

JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE

AGENDA

APRIL 27, 2004

10:00 A.M., ROOM 544 LOB

Representative Yongue, presiding

Welcome and Introductions

Approval of Minutes

The Funding Formula for Multi-Campus Community Colleges (Behind Tab 4)

Dr. Tony Zeiss, President, Central Piedmont Community College

Dr. Kathy Drumm, Executive Vice-President, Central Piedmont Community College

Higher Education At Work: The Industrial Extension Service at N.C. State University (Behind Tab 5)

Ms. Jane Albright, Public Affairs Officer, Industrial Extension Service

Mr. Perry Kallam, Senior Manager, Konica Minolta, Whitsett, NC

Mr. Lynn Reese, Associate Director, Industrial Extension Service

Committee Recommendations to the General Assembly (Behind Tab 6)

JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE
2003-2004 SESSION

April 27, 2004

TABS

- 1 Membership List
- 2 Authorizing Legislation; Issues to Study; Reports Due to
Committee
- 3 Minutes
- 4 Funding Formula for Multi-Campus Community Colleges
- 5 Higher Education At Work: The Industrial Extension
Service at N.C. State University
- 6 Committee Recommendations to the General Assembly

DRAFT MINUTES
JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE
2003-2004 Session
March 25, 2004

The Joint Legislative Education Oversight Committee met on Thursday, March 25, 2004 in Room 544 of the Legislative Office Building. Senator A. B. Swindell presided. Members also in attendance were Co-chairs Rep. Robert Grady and Rep. Doug Yongue; Senators Dannelly, Garrou, Garwood, Malone, Dorsett, Moore, and Stevens; Representatives Bell, Insko, Jeffus, Pate, Preston, Sauls, Tolson and Warner. A copy of the agenda and the visitor registration sheet is attached (Attachments 1 and 2).

Senator Swindell convened the meeting at 10 a.m. and welcomed members, staff and guests. Sen. Swindell presented for approval the minutes from the meetings held on February 4 and 5, 2004 and February 25 and 26, 2004. Rep. Tolson moved approval and seconded by Sen. Dannelly, the minutes were approved as written.

State Board of Education

Senator Swindell recognized Mike Ward, State Superintendent, Department of Public Instruction, to present the State Board's legislative policy agenda. Prior to his report, Dr. Ward acknowledged Tricia Willoughby, a member of the State Board, who was also in attendance at the meeting. Dr. Ward thanked members of the General Assembly for their continued investment in North Carolina's public schools, which has resulted in solid academic progress on both the state and national measures, evidenced by both a decrease in the dropout rate, and an increase in the number of students enrolling in college. Dr. Ward directed committee members to the NCSBE handout entitled, "Requested Legislative Changes, 2004 General Assembly" (Attachment 3) and noted that some of the changes listed were carried forward from the legislative agenda for 2003. He noted that changes were grouped within SBE's Strategic Priority categories and that the new changes being added to the listing were indicated as shaded in gray. Dr. Ward also provided committee members with a copy of SB 783, Raise Compulsory School Attendance Age, (Attachment 4), adopted during the last legislative session, as supporting information to Item 6 on the list, and he provided additional information (Attachments 5, 6 & 7) when he presented Items 8, 9 and 15 on his list of recommended changes. Following Dr. Ward's presentation, there were no questions from the committee members, and Senator Swindell thanked Superintendent Ward for his report.

UNC Board of Governors

Senator Swindell next recognized J. B. Milliken, Vice President of University Affairs, University of North Carolina system. Vice President Milliken explained the process by which the UNC Board developed its legislative agenda for their non-budget proposals

each year. He reported that under a newly created Public Affairs Committee, recommendations for changes in state law were solicited from individual campuses and after thorough review were submitted to the UNC Board for their consideration and approval. Mr. Milliken provided members with a handout entitled, "The University of North Carolina 2004 Non-Budget Legislative Initiatives" (Attachment 4), and reviewed the fourteen recommendations recently adopted by the UNC Board of Governors. In reviewing the UNC initiatives, there was considerable discussion on Item 3, Military Tuition as it related to amending the NC Military Tuition statutes (GS 116-143.3). Co-chair Yongue suggested this item needed close study and that the committee should possibly consider involving a member of the military in further discussions. Senator Dannelly asked for clarification to Item 4, UNC Internal Mediation Documents, and asked if this item was related to the concerns recently expressed by the UNC service workers. Mr. Milliken advised that Leslie Winner, Board counsel would be a better resource for Senator Dannelly, as Ms. Winner had recently mediated directly with the UNC service workers. Co-chair Swindell asked Mr. Milliken to have Ms. Winner contact Senator Dannelly

Continuing with the UNC initiatives, Mr. Milliken next turned the presentation over to Jeff Davies, Vice President, UNC Board, to present the facilities and finance initiatives (listed as Items 8 through 14 on Attachment 4). Mr. Davies highlighted the bond project modifications for the various campuses, the Special Obligation Bonds initiatives, and after presenting the remaining initiatives listed on the handout, responded to questions from members of the committee. Sen. Swindell thanked Mr. Davies for his report and recognized Leslie Winner, a former North Carolina legislator, who now serves as legal counsel to the UNC Board.

Ms. Winner responded to an earlier question from Sen. Dannelly relating to the mediation program. Ms. Winner advised that the Office of State Personnel already had a mediation program in place for SPA employees, which the University currently participated. The initiative presented today would not affect the SPA employees, but would allow for an internal mediation program for faculty grievances. Ms. Winner also clarified Item 7, Paid Time Off Program, regarding the use of employee annual leave. Rep. Pate and Sen. Dannelly both suggested that the Paid Time Off initiatives recommended for state and university employees be expanded to include teachers.

Senator Swindell recognized Linda Suggs, State Board of Education, who attempted to respond to concerns of committee members of how to appropriately enforce compulsory school attendance. After considerable discussion, Rep. Insko recommended this issue needed further debate by the policy committee.

Prior to adjournment, Senator Swindell asked committee members to study the proposed recommendations and contact the co-chairs with concerns prior to the next meeting scheduled for Tuesday, April 27 and Wednesday, April 28, 2004. Senator Swindell adjourned the meeting at 11:30 a.m.

Respectfully submitted,

Senator A. B. Swindell, Co-Chair

Mo Hudson, Committee Assistant

Rep. Robert Grady, Co-Chair
Rep. Douglas Yongue, Co-Chair

Ed Oversight Committee

Community College Multi-Campus Funding Bill

April 27, 2004

Multi-Campus Colleges

- Caldwell C C
- Central Carolina CC
- College of the Albemarle
- Craven CC
- Gaston College
- Rowan-Cabarrus CC
- Cape Fear CC
- Central Piedmont CC
- Edgecombe CC
- Guilford Technical CC
- South Piedmont CC
- Wake Technical CC

Multi-Campus Issues & Need

- This Bill requests recurring funding, \$6.8 million, for multiple-campus colleges. These dollars have been included in the NCCCS budget request for the past several years, but have not been funded.
- Multi campus colleges result in significant cost savings to the state by eliminating duplicative administrative costs.

Multi-Campus Issues & Need

- In FY 2000 the legislature funded 20% of the recommended \$500,000 per additional full-service campus.
- This bill is endorsed by the NCCC Trustees Association, NCCBI and is a priority in the NCCCS budget request.

Multi-Campus Issues & Need

- Access is a core value of the community college system. Multi-campus colleges are providing geographic access.
- Some colleges have multiple campuses to serve additional counties, others have multiple campuses to serve growing student bodies.

Multi-Campus Issues & Needs

- There are several campuses with larger enrollments than some colleges.
- SACS accreditation mandates student support services by campus.
- Students should receive equal levels of services at both single and multi-campus colleges.

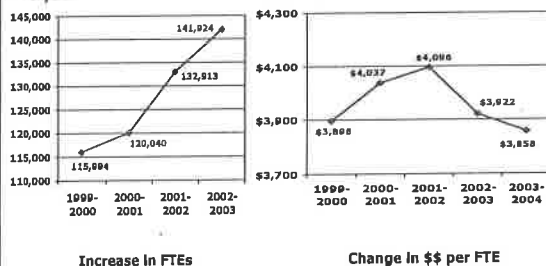
Multi-Campus Issues & Needs

- The need to provide adequate student services and comply with the 2% transfer rule places additional strain on multi-campus colleges.
- At CPCC alone, 2600 students were turned away in 2003-04.

Multi-Campus Issues & Needs

- Multi-campus colleges are serving over 300,000 students annually. This is 40% of the total student headcount for the system.
- These 21 campuses generate an estimated annual economic impact of \$206 million. (Source: CC Benefits- AACCT)

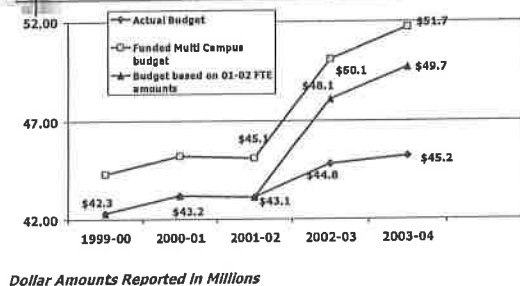
FTE Growth Across the System Compared to Average \$\$ per FTE Across the System



Multi-Campus Issues & Needs

- As funding per FTE has declined the financial strain on multi-campus colleges to provide necessary services and support has increased dramatically.
- Multi-campus colleges have been forced to reduce the expenditure per FTE for student support services.

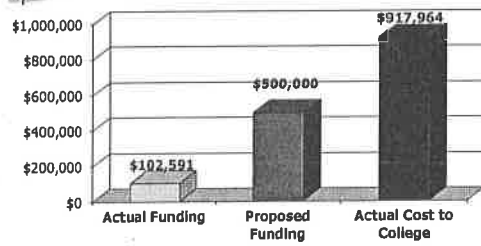
Impact on CPCC College Budget



Funding Realities Opening a New Campus

- In order for a College to open a full-service campus, 20 full-time and 5 part-time positions are needed for an annual amount of approximately \$917,964.
- These are not faculty positions – but student services, administrative services, library staff and instructional administrators

Multi-Campus Funding – per Campus



What is the Industrial Extension Service?

The Industrial Extension Service (IES) of North Carolina State University was created in 1955 by an act of the General Assembly as part of the NCSU College of Engineering to bring the most advanced engineering expertise to businesses and industries across the state. IES is the oldest service of its kind in the nation.

ROI: In 2002, IES provided **\$85.6 million in direct annual gain to the state**, as measured in an independent federal survey, on a budget of \$8.3 million (\$2 million from state appropriated funds; the rest from federal grants and fees). This was accomplished by providing 367 companies and organizations with the know-how to become more productive or expand their market. With 18 offices throughout the state, an IES engineering expert is located within 150 miles of any manufacturer in the state.

Economic development partner: IES is the ultimate economic development tool for existing industries. IES specialists throughout the state work with local EDA officials and community colleges to see that native businesses have every competitive advantage. IES is also used to make North Carolina attractive to new businesses.

Technology Incubator: IES manages the NCSU Technology Incubator on Centennial Campus, where industries of the new knowledge-based economy are nurtured until they graduate into self-sufficient companies. Since 1999, the Incubator has graduated 15 of its 55 tenant companies.

How: IES reaches into North Carolina's offices and factory floors to help them stay competitive through a variety of programs:

- **Lean manufacturing**, which removes non-value-added activities in the manufacturing process and often brings huge savings in productivity and efficiency.
- **Environmental, health and safety programs** to improve regulatory compliance in areas such as air and water quality, hazardous waste and workplace safety. Training in ISO 14001, the international standard for environmental management systems, is also offered.
- **Quality** and performance excellence is promoted by training companies on Six Sigma and the Malcolm Baldrige National Quality Award criteria; and quality standards such as ISO 9000 and QS 9000 that boost competitiveness in the global marketplace.
- **Energy and facilities management** programs offer training and on-site technical expertise to identify energy inefficiencies and correct them. Investments in these programs get exceptionally high returns. IES also manages the Solar Center, which serves as the state's clearinghouse and lead organization for solar and other renewable energy programs.

March 2004



IES clients in 2003 - 367 organizations used IES services**Alamance**

A O Smith Electrical Products
Mebane, NC 27302-0368

Armacell, LLC
Mebane, NC 27302

Burlington Chemical Co/Plant
Burlington, NC 27216-0111

Engineered Controls Intl Inc
Elon College, NC 27244-0247

GKN Automotive Inc
Mebane, NC 27302-0220

Glen Raven Mills-Park Ave. Div
Glen Raven, NC 27215

Great American Knitting Mills
Burlington, NC 27215-2217

Injectronics Inc
Burlington, NC 27215-8839

Pickett Hosiery Mills Inc
Burlington, NC 27216-0877

Sandvik Coromant Inc
Mebane, NC 27302-9116

Technical Precision Plastics
Mebane, NC 27302-9115

Alleghany

ALCOA Headquarters
Pittsburgh, PA 15283

Carolina Candle Lites Inc
Thurmond, NC 28683

Beaufort

Hackney
Washington, NC 27889-0880

Impressions Retail Fixtures
Washington, NC 27889

P C S Phosphate
Aurora, NC 27806

Bertie

Coulbourn Lumber Co Inc
Windsor, NC 27983-0565

Bladen

Danaher Controls
Elizabethtown, NC 28337-8826

Squires Hardwoods
Kelly, NC 28448-0069

Buncombe

Asheville-Buncombe Technical
Community College
Asheville, NC 28801

Cardinal Healthcare
Asheville, NC 28806-8504

Coats North America
Toccoa, GA 30577-3057

Day Engineering Services
Asheville, NC 28803-8681

Kendro Laboratory Products
Asheville, NC 28804-8740

Ohio Electric Motors Inc
Barnardsville, NC 28709-0168

Saint-Gobain Abrasives, Inc.
Arden, NC 28704-8743

Superior Modular Products Inc
Swannanoa, NC 28778

W.P. Hickman Co.
Asheville, NC 28813-0005

Burke

Catawba Creations Inc
Hildebran, NC 28637-0978

Henredon Furniture Industries
Morganton, NC 28680-0070

Huitt Mills Inc
Hildebran, NC 28637-0646

Jenn-Tom Hosiery Inc
Connellys Springs, NC 28612-7413

Leviton Manufacturing Company Inc.
Morganton, NC 28680-0068

Neuville Industries
Hildebran, NC 28637-0286

Cabarrus

Carriaff Corp
Midland, NC 28107

Oiles America Corp
Concord, NC 28027-6437

Pass & Seymour/Legrand Inc
Concord, NC 28027-6437

Williams Metals And Welding Alloys, Inc.
Concord, NC 28025

Caldwell

Industrial Seaming Co
Granite Falls, NC 28630-0481

Carteret

Bally Refrigerated Boxes Inc
Morehead City, NC 28557-8483
Carteret Community College
Morehead City, NC 28557
Hankison International
Newport, NC 28570-9169

Catawba

Carolina Crescent Industries
Hickory, NC 28603
Conover Plastics Inc
Conover, NC 28613-1268
HBF
Hickory, NC 28603-0008
Hickory Chair Co
Hickory, NC 28603-2147
Hosiery Consortium
Hickory, NC 28602
Hosiery Technology Center
Hickory, NC 28602
Meridian Automotive Systems
Newton, NC 28658-1753
Moretz Mill Inc
Newton, NC 28658-0580
S & W Chemicals Inc
Hickory, NC 28603-2483
Shurtape Technologies Inc
Hickory, NC 28603-1530
Southern Hosiery Mills
Hickory, NC 28603-0789
Thomasville Furniture Inds
Hickory, NC 28601-8106
U S Conec Ltd
Hickory, NC 28603-2306
Vanguard Furniture Co Inc
Hickory, NC 28603-2187

Cherokee

Sioux Tools Inc.
Murphy, NC 28906
Tri-County Community College
Murphy, NC 28906
Western Forge
Murphy, NC 28906

Cleveland

Curtiss-Wright Controls, Inc.
Shelby, NC 28152-0649
Mayflower Vehicle Systems
Kings Mountain, NC 28086-0789

Columbus

InterkordSA
Whiteville, NC 28472

Craven

Amital Spinning Corp
New Bern, NC 28562-6924
BSH Home Appliances Corporation
New Bern, NC 28562-6924
Craven County Community College
New Bern, NC 28562
Weyerhaeuser Co
New Bern, NC 28563-1391

Davidson

Davidson County Community College
Lexington, NC 27293-1287
Nordfab Systems Inc
Thomasville, NC 27361-0429

Davie

Ingersoll-Rand Co
Mocksville, NC 27028-0868

Duplin

Carolina Soy Products
Warsaw, NC 28398

Durham

ARCADIS Geraghty & Miller
Durham, NC 27713
Bekaert Fiber Technologies
Research Triangle Park, NC 27709
Biogen Inc
Research Triangle Park, NC 27709-4627
Boramed Inc
Durham, NC 27712-8947
Burt's Bees Inc
Durham, NC 27706
Cree Inc.
Durham, NC 27703-8475
Dow Reichhold Specialty Latex LLC
Research Triangle Park, NC 27709
Duke University Hospital
Durham, NC 27710

Durham Technical Community College
Durham, NC 27703
Eisai Inc
Research Triangle Park, NC 27709-4505
Firstmark Aerospace Corp.
Durham, NC 27701-3856
Freudenberg Nonwovens Tuft Division
Durham, NC 27704
Great Products
Aberdeen, NC 28315
National Institute for Environmental
Health Sciences
Research Triangle Park, NC 27709
North American Höganäs
Research Triangle Park, NC 27709-2166
Reichhold Chemicals Inc
Research Triangle Park, NC 27709-3582
RTI
Research Triangle Park, NC 27709
U S Environmental Protection Agency (EPA)
Durham, NC 27711
Weck Closure Systems
Research Triangle Park, NC 27709-2600

Edgecombe

Air Systems Components
Tarboro, NC 27886-1926
Keihin Carolina Systems Technology
Tarboro, NC 27886
Moorecraft Reels, Inc
Tarboro, NC 27886
Nomaco, Inc.
Tarboro, NC 27886

Forsyth

Carolina Narrow Fabric Co Inc
Winston Salem, NC 27102-1485
Chemcraft Intl Inc
Walkertown, NC 27051-0669
Douglas Battery Manufacturing
Winston Salem, NC 27117-2159
K & W Cafeterias, Inc.
Winston Salem, NC 27114-5048
Microfibres Inc
Winston Salem, NC 27114-4249
Precision Concepts Group, LLC
Winston Salem, NC 27101-4729
R. J. Reynolds Tobacco Co.
Winston Salem, NC 27102
Sara Lee Intimate Apparel
Winston Salem, NC 27105-1312

Teradyne Components Molding & Stamping, Inc.
Winston Salem, NC 27103
TW Garner Food Company
Winston Salem, NC 27115-4329

Franklin

Captive-Aire Systems Inc
Youngsville, NC 27596-9414
Flextronics International
Youngsville, NC 27596

Gaston

A.B. Carter, Inc.
Gastonia, NC 28053
Cavalier Specialty Yarns
Gastonia, NC 28054
Component Remanufacturing Specialists
Gastonia, NC 28052
Curtiss-Wright Controls, Inc.
Gastonia, NC 28052
Gaston Skills Inc.
Gastonia, NC 28052
Parkdale Mills Inc/Plts 1 & 2
Gastonia, NC 28053-1787
Rochling Engineered Plastics
Gastonia, NC 28053-2729
Stabilus
Gastonia, NC 28052-1842
The Cookson Company
Gastonia, NC 28053-2757

Granville

Newton Instrument Co
Butner, NC 27509-2426
Sandusky Athol International, Athol Division
Butner, NC 27509-0105
Solelectron
Creedmoor, NC 27522-8262

Guilford

ABB Power T & D Co Inc
Greensboro, NC 27401-4342
Aero Modifications & Consulting
Greensboro, NC 27409
American Metal Treating Inc
High Point, NC 27263-4157
AMP Inc
Greensboro, NC 27409-9407
Box Board Products Inc
Greensboro, NC 27419-8863
Bright Enterprises Inc
Greensboro, NC 27419-1148

ConvaTec

Greensboro, NC 27409

Endura Products Inc

Greensboro, NC 27419-0908

Filtrona Greensboro Inc

Greensboro, NC 27409-1421

General Dynamics Corp

Greensboro, NC 27407-2046

Guilford Technical Community College

Jamestown, NC 27282

Henredon Furniture Industries

High Point, NC 27261-0110

Konica Minolta Manufacturing U S A Inc

Whitsett, NC 27377-9787

Marsh Furniture Co

High Point, NC 27261-0870

Metal Stamping Works Inc

High Point, NC 27261-2002

Metalcraft Of Mayville, Inc.

Greensboro, NC 27409-9719

Metaldyne Corporation

Whitsett, NC 27377-9214

MWG Biotech Inc. USA

High Point, NC 27265

Nimbus Technologies Inc

High Point, NC 27263

Purolator Products Co

Greensboro, NC 27409-9018

Replacement Limited

Greensboro, NC 27420

Southern Rubber Co Inc

Greensboro, NC 27417-0039

The Scope Exchange

Greensboro, NC 27410

Tyco Electronics, Inc.

Greensboro, NC 27409

Unifi Inc

Greensboro, NC 27419-9109

Halifax**Nash Brick Co Inc**

Rocky Mount, NC 27802-0962

Harnett**Armtec Defense Products Company**

Lillington, NC 27546

Saab Barracuda

Lillington, NC 27546-9189

Henderson**Cane Creek Cycling Components**

Fletcher, NC 28732-0798

Dampp-Chaser Electronics Corp

Hendersonville, NC 28793-1610

Selee Corp

Hendersonville, NC 28792-6400

UPM Raflatac Inc

Fletcher, NC 28732-0459

Hertford**Nucor Steel**

Winton, NC 27986

Iredell**Balance Systems, Inc.**

Statesville, NC 28677

Haldex Hydraulics

Statesville, NC 28625-2714

NGK Ceramics U S A Inc

Mooresville, NC 28115-0390

Plastiflex North Carolina, LLC

Statesville, NC 28625

Sara Lee Intimate Apparel

Statesville, NC 28687

Jackson**Consolidated Metco Inc**

Cashiers, NC 28717-0037

Southwestern Community College

Sylva, NC 28779

Johnston**Carolina Electronic Assemblers, Inc.**

Smithfield, NC 27577

Johnston County Industries Inc Smithfield, NC 27577-1688**Novo Nordisk Pharmaceuticals Inc.**

Clayton, NC 27520-9217

Thyssen Precision Forge Inc.

Selma, NC 27576-3544

Thyssen Precision Forge Inc.

Selma, NC 27576-3544

Lee**Caterpillar Inc.**

Sanford, NC 27331-3667

Moen Inc

Sanford, NC 27330-9727

Wyeth-Lederle Vaccines

Sanford, NC 27330

Lenoir

Lenox China
Kinston, NC 28504-8997

Lincoln

Alpharma USPD
Lincolnton, NC 28092-5905
Lee-Boy Manufacturing Co
Denver, NC 28037-7100
Vermont American
Lincolnton, NC 28093

Martin

Ann's House of Nuts, Inc.
Robersonville, NC 27871
Martin Community College
Williamston, NC 27892
Martin County Committee Of 100
Williamston, NC 27892
Martin County Economic Development
Corporation
Williamston, NC 27892
Penco Products, Inc.
Hamilton, NC 27840
Specialty Foods Group, Inc.
Williamston, NC 27892-1431

McDowell

Baxter Healthcare Corp
Marion, NC 28752-1390
Coats American
Marion, NC 28752-0368
Ethan Allen Inc
Old Fort, NC 28762-0639
McDowell Technical Community College
Marion, NC 28752

Mecklenburg

Ace Plastics
Charlotte, NC 28211
Acordis
Charlotte, NC 28277-1479
BHS Filtration, Inc.
Charlotte, NC 28270
Caraustar Mill Group, Inc.
Charlotte, NC 28266
Carrier Corporation
Charlotte, NC 28269
Celgard LLC
Charlotte, NC 28273-6738
Central Piedmont Community College
Charlotte, NC 28235-5009

Coats North America

Charlotte, NC 28277
Cole Jenest & Stone
Charlotte, NC 28284-2192
Discovery Place, Inc.
Charlotte, NC 28202
Duff-Norton Co Inc
Charlotte, NC 28241-7010
First Restoration Services Inc.
Charlotte, NC 28206
Ingersoll-Rand Co
Davidson, NC 28036-1600
Manufacturers' Services Ltd.
Charlotte, NC 28262
Media Arts & Images Corporation
Matthews, NC 28106
Michael Day Enterprises, Inc
Charlotte, NC 28202
Microban Products Co
Huntersville, NC 28078-6309
Perfecting Coupling Co
Charlotte, NC 28206-0577
Piedmont Plastics, Fabrication Division
Charlotte, NC 28269
Polymers Center Of Excellence (PCE)
Charlotte, NC 28262
PSI Control Solutions
Charlotte, NC 28269-3160
Structural Integrity Engineering
Pineville, NC 28134
SVE Sales, Inc
Charlotte, NC 28216
The Hosiery Association
Charlotte, NC 28211
Transbotics
Charlotte, NC 28211
Wellman Inc
Charlotte, NC 28231-1331

Moore

Ingersoll-Rand Co
Southern Pines, NC 28388-8000
Moore County Schools
Carthage, NC 28327
Polythin Films Inc
Aberdeen, NC 28315-0245
Southeastern Tool & Die Inc
Aberdeen, NC 28315-5486

Nash

Consolidated Diesel Co
Whitakers, NC 27891-0670
Draka Elevator Products
Rocky Mount, NC 27802-0400

New Hanover

Cape Fear Community College
Wilmington, NC 28401-3993
Fenner Drives
Wilmington, NC 28405
Fortron Industries
Wilmington, NC 28402-0327
G-90, Inc.
Wilmington, NC 28405
Oracle Packaging
Wilmington, NC 28405
Sturdy Corp
Wilmington, NC 28401-6504
USAED, Wilmington
Wilmington, NC 28403

Onslow

Coastal Carolina Community College
Jacksonville, NC 28546
Stanadyne Automotive Corporation
Jacksonville, NC 28540

Orange

Applied MicroProducts, Inc.
Chapel Hill, NC 27514
Illinois Manufacturing Extension Center
Peoria, IL 61625

Pender

Cardinal MetalWorks, Inc.
Burgaw, NC 28425-3800
L L Building Products Co.
Burgaw, NC 28425

Person

ALSCO Metals Corporation
Roxboro, NC 27573
Eaton Corp/Engine Cmpnts Div
Roxboro, NC 27573-0241
GKN Automotive Inc
Timberlake, NC 27583-9587

Pitt

Asmo Greenville Of NC Inc
Greenville, NC 27834-9078
Coastal Agribusiness Inc.
Greenville, NC 27835-0856
DIMON International, Inc
Farmville, NC 27828-0166
East Carolina University
Greenville, NC 27858-2510
Mestek Inc
Farmville, NC 27828-0809
Metrics
Greenville, NC 27834
NACCO Materials Handling Group
Greenville, NC 27834-8614
North Carolina Agromedicine Institute
Greenville, NC 27834-2018
North Carolina Asahi
Greenville, NC 27834-9078
Tencarva
Greenville, NC 27834-9016

Randolph

Arrow International, Inc.
Asheboro, NC 27203-0552
B & J Con Sew
Asheboro, NC 27203
Confluence Watersports Company
Trinity, NC 27370-7434
Elastic Therapy Inc
Asheboro, NC 27204
H & H Furniture Co
Seagrove, NC 27341-0010
Hendrix Batting Co
High Point, NC 27264-7408
Henredon Furniture Industries, Inc.
High Point, NC 27263
Kayser-Roth Corp
Asheboro, NC 27203-3111
Kennametal Inc
Asheboro, NC 27203
M D M Inc
High Point, NC 27263-7933
Randolph Community College
Asheboro, NC 27204-1009
Southern Classic Seating
Sophia, NC 27350
Timken Co
Randleman, NC 27317-7695
United Brass Works Inc
Randleman, NC 27317-2100

Richmond

Industrial Sheet Metal & Mech
Rockingham, NC 28379-7494

Robeson

Acme Electric Corporation
Lumberton, NC 28358-0499

FCC, Inc.

Laurinburg, NC 28352

Paraclete Armor & Equipment, Inc.

Saint Pauls, NC 28384

SPX Valves & Controls

Saint Pauls, NC 28384-9294

Umicore USA Inc.

Laurinburg, NC 28353-1329

Weyerhaeuser Co

Lumberton, NC 28358-0458

Rockingham

Rockingham Community College

Wentworth, NC 27375-0038

Whiteridge Inc

Reidsville, NC 27323-2900

Rowan

KoSa

Salisbury, NC 28145

Rowan-Cabarrus Community College

Salisbury, NC 28145

Shat-R-Shield Inc

Salisbury, NC 28147-5624

W.A. Brown & Son, Inc.

Salisbury, NC 28147-6833

Rutherford

Molding Dynamics Inc

Spindale, NC 28160-0832

Reeves Brothers, Inc.

Rutherfordton, NC 28139-2207

Timken

Rutherfordton, NC 28139-7205

United Southern Industries Inc

Forest City, NC 28043-0469

Sampson

Sampson County Emergency
Management Services

Clinton, NC 28329

Stanly

Fiber Composites, LLC

New London, NC 28127

Preformed Line Products Co

Albemarle, NC 28002-0818

Stanly Community College

Albemarle, NC 28001

Surry

Kentucky Derby Hosiery Co Inc.

Mount Airy, NC 27030-0550

Sara Lee Sock Co

Mount Airy, NC 27030-4439

Swain

Consolidated Metco Inc

Bryson City, NC 28713-1457

Transylvania

Herbs Gaia Inc

Brevard, NC 28712-9730

Tucker Creek Products Inc

Brevard, NC 28712-3916

Union

G M Nameplate Inc/Acme Div

Monroe, NC 28111-0312

Rx Textiles Inc

Monroe, NC 28110-0439

Schrader-Bridgeport Intl Inc

Monroe, NC 28110-7393

South Piedmont Community College

Polkton, NC 28135

Vance

Kennametal Inc

Henderson, NC 27536-0159

Wake

ABB Power T & D Co Inc.

Raleigh, NC 27606

Academy Funds

Research Triangle Park, NC 27709

Acroprint Time Recorder

Raleigh, NC 27616-1841

Ajinomoto U S A Inc.

Raleigh, NC 27610-2917

Bob Barker Company, Inc

Fuquay Varina, NC 27526-0429

BTC

Raleigh, NC 27616

Carolina Power & Light Co
Raleigh, NC 27601
Clayton Group Services
Cary, NC 27513
Elster Electricity, LLC
Raleigh, NC 27610
EMC Manufacturing
Apex, NC 27502
Employment Security Commission
Cary, NC 27511
Flextronics Enclosures
Zebulon, NC 27597
Hunter Industries Inc
Cary, NC 27511-6443
John Deere Turf Care Inc
Raleigh, NC 27636-3358
Keebler Company
Cary, NC 27513-2001
LipoScience
Raleigh, NC 27616
Measurements Group Inc
Raleigh, NC 27611-7777
MTS Systems Corp/Sensors Div
Cary, NC 27513-2006
NavoWave, Inc.
Raleigh, NC 27617-7578
NC Dept of Administration
Raleigh, NC 27604
NC Dept of Environment & Natural Resources
Raleigh, NC 27695-1641
NC Dept of Health & Human Services
Raleigh, NC 27699-2001
NC Dept of Transportation
Raleigh, NC 27603
NC Division Emergency Management
Raleigh, NC 27609
NC Venture, LLC
Cary, NC 27513
NCSU Bookstores
Raleigh, NC 27695-7224
NCSU Forestry Department
Raleigh, NC 27695
Nomaco, Inc.
Zebulon, NC 27597-2759
Nomacorc, LLC
Zebulon, NC 27597
Pathology Associates International
Raleigh, NC 27606
Public Water Supply Sect
Raleigh, NC 27699-1634

Raleigh Orthopaedic Clinic
Garner, NC 27529
Raleigh Orthopaedic Clinic
Raleigh, NC 27612
SeaGrant Incorporated
Raleigh, NC 27695
Surtronics Inc
Raleigh, NC 27636-3459
The Ergonomics Center of North Carolina
Raleigh, NC 27607
Tyco Electronics
Fuquay Varina, NC 27526-3000
U S Case Corp
Raleigh, NC 27613-4601
Wake Technical Community College
Raleigh, NC 27603
Withers & Ravenel
Cary, NC 27511

Warren

Cochrane Furniture Co Inc
Warrenton, NC 27589-1633

Wayne

Turner Equipment Company
Goldsboro, NC 27533-1260

Wilson

Euro-Matic Plastic Inc
Wilson, NC 27893-8417
Purdue Pharmaceuticals L.P.
Wilson, NC 27893
Standard Motor Products, Inc.
Wilson, NC 27893
Wilson Technical Community College
Wilson, NC 27893

Yadkin

Austin Co
Yadkinville, NC 27055-2320

Yancey

Carolina Morning Designs
Micaville, NC 28755-0509

Budget carves extension program

By BARBARA BARRETT, Staff Writer

Jay Reardon can't say enough about the people who helped revive his company, Hickory Chair. Engineers from N.C. State University's Industrial Extension Service spent months with workers from Reardon's factory, offering advice on everything from where to put his machines to how many dining room sets he ought to build at once.

Most important, he said, his employees learned how to become more entrepreneurial themselves, willing to take risks and help the company cut costs without worrying for their jobs.

Now the federal program that helped Reardon is itself at risk, facing severe cutbacks from the Bush administration. The Industrial Extension Service, which runs the program, is going to have to start sending out layoff notices within the next few weeks. Fewer companies in North Carolina may be served, and Director Terry Helmlinger fears an effect on the state's economy.

The federal Manufacturing Extension Partnership, which helps small- and medium-size manufacturers, is being cut 63 percent.

Locally, that will mean laying off at least nine of the 72 employees in the extension service, which runs the manufacturing program statewide and helped more than 800 companies last fiscal year. If a company or industry goes under, Helmlinger said, she'll wonder whether the cuts had an impact.

"You never know whether or not we would have been able to save that industry," she said. "It's a matter of what would have been. We don't have enough people to serve industry today."

Helmlinger's office has not done projections on how much services would be cut, in part because she still doesn't know how much money she's losing.

In the fiscal year that ends June 30, her office had \$2.2 million in federal funding, about a fifth of the office's total budget. Next year, Helmlinger thinks she might get \$500,000, but she doesn't know for sure. "It is, for us, a conundrum," she said.

The Manufacturing Extension Partnership began under President Reagan. There are programs in every state. Some, such as North Carolina, run the partnership through their land-grant university.

Manufacturers get low-cost consulting services, learning how to trim expenses, improve quality control and become certified in programs such as "Six Sigma" and ISO. Those certifications mean the companies can start exporting goods, boosting international sales.

Waiting for funding

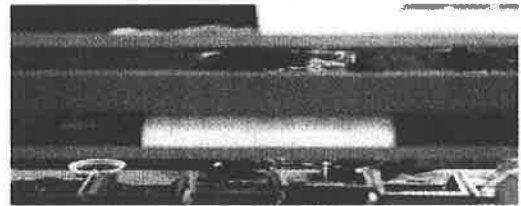
Last year, the partnership received \$106 million nationally. But President Bush cut its funding to less than \$39 million in the omnibus budget bill that passed in January. The Bush administration has argued that the program should do more to become self-supporting, since manufacturers do pay fees for the services they receive.

Bush had planned eventually to eliminate the program, said Phillip Bond, undersecretary for technology in the U.S. Department of Commerce. That changed after a recent report showing the partnership's contributions to the nation's manufacturing base.

Now, Bond said, the president has proposed funding the program in fiscal year 2005 at the same level as this year.

Until then, Bond is trying to find more money by persuading departments such as Defense and Homeland Security that small manufacturers can contribute to their needs.

"That's going to be a challenge," he said. "Our goal here is to try to keep as much of the network alive and operating through the year, then see what Congress does in '05."



Acropoint Time Recorder assembly worker Nasine High has been with the Raleigh timeclock manufacturer for nine years. The company recently got help from the Industrial Extension Service.
Staff Photos by Lisa Lauck

Looking under rocks

For now, the answer might be in marketing the service across North Carolina and increasing revenues with fees.

That approach helped draw in Acroprint Time Recorders, a Raleigh manufacturer of timeclocks that does \$20 million a year in business. General manager Jerry Helms got a call from the extension service and agreed to some assistance in taking less time to make more timeclocks.

Workstations were rearranged, and workers' tasks were juggled. The person who used to just slip a glass plate into a plastic cover now does that and sets the clock on the wall nearby, Helms said.

"It is a long-term program, and we're still working hard at making improvements," he said.

Helmlinger's boss is Steve Jones, vice chancellor for extension and engagement at NCSU. He said the university doesn't have the money to bail her out.

Jones is hoping state legislators will contribute, but North

Carolina faces a tough budget year. Two counties have contributed money to help local companies, but Jones doesn't anticipate the same from others.

"We're looking under every reasonable rock," Helmlinger said.

If the partnership goes away, private consultants are available. But Reardon, president of Hickory Chair, said he likes the higher education aspect of the extension service and doesn't want someone simply to come in and offer all the answers.

"There are a lot of consultants, but N.C. State had credibility to me because they're a nonprofit. They're out for the greater good," Reardon said. "Our goal is to teach and empower employees to get better."

Two years after starting the program, his workers still are coming up with new ideas about how to save money, he said. "It changed the culture of the company."



Acroprint Time Recorder recently rearranged its workstations and juggled workers' tasks to increase efficiency, thanks to advice from the Industrial Extension Service.

Staff Photos by Lisa Lauck

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Editorial: Ill-timed budget cut

March 29, 2004

The News & Observer

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American furniture companies locked in tough price competition are importing more pieces from countries with cheap labor, costing 14 percent of the national work force their jobs in just four years. But as The N&O reports, Hickory Chair has gone against the grain, finding ways to preserve jobs with the help of **N.C. State University's Industrial Extension Service.**

With scores of manufacturers fighting globalization forces, shrinking the extension service would seem unthinkable. Yet that's what federal budget writers have in mind for the Manufacturing Extension Partnership, which funds the **NCSU service** and others working with small and medium-size companies nationwide.

A strong push in the opposite direction is needed from North Carolina's congressional delegation. Businesses are wise to waste little time adapting as trade barriers fall. Change is what Jay Reardon of Hickory Chair chose to do, **and he was fortunate to have engineers from NCSU's extension service to prepare the way.**

They learned his factory so well that they could not only see better ways of making chairs but also better ways of motivating employees to compete. **Slashing the \$2.2 million program by 63 percent (as the White House wants) will force layoffs of NCSU extension workers and hurt home-grown businesses.**

The state's representatives on Capitol Hill, particularly those who have cast free-trade votes, have an obligation to fight for this service.

DRAFT

**JOINT LEGISLATIVE
EDUCATION OVERSIGHT COMMITTEE**



***REPORT TO THE
2004 GENERAL ASSEMBLY
OF NORTH CAROLINA***

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COMMITTEE STAFF

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Sara Kamprath
Drupti Chauhan
Dee Atkinson

Mo Hudson, Committee Assistant
Katie Stanley, Committee Assistant

COMMITTEE PROCEEDINGS

The Joint Legislative Education Oversight Committee held ten meetings.

January 14, 2004

Authorizing Legislation, Studies Authorized, Spotlight on 2003 Session

Dr. Shirley Iorio, Committee Policy Analyst

Measures Used in Decision Making for Incoming Freshmen for Admission and Placement at UNC Campuses

Authorizing Legislation

Ms. Sara Kamprath, Committee Policy Analyst

Report

Dr. Gretchen Bataille, Senior Vice President for Academic Affairs, UNC Office of the President

Should High School Students Receive Weighted Credit for College Courses?

Background

Ms. Robin Johnson, Committee Counsel

What is the problem?

Dr. Ken Boham, President, Caldwell Community College, & President, Community Colleges Presidents' Association

Status of DPI Study

Dr. June Atkinson, Director, Division of Instructional Services, DPI

Standardized Transcript and Use of Weighted Credit for University Admissions and Credit

Dr. Gretchen Bataille, Senior Vice President for Academic Affairs, UNC Office of the President

Dr. George Dixon, Vice Provost & Director of Admissions *emeritus*, NCSU

Community Colleges Information System

Dr. Sandra Williams, Vice President for Administration, NCCCS

Center for Applied Textile Technology Issues

Mr. Kennon Briggs, Vice President for Business and Finance, NCCCS

January 15, 2004

Comprehensive Articulation Agreement

What is it? What works? What, if anything, needs to be improved?

Dr. Jim Owen, President, Piedmont Community College

Dr. Gretchen Bataille, Senior Vice President for Academic Affairs, UNC Office of the President

A Review of the Request For Proposals to Study the Agreement

Ms. Drupti Chauhan, Committee Counsel

Effectiveness of Programs for Professional Development Offered by UNC Center for School Leadership Development

Authorizing Legislation

Dr. Shirley Iorio, Committee Policy Analyst

Report

Dr. Richard Thompson, Vice-President for University-School Programs, UNC

DPI's Response to the Report

Dr. Janice Davis, Deputy Superintendent, DPI

Schools of Education Performance Reports

Authorizing Legislation

Dr. Shirley Iorio, Committee Policy Analyst

Report

Dr. Kathy Sullivan, Director, Human Resource Management, DPI

Report on UNC Enrollment Planning

Authorizing Legislation

Ms. Sara Kamprath, Committee Policy Analyst

Report

Dr. Gretchen Bataille, Senior Vice President for Academic Affairs, UNC Office of the President

Committee Priorities

A Review of the Committee's Major Past Issues

Ms. Robin Johnson, Committee Counsel

Committee Discussion as to Future Issues

Rep. Robert Grady, Cochair

FEBRUARY 4, 2004

Education Initiatives Between Secondary Schools & Higher Education

Authorizing Legislation

Dr. Shirley Iorio, Committee Policy Analyst

Education Cabinet Report on Activities to create cooperative innovative education initiatives between secondary schools and higher education

JB Buxton, Governor's Education Advisor

Dr. Tony Habit, Executive Director, New Schools Project

North Carolina examples of cooperative innovative education initiatives between secondary schools and higher education

Dr. George Norris, Superintendent, Nash-Rocky Mount Schools

Dr. Katherine Johnson, President, Nash Community College

Fay Agar, Principal, Nash-Rocky Mount Middle College High School

Sandy Drum, Community Relations, Nash-Rocky Mount Schools

Barbara Zwadyk, Instructional Improvement Officer, Guilford County Schools

Debra Barham, Instructional Improvement Officer, Guilford County Schools

Tony Burks, Principal, Early College at Guilford

Wayne Tuggle, Principal, Middle College at Guilford Technical Community College

UNC Enrollment Growth

Authorizing Legislation

Sara Kamprath, Committee Policy Analyst

Report

Dr. Alan Mabe, Vice President for Academic Planning, UNC Office of the President

Perspective from a Focused Growth Institution

Chancellor Harold L. Martin, Sr.

Winston-Salem State University

More at Four Pre-Kindergarten Program

Authorizing Legislation

Sara Kamprath, Committee Policy Analyst

Report

Dr. Carolyn Cobb, Director

NC Wise

Michael E. Ward, State Superintendent of Public Instruction

Robert L. Powell, State Controller

Dr. Bob Bellamy, Associate Superintendent, Accountability and Technology Services/Chief Technology Officer, DPI

ExplorNet

Mr. Dave Boliek, Executive Director

Susan Herring, NBPTS Certified Instructor for Centers for Quality Teaching & Learning

Harold Brewer, Senior Vice President of Programs, former Montgomery County Superintendent

FEBRUARY 5, 2004

Student Achievement & Accountability Issues

- Introduction, Background and History
Ms. Robin Johnson, Committee Counsel
- NC Funding History
Mr. Adam Levinson, Fiscal Analyst
- Where is the State now?
Mr. Lou Fabrizio, Director, Accountability Services, DPI
Dr. Elsie Leak, Associate Superintendent for Curriculum & School Reform Services, DPI
- What are the perspectives of two LEAs?
Winston-Salem/Forsyth County Schools
Dr. Alice Wilson, Director, Accountability Services
Weldon City Schools
Dr. Kathi Gibson, Superintendent

FEBRUARY 25, 2004

What is the demand for teachers?

What questions should policymakers ask?

Lynn Cornett, Southern Regional Education Board

What do NC's numbers tell us?

Dr. Kathy Sullivan, Director, Human Resource Management, DPI

UNC Teacher Preparation Programs

Dr. Richard Thompson, Vice-President for University-School Programs, UNC

Dr. Marilyn A. Sheerer, Dean, College of Education, ECU

Retaining Retired Teachers

Background and status of provision

Robin Johnson, Committee Counsel

Preliminary Teacher Satisfaction Survey

Ann McArthur, Teacher Advisor, Governor's Office
J.B. Buxton, Education Advisor, Governor's Office

FEBRUARY 26, 2004

Teacher Certification Process

Dr. Kathy Sullivan, Director, Human Resource Management, DPI

Teacher Retention and Teacher Quality: National Trends Based on Research and Practice

Eric Hirsch, Senior Director for Policy and Partnership, Southeast Center for Teaching Quality

What is NC doing to retain quality teachers?

Dr. Kathy Sullivan, Director, Human Resource Management, DPI

March 11, 2004

Rapid Growth School Systems

Dr. James Causby, Executive Director, NC Association of School Administrators
Mr. Philip Price, Associate Superintendent, Financial & Business Services, DPI
Mr. Adam Levinson, Fiscal Analyst, Fiscal Research Division

Proposals for Contract to Study Articulation Agreement**Status Report on Request for IRS Ruling on Provision Allowing Retired Teachers to Return to Teaching**

Mr. Michael Williamson, Director, Retirement Systems Division, Treasurer's Office

Orange County Schools/Cedar Ridge High School Furniture and Cabinetmaking Program

Dr. June Atkinson, Director, Division of Instructional Services, DPI
Dr. Shirley Carraway, Superintendent, Orange County Schools
Laura Williamson, Orange High School student
Gray Burton, Orange High School student

March 12, 2004

Community Colleges' 2004-2005 Requests for Non-Budget Items

President Martin Lancaster

Status Report on Transfer of Business License Information Office to Small Business Centers (S.L. 2003-284, Sec. 24.1)

Mr. Franklin Scott Templeton, Deputy Secretary of State
President Martin Lancaster, Community Colleges

March 25, 2004

Approval of Minutes

State Board of Education - 2004 Non-Budget Legislative Initiatives

Dr. Michael E. Ward, State Superintendent, Department of Public Instruction

University of North Carolina Board of Governors - 2004 Non-Budget Legislative Initiatives

J.B. Milliken, Senior Vice-President for University Affairs, Office of the President

Jeffrey Davies, Vice-President for Finance & Chief Financial Officer, Office of the President

Leslie Winner, Vice-President & General Counsel, Office of the President

APRIL 27, 2004

Approval of Minutes

The Funding Formula for Multi-Campus Community Colleges

Dr. Tony Zeiss, President, Central Piedmont Community College

Dr. Kathy Drumm, Executive Vice-President, Central Piedmont Community College

Higher Education At Work: The Industrial Extension Service at N.C. State University

Ms. Jane Albright, Public Affairs Officer, Industrial Extension Service

Mr. Perry Kallam, Senior Manager, Konica Minolta, Whitsett, NC

Mr. Lynn Reese, Associate Director, Industrial Extension Service

Committee Recommendations to the General Assembly

COMMITTEE RECOMMENDATIONS

The Joint Legislative Education Oversight Committee makes the following recommendations to the 2004 Session of the General Assembly:

1. The General Assembly should enact AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO MAKE PERMANENT THE PROVISION THAT PERMITS RETIRED TEACHERS TO RETURN TO THE CLASSROOM WITHOUT A LOSS OF RETIREMENT BENEFITS. (See Legislative Proposal I)
2. The General Assembly should enact AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO AUTHORIZE THE STATE BOARD OF EDUCATION TO DETERMINE WHICH APPLICANTS FOR TEACHING POSITIONS ARE REQUIRED TO DEMONSTRATE PREPARATION ON A STANDARD EXAMINATION. (See Legislative Proposal II)
3. The Committee did not have sufficient time to study whether to extend the tuition waivers under Chapter 115B of the General Statutes. As a result, the Committee will study this issue after the adjournment of the 2004 Session of the 2003 General Assembly.
4. S.L. 2003-284, Sec. 7.29 directed the Joint Legislative Education Oversight Committee to study the effects of rapid growth in student population on local school administrative units. At the March 11, 2004 meeting, the Education Oversight Committee heard presentations from Dr. James Causby, Executive Director, NC Association of School Administrators, Mr. Philip Price, Associate Superintendent, Financial and Business Services, Department of Public Instruction, and Mr. Adam Levinson, Fiscal Analyst, Fiscal Research Division.

The presenters addressed the concerns of the rapid growth school systems and how ADM growth is recognized and funded. The presentations generated many questions from the committee members. The Committee will further study this issue after the adjournment of the 2004 Session of the 2003 General Assembly.

ARTICLE 12H.
Joint Legislative Education Oversight Committee.

§ 120-70.80. Creation and membership of Joint Legislative Education Oversight Committee.

The Joint Legislative Education Oversight Committee is established. The Committee consists of 22 members as follows:

- (1) Eleven members of the Senate appointed by the President Pro Tempore of the Senate, at least two of whom are members of the minority party; and
- (2) Eleven members of the House of Representatives appointed by the Speaker of the House of Representatives, at least three of whom are members of the minority party.

Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year. Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

A member continues to serve until his successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment.

§ 120-70.81. Purpose and powers of Committee.

(a) The Joint Legislative Education Oversight Committee shall examine, on a continuing basis, the several educational institutions in North Carolina, in order to make ongoing recommendations to the General Assembly on ways to improve public education from kindergarten through higher education. In this examination, the Committee shall:

- (1) Study the budgets, programs, and policies of the Department of Public Instruction, the State Board of Education, the Department of Community Colleges, the Board of Governors of The University of North Carolina, and the constituent institutions of The University of North Carolina to determine ways in which the General Assembly may encourage the improvement of all education provided to North Carolinians and may aid in the development of more integrated methods of institutional accountability;
- (2) Examine, in particular, the Basic Education Plan and the School Improvement and Accountability Act of 1989, to determine whether changes need to be built into the plans, whether implementation schedules need to be restructured, and how to manage the ongoing development of the policies underlying these legislative plans, including a determination of whether there is a need for the legislature to develop ongoing funding patterns for these plans;
- (3) Study other states' educational initiatives in public schools, community colleges, and public universities, in order to provide an ongoing commentary to the General Assembly on these initiatives and to make

recommendations for implementing similar initiatives in North Carolina;
and

- (4) Study any other educational matters that the Committee considers necessary to fulfill its mandate.

(b) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly may contain any legislation needed to implement a recommendation of the Committee.

§ 120-70.82. Organization of Committee.

(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Education Oversight Committee. The Committee shall meet at least once a quarter and may meet at other times upon the joint call of the cochairs.

(b) A quorum of the Committee is 10 members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

(c) Members of the Committee receive subsistence and travel expenses as provided in G.S. 120-3.1. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee.

§ 120-70.83. Additional powers.

The Joint Legislative Education Oversight Committee, while in discharge of official duties, shall have access to any paper or document, and may compel the attendance of any State official or employee before the Committee or secure any evidence under G.S. 120.19. In addition, G.S. 120-19.1 through G.S. 120-19.4 shall apply to the proceedings of the Committee as if it were a joint committee of the General Assembly.

§§ 120-70.84 through 120-70.89: Reserved for future codification purposes.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2003

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D

BILL DRAFT 2003-RHz-14 [v.2] (4/22)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

4/22/2004 3:03:50 PM

Short Title: Remove Retired Tchrs Sunset.

(Public)

Sponsors:

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT
3 LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO MAKE
4 PERMANENT THE PROVISION THAT PERMITS RETIRED TEACHERS TO
5 RETURN TO THE CLASSROOM WITHOUT A LOSS OF RETIREMENT
6 BENEFITS.

7 The General Assembly of North Carolina enacts:

8 SECTION 1. Subsection (d) of Section 28.24 of S.L. 1998-212, as rewritten
9 by Section 28.10 of S.L. 2002-126, reads as rewritten:

10 "(d) This section becomes effective January 1, 1999, and expires June 30, 2004.
11 1999."

12 SECTION 2. The introductory language of Section 67 of S.L. 1998-217, as
13 rewritten by Section 28.10 of S.L. 2002-126, reads as rewritten:

14 "SECTION 67. Effective January 1, 1999, through June 30, 2004, G.S. 135-3(8)c.,
15 as rewritten by Section 28.24(a) of S.L. 1998-212 reads as rewritten:"

16 SECTION 3. Subsection (b) of Section 67.1 of S.L. 1998-217, as rewritten
17 by Section 28.10 of S.L. 2002-126, reads as rewritten:

18 "(b) This section becomes effective January 1, 1999, and expires June 30, 2004.
19 1999."

20 SECTION 4. Subsection (c) of Section 32.25 of S.L. 2001-424, as rewritten
21 by Section 28.10 of S.L. 2002-126, reads as rewritten:

22 "SECTION 32.25.(c) This section becomes effective July 1, 2001, and expires June
23 30, 2004. 2001."

24 SECTION 5. This act becomes effective July 1, 2004.



Remove Retired Tchrs Sunset

BILL ANALYSIS

Committee: Joint Legislative Education
Oversight Committee

Date: April 27, 2004

Version: 2003-RHz-14[v.2]

Introduced by:

Summary by: Robin Johnson
Committee Counsel

SUMMARY: *This bill draft would implement a recommendation of the Joint Legislative Education Oversight Committee to remove the current sunset of June 30, 2004, from the provisions that allow retired teachers to return to the classroom without a loss of retirement benefits. The bill would take effect July 1, 2004.*

CURRENT LAW: Beneficiaries of the Teachers' and State Employees' Retirement System (System) are allowed to be re-employed by an employer participating in the System (primarily the State or a local school administrative unit) and earn (during the 12 months following retirement) 50% of the salary earned during the 12 months of service before retirement or \$24,620, whichever is greater. As an exception to this cap on earnings while collecting retirement benefits, G.S. 135-3(8)c allows a beneficiary of the System who has been retired at least six months and has not been employed in any capacity, except as a substitute teacher or a part-time tutor, with a public school for at least six months immediately preceding the effective date of reemployment, to return to be employed to teach on a substitute, interim or permanent basis in a public school and not be subject to the retirement earnings cap. This exception expires June 30, 2004.

BILL ANALYSIS: It would make permanent this exception to the earnings cap by removing the sunset date of June 30, 2004.

BACKGROUND: North Carolina's laws relating to re-employment of a State retiree were changed and simplified in 1994. As a result of those changes, a retiree could return to service during any calendar year on a part-time, interim, temporary or contractual basis and earn the greater of \$20,000 plus the ratio of the Consumer Price Index one year earlier, calculated to the nearest 1/10 of 1%, or 50% of the salary that the person earned during the 12 months of service prior to retirement.

Four years later, the General Assembly enacted a narrow exception to the cap on retirement earnings. This exception allowed beneficiaries to be re-employed as teachers in low-performing public schools or in geographic areas in which the State Board of Education determined there was a shortage of teachers without losing retirement benefits. To be eligible, the beneficiaries must have been retired at least 12 months and not been employed in any capacity, except as a substitute teacher, with a public school during that time. In 2000, the General Assembly removed the requirement that, to be eligible for the exception, the teacher must work as a teacher in a low-performing school or certain geographic areas. In 2001, the General Assembly reduced the break in service time from 12 months to six months.

POSSIBLE ISSUES:

Policy Issues - The original purpose of the exception to the earnings cap was to help alleviate the shortage of qualified teachers, especially in hard to fill positions. The General Assembly was looking to draw from an **additional** pool of qualified and experienced teachers who were **not currently** teaching. Legislators were hearing that retired teachers were interested in returning to the classroom, but because of the salary

cap under the retirement system, they would lose their benefits if they went back to teaching fulltime. If currently employed teachers retire and are immediately reemployed, there is no net gain in the number of available teachers and no impact on the teacher shortage. Instead, the system simply "churns" the existing pool of teachers.

Fiscal Impact – It is estimated that it will cost \$4 million to extend the sunset for one year (until June 30, 2005), and that it will cost \$28 million annually to make it permanent for teachers.

Summary: 2003-RHz-14[v.2]

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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BILL DRAFT 2003-RHz-15 [v.1] (4/26)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
4/26/2004 4:37:07 PM**

Short Title: Teacher Test Flexibility.

(Public)

Sponsors:

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT
3 LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO AUTHORIZE
4 THE STATE BOARD OF EDUCATION TO DETERMINE WHICH
5 APPLICANTS FOR TEACHING POSITIONS ARE REQUIRED TO
6 DEMONSTRATE PREPARATION ON A STANDARD EXAMINATION.
7 The General Assembly of North Carolina enacts:
8 **SECTION 1.** G.S. 115C-296(a) reads as rewritten:
9 "(a) The State Board of Education shall have entire control of certifying all
10 applicants for teaching positions in all public elementary and high schools of North
11 Carolina; and it shall prescribe the rules and regulations for the renewal and extension
12 of all certificates and shall determine and fix the salary for each grade and type of
13 certificate ~~which it authorizes. Provided, that the~~ that it authorizes. The State Board of
14 Education ~~shall may~~ require each applicant for an initial bachelors degree certificate or
15 graduate degree certificate to demonstrate the applicant's academic and professional
16 preparation by achieving a prescribed minimum score on a standard examination
17 appropriate and adequate for that purpose. ~~The~~ If the examination is required, the State
18 Board of Education shall permit an applicant to fulfill this requirement before or during
19 the applicant's second year of teaching provided the applicant took the examination at
20 least once during the first year of teaching. The State Board of Education shall make ~~the~~
21 any required standard initial certification exam sufficiently rigorous and raise the
22 prescribed minimum score as necessary to ensure that each applicant has adequate
23 academic and professional preparation to teach."
24 **SECTION 2.** G.S. 115C-296(a1) reads as rewritten:
25 "(a1) The State Board shall adopt policies that establish the minimum scores for ~~the~~
26 any required standard examinations and other measures necessary to assess the
27 qualifications of professional personnel as required under subsection (a) of this section.

1 For purposes of this subsection, the State Board shall not be subject to Article 2A of
2 Chapter 150B of the General Statutes. At least 30 days prior to changing any policy
3 adopted under this subsection, the State Board shall provide written notice to all North
4 Carolina schools of education and to all local boards of education. The written notice
5 shall include the proposed revised policy."

6 **SECTION 3.** G.S. 115C-296.1(c) reads as rewritten:

7 "(c) A local board may re-employ as a teacher an individual the board initially
8 employed under subdivisions (a)(2)b and (a)(2)c of this section. If the individual, either
9 prior to initial employment or within one year after initial employment, takes and passes
10 ~~the any required~~ standard examination adopted by the State Board under G.S.
11 115C-296(a) that is or was applicable to the grade or subject the individual is employed
12 to teach, then upon re-employment the individual is deemed to have satisfied the
13 academic and professional preparation required to receive an initial State teacher
14 certificate. An individual who receives an initial certificate under this subsection is
15 subject to the same requirements for continuing certification as other teachers who hold
16 initial State teacher certificates. If the individual, within one year of the initial
17 employment, does not take and pass ~~the any required~~ standard examination adopted by
18 the State Board under G.S. 115C.296(a) that is applicable to the grade or subject the
19 individual is employed to teach, then upon re-employment the individual shall continue
20 to hold a provisional certificate and is subject to G.S. 115C-296(c)."

21 **SECTION 4.** This act is effective when it becomes law. Section 3 of this act
22 expires September 1, 2006.



TEACHER TEST FLEXIBILITY:

BILL ANALYSIS

Committee: Joint Legislative Education
Oversight Committee

Date: April 27, 2004

Version: 2003-RHz-15[v.1]

Introduced by:

Summary by: Shirley Iorio, Ph D
Committee Analyst

SUMMARY: *This bill draft would implement a recommendation of the Joint Legislative Education Oversight Committee to give the State Board of Education discretion in requiring an applicant for a North Carolina teaching certificate to take and pass a standard examination to demonstrate the applicant's academic and professional competence.*

This act would be effective when it becomes law, and Section 3 would expire September 1, 2006.

CURRENT LAW: G.S. 115C-296(a) gives the State Board of Education (State Board) entire control of certifying all applicants for teaching positions in North Carolina public schools. This same statute provides that the State Board must require each applicant for an initial bachelor's degree certificate or graduate degree certificate to demonstrate academic and professional preparation to teach by achieving a prescribed minimum score on a standard examination appropriate and adequate for that purpose.

BILL ANALYSIS: This draft bill would eliminate the statutory requirement for a standard certification examination and would allow the State Board to determine whether any applicants for teaching certificates will be required to take and pass a standard examination. It is important to note, however, that currently the federal No Child Left Behind Act (NCLB) requires that elementary teachers and exceptional children teachers must pass a rigorous state test in order to be designated highly qualified*.

BACKGROUND: In response to legislation that will expire June 30, 2004 (Section 7.20 of the 2003 Budget Bill), the State Board of Education formed a Select Committee on Teacher Reciprocity Issues. The Committee was charged with reviewing policies and procedures for issuing North Carolina licenses to highly qualified teachers from other states, identifying barriers, and recommending changes that would facilitate the licensing of teachers from other states. The Committee was also asked to consider ways of aligning state licensing requirements with the No Child Left Behind Act.

This draft bill represents a change that was recommended by the State Board Select Committee on Teacher Reciprocity (Committee) to assist school systems in North Carolina in recruiting experienced from other states. The Committee recommended that teachers who had completed an approved teacher education program or an alternative route program and who have been fully licensed and designated highly qualified in other states be fully licensed and designated highly qualified in North Carolina.

In January 2004 the State Board approved the recommendations of the Committee. However, to implement this particular recommendation, a revision in G.S. 115C-296(a) is required. This draft bill makes that revision.

*Under the No Child Left Behind (NCLB) legislation, to be designated highly qualified, new elementary and exceptional children teachers must pass a rigorous state test. Middle school, secondary, special subject area, and career technical teachers must pass a rigorous state test or have an academic major or the equivalent in the content area or have a graduate degree in the content area.

Summary: 2003-RHz-14[v.1] SMSF

