

**House Appropriations
Subcommittee on Education**

**Proposed Special Provisions for
S744: Appropriations Act of 2014**



June 10, 2014

FUNDS FOR CHILDREN WITH DISABILITIES

SECTION 8.1. The State Board of Education shall allocate additional funds for children with disabilities on the basis of three thousand seven hundred sixty-eight dollars and eleven cents (\$3,768.11) per child for the 2014-2015 fiscal year. Each local school administrative unit shall receive funds for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and five-tenths percent (12.5%) of its 2014-2015 allocated average daily membership in the local school administrative unit. The dollar amounts allocated under this section for children with disabilities shall also adjust in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve children with disabilities.

FUNDS FOR ACADEMICALLY GIFTED CHILDREN

SECTION 8.2. The State Board of Education shall allocate additional funds for academically or intellectually gifted children on the basis of one thousand two hundred thirty-nine dollars and sixty-five cents (\$1,239.65) per child for the 2014-2015 fiscal year. A local school administrative unit shall receive funds for a maximum of four percent (4%) of its 2014-2015 allocated average daily membership, regardless of the number of children identified as academically or intellectually gifted in the unit. The dollar amounts allocated under this section for academically or intellectually gifted children shall also adjust in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve academically or intellectually gifted children.

CERTAIN EDUCATION-BASED SALARY SUPPLEMENTS

SECTION 8.3. Section 8.22 of S.L. 2013-360 reads as rewritten:

~~"SECTION 8.22. SECTION 8.22.(a)~~ Notwithstanding Section 35.11 of this act, ~~no only the following teachers or and instructional support personnel, except for certified school nurses and instructional support personnel in positions for which a master's degree is required for licensure, personnel shall be paid on the "M" salary schedule or receive a salary supplement for academic preparation at the six-year degree level or at the doctoral degree level for the 2014-2015 school year, unless they were paid on that salary schedule or received that salary supplement prior to the 2014-2015 school year and subsequent school years:~~

- (1) Certified school nurses and instructional support personnel in positions for which a master's degree is required for licensure.
- (2) Teachers and instructional support personnel who were paid on that salary schedule or received that salary supplement prior to the 2014-2015 school year.
- (3) Teachers and instructional support personnel who (i) complete a degree at the master's, six-year, or doctoral degree level for which they completed at least one course prior to July 1, 2013, and (ii) would have qualified for the salary supplement pursuant to State Board of Education policy, TCP-A-006, as it was in effect on June 30, 2013.
- (4) Teachers and instructional support personnel who do not qualify under subdivisions (1), (2), and (3) of this subsection but who spend at least seventy percent (70%) of their work time in either of the following:
 - a. Classroom instruction in the field or subject area of their graduate academic preparation or in their area of licensure. Most of the teachers' remaining time shall be spent in one or more of the following:
 1. Mentoring teachers.
 2. Performing demonstration lessons for teachers.
 3. Writing curricula.

4. Developing and leading staff development programs for teachers.

b. Work within the employee's area of graduate academic preparation.

"SECTION 8.22.(b) Beginning with the 2014-2015 fiscal year and subsequent fiscal years thereafter, for teachers who are paid on the "M" salary schedule under subdivision (4) of subsection (a) of this section, determination of whether teachers and instructional support personnel shall be paid on the "M" salary schedule or receive a salary supplement for academic preparation shall take place on an annual basis. Teachers and instructional support personnel may be moved off of the "M" salary schedule or discontinue receiving salary supplements if they are not meeting the requirements of subdivision (4) of subsection (a) of this section in that year.

"SECTION 8.22.(c) Unless an individual otherwise qualifies under subdivision (2) or (3) of subsection (a) of this section, teachers and instructional support personnel who earn an advanced degree in school administration shall not be paid on the "M" salary schedule or receive a salary supplement for academic preparation unless they serve as an assistant principal or principal."

FUNDS FOR SMALL COUNTY SCHOOL ADMINISTRATIVE UNITS

SECTION 8.4. Section 8.4 of S.L. 2013-360, as amended by Section 3.11 of S.L. 2013-363, reads as rewritten:

"SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING

"SECTION 8.4.(d) Allotment ~~Formula~~Schedule for the 2014-2015 Fiscal Year. – Except as otherwise provided in ~~subsection-subsections (e) and (g)~~ of this section, for the 2014-2015 fiscal year, each eligible county school administrative unit shall receive a dollar allotment equal to the product of the following: ~~according to the following schedule:~~

(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.~~

<u>Allotted ADM</u>	<u>Small County Allotment</u>
0-600	\$ 1,710,000
601-1,300	\$ 1,820,000
1,301-1,700	\$ 1,548,700
1,701-2,000	\$ 1,600,000
2,001-2,300	\$ 1,560,000
2,301-2,600	\$ 1,470,000
2,601-2,800	\$ 1,498,000
2,801-3,200	\$ 1,548,000

"SECTION 8.4.(e) Phase-Out Provisions for the 2014-2015 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the ~~formula~~schedule in subsection (d) of this section in the 2014-2015 fiscal year, 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 2013-2014 in any fiscal year.

1 ~~"SECTION 8.4.(f) Maximum Allotments for the 2014 2015 Fiscal Year. For the~~
2 ~~2014 2015 fiscal year, the maximum small school system dollars per student shall be two~~
3 ~~thousand ninety four dollars (\$2,094).~~

4"

6 BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION

7 SECTION 8.6. Section 8.6 of S.L. 2013-360 reads as rewritten:

8 "SECTION 8.6.(a) Notwithstanding G.S. 143C-6-4, the Department of Public Instruction
9 may, after consultation with the Office of State Budget and Management and the Fiscal
10 Research Division, reorganize, if necessary, to implement the budget reductions set out in this
11 act for the 2013-2015 fiscal biennium. Consultation shall occur prior to requesting budgetary
12 and personnel changes through the budget revision process. The Department shall provide a
13 current organization chart in the consultation process and shall report to the Joint Legislative
14 Commission on Governmental Operations on any reorganization.

15 "SECTION 8.6.(b) In implementing budget reductions for the 2014-2015 fiscal year, the
16 Department of Public Instruction shall make no reduction to funding or positions for the North
17 Carolina Center for Advancement of Teaching, the Eastern North Carolina School for the Deaf,
18 the North Carolina School for the Deaf, and the Governor Morehead School and shall make no
19 reduction in funding to any of the following entities:

20 (1) Communities in Schools of North Carolina, Inc.

21 (2) Teach for America, Inc.

22 (3) Beginnings For Parents of Children Who Are Deaf or Hard of Hearing, Inc."

24 CLARIFY CARRYFORWARD FOR SUMMER READING CAMPS

25 SECTION 8.7.(a) Section 8.16 of S.L. 2013-360 reads as rewritten:

26 "SECTION 8.16. Funds appropriated for the 2013-2015 fiscal biennium and subsequent
27 fiscal years for summer reading camps as defined in G.S. 115C-83.3(9) shall not revert at the
28 end of each fiscal year but shall remain available until expended for expenditure until August
29 31 of the subsequent fiscal year."

30 SECTION 8.7.(b) This section becomes effective June 30, 2014.

32 CARRYFORWARD FOR PANIC ALARM GRANTS

33 SECTION 8.8.(a) Section 8.37 of S.L. 2013-360 is amended by adding a new
34 subsection to read:

35 "SECTION 8.37.(b1) Grants to local school administrative units shall not revert at the end
36 of the fiscal year but shall remain available for expenditure until the end of the subsequent
37 fiscal year."

38 SECTION 8.8.(b) This section becomes effective June 30, 2014.

40 STATE BOARD OF EDUCATION NOTIFICATION TO THE GENERAL ASSEMBLY 41 OF FEDERAL GRANT APPLICATIONS

42 SECTION 8.9. G.S. 115C-12 is amended by adding a new subdivision to read:

43 "§ 115C-12. Powers and duties of the Board generally.

44 The general supervision and administration of the free public school system shall be vested
45 in the State Board of Education. The State Board of Education shall establish policy for the
46 system of free public schools, subject to laws enacted by the General Assembly. The powers
47 and duties of the State Board of Education are defined as follows:

48 ...

49 (42) To notify the General Assembly of federal grant applications. – The State
50 Board of Education shall provide written notification to the General
51 Assembly in accordance with G.S. 120-29.5 and to the Fiscal Research

Division of its intent to apply for any federal grant prior to submitting the grant application. The notice shall include details about the grant and a brief summary of any anticipated policy implications of accepting the grant."

PROPERTY INSURANCE SYSTEM FOR CHARTER SCHOOLS

SECTION 8.10. G.S. 115C-533 reads as rewritten:

"§ 115C-533. Duty of State Board to operate insurance system.

The State Board of Education shall have the duty to manage and operate a system of insurance for public school property. The State Board may offer a system of property insurance to any charter schools approved pursuant to G.S. 115C-238.29D."

CLARIFY MILITARY SERVICE CREDIT FOR NEWLY HIRED EDUCATORS

SECTION 8.12. G.S. 115C-302.3(a) reads as rewritten:

"(a) The State Board of Education shall establish rules for awarding credit for salary purposes to principals, assistant principals, and ~~teacher~~teachers, who (i) served in the Armed Forces of the United States and who ~~States~~; (ii) have retired or who have received an Honorable Discharge; ~~Discharge~~; and (iii) have not been previously employed by a public school located in North Carolina. The rules shall include the following provisions:

- (1) One full year of experience credit shall be awarded for each year of full-time relevant nonteaching work experience completed (i) while on active military duty in the Armed Forces of the United States and (ii) after earning a bachelor's degree.
- (2) One full year of experience credit shall be awarded for each two years of full-time relevant nonteaching work experience completed (i) while on active duty in the Armed Forces of the United States and (ii) before earning a bachelor's degree.
- (3) One full year of experience credit shall be awarded for every two years of full-time instructional or leadership duties while on active military duty in the Armed Forces of the United States, regardless of academic degree held while in instruction or leadership roles."

FUNDS FOR ADVANCED PLACEMENT/INTERNATIONAL BACCALAUREATE COURSES

SECTION 8.17. Section 8.27(d) of S.L. 2013-360 reads as rewritten:

"SECTION 8.27.(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 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.

If the funds appropriated for the 2014-2015 fiscal year and subsequent fiscal years are insufficient, the Department of Public Instruction may use other funds within the State Public School Fund for these purposes."

JLEOC STUDY OF NCVPS REVENUE

SECTION 8.18.(a) The Joint Legislative Education Oversight Committee shall study the potential generation of revenue by the North Carolina Virtual Public School Program

(NCVPS) by selling virtual course seats in under-subscribed courses to out-of-state students, selling training courses to in-State and out-of-state educators, and selling packages of educational materials to out-of-state education entities. The Committee shall consider issues related to authorizing NCVPS to expand as a for-profit online education provider, including intellectual property barriers, the use of public-private partnerships for expansion of marketing outside of the State, potential fiscal benefits to the State, concerns related to allowing NCVPS to enter the private commercial marketplace as an online education provider, and any other issues the Committee deems relevant.

SECTION 8.18.(b) The Joint Legislative Education Oversight Committee shall report the results of the study required by subsection (a) of this section, including recommendations for any proposed legislative changes, to the General Assembly prior to the convening of the 2015 General Assembly.

COMPETITIVE GRANTS TO IMPROVE AFTER-SCHOOL SERVICES

SECTION 8.19.(a) Of the funds appropriated by this act for the At-Risk Student Services Alternative School Allotment for the 2014-2015 fiscal year, the State Board of Education shall use five million dollars (\$5,000,000) for the After-School Quality Improvement Grant Program administered by the Department of Public Instruction. It is the intent of the General Assembly to appropriate five million dollars (\$5,000,000) for this purpose in each year of the 2015-2017 fiscal biennium. Of the funds appropriated for the program, the Department of Public Instruction may use up to two hundred thousand dollars (\$200,000) for each fiscal year to administer the program.

SECTION 8.19.(b) The purpose of the After-School Quality Improvement Grant Program is to pilot after-school learning programs for at-risk students that raise standards for student academic outcomes by focusing on the following:

- (1) Use of an evidence-based model with a proven track record of success.
- (2) Inclusion of rigorous, quantitative performance measures to confirm their effectiveness during the grant cycle and at the end-of-grant cycle.
- (3) Full integration with State performance measures and student academic goals.
- (4) Expansion for wider use in North Carolina.
- (5) Prioritization of science, technology, engineering, and mathematics (STEM) learning opportunities.
- (6) Expansion of student access to learning activities and academic support that strengthen student engagement and leverage community-based resources, which may include organizations that provide mentoring services and private-sector employer involvement.

SECTION 8.19.(c) Local school administrative units and nonprofits working in collaboration with local school administrative units may participate in the program, as set forth in this section, and are eligible to receive two-year grants of up to five hundred thousand dollars (\$500,000) a year, based on the 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 8.19.(d) 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 State academic 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 data.

SECTION 8.19.(e) The Department of Public Instruction shall provide interim reports on the grant program to the Joint Legislative Education Oversight Committee by September 15, 2015, and September 15, 2016, with a final report on the program by September 15, 2017. The final report shall include the final results of the program and recommendations regarding effective after-school program models, standards, and performance measures based on student performance and the experience of the grant recipients.

SCHEMATIC DESIGNS/EMERGENCY ACCESS TO SCHOOLS

SECTION 8.20.(a) Section 8.39 of S.L. 2013-360 is repealed.

SECTION 8.20.(b) Article 8C of Chapter 115C of the General Statutes is amended by adding new sections to read:

"§ 115C-105.53. Schematic diagrams and emergency access to school buildings for local law enforcement agencies.

(a) Each local school administrative unit shall provide the following to local law enforcement agencies: (i) schematic diagrams, including digital schematic diagrams, and (ii) emergency access to key storage devices such as KNOX[®] boxes for all school buildings. Local school administrative units 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 buildings. Local school administrative units shall also be responsible for providing local law enforcement agencies with updated access to school building key storage devices such as KNOX[®] boxes when changes are made to these boxes or devices.

(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. Local school administrative units may use these standards and guidelines to assist in the preparation of their schematic diagrams.

(c) Schematic diagrams are not considered 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.

"§ 115C-105.54. Schematic diagrams and emergency response information provided to Division of Emergency Management.

(a) Each local school administrative unit shall provide the following to the Division of Emergency Management (Division) at the Department of Public Safety: (i) schematic diagrams, including digital schematic diagrams, and (ii) emergency response information requested by the Division for the School Risk Management Plan (SRMP) and the School Emergency Response Plan (SERP). Local school administrative units shall also provide updated schematic diagrams and emergency response information to the Division when such updates are made. The Division shall ensure that the diagrams and emergency response information are securely stored and distributed as provided in the SRMP and SERP to first responders, emergency personnel, and school personnel and approved by the Department of Public Instruction.

(b) The schematic diagrams and emergency response information are not considered 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 8.20.(c) The schematic diagrams referenced in subsection (b) of this section shall be provided to local law enforcement agencies and the Division of Emergency Management at the Department of Public Safety by June 1, 2015.

NBPTS SUPPLEMENT FOR INSTRUCTIONAL COACHES IN TITLE I SCHOOLS

SECTION 8.21. G.S. 115C-296.2(b) reads as rewritten:

"(b) Definitions. – As used in this subsection:

(1) A "North Carolina public school" is a school operated by a local board of education, the Department of Health and Human Services, the Division of Adult Correction of the Department of Public Safety, the Division of Juvenile Justice of the Department of Public Safety or The University of North Carolina; a school affiliated with The University of North Carolina; or a charter school approved by the State Board of Education.

(2) A "teacher" is a person who:

a. Either:

1. Is certified to teach in North Carolina; or
2. Holds a certificate or license issued by the State Board of Education that meets the professional license requirement for NBPTS ~~certification~~; certification.

b. Is a State-paid employee of a North Carolina public ~~school~~; school.

c. Is paid on the teacher salary ~~schedule~~; and schedule.

d. Spends at least seventy percent (70%) of his or her work time:

1. In classroom instruction, if the employee is employed as a teacher. Most of the teacher's remaining time shall be spent in one or more of the following: mentoring teachers, doing demonstration lessons for teachers, writing curricula, developing and leading staff development programs for teachers; ~~or~~
2. In work within the employee's area of certification or licensure, if the employee is employed in an area of NBPTS certification other than direct classroom ~~instruction~~; instruction; or
3. As an instructional coach, as classified by the Department of Public Instruction, in a Title I school. As used in this sub-sub-subdivision, a Title I school is a school identified under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended."

JLEOC STUDY DIAGNOSTIC READING ASSESSMENTS FOR READ TO ACHIEVE

SECTION 8.22.(a) The Joint Legislative Education Oversight Committee shall study the formative and diagnostic reading assessments required by the Department of Public Instruction to meet the provisions of the Read to Achieve Program. The study shall examine whether there are additional options for formative and diagnostic reading assessments that would provide local school administrative units with additional flexibility in meeting the requirements of Read to Achieve, and if fewer assessment instruments or data-gathering activities could be used. When considering additional assessments, the Committee shall review the assessments to see if they could be used with the Education Value-Added Assessment System (EVAAS) in analyzing student growth for the purposes of the teacher evaluation instrument for kindergarten through second grade teachers. The Committee shall also identify other assessments that may be used in analyzing student growth for the purposes of the teacher evaluation instrument for kindergarten through second grade teachers. In identifying additional options for both formative and diagnostic reading assessments, and other assessments for analyzing student growth for the purposes of the teacher evaluation, the Committee shall consider at least the following factors:

(1) The time required for conducting assessments.

(2) The level of integration of assessment results with instructional support for teachers and students.

- (3) The timeliness in reporting assessment results to teachers and administrators.
- (4) The ability to provide timely and useful assessment results to parents and guardians.

SECTION 8.22.(b) The Joint Legislative Education Oversight Committee shall report the results of the study required by subsection (a) of this section to the General Assembly prior to the convening of the 2015 General Assembly.

SUPPLY OF EMERGENCY EPINEPHRINE AUTO-INJECTORS ON SCHOOL PROPERTY

SECTION 8.23.(a) Article 25A of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-375.2A. School supply of epinephrine auto-injectors.

(a) A local board of education shall provide for a supply of emergency epinephrine auto-injectors on school property and at school-sponsored events on school grounds for use by trained school personnel to provide emergency medical aid to persons suffering from an anaphylactic reaction. Each school shall store in a secure but easily accessible location a minimum of two epinephrine auto-injectors. For purposes of this section, "school property" does not include transportation to or from school.

(b) For the purposes of this section and G.S. 115C-375.2, "epinephrine auto-injector" means a disposable drug delivery system with a spring-activated, concealed needle that is designed for emergency administration of epinephrine to provide rapid, convenient first aid for persons suffering a potentially fatal reaction to anaphylaxis.

(c) The principal shall designate one or more school personnel, as part of the medical care program under G.S. 115C-375.1, to receive initial training and annual retraining from a school nurse or qualified representative of the local health department regarding the storage and emergency use of an epinephrine auto-injector. Notwithstanding any other provision of law to the contrary, the school nurse or other designated school personnel who has received training under this subsection shall obtain a prescription for epinephrine auto-injectors from a physician, physician assistant, or nurse practitioner of the local health department serving the area in which the local school administrative unit is located.

(d) The principal shall collaborate with appropriate school personnel to develop an emergency action plan for the use of epinephrine auto-injectors in an emergency. The plan shall include at least the following components:

- (1) Standards and procedures for the storage and emergency use of epinephrine auto-injectors by trained school personnel.
- (2) Techniques for recognizing symptoms of anaphylaxis.
- (3) Emergency follow-up procedures, including calling emergency services and contacting a student's parent and physician.
- (4) Instruction and certification in cardiopulmonary resuscitation.

(e) A supply of emergency epinephrine auto-injectors provided in accordance with this section shall not be used as the sole medication supply for students known to have a medical condition requiring the availability or use of an epinephrine auto-injector. Those students may be authorized to possess and self-administer their asthma medication on school property under G.S. 115C-375.2.

(f) A local board of education, its members, employees, designees, agents, or volunteers, and a physician, physician assistant, or nurse practitioner of the local health department shall not be liable in civil damages to any party for any act authorized by this section or for any omission relating to that act unless that act or omission amounts to gross negligence, wanton conduct, or intentional wrongdoing."

SECTION 8.23.(b) G.S. 115C-238.29F(a) reads as rewritten:

"(a) Health and Safety Standards. – A charter school shall meet the same health and safety requirements required of a local school administrative unit. The Department of Public Instruction shall ensure that charter schools provide parents and guardians with information about meningococcal meningitis and influenza and their vaccines at the beginning of every school year. This information shall include the causes, symptoms, and how meningococcal meningitis and influenza are spread and the places where parents and guardians may obtain additional information and vaccinations for their children.

The Department of Public Instruction shall also ensure that charter schools provide parents and guardians with information about cervical cancer, cervical dysplasia, human papillomavirus, and the vaccines available to prevent these diseases. This information shall be provided at the beginning of the school year to parents of children entering grades five through 12. This information shall include the causes and symptoms of these diseases, how they are transmitted, how they may be prevented by vaccination, including the benefits and possible side effects of vaccination, and the places where parents and guardians may obtain additional information and vaccinations for their children.

The Department of Public Instruction shall also ensure that charter schools provide students in grades seven through 12 with information annually on the preventable risks for preterm birth in subsequent pregnancies, including induced abortion, smoking, alcohol consumption, the use of illicit drugs, and inadequate prenatal care.

The Department of Public Instruction shall also ensure that charter schools provide students in grades nine through 12 with information annually on the manner in which a parent may lawfully abandon a newborn baby with a responsible person, in accordance with G.S. 7B-500.

The Department of Public Instruction shall also ensure that the guidelines for individual diabetes care plans adopted by the State Board of Education under G.S. 115C-12(31) are implemented in charter schools in which students with diabetes are enrolled and that charter schools otherwise comply with the provisions of G.S. 115C-375.3.

The Department of Public Instruction shall ensure that charter schools comply with G.S. 115C-375.2A. The board of directors of a charter school shall provide the school with a supply of emergency epinephrine auto-injectors necessary to carry out the provisions of G.S. 115C-375.2A."

SECTION 8.23.(c) G.S. 115C-238.66(7) reads as rewritten:

"(7) Health and safety. – The board of directors shall require that the regional school meet the same health and safety standards required of a local school administrative unit.

The Department of Public Instruction shall ensure that regional schools comply with G.S. 115C-375.2A. The board of directors of a regional school shall provide the school with a supply of emergency epinephrine auto-injectors necessary to carry out the provisions of G.S. 115C-375.2A."

SECTION 8.23.(d) By September 1, 2014, the North Carolina Board of Pharmacy, in consultation with the State Board of Education, shall adopt rules addressing the authorization for school personnel to obtain a prescription for epinephrine for emergency health circumstances in public schools in accordance with G.S. 115C-375.2A, as enacted by this section.

SECTION 8.23.(e) Subsections (a) through (c) of this section apply beginning with the 2014-2015 school year.

PERMIT LOCAL BOARDS OF EDUCATION TO USE STATE FUNDS FOR SUPPLEMENTAL SALARIES AND DIFFERENTIAL PAY FOR SCHOOL PERSONNEL

SECTION 8.24. Subject to the limitations set forth in G.S. 115C-105.25(b), beginning with the 2014-2015 fiscal year and for subsequent fiscal years thereafter, the State

Board of Education shall permit local boards of education to transfer, at the discretion of the local board, any available State funds into an allotment category to provide supplemental salaries and differential pay for school personnel.

OPPORTUNITY SCHOLARSHIP GRANT CLARIFICATIONS

SECTION 8.25.(a) G.S. 115C-562.2(a) reads as rewritten:

"(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~~, March 15, 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.

...."

SECTION 8.25.(b) G.S. 115C-562.2 is amended by adding a new subsection to read:

"(e) Scholarship applications and personally identifiable information related to eligible students receiving scholarship grants shall not be a public record under Chapter 132 of the General Statutes. For the purposes of this section, personally identifiable information means any information directly related to a student or members of a student's household, including the name, birthdate, address, social security number, telephone number, e-mail address, financial information, or any other information or identification number that would provide information about a specific student or members of a specific student's household."

SECTION 8.25.(c) G.S. 115C-562.3(a) reads as rewritten:

"(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~~ annually, including those with apparent errors on the face of the application. 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."

SECTION 8.25.(d) G.S. 115C-562.5 is amended by adding a new subsection to read:

"(c1) A nonpublic school shall not discriminate with respect to the categories listed in 42 U.S.C. § 2000d, as that statute read on January 1, 2014."

SECTION 8.25.(e) G.S. 115C-562.7(a) is repealed.

SECTION 8.25.(f) G.S. 115C-562.7(b) reads as rewritten:

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

...."

SECTION 8.25.(g) Notwithstanding the requirements of G.S. 115C-562.2, as amended by this section, no applications for the 2014-2015 school year shall be accepted by the State Education Assistance Authority after February 25, 2014. To the extent the total appropriation for scholarship grants is not awarded prior to the fall semester of the 2014-2015 school year, the State Education Assistance Authority may reopen applications for award of scholarship grants for the spring semester of the 2014-2015 school year.

SECTION 8.25.(h) Notwithstanding the requirements of G.S. 115C-562.3, as amended by this section, for applications received for the 2014-2015 school year, the State

Education Assistance Authority shall select and verify no less than three percent (3%) of applications, including those with apparent errors on the face of the application.

SECTION 8.25.(i) Of the funds appropriated to the Board of Governors of The University of North Carolina for the 2014-2015 fiscal year to award scholarship grants to eligible students in accordance with Section 8.29 of S.L. 2013-360 and the provisions of this section, any unspent funds in the 2014-2015 fiscal year for this purpose shall revert to the General Fund on June 30, 2015.

SECTION 8.25.(j) Subsection (b) of this section becomes effective July 1, 2013. The remainder of this section is effective when it becomes law.

INJURY PREVENTION AND RETURN-TO-WORK PROGRAMS

SECTION 8.26. G.S. 115C-12 is amended by adding a new subdivision to read:

"(42) To Ensure that Local Boards of Education Implement Injury Prevention and Return-to-Work Programs. – The State Board of Education shall develop policies and procedures to ensure that local boards of education implement and comply with loss prevention and return-to-work programs based on models adopted by the State Board. These models shall be designed to reduce the number of injuries resulting in workers' compensation claims and ensure injured employees with workers' compensation claims return to work in accordance with current State Board of Education policy."

PARTICIPATION IN INVESTING IN INNOVATION GRANTS

SECTION 8.27. Section 8.25(b) of S.L. 2013-360 reads as rewritten:

"SECTION 8.25.(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 10th grade. Notwithstanding any other provision of law, specified local school administrative units may offer one community college course to participating sophomore (10th grade) students. Participating local school administrative units are Alleghany, Beaufort, Bladen, Hertford, Jones, Madison, Martin, Richmond, Rutherford, Surry, Warren, ~~Wilkes~~, and Yancey County Schools."

DEPARTMENT OF PUBLIC INSTRUCTION RESPONSE TIME

SECTION 8.28. Staff at the Department of Public Instruction shall respond to local school administrative unit requests for information within three business days of receipt of the request.

READ TO ACHIEVE STUDENT PORTFOLIOS

SECTION 8.29.(a) If House Bill 230, 2013 Regular Session, becomes law, then G.S. 115C-83.3(8), as amended by that act, reads as rewritten:

"(8) "Student reading portfolio" means a compilation of independently produced student work selected by the student's teacher, beginning during the first half of the school year, and signed by the teacher and principal, as an accurate picture of the student's reading ability. ~~proficiency.~~ The student reading portfolio shall include an organized collection of evidence of the student's mastery of the State's reading standards that are assessed by the State approved standardized test of reading comprehension administered to third grade students. ~~reading proficiency.~~ A single piece of evidence may show mastery of up to two standards. For each benchmark, ~~reading standard,~~ there shall be three examples of student work-work, gathered over the course of the school year, demonstrating mastery by a grade of seventy percent

(70%) or above the student's reading proficiency. A student reading portfolio shall only be compiled with students when it is determined that administration of a standardized test of reading comprehension would likely not yield positive findings of a student's reading proficiency."

SECTION 8.29.(b) If House Bill 230, 2013 Regular Session, becomes law, then G.S. 115C-83.7(b)(4), as amended by that act, reads as rewritten:

"(4) Students who demonstrate, through a student reading portfolio, reading proficiency appropriate for third grade students. Student reading portfolio and review processes used by local school administrative units shall be approved by the State Board of Education. A local school administrative unit implementing the student reading portfolio process established by the State Board of Education shall limit the use of this portfolio process only to a student for whom it is appropriate as determined by a student's parents, teacher, and principal, and shall discontinue administration of the portfolio passages whenever a student is not demonstrating reading proficiency."

SCHOOL PERFORMANCE SCORES AND GRADES

SECTION 8.30. If House Bill 230, 2013 Regular Session, becomes law, then G.S. 115C-83.15(d), as amended by that act, reads as rewritten:

"(d) Calculation of the School Performance Scores and Grades. – The State Board of Education shall use EVAAS to calculate the school performance score by adding the school achievement score, as provided in subsection (b) of this section, and the school growth score, as provided in subsection (c) of this section, earned by a school. The school achievement score shall account for ~~eighty percent (80%)~~, ~~twenty percent (20%)~~, and the school growth score shall account for ~~twenty percent (20%)~~ eighty percent (80%) of the total sum. If a school has met expected growth and inclusion of the school's growth score reduces the school's performance score and grade, a school may choose to use the school achievement score solely to calculate the performance score and grade. For all schools, the total school performance score shall be converted to a 100-point scale and used to determine a school performance grade based on the following scale:

- (1) A school performance score of at least ~~90-85~~ is equivalent to an overall school performance grade of A.
- (2) A school performance score of at least ~~80-70~~ is equivalent to an overall school performance grade of B.
- (3) A school performance score of at least ~~70-55~~ is equivalent to an overall school performance grade of C.
- (4) A school performance score of at least ~~60-40~~ is equivalent to an overall school performance grade of D.
- (5) A school performance score of less than ~~60-40~~ points is equivalent to an overall school performance grade of F."

RURAL CHARTER SCHOOL DEVELOPMENT PILOT PROGRAM

SECTION 8.31.(a) Parents for Educational Freedom in North Carolina, Inc., (PEFNC) shall use up to three hundred thousand dollars (\$300,000) in nonrecurring funds made available to it under this act for the 2014-2015 fiscal year to provide grant funding to participants for the development of up to 12 charter schools in counties with currently less than a sixty-five percent (65%) average passage rate on end-of-grade and end-of-course tests. State funds shall only be used to provide grants to participants in the pilot program and shall not be used by PEFNC for its overhead costs in administering the program.

SECTION 8.31.(b) PEFNC shall match State funds available to it under this act on the basis of one dollar (\$1.00) 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 8.31.(c) PEFNC shall require that grant recipients participating in the pilot program meet at least all of the following conditions:

- (1) The recipient has been approved by the State Board of Education to operate a charter school.
- (2) The charter school shall be located in a county with less than a sixty-five percent (65%) average passage rate on end-of-grade and end-of-course tests.
- (3) The recipient charter school shall be subject to audit oversight by the State Auditor.

SECTION 8.31.(d) PEFNC may provide grants of up to one hundred thousand dollars (\$100,000) to recipients for an initial planning year.

SECTION 8.31.(e) By March 15, 2015, and annually thereafter, PEFNC shall submit to the Joint Legislative Education Oversight Committee a report on the progress of the pilot program, an accounting of expenditures, and the status of grant recipients.

ANNUAL DISTRIBUTION OF SCHOOL BULLYING/CYBER-BULLYING POLICIES

SECTION 8.32.(a) G.S. 115C-407.16(d) reads as rewritten:

"(d) At the beginning of each school year, the principal shall provide the local school administrative unit's policy prohibiting bullying and harassing behavior, including cyber-bullying, to staff, students, and parents as defined in G.S. 115C-390.1(b)(8). Notice of the local policy shall appear in any school unit publication that sets forth the comprehensive rules, procedures, and standards of conduct for schools within the school unit and in any student and school employee handbook."

SECTION 8.32.(b) This section applies beginning with the 2014-2015 school year.

PART IX. COMPENSATION OF PUBLIC SCHOOL EMPLOYEES

TEACHER SALARY SCHEDULE

SECTION 9.1.(a) The following monthly salary schedules shall apply for the 2014-2015 fiscal year to certified personnel of the public schools who are classified as teachers. The schedules contain 37 steps, with each step corresponding to one year of teaching experience.

2014-2015 Monthly Salary Schedule

Years of Experience	"A" Teachers	
	"A" Teachers	NBPTS Certification
0-2	3,300	-
3-5	3,300	3,696
6	3,318	3,716
7	3,383	3,789
8	3,490	3,909
9	3,601	4,033
10	3,708	4,153
11	3,812	4,269
12	3,899	4,367
13	3,949	4,423
14	4,000	4,480
15	4,052	4,538
16	4,104	4,596
17	4,156	4,655
18	4,211	4,716

1	19	4,266	4,778
2	20	4,322	4,841
3	21	4,380	4,906
4	22	4,438	4,971
5	23	4,500	5,040
6	24	4,561	5,108
7	25	4,622	5,177
8	26	4,686	5,248
9	27	4,750	5,320
10	28	4,819	5,397
11	29	4,886	5,472
12	30	4,962	5,557
13	31	5,041	5,646
14	32	5,087	5,697
15	33	5,135	5,751
16	34	5,183	5,805
17	35	5,249	5,879
18	36+	5,318	5,956

2014-2015 Monthly Salary Schedule

"M" Teachers

Years of Experience	"M" Teachers	NBPTS Certification
0-2	3,630	-
3-5	3,630	4,066
6	3,650	4,088
7	3,721	4,168
8	3,839	4,300
9	3,961	4,436
10	4,079	4,568
11	4,193	4,696
12	4,289	4,804
13	4,344	4,865
14	4,400	4,928
15	4,457	4,992
16	4,514	5,056
17	4,572	5,121
18	4,632	5,188
19	4,693	5,256
20	4,754	5,324
21	4,818	5,396
22	4,882	5,468
23	4,950	5,544
24	5,017	5,619
25	5,084	5,694
26	5,155	5,774
27	5,225	5,852
28	5,301	5,937
29	5,375	6,020
30	5,458	6,113
31	5,545	6,210
32	5,596	6,268
33	5,649	6,327

1	34	5,701	6,385
2	35	5,774	6,467
3	36+	5,850	6,552

4 **SECTION 9.1.(b)** Annual longevity payments for teachers shall be at the rate of
5 one and one-half percent (1.5%) of base salary for 10 to 14 years of State service, two and
6 twenty-five hundredths percent (2.25%) of base salary for 15 to 19 years of State service, three
7 and twenty-five hundredths percent (3.25%) of base salary for 20 to 24 years of State service,
8 and four and one-half percent (4.5%) of base salary for 25 or more years of State service. The
9 longevity payment shall be paid in a lump sum once a year.

10 **SECTION 9.1.(c)** Certified public schoolteachers with certification based on
11 academic preparation at the six-year degree level shall receive a salary supplement of one
12 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided for
13 certified personnel of the public schools who are classified as "M" teachers. Certified public
14 schoolteachers with certification based on academic preparation at the doctoral degree level
15 shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month in
16 addition to the compensation provided for certified personnel of the public schools who are
17 classified as "M" teachers.

18 **SECTION 9.1.(d)** The first step of the salary schedule for school psychologists
19 shall be equivalent to Step 10, corresponding to 10 years of experience, on the salary schedule
20 established in this section for certified personnel of the public schools who are classified as
21 "M" teachers. Certified psychologists shall be placed on the salary schedule at an appropriate
22 step based on their years of experience. Certified psychologists shall receive longevity
23 payments based on years of State service in the same manner as teachers.

24 Certified psychologists with certification based on academic preparation at the
25 six-year degree level shall receive a salary supplement of one hundred twenty-six dollars
26 (\$126.00) per month in addition to the compensation provided for certified psychologists.
27 Certified psychologists with certification based on academic preparation at the doctoral degree
28 level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month
29 in addition to the compensation provided for certified psychologists.

30 **SECTION 9.1.(e)** Speech pathologists who are certified as speech pathologists at
31 the master's degree level and audiologists who are certified as audiologists at the master's
32 degree level and who are employed in the public schools as speech and language specialists and
33 audiologists shall be paid on the school psychologist salary schedule.

34 Speech pathologists and audiologists with certification based on academic
35 preparation at the six-year degree level shall receive a salary supplement of one hundred
36 twenty-six dollars (\$126.00) per month in addition to the compensation provided for speech
37 pathologists and audiologists. Speech pathologists and audiologists with certification based on
38 academic preparation at the doctoral degree level shall receive a salary supplement of two
39 hundred fifty-three dollars (\$253.00) per month in addition to the compensation provided for
40 speech pathologists and audiologists.

41 **SECTION 9.1.(f)** Certified school nurses who are employed in the public schools
42 as nurses shall be paid on the "M" salary schedule.

43 **SECTION 9.1.(g)** As used in this section, the term "teacher" shall also include
44 instructional support personnel.

45 **SECTION 9.1.(h)** Section 35.11 of S.L. 2013-360 is repealed.
46

47 **REPEAL OF SESSION LAWS REPEALING CAREER STATUS**

48 **SECTION 9.4.(a)** Section 9.6(a) of S.L. 2013-360 is repealed.

49 **SECTION 9.4.(b)** Section 9.6(f) of S.L. 2013-360 reads as rewritten:

50 **"SECTION 9.6.(f)** G.S. 115C-325(c)(1) through (c)(3) and G.S. 115-325(c)(5) and (c)(6)
51 are repealed effective August 1, 2013. Individuals who have not received career status prior to

the 2013-2014 school year shall not be granted career status during the 2013-2014 school year. All teachers who have not been granted career status prior to the 2013-2014 school year shall be offered only one-year contracts, except for qualifying teachers offered a four-year contract as provided in subsection (g) of this section, until the 2018-2019 school year."

SECTION 9.4.(c) Section 9.6(i) of S.L. 2013-360 is repealed.

SECTION 9.4.(d) Section 9.6(j) of S.L. 2013-360 reads as rewritten:

"SECTION 9.6.(j) Subsection (b) of this section becomes effective July 1, 2014. G.S. 115C-325.1 through G.S. 115C-325.13, as enacted by this section, shall apply to all teachers—teachers currently employed as of July 1, 2014, on one—or four-year contracts—a contract or who are employed on contract after beginning July 1, 2014. G.S. 115C-325.1 through G.S. 115C-325.13, as enacted by this section, shall apply to all teachers employed by local boards of education or the State on or after July 1, 2018."

SECTION 9.4.(e) Section 9.6(k) of S.L. 2013-360 reads as rewritten:

"SECTION 9.6.(k) Subsections (c) and (d) of this section become effective July 1, 2014, and apply to all employees employed by a local board of education as of that date ~~on and~~ employees hired or reemployed on or after that date."

SECTION 9.4.(f) Subsections (o) through (t) and (v) through (x) of Section 9.7 of S.L. 2013-360 are repealed.

SECTION 9.4.(g) Subsection 9.7(y) of S.L. 2013-360 reads as rewritten:

"SECTION 9.7.(y) Subsection (u) of this section becomes effective August 1, 2013. Subsections (a) through (n) of this section become effective July 1, 2014. Subsections (o) through (t) and (v) through (x) become effective June 30, 2018."

SYSTEM OF EMPLOYMENT FOR TEACHERS WITH CAREER STATUS

SECTION 9.6.(a) G.S. 115C-325 reads as rewritten:

"§ 115C-325. System of employment for public school teachers.

(a) Definition of Terms. — As used in this section unless the context requires otherwise:

(1) Repealed by Session Laws 1997-221, s. 13(a).

(1a) "Career employee" as used in this section ~~means; includes all of the~~ following:

a. An employee who has obtained career status with that local board as a teacher as ~~provided in G.S. 115C-325(e); prior to August 1, 2013.~~

b. An employee who has obtained career status with that local board in an administrative position as provided in ~~G.S. 115C-325(d)(2); G.S. 115C-325(d)(2).~~

e. A probationary teacher during the term of the contract as provided in ~~G.S. 115C-325(m); and~~

d. A school administrator during the term of a school administrator contract as provided in G.S. 115C-287.1(c).

(1b) "Career school administrator" means a school administrator who has obtained career status in an administrative position as ~~provided in G.S. 115C-325(d)(2); on or before June 30, 1997.~~

(1c) "Career teacher" means a teacher who has obtained career status as ~~provided in G.S. 115C-325(e); with that local board of education prior to August 1, 2013.~~

(1d) Repealed by Session Laws 2011-348, s. 1, effective July 1, 2011, and applicable to persons recommended for dismissal or demotion on or after that date.

(2) Repealed by Session Laws 1997, c. 221, s. 13(a).

(3) "Day" means calendar day. In computing any period of time, Rule 6 of the North Carolina Rules of Civil Procedure shall apply.

- 1 (4) "Demote" means to reduce the salary of a person who is classified or paid by
2 the State Board of Education as a classroom teacher or as a school
3 administrator. The word "demote" does not include: (i) a suspension without
4 pay pursuant to G.S. 115C-325(f)(1); (ii) the elimination or reduction of
5 bonus payments, including merit-based supplements, or a systemwide
6 modification in the amount of any applicable local supplement; or (iii) any
7 reduction in salary that results from the elimination of a special duty, such as
8 the duty of an athletic coach or a choral director.
- 9 (4a) "Disciplinary suspension" means a final decision to suspend a teacher or
10 school administrator without pay for no more than 60 days under
11 G.S. 115C-325(f)(2).
- 12 (4b) ~~"Exchange teacher" means a nonimmigrant alien teacher participating in an~~
13 ~~exchange visitor program designated by the United States Department of~~
14 ~~State pursuant to 22 C.F.R. Part 62 or by the United States Department of~~
15 ~~Homeland Security pursuant to 8 C.F.R. Part 214.2(q).~~
- 16 (4c) "Hearing officer" means a person selected under G.S. 115C-325(h)(7).
- 17 (5) ~~"Probationary teacher" means a licensed person, other than a superintendent,~~
18 ~~associate superintendent, or assistant superintendent, who has not obtained~~
19 ~~career teacher status and whose major responsibility is to teach or to~~
20 ~~supervise teaching.~~
- 21 (5a) [Expired.]
- 22 (5b) "School administrator" means a principal, assistant principal, supervisor, or
23 director whose major function includes the direct or indirect supervision of
24 teaching or any other part of the instructional program as provided in
25 G.S. 115C-287.1(a)(3).
- 26 (6) "Teacher" means a person who holds at least a current, not provisional or
27 expired, Class A license or a regular, not provisional or expired, vocational
28 license issued by the State Board of Education; whose major responsibility is
29 to teach or directly supervises teaching or who is classified by the State
30 Board of Education or is paid either as a classroom teacher or instructional
31 support personnel; ~~and who is employed to fill a full-time, permanent~~
32 ~~position; and who is a career teacher.~~
- 33 (7) (See note) Redesignated.
- 34 (8) ~~"Year" for purposes of computing time as a probationary teacher shall be not~~
35 ~~less than 120 workdays performed as a probationary teacher in a full-time~~
36 ~~permanent position in a school year. Workdays performed pending the~~
37 ~~outcome of a criminal history check as provided in G.S. 115C-332 are~~
38 ~~included in computing time as a probationary teacher.~~
- 39 ...
- 40 (c) (1) ~~Election of a Teacher to Career Status. Except as otherwise provided in~~
41 ~~subdivision (3) of this subsection, when a teacher has been employed by a~~
42 ~~North Carolina public school system for four consecutive years, the board,~~
43 ~~near the end of the fourth year, shall vote upon whether to grant the teacher~~
44 ~~career status. The teacher has a right to notice and hearing prior to the~~
45 ~~board's vote as provided in G.S. 115C-325(m)(3) and G.S. 115C-325(m)(4).~~
46 ~~The board shall give the teacher written notice of that decision by June 15 or~~
47 ~~such later date as provided in G.S. 115C-325(m)(7). If a majority of the~~
48 ~~board votes to grant career status to the teacher, and if it has notified the~~
49 ~~teacher of the decision, it may not rescind that action but must proceed under~~
50 ~~the provisions of this section for the demotion or dismissal of a teacher if it~~
51 ~~decides to terminate the teacher's employment. If a majority of the board~~

votes against granting career status, the teacher shall not teach beyond the current school term. If the board fails to vote on granting career status, the teacher shall be entitled to an additional month's pay for every 30 days or portion thereof after June 16 or such later date as provided in G.S. 115C-325(m)(7) if a majority of the board belatedly votes against granting career status.

(2) ~~Employment of a Career Teacher.~~ — A teacher who has obtained career status in any North Carolina public school system need not serve another probationary period of more than one year. The board may grant career status immediately upon employing the teacher, or after the first year of employment. The teacher has a right to notice and hearing prior to the board's vote as provided in G.S. 115C-325(m)(3) and G.S. 115C-325(m)(4). The board shall give the teacher written notice of that decision by June 15 or such later date as provided in G.S. 115C-325(m)(7). If a majority of the board votes against granting career status, the teacher shall not teach beyond the current term. If after one year of employment, the board fails to vote on the issue of granting career status, the teacher shall be entitled to one additional month's pay for every 30 days or portion thereof beyond June 16 or such later date as provided in G.S. 115C-325(m)(7) if a majority of the board belatedly voted against granting career status.

(2a) ~~Notice of Teachers Eligible to Achieve Career Status.~~ — At least 30 days prior to any board action granting career status, the superintendent shall submit to the board a list of the names of all teachers who are eligible to achieve career status. Notwithstanding any other provision of law, the list shall be a public record under Chapter 132 of the General Statutes.

(3) ~~Ineligible for No Continuation of Career Status.~~ — No employee of a local board of education except a teacher as defined by G.S. 115C-325(a)(6) is eligible to obtain career status or shall continue in a career status as a teacher if he or she no longer performs the responsibilities of a teacher as defined in G.S. 115C-325(a)(6). No person who is employed as a school administrator who did not acquire career status as a school administrator by June 30, 1997, shall have career status as an administrator. Further, no director or assistant principal is eligible to obtain career status as a school administrator unless he or she has already been conferred that status by the local board of education.

(4) ~~Leave of Absence.~~ — A career teacher who has been granted a leave of absence by a board shall maintain his or her career status if he the teacher returns to his the teaching position at the end of the authorized leave.

(5) ~~Consecutive Years of Service.~~ —

a. ~~If a probationary teacher in a full-time permanent position does not work for at least 120 workdays in a school year because the teacher is on sick leave, disability leave, or both, that school year shall not be deemed to constitute (i) a consecutive year of service for the teacher or (ii) a break in the continuity in consecutive years of service for the teacher.~~

b. ~~If a probationary teacher in a full-time permanent position is nonrenewed because of a decrease in the number of positions due to decreased funding, decreased enrollment, or a district reorganization, and is subsequently rehired by the same school system within three years, the intervening years when the teacher was not employed by the local school administrative unit shall not be deemed to constitute (i) a consecutive year of service for the teacher or (ii) a break in the~~

continuity of years of service. However, if at the time of the teacher's nonrenewal for the reasons described in this subsection, the teacher was eligible for career status after being employed four consecutive years pursuant to G.S. 115C 325(c)(1), or one year pursuant to G.S. 115C 325(c)(2), and the board subsequently rehires the teacher within three years, the teacher will be eligible for a career status decision after one additional year of employment. Unless the superintendent unilaterally grants a teacher the benefit set forth in this subsection pursuant to a policy adopted by the board of education for this purpose, the teacher is entitled to such benefit only if the teacher notifies the head of human resources for the local school administrative unit in writing within 60 calendar days after the first day of employment upon being rehired that the teacher was nonrenewed because of a decrease in the number of positions triggered by decreased funding, decreased enrollment, or a district reorganization, and therefore the teacher's nonrenewal did not constitute a break in service for purposes of determining eligibility for career status. The local school administrative unit shall notify the teacher of the 60-day deadline as described herein in the employment application, contract, or in some other method reasonably calculated to provide the teacher actual notice within 30 calendar days after the first day of employment for the rehired teacher. The burden is on the teacher to submit information establishing that the teacher was nonrenewed because of a decrease in the number of positions triggered by decreased funding, decreased enrollment, or a district reorganization. If the local school administrative unit fails to provide notice to the teacher within this 30-day period, then the teacher's obligation to notify the local school administrative unit within 60 days does not commence until such time that the teacher is notified of the 60-day deadline.

The superintendent or designee will inform the teacher on whether the teacher qualifies for the benefit of this subsection within a reasonable period of time after receiving the information submitted by the teacher. This decision is final and the teacher has no right to a hearing or appeal except that the teacher may petition the board in writing within 10 calendar days after receiving the decision of the superintendent or designee, and the board or board panel shall review the matter on the record and provide the teacher a written decision. Notwithstanding any other provision of law, no appeal to court or otherwise is permitted in regard to the benefits provided under this subsection. This subsection creates no private right of action or basis for any liability on the part of the school system, nor does it create any reemployment rights for a nonrenewed probationary teacher.

The provisions of this subsection also shall apply to a probationary teacher in a full-time permanent position who resigns effective the end of the school year in good standing after receiving documentation that the teacher's position may be eliminated because of a decrease in the number of positions triggered by decreased funding, decreased enrollment, or a district reorganization, and is subsequently rehired by the same school system.

(6) ~~Status of Exchange Teachers. Exchange teachers shall not be eligible to obtain career status. However, for purposes of determining eligibility to receive employment benefits under this Chapter, including personal leave, annual vacation leave, and sick leave, an exchange teacher shall be considered a permanent teacher if employed with the expectation of at least six full consecutive monthly pay periods of employment and if employed at least 20 hours per week.~~

(d) Career Teachers and Career School Administrators.

(1) A career teacher or career school administrator shall not be subjected to the requirement of annual appointment nor shall he or she be dismissed, demoted, or employed on a part-time basis without his or her consent except as provided in subsection (e).

(2) a. ~~The provisions of this subdivision do not apply to a person who is ineligible for career status as provided by G.S. 115C-325(e)(3).~~

b. Repealed by Session Laws 1997, c. 221, s. 13(a).

c. Subject to G.S. 115C-287.1, when a teacher has performed the duties of supervisor or principal for three consecutive years, the board, near the end of the third year, shall vote upon his employment for the next school year. The board shall give him written notice of that decision by June 1 of his third year of employment as a supervisor or principal. If a majority of the board votes to reemploy the teacher as a principal or supervisor, and it has notified him of that decision, it may not rescind that action but must proceed under the provisions of this section. If a majority of the board votes not to reemploy the teacher as a principal or supervisor, he shall retain career status as a teacher if that status was attained prior to assuming the duties of supervisor or principal. A supervisor or principal who has not held that position for three years and whose contract will not be renewed for the next school year shall be notified by June 1 and shall retain career status as a teacher if that status was attained prior to assuming the duties of supervisor or principal.

A year, for purposes of computing time as a probationary principal or supervisor, shall not be less than 145 workdays performed as a full-time, permanent principal or supervisor in a contract year.

~~A principal or supervisor who has obtained career status in that position in any North Carolina public school system may be required by the board of education in another school system to serve an additional three year probationary period in that position before being eligible for career status. However, he may, at the option of the board of education, be granted career status immediately or after serving a probationary period of one or two additional years. A principal or supervisor with career status who resigns and within five years is reemployed by the same school system need not serve another probationary period in that position of more than two years and may, at the option of the board, be reemployed immediately as a career principal or supervisor or be given career status after only one year. In any event, if he is reemployed for a third consecutive year, he shall automatically become a career principal or supervisor.~~

(e) Grounds for Dismissal or Demotion of a Career Employee.

- 1 (3) Inadequate Performance. – In determining whether the professional
2 performance of a career employee is adequate, consideration shall be given
3 to regular and special evaluation reports prepared in accordance with the
4 published policy of the employing local school administrative unit and to
5 any published standards of performance which shall have been adopted by
6 the board. Failure to notify a career employee of an inadequacy or deficiency
7 in performance shall be conclusive evidence of satisfactory performance.
8 Inadequate performance for a teacher shall mean (i) the failure to perform at
9 a proficient level on any standard of the evaluation instrument or (ii)
10 otherwise performing in a manner that is below standard. However, for a
11 probationary teacher, a performance rating below proficient may or may not
12 be deemed adequate at that stage of development by a superintendent or
13 designee. For a career teacher, a performance rating below proficient shall
14 constitute inadequate performance unless the principal noted on the
15 instrument that the teacher is making adequate progress toward proficiency
16 given the circumstances.
- 17 ...
- 18 (m) Probationary Teacher.
- 19 (1) ~~The board of any local school administrative unit may not discharge a~~
20 ~~probationary teacher during the school year except for the reasons for and by~~
21 ~~the procedures by which a career employee may be dismissed as set forth in~~
22 ~~subsections (e), (f), (f1), and (h) to (j3) above.~~
- 23 (2) ~~The board, upon recommendation of the superintendent, may refuse to renew~~
24 ~~the contract of any probationary teacher or to reemploy any teacher who is~~
25 ~~not under contract for any cause it deems sufficient. Provided, however, that~~
26 ~~the cause may not be arbitrary, capricious, discriminatory or for personal or~~
27 ~~political reasons.~~
- 28 (3) ~~The superintendent shall provide written notice to a probationary teacher no~~
29 ~~later than May 15 of the superintendent's intent to recommend nonrenewal~~
30 ~~and the teacher's right, within 10 days of receipt of the superintendent's~~
31 ~~recommendation, to (i) request and receive written notice of the reasons for~~
32 ~~the superintendent's recommendation for nonrenewal and the information~~
33 ~~that the superintendent may share with the board to support the~~
34 ~~recommendation for nonrenewal; and (ii) request a hearing for those teachers~~
35 ~~eligible for a hearing under G.S. 115C 325(m)(4). The failure to file a timely~~
36 ~~request within the 10 days shall result in a waiver of the right to this~~
37 ~~information and any right to a hearing. If a teacher files a timely request, the~~
38 ~~superintendent shall provide the requested information and arrange for a~~
39 ~~hearing, if allowed, and the teacher shall be permitted to submit~~
40 ~~supplemental information to the superintendent and board prior to the board~~
41 ~~making a decision or holding a hearing as provided in this section. The board~~
42 ~~shall adopt a policy to provide for the orderly exchange of information prior~~
43 ~~to the board's decision on the superintendent's recommendation for~~
44 ~~nonrenewal.~~
- 45 (4) ~~If the probationary teacher is eligible for career status pursuant to~~
46 ~~G.S. 115C 325(c)(1) and (c)(2) and the superintendent recommends not to~~
47 ~~give the probationary teacher career status, the probationary teacher has the~~
48 ~~right to a hearing before the board unless the reason is a justifiable board or~~
49 ~~superintendent approved decrease in the number of positions due to district~~
50 ~~reorganization, decreased enrollment, or decreased funding.~~

(5) ~~For probationary contracts that are not in the final year before the probationary teacher is eligible for career status, the probationary teacher shall have the right to petition the local board of education for a hearing, and the local board may grant a hearing regarding the superintendent's recommendation for nonrenewal. The local board of education shall notify the probationary teacher making the petition of its decision whether to grant a hearing.~~

(6) ~~Any hearing held according to this subsection shall be pursuant to the provisions of G.S. 115C-45(e).~~

(7) ~~The board shall notify a probationary teacher whose contract will not be renewed for the next school year of its decision by June 15; provided, however, if a teacher submits a request for information or a hearing, the board shall provide the nonrenewal notification by July 1 or such later date upon the written consent of the superintendent and teacher.~~

(n) ~~Appeal. Any career employee who has been dismissed or demoted under G.S. 115C-325(e)(2), or under G.S. 115C-325(j2), or who has been suspended without pay under G.S. 115C-325(a)(4a), or any school administrator whose contract is not renewed in accordance with G.S. 115C-287.1, or any probationary teacher whose contract is not renewed under G.S. 115C-325(m)(2) shall have the right to appeal from the decision of the board to the superior court for the superior court district or set of districts as defined in G.S. 7A-41.1 in which the career employee is employed. This appeal shall be filed within a period of 30 days after notification of the decision of the board. The cost of preparing the transcript shall be determined under G.S. 115C-325(j2)(8) or G.S. 115C-325(j3)(10). A career employee who has been demoted or dismissed, or a school administrator whose contract is not renewed, who has not requested a hearing before the board of education pursuant to this section shall not be entitled to judicial review of the board's action.~~

(o) ~~Resignation. —~~

...
(2) ~~A teacher, career or probationary, career teacher who is not recommended for dismissal should not resign without the consent of the superintendent unless he or she has given at least 30 days' notice. If a teacher who is not recommended for dismissal does resign without giving at least 30 days' notice, the board may request that the State Board of Education revoke the teacher's license for the remainder of that school year. A copy of the request shall be placed in the teacher's personnel file.~~

(p) ~~Section Applicable to Certain Institutions. — Notwithstanding any law or regulation to the contrary, this section shall apply to all persons who are employed as career teachers in teaching and related educational classes in the schools and institutions of the Departments of Health and Human Services and Public Instruction and the Divisions of Juvenile Justice and Adult Correction of the Department of Public Safety regardless of the age of the students.~~

(p1) ~~Procedure for Dismissal of School Administrators and Teachers Employed in Low-Performing Residential Schools. —~~

(1) ~~Notwithstanding any other provision of this section or any other law, this subdivision shall govern the dismissal by the Secretary of Health and Human Services of teachers, principals, assistant principals, directors, supervisors, and other licensed personnel who are career employees and are assigned to a residential school that the State Board has identified as low-performing and to which the State Board has assigned an assistance team under Part 3A of Article 3 of Chapter 143B of the General Statutes. The Secretary shall dismiss a teacher, principal, assistant principal, director, supervisor, or other licensed personnel when the Secretary receives two~~

consecutive evaluations that include written findings and recommendations regarding that person's inadequate performance from the assistance team. These findings and recommendations shall be substantial evidence of the inadequate performance of the teacher or school administrator.

The Secretary may dismiss a teacher, principal, assistant principal, director, supervisor, or other licensed personnel when:

- a. The Secretary determines that the school has failed to make satisfactory improvement after the State Board assigned an assistance team to that school under Part 3A of Article 3 of Chapter 143B of the General Statutes; and
- b. That assistance team makes the recommendation to dismiss the teacher, principal, assistant principal, director, supervisor, or other licensed personnel for one or more grounds established in G.S. 115C-325(e)(1) for dismissal or demotion of a career employee.

Within 30 days of any dismissal under this subdivision, a teacher, principal, assistant principal, director, supervisor, or other licensed personnel may request a hearing before a panel of three members designated by the Secretary. The Secretary shall adopt procedures to ensure that due process rights are afforded to persons recommended for dismissal under this subdivision. Decisions of the panel may be appealed on the record to the Secretary, with further right of judicial review under Chapter 150B of the General Statutes.

(q) Procedure for Dismissal of School Administrators and Teachers Employed in Low-Performing Schools. –

- (1) ~~Notwithstanding any other provision of this section or any other law, this subdivision governs the State Board's dismissal of principals assigned to low performing schools to which the Board has assigned an assistance team:~~
- a. ~~The State Board through its designee may, at any time, recommend the dismissal of any principal who is assigned to a low performing school to which an assistance team has been assigned. The State Board through its designee shall recommend the dismissal of any principal when the Board receives from the assistance team assigned to that principal's school two consecutive evaluations that include written findings and recommendations regarding the principal's inadequate performance.~~
 - b. ~~If the State Board through its designee recommends the dismissal of a principal under this subdivision, the principal shall be suspended with pay pending a hearing before a panel of three members of the State Board. The purpose of this hearing, which shall be held within 60 days after the principal is suspended, is to determine whether the principal shall be dismissed.~~
 - c. ~~The panel shall order the dismissal of the principal if it determines from available information, including the findings of the assistance team, that the low performance of the school is due to the principal's inadequate performance.~~
 - d. ~~The panel may order the dismissal of the principal if (i) it determines that the school has not made satisfactory improvement after the State Board assigned an assistance team to that school; and (ii) the assistance team makes the recommendation to dismiss the principal~~

- for one or more grounds established in G.S. 115C-325(e)(1) for dismissal or demotion of a career employee.
- e. ~~If the State Board or its designee recommends the dismissal of a principal before the assistance team assigned to the principal's school has evaluated that principal, the panel may order the dismissal of the principal if the panel determines from other available information that the low performance of the school is due to the principal's inadequate performance.~~
- f. ~~In all hearings under this subdivision, the burden of proof is on the principal to establish that the factors leading to the school's low performance were not due to the principal's inadequate performance. In all hearings under sub-subdivision d. of this subdivision, the burden of proof is on the State Board to establish that the school failed to make satisfactory improvement after an assistance team was assigned to the school and to establish one or more of the grounds established for dismissal or demotion of a career employee under G.S. 115C-325(e)(1).~~
- g. ~~In all hearings under this subdivision, two consecutive evaluations that include written findings and recommendations regarding that person's inadequate performance from the assistance team are substantial evidence of the inadequate performance of the principal.~~
- h. ~~The State Board shall adopt procedures to ensure that due process rights are afforded to principals under this subdivision. Decisions of the panel may be appealed on the record to the State Board, with further right of judicial review under Chapter 150B of the General Statutes.~~

- (2) Notwithstanding any other provision of this section or any other law, this subdivision shall govern the State Board's dismissal of teachers, assistant principals, directors, and supervisors who are career employees assigned to schools that the State Board has identified as low-performing and to which the State Board has assigned an assistance team under Article 8B of this Chapter. The State Board shall dismiss a teacher, assistant principal, director, or supervisor when the State Board receives two consecutive evaluations that include written findings and recommendations regarding that person's inadequate performance from the assistance team. These findings and recommendations shall be substantial evidence of the inadequate performance of the teacher or school administrator.

The State Board may dismiss a teacher, assistant principal, director, or supervisor when:

- a. The State Board determines that the school has failed to make satisfactory improvement after the State Board assigned an assistance team to that school under G.S. 115C-105.38; and
- b. That assistance team makes the recommendation to dismiss the teacher, assistant principal, director, or supervisor for one or more grounds established in G.S. 115C-325(e)(1) for dismissal or demotion of a career teacher.

A teacher, assistant principal, director, or supervisor may request a hearing before a panel of three members of the State Board within 30 days of any dismissal under this subdivision. The State Board shall adopt procedures to ensure that due process rights are afforded to persons recommended for dismissal under this subdivision. Decisions of the panel may be appealed on

the record to the State Board, with further right of judicial review under Chapter 150B of the General Statutes.

(3) ~~The State Board of Education or a local board may terminate the contract of a school administrator dismissed under this subsection. Nothing in this subsection shall prevent a local board from refusing to renew the contract of any person employed in a school identified as low-performing under G.S. 115C-105.37.~~

(4) ~~Neither party to a school administrator contract is entitled to damages under this subsection.~~

(5) The State Board shall have the right to subpoena witnesses and documents on behalf of any party to the proceedings under this subsection."

SECTION 9.6.(b) G.S. 115C-287.1 is amended by adding a new subsection to read:

"(a1) Notwithstanding subsection (a) of this section, school administrators who are serving in a principal or supervisor position as of July 1, 2014, and who had achieved career status on or before June 30, 1997, shall be employed pursuant to G.S. 115C-325. A school administrator shall cease to be employed pursuant to G.S. 115C-325 if the school administrator is dismissed or demoted or if the school administrator voluntarily relinquishes career status through promotion, resignation, or otherwise."

CLARIFYING CHANGES FOR TEACHER CONTRACTS

SECTION 9.7.(a) Part 3A of Article 22 of Chapter 115C of the General Statutes, consisting of G.S. 115C-326.5, is recodified as Part 3B of Article 22 of Chapter 115C of the General Statutes. G.S. 115C-325.1 through G.S. 115C-325.13 are recodified as Part 3A of Article 22 of Chapter 115C of the General Statutes, to be entitled "Teacher Employment Contracts."

SECTION 9.7.(b) G.S. 115C-325.1 reads as rewritten:

"§ 115C-325.1. Definitions.

As used in this Part, the following definitions apply:

- (1) "Day" means calendar day. In computing any period of time, Rule 6 of the North Carolina Rules of Civil Procedure shall apply.
- (2) "Demote" means to reduce the salary of a person who is classified or paid by the State Board of Education as a classroom teacher or as a school administrator during the ~~time~~term of the contract. The word "demote" does not include (i) a suspension without pay pursuant to G.S. 115C-325.5(a); (ii) the elimination or reduction of bonus payments, including merit-based supplements or a systemwide modification in the amount of any applicable local supplement; (iii) any reduction in salary that results from the elimination of a special duty, such as the duty of an athletic coach or a choral director; or (iv) any reduction of pay as compared to a prior term of contract.
- (3) "Disciplinary suspension" means a final decision to suspend a teacher or school administrator without pay for no more than 60 days under G.S. 115C-325.5(b).
- (4) "Residential school" means a school operated by the Department of Health and Human Services that provides residential services to students pursuant to Part 3A of Article 3 of Chapter 143B of the General Statutes or a school operated pursuant to Article 9C of Chapter 115C of the General Statutes.
- (5) "School administrator" means a principal, assistant principal, supervisor, or director whose major function includes the direct or indirect supervision of

1 teaching or any other part of the instructional program, as provided in
2 G.S. 115C-287.1(a)(3).

3 (6) "Teacher" means a person meeting each of the following requirements:

4 a. Who holds at least one of the following licenses issued by the State
5 Board of Education:

- 6 1. A current standard professional educator's license.
- 7 2. A current lateral entry teaching license.
- 8 3. A regular, not expired, vocational license.

9 b. Whose major responsibility is to teach or directly supervise teaching
10 or who is classified by the State Board of Education or is paid either
11 as a classroom teacher or instructional support personnel.

12 c. Who is employed to fill a full-time, permanent position.

13 d. Who is not a career teacher as defined in G.S. 115C-325(a)(1c).

14 (7) "Year" means a calendar year beginning July 1 and ending June 30 means,
15 for purposes of computing time of employment as a teacher, no less than 120
16 workdays performed as a teacher in a full-time, permanent position in a
17 school year. Workdays performed pending the outcome of a criminal history
18 check as provided in G.S. 115C-332 are included in computing time as a
19 teacher."

20 SECTION 9.7.(c) G.S. 115C-325.10 reads as rewritten:

21 "§ 115C-325.10. Application to certain institutions.

22 Notwithstanding any law or regulation to the contrary, this Part shall apply to all persons
23 employed in teaching and related educational classes in the schools and institutions of the
24 Departments of Health and Human Services and Public Instruction and the Divisions of
25 Juvenile Justice and Adult Correction of the Department of Public Safety, Safety who are not
26 career teachers as defined in G.S. 115C-325(a)(1c), regardless of the age of the students."

27 SECTION 9.7.(d) A teacher who entered into a four-year contract no later than
28 June 30, 2014, pursuant to Section 9.6(g) of S.L. 2013-360, may elect to retain that contract
29 under its terms or to waive that contract.

30 If the teacher was a career teacher as of the date the contract was accepted and
31 waives the contract under this subsection, the teacher shall be employed pursuant to
32 G.S. 115C-325, as amended by this act, and shall not receive a pay raise as provided for in
33 Section 9.6(h) of S.L. 2013-360.

34 Teachers who elect to retain the four-year contract shall (i) voluntarily relinquish
35 career status and any claim to career status, (ii) be employed in accordance with
36 G.S. 115C-325.1 through G.S. 115C-325.13, and (iii) receive a pay raise of five hundred
37 dollars (\$500.00) for the first year, one thousand dollars (\$1,000) for the second year, one
38 thousand five hundred dollars (\$1,500) for the third year, and two thousand dollars (\$2,000) for
39 the fourth year of the four-year contract. These pay raises shall be a part of the employee's base
40 salary.

41 SECTION 9.7.(e) The Department of Public Instruction shall use any funds
42 available to it for the 2014-2015 fiscal year, and in subsequent fiscal years, to provide pay
43 raises for any teachers who elect to retain their four-year contracts in accordance with
44 subsection (d) of this section.

45 CONFORMING CHANGES

46 SECTION 9.8.(a) G.S. 115C-105.26(b)(2) reads as rewritten:

47 "(2) State rules and policies, except those pertaining to public school State salary
48 schedules and employee benefits for school employees, the instructional
49 program that must be offered under the Basic Education Program, the system
50 of employment for public school teachers and administrators set out in
51

G.S. 115C-287.1 and in Part 3 and Part 3A of Article 22 of this Chapter, health and safety codes, compulsory attendance, the minimum lengths of the school day and year, and the Uniform Education Reporting System."

SECTION 9.8.(b) G.S. 115C-105.37B(a)(2) reads as rewritten:

"(2) Restart model, in which the State Board of Education would authorize the local board of education to operate the school with the same exemptions from statutes and rules as a charter school authorized under Part 6A of Article 16 of this Chapter, or under the management of an educational management organization that has been selected through a rigorous review process. A school operated under this subdivision remains under the control of the local board of education, and employees assigned to the school are employees of the local school administrative unit with the protections provided by Part 3 or Part 3A of Article 22 of this Chapter."

SECTION 9.8.(c) G.S. 115C-276(l) reads as rewritten:

"(l) To Maintain Personnel Files and to Participate in Firing and Demoting of Staff. – The superintendent shall maintain in his or her office a personnel file for each teacher that contains complaints, commendations, or suggestions for correction or improvement about the teacher and shall participate in the firing and demoting of staff, as provided in Part 3 and Part 3A of Article 22 of this Chapter."

SECTION 9.8.(d) G.S. 115C-325.6(b) reads as rewritten:

"(b) Notice of Recommendation. – Before recommending to a board the dismissal or demotion of a teacher, the superintendent shall give written notice to the teacher by certified mail or personal delivery of the superintendent's intention to make such recommendation and shall set forth as part of the superintendent's recommendation the grounds upon which he or she believes such dismissal or demotion is justified. The superintendent also shall meet with the teacher and provide written notice of the charges against the teacher, an explanation of the basis for the charges, and an opportunity to respond if the teacher has not done so under G.S. 115C-325.5(a). The notice shall include a statement to the effect that the teacher, within 14 days after the date of receipt of the notice, may request a hearing before the board on the superintendent's recommendation. A copy of Part 3–Part 3A of Article 22 of Chapter 115C of the General Statutes shall also be sent to the teacher."

SECTION 9.8.(e) G.S. 115C-335(b) reads as rewritten:

"(b) Training. – The State Board, in collaboration with the Board of Governors of The University of North Carolina, shall develop programs designed to train principals and superintendents in the proper administration of the employee evaluations developed by the State Board. The Board of Governors shall use the professional development programs for public school employees that are under its authority to make this training available to all principals and superintendents at locations that are geographically convenient to local school administrative units. The programs shall include methods to determine whether an employee's performance has improved student learning, the development and implementation of appropriate professional growth and mandatory improvement plans, the process for contract nonrenewal, and the dismissal process under Part 3 and Part 3A of Article 22 of this Chapter. The Board of Governors shall ensure that the subject matter of the training programs is incorporated into the masters in school administration programs offered by the constituent institutions. The State Board, in collaboration with the Board of Governors, also shall develop in-service programs for licensed public school employees that may be included in a mandatory improvement plan created under G.S. 115C-333(b) or G.S. 115C-333.1(b). The Board of Governors shall use the professional development programs for public school employees that are under its authority to make this training available at locations that are geographically convenient to local school administrative units."

SCHOOL-BASED ADMINISTRATOR SALARY SCHEDULE

SECTION 9.11.(a) The following base salary schedule for school-based administrators shall apply only to principals and assistant principals. This base salary schedule shall apply for the 2014-2015 fiscal year commencing July 1, 2014.

2014-2015 Principal and Assistant Principal Salary Schedules

7	Classification					
8	Years of	Assistant	Prin I	Prin II	Prin III	Prin IV
9	Experience	Principal	(0-10)	(11-21)	(22-32)	(33-43)
10	0-9	\$4,001	-	-	-	-
11	10	\$4,120	-	-	-	-
12	11	\$4,235	-	-	-	-
13	12	\$4,332	-	-	-	-
14	13	\$4,387	\$4,387	-	-	-
15	14	\$4,444	\$4,444	-	-	-
16	15	\$4,502	\$4,502	\$4,559	-	-
17	16	\$4,559	\$4,559	\$4,618	-	-
18	17	\$4,618	\$4,618	\$4,678	\$4,740	-
19	18	\$4,678	\$4,678	\$4,740	\$4,802	\$4,866
20	19	\$4,740	\$4,740	\$4,802	\$4,866	\$4,931
21	20	\$4,802	\$4,802	\$4,866	\$4,931	\$5,000
22	21	\$4,866	\$4,866	\$4,931	\$5,000	\$5,067
23	22	\$4,931	\$4,931	\$5,000	\$5,067	\$5,135
24	23	\$5,000	\$5,000	\$5,067	\$5,135	\$5,207
25	24	\$5,067	\$5,067	\$5,135	\$5,207	\$5,277
26	25	\$5,135	\$5,135	\$5,207	\$5,277	\$5,354
27	26	\$5,207	\$5,207	\$5,277	\$5,354	\$5,429
28	27	\$5,277	\$5,277	\$5,354	\$5,429	\$5,513
29	28	\$5,354	\$5,354	\$5,429	\$5,513	\$5,600
30	29	\$5,429	\$5,429	\$5,513	\$5,600	\$5,652
31	30	\$5,513	\$5,513	\$5,600	\$5,652	\$5,705
32	31	\$5,600	\$5,600	\$5,652	\$5,705	\$5,758
33	32	\$5,652	\$5,652	\$5,705	\$5,758	\$5,832
34	33	\$5,705	\$5,705	\$5,758	\$5,832	\$5,909
35	34	\$5,758	\$5,758	\$5,832	\$5,909	\$6,027
36	35	\$5,832	\$5,832	\$5,909	\$6,027	\$6,148
37	36	\$5,909	\$5,909	\$6,027	\$6,148	\$6,271
38	37	-	\$6,027	\$6,148	\$6,271	\$6,396
39	38	-	-	\$6,271	\$6,396	\$6,524
40	39	-	-	\$6,396	\$6,524	\$6,654
41	40	-	-	-	\$6,654	\$6,787
42	41	-	-	-	\$6,787	\$6,923
43	42	-	-	-	-	\$7,061

2014-2015 Principal and Assistant Principal Salary Schedules

		Classification			
Years of Experience	Prin V (44-54)	Prin VI (55-65)	Prin VII (66-100)	Prin VIII (101+)	
0-19	\$5,000	-	-	-	
20	\$5,067	-	-	-	
21	\$5,135	\$5,207	-	-	
22	\$5,207	\$5,277	\$5,429	-	

1	23	\$5,277	\$5,354	\$5,513	\$5,600
2	24	\$5,354	\$5,429	\$5,600	\$5,652
3	25	\$5,429	\$5,513	\$5,652	\$5,705
4	26	\$5,513	\$5,600	\$5,705	\$5,758
5	27	\$5,600	\$5,652	\$5,758	\$5,832
6	28	\$5,652	\$5,705	\$5,832	\$5,909
7	29	\$5,705	\$5,758	\$5,909	\$6,027
8	30	\$5,758	\$5,832	\$6,027	\$6,148
9	31	\$5,832	\$5,909	\$6,148	\$6,271
10	32	\$5,909	\$6,027	\$6,271	\$6,396
11	33	\$6,027	\$6,148	\$6,396	\$6,524
12	34	\$6,148	\$6,271	\$6,524	\$6,654
13	35	\$6,271	\$6,396	\$6,654	\$6,787
14	36	\$6,396	\$6,524	\$6,787	\$6,923
15	37	\$6,524	\$6,654	\$6,923	\$7,061
16	38	\$6,654	\$6,787	\$7,061	\$7,202
17	39	\$6,787	\$6,923	\$7,202	\$7,346
18	40	\$6,923	\$7,061	\$7,346	\$7,493
19	41	\$7,061	\$7,202	\$7,493	\$7,643
20	42	\$7,202	\$7,346	\$7,643	\$7,796
21	43	\$7,346	\$7,493	\$7,796	\$7,952
22	44	-	\$7,643	\$7,952	\$8,111
23	45	-	\$7,796	\$8,111	\$8,273
24	46+	-	-	\$8,273	\$8,438

SECTION 9.11.(b) The appropriate classification for placement of principals and assistant principals on the salary schedule, except for principals in alternative schools and in cooperative innovative high schools, shall be determined in accordance with the following schedule:

Classification	Number of Teachers Supervised
Assistant Principal	
Principal I	Fewer than 11 Teachers
Principal II	11-21 Teachers
Principal III	22-32 Teachers
Principal IV	33-43 Teachers
Principal V	44-54 Teachers
Principal VI	55-65 Teachers
Principal VII	66-100 Teachers
Principal VIII	More than 100 Teachers

The number of teachers supervised includes teachers and assistant principals paid from State funds only; it does not include teachers or assistant principals paid from non-State funds or the principal or teacher assistants.

The beginning classification for principals in alternative schools and in cooperative innovative high school programs shall be the Principal III level. Principals in alternative schools who supervise 33 or more teachers shall be classified according to the number of teachers supervised.

SECTION 9.11.(c) A principal shall be placed on the step on the salary schedule that reflects total number of years of experience as a certified employee of the public schools and an additional step for every three years of experience serving as a principal on or before June 30, 2009. A principal or assistant principal shall also continue to receive any additional State-funded percentage increases earned for the 1997-1998, 1998-1999, and 1999-2000 school years for improvement in student performance or maintaining a safe and orderly school.

SECTION 9.11.(d) Principals and assistant principals with certification based on academic preparation at the six-year degree level shall be paid a salary supplement of one hundred twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a salary supplement of two hundred fifty-three dollars (\$253.00) per month.

SECTION 9.11.(e) Longevity pay for principals and assistant principals shall be as provided for State employees under the North Carolina Human Resources Act.

SECTION 9.11.(f) If a principal is reassigned to a higher job classification because the principal is transferred to a school within a local school administrative unit with a larger number of State-allotted teachers, the principal shall be placed on the salary schedule as if the principal had served the principal's entire career as a principal at the higher job classification.

If a principal is reassigned to a lower job classification because the principal is transferred to a school within a local school administrative unit with a smaller number of State-allotted teachers, the principal shall be placed on the salary schedule as if the principal had served the principal's entire career as a principal at the lower job classification.

This subsection applies to all transfers on or after the effective date of this section, except transfers in school systems that have been created, or will be created, by merging two or more school systems. Transfers in these merged systems are exempt from the provisions of this subsection for one calendar year following the date of the merger.

SECTION 9.11.(g) Participants in an approved full-time master's in-school administration program shall receive up to a 10-month stipend at the beginning salary of an assistant principal during the internship period of the master's program. The stipend shall not exceed the difference between the beginning salary of an assistant principal plus the cost of tuition, fees, and books and any fellowship funds received by the intern as a full-time student, including awards of the Principal Fellows Program. The Principal Fellows Program or the school of education where the intern participates in a full-time master's in-school administration program shall supply the Department of Public Instruction with certification of eligible full-time interns.

SECTION 9.11.(h) During the 2013-2015 fiscal biennium, the placement on the salary schedule of an administrator with a one-year provisional assistant principal's certificate shall be at the entry-level salary for an assistant principal or the appropriate step on the teacher salary schedule, whichever is higher.

CENTRAL OFFICE SALARIES

SECTION 9.12. Section 35.13 of S.L. 2013-360 reads as rewritten:

"SECTION 35.13.(a) The monthly salary ranges that follow, which apply to assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers, shall remain unchanged for the 2013-2015 fiscal biennium, beginning July 1, 2013, be increased by one thousand dollars (\$1,000) annually as follows:

School Administrator I	\$3,349 \$3,432	\$6,281 \$6,364
School Administrator II	\$3,550 \$3,633	\$6,662 \$6,745
School Administrator III	\$3,769 \$3,852	\$7,068 \$7,151
School Administrator IV	\$3,920 \$4,003	\$7,349 \$7,432
School Administrator V	\$4,078 \$4,161	\$7,647 \$7,730
School Administrator VI	\$4,326 \$4,409	\$8,109 \$8,192
School Administrator VII	\$4,500 \$4,583	\$8,436 \$8,519

The local board of education shall determine the appropriate category and placement for each assistant superintendent, associate superintendent, director/coordinator, supervisor, or finance officer within the salary ranges and within funds appropriated by the General Assembly for central office administrators and superintendents. The category in which an employee is placed shall be included in the contract of any employee.

"SECTION 35.13.(b) The monthly salary ranges that follow, which apply to public school superintendents, shall ~~remain unchanged for the 2013-2015 fiscal biennium, beginning July 1, 2013, be increased beginning July 1, 2014, as follows:~~

Superintendent I	\$4,777\$4,860	\$8,949\$9,032
Superintendent II	\$5,071\$5,154	\$9,490\$9,573
Superintendent III	\$5,380\$5,463	\$10,067\$10,150
Superintendent IV	\$5,710\$5,793	\$10,679\$10,762
Superintendent V	\$6,060\$6,143	\$11,330\$11,413

The local board of education shall determine the appropriate category and placement for the superintendent based on the average daily membership of the local school administrative unit and within funds appropriated by the General Assembly for central office administrators and superintendents.

"SECTION 35.13.(c) Longevity pay for superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers shall be as provided for State employees under the State Personnel Act.

"SECTION 35.13.(d) Superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided pursuant to this section. Superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers with certification based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to the compensation provided for under this section.

"SECTION 35.13.(e) The State Board of Education shall not permit local school administrative units to transfer State funds from other funding categories for salaries for public school central office administrators.

"SECTION 35.13.(f) The annual salaries of all permanent, full-time personnel paid from the Central Office Allotment shall remain unchanged for the 2013-2015 fiscal biennium, be increased by one thousand dollars (\$1,000)."

NONCERTIFIED PERSONNEL SALARIES

SECTION 9.13. Section 35.14 of S.L. 2013-360 reads as rewritten:

"SECTION 35.14. The annual salary for permanent, full-time ~~and part-time noncertified~~ public school employees whose salaries are supported from the State's General Fund shall be ~~remain unchanged for the 2013-2015 fiscal biennium, increased by one thousand dollars (\$1,000).~~ Part-time, noncertified public school employees shall receive the increase authorized by this section on a prorated and equitable basis."

BONUS FOR CERTIFIED PERSONNEL AT THE TOP OF THEIR SALARY SCHEDULES

SECTION 9.14.(a) Effective July 1, 2014, any permanent personnel employed on July 1, 2014, and paid at the top of the principal and assistant principal salary schedule applicable to them for the 2013-2014 school year shall receive a one-time bonus, payable monthly, equivalent to two percent (2%).

SECTION 9.14.(b) Effective July 1, 2014, any permanent certified personnel employed on July 1, 2014, and paid at the top teacher salary schedule applicable to them for the 2013-2014 school year shall receive a one-time bonus, payable monthly, equivalent to two percent (2%).

CAREER PATHWAYS PILOT PROGRAM

1 **SECTION 9.15.(a)** Pilot. – The State Board of Education shall establish a
2 three-year career pathways program pilot, as provided in this section, for selected local school
3 administrative units to develop a career pathways program to provide for, in addition to base
4 salary and other applicable local supplements, differentiated pay for classroom teachers based
5 on a teacher's demonstrated effectiveness and additional responsibilities in advanced roles. For
6 the purposes of this section, a classroom teacher is a teacher who works in the classroom
7 providing instruction and who is not instructional support personnel.

8 **SECTION 9.15.(b)** Request for Proposal Requirements. – No later than September
9 15, 2014, the State Board shall develop a Request for Proposal (RFP) for local boards of
10 education to participate in the pilot. As part of the RFP, the State Board of Education shall
11 establish the duties that are associated with advanced roles for classroom teachers. Local boards
12 of education shall submit RFPs for consideration no later than January 1, 2015. The RFP shall
13 require local boards of education to include in their proposals a career pathway plan that meets,
14 at a minimum, the following criteria:

15 (1) Career pathway teacher eligibility and duties. -

- 16 a. Enable eligible classroom teachers to progress within their careers
17 and become career pathway teachers by doing any of the following:
 - 18 1. Assuming advanced roles that include accountability for
19 student growth across a team of teachers.
 - 20 2. Becoming leaders of teams of two or more highly effective
21 teachers and teachers of record for all students served by a
22 teaching team.
- 23 b. Provide information in a form readily accessible to both teachers and
24 the public on the criteria and procedures for selection as a career
25 pathway teacher.
- 26 c. Require a classroom teacher to be rated as highly effective on the
27 North Carolina Teacher Evaluation instrument to be eligible to be a
28 career pathway teacher. A highly effective classroom teacher is a
29 teacher who receives, on the North Carolina Teacher Evaluation
30 instrument, a rating of at least accomplished on each of the teacher
31 evaluation standards and who exceeds expected student growth based
32 on three years of teacher evaluation data as calculated by the State
33 Board of Education.
- 34 d. Increase the amount of time during the school day for a career
35 pathway teacher to plan, collaborate, and participate in on-the-job
36 development or leadership of others.
- 37 e. Establish equally stringent eligibility requirements for a career
38 pathway teacher to remain in an advanced role as those required to
39 initially attain that role.
- 40 f. Establish a procedure for determining whether a career pathway
41 teacher is successfully performing the additional duties associated
42 with the career pathway.
- 43 g. Ensure that career pathway teachers may opt out of the career
44 pathways plan by voluntarily relinquishing additional duties
45 associated with the career pathway. Voluntary relinquishment of
46 duties associated with the career pathway shall not be considered a
47 demotion under Part 3 or Part 3A of Article 22 of Chapter 115C of
48 the General Statutes.

49 (2) Career pathway salary bonuses. -

- a. Pay career pathway salary supplements of at least ten percent (10%) of the State teacher salary schedule to career pathway teachers who assume advanced roles.
 - b. Pay career pathway salary supplements of at least twenty-five percent (25%) of the State teacher salary schedule to career pathway teachers who lead teams of two or more other teachers and are the teachers of record for all students served by the teaching team.
 - c. Require that career pathway salary supplements be paid as a bonus or supplement to the teacher's regular salary and not be included in the average salary calculation used for budgeting State allotments.
 - d. Require that a career pathway teacher who (i) fails to maintain a rating of highly effective or (ii) is not successfully performing the additional duties associated with the career pathway shall be paid only the salary applicable to him or her on the State salary schedule and any other local supplements that would otherwise apply to the teacher's compensation.
 - e. Require that a teacher who opts out of the career pathways plan shall be paid only the salary applicable to him or her on the State salary schedule and any other local supplements that would otherwise apply to the teacher's compensation.
- (3) Career pathways plan funding. – Achieves financial sustainability for career pathways salary supplements, as provided in subdivision (2) of this subsection, by reallocating other funds, including local, private, State, or federal funds.
- (4) System goals. -
- a. Develop measures for determining how the career pathways plan shall do at least the following:
 1. Improve the quality of classroom instruction.
 2. Increase the attractiveness of teaching.
 3. Encourage the recognition, impact, and retention of high-quality teachers.
 - b. Increase the percentage of students in the local school administrative unit with a highly effective teacher as their teacher of record in at least English Language Arts, math, social studies, and science to a minimum of seventy-five percent (75%) of students in that subject by the third year of implementation through the career pathways program.

SECTION 9.15.(c) Selection of Pilot Units. – By March 15, 2015, the State Board of Education shall review the RFPs submitted by local boards of education in accordance with subsection (b) of this section and shall select for the first cohort of the pilot program eight local school administrative units that meet the following criteria:

- (1) Two school districts with an average daily membership (ADM) equal to or less than 4,000.
- (2) Two school districts with an ADM of 4,001 to 10,000.
- (3) Two school districts with an ADM of 10,001 to 30,000.
- (4) Two school districts with an ADM of 30,001 or more.

SECTION 9.15.(d) Pilot Implementation. – The local school administrative units selected for the pilot shall implement their approved career pathways plans beginning with the 2015-2016 school year and ending with the 2017-2018 school year. The local boards of education for each approved pilot local school administrative unit shall report annually no later

than August 15 following each school year of the pilot to the State Board of Education on the following:

- (1) The methodology for measurement and outcomes determined by the board for how the career pathways plan has accomplished the following:
 - a. Improved the quality of classroom instruction.
 - b. Increased the attractiveness of teaching.
 - c. Encouraged the recognition, impact, and retention of high-quality teachers.
- (2) The percentage of students with a highly effective teacher as their teacher of record for English Language Arts, math, social studies, and science.

SECTION 9.15.(e) Second Cohort of Pilot. – It is the intent of the General Assembly, subject to the availability of funds, that the State Board of Education shall select a second cohort of eight local school administrative units using the process and requirements set forth in this section to begin a career pathways program pilot in the 2016-2017 school year.

SECTION 9.15.(f) Pilot Evaluation. – The State Board of Education shall report annually beginning October 15, 2015, until the conclusion of all the pilots, including a second cohort as described in subsection (e) of this section, on all aspects of the implementation and evaluation of the pilot career pathways plans to the offices of the President Pro Tempore of the Senate and the Speaker of the House of Representatives, the Senate Appropriations/Base Budget Committee, the House Committee on Appropriations, the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Subcommittee on Education, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee.

SECTION 9.15.(g) Career Pathways Plan Statewide Recommendation. – The State Board of Education shall evaluate implementation and success of the pilot plans and identify successful, reliable elements to develop recommendations to the General Assembly for a career pathways plan that could be implemented by a local board of education in its local school administrative unit. The career pathways plan may contain multiple career pathway options, as well as a default career pathway program, and shall be designed to improve the quality of classroom instruction, increase the attractiveness of teaching, and encourage the recognition, impact, and retention of high-quality teachers. The State Board of Education shall report no later than October 15, 2018, on the statewide career pathways plan to the offices of the President Pro Tempore of the Senate and the Speaker of the House of Representatives, the Senate Appropriations/Base Budget Committee, the House Committee on Appropriations, the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Subcommittee on Education, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee.

SECTION 9.15.(h) Career Pathways Plan Rules. – The State Board of Education shall adopt rules necessary to carry out the provisions of this section. Notwithstanding Article 2A of Chapter 150B of the General Statutes, the State Board of Education shall be exempt from rule making in establishing rules to carry out the career pathways pilot program set forth in this section.

SECTION 9.15.(i) Career Pathways Plan Administration. – The State Board of Education, in consultation with the Office of the Governor, shall be responsible for administration of the career pathways plan pilot program and shall dedicate up to three full-time staff positions. One position shall be assigned as the primary administrator of the program. The primary administrator shall (i) lead oversight of pilot local school administrative unit selection and career pathway development and piloting, (ii) lead assessments of pilots for career pathways plan recommendations, and (iii) provide information about progress toward goals of this section and activities undertaken to implement this section to the Governor, State

Board of Education, and State Superintendent of Public Instruction. Two additional positions shall be assigned to assist the primary administrator.

SECTION 9.15.(j) Matching Funds for Career Pathways Plan. – The career pathways pilot program shall provide twenty-five dollars (\$25.00) per ADM for teacher salary supplements in each pilot local school administrative unit. State funding allocated to local school administrative units for the career pathways program pilot shall be matched by the unit at a minimum of one dollar (\$1.00) of matching funds for every one dollar (\$1.00) of State funds. Matching funds may include the reallocation of other funds, including local, private, State, or federal funds.

SECTION 9.15.(k) Flexible Funding for Career Pathways Plan Pilot Local School Administrative Units. – Notwithstanding G.S. 115C-105.25(5b), beginning with the 2015-2016 fiscal year, the State Board of Education shall increase flexibility in the use of State funds for pilot local school administrative units by allowing positions allocated for classroom teachers and instructional support personnel to be converted to dollar equivalents for the purpose of transferring funds into the career pathways program for those local school administrative units participating in the program. These positions shall be converted at the first step of the "A" Teacher Salary Schedule effective for that fiscal year.

SECTION 9.15.(l) G.S. 150B-1(d) reads as rewritten:

"(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the following:

...

(26) The State Board of Education with respect to the career pathways pilot program established by the 2013 General Assembly. The program authorizes local school administrative units to develop a program for differentiated pay for classroom teachers based on a teacher's demonstrated effectiveness and assumption of advanced roles."

PART X. COMMUNITY COLLEGES

PROCESS FOR PERIODICALLY REVISING ENROLLMENT TIERS

SECTION 10.2. The State Board of Community Colleges shall develop a process for periodically reviewing and revising how courses and programs are classified into tiers in the enrollment funding model. The process shall be developed by March 1, 2015, and reported to the Office of State Budget and Management and the Fiscal Research Division of the North Carolina General Assembly.

The State Board of Community Colleges shall identify those courses and programs in high-need areas and may suggest any revisions to the model. These revisions shall be submitted as part of their budget requests for the 2017-2019 fiscal biennium.

REVENUES/EXPENDITURES/FEES COLLECTED AND ASSESSED BY THE MANUFACTURING SOLUTIONS CENTER AND THE TEXTILE TECHNOLOGY CENTER

SECTION 10.3. The State Board of Community Colleges shall report, no later than January 15, 2015, to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management a summary of the revenues and expenditures for the Manufacturing Solutions Center at Catawba Valley Community College and for the Textile Technology Center at Gaston College during the 2012-2013 and 2013-2014 fiscal years. The report shall include information on the structure of the fees assessed and the total fees collected by each Center.

**JLEOC STUDY ON VOCATIONAL TRAINING FOR INDIVIDUALS WITH
INTELLECTUAL DISABILITIES**

SECTION 10.4.(a) The Joint Legislative Education Oversight Committee shall study at least the following issues related to vocational training for individuals with intellectual disabilities:

- (1) Model programs for implementation on a systemwide basis at community college campuses and constituent institutions of The University of North Carolina for training and developing vocational expertise and job readiness in students with intellectual disabilities.
- (2) Enhancing employment outcomes for individuals with intellectual disabilities.
- (3) Barriers to employment for individuals with intellectual disabilities.
- (4) Establishment and expansion of partnerships between community colleges, constituent institutions of The University of North Carolina, the Department of Health and Human Services, Division of Vocational Rehabilitative Services, and community-based organizations that offer job training and job placement opportunities for individuals with intellectual disabilities.
- (5) Policies for ensuring that students with intellectual disabilities are prepared for higher educational opportunities upon completion of their elementary and secondary school education.
- (6) Policies for transition planning and job training for students with intellectual disabilities as they complete their elementary and secondary school education.

SECTION 10.4.(b) The Joint Legislative Education Oversight Committee shall report the results of the study required by subsection (a) of this section to the General Assembly prior to the convening of the 2015 General Assembly.

**EXTEND AUTHORITY TO REORGANIZE THE COMMUNITY COLLEGES
SYSTEM OFFICE**

SECTION 10.5.(a) Section 10.1(b) of S.L. 2013-360 reads as rewritten:

"SECTION 10.1.(b) This section expires ~~June 30, 2014~~ June 30, 2015."

**PERMIT THE BOARD OF COMMUNITY COLLEGES TO TRANSFER CERTAIN
FUNDS TO DEPARTMENT OF COMMERCE TO OFFSET APPRENTICESHIP
FEES**

SECTION 10.6.(a) Notwithstanding any other provision of law, of the funds appropriated by this act for the Customized Industry Training Program for the 2014-2015 fiscal year, the State Board of Community Colleges shall transfer three hundred thousand dollars (\$300,000) to the Department of Commerce to offset fee revenue lost when apprenticeship fees assessed pursuant to G.S. 94-12 are waived.

SECTION 10.6.(b) This section shall expire June 30, 2015.

**COMMUNITY COLLEGES AND UNC STUDY BILATERAL AGREEMENTS
REGARDING TRANSFER PROCESS**

SECTION 10.7.(a) The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall jointly study the various bilateral agreements and partnerships that exist between constituent institutions of The University of North Carolina and the community colleges throughout the State. The study shall specifically focus on those agreements and partnerships that aid in the transfer process and those agreements and partnerships that encourage or require students to complete some coursework at a community college before attending or transferring to a constituent institution. The study shall also provide

data on the agreements and partnerships, to the extent this information is available, on all of the following:

- (1) A description of the agreement or partnership;
- (2) The number of years it has been in existence;
- (3) The number of participants by year; and
- (4) An analysis of student outcomes after a transfer under the agreement or partnership.

SECTION 10.7.(b) The findings of the study shall be reported to the Joint Legislative Education Oversight Committee and the Senate Appropriations Committee on Education/Higher Education and the House Appropriations Subcommittee on Education by February 1, 2015. The final report shall also include recommendations on replication and expansion possibilities for the various agreements and partnerships.

PART XI. UNIVERSITIES

DISTINGUISHED PROFESSOR ENDOWMENT TRUST FUND

SECTION 11.1. Notwithstanding the provisions of G.S. 116-41.13 through G.S. 116-41.19, for the 2014-2015 fiscal year, no State match shall be required to use donations and gifts that were or are intended by the donor as matching funds for a State appropriation for distinguished professorships. If the terms of a particular donation or gift require a State match, then this subsection shall not apply without the written consent of the donor.

UNC TO FUND NORTH CAROLINA RESEARCH CAMPUS

SECTION 11.2. Of the funds appropriated in this act to the Board of Governors of The University of North Carolina, the Board of Governors shall use twenty-nine million dollars (\$29,000,000) to support UNC-related activities at the North Carolina Research Campus at Kannapolis.

REPORT ON INSTITUTIONAL TRUST FUNDS

SECTION 11.4. G.S. 116-36.1(e) reads as rewritten:

"(e) Each institution shall submit such reports or other information concerning its trust fund accounts as may be required by the ~~Board~~ Board or by the Director of the Budget."

REPORT ON ACADEMIC SUMMER BRIDGE

SECTION 11.5. No later than November 1, 2014, the Board of Governors of The University of North Carolina shall report to the Office of State Budget and Management and the Joint Legislative Education Oversight Committee on the impact of Academic Summer Bridge programs on student outcomes. At a minimum, the report shall include information by institution on graduation rates, average time to degree, and student academic performance at multiple intervals over a four-year course of study.

OPERATION OF 4-H CAMPS AND USE OF VARIOUS SITES OF DEFUNCT 4-H CAMPS AND TRANSFER 4-H CAMP SERTOMA/MOORE SPRINGS TO THE STATE PARKS SYSTEM.

SECTION 11.7.(a) Part 5 of Article 1 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"§ 116-43.20. Operation of 4-H camps.

(a) North Carolina State University shall not close the 4-H camps listed in subdivisions (1) through (3) of this subsection. Further, North Carolina State University shall continue to operate each of those camps as 4-H camps and to offer programs and services at the sites of each of those camps at a level that is at least equivalent to the programs and services offered at

each site as of June 30, 2013. The following three 4-H camps are to continue and are to be operated as 4-H camps as provided by this subsection:

- (1) Eastern 4-H Center located in Columbia, NC.
- (2) Millstone 4-H Camp located near Ellerbe, NC.
- (3) Betsy-Jeff Penn 4-H Educational Center located near Reidsville, NC.

(b) The 4-H camps that were located at the sites listed in subdivisions (1) and (2) of this subsection have ceased to operate as 4-H camps. At the request of the board of county commissioners of any county that is the site of one of the defunct 4-H camps listed in this subsection, North Carolina State University shall consult with the board regarding actions that may be taken to reopen the 4-H camp in that county and other options that may be available for the use of the site.

Within 90 days after any consultation with a board of county commissioners conducted pursuant to this subsection, North Carolina State University shall submit a written report to the Joint Legislative Education Oversight Committee, the Senate Appropriations Committee on Education/Higher Education, the House of Representatives Appropriations Subcommittee on Education, and the Fiscal Research Division regarding the feasibility of reopening the site as a 4-H camp and any other options considered for the use of the site.

The list of defunct 4-H camps follows:

- (1) Anita-Alta 4-H Camp in the Pisgah National Forest in Lenoir, NC.
- (2) Swannanoa 4-H Camp located at Swannanoa, NC.

(c) North Carolina State University shall take all practicable measures to operate the 4-H camps in a manner that will generate a positive fund balance in the institutional trust funds that account for the activities of the 4-H camps."

SECTION 11.7.(b) Article 7 of Chapter 146 of the General Statutes is amended by adding a new section to read:

"§ 146-30.1. Application of net proceeds of disposition or use of real property allocated to the 4-H Camping Program.

(a) **Limitation.** – Notwithstanding G.S. 146-30 or any other provision of law, and subject to the limitations contained in any applicable deed, the net proceeds of any disposition of, use of, or activity on real property allocated to the 4-H Camping Program shall be used solely for the operation of the 4-H Camping Program, for the acquisition of real property for the 4-H Camping Program, or for the funding of an endowment to support these purposes. These proceeds shall not be used to pay any debt or other financial obligation owed to a State agency that arose prior to the effective date of this section.

(b) **Definition of Net Proceeds.** – For purposes of this section, the term "net proceeds" shall have the same meaning as in G.S. 146-30.

(c) **No Supplanting of General Fund Support.** – It is the intent of the General Assembly that appropriations for the 4-H Camping Program not be reduced as a result of the realization of proceeds under this section. Instead, the General Assembly intends that the amount of appropriations be determined as if no proceeds had been realized under this section. The Director of the Budget shall not decrease the recommended continuation budget requirements for the 4-H Camping Program as a result of proceeds being realized under this section.

(d) **Proceeds Must Be Appropriated.** – Nothing in this section shall be construed to appropriate the proceeds described in this section."

SECTION 11.7.(c) If on the effective date of this section the net proceeds of any use of, or activity on, real property allocated to the 4-H Camping Program are being used in a manner prohibited by G.S. 146-30.1, then notwithstanding that section they may continue to be used in that manner.

SECTION 11.7.(d) The Department of Administration shall reallocate all of the approximately 716 acres of State-owned real property that is part of Camp Sertoma/Moore Springs property to the Department of Environment and Natural Resources. The General

Assembly authorizes the Department of Environment and Natural Resources to add this property to the State Parks System as provided in G.S. 113-44.14(b).

SECTION 11.7.(e) Of the funds appropriated by this act for the 2014-2015 fiscal year to the Board of Governors of The University of North Carolina for North Carolina State University the sum of seven hundred twenty-five thousand dollars (\$725,000) in recurring funds shall be allocated equally among all operating 4-H camps, including any currently defunct 4-H camp that reopens and operates as a 4-H camp. The funds allocated under this section shall be used for the operation, repair, and renovation of operating 4-H camps.

STUDY FINANCIAL AID PAYMENT SCHEDULE TO INCENTIVIZE THIRTY COMPLETED HOURS PER YEAR AND IMPLEMENT REVISED PAYMENT SCHEDULE

SECTION 11.8. Section 11.15(h) of S.L. 2013-360 reads as rewritten:

"SECTION 11.15.(h) ~~The State Education Assistance Authority shall structure its payment schedule~~ Authority, in consultation with The University of North Carolina, the North Carolina Community College System, and the North Carolina Independent Colleges and Universities, shall study ways to structure its financial aid payment schedules to encourage students to complete an average of 30 credit hours per academic year. The State Education Assistance Authority shall make an interim report to the Joint Legislative Education Oversight Committee by March 1, 2014, regarding the measures implemented by the Authority pursuant to this subsection. March 1, 2015, on its progress or lack thereof in developing such schedules and shall make a final report to the Joint Legislative Education Oversight Committee by October 1, 2015, about the financial aid payment schedules it proposes to implement.

After submitting its final report to the Joint Legislative Education Oversight Committee, the State Education Assistance Authority shall structure its payment schedules to encourage students to complete an average of 30 credit hours per academic year. The revised payment schedules shall be in place for financial aid awards made for the 2016-2017 academic year and all subsequent academic years."

UNC FACULTY TUITION WAIVER

SECTION 11.9.(a) G.S. 116-143(d) reads as rewritten:

"(d) Notwithstanding the above provision relating to the abolition of free tuition, the Board of Governors of The University of North Carolina may, in its discretion, provide regulations under which a full-time faculty member of the rank of full-time instructor or above, and any full-time staff member of The University of North Carolina may during the period of normal employment enroll for not more than ~~two~~ three courses per year in The University of North Carolina free of charge for ~~tuition, tuition and fees~~, provided such enrollment does not interfere with normal employment obligations and further provided that such enrollments are not counted for the purpose of receiving general fund appropriations."

SECTION 11.9.(b) This section applies to the 2014-2015 fall academic semester and each subsequent academic semester.

REPORT ON COLLEGE FOUNDATION OF NORTH CAROLINA SUSTAINABILITY

SECTION 11.11. No later than December 1, 2014, the State Education Assistance Authority shall report to the Office of State Budget and Management and the Fiscal Research Division of the General Assembly on its progress toward funding operations of the College Foundation of North Carolina entirely from non-General Fund sources. This report shall include all of the following:

- (1) The status of fundraising efforts to date.
- (2) A detailed plan and time line for generating additional revenues.
- (3) Estimated expenditures and revenues by type for the next four fiscal years.

- (4) Potential reduction measures and alternative funding options should General Fund appropriations not be provided in the next biennium.

TUITION ASSISTANCE TO VETERANS WHO PARTICIPATE IN THE YELLOW RIBBON PROGRAM AND THEIR SPOUSES AND DEPENDENT RELATIVES

SECTION 11.12.(a) Article 14 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"§ 116-143.8. Tuition assistance for certain veterans and their dependents.

(a) The following definitions apply in this section:

- (1) Institution of higher education. – Has the same meaning as in G.S. 116-143.1(a)(1).
- (2) Yellow Ribbon Program. – Yellow Ribbon G.I. Education Enhancement Program, 38 U.S.C. § 3317.

(b) The Board of Governors of The University of North Carolina shall annually enter into an agreement with the United States Secretary of Veterans Affairs for one or more of the constituent institutions to participate in the Yellow Ribbon Program. The State Board of Community Colleges shall annually enter into an agreement with the United States Secretary of Veterans Affairs for one or more of the community colleges to participate in the Yellow Ribbon Program. The agreements shall include all of the following terms:

- (1) A grant of ninety percent (90%) of the cost of tuition and mandatory fees not otherwise covered shall be provided for every eligible veteran or eligible spouse or dependent relative of a veteran who is enrolled or will be enrolled as an undergraduate student at a constituent institution or as a student at a community college.
- (2) To be eligible for grants under the Yellow Ribbon Program, a student must meet all program requirements established by the federal government. In addition, to be eligible for a Yellow Ribbon grant in which the school share of the grant is paid with State appropriation, a student must be enrolled as an undergraduate student at a constituent institution or as a student at a North Carolina community college.

(c) This section is not intended to prohibit constituent institutions from using private funds to provide Yellow Ribbon grants for students enrolled in master's or doctoral level programs.

(d) The General Assembly encourages private institutions of higher education in North Carolina to participate in the Yellow Ribbon Program."

SECTION 11.12.(b) It is the intent of the General Assembly to establish two reserve funds for the purpose of forward funding tuition assistance to students who participate in the Yellow Ribbon Program. Therefore, the General Assembly establishes the two following reserve funds:

- (1) There is established the UNC Yellow Ribbon Reserve to be managed by the Board of Governors of The University of North Carolina. Of the funds appropriated by this act to the Board of Governors, the sum of four million eight hundred sixty-three thousand two hundred seventy-six dollars (\$4,863,276) shall be allocated to the UNC Yellow Ribbon Reserve and shall be held in reserve for the 2014-2015 fiscal year. Beginning with the 2015-2016 fiscal year, the funds in the UNC Yellow Ribbon Reserve shall be used to fund undergraduate tuition assistance to participants in the Yellow Ribbon Program for the 2015-2016 academic year and each subsequent academic year.
- (2) There is established the Community College Yellow Ribbon Reserve to be managed by the State Board of Community Colleges. Of the funds

appropriated by this act to the Community Colleges System Office, the sum of one million dollars (\$1,000,000) shall be allocated to the Community College Yellow Ribbon Reserve and shall be held in reserve for the 2014-2015 fiscal year. Beginning with the 2015-2016 fiscal year, the funds in the Community College Yellow Ribbon Reserve shall be used to fund tuition assistance to participants in the Yellow Ribbon Program for the 2015-2016 academic year and each subsequent academic year.

SECTION 11.12.(c) The Board of Governors and the State Board of Community Colleges shall each report to the Joint Legislative Education Oversight Committee by January 1, 2015, regarding their planned participation in the Yellow Ribbon Program for the 2015-2016 academic year. Each report shall include the following information:

- (1) The number and identity of constituent institutions or community colleges that will participate in the Yellow Ribbon Program.
- (2) The methodology used by each governing board to select the institutions of higher education that will participate in the Yellow Ribbon Program.
- (3) For each institution that will participate, the maximum number of students and the maximum award amount per student.
- (4) A list of the institutions of higher education that will not participate in the Yellow Ribbon Program and the reason each institution is not participating.

SECTION 11.12.(d) Subsection (a) of this section applies to the 2015-2016 academic year and each subsequent academic year.

STUDY UNIVERSITY TUITION

SECTION 11.15.(a) The Joint Legislative Education Oversight Committee shall study the increasing cost of attendance for resident and nonresident students attending The University of North Carolina. In doing so, the Committee shall examine, at a minimum, tuition and mandatory fees at the constituent institutions of The University of North Carolina, how changes in tuition and fees in recent years have compared to overall economic inflation, and funding available to offset increases in the cost of attendance, which could include non-General Fund revenues and the availability of State- and non-State-funded financial aid.

SECTION 11.15.(b) The Joint Legislative Education Oversight Committee shall report the results of the study required by subsection (a) of this section to the General Assembly prior to the convening of the 2015 General Assembly.

UNC REVERSIONS

SECTION 11.17.(a) G.S. 116-30.3 reads as rewritten:

"§ 116-30.3. Reversions.

(a) ~~Of the General Fund current operations appropriations credit balance remaining at the end of each fiscal year in each budget code of a special responsibility constituent institution, except for the budget code of the Area Health Education Centers of the University of North Carolina at Chapel Hill, any amount of the General Fund appropriation for that fiscal year may be carried forward by the institution to the next fiscal year and is appropriated for one-time expenditures that will not impose additional financial obligations on the State. Of the General Fund current operations appropriations credit balance remaining in the budget code of the Area Health Education Centers of the University of North Carolina at Chapel Hill, any amount of the General Fund appropriation for that fiscal year may be carried forward in that budget code to the next fiscal year and is appropriated for one-time expenditures that will not impose additional financial obligations on the State. However, the amount carried forward under this section shall not exceed two and one-half percent (2 1/2%) of the General Fund appropriation. The Director of the Budget, under the authority set forth in G.S. 143C-6-2 shall establish the General Fund current operations credit balance remaining in each budget code of each~~

~~institution. Of the General Fund current operations appropriations credit balance remaining at the end of each fiscal year in each of the budget codes listed in this subsection, any amount of the General Fund appropriation for that budget code for that fiscal year (i) may be carried forward to the next fiscal year in that budget code, (ii) is appropriated in that budget code, and (iii) may be used for any of the purposes set out in subsection (f) of this section. However, the amount carried forward in each budget code under this subsection shall not exceed two and one-half percent (2.5%) of the General Fund appropriation in that budget code. The Director of the Budget, under the authority set forth in G.S. 143C-6-2, shall establish the General Fund current operations credit balance remaining in each budget code.~~

~~The budget codes that may carry forward a General Fund current operations appropriations credit balance remaining at the end of each fiscal year pursuant to this section are the budget codes for each of the following:~~

- ~~(1) Each special responsibility constituent institution.~~
- ~~(2) The Area Health Education Centers of the University of North Carolina at Chapel Hill.~~
- ~~(3) General Administration Budget Code 16010.~~
- ~~(b) Repealed by Session Laws 1998-212, s. 11(b).~~
- ~~(c) Repealed by Session Laws 1998-212, s. 11(a).~~
- ~~(d) Repealed by Session Laws 1998-212, s. 11(b).~~
- ~~(e) Notwithstanding G.S. 143C-1-2 of the General Fund current operations appropriations credit balance remaining in Budget Code 16010 of the Office of General Administration of The University of North Carolina, any amount of the General Fund appropriation for that fiscal year may be carried forward in that budget code to the next fiscal year and is appropriated for one-time expenditures that will not impose additional financial obligations on the State. However, the amount carried forward under this subsection shall not exceed two and one-half percent (2 1/2%) of the General Fund appropriation. The Director of the Budget, under the authority set forth in G.S. 143C-6-2, shall establish the General Fund current operations credit balance remaining in Budget Code 16010 of the Office of General Administration of The University of North Carolina. The funds shall not be used to support positions.~~

~~(f) Funds carried forward pursuant to subsection (a) of this section may be used for any of the following one-time expenditures set out in this subsection, provided, however, that the expenditures shall not impose additional financial obligations on the State and shall not be used to support positions:~~

- ~~(1) Any expenditure made in accordance with G.S. 143C-8-12.~~
- ~~(2) Any expenditure made for computer and other equipment upgrades.~~
- ~~(3) Any expenditure made to match or leverage private funds to support the Distinguished Professors Endowment Trust Fund established in G.S. 116-41.14.~~
- ~~(4) Any expenditure made to implement energy-savings projects and other efficiency initiatives.~~

~~SECTION 11.17.(b) G.S. 116-14(b2) reads as rewritten:~~

~~"(b2) The President, in consultation with the State Auditor and the Director of the Office of State Human Resources, shall ascertain that the management staff and internal financial controls are in place and continue in place to successfully administer the additional authority authorized under G.S. 116-14(b1) and G.S. 116-30.3(e). G.S. 116-30.3. All actions taken by the President pursuant to G.S. 116-14(b1) and G.S. 116-30.3(e) G.S. 116-30.3 are subject to audit by the State Auditor."~~

~~SECTION 11.17.(c) This section applies to the 2014-2015 fiscal year and each subsequent fiscal year.~~

UNC SET NONRESIDENT TUITION RATES

SECTION 11.18. Notwithstanding the provisions of S.L. 2013-360, the Board of Governors of The University of North Carolina may set nonresident undergraduate tuition rates for the 2014-2015 fiscal year at any level deemed appropriate by the Board of Governors; however, the systemwide total in new tuition receipts due to these changes must be at least twenty-seven million two hundred forty-three thousand one hundred fifty-seven dollars (\$27,243,157) for the 2014-2015 fiscal year.

UNC STRATEGIC PLAN FUNDS

SECTION 11.19. Section 11.13 of S.L. 2013-360 reads as rewritten:

"SECTION 11.13. 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 Board of Governors may spend a sum of up to fifteen million dollars (\$15,000,000) ~~for the 2013-2014 fiscal year and a sum of up to fifteen million dollars (\$15,000,000) for the 2014-2015 fiscal year~~ on a recurring basis to implement provisions of The University of North Carolina Strategic Plan as set out in the report "Our Time, Our Future: The University of North Carolina Compact with North Carolina."

REPORT ON FUNDING OF STATE MEDICAL SCHOOLS

SECTION 11.20. The University of North Carolina System, working with the appropriate constituent institutions and health systems, shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee on how the medical schools are funded. The report shall include a detailed explanation of the sources of all income within both a current and historical context, noting any changes in funding sources and amounts over time. The report shall also include a detailed explanation of operating expenses so that they may be compared to income. The report required by this section is due by October 1, 2014, and shall be based on the most recent audited fiscal year practicable.

STUDY ON ESTABLISHMENT OF NEW OPTOMETRY SCHOOLS

SECTION 11.21.(a) By December 1, 2014, the Board of Governors of The University of North Carolina shall evaluate and report to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division on the feasibility of establishing a school of optometry at one or more of the following constituent institutions:

- (1) The University of North Carolina at Chapel Hill.
- (2) The University of North Carolina at Pembroke.
- (3) East Carolina University.
- (4) Elizabeth City State University.
- (5) Fayetteville State University.
- (6) North Carolina Agricultural and Technical State University.
- (7) North Carolina Central University.
- (8) Winston-Salem State University.

SECTION 11.21.(b) The report by the Board of Governors pursuant to subsection (a) of this section shall include at least all of the following:

- (1) A breakdown of any projected capital, operational, or other expenditures necessary for establishing and operating a school of optometry affiliated with the institution.
- (2) A breakdown of all funds available to assist the institution with these expenses.
- (3) A projected number of applicants for the affiliated school of optometry.

1 **SECTION 11.21.(c)** The North Carolina Independent Colleges and Universities,
2 Inc., (NCICU) is encouraged to examine and report by December 1, 2014, to the Joint
3 Legislative Oversight Committee on Health and Human Services and the Fiscal Research
4 Division on the feasibility of establishing a school of optometry affiliated with an NCICU
5 college or university. The report should include at least all of the following:

- 6 (1) A breakdown of any projected capital, operational, or other expenditures
7 necessary for establishing and operating a school of optometry affiliated
8 with the institution.
- 9 (2) A breakdown of all funds available to assist the institution with these
10 expenses.
- 11 (3) A projected number of applicants for the affiliated school of optometry.

12 **UNC MANAGEMENT FLEXIBILITY REDUCTION**

13 **SECTION 11.22.** Section 11.5 of S.L. 2013-360 reads as rewritten:

14 **"SECTION 11.5.(a)** The management flexibility reduction for The University of North
15 Carolina shall not be allocated by the Board of Governors to the constituent institutions and
16 affiliated entities using an across-the-board method but shall be done in a manner that
17 recognizes the importance of the academic missions and differences among The University of
18 North Carolina entities.
19

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

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

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

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

- 40 (1) UNC Need-Based Financial Aid.
- 41 (2) North Carolina Need-Based Scholarship.
- 42 (3) ~~Any special responsibility constituent institution which has been granted a~~
43 ~~basic type designation of "Special Focus Institution" under the Carnegie~~
44 ~~Classification of Institutions of Higher Education.~~
- 45 (4) ~~Any special responsibility constituent institution which has been granted a~~
46 ~~basic type designation of "Baccalaureate Colleges Arts & Sciences" under~~
47 ~~the Carnegie Classification of Institutions of Higher Education.~~
- 48 (5) ~~Any constituent high school of The University of North Carolina.~~

49 **"SECTION 11.5.(c)** The University of North Carolina shall report on the implementation
50 of the management flexibility reduction in subsection (a) of this section to the Office of State

1 Budget and Management and the Fiscal Research Division no later than October 1, 2013.
2 October 1, 2014. This report shall identify both of the following by campus:

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