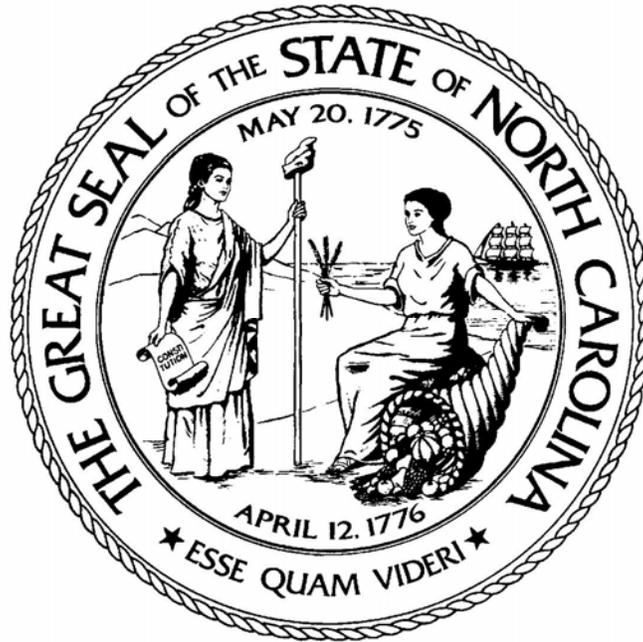


**JOINT LEGISLATIVE STUDY COMMITTEE  
ON  
PUBLIC SCHOOL FUNDING FORMULAS**



**INTERIM REPORT TO THE 2008 REGULAR SESSION  
OF THE  
2007 GENERAL ASSEMBLY**

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STATE OF NORTH CAROLINA



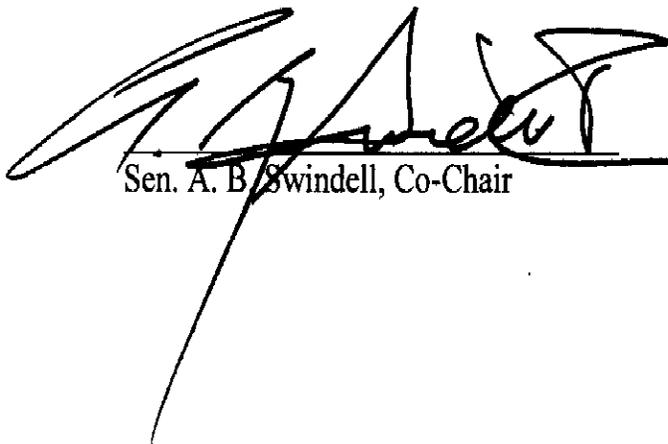
JOINT LEGISLATIVE STUDY COMMITTEE ON PUBLIC SCHOOL  
FUNDING FORMULAS

May 5, 2008

TO THE MEMBERS OF THE 2008 REGULAR SESSION OF THE 2007 GENERAL  
ASSEMBLY:

The Joint Legislative Study Committee on Public School Funding Formulas submits for your consideration its interim report pursuant to S.L. 2007-345, Section 5.3 of the 2007 General Assembly.

Respectfully Submitted,

  
Sen. A. B. Swindell, Co-Chair

  
Rep. Rick Glazier, Co-Chair

**JOINT LEGISLATIVE STUDY COMMITTEE ON  
PUBLIC SCHOOL FUNDING FORMULAS  
MEMBERSHIP LIST: 2007- 2008**

***Pro Tem's Appointments***

Senator Albin B. Swindell, IV – Chair  
North Carolina Senate  
300 N. Salisbury Street, Room 629  
Raleigh, NC 27603-5925  
(919) 715-3030

Senator Harry Brown  
North Carolina Senate  
300 N. Salisbury Street, Room 515  
Raleigh, NC 27603-5925  
(919) 715-3034

Senator Peter Samuel Brunstetter  
North Carolina Senate  
300 N. Salisbury Street, Room 522  
Raleigh, NC 27603-5925  
(919) 733-7850

Senator Charlie Smith Dannelly  
North Carolina Senate  
16 W. Jones Street, Room 2010  
Raleigh, NC 27601-2808  
(919) 733-5955

Senator Linda Dew Garrou  
North Carolina Senate  
300 N. Salisbury Street, Room 627  
Raleigh, NC 27603-5925  
(919) 733-5620

Senator Fletcher Lee Hartsell, Jr.  
North Carolina Senate  
300 N. Salisbury Street, Room 518  
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Senator Edward Walter Jones  
North Carolina Senate  
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***Speaker's Appointments***

Representative Rick Glazier, Chair  
North Carolina House of Representatives  
16 W. Jones Street, Room 2215  
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919-733-5601

Representative Larry M. Bell  
North Carolina House of Representatives  
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North Carolina House of Representatives  
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Representative Bill Faison  
North Carolina House of Representatives  
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919-715-3019

Representative Daniel Bruce Goforth  
North Carolina House of Representatives  
16 W. Jones Street, Room 1220  
Raleigh, NC 27601-1096  
919-733-5746

Representative Julia Craven Howard  
North Carolina House of Representatives  
16 W. Jones Street, Room 1106  
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919-733-5877

Senator John J. Snow, Jr.  
North Carolina Senate  
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Representative Douglas Yates Yongue  
North Carolina House of Representatives  
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Jennifer Haygood, Fiscal Research Division  
Brian Matteson, Fiscal Research Division  
Kris Nordstrom, Fiscal Research Division  
(919) 733-4910

Mo Hudson, Committee Assistant  
Carin Savel, Committee Assistant

## AUTHORIZING LEGISLATION

### S.L. 2007-345, Section 5.3

**SECTION 5.3.** S.L. 2007-323 is amended by adding a new section to read:  
**“JOINT LEGISLATIVE STUDY COMMITTEE ON PUBLIC SCHOOL FUNDING FORMULAS**

**SECTION 7.42.(a)** There is created the Joint Legislative Study Committee on Public School Funding Formulas. The Committee shall consist of 10 members of the House of Representatives appointed by the Speaker of the House of Representatives and 10 members of the Senate appointed by the President Pro Tempore of the Senate. The Speaker of the House of Representatives shall appoint a cochair, and the President Pro Tempore of the Senate shall appoint a cochair for the Committee.

The Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Committee may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02.

Subject to the approval of the Legislative Services Commission, the Committee may meet in the Legislative Building or the Legislative Office Building. The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. The House of Representatives' and the Senate's Directors of Legislative Assistants shall assign clerical support staff to the Committee, and the expenses relating to the clerical employees shall be borne by the Committee.

**SECTION 7.42.(b)** The Committee shall perform an extensive study of all public school funding formulas and distributions, including, but not limited to:

- (1) School Capital Fund.
- (2) Lottery School Construction Formula.
- (3) Children with Disabilities.
- (4) Limited English Proficiency.
- (5) At-Risk Student Services/Alternative Schools.
- (6) Improving Student Accountability.
- (7) Disadvantaged Students Supplemental.
- (8) Low-Wealth Counties Supplemental Funding.
- (9) Small County Supplemental Funding.
- (10) Transportation of Pupils.
- (11) Academically or Intellectually Gifted.
- (12) Number of school systems funded per county.

**SECTION 7.42.(c)** The Committee shall also study the State Board of Education's model for projecting average daily membership and focus particularly on how well the model projects average daily membership in rapidly growing local school administrative units with a highly mobile population.

**SECTION 7.42.(d)** The Committee shall submit a report of its findings and recommendations, including any legislative recommendations, to the 2008 Regular Session of the 2007 General Assembly. The Committee shall terminate upon filing its report.

**SECTION 7.42.(e)** From funds available to the General Assembly, the Committee may use up to one million dollars (\$1,000,000) to conduct this study, subject to the approval of the Legislative Services Commission chairs.

**SECTION 7.42.(f)** In preparation of the Committee's work, the chairs of the Legislative Services Commission may hire consultants prior to the first meeting of the Committee."

## AUTHORIZING LETTER

### **Joint Legislative Study Committee on Public School Funding Formulas**

**Section 1.** The **Joint Legislative Study Committee on Public School Funding Formulas** (hereinafter "Committee") is established by the President Pro Tempore of the Senate and the Speaker of the House of Representatives pursuant to G.S. 120-19.6(a1), Rule 31 of the Rules of the Senate of the 2007 General Assembly, and Rule 26(a) of the Rules of the House of Representatives of the 2007 General Assembly.

**Section 2.** The Committee consists of 22 members. The President Pro Tempore of the Senate shall appoint 11 members of the Committee, and the Speaker of the House of Representatives shall appoint 11 members of the Committee. The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each appoint a co-chair from among their respective appointees. The Committee and the terms of the members shall expire when the Committee submits a final report to the General Assembly. Members serve at the pleasure of the appointing officer.

#### **President Pro Tempore Appointments**

Senator A.B. Swindell, Co-Chair  
Senator Linda Garrou  
Senator Kay Hagan  
Senator John Snow  
Senator Martin Nesbitt  
Senator Tony Rand  
Senator Vernon Malone  
Senator Jean Preston  
Senator Fletcher Hartsell  
Senator Ed Jones  
Senator Harry Brown

#### **Speaker of the House Appointments**

Representative Rick Glazier, Co-Chair  
Representative Larry M. Bell  
Representative Curtis Blackwood  
Representative Bill Faison  
Representative Bruce Goforth  
Representative Julia C. Howard  
Representative William C. "Bill" McGee  
Representative Ray Rapp  
Representative Cullie M. Tarleton  
Representative Laura I. Wiley  
Representative Douglas Y. Yongue

**Section 3.** The Committee shall study the State Board of Education's model for projecting average daily membership and focus particularly on how well the model projects average daily membership in rapidly growing local school administrative units with a highly mobile population. The Committee shall also perform an extensive study of all public school funding formulas and distributions, including, but not limited to:

- (1) School Capital Fund.
- (2) Lottery School Construction Formula.
- (3) Children with Disabilities.
- (4) Limited English Proficiency.
- (5) At Risk Student Services/Alternative Schools.
- (6) Improving Student Accountability.
- (7) Disadvantaged Students Supplemental.
- (8) Low Wealth Counties Supplemental Funding.

- (9) Small County Supplemental Funding.
- (10) Transportation of Pupils.
- (11) Academically or Intellectually Gifted.
- (12) Number of school systems funded per county.

**Section 4.** The Committee shall meet upon the call of its co-chairs. A quorum of the Committee is a majority of its members. No action may be taken except by a majority vote at a meeting at which a quorum is present.

**Section 5.** The Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and Article 5A of Chapter 120 of the General Statutes. The Committee may contract for professional, clerical, or consultant services, as provided by G.S. 120-32.02.

**Section 6.** Members of the Committee shall receive per diem, subsistence, and travel allowance as provided in G.S. 120-3.1, 138-5 and 138-6, as appropriate.

**Section 7.** The expenses of the Committee shall be considered expenses incurred for the joint operation of the General Assembly. From funds available to the General Assembly, the Committee may use up to one million dollars (\$1,000,000) to conduct this study, subject to the approval of the Legislative Services Commission.

**Section 8.** The Legislative Services Officer shall assign professional and clerical staff to assist the Committee in its work. The Director of Legislative Assistants of the House of Representatives and the Director of Legislative Assistants of the Senate shall assign clerical support staff to the Committee. The Legislative Services Commission may hire additional consultants to assist the Committee in its work.

**Section 9.** The Committee may meet at various locations around the State in order to promote greater public participation in its deliberations.

**Section 10.** The Committee may submit an interim report on the results of its study, including any proposed legislation, to the members of the Senate and the House of Representatives, on or before May 1, 2008, by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, and the Legislative Library. The Committee shall submit a final report on the results of its study, including any proposed legislation, to the members of the Senate and the House of Representatives, on or before December 31, 2008, by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, and the Legislative Library. The Committee shall terminate on December 31, 2008, or upon the filing of its final report, whichever occurs first.

Effective this 27th day of November, 2007



---

Marc Basnight  
President Pro Tempore of the Senate



---

Joe Hackney  
Speaker of the House of Representatives

*Revised 11/27/2007*

## COMMITTEE PROCEEDINGS

December 13, 2007

### **Introduction to School Finance in NC**

*Brian Matteson, Committee Staff*

### **LEA Flexibility**

*Kris Nordstrom, Committee Staff*

### **Student Transportation**

*Brian Matteson, Committee Staff*

### **Low Wealth Counties Supplemental Funding**

*Kris Nordstrom, Committee Staff*

### **Small County Supplemental Funding**

*Brian Matteson, Committee Staff*

### **Disadvantaged Student Supplemental Funding**

*Kris Nordstrom, Committee Staff*

### **Children with Disabilities**

*Brian Matteson, Committee Staff*

### **Limited English Proficiency**

January 30, 2008 (Rescheduled from Jan. 17<sup>th</sup>)

### **Wrap-up of Outstanding Questions from 12/13/07 Meeting**

*Brian Matteson, Committee Staff*

*Kris Nordstrom, Committee Staff*

### **Academically or Intellectually Gifted**

*Brian Matteson, Committee Staff*

### **Improving Student Accountability**

*Kris Nordstrom, Committee Staff*

### **At-risk Student Services**

*Kris Nordstrom, Committee Staff*

### **Public School Capital Fund**

*Brian Matteson, Committee Staff*

**Education Lottery Funding**

*Brian Matteson, Committee Staff*

**Local Education Agency Funding (per county)**

*Kris Nordstrom, Committee Staff*

**Mentoring**

*Brian Matteson, Committee Staff*

**January 31, 2008**

**North Carolina Public School Funding**

*John Dornan, President/Executive Director, Public School Forum of North Carolina*

**Statistical Projections**

*Engin Konanc, DPI*

**Local Perspectives on Public School Funding**

*Superintendents:*

*Dr. Anthony Parker (Johnston County Schools)*

*Dr. Larry Price (Wilson County Schools)*

*Dr. Shirley Prince (Scotland County Schools)*

*Dr. Craig Witherspoon (Edgecombe County Public Schools)*

*Dr. Brock Womble (Mitchell County Schools)*

*Financial Officers:*

*Susan Blackwell (Nash-Rocky Mount Schools)*

*Kerry Crutchfield (Winston Salem/Forsyth County Schools)*

*Hank Hurd (Durham Public Schools)*

*Kathy Isenhour (Hickory Public Schools)*

*Ricky Lopes (Cumberland County Schools)*

*Robin Vick (Tyrrell County Public Schools)*

**February 14, 2008**

**National Education Expert Presentations**

*Kati Haycock, President, Education Trust, Washington, DC*

*Greg Greicius, Senior Vice President, Educational Initiatives Turnaround for Children, New York City, NY*

*Michael Griffith, School Finance Analyst, Education Commission of the States, Denver, CO*

**Follow-up Items from 1/30/08 and 1/31/08 Meetings**

*Brian Matteson, Committee Staff*

*Kris Nordstrom, Committee Staff*

**March 13, 2008**

**Follow-up Items from 1/30/08 and 1/31/08 Meetings**

*Brian Matteson, Committee Staff*

*Kris Nordstrom, Committee Staff*

**Committee Deliberations**

**April 16, 2008**

**Committee Discussion on Findings and Recommendations**

## **COMMITTEE FINDINGS AND RECOMMENDATIONS**

The Joint Legislative Study Committee on Public School Funding Formulas (“the Committee”) proposed the following recommendations to the 2008 Regular Session of the 2007 General Assembly.

### **1. Long Term Study**

The Committee recommends an independent study of all major State public school funding formulas. The study should evaluate the efficiency, equity, and efficacy of State public school investments. The Committee will develop a Request for Proposals that will enumerate the scope and breadth of the study, which may be up to a year in length. The study shall be paid for by funds already appropriated to the Committee.

### **2. Low Wealth**

The Committee recommends that the Low Wealth formula be changed in order to improve the budgeting process for local school boards. Currently, local education agencies (LEAs) receive their planning allotment in late May or early June – after they have already submitted their budgets to the county manager. The Committee recommends that all LEAs receive the same allotment for the 08-09 school year that they received in the 07-08 school year, less any non-recurring hold-harmless payments (please note that this change does not preclude the General Assembly from continuing the 07-08 hold-harmless payments in the 08-09 budget). The formula will be updated annually thereafter, allowing the Department of Public Instruction (DPI) to provide planning allotments in February or March. Providing this information earlier will improve the budgeting process for local school boards, and reduce pressures on the General Assembly to provide “hold harmless” funding for LEAs experiencing an unanticipated decrease in their Low Wealth allotment.

The Committee also recommends changing the name of the Low Wealth allotment to the County Baseline Assistance allotment. The new name better expresses the intent of the allotment, will help reduce confusion between this allotment and the Disadvantaged Student Supplemental Funding allotment, and will reduce the stigma of receiving this allotment.

### **3. Mentoring**

The Committee recognizes the critical importance of mentoring to retaining and supporting quality teachers. The Committee heard testimony on State support for mentoring programs and has found that the current system inconsistently compensates mentors and does not adequately ensure that all first and second-year teachers and first-year instructional support personnel receive services. Therefore, the Committee recommends expanding the mentoring allotment into a more flexible system that would provide funding to each LEA based on its number of eligible first and second-year beginning teachers and first-year instructional support personnel. Unlike the current

system, the new allotment would provide funding on behalf of all these teachers, and not just those that are State-paid.

Currently, mentors are compensated at a maximum of \$100 per month for 10 months of service, with an additional \$100 for a training day before the beginning of the school year. Including benefits, the maximum annual funding required for a mentor is \$1,270. The new allotment would provide this amount to an LEA on behalf of each of its eligible personnel, at a cost of approximately \$7.9 million more than the current allotment. Under this proposal all LEAs would be granted considerable flexibility in spending these funds, provided expenditures align with a local plan approved by the State Board of Education. This is similar to the flexibility granted to LEAs currently receiving mentoring funds through a “dollar allotment”.

#### **4. Textbooks**

The Committee believes that the current formula for textbooks should be amended to better meet the needs of districts with growing student populations. Currently, LEAs are provided a set dollar amount per student. For the 2008-09 school year, districts are expected to receive \$67.85 per student. Based on the testimony provided by district superintendents and finance officers, the Committee believes that current resources are insufficient to provide textbooks in LEAs with growing student populations. As a result, the Committee recommends changing the formula. Under the new formula, all LEAs would receive the same set dollar amount (\$67.85) per allotted ADM, as in the current formula. Those LEAs with an increase in allotted ADM would *also* receive an amount equal to the set dollar amount (\$67.85), times the amount by which their current year’s allotted ADM exceeds their prior year’s allotted ADM.

<p><b><u>Proposed Textbook Allotment Formula</u></b></p> $\begin{aligned} & 08-09 \text{ Allotted ADM} \times \$67.85 \\ & + \$67.85 \times [(08-09 \text{ Allotted ADM} - 07-08 \text{ Allotted ADM}) \text{ if } > 0] \\ & = \text{Revised 08-09 Textbook Allotment} \end{aligned}$
---

Amending the formula in this fashion is expected to cost \$1,444,258.

#### **5. Transportation**

The Committee is concerned with the apparent funding inconsistencies between LEAs in the Transportation of Pupils allotment. While it is the sense of the Committee that there are structural issues with the allotment regarding the treatment of local transportation expenditures and the cost of transportation related to public school choice, insufficient time was available to recommend specific changes to this complex system. Therefore, the Committee recommends that the transportation allotment be closely considered as part of a long-term study to examine the equity of the current system and develop options for improving the system's transparency and fairness.

The Committee also heard testimony detailing one-way ride times for some students in excess of two hours from home to school. The Committee is troubled about the impact of lengthy ride times on a student's ability to learn. Therefore, the Committee directs that the long-term study should also explore options for limiting maximum ride times, while accounting for geographic barriers and other concerns.

Lastly, the Committee is aware that diesel fuel costs have increased by over 60% within the last fiscal year. These costs have been supported from other DPI funds, but continued increases may force DPI to pass on some of these costs to the LEAs. The Committee recommends that fuel costs are fully supported by the State in the FY 2008-09 Budget and that creation of a fuel reserve should be considered to help protect against future cost uncertainty.

## **6. AIG**

The Committee believes that the differentiated instruction supported by the Academically or Intellectually Gifted allotment is essential to ensuring that those students with high academic performance capabilities reach their fullest potential. The State only provides funding for AIG services for 4% of a LEA's student population, while 111 of 115 LEAs identify more than 4% of its students as AIG eligible. The Committee recommends that the General Assembly raise this cap to 4.25% in the FY 2008-09 Budget. The cost to increase the cap by 0.25% is \$3,997,390.

While the Committee supports additional investment in this area, it is also concerned about the Office of the State Auditor's February 2008 report on DPI's oversight of AIG funding. The Committee urges DPI to continue to explore the development of state performance standards to monitor local AIG programs, as DPI mentioned in its response to the audit's findings. The Committee also believes that the consideration of a uniform system for identifying AIG students should be a component of a long-term study of North Carolina's public school funding system, or part of a select study group which could build on the Auditor's recommendations for strengthening state oversight of local AIG programs.

## **7. Disadvantaged Student Supplemental Funding**

The Committee recognizes that LEAs are experiencing an increasing number of disadvantaged students, particularly in those LEAs that do not receive Low Wealth Supplemental Funding. The Committee therefore recommends an increase in funding for DSSF.

## **8. Use of Education Lottery Reserve**

The Committee recognizes that in FY 2007-08 only 58 of 115 LEAs are eligible to receive the "local effort" funding provided from the portion of Education Lottery proceeds dedicated to school construction. The Committee therefore recommends using proceeds from the \$50 million Lottery Reserve to ensure that LEAs that do not qualify

for the local effort funding in FY 2008-09 receive the same per-ADM amount as those LEAs that qualify. Using the FY 2007-08 appropriated level for school construction as a basis for comparison, \$32,548,072 would be needed to implement this policy. Such an estimate is not possible for FY 2008-09 as neither a consensus estimate for overall Lottery revenues to education has been finalized, nor has a final determination been made on which LEAs will be eligible for local effort funding in FY 2008-09.

**9. Extension of the Committee's Authority**

The Committee recognizes that undertaking a significant long-term study of the State public school funding formulas will likely take up to a year. As such, the Committee recommends extending its authorization until after the long-term study is submitted and the Committee has evaluated of modifications to public school funding formulas. . The Committee also recommends that it review the implementation of any modifications to school funding formulas that are enacted by the General Assembly and evaluate the impact of those changes, prior to the completion of the long-term study.

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

**H**

**1**

**HOUSE BILL 2484**

Short Title: Additional Lottery Funds for School Bldgs. (Public)

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Sponsors: Representatives Goforth, Blackwood, Tarleton (Primary Sponsors); Frye, Glazier, Hilton, Justus, and Weiss.

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Referred to: Appropriations.

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May 26, 2008

A BILL TO BE ENTITLED

1  
2 AN ACT TO ALLOCATE ADDITIONAL LOTTERY PROCEEDS FOR SCHOOL  
3 CAPITAL PROJECTS, AS RECOMMENDED BY THE JOINT LEGISLATIVE  
4 STUDY COMMITTEE ON PUBLIC SCHOOL FUNDING FORMULAS.

5 The General Assembly of North Carolina enacts:

6       **SECTION 1.** Notwithstanding the provisions of G.S. 18C-164(b), monies in  
7 the Education Lottery Reserve Fund shall be transferred to the Public School Building  
8 Capital Fund and allocated on the basis of average daily membership to local school  
9 administrative units that did not qualify for funding for the 2008-2009 fiscal year  
10 pursuant to G.S. 115C-546.2(d)(2). The maximum allocation shall be the amount  
11 received by other units pursuant to G.S. 115C-546.2(d)(2) on the basis of per average  
12 daily membership. Any monies not needed for this purpose shall be transferred back to  
13 the Education Lottery Reserve Fund and may be appropriated only as provided in  
14 G.S. 115C-546.2(e).

15       **SECTION 2.** This act applies only to funds in the Education Lottery Reserve  
16 Fund for the 2008-2009 fiscal year.

17       **SECTION 3.** This act becomes effective July 1, 2008.

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

**S**

**1**

**SENATE BILL 1863**

Short Title: Additional Lottery Funds for School Bldgs. (Public)

---

Sponsors: Senators Snow, Nesbitt; Allran, Apodaca, Blake, Cowell, East, Foriest, Forrester, Goss, Hunt, Jacumin, Jones, Malone, Preston, Queen, Soles, Stevens, and Tillman.

---

Referred to: Appropriations/Base Budget.

---

May 22, 2008

A BILL TO BE ENTITLED

AN ACT TO ALLOCATE ADDITIONAL LOTTERY PROCEEDS FOR SCHOOL CAPITAL PROJECTS, AS RECOMMENDED BY THE JOINT LEGISLATIVE STUDY COMMITTEE ON PUBLIC SCHOOL FUNDING FORMULAS.

The General Assembly of North Carolina enacts:

**SECTION 1.** Notwithstanding the provisions of G.S. 18C-164(b), monies in the Education Lottery Reserve Fund shall be transferred to the Public School Building Capital Fund and allocated on the basis of average daily membership to local school administrative units that did not qualify for funding for the 2008-2009 fiscal year pursuant to G.S. 115C-546.2(d)(2). The maximum allocation shall be the amount received by other units pursuant to G.S. 115C-546.2(d)(2) on the basis of per average daily membership. Any monies not needed for this purpose shall be transferred back to the Education Lottery Reserve Fund and may be appropriated only as provided in G.S. 115C-546.2(e).

**SECTION 2.** This act applies only to funds in the Education Lottery Reserve Fund for the 2008-2009 fiscal year.

**SECTION 3.** This act becomes effective July 1, 2008.

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

**H**

**1**

**HOUSE BILL 2516**

Short Title:   Modify the Textbook Funding Formula. (Public)

---

Sponsors:   Representatives Glazier, McLawhorn, Blackwood, Faison (Primary Sponsors); Alexander, Bell, Harrison, Langdon, Pate, Tarleton, and Wainwright.

---

Referred to:  Education, if favorable, Appropriations.

---

May 26, 2008

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE ADDITIONAL FUNDS FOR TEXTBOOKS AND TO MODIFY THE TEXTBOOK FUNDING FORMULA, AS RECOMMENDED BY THE JOINT LEGISLATIVE STUDY COMMITTEE ON PUBLIC SCHOOL FUNDING FORMULAS.

The General Assembly of North Carolina enacts:

**SECTION 1.** There is appropriated from the General Fund to the Department of Public Instruction the sum of one million four hundred forty-four thousand two hundred fifty-eight dollars (\$1,444,258) for the 2008-2009 fiscal year to provide additional funds for textbooks.

**SECTION 2.** The State Board of Education shall allot textbook funds to:

- (1) Each local school administrative unit on the basis of average daily membership; and
- (2) Each local school administrative unit on the basis of its increase, if any, in average daily membership over the prior school year. The average daily membership for the second month of the current school year shall be used to calculate this increase.

**SECTION 3.** This act becomes effective July 1, 2008.

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

**S**

**1**

**SENATE BILL 1992**

Short Title:   Modify the Textbook Funding Formula. (Public)

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Sponsors:   Senators Swindell, Dannelly; Bingham, Jones, Malone, Preston, Stevens,  
                  and Tillman.

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Referred to:  Appropriations/Base Budget.

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May 28, 2008

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE ADDITIONAL FUNDS FOR TEXTBOOKS AND TO  
MODIFY THE TEXTBOOK FUNDING FORMULA, AS RECOMMENDED BY  
THE JOINT LEGISLATIVE STUDY COMMITTEE ON PUBLIC SCHOOL  
FUNDING FORMULAS.

The General Assembly of North Carolina enacts:

**SECTION 1.** There is appropriated from the General Fund to the  
Department of Public Instruction the sum of one million four hundred forty-four  
thousand two hundred fifty-eight dollars (\$1,444,258) for the 2008-2009 fiscal year to  
provide additional funds for textbooks.

**SECTION 2.** The State Board of Education shall allot textbook funds to:

- (1) Each local school administrative unit on the basis of average daily  
membership; and
- (2) Each local school administrative unit on the basis of its increase, if  
any, in average daily membership over the prior school year. The  
average daily membership for the second month of the current school  
year shall be used to calculate this increase.

**SECTION 3.** This act becomes effective July 1, 2008.



**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

**S**

**1**

**SENATE BILL 1995**

Short Title:   Modify Low-Wealth School Funding Formula. (Public)

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Sponsors:    Senators Swindell, Dannelly, Hartsell; Bingham, Jones, Malone, Preston,  
                  Queen, Tillman, and Weinstein.

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Referred to:  Appropriations/Base Budget.

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May 28, 2008

A BILL TO BE ENTITLED  
AN ACT TO MODIFY THE LOW-WEALTH SCHOOL FUNDING FORMULA, AS  
RECOMMENDED BY THE JOINT LEGISLATIVE STUDY COMMITTEE ON  
PUBLIC SCHOOL FUNDING FORMULAS.

The General Assembly of North Carolina enacts:

**SECTION 1.** The Low-Wealth Counties Supplemental Funding Allotment is renamed the County Baseline Assistance Allotment.

**SECTION 2.** Notwithstanding the provisions of Section 7.6 of S.L. 2007-323 and except as provided in Section 3 of this act, local school administrative units shall receive the same allotment of county baseline assistance funds for the 2008-2009 fiscal year that they received of low-wealth counties supplemental funding for the 2007-2008 fiscal year. This allotment shall be adjusted in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel enacted by the General Assembly for the 2007-2008 fiscal year.

**SECTION 3.** The provisions of Section 7.6 of S.L. 2007-323 regarding the expenditure of funds shall apply to county baseline assistance funds received for the 2008-2009 fiscal year.

**SECTION 4.** This act becomes effective July 1, 2008.

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

**H**

**1**

**HOUSE BILL 2518**

Short Title: Funds for School Transportation. (Public)

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Sponsors: Representatives Glazier, McLawhorn, Rapp, Tarleton (Primary Sponsors); Alexander, Bell, Blackwood, Faison, Fisher, Harrison, Hurley, Langdon, McGee, and Wainwright.

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Referred to: Appropriations.

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May 26, 2008

A BILL TO BE ENTITLED

1  
2 AN ACT TO APPROPRIATE ADDITIONAL FUNDS FOR SCHOOL  
3 TRANSPORTATION AND TO STUDY THE ALLOTMENT FORMULA FOR  
4 SCHOOL TRANSPORTATION FUNDS, AS RECOMMENDED BY THE JOINT  
5 LEGISLATIVE STUDY COMMITTEE ON PUBLIC SCHOOL FUNDING  
6 FORMULAS.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** There is appropriated from the General Fund to the  
9 Department of Public Instruction the sum of forty-seven million dollars (\$47,000,000)  
10 for the 2008-2009 fiscal year to cover increased fuel costs for the transportation of  
11 pupils.

12 **SECTION 2.** There is appropriated from the General Fund to the  
13 Department of Public Instruction the sum of seven million five hundred thousand  
14 dollars (\$7,500,000) for the 2008-2009 fiscal year to a fuel reserve to cover any  
15 additional increases in fuel costs for the transportation of pupils.

16 **SECTION 3.** The Joint Legislative Study Committee on Public School  
17 Funding Formulas, which was established on November 27, 2007, by the President Pro  
18 Tempore of the Senate and the Speaker of the House of Representatives pursuant to  
19 G.S. 120-19.6(a1), Rule 31 of the Rules of the Senate of the 2007 General Assembly,  
20 and Rule 26(a) of the Rules of the House of Representatives of the 2007 General  
21 Assembly, shall examine the equity of the transportation of pupils allotment formula  
22 and develop options for:

- 23 (1) Improving the formula's transparency and fairness, and  
24 (2) Limiting maximum ride times, while accounting for geographic  
25 barriers and other concerns.

26 **SECTION 4.** This act becomes effective July 1, 2008.

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

**S**

**1**

**SENATE BILL 1760**

Short Title: Funds for School Transportation. (Public)

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Sponsors: Senators Swindell, Dannelly, Hartsell; Atwater, Jenkins, Jones, Preston, Purcell, and Snow.

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Referred to: Appropriations/Base Budget.

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May 21, 2008

A BILL TO BE ENTITLED

1  
2 AN ACT TO APPROPRIATE ADDITIONAL FUNDS FOR SCHOOL  
3 TRANSPORTATION AND TO STUDY THE ALLOTMENT FORMULA FOR  
4 SCHOOL TRANSPORTATION FUNDS, AS RECOMMENDED BY THE JOINT  
5 LEGISLATIVE STUDY COMMITTEE ON PUBLIC SCHOOL FUNDING  
6 FORMULAS.

7 The General Assembly of North Carolina enacts:

8       **SECTION 1.** There is appropriated from the General Fund to the  
9 Department of Public Instruction the sum of forty-seven million dollars (\$47,000,000)  
10 for the 2008-2009 fiscal year to cover increased fuel costs for the transportation of  
11 pupils.

12       **SECTION 2.** There is appropriated from the General Fund to the  
13 Department of Public Instruction the sum of seven million five hundred thousand  
14 dollars (\$7,500,000) for the 2008-2009 fiscal year to a fuel reserve to cover any  
15 additional increases in fuel costs for the transportation of pupils.

16       **SECTION 3.** The Joint Legislative Study Committee on Public School  
17 Funding Formulas, which was established on November 27, 2007, by the President Pro  
18 Tempore of the Senate and the Speaker of the House of Representatives pursuant to  
19 G.S. 120-19.6(a1), Rule 31 of the Rules of the Senate of the 2007 General Assembly,  
20 and Rule 26(a) of the Rules of the House of Representatives of the 2007 General  
21 Assembly, shall examine the equity of the transportation of pupils allotment formula  
22 and develop options for:

- 23           (1) Improving the formula's transparency and fairness, and  
24           (2) Limiting maximum ride times, while accounting for geographic  
25           barriers and other concerns.

26       **SECTION 4.** This act becomes effective July 1, 2008.

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

**H**

**1**

**HOUSE BILL 2565**

Short Title: Funds for Mentors for Teachers. (Public)

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Sponsors: Representatives McLawhorn, Rapp, Faison, McGee (Primary Sponsors); Alexander, Bell, Coleman, Glazier, Hughes, Luebke, Tarleton, Underhill, R. Warren, Weiss, and Womble.

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Referred to: Appropriations.

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May 27, 2008

A BILL TO BE ENTITLED

1  
2 AN ACT TO APPROPRIATE ADDITIONAL FUNDS FOR MENTORING  
3 SERVICES FOR TEACHERS AND TO MODIFY THE MANNER IN WHICH  
4 THESE FUNDS MAY BE USED, AS RECOMMENDED BY THE JOINT  
5 LEGISLATIVE STUDY COMMITTEE ON PUBLIC SCHOOL FUNDING  
6 FORMULAS.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** There is appropriated from the General Fund to the  
9 Department of Public Instruction the sum of seven million nine hundred thousand  
10 dollars (\$7,900,000) in recurring funds for the 2008-2009 fiscal year to increase funding  
11 for mentoring services.

12 Funds for mentoring services shall be allotted to local school administrative  
13 units based on the number of employees who (i) are paid with State, federal, or local  
14 funds and (ii) are either teachers paid on the first or second steps of the teacher salary  
15 schedule or instructional support personnel paid on the first step of the instructional  
16 support personnel salary schedule.

17 Local school administrative units shall use these funds to provide mentoring  
18 support to eligible employees in accordance with a plan approved by the State Board of  
19 Education. The plan shall include information on how all mentors in the local school  
20 administrative unit will be adequately trained to provide mentoring support.

21 **SECTION 2.** This act becomes effective July 1, 2008.

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

**S**

**1**

**SENATE BILL 1994**

Short Title: Funds for Mentors for Teachers. (Public)

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Sponsors: Senators Swindell, Dannelly, Hartsell; Bingham, Jones, Malone, Preston, Queen, Stevens, Tillman, and Weinstein.

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Referred to: Appropriations/Base Budget.

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May 28, 2008

A BILL TO BE ENTITLED

1 AN ACT TO APPROPRIATE ADDITIONAL FUNDS FOR MENTORING  
2 SERVICES FOR TEACHERS AND TO MODIFY THE MANNER IN WHICH  
3 THESE FUNDS MAY BE USED, AS RECOMMENDED BY THE JOINT  
4 LEGISLATIVE STUDY COMMITTEE ON PUBLIC SCHOOL FUNDING  
5 FORMULAS.  
6

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** There is appropriated from the General Fund to the  
9 Department of Public Instruction the sum of seven million nine hundred thousand  
10 dollars (\$7,900,000) in recurring funds for the 2008-2009 fiscal year to increase funding  
11 for mentoring services.

12 Funds for mentoring services shall be allotted to local school administrative  
13 units based on the number of employees who (i) are paid with State, federal, or local  
14 funds and (ii) are either teachers paid on the first or second steps of the teacher salary  
15 schedule or instructional support personnel paid on the first step of the instructional  
16 support personnel salary schedule.

17 Local school administrative units shall use these funds to provide mentoring  
18 support to eligible employees in accordance with a plan approved by the State Board of  
19 Education. The plan shall include information on how all mentors in the local school  
20 administrative unit will be adequately trained to provide mentoring support.

21 **SECTION 2.** This act becomes effective July 1, 2008.

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

**H**

**1**

**HOUSE BILL 2566**

Short Title: Extend School Formula Committee. (Public)

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Sponsors: Representatives McLawhorn, Glazier, McGee, Tarleton (Primary Sponsors); Blackwood, Faison, Goforth, Hughes, Rapp, and Underhill.

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Referred to: Appropriations.

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May 27, 2008

A BILL TO BE ENTITLED

1  
2 AN ACT DIRECTING THE JOINT LEGISLATIVE STUDY COMMITTEE ON  
3 PUBLIC SCHOOL FUNDING FORMULAS TO EXTEND ITS REVIEW OF  
4 PUBLIC SCHOOL FUNDING, AS RECOMMENDED BY THE JOINT  
5 LEGISLATIVE STUDY COMMITTEE ON PUBLIC SCHOOL FUNDING  
6 FORMULAS.

7 The General Assembly of North Carolina enacts:

8       **SECTION 1.** The Joint Legislative Study Committee on Public School  
9 Funding Formulas may review the implementation of any modifications to school  
10 funding formulas that are enacted by the General Assembly upon the recommendation  
11 of the Committee and shall evaluate the impact of those modifications.

12       **SECTION 2.** The Committee may report to the General Assembly at least  
13 once a year on its activities.

14       **SECTION 3.** The Committee shall terminate upon completion of its  
15 evaluation of modifications to public school funding formulas.

16       **SECTION 4.** This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

**S**

**1**

**SENATE BILL 1993**

Short Title: Extend School Formula Committee. (Public)

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Sponsors: Senators Swindell, Dannelly, Hartsell; Jones, Malone, Preston, Queen, Stevens, Tillman, and Weinstein.

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Referred to: Rules and Operations of the Senate.

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May 28, 2008

A BILL TO BE ENTITLED

1 AN ACT DIRECTING THE JOINT LEGISLATIVE STUDY COMMITTEE ON  
2 PUBLIC SCHOOL FUNDING FORMULAS TO EXTEND ITS REVIEW OF  
3 PUBLIC SCHOOL FUNDING, AS RECOMMENDED BY THE JOINT  
4 LEGISLATIVE STUDY COMMITTEE ON PUBLIC SCHOOL FUNDING  
5 FORMULAS.  
6

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** The Joint Legislative Study Committee on Public School  
9 Funding Formulas may review the implementation of any modifications to school  
10 funding formulas that are enacted by the General Assembly upon the recommendation  
11 of the Committee and shall evaluate the impact of those modifications.

12 **SECTION 2.** The Committee may report to the General Assembly at least  
13 once a year on its activities.

14 **SECTION 3.** The Committee shall terminate upon completion of its  
15 evaluation of modifications to public school funding formulas.

16 **SECTION 4.** This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

**H**

**1**

**HOUSE BILL 2576**

Short Title: Raise Funding Cap/Gifted Children. (Public)

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Sponsors: Representatives Rapp, Blackwood, Faison, Tarleton (Primary Sponsors);  
Folwell, Glazier, Harrison, McLawhorn, Pierce, Weiss, and Wiley.

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Referred to: Appropriations.

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May 28, 2008

A BILL TO BE ENTITLED

1 AN ACT TO RAISE THE FUNDING CAP ON CHILDREN RECEIVING  
2 SUPPLEMENTAL FUNDING FOR ACADEMICALLY OR INTELLECTUALLY  
3 GIFTED CHILDREN, AS RECOMMENDED BY THE JOINT LEGISLATIVE  
4 STUDY COMMITTEE ON PUBLIC SCHOOL FUNDING FORMULAS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** There is appropriated from the General Fund to the  
7 Department of Public Instruction the sum of three million nine hundred ninety-seven  
8 thousand three hundred ninety dollars (\$3,997,390) for the 2008-2009 fiscal year to  
9 raise the funding cap on children receiving supplemental funding for academically or  
10 intellectually gifted children. Each local school administrative unit shall receive funds  
11 for a maximum of four and twenty-five one hundredths percent (4.25%) of its  
12 2008-2009 allocated average daily membership, regardless of the number of children  
13 identified as academically or intellectually gifted in the unit.

14 **SECTION 2.** This act becomes effective July 1, 2008.  
15

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007**

**S**

**1**

**SENATE BILL 1900**

Short Title: Raise Funding Cap/Gifted Children. (Public)

---

Sponsors: Senators Swindell, Dannelly; Apodaca, Jenkins, Jones, Preston, and Purcell.

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Referred to: Appropriations/Base Budget.

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May 22, 2008

A BILL TO BE ENTITLED

1 AN ACT TO RAISE THE FUNDING CAP ON CHILDREN RECEIVING  
2 SUPPLEMENTAL FUNDING FOR ACADEMICALLY OR INTELLECTUALLY  
3 GIFTED CHILDREN, AS RECOMMENDED BY THE JOINT LEGISLATIVE  
4 STUDY COMMITTEE ON PUBLIC SCHOOL FUNDING FORMULAS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** There is appropriated from the General Fund to the  
7 Department of Public Instruction the sum of three million nine hundred ninety-seven  
8 thousand three hundred ninety dollars (\$3,997,390) for the 2008-2009 fiscal year to  
9 raise the funding cap on children receiving supplemental funding for academically or  
10 intellectually gifted children. Each local school administrative unit shall receive funds  
11 for a maximum of four and twenty-five one hundredths percent (4.25%) of its  
12 2008-2009 allocated average daily membership, regardless of the number of children  
13 identified as academically or intellectually gifted in the unit.

14 **SECTION 2.** This act becomes effective July 1, 2008.  
15