

NORTH CAROLINA GENERAL ASSEMBLY



JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE

REPORT TO THE 2015 SESSION of the GENERAL ASSEMBLY OF NORTH CAROLINA

JANUARY 6, 2015

A LIMITED NUMBER OF COPIES OF THIS REPORT ARE AVAILABLE FOR
DISTRIBUTION THROUGH THE LEGISLATIVE LIBRARY

ROOM 500
LEGISLATIVE OFFICE BUILDING
RALEIGH, NORTH CAROLINA 27603-5925
TELEPHONE: (919) 733-9390

TABLE OF CONTENTS

LETTER OF TRANSMITTAL	5
COMMITTEE PROCEEDINGS	7
SUMMARY OF COMMITTEE PROCEEDINGS	9
FINDINGS AND RECOMMENDATIONS.....	14
APPENDICES	
<u>APPENDIX A</u>	
MEMBERSHIP OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE	16
<u>APPENDIX B</u>	
COMMITTEE CHARGE/STATUTORY AUTHORITY	17
<u>APPENDIX C</u>	
LEGISLATIVE PROPOSAL	19
<u>Legislative Proposal</u>	
A BILL TO BE ENTITLED AN ACT TO ALLOW RETIREES WHO RETURN TO WORK FOR THE STATE IN NONPERMANENT POSITIONS TO RETAIN THEIR COVERAGE OPTIONS UNDER THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES RATHER THAN LIMITING SUCH RETIREE'S COVERAGE OPTIONS TO THE "BRONZE LEVEL" HIGH- DEDUCTIBLE HEALTH PLAN NECESSITATED BY THE AFFORDABLE CARE ACT, AS RECOMMENDED BY THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE	

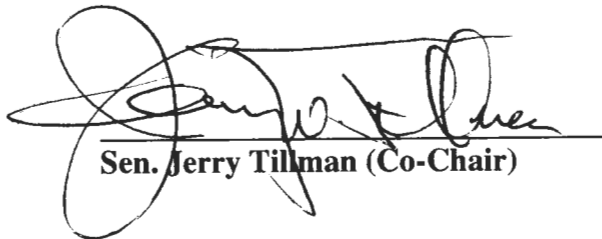
This page intentionally left blank

TRANSMITTAL LETTER

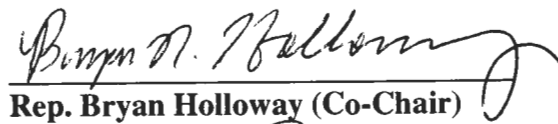
January 6, 2015

TO THE MEMBERS OF THE 2015 SESSION
OF THE GENERAL ASSEMBLY OF NORTH CAROLINA

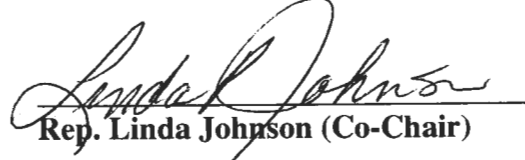
The JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE
respectfully submits the following report to the 2015 Session of the General
Assembly of North Carolina.



Sen. Jerry Tillman (Co-Chair)



Rep. Bryan Holloway (Co-Chair)



Rep. Linda Johnson (Co-Chair)

This page intentionally left blank

COMMITTEE PROCEEDINGS

The Joint Legislative Education Oversight Committee met 4 times after the 2014 Regular Session.

October 7, 2014

Elizabeth City State University

Tom Ross, President, The University of North Carolina

Stacey Franklin Jones, Chancellor, Elizabeth City State University

UNC Tuition

Elizabeth McDuffie, Director – Grants, Training, Outreach, State Education Assistance Authority

Jonathan Pruitt, Vice President for Finance, UNC-General Administration

Vocational Training for Individuals with Intellectual Disabilities

Julia Adams, The Arc of North Carolina

Jennifer Mahan, Director of Advocacy and Public Policy, Autism Society of North Carolina

Race to the Top Programs for Continuation

Dr. June Atkinson, NC Superintendent of Public Instruction

Adam Levinson, Director, Race to the Top, NC Department of Public Instruction

Race to the Top Program Evaluation

Dr. Glenn Kleiman, Executive Director, Friday Institute for Educational Innovation

Dr. Trip Stallings, Director of Policy Research, Friday Institute for Educational Innovation

November 5, 2014

AP US History/Founding Principles

Dr. June Atkinson, Superintendent, North Carolina Department of Public Instruction

Bill Cobey, Chairman, State Board of Education

Trevor Packer, Senior Vice President of AP & Instruction, The College Board

Heather LaJoie, IB Coordinator, East Mecklenburg High School, Charlotte, NC

Lee Quinn, Teacher & IB Coordinator, Broughton High School, Raleigh, NC

David Brooks, IB Coordinator, Broughton High School, Raleigh, NC

State Board of Community Colleges and Auditing of Local Community Colleges

Jennifer Haygood, Executive Vice President for Operations and Chief Financial Officer

NC Community College System

December 2, 2014

Health Coverage for Reemployed Retirees in 2015

Mona Moon, Executive Administrator of the NC State Health Plan, NC Treasurer's Office

Carrie Tulbert, NC Principal of the Year and Principal at Mooresville Middle School

Brady Johnson, Superintendent, Iredell-Statesville School System

David Vanderweide, Fiscal Analyst, Fiscal Research Division, NC General Assembly

Virtual Charter School Pilots

Philip Price, Chief Finance Officer, Department of Public Instruction

Implementation of Read to Achieve/I-Station

Department of Public Instruction

Dr. Rebecca Garland, Deputy State Superintendent, NC DPI

Carolyn Guthrie, Director, K-3 Literacy, NC DPI

Brenda Hammond, Third Grade Teacher, Timber Drive Elementary School, Garner

SERVE

Wendy McColskey, Ph.D., Program Director, SERVE Center at UNCG

Jessica Anderson, M.P.P., Senior Policy Research Analyst, SERVE Center at UNCG

Kathleen Mooney, M.A., Evaluation Specialist, SERVE Center at UNCG

Winston-Salem/Forsyth

Rebecca Carter, Principal, Kernersville Elementary School

Mike Presley, Third Grade Teacher, Kernersville Elementary School

AP US History/Founding Principles

Dr. June Atkinson, Superintendent, Department of Public Instruction

Kim Fink, Chairman, Education Watchdog, Coastal Carolina Tax Payers Association

January 6, 2015

Draft Report

Adoption of Report

SUMMARY OF COMMITTEE PROCEEDINGS

This section of the report provides a brief summary of the Committee meetings. It is not intended to be a complete, official record of those meetings. However, there is an official record of the Committee's meetings, including minutes and handouts distributed to the Committee members, in the Legislative Library.

October 7, 2014

Tom Ross, President of The University of North Carolina, and Stacey Franklin Jones, Chancellor of Elizabeth City State University, spoke to the Committee regarding the financial stability of Elizabeth City State University (ECSU). President Ross described the economic impact of ECSU as being the third largest employer in the region, having over \$100 million in output sales, having approximately \$80 million value added (gross regional), and having approximately \$59 million in labor income. He mentioned some of the process improvements that have taken place, such as campus safety and Clery compliance, internal audit shared service, early warning retention system, curriculum and graduate audit system, and outsourced university bookstore. Some areas of focus are enrollment management and Aviation Science accreditation. Chancellor Jones spoke next about ECSU moving forward into the three phases to greater prominence and marked self-sufficiency. She mentioned that Phase I is making ECSU the most affordable academic success university in North Carolina, Phase II is ECSU being a community of scholars, and Phase III is ECSU being an interdisciplinary science university in North Carolina.

Elizabeth McDuffie, Director of Grants, Training, Outreach, State Education Assistance Authority, and Jonathan Pruitt, Vice President for Finance, UNC-General Administration, provided the Committee an update about UNC tuition. Elizabeth McDuffie said that the State and Federal Aid share the concept of 'cost of attendance' used in determining financial need and that cost of attendance items vary by institution and by student. She also described how schools establish the allowable costs. Jonathan Pruitt spoke about the cost of attendance trends and tuition and fees for The UNC System. He stated that the 2012-13 average annual cost of attendance was \$18,821 per on-campus resident undergraduate UNC student. The range for the UNC campuses was between \$13,161 and \$24,024. He mentioned that over the last 15 years, the cost of attendance has increased \$10,926 or 138% for the average resident undergraduate UNC student. Mr. Pruitt also talked about the new four-year plan that reduced the cap on tuition from 6.5% to 5%. Tuition set aside for need-based financial aid will be capped at 15% of total tuition revenues.

Julia Adams, The ARC of North Carolina, and Jennifer Mahan, Director of Advocacy and Public Policy, Autism Society of North Carolina, spoke next about improving employment outcomes for students with Intellectual and/or Developmental Disabilities (I/DD). They provided a definition and examples of I/DD. Next, they provided some information for education and employment outcomes. For example, the graduation rate

for those with I/DD is at 64.4% compared to a graduation rate of 83.9% for all students. They also talked about some study components and next steps for I/DD to include: data collection improvements, expanding access to community colleges and postsecondary programs, leveraging IDEA funds in public schools to support placement in community college instead of extending high school, policy coordination across DPI, DHHS, community colleges, and universities, statewide policy that makes commitment to employment as an outcome, a comprehensive vision of a transition continuum of options to support education and future employment, family education and mentoring across the lifespan, and peer support programs linking youth to resources.

Dr. June Atkinson, Superintendent of Public Instruction, and Adam Levinson, Director, Race to the Top, Department of Public Instruction, addressed the Committee about Race to the Top (RttT) programs for continuation. They mentioned the major outcomes in the graduation rate, college and career readiness, and industry credentials as well as the broad RttT participation of every North Carolina school district and 28 of 51 eligible charter schools. They provided highlights of College and Career Readiness, the Enhanced Educator Effectiveness Model, regionally-based professional development and training, digital learning infrastructure, and district and school transformation. They noted funding options to continue the momentum in areas such as RttT management, RttT evaluation, NC Education Cloud, and the instructional improvement system (Home Base). They summarized their presentation by saying that RttT funding has enabled them to remodel the North Carolina system of public schools and they listed several funding opportunities that warrant consideration by the General Assembly. Those include: Home Base, Professional Development, Educator Evaluation System, and District and School Transformation.

Next, Dr. Glenn Kleiman, Executive Director, and Dr. Trip Stallings, Director of Policy Research, both with the Friday Institute for Educational Innovation, provided an update about Race to the Top Initiatives. In their overview, they said NC Race to the Top was designed to increase students' success by addressing: great teachers and leaders, turning around lowest achieving schools, standards and assessments, and data systems to support instruction. They talked about 1) the organization of the evaluation, 2) the evaluation progress, 3) data needed to complete evaluations, and 4) the outcomes. They noted that the final impact evaluations will provide additional evidence about the extent to which RttT initiatives have moved North Carolina towards the goals that were set out.

November 5, 2014

Dr. June Atkinson, Superintendent of the North Carolina Department of Public Instruction, and Bill Cobey, Chairman of the State Board of Education, provided an update of the issues surrounding the implementation of S.L. 2011-273, the Founding Principles Act. They explained that American History I had been a graduation requirement, and that in 2011 the General Assembly enacted the Founding Principles Act which required local boards of education to teach a semester course entitled "American History I: The Founding Principles" with a passing grade required for graduation. The State Board of Education (SBE) changed the name of American History I to American

History I: The Founding Principles and ensured that specific principles were covered in the course. Dr. Atkinson and Mr. Cobey then stated that there were numerous opportunities for college level history courses in high school, including advanced placement (AP) and international baccalaureate (IB) programs. The SBE policy allows students to take the AP US History in lieu of American History I: Founding Principles. The policy further provides that AP US History along with one additional social studies elective satisfies the American History I and American History II requirements for high school graduation. They stated that it was important for students to continue to take AP US History because there were fewer opportunities for students to take other advanced courses and that the General Assembly had encouraged more access and successful participation in AP and IB courses. They stated that the documents and principles required by the General Assembly in the Founding Principles Act had to be followed even in the AP classes and that AP teachers and local boards of education have the flexibility to ensure that the law is followed.

Trevor Packer, Senior Vice President of AP and Instruction at the College Board, then presented to the Committee about the AP Program, including North Carolina statistics for AP participation and credit placement. He stated that the College Board feels that instruction in the Founding Principles can be fulfilled within the AP US History course. He further provided information about the new course framework adopted by the College Board for AP US History and stated that it encourages focus on the Founding Principles along with more questions requiring the examination of historical documents.

The following three presenters next spoke opposing a requirement that students taking IB History of the Americas also take American History I: The Founding Principles.

- Heather LaJoie, IB Coordinator, East Mecklenburg High School, Charlotte, NC
- Lee Quinn, Teacher & IB Coordinator, Broughton High School, Raleigh, NC
- David Brooks, IB Coordinator, Broughton High School, Raleigh, NC

They stated that the NC teachers of IB History of the Americas can fulfill the provisions of the Founding Principles Act by teaching the specified principles within the existing IB course.

Jennifer Haygood, Executive Vice President for Operations and Chief Financial Officer, North Carolina Community College System, provided an update to the Committee on the work of the Program Audit Study Committee established by S.L. 2013-360, Sec. 10.15. Ms. Haygood detailed the work of the Study Committee and its data-gathering process, and summarized the key proposed reforms to the program audit process for community colleges. The recommendations included changes to State Board of Community College rules, statutory changes, and changes to current processes for staff conducting compliance reviews.

December 2, 2014

Mona Moon, Executive Administrator for the NC State Health Plan, presented an overview of new health benefit coverage requirements for full-time employees. She stated that under the federal Affordable Care Act (ACA), the State must offer health care

benefits to non-permanent full-time employees who traditionally were not eligible for coverage under the State Health Plan. The State responded to this requirement by offering coverage that provides minimal essential coverage at no greater than the ACA "Bronze" level coverage that also minimizes the employer contribution. This option is known as the High Deductible Health Plan Option (HDHP). Ms. Moon explained that, in 2015, rehired retirees working on a temporary basis more than 30 hours per week would be required to switch to the HDHP and that rehired retirees found this to be less attractive than the regular State Health Plan coverage for retirees.

Carrie Tulbert, NC Principal of the Year and the principal of Mooresville Middle School, and Brady Johnson, Superintendent of Iredell-Statesville School System, next spoke to the Committee about how this health benefit coverage change is keeping many rehired retirees from working in the public schools in long-term assignments, such as substitute teachers, and therefore negatively impacting the public schools.

David Vanderweide, Fiscal Analyst in the Fiscal Research Division of the NC General Assembly, next presented options to the Committee to make changes to the health benefit coverage options provided to the rehired retirees.

Philip Price, Chief Finance Officer at the Department of Public Instruction, provided an overview to the Committee on the implementation of S.L. 2014-100, Section 8.35, which directed the State Board of Education (SBE) to create a virtual charter school pilot program for the 2015-2016 year. Mr. Price presented the timeline the SBE was following to implement the pilot program and stated that two applications had been submitted to the SBE prior to the deadline for applications. The SBE will discuss recommendations for the virtual charter school pilot program in January 2015 and vote to select the applicants in February of 2015. By August of 2015, the virtual charter school pilots will open to serve students with a maximum of 1500 students per school.

Dr. Rebecca Garland, Deputy State Superintendent, Department of Public Instruction, and Carolyn Guthrie, Director, K-3 Literacy, Department of Public Instruction, addressed the Committee on the implementation of the Read to Achieve Program part of S.L. 2012-142, Sec. 7A.1(b). They discussed the grade level implementation plan and covered information in a report that was submitted to the Committee in October 2014. The report is comprised of four sections that include the overall strategic plan implemented by the Department of Public Instruction by component, the accountability measures of numbers of students falling within specific categories of the program, overall findings of an external evaluation, and response to feedback with recommendations for future legislation. The recommended legislation includes: providing instructional coaches, providing reading camps for younger students, expanding the number and future development of Master Literacy Trainers, providing funding for reading camps, increasing funding in general for the program, and staying the course.

Next, Ms. Brenda Hammond, Third Grade Teacher, Timber Drive Elementary School in Garner, North Carolina, spoke to the Committee about her personal experience as a teacher in the Read to Achieve program.

Dr. McColskey, Program Director, Jessica Anderson, Senior Policy Research Analyst, and Kathleen Mooney, Evaluation Specialist, all of SERVE Center at UNCG, spoke next about their evaluation of educators' perception of the first year of Read to Achieve. Dr. McColskey mentioned that in the Spring of 2014, SERVE Center collected data on educators' perception of Read to Achieve implementation by using online surveys, statewide focus groups and district interviews. She provided information on educators' responses in three of the seven components of the Read to Achieve program: facilitating early grade reading proficiency, elimination of social promotion, and successful reading development of retained students. She said that the overall message that they heard from the six districts that participated was stay the course and give it time.

Rebecca Carter, Principal, Kernersville Elementary School, Winston-Salem/Forsyth Schools, and Mike Presley, Third Grade Teacher, Kernersville Elementary School, Winston-Salem/Forsyth Schools, addressed the Committee about a powerful and interactive assessment tool called I-Station that they use to enhance the Read to Achieve Program. I-Station provides the teacher with lots of resources and access to the students' progress. It also provides individualized instruction for students. It keeps them engaged and the curriculum is adjusted to each child's individual ability in the skill areas.

Dr. June Atkinson, Superintendent of the NC Department of Public Instruction, presented to the Committee on the implementation of S.L. 2011-273: The Founding Principles Act and presented two options to address the issue concerning students having to take both American History I: Founding Principles and AP US History. These were: (1) renaming the current required course entitled "Civics and Economics" to "American History, The Founding Principles, Civics, and Economics" and aligning the Founding Principles Act to the NC Civics and Economics Essential Standards; or (2) having local boards of education ensure that the intent of the Founding Principles Act is carried out through ongoing review of the curriculum content used in courses addressing the Founding Principles and providing professional development for teachers.

Kim Fink, Chairman, Education Watchdog, Coastal Carolina Taxpayers Association, presented to the Committee that the new AP US History Framework adopted by the College Board was socially, politically, racially, and environmentally biased and taught a negative perspective that was not a true or fair reflection of US History and did not show it as exceptional. Ms. Fink urged the Committee to encourage the College Board to be historically correct.

January 6, 2015

The Committee engaged in discussion about the final report and voted to adopt the report, with authorization to staff to make technical changes and add the proceedings of the current meeting.

FINDINGS AND RECOMMENDATIONS

Based on information presented to the Joint Legislative Education Oversight Committee during their regularly scheduled meetings, the Committee makes the following findings and recommendations to the 2015 General Assembly:

1. Elizabeth City State University

The Committee recognizes the challenges that Elizabeth City State University has faced over the past several years, in particular its declining enrollment numbers. The Committee finds that the "rightsizing" initiative is a step in the correct direction that could lead the University to financial and enrollment stability and ultimately successful outcomes for its students, alumni, faculty, staff, and larger community. The Committee strongly encourages Elizabeth City State University to continue to refine its "rightsizing" initiative and focus on increasing financial, administrative, operational, and academic efficiencies in order to exemplify its commitment to providing a high quality college education and continuing to be a key stakeholder in the northeastern region of North Carolina.

2. Vocational Training for Individuals with Intellectual and Developmental Disabilities

The Committee continues to support efforts and programs designed to improve employment outcomes for individuals with intellectual and developmental disabilities. It finds that increased collaboration across various agencies, including the Department of Public Instruction, the Department of Health and Human Services, the North Carolina Community College System, The University of North Carolina, and the Department of Commerce, would be helpful in creating stronger employment outcomes for these individuals. The Committee also recognizes and encourages individual school systems, community colleges, and UNC campuses to be innovative in their approach to providing high quality educational opportunities as well as strong vocational and job skills training to individuals with intellectual and developmental disabilities. They should continue to focus on creating and sustaining partnerships with business and industry in order to effectively meet the needs of the individuals and the employers, with an emphasis placed on creating and refining plans for transitions from school to training programs to employment. Finally, the Committee strongly urges that successful programs be supported and replicated in the State in order to help these individuals live up to their full potential and be engaged and productive citizens.

3. Health Coverage for Reemployed Retirees in 2015

Due to a complex interaction of State and federal law, rehired retirees working on a temporary basis more than 30 hours per week will be required to switch to the High Deductible Health Plan (HDHP) in 2015, which the rehired retirees find to be a much less attractive offering than the regular State Health Plan (SHP) coverage for retirees. The Committee finds that, in response, many rehired retirees working in the public schools are leaving these positions or refusing to take new long-term assignments as substitute teachers, interim superintendents, or other roles. Therefore, the Committee recommends

a statutory change to cover these retirees as active employees with regular SHP coverage, with the school districts paying the full employer premium but later being reimbursed for that premium by the Retiree Health Benefit Fund.

See attached Legislative Proposal 2015-MEz-4.

4. Read to Achieve Reading Camp Flexibility

The 2013-2014 school year completed the first year of implementation of the Read to Achieve program enacted in Section 7A.1 of S.L. 2012-142. One of the requirements of the Read to Achieve program is for local school administrative units to offer a reading camp to students who have been retained in third grade due to failure to demonstrate reading competency at this grade level. Preliminary analysis of the initial implementation indicates that it may be helpful to local school administrative units to allow them additional flexibility to also offer reading camps to students in kindergarten, first, and second grades to address student remediation needs in a more timely manner. The Committee therefore recommends that as additional data becomes available, the 2015 General Assembly consider the possibility of providing such flexibility to local school administrative units to allow them to offer reading camps to younger students.

COMMITTEE MEMBERSHIP

2013-2014

President Pro Tempore of the Senate
Appointments:

Sen. Jerry Tillman (Co-Chair)

Sen. Tom Apodaca
Sen. Chad Barefoot
Sen. Bill Cook
Sen. David Curtis
Sen. Malcolm Graham
Sen. Clark Jenkins
Sen. Earline Parmon
Sen. Louis Pate
Sen. Dan Soucek
Sen. Trudy Wade
Sen. Fletcher Hartsell (Advisory Member)
Sen. Gladys Robinson (Advisory Member)
Sen. Josh Stein (Advisory Member)

Speaker of the House of Representatives
Appointments:

Rep. Bryan Holloway (Co-Chair),
Rep. Linda Johnson (Co-Chair)

Rep. Hugh Blackwell
Rep. Marcus Brandon
Rep. Rob Bryan
Rep. Tricia Cotham
Rep. Craig Horn
Rep. J.H. Langdon
Rep. Marvin Lucas
Rep. Chuck McGrady
Rep. Paul Stam
Rep. Brian Brown (Advisory Member)
Rep. Debra Conrad (Advisory Member)
Rep. Jeffrey Elmore (Advisory Member)
Rep. Chris Malone (Advisory Member)
Rep. Bob Steinburg (Advisory Member)

COMMITTEE CHARGE/STATUTORY AUTHORITY

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 three 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 may:

- (1) Study the budgets, programs, and policies of the Department of Public Instruction, the State Board of Education, the Community Colleges System Office, 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.
- (5) Study the needs of children and youth. This study may include, but is not limited to:
 - a. Developing strategies for addressing the issues of school dropout, teen suicide, and adolescent pregnancy.
 - b. Identifying and evaluating the impact on children and youth of other economic and environmental issues.

(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.

LEGISLATIVE PROPOSAL

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

S

D

BILL DRAFT 2015-MEz-4* [v.13] (11/05)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
12/18/2014 10:53:51 AM

Short Title: State Health Plan/Rehired Retiree Eligibility.

(Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ALLOW RETIREES WHO RETURN TO WORK FOR THE STATE IN
NONPERMANENT POSITIONS TO RETAIN THEIR COVERAGE OPTIONS
UNDER THE STATE HEALTH PLAN FOR TEACHERS AND STATE
EMPLOYEES RATHER THAN LIMITING SUCH RETIREES' COVERAGE
OPTIONS TO THE "BRONZE LEVEL" HIGH-DEDUCTIBLE HEALTH PLAN
NECESSITATED BY THE AFFORDABLE CARE ACT, AS RECOMMENDED
BY THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-48.40, as amended by Section 35.16 of S.L.
2014-100, reads as rewritten:

"§ 135-48.40. Categories of eligibility.

...

(b) Partially Contributory Coverage. – The following persons are eligible for
coverage under the Plan, on a partially contributory basis, subject to the provisions of
G.S. 135-48.43:

(1) All permanent full-time employees of an employing unit who meet
either of the following conditions:

a. Paid from general or special State funds.

b. Paid from non-State funds and in a group for which his or her
employing unit has agreed to provide coverage.

Employees of State agencies, departments, institutions, boards, and
commissions not otherwise covered by the Plan who are employed in
permanent job positions on a recurring basis and who work 30 or more
hours per week for nine or more months per calendar year are covered
by the provisions of this subdivision.

1 (1a) All retirees who (i) are employed by an employing unit, (ii) do not
2 qualify for coverage under subdivision (1) of this section, and (iii) are
3 determined to be "full-time" by their employing unit in accordance
4 with section 4980H of the Internal Revenue Code and the applicable
5 regulations, as amended. The Department of State Treasurer shall,
6 using a process developed by the Department, reimburse an employing
7 unit the employing unit's cost to cover such a retiree who enrolls in the
8 Plan. The reimbursement shall be made at least once per plan year and
9 shall be paid from the Retiree Health Benefit Fund.

10 ...

11 (e) Other Contributory Coverage. – Any employee of an employing unit is
12 eligible for coverage under this section on a contributory basis, subject to the provisions
13 of G.S. 135-48.43 and of this section, if (i) the employee's employing unit determines
14 that the employee is a full-time employee and (ii) the employee does not qualify for
15 coverage under subdivision (1), (1a), (5), (6), (7), (8), (9), or (10) of G.S. 135-48.40(b).
16 For the purposes of this subsection, the full-time status of an employee shall be
17 determined by the employing unit, in its sole discretion, in accordance with Section
18 4980H of the Internal Revenue Code and the applicable regulations, as amended. The
19 coverage offered and the contribution required for coverage under this section shall be
20 determined by the Treasurer and approved by the Board of Trustees. Such coverage
21 shall do all of the following:

- 22 (1) Be designed to meet the requirements of minimum essential coverage
23 under the Patient Protection and Affordable Care Act, P.L. 111-148,
24 and the applicable regulations, as amended (Affordable Care Act).
- 25 (2) Provide no greater coverage than a bronze-level plan, as defined under
26 the Affordable Care Act.
- 27 (3) Minimize the required employer contribution in an administratively
28 feasible manner."

29 **SECTION 2.** G.S. 135-48.41(j), as enacted by Section 35.16A of S.L.
30 2014-100, reads as rewritten:

31 "(j) If a retiree has been hired by an employing unit and is eligible for coverage
32 under subdivision (1), (1a), (5), (6), (7), (8), (9), or (10) of G.S. 135-48.40(b) or under
33 G.S. 135-48.40(e), then the hired retiree shall not, during the time of employment, be
34 eligible for retiree coverage under G.S. 135-48.40(a)(1), G.S. 135-48.40(b)(3),
35 G.S. 135-48.40(c)(2), or G.S. 135-48.40(d)(11)."

36 **SECTION 3.** This act becomes effective July 1, 2015.

