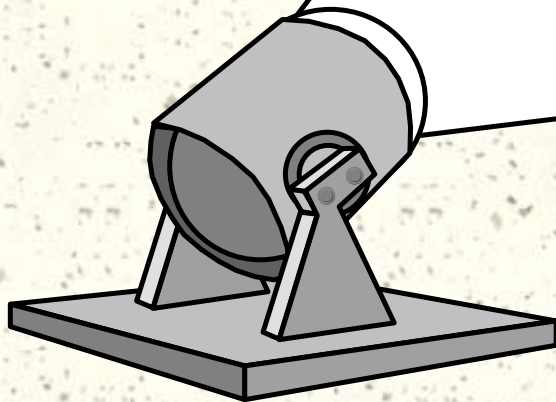


# In the Spotlight

July, 2003

Education  
Legislation



North Carolina General Assembly  
2003 Session

July 2003

Education Team - Research Div.

# North Carolina General Assembly



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# Introduction

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The North Carolina General Assembly convened on January 29, 2003, and adjourned July 20, 2003, ending the shortest "long" session since 1999.

This document summarizes highlights of ratified legislation pertaining to education.

The format was chosen so that information can be used as speaker's notes with supporting detail, or readily reproduced as a visual presentation.

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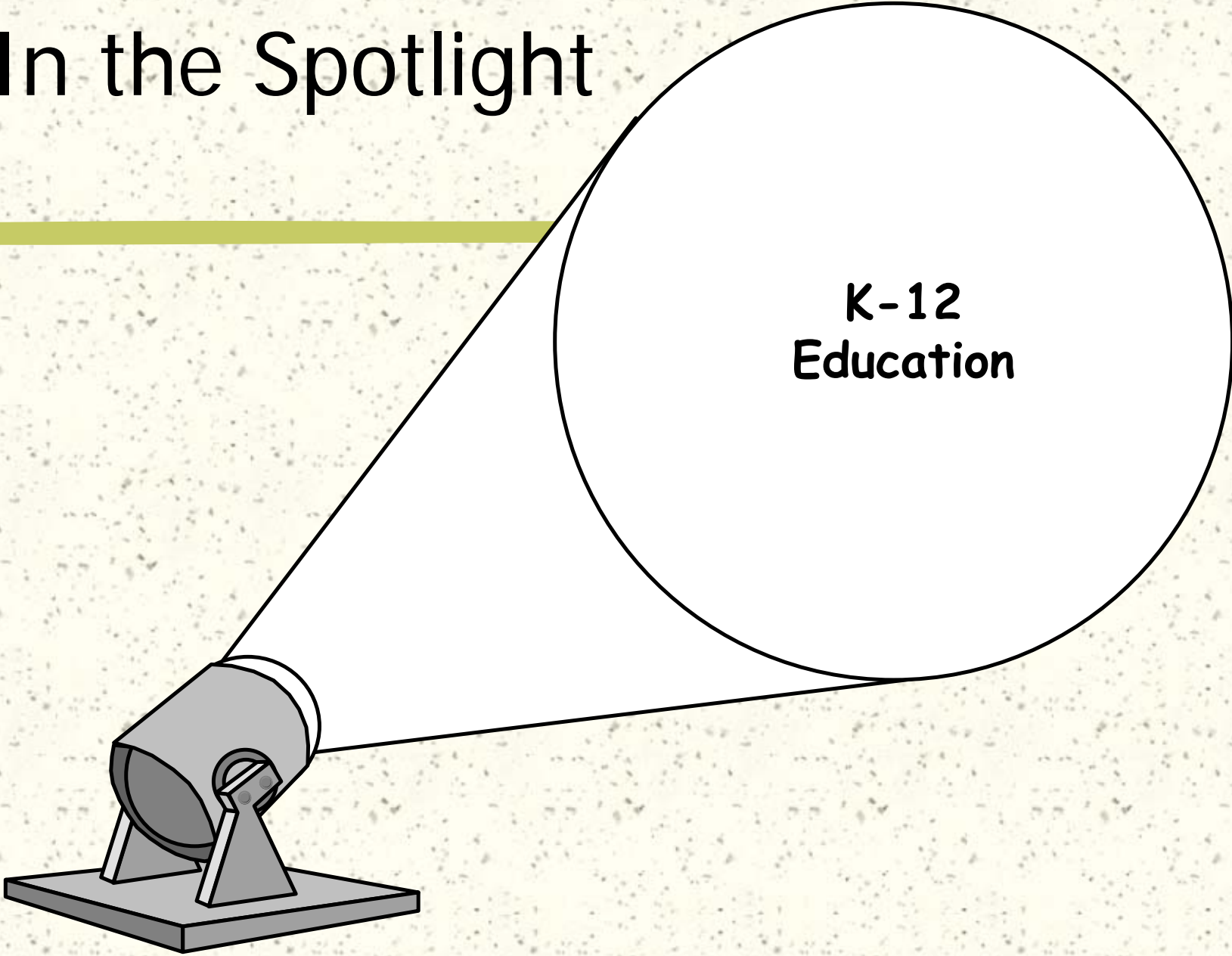
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# In the Spotlight



**K-12  
Education**

# Encourage Early College Attendance SL 2003-251 (HB 601)

- # Requires the State Board of Education, in cooperation with the Education Cabinet, to work with local school systems, the constituent institutions of The University of North Carolina, the local community colleges, and private colleges and universities to:
  - encourage early entry of motivated students into college programs, and
  - ensure that there are opportunities for academically talented high school students to take college coursework, either at nearby universities or through distance learning.



# Encourage Early College Attendance (Cont'd)

SL 2003-251 (HB 601)

- # Requires the State Board of Education to adopt policies directing school guidance counselors to make ninth grade students aware of the potential to complete the high school courses required for college entry in a three-year period.
- # Effective June 26, 2003.

# Alternatives to School Competency Test

## SL 2003-275 (HB 801)

- # Gives high school students who do not pass the Competency Test the opportunity to take an alternative test.
- # Requires the State Board of Education to:
  - Adopt one or more nationally standardized tests or equivalent measures that evaluate competencies in verbal and quantitative areas, or
  - Develop and validate alternate means to demonstrate minimum competence.



# Alternatives to School Competency Test (Cont'd)

## SL 2003-275 (HB 801)

- # Requires that these tests or measures must be as difficult as the current required competency test.
- # Requires the State Board to adopt a policy to identify which students and under what circumstances students will be permitted to pass one of these alternate tests in lieu of the competency test.
- # Requires that students with disabilities who fail the current competency test after two attempts be given the opportunity to take and pass one of the alternate tests that the State Board adopts.
- # Effective July 1, 2003.

# Innovative Education Initiatives Act SL 2003-277 (SB 656)

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- # Directs the Education Cabinet to set as a priority cooperative efforts between secondary schools and institutions of higher education;
- # Authorizes boards of trustees of community colleges and local boards of education to jointly establish cooperative innovative programs in high schools and community colleges to serve high school students who are at risk of dropping out of school before attaining a high school diploma, or to serve high school students who would benefit from accelerated academic instruction;



# Innovative Education Initiatives Act (Cont'd) SL 2003-277 (SB 656)

- # Directs local boards and the State Board of Education to review and strengthen their policies that encourage students to remain in high school rather than drop out.
- # Effective June 27, 2003.



# Budget Bill

## SL 2003-284 (HB 397)

### # Section 7.35 - Pilot Programs on Financial Literacy.

- Directs the State Board of Education to establish a pilot program that authorizes and assists up to 5 school systems to implement programs on teaching personal finance literacy.
- The purpose of the pilot program is to determine the best methods of teaching knowledge and skills for students to make decisions regarding their personal finances.
- Effective July 1, 2003.



# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

### # Section 7.40 - Enhancement of Character and Civic Education Program.

#### ■ Encourages:

- High schools and middle schools to have elected student councils.
- All other schools to have student councils.
- Student discussions of current events in a wide range of classes, particularly social studies and language arts classes.
- High schools and middle schools to have at least 2 classes per grade level to offer interactive current events discussions at least every 4 weeks.

# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

### # Section 7.40 - Enhancement of Character and Civic Education Program (Cont'd.).

#### ■ Encourages:

- Local boards of education to include, beginning with the 2004-2005 school year and as part of a character education program, instruction on the responsibility for school safety that includes a consistent and age-appropriate antiviolenace message and a conflict resolution component for students in kindergarten through twelfth grade.
- All schools to provide opportunities for student involvement in community service or service-learning projects.



# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

- ✦ Section 7.40 - Enhancement of Character and Civic Education Program (Cont'd.).
  - ✦ Directs the State Board of Education to consider incorporating into the ABCs Program a character and civic education component that may include a requirement for student councils.
  - ✦ Effective July 1, 2003.

# Veterans Day a Holiday for School Staff

## SL 2003-131 (HB 421)

- # Requires local boards of education to make Veterans Day a holiday for staff.
- # Effective June 4, 2003 and applies to all school years beginning with the 2005-2006 school year.



# Budget Bill

## SL 2003-284 (HB 397)

### # Section 7.20(c)-(h) - Recruitment and Retention Initiatives to Address Teacher Shortages.

- Authorizes initial certification for a teacher from another state who has less than 3 years of full-time classroom teaching experience, is fully certified and highly qualified in that other state, and is employed as a teacher by an LEA in NC.
  - This certification is for one year or until the teacher has 3 years of full-time teaching experience, whichever is longer.

# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

### # Section 7.20(c)-(h) - Recruitment and Retention Initiatives to Address Teacher Shortages (cont'd.)

- Unless the employing LEA recommends otherwise, a teacher receives continuing certification upon completion of 3 years of full-time teaching, including one full year in that LEA.
- The teacher is then subject to the same continuing certification and certificate renewal requirements as other NC teachers.
- The teacher is not required to take and pass Praxis.



# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

- # Section 7.20(c)-(h) - Recruitment and Retention Initiatives to Address Teacher Shortages (cont'd.)
  - Authorizes continuing certification for a teacher from another state who who has 3 or more years of full-time classroom teaching experience, is fully certified and highly qualified in that other state, and is employed as a teacher by an LEA in NC.

# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

### # Section 7.20(c)-(h) - Recruitment and Retention Initiatives to Address Teacher Shortages (cont'd.)

- The teacher retains continuing certification if, at the end of one year of employment, the employing local board recommends to the State Board that the teacher's continuing certification be renewed.
- The teacher is then subject to the same continuing certification and certificate renewal requirements as other NC teachers.
- The teacher is not required to take and pass Praxis.



# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

- # Section 7.20(c)-(h) - Recruitment and Retention Initiatives to Address Teacher Shortages (cont'd.)
  - Directs the State Board of Education to determine whether the minimum score needed on the Praxis exam, required for initial certification, is appropriate.

# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

### # Section 7.20(c)-(h) - Recruitment and Retention Initiatives to Address Teacher Shortages (cont'd.)

- Encourages the lateral entry into teaching by qualified individuals who have at least a bachelors degree, and directs the State Board to review and revise the curriculum requirements for lateral entry candidates to receive certification.



# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

### # Section 7.20(c)-(h) - Recruitment and Retention Initiatives to Address Teacher Shortages (cont'd.).

- Directs the State Board to issue provisional certificates for no more than three years to lateral entry teachers who are required by federal law to obtain a certificate by the fourth year of teaching.
- Allows other qualified lateral entry teachers to receive a provisional teaching certificate for five years.

# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

### # Section 7.20(c)-(h) - Recruitment and Retention Initiatives to Address Teacher Shortages (cont'd.)

- Directs the State Board to ensure that teacher preparation programs that provide training for lateral entry candidates provide that training in a uniform and consistent manner to enable lateral entry candidates to obtain certification as required by NCLB while working as full-time teachers.



# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

- # Section 7.20(c)-(h) - Recruitment and Retention Initiatives to Address Teacher Shortages (cont'd.)
  - Effective July 1, 2003, and expires June 30, 2004. Provisions addressing teachers from other states apply to individuals initially employed as teachers in NC for the 2003-2004 school year.

# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

### # Section 7.39 - Review of Teacher Certification Process.

- Removes the requirement that the State Board of Education must contract with an outside consultant to conduct a study, authorized last year, of the teacher certification process, and directs the State Board to conduct the study.
- Eliminates portfolios from the issues to be considered as part of this study.
- Extends the date from January 1, 2004, to March 15, 2004, by which the Board must report its findings and recommendations to Joint Legislative Education Oversight Committee.
- Effective July 1, 2003.



# Modify Law/Contracts for School Principals

## SL 2003-291 (SB 955)

- # Clarifies that only the initial contract between a local board of education and a school administrator may be for 2 to 4 years, ending on June 30 of the final 12 months of the contract.
- # Requires subsequent contracts between a local board of education and a principal or assistant principal to be for a term of four years.
- # Allows contracts to be renewed at any time after the first 12 months so long as the term of the new, renewed, or extended contract does not exceed four years.
- # Effective July 1, 2003.

# Compensation/Public School Employees/Active Duty SL 2003-301 (SB 714)

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- # Requires the State Board of Education to adopt rules relating to leaves of absence for public school employees, without loss of pay or time, for periods of military training and for State or federal military duty or special emergency management service.
- # Effective on or after July 1, 2002.



# Probationary Period Shortened/Career Teachers

## SL 2003-302 (HB 38)

- # Provides that career teachers will not have to serve another probationary period of more than one year following a return to the profession or a transfer to another school system.
- # Local boards can grant career status immediately or after the first year of employment.
- # Effective July 4, 2003 and applies to contracts of employment beginning with the 2004-2005 school year.

# School Volunteer Records Private SL 2003-353 (HB 1114)

- # Provides that all school records regarding volunteers are not open to public inspection under the Public Records Act.
- # Specifies who will be permitted to inspect the records.
- # Does not require school systems to maintain records related to volunteers.
- # Requires that volunteers be notified at the time they apply to volunteer that a file will be maintained on them and that the information in the file may be open to inspection under certain circumstances.



# School Volunteer Records Private (Cont'd)

## SL 2003-353 (HB 1114)

- ✳ Authorizes the release or inspection of these records when the board determined the release or inspection is essential to maintaining the integrity of the board OR to maintaining the level or quality of services provided by the board AND the board prepares a written memorandum with its reasons for release or inspection.
- ✳ Effective August 1, 2003.

# Local Flexibility Regarding Job Sharing in Schools

## SL 2003-358 (SB 701)

- # Requires the State Board of Education to adopt rules to facilitate job sharing by school employees, including receiving on a pro rata basis the holidays and leave benefits that they would be entitled to receive if they were employed on a full-time basis.
- # Amends the creditable service section of the Teachers' and State Employees' Retirement System for a school employee in a job-sharing position.
- # Amends the eligibility criteria of the Comprehensive Major Medical Plan to allow coverage on a partially contributory basis.
- # Effective January 1, 2004.



# School Safety Officers-Students/Sex Offenses

S.L. 2003-98 (SB 555)

- # Adds school safety officers to the list of school personnel subject to criminal penalties for engaging in sexual acts with students and for taking indecent liberties with students.
- # Defines "school safety officer" as a school resource officer or any other person regularly present in a school for the purpose of promoting and maintaining safety.
- # Effective date - December 1, 2003.

# An Act to Safeguard Children SL 2003-408 (SB 993)

- # Requires the State Board of Education (Board) to automatically revoke the certificate of a teacher or school administrator upon receiving proof that the person was convicted of certain serious felonies and misdemeanors.
- # Requires that the Board, before acting, receive a certified copy of the criminal record showing the conviction, and verification that the record applies to the teacher or school administrator.
- # Authorizes the Board to contract for any services necessary to comply with this act.
- # Effective August 13, 2003.



# Tobacco-Free Schools

## SL 2003-421 (SB 583)

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- # Directs local boards of education to adopt and enforce written policies to enforce the federal prohibition on smoking in any school building used to provide routine or regular kindergarten, elementary, or secondary education or library services to children.
- # The local board policy shall prohibit the use of all tobacco products in enclosed school buildings during school hours.
- # Effective August 14, 2003.

# School Calendar Flexibility/Inclement Weather

## SL 2003-8 (HB 340)

- # Allows local boards of education to make up a maximum of 3 instructional days by adding instructional hours to previously scheduled instructional days if certain criteria were met.
- # If a local board used this option, the LEA was deemed to have met the 180 days of instruction requirement.
- # Effective April 4, 2003 and applied only to the 2002-2003 school year.



# Purchasing Flexibility for Schools

## SL 2003-147 (SB 620)

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- # Allows LEAs to use the same competitive bidding methods used by other units of local government.
- # Allows an LEA to be removed from the requirement to purchase under State contracts earlier than April 1, 2004, if the LEA is certified as E-procurement compliant by the Department of Public Instruction (DPI) and purchases a specified percentage of their materials, equipment, and supplies through the NC E-Procurement Service.

# Purchasing Flexibility for Schools (Cont'd)

## SL 2003-147 (SB 620)

- # Requires the State Board of Education to adopt rules regarding equipment standards for supplies, equipment, and materials related to student transportation.
- # Provides that if the State Board of Education adopts safety guidelines for certain commodities, those guidelines must be at least as strict as ones adopted for state term contracts.



# Purchasing Flexibility for Schools (Cont'd)

## SL 2003-147 (SB 620)

- # Establishes a "user group" made up of representatives from the Department of Administration and LEAs that will address issues related to proper bidding procedures, the exchange of information, and use of the E-procurement system.
- # Sets December 1, 2003 as the date when the E-procurement pilot projects must be E-procurement compliant, but gives the State Board of Education the authority to modify that date.

# Purchasing Flexibility for Schools (Cont'd)

## SL 2003-147 (SB 620)

- # Sets July 1, 2004 as the date when Wake County and Charlotte/Mecklenburg County must be E-procurement compliant.
- # Sets January 1, 2005 as the date when the remaining LEAs must be certified as being E-procurement compliant.
- # Except as otherwise noted, effective June 4, 2003.



# School Food/Beverages Purchases SL 2003-257 (HB 1032)

- # Requires local boards of education to give preferences in purchasing contracts to high-calcium foods and beverages when making purchasing contracts.
- # Does not require local boards of education that have entered into contracts to purchase food or beverages before June 26, 2003 to purchase high-calcium foods or beverages for the duration of the contract if purchasing those products would change the terms of the contract.
- # Effective June 26, 2003.

# Budget Bill

## SL 2003-284 (HB 397)

### # Section 6.15 - Competitively Bid Beverage Contracts.

- Requires local school administrative units, community colleges, and constituent institutions of The University of North Carolina to competitively bid contracts that involve the sale of juice or bottled water;
- Effective June 30, 2003 and applies to contracts bid on or after that date.



# Clarify Group Homes Licensure & LEA Reimbursement

## SL 2003-294 (SB 926)

- # Makes various clarifying changes to the licensure statutes for group homes.
- # Makes the following changes regarding reimbursement for the educational costs of children in group homes:
  - Effective July 1, 2003, requires State and federal funds for the cost of a free appropriate public education for a child with disabilities in a group home or foster home to be exhausted before the "home county" LEA is to reimburse the "host county" LEA.

# Clarify Group Homes Licensure & LEA Reimbursement (Cont'd)

## SL 2003-294 (SB 926)

- An LEA providing an education to a child with disabilities may submit an application for funds to the Special State Reserve Program when the costs exceed the per child group home allocation.
- ✱ Requires the Department of Public Instruction to review the current cost of children with disabilities served in the LEAs with group homes or foster homes to determine the actual cost of services.



# Clarify Group Homes Licensure & LEA Reimbursement (Cont'd)

## SL 2003-294 (SB 926)

- \* Clarifies that the LEAs requesting funding from the Group Homes Program to Children with Disabilities must receive full school year funding.



# Clarify Group Homes Licensure & LEA Reimbursement (Cont'd)

## SL 2003-294 (SB 926)

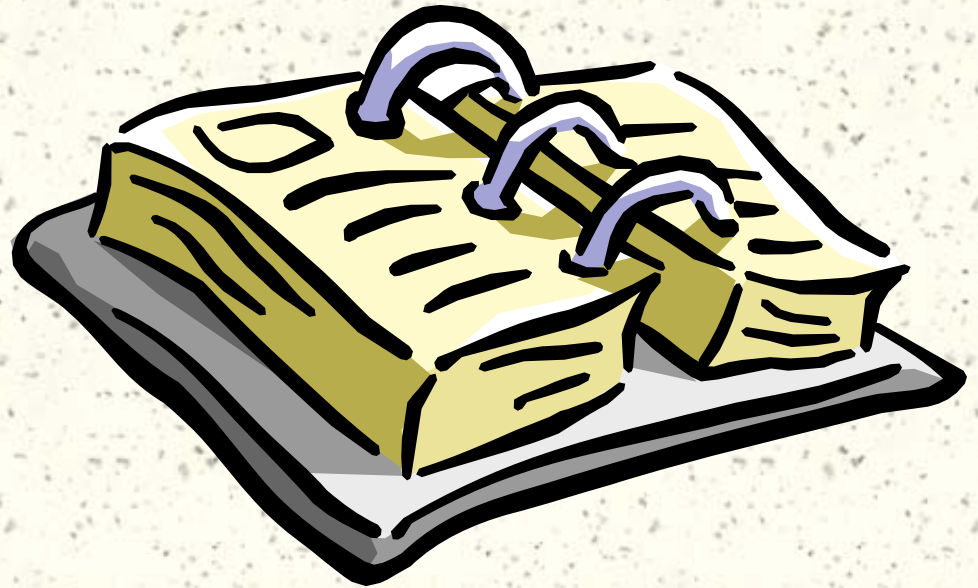
- # Requires the Department of Health and Human Services, together with the Department of Juvenile Justice and Delinquency Prevention and the Department of Public Instruction, to determine a method of identifying and reporting child placements outside the family unit group home and therapeutic foster care home settings, and submit a report by April 1, 2004.



# Clarify Group Homes Licensure & LEA Reimbursement (Cont'd)

## SL 2003-294 (SB 926)

- \* Except as otherwise noted, effective July 4, 2003.



# Amend Constitution/School Fines and Forfeitures

## SL 2003-423 (SB 965)

- # Proposes a Constitutional amendment authorizing the General Assembly to put in a State fund the clear proceeds of all civil penalties, forfeitures, and fines collected by a State agency and that belong to the public schools.
- # Prescribes the form of the constitutional amendment to be submitted to the voters at the statewide general election in November 2004.
- # Specifies that if a majority of votes approve the proposed constitutional amendment, it would become effective January 1, 2005.



# Amend Constitution/School Fines and Forfeitures (Cont'd)

## SL 2003-423 (SB 965)

- # Directs the General Assembly to appropriate the money in that State fund, on a per pupil basis, to the counties to be used exclusively to maintain free public schools, including charter schools.
- # Clarifies that, of the per pupil local funds transferred to a charter school, the amount consisting of revenue from supplemental taxes may be transferred only to a charter school in the tax district for which the taxes are levied and in which the student resides.
- # Except as otherwise provided, effective August 14, 2003.

# Charter Schools/State Retirement and Medical Plans

## SL 2003-69 (SB 39)

- # Authorizes any charter school that signed a charter on or after January 1, 2002, and the board of directors of River Mill Academy to elect to become a participating employer in the Teachers' and State Employees' Retirement System and the NC Teachers' and State Employees' Comprehensive Major Medical Plan no later than 30 days after the effective date of this act.



# Charter Schools/State Retirement and Medical Plans (Cont'd)

## SL 2003-69 (SB 39)

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- # Authorizes the assessment of interest on premiums not remitted in a timely manner by charter schools to the NC Teachers' and State Employees' Comprehensive Major Medical Plan.
- # Effective May 20, 2003

# Charter Schools/Deed Registration SL 2003-354 (SB 35)

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- \* Authorizes the board of directors of Clover Garden Charter School to elect to become a participating employing unit in the NC Teachers' and State Employees' Comprehensive Major Medical Plan no later than 30 days after the effective date of this law.



# Charter Schools/Deed Registration (Cont'd)

## SL 2003-354 (SB 35)

- # Permits the State Board of Education to extend the term of initial charters, and their renewals, from a maximum of 5 years to a maximum of 10 years.
- # Effective August 1, 2003 and applies to charters granted or renewed on or after that date.

# Advisory Members on State Board of Education

## SL 2003-306 (SB 698)

- # Adds the following advisory members to the State Board of Education:
  - A superintendent appointed by the Governor for a one-year term;
  - The State Principal of the Year as designated by the Department of Public Instruction for a one-year term; and
  - The local board of education member who is the current Raleigh Dingman Award winner for a one-year term.
- # Effective July 4, 2003.



# Assistance to LEAs on Implementation of NCLB SL 2003-419 (HB 797)

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- # Requires the State Board of Education to assist schools in meeting the Adequate Yearly Progress provision of the federal No Child Left Behind act.
- # Requires the State Board to determine the number of local school systems that could be served effectively in the first two years of implementation.

# Assistance to LEAs on Implementation of NCLB (Cont'd)

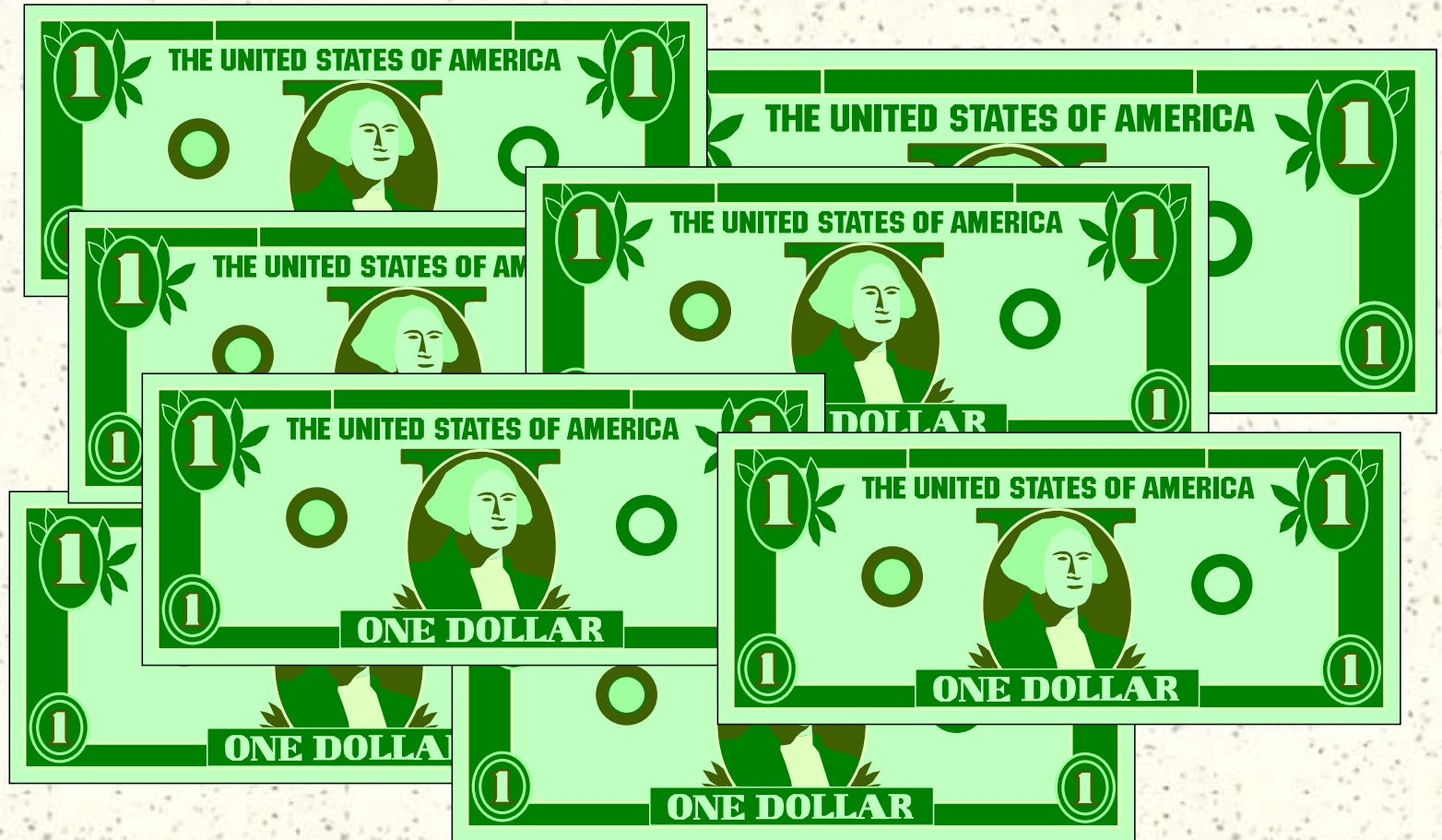
## SL 2003-419 (HB 797)

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- ✦ Requires the State Board and the Department of Public Instruction to report to Ed Oversight by June 15, 2004 and December 15, 2005 on the implementation of this act.
- ✦ Effective August 14, 2003.



# Appropriations Public Schools



# Continuation Funding

## \* Funding for Growth in Average Daily Membership (ADM)

- FY 2003-04 Funded ADM: 1,342,806
- Increase in ADM over FY 2002-03: 15,941 (+1.2%)
- FY 2003-04 net funding increase: **\$89 million**
- FY 2003-04 net increase in guaranteed, State-paid 10-month positions: 1,824.92



# Continuation Funding

- # Governor's Efficiency Negative Reserve (\$25 million)
  - Legislated in FY 2002-03 budget bill
  - Distributed *pro rata* across State government by Office of State Budget and Management (OSBM) in FY 2002-03
  - **(\$10.4 million)** reduction allocated to Public Schools, allowed to be covered by reversions for FY 2002-03

# Continuation Funding

- # Governor's Efficiency Negative Reserve (\$25 million) Cont'd.
  - # In FY 2003-04, OSBM selected a change to the vocational education allotment formula as the means to accommodate a permanent reduction
  - # FY 2003-04 net reduction to vocational education 10-month positions: (60.4)



# Expansion Funding

## # 2<sup>nd</sup> Grade Class Size Initiative

- Reduce allotted teacher-to-student ratio from 1:20 to 1:18
- **\$25.3 million** in recurring funds to hire an additional 571 teachers
- Allotted teacher-to-student ratio for K-2 now 1:18
- Maximum average class size (per LEA) for K-2 now 1:21
- Maximum individual class size for K-2 now 1:24

# Expansion Funding

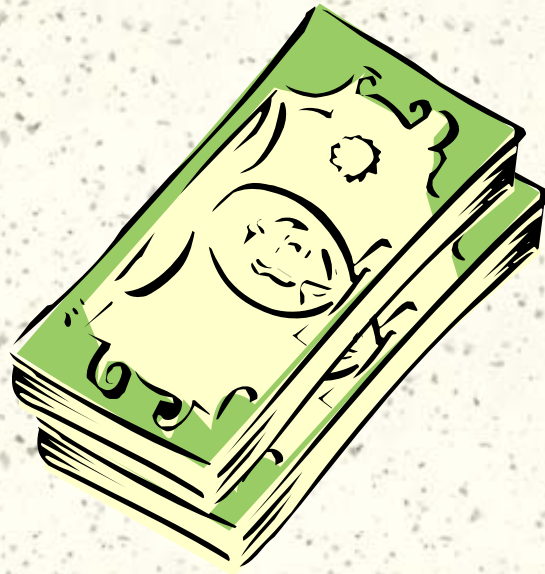
## \* Salary Increases

- Experience Step Increase: **\$42 million**
  - Teachers and Instructional Support: average of 1.81% salary increase
  - Principals and Assistant Principals: average of 1.86% salary increase
- Top of range one-time bonus: **\$6.1 million**
  - Teachers and Instructional Support at top of salary range: one-time bonus of 1.57%
  - Principals and Assistant Principals at top of salary range: one-time bonus of 2.0%



# Expansion Funding

- One-time bonuses of \$550 and 10 additional vacation days for non-certified school personnel: **\$28 million**



# Expansion Funding

## # ABC Bonuses

- **\$96 million** for FY 2003-04 for certified personnel and teacher assistants whose schools met expected growth or high growth targets in FY 2002-03
- Certified personnel receive up to \$750 for meeting expected growth, up to \$1,500 for meeting high growth
- Teacher assistants receive up to \$375 for meeting expected growth, up to \$500 for meeting high growth



# Reductions

## \* LEA Flexibility Reduction

- (\$44.3 million) reduction allocated to LEAs based on ADM
- LEAs have flexibility to determine specific reductions on a year-by-year basis
- Budget special provision (Section 7.23) encourages LEAs to identify reductions that do not impact classroom services

# Reductions

## \* LEA Flexibility Reduction (Cont'd)

- State Board of Education required to identify for FY 2005-06 and beyond changes to the allotment categories that will produce permanent reductions totaling (\$44.3 million)





# Reductions

## # Non-Instructional Support

- **(\$13 million)** reduction in funds for clerical and custodial positions
- Equivalent to approximately 533 positions

## # School Bus Replacement

- **(\$11 million)** reduction in funds for replacement of school buses
- Based on revised replacement schedule
- Remaining funds include \$15 million for first-year lease-purchase payments for approximately 692 buses in FY 2003-04

# Reductions

## # Vocational Education

- **(\$8 million)** reduction in funds for vocational education teachers
- Equivalent to approximately 173 10-month positions
- Budget special provision (Section 7.37) encourages LEAs to focus reduction on the 7<sup>th</sup> grade in FY 2003-04, states intent of General Assembly to eliminate funding for vocational education in the 7<sup>th</sup> grade beginning in FY 2004-05



# Reductions

## # Teacher Assistants

- (\$8 million) reduction in funds for teacher assistants
- Equivalent to approximately 377 positions



# In the Spotlight



**Higher  
Education**



# Tuition Waiver Correction SL 2003-230 (SB 424)

- # Changes the application of tuition waivers that are available to certain persons enrolled in community colleges and UNC institutions:
  - Survivors of State or local law enforcement officers, firefighters, volunteer firefighters, or rescue squad workers who are killed while in active service or training for active service or who died as a result of a service-connected disability.

# Tuition Waiver Correction (Cont'd)

## SL 2003-230 (SB 424)

- Children, aged 17-23, and spouses of State or local law enforcement officers, firefighters, volunteer firefighters, or rescue squad workers who are permanently and totally disabled as a direct result of a traumatic injury sustained in the line of duty.
- ✦ Removes the limitation that the death or disability must have occurred on or after October 1, 1997.



# Tuition Waiver Correction (Cont'd)

## SL 2003-230 (SB 424)

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- # Directs the Joint Legislative Education Oversight Committee to study whether to extend the tuition waivers to law enforcement officers, firefighters, volunteer firefighters, or rescue squad workers who are permanently and totally disabled as a result of a service-connected disability.
- # Directs Ed Oversight to consider whether to remove the age limitations on their children.

# Tuition Waiver Correction (Cont'd)

## SL 2003-230 (SB 424)

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- # Directs Ed Oversight to report its findings and recommendations to the General Assembly by April 15, 2004.
- # Effective July 1, 2003, and applies to persons enrolled in community colleges and UNC institutions on or after that date.



# In the Spotlight



**Community  
Colleges**

# Community College Shared Leave SL 2003-9 (HB 432)

- # Requires that the State Personnel Commission, the State Board of Community Colleges and the State Board of Education cooperate to adopt rules and policies to allow any employee to voluntarily share leave with an immediate family member who is an employee of a State agency, community college, or public school.



# Community College Shared Leave (Cont'd)

## SL 2003-9 (HB 432)

- # Requires the president of any community college, prior to the adoption of rules, to allow a community college employee to share leave under these provisions.
- # Requires community colleges, public schools and State agencies to permit eligible employees to receive the leave.
- # Effective April 10, 2003.

# Community Colleges Financial Aid Process Clarified SL 2003-52 (HB 234)

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- # Requires only students who are enrolled in degree, diploma or certificate programs to complete a Free Application for Federal Student Aid (FAFSA) in order to be eligible for financial assistance.
- # Effective May 20, 2003.



# Budget Bill

## SL 2003-284 (HB 397)

### \* Section 8.14 - Community Colleges Trust Fund.

- Establishes the NC Community Colleges Instructional Trust Fund to supplement funds raised by the community college foundations to enhance the colleges' academic missions
- Requires that every \$2 raised by the community college foundations during the 2003-2004 fiscal year be matched with \$1 in State funds.

# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

### # Section 8.14 - Community Colleges Trust Fund (Cont'd)

- The total matching State contribution shall not exceed \$25,000 for each of the community colleges.
- Effective July 1, 2003.





# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

### # Section 8.16A - Tuition Modifications/Nonprofit Sponsorship of Community College Student.

- Allows a nonresident of the U.S. who is lawfully admitted to the U.S. and is sponsored by a NC nonprofit entity to be eligible for the State resident community college tuition rate.
- This provision does not make a person a resident of NC for any other purpose.
- Effective July 1, 2003.

# Community College Facility/Public-Private Partnership SL 2003-286 (SB 773)

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- # Allows a community college board of trustees to enter into an agreement to lease college property to a private entity in exchange for the entity constructing a facility on the property if certain conditions are met.
- # Effective July 4, 2003

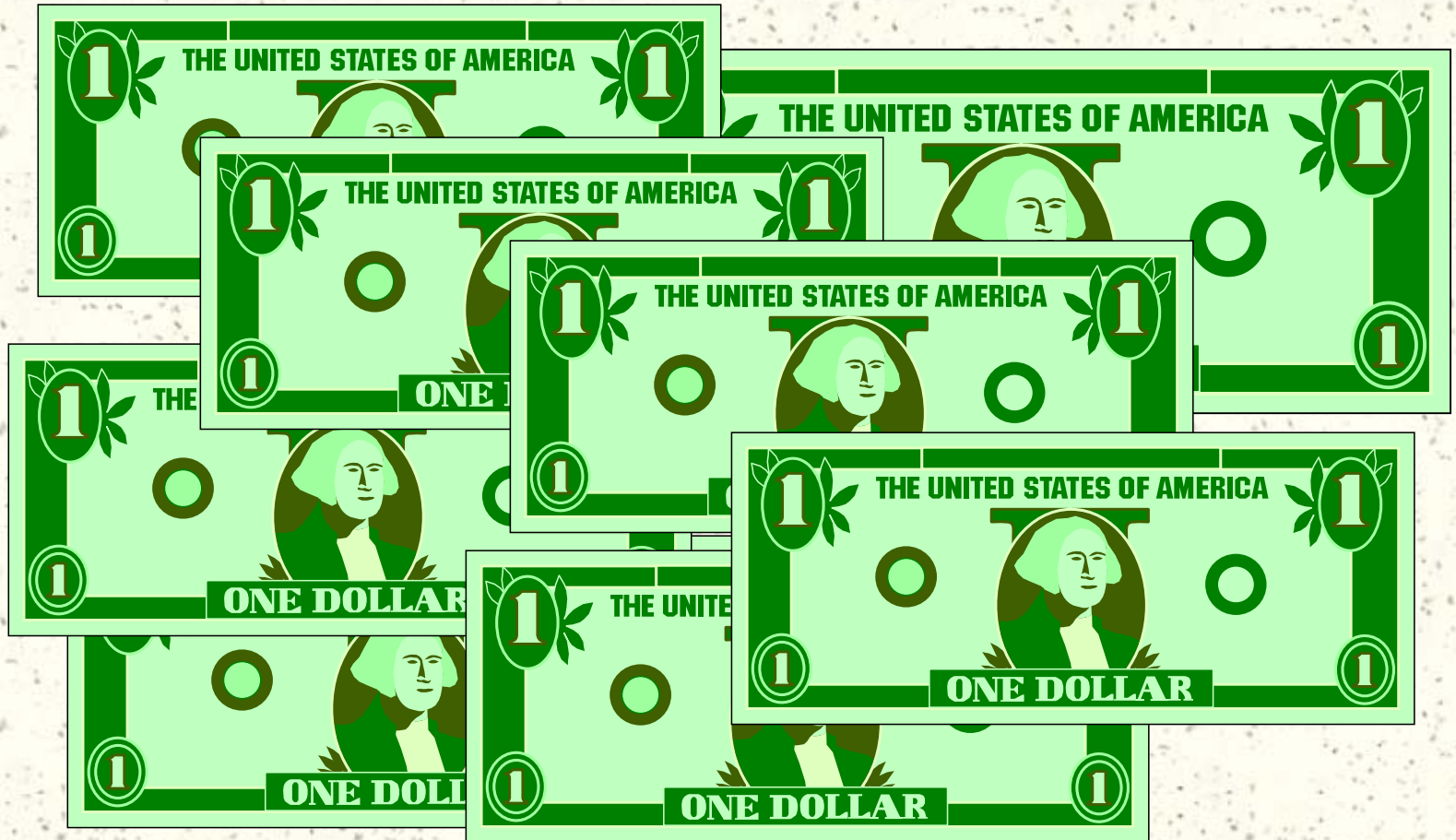


# Vocational Rehabilitation Students in Community Colleges/Funds SL 2003-385 (HB 223)

- # Permits the State Board of Community Colleges to use certain funds to provide financial assistance to students with disabilities.
- # Effective July 1, 2003.



# Appropriations Community Colleges





# Enrollment

- # 2003-04 Funding Increase: \$32 million
- # Total Formula Allotment: \$744 million (including tuition and fees, and Federal receipts. The General Fund portion of this is \$579.)

# Financial Aid

- # 2003-04 Funding Increase: \$3.2 million
- # Total Financial Aid Allotment: \$10,262,806





# Salary Increases

- # 2003-04 Legislative Salary Increase  
Funds: \$3.25 million for a one-half percent increase for faculty and professional staff
- # \$550 bonus for all community college faculty and staff

# Reductions

## #\* Tuition Increase

- In-state tuition was increased by \$1.25 per credit hour from \$34.25 to \$35.50.
- Total tuition for a full-time in-state student: \$1,136 per year
- Total reduction: (\$3.2 million)



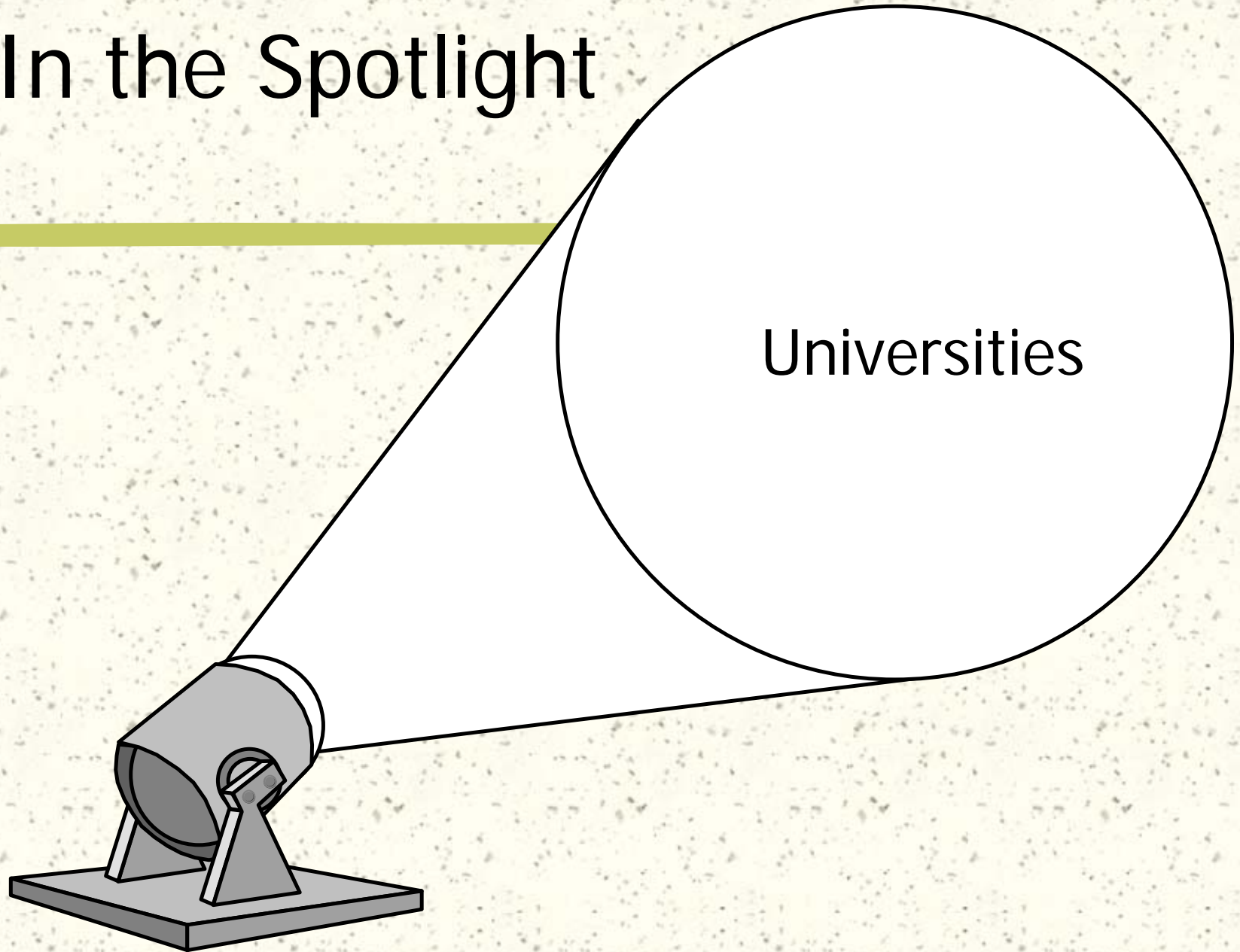


# Reductions

## # Other Reductions

- Administrative Formula Adjustments: (\$9.7 million)
- Summer Term: (\$3.6 million)
- Academic Support Supplement (\$3 million)
- Management Flexibility Reserve: (\$11.2 million)

# In the Spotlight





# Increase Science and Math School Trustees

## SL 2003-57 (HB 103)

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- \* Increases from 26 to 27 the number of members of the Board of Trustees of the North Carolina School of Science and Math in order to correspond with the increase in congressional districts in North Carolina.

# Increase Science and Math School Trustees (Cont'd)

## SL 2003-57 (HB 103)

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- \* Effective July 1, 2003, and provides that the current members appointed by the UNC Board of Governors will continue to serve their appointed terms and the new Board member from the new Congressional district will be appointed to serve a term that will expire June 30, 2007.



# Amend Arboretum Board of Directors SL 2003-102 (SB 851)

- # Shortened the time from 4 years to 1 year that a person has to be absent from the Board of Directors of the Arboretum before being reappointed.
- # Effective May 31, 2003.



# Meningitis Immunization Information SL 2003-194 (HB 825)

- ✦ Requires each public or private educational institution that offers a postsecondary degree and that has a residential campus to provide vaccination information on meningococcal disease to each student.
- ✦ Does not require the educational institution to provide the meningococcal vaccination to students.
- ✦ Effective June 12, 2003 and applies to the 2003-2004 academic year and each subsequent year.



# Appalachian State/Regulate Parking SL 2003-213 (HB 928)

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- # Revises and expands the list of streets along which Appalachian State University may, through its own ordinances, prohibit, regulate and limit parking of motor vehicles if parking is not prohibited by an ordinance of the Town of Boone on those streets.
- # Effective June 19, 2003.

# NC School of the Arts/Board Membership SL 2003-215 (HB 1210)

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- # Modifies the membership of the Board of Trustees of the North Carolina School of the Arts by allowing the North Carolina Symphony conductor's designee to serve as an ex officio, nonvoting member in place of the conductor.
- # Effective June 19, 2003.



# UNC Purchasing Flexibility SL 2003-228 (HB 975)

- # Exempts The University of North Carolina from the State's purchasing and contract laws if the purchase of personal property and services is not covered by a State term contract **and** one of the following applies:
  - The funds being used are not funds that were appropriated from the General Fund or received as tuition.

# UNC Purchasing Flexibility (Cont'd)

## SL 2003-228 (HB 975)

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- The funds being used are from multiple sources (i.e. from the General Fund or tuition as well as from other sources), and the General Fund or tuition part of the funds does not exceed 30% of the total funds.
- The funds being used are not from the General Fund or tuition but instead are grant or contract funds.
- The funds being used are from multiple sources (i.e. from the General Fund or tuition as well as from grants or contracts) and the contract or grant funds exceed 50% of the total funds.



# UNC Purchasing Flexibility (Cont'd)

## SL 2003-228 (HB 975)

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- # Allows special responsibility constituent institutions to make purchases of equipment, materials, supplies, and services when a purchase is more favorable than the State term contract and it meets the following 4 conditions:
  - Purchase price including cost of delivery is less than the cost under the State term contract.
  - Items are the same or substantially similar as items under the State term contract.

# UNC Purchasing Flexibility (Cont'd)

## SL 2003-228 (HB 975)

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- Cost does not exceed the established benchmarks.
- The special responsibility constituent institution notifies the Department of Administration about purchases that are consistently being made under this provision so that State term contracts can be improved.
- # Effective July 1, 2003.



# University Athletic Facilities Exemption SL 2003-239 (SB 706)

- # Allows a public university to add bleachers to an existing softball field without having to construct additional plumbing facilities.
- # Applies to public universities located in counties that:
  - # Have a population of 160,000 or more;
  - # Border the Atlantic Ocean; and
  - # Border no more than two other counties that are a part of North Carolina
- # Effective June 24, 2003.

# Budget Bill

## SL 2003-284 (HB 397)

### # Section 8.16 - Tuition Modifications.

- Provides that active duty members of the armed services who are admitted to a UNC constituent institution but do not qualify as residents for tuition purposes shall be charged the maximum available federal tuition assistance as the required tuition and fees. This amount shall not exceed the established out-of-State tuition rate and mandatory fees.



# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

### # Section 8.16 - Tuition Modifications (Cont'd).

- Allows any person lawfully admitted to the U.S. who satisfied the qualifications for assignment to a public school and who graduated from the assigned school to be eligible for the State resident community college tuition rate. This provision does not make the person a resident of NC for any other purpose.
- Effective July 1, 2003.

# Budget Bill (Cont'd)

## SL 2003-284 (HB 397)

### # Section 9.4 - School of Science & Math/College Scholarships.

- Provides that every NC resident who graduates from the NC School of Science and Math and enrolls full-time in a UNC constituent institution shall receive a tuition grant for 4 consecutive academic years.
- Effective July 1, 2003 and applies to students graduating in the 2003-2004 academic year and subsequent academic years.



# UNC/Add Nonsmoking Areas SL 2003-292 (HB1016)

- ✦ Adds the following to the list of specific areas in State-controlled buildings that may be designated as nonsmoking areas:
  - UNC health facilities;
  - Wellness centers;
  - Enclosed physical education facilities;
  - Enclosed student recreation centers, laboratories, or residence halls.

# UNC/Add Nonsmoking Areas (Cont'd)

## SL 2003-292 (HB1016)

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- # Requires each constituent institution to make a reasonable effort to provide residential smoking rooms in residence halls in proportion to student demand for these rooms.
- # Effective July 4, 2003.



# Amend Distinguished Professors Endowment Trust Fund SL 2003-293 (SB 952)

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- # Requires that the focused growth institutions and special needs institutions only have to match the funds from the Distinguished Professors Endowment Trust Fund with a one-to-one match.
- # Effective July 1, 2003.

# Purchase Contracts/Increase UNC Benchmark

## SL 2003-312 (HB 1070)

- # Provides that if the Board of Governors sets a benchmark greater than \$250,000 for an institution, then that institution will handle the bidding process, but will be required to submit to the Division of Purchasing & Contract for its approval all offers and the institution's recommendation of award or other action. Purchase & Contract must send that institution a notice of its decision which the institution will be required to follow.



# Purchase Contracts/Increase UNC Benchmark (Cont'd)

## SL 2003-312 (HB 1070)

- # Increases the maximum expenditure benchmark from \$250,000 to \$500,000 for purchases by the UNC constituent institutions.
- # Effective July 1, 2003

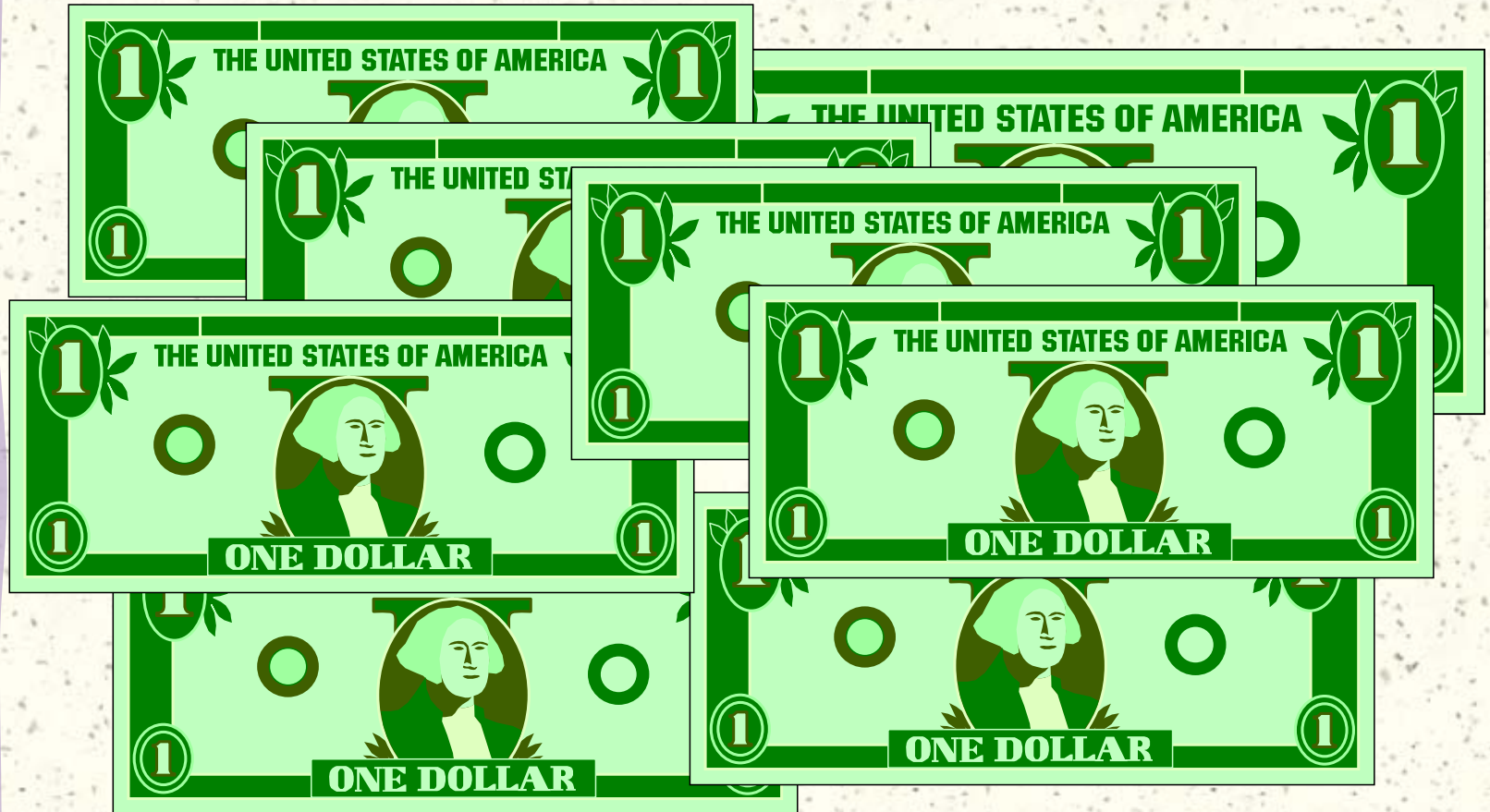


# Establish State Education Grants SL 2003-429 (HB 150)

- # Directs the State Education Assistance Authority (SEAA) to adopt rules to administer the tuition grants provided for in the bill.
- # Directs the SEAA to pay the tuition grants directly to the eligible students and the amount of the grant will be determined by the General Assembly.
- # Effective July 1, 2003 and applies to the 2003-2004 academic year and each year thereafter.



# Appropriations Universities



# Budget Highlights for the UNC System

- # Enrollment - Provides \$46.6 million to fully fund the UNC System's projected 4.5% enrollment growth. The projected enrollment growth is equal to an additional 6,123 FTE students.
- # Financial Aid - Provides an additional \$10.25 million from the Escheats Fund for need-based student financial aid.
- # Aid to Private Colleges - Fully funds growth in aid to private colleges at \$2.8 million, and does not cut their budgets.



# Budget Highlights for the UNC System

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- # Provides an additional \$1 million for the President's Strategic Initiative Reserve for bond oversight.
- # Gives the small and unique missioned schools an additional appropriation of \$500,000 each (UNC-Asheville and School of the Arts).

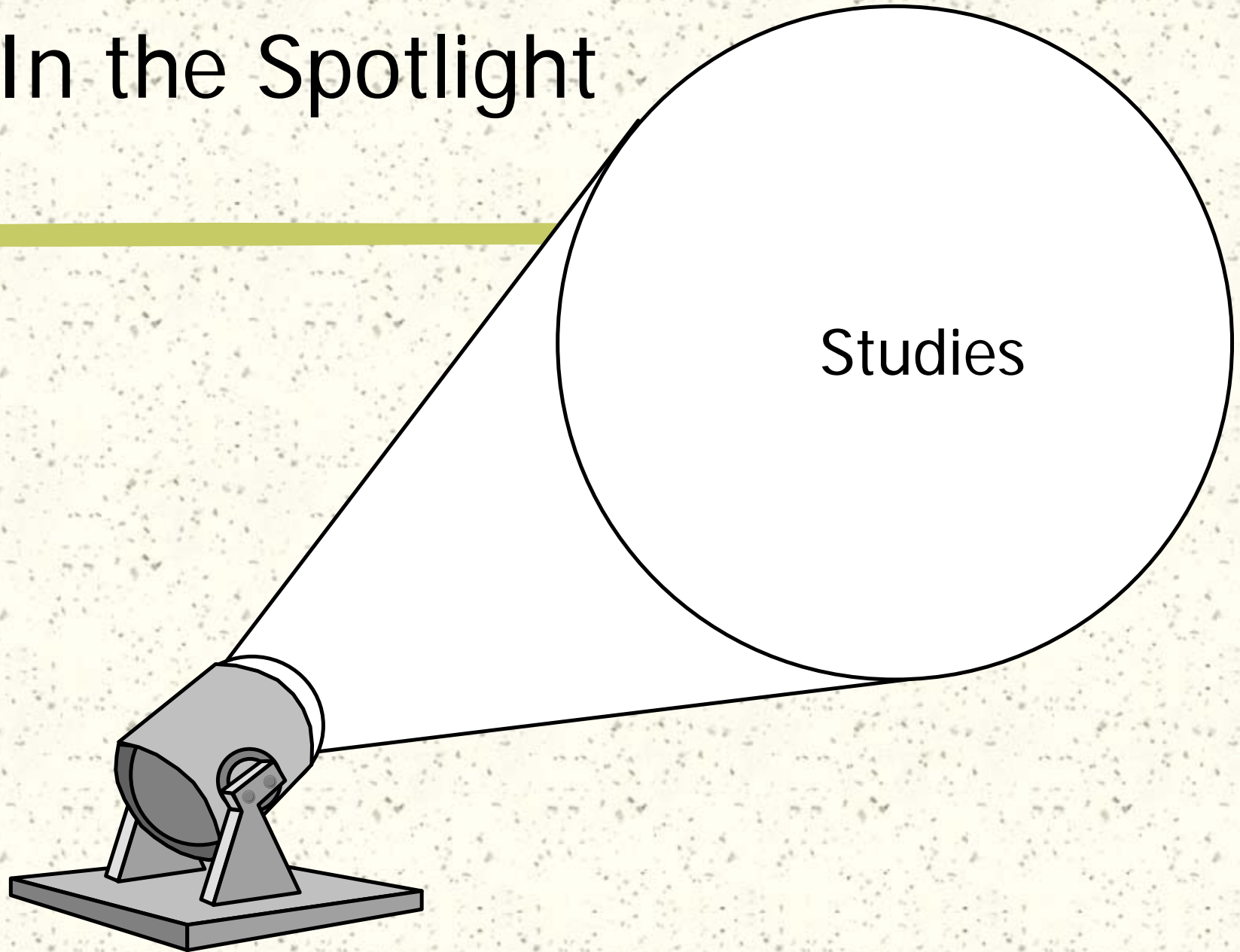
# Budget Highlights for the UNC System

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- # Starts a new program to provide full tuition scholarships for graduates of the NC School of Science and Math starting with the graduates in spring 2004.
- # Gives funds for engineering start-up programs to UNC-Asheville, Western Carolina University and East Carolina University (\$900,000 total).



# In the Spotlight



# Referrals to Existing Commissions, Committees, Departments, Agencies

## # The Joint Legislative Education Oversight Committee shall study the following issues:

- Whether To Extend Tuition Waivers To Certain Persons Enrolled In UNC Constituent Institutions And Community Colleges. S.L. 2003-230 (SB 424).
- Effects Of Rapid Growth In Student Population On Local School Administrative Units. S.L. 2003-284, Sec. 7.29 (HB 397, Sec. 7.29).
- Recommendations Based On State Board Of Education Review Of Teacher Certification Process. S.L. 2003-284, Sec. 7.39 (HB 397, Sec. 7.39).
- Evaluation Of The Comprehensive Articulation Agreement. S.L. 2003-284, Sec. 8.12 (HB 397, Sec. 8.12).



# Referrals to Existing Commissions, Committees, Departments, Agencies

- # The State Board of Education has been directed to study the following issues:
  - Policies That Encourage Potential Dropouts To Remain In School And Encourage All Students To Pursue A Rigorous Academic Course Of Study. S.L. 2003-277 (SB 656).
  - Initiatives To Assist High-Priority Schools. S.L. 2003-284, Sec. 7.10(c) (HB 397, Sec. 7.10(c)).
  - Allotment Formula For Funding Students With Limited English Proficiency. S.L. 2003-284, Sec. 7.15(c) (HB 397, Sec. 7.15(c)).
  - Results Of A Pilot Program To Test A Revised ABCs Model. S.L. 2003-284, Sec. 7.16(c) (HB 397, Sec. 7.16(c)).

# Referrals to Existing Commissions, Committees, Departments, Agencies

## # The State Board of Education (cont'd):

- Expenditure Of Funds To Assist Local School Administrative Units And Individual Schools In Meeting Adequate Yearly Progress (AYP) Goals With The Subgroups Specified In The No Child Left Behind Act Of 2001. S.L. 2003-284, Sec. 7.17 (HB 397, Sec. 7.17).
- Whether The Minimum Required Score On The PRAXIS Exam Demonstrates Academic And Professional Preparation For Teaching. S.L. 2003-284, Sec. 7.20(d) (HB 397, Sec. 7.20(d)).
- Revisions To The Curriculum Requirements For Lateral Entry Candidates. S.L. 2003-284, Sec. 7.20(f) (HB 397, Sec. 7.20(f)).



# Referrals to Existing Commissions, Committees, Departments, Agencies

## # The State Board of Education (cont'd):

- Adequacy Of Safety Rules Adopted By Local Boards Of Education On The Use Of Activity Buses. S.L. 2003-284, Sec. 7.25(c) (HB 397, Sec. 7.25(c)).
- Characteristics Of Mentor Teacher Programs That Are Most Effective In Retaining Teachers. S.L. 2003-284, Sec. 7.30(d) (HB 397, Sec. 7.30(d)).
- Effectiveness Of Local Mentor Teacher Programs. S.L. 2003-284, Sec. 7.30(e) (HB 397, Sec. 7.30(e)).
- Ratio Of School Nurses To Students Needed To Provide Services. S.L. 2003-284, Sec. 7.32 (HB 397, Sec. 7.32).
- Implementation Of The Pilot Programs On Financial Literacy. S.L. 2003-284, Sec. 7.35 (HB 397, Sec. 7.35).

# Referrals to Existing Commissions, Committees, Departments, Agencies

## # The State Board of Education (cont'd):

- Weighted Grades For High School Students Taking University And Community College Courses. S.L. 2003-284, Sec. 7.36 (HB 397, Sec. 7.36).
- Review Of Teacher Certification Process. S.L. 2003-284, Sec. 7.39 (HB 397, Sec. 7.39).
- Statewide Privatization Of State-Funded Driver Education Programs. S.L. 2003-284, Sec. 29.7 (HB 397, Sec. 29.7).
- Efforts To Assist Local School Administrative Units And Individual Schools In Meeting Adequate Yearly Progress (AYP) Goals With The Subgroups Specified In The No Child Left Behind Act Of 2001. S.L. 2003-419, (HB 797).



# Referrals to Existing Commissions, Committees, Departments, Agencies

- \* The UNC Board of Governors has been directed to study the following issue:
  - Film Industry Feasibility. S.L. 2003-284, Sec. 9.5 (HB 397, Sec. 9.5).