

GENERAL ASSEMBLY OF NORTH CAROLINA
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SENATE DRS75015-LEz-3A* (11/27)

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

Sponsors: Senators Soucek, Hise, and Rucho (Primary Sponsors).

Referred to:

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

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

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

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

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

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

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

23 The General Assembly of North Carolina enacts:

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

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

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

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



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

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

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

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

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

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

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

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

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