

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H.B. 1139
May 14, 2020
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40590-MQa-156

Short Title: Local Boards of Education Budget Flexibility. (Public)

Sponsors: Representative Lofton.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW BUDGET FLEXIBILITY FOR LOCAL BOARDS OF EDUCATION
3 FOR THE 2020-2021 FISCAL YEAR.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Budget Flexibility for Fiscal Year 2020-2021. – Effective July 1, 2020,
6 notwithstanding G.S. 115C-105.25 and any other provision of law, for the 2020-2021 fiscal year
7 only, local boards of education may transfer and may approve transfers of funds in an allotment
8 category to another allotment category subject to the following limitations:

- 9 (1) Funds for career and technical education and other purposes may be
10 transferred only as permitted by federal law and the conditions of federal
11 grants or as provided through any rules that the State Board of Education
12 adopts to ensure compliance with federal regulations.
- 13 (2) No funds shall be transferred out of the children with disabilities, students
14 with limited English proficiency, and academically or intellectually gifted
15 students categories.
- 16 (3) No funds shall be transferred into the central office allotment category.
- 17 (4) Positions allocated for classroom teachers may be converted to dollar
18 equivalents to contract for visiting international exchange teachers through a
19 visiting international exchange teacher program approved by the State. These
20 positions shall be converted at the statewide average salary for classroom
21 teachers, including benefits. The converted funds shall be used only to provide
22 visiting international exchange teachers with salaries commensurate with their
23 experience levels, to provide any State-approved bonuses, and to cover the
24 costs associated with supporting visiting international exchange teachers
25 within the local school administrative unit, including programming and
26 related activities, background checks, medical coverage, and other program
27 administration services in accordance with the federal regulations for the
28 Exchange Visitor Program, 22 C.F.R. Part 62.
- 29 (5) Except as provided in subdivision (4) of this subsection, positions allocated
30 for classroom teachers and instructional support personnel may be converted
31 to dollar equivalents for any purpose authorized by the policies of the State
32 Board of Education. These positions shall be converted at the salary on the
33 first step of the "A" Teachers Salary Schedule. Certified position allotments
34 shall not be transferred to dollars to hire the same type of position.
- 35 (6) Funds allocated for school building administration may be converted for any
36 purpose authorized by the policies of the State Board of Education. For funds



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1 related to principal positions, the salary transferred shall be based on the first
2 step of the Base column of the Principal Salary Schedule. For funds related to
3 assistant principal months of employment, the salary transferred shall be based
4 on the first step of the "A" Teachers Salary Schedule at the salary level for
5 assistant principals. Certified position allotments shall not be transferred to
6 dollars to hire the same type of position.

7 (7) Funds to carry out the elements of the Excellent Public Schools Act that are
8 contained in Section 7A.1 of S.L. 2012-142 shall not be transferred.

9 (8) Funds allotted for textbooks and digital resources may be used only to acquire
10 textbooks and digital resources and related technology, including any
11 hardware, software, or equipment or devices necessary for the use of the
12 digital resources. These funds shall not be transferred out of the allotment for
13 any other purpose.

14 Notwithstanding G.S. 20-88.03, G.S. 115C-215, and any other provision of law, a
15 local board of education may transfer funds in the drivers education allotment category to another
16 allotment category in accordance with this section.

17 **SECTION 2.(a)** The Department of Public Instruction shall study the
18 implementation and impact of the budget flexibility guidelines listed in this act and shall submit
19 a report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division
20 on or before April 1, 2021. The report shall identify areas where either a greater or lesser amount
21 of flexibility would enable local boards of education to meet the needs of students, teachers,
22 administrators, and other school employees, along with any legislative recommendations.

23 **SECTION 2.(b)** There is appropriated from the General Fund to the Department of
24 Public Instruction the sum of fifty thousand dollars (\$50,000) in nonrecurring funds for the
25 2020-2021 fiscal year to be used to conduct the study required by this section.

26 **SECTION 3.** This act becomes effective July 1, 2020.