

FAILED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 402

AMENDMENT NO. A29
(to be filled in by
Principal Clerk)

S402-AMK-31 [v.9]

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Comm. Sub. [YES]
Amends Title [NO]
Fourth Edition

Date _____, 2013

Representative Whitmire

- 1 Moves to amend Amendment #20 by deleting page 1, line 1 through page 3, line 36 of that
2 amendment; and
3
4 further moves to amend Amendment #20 on page 3, line 40, by deleting "May 1, 2015" and
5 substituting "May 1, 2014, and May 1, 2015,"; and
6
7 further moves to amend Amendment #20 on page 3, line 39 by deleting "2013-2014 fiscal
8 year," and substituting "2013-2015 fiscal biennium,"; and
9
10 further moves to amend the bill, on page 45, line 47, through page 46, line 36, by deleting those
11 lines and substituting the following:
12 **"SECTION 8.4.(a)** Funds for Small School Systems. – Except as provided in
13 subsection (b) of this section, the State Board of Education shall allocate funds appropriated for
14 small school system supplemental funding to each county school administrative unit as follows:
15 (1) For each county school administrative unit with an average daily
16 membership of fewer than 3,239 students the allocation formula shall do all
17 of the following:
18 a. Round all fractions of positions to the next whole position.
19 b. Provide five and one-half additional regular classroom teachers.
20 c. Provide additional program enhancement teachers adequate to offer
21 the standard course of study.
22 d. Change the duty-free period allocation to one teacher assistant per
23 400 average daily membership.
24 e. Provide a base for the consolidated funds allotment of at least seven
25 hundred seventeen thousand three hundred sixty dollars (\$717,360),
26 excluding textbooks, for the 2013-2014 fiscal year and a base of six
27 hundred fourteen thousand three hundred sixty-four dollars
28 (\$614,364) for the 2014-2015 fiscal year.
29 f. Allot vocational education funds for grade six as well as for grades
30 seven through 12. If funds appropriated for each fiscal year for small
31 school system supplemental funding are not adequate to fully fund
32 the program, the State Board of Education shall reduce the amount



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- 1 allocated to each county school administrative unit on a pro rata
2 basis. This formula is solely a basis for distribution of supplemental
3 funding for certain county school administrative units and is not
4 intended to reflect any measure of the adequacy of the educational
5 program or funding for public schools. The formula also is not
6 intended to reflect any commitment by the General Assembly to
7 appropriate any additional supplemental funds for such county
8 administrative units.
- 9 (2) For each county school administrative unit with an average daily
10 membership from 3,239 to 4,080 students if the county in which the local
11 school administrative unit is located has a county-adjusted property tax base
12 per student that is at or below the State-adjusted property tax base per
13 student and if the total average daily membership of all local school
14 administrative units located within the county is below 4,081 students the
15 allocation formula shall do all of the following:
- 16 a. Round all fractions of positions to the next whole position.
 - 17 b. Provide five and one-half additional regular classroom teachers.
 - 18 c. Provide additional program enhancement teachers adequate to offer
19 the standard course of study.
 - 20 d. Change the duty-free period allocation to one teacher assistant per
21 400 average daily membership.
 - 22 e. Provide a base for the consolidated funds allotment of at least two
23 hundred two thousand eight hundred seventy-six dollars (\$202,876),
24 excluding textbooks, for the 2013-2014 fiscal year and a base of two
25 hundred five thousand two hundred four dollars (\$205,204) for the
26 2014-2015 fiscal year.
 - 27 f. Allot vocational education funds for grade six as well as for grades
28 seven through 12. If funds appropriated for each fiscal year for small
29 school system supplemental funding are not adequate to fully fund
30 the program, the State Board of Education shall reduce the amount
31 allocated to each county school administrative unit on a pro rata
32 basis. This formula is solely a basis for distribution of supplemental
33 funding for certain county school administrative units and is not
34 intended to reflect any measure of the adequacy of the educational
35 program or funding for public schools. The formula also is not
36 intended to reflect any commitment by the General Assembly to
37 appropriate any additional supplemental funds for such county
38 administrative units.
- 39 (3) For each county school administrative unit with an average daily
40 membership from 3,239 to 4,080 students if the county in which the local
41 school administrative unit is located has a county-adjusted property tax base
42 per student that is above the State-adjusted property tax base per student and
43 if the total average daily membership of all local school administrative units

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1 located within the county is below 4,081 students the allocation formula
2 shall provide a base for the consolidated funds allotment of at least two
3 hundred two thousand eight hundred seventy-six dollars (\$202,876),
4 excluding textbooks, for the 2013-2014 fiscal year and a base of two
5 hundred five thousand two hundred four dollars (\$205,204) for the
6 2014-2015 fiscal year.

7 **SECTION 8.4.(b)** Nonsupplant Requirement. – A county in which a local school
8 administrative unit receives funds under this section shall use the funds to supplement local
9 current expense funds and shall not supplant local current expense funds. For the 2013-2015
10 fiscal biennium, the State Board of Education shall not allocate funds under this section to a
11 county found to have used these funds to supplant local per student current expense funds. The
12 State Board of Education shall make a finding that a county has used these funds to supplant
13 local current expense funds in the prior year, or the year for which the most recent data are
14 available, if all of the following criteria apply:

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

21 The State Board of Education shall adopt rules to implement the requirements of
22 this subsection.

23 **SECTION 8.4.(c)** Phase-Out Provisions. – If a local school administrative unit
24 becomes ineligible for funding under this formula because of (i) an increase in the population
25 of the county in which the local school administrative unit is located or (ii) an increase in the
26 county-adjusted property tax base per student of the county in which the local school
27 administrative unit is located, funding for that unit shall be continued for three years after the
28 unit becomes ineligible.

29 **SECTION 8.4.(d)** Definitions. – As used in this section, the following definitions
30 apply:

- 31 (1) "County-adjusted property tax base per student" means the total assessed
32 property valuation for each county, adjusted using a weighted average of the
33 three most recent annual sales assessment ratio studies, divided by the total
34 number of students in average daily membership who reside within the
35 county.
36 (2) "Local current expense funds" means the most recent county current expense
37 appropriations to public schools, as reported by local boards of education in
38 the audit report filed with the Secretary of the Local Government
39 Commission pursuant to G.S. 115C-447.
40 (3) "Sales assessment ratio studies" means sales assessment ratio studies
41 performed by the Department of Revenue under G.S. 105-289(h).

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

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

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House Principal Clerk's Office**