

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H.B. 726
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HOUSE PRINCIPAL CLERK

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HOUSE DRH90085-LEa-86B (03/28)

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

Sponsors: Representatives Elmore, Burr, and Hollo (Primary Sponsors).

Referred to:

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

8 The General Assembly of North Carolina enacts:

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

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

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

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

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



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