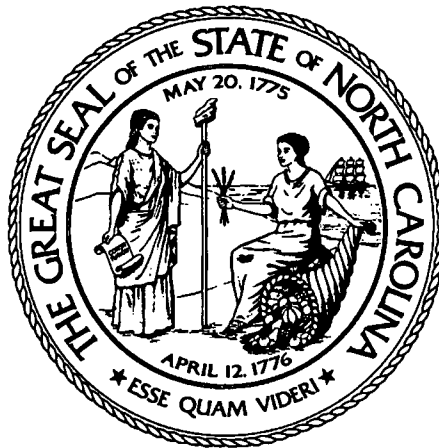


1997

**HOUSE
APPROPRIATIONS –
EDUCATION**

MINUTES



**HOUSE APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION
1997 Session**

CO-CHAIRS

**Representative Gene Arnold
Representative Robert Grady
Representative Jean Preston**

COMMITTEE CLERKS

**Alice Falcone
Peggy Murray
Carolyn Popson**

**APPROPRIATIONS/Subcommittee on Education
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**Representative
Robert Grady**



**Representative
Gene G. Arnold
Senior Ranking Member**



**Representative
Jean R. Preston**

RANKING MINORITY MEMBER



**Representative
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**Representative
James B. Black**



**Representative
Don Davis**



**Representative
Warren C. Oldham**



**Representative
Dennis Reynolds**



**Representative
Fern Shubert**



**Representative
Douglas Y. Yongue**

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Thursday, February 20, 1997

MINUTES

The Joint Appropriations Subcommittee on Education met on Thursday, February 20, 1997, at 8:30 a.m. in Room 421 of the Legislative Office Building.

Members present were Representatives Grady, Preston and Arnold, Co-chairs; Representatives Black, Davis, Oldham, Reynolds, Rogers, Shubert and Yongue; and Senators Lee and Winner, Co-chairs; Senators Dalton, Garwood, and Hartsell.

Representative Grady called the meeting to order. Pages serving the committee were Jean Hansen, Pasquotank County, and Mariel Meadows, Johnston County. Ms. Brenda Brown, principal, Hubbard School, Nash County, was introduced.

The purpose of the meeting was to continue discussion of the proposed Public Schools Continuation Budget, 1997-99 Biennium. Mr. Jim Johnson, Fiscal Staff, gave the presentation. Questions from the previous meeting of February 19 were addressed. A replacement page for 4A, North Carolina State General Fund Operating Appropriations, was handed out. School mergers were discussed and questions were raised regarding counties with multiple school systems. (See pages 20A and B).

Today's presentation began with a focus on growth in average daily membership (ADM) with comparisons by public school districts, 1989-1990 through fiscal year 1997-98. (See pages 21-24 and 30-57). Questions were generated by this presentation, and there was much discussion among members of the committee.

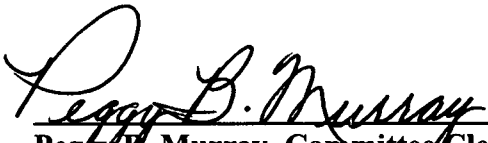
Allocation of state funds to local school districts was also addressed. (See pages 67 through 70). Mr. Johnson reviewed state allotment formulas for fiscal year 1996-97. Position allotments are resources provided to local school systems in the form of positions with guaranteed salaries. A guaranteed position insures that state funds will be available to pay the salary of the individual based upon a uniform state salary schedule. The largest category of position allotments is for teaching positions. Discussion followed this part of the presentation.

This concluded the business of the committee for today. The APPROPRIATIONS Subcommittee on Education will continue with the proposed Public Schools Continuation Budget 1997-99 Biennium at the next scheduled committee meeting, Tuesday, February 25, 1997.

The meeting was adjourned at 9:50 a.m.

Respectfully submitted:


Representative Robert Grady, Co-Chair


Peggy B. Murray, Committee Clerk

**North Carolina State General Fund Operating Appropriations
Excludes Local Government Shared Revenues/Reimbursements**

Fiscal Year	Total Current Operations		Education				University		as a % of Total	Human Resources		Corrections		All Other	
			Public Schools	Community Colleges			Amount	Percent		Amount	Percent	Amount	Percent	Amount	Percent
			Amount	Percent	Amount	Percent									
1965-66	Authorization	538,302,356	315,924,120	58.7%	11,626,558	2.2%	70,177,054	13.0%	73.9%	71,398,734	13.3%	20,611,902	3.8%	48,563,988	9.0%
	Expenditure	517,110,881	305,140,902	59.0%	11,411,657	2.2%	66,241,100	12.8%	74.0%	68,773,133	13.3%	19,697,099	3.8%	45,846,990	8.9%
	Reversion	21,191,475	10,783,218	50.9%	214,901	1.0%	3,935,954	18.6%	70.5%	2,625,601	12.4%	914,803	4.3%	2,716,998	12.8%
	% Unexpended	3.94%	3.41%		1.85%		5.61%			3.68%		4.44%		5.59%	
1966-67	Authorization	591,139,328	335,127,904	56.7%	20,078,492	3.4%	78,559,545	13.3%	73.4%	77,450,320	13.1%	21,918,819	3.7%	58,004,248	9.8%
	Expenditure	565,195,417	324,216,229	57.4%	18,697,812	3.3%	73,013,092	12.9%	73.6%	74,427,423	13.2%	20,417,630	3.6%	54,423,231	9.6%
	Reversion	25,943,911	10,911,675	42.1%	1,380,680	5.3%	5,546,453	21.4%	68.8%	3,022,897	11.7%	1,501,189	5.8%	3,581,017	13.8%
	% Unexpended	4.39%	3.26%		6.88%		7.06%			3.90%		6.85%		6.17%	
1967-68	Authorization	670,679,218	371,207,691	55.3%	19,625,725	2.9%	95,037,544	14.2%	72.4%	91,087,760	13.6%	24,796,096	3.7%	68,924,402	10.3%
	Expenditure	634,992,638	366,024,522	57.6%	18,310,803	2.9%	88,272,493	13.9%	74.4%	82,250,834	13.0%	23,858,998	3.8%	56,274,988	8.9%
	Reversion	26,686,580	5,183,169	19.4%	1,314,922	4.9%	6,765,051	25.4%	49.7%	8,836,926	33.1%	937,098	3.5%	3,649,414	13.7%
	% Unexpended	3.98%	1.40%		6.70%		7.12%			9.70%		3.78%		5.29%	
1968-69	Authorization	744,733,486	406,208,538	54.5%	32,436,358	4.4%	104,894,567	14.1%	73.0%	96,766,951	13.0%	26,119,088	3.5%	78,307,984	10.5%
	Expenditure	718,259,774	400,822,976	55.8%	31,282,412	4.4%	98,430,271	13.7%	73.9%	89,041,553	12.4%	25,446,821	3.5%	73,235,741	10.2%
	Reversion	26,473,712	5,385,562	20.3%	1,153,946	4.4%	6,464,296	24.4%	49.1%	7,725,398	29.2%	672,267	2.5%	5,072,243	19.2%
	% Unexpended	3.55%	1.33%		3.56%		6.16%			7.98%		2.57%		6.48%	
1969-70	Authorization	876,169,359	459,814,709	52.5%	41,431,965	4.7%	130,344,741	14.9%	72.1%	115,284,282	13.2%	31,971,549	3.6%	97,322,113	11.1%
	Expenditure	837,404,905	450,688,435	53.8%	39,689,410	4.7%	122,252,656	14.6%	73.2%	106,672,807	12.7%	30,658,825	3.7%	87,442,772	10.4%
	Reversion	38,764,454	9,126,274	23.5%	1,742,555	4.5%	8,092,085	20.9%	48.9%	8,611,475	22.2%	1,312,724	3.4%	9,879,341	25.5%
	% Unexpended	4.42%	1.98%		4.21%		6.21%			7.47%		4.11%		10.15%	
1970-71	Authorization	981,127,808	510,055,771	52.0%	44,935,256	4.6%	147,326,678	15.0%	71.6%	131,483,760	13.4%	36,945,379	3.8%	110,380,964	11.3%
	Expenditure	939,311,030	496,905,842	52.9%	43,642,139	4.6%	138,608,501	14.8%	72.3%	122,069,070	13.0%	35,074,124	3.7%	103,011,354	11.0%
	Reversion	41,816,778	13,149,929	31.4%	1,293,117	3.1%	8,718,177	20.8%	55.4%	9,414,690	22.5%	1,871,255	4.5%	7,369,610	17.6%
	% Unexpended	4.26%	2.58%		2.88%		5.92%			7.16%		5.06%		6.68%	
1971-72	Authorization	1,073,289,571	533,536,652	49.7%	55,958,450	5.2%	163,331,175	15.2%	70.1%	160,607,710	15.0%	42,245,637	3.9%	117,609,947	11.0%
	Expenditure	1,031,353,080	527,938,182	51.2%	55,954,999	5.4%	148,864,864	14.4%	71.0%	148,919,439	14.4%	40,872,066	4.0%	108,803,530	10.5%
	Reversion	41,936,491	5,598,470	13.3%	3,451	0.0%	14,466,311	34.5%	47.9%	11,688,271	27.9%	1,373,571	3.3%	8,806,417	21.0%
	% Unexpended	3.91%	1.05%		0.01%		8.86%			7.28%		3.25%		7.49%	
1972-73	Authorization	1,187,443,130	575,012,350	48.4%	63,193,535	5.3%	179,910,706	15.2%	68.9%	180,762,164	15.2%	46,347,496	3.9%	142,216,879	12.0%
	Expenditure	1,139,500,642	569,792,945	50.0%	60,636,067	5.3%	166,208,535	14.6%	69.9%	168,819,831	14.8%	45,542,237	4.0%	128,501,027	11.3%
	Reversion	47,942,488	5,219,405	10.9%	2,557,468	5.3%	13,702,171	28.6%	44.8%	11,942,333	24.9%	805,259	1.7%	13,715,852	28.6%
	% Unexpended	4.04%	0.91%		4.05%		7.62%			6.61%		1.74%		9.64%	
1973-74	Authorization	1,520,694,407	718,947,864	47.3%	99,582,404	6.5%	222,838,796	14.7%	68.5%	224,614,625	14.8%	59,900,251	3.9%	194,810,467	12.8%
	Expenditure	1,433,241,642	702,789,400	49.0%	92,458,946	6.5%	207,225,420	14.5%	69.9%	198,201,121	13.8%	56,488,912	3.9%	176,077,843	12.3%
	Reversion	87,452,765	16,158,464	18.5%	7,123,458	8.1%	15,613,376	17.9%	44.5%	26,413,504	30.2%	3,411,339	3.9%	18,732,624	21.4%
	% Unexpended	5.75%	2.25%		7.15%		7.01%			11.76%		5.70%		9.62%	
1974-75	Authorization	1,698,417,672	789,391,908	46.5%	109,218,752	6.4%	280,638,400	16.5%	69.4%	270,434,740	15.9%	71,046,173	4.2%	177,687,699	10.5%
	Expenditure	1,627,703,631	772,145,444	47.4%	106,413,517	6.5%	267,090,160	16.4%	70.4%	246,757,184	15.2%	70,743,705	4.3%	164,553,621	10.1%
	Reversion	70,714,041	17,246,464	24.4%	2,805,235	4.0%	13,548,240	19.2%	47.5%	23,677,556	33.5%	302,468	0.4%	13,134,078	18.6%
	% Unexpended	4.16%	2.18%		2.57%		4.83%			8.76%		0.43%		7.39%	
1975-76	Authorization	1,737,659,496	800,937,335	46.1%	105,465,494	6.1%	270,526,549	15.6%	67.7%	282,548,220	16.3%	68,695,286	4.0%	209,486,612	12.1%
	Expenditure	1,670,011,262	792,213,250	47.4%	99,816,634	6.0%	249,604,282	14.9%	68.4%	274,169,121	16.4%	66,428,299	4.0%	187,779,676	11.2%
	Reversion	67,648,234	8,724,085	12.9%	5,648,859	8.4%	20,922,767	30.9%	52.2%	8,379,099	12.4%	2,266,987	3.4%	21,706,437	32.1%
	% Unexpended	3.89%	1.09%		5.36%		7.73%			2.97%		3.30%		10.36%	

City School Systems ADM Comparisons

LEA #	LEA Name	Projected ADM for FY 1996-97
111	Asheville City	4,643
132	Kannapolis City	4,029
181	Hickory City	4,303
182	Newton City	2,753
231	Kings Mountain City	4,186
232	Shelby City	3,414
241	Whiteville City	2,787
291	Lexington City	3,104
292	Thomasville City	2,208
421	Roanoke Rapids City	3,218
422	Weldon City	1,264
491	Mooresville City	3,419
681	Chapel Hill City	8,193
761	Asheboro City	4,111
821	Clinton City	2,567
861	Elkin City	1,062
862	Mount Airy City	2,041
Total		57,302

Merged LEAs

Number of LEAs

FY 1989-90

Polk/Tryon	134
Robeson/Fairmont/Lumberton/St Pauls/Red Springs	
Rowan/Salisbury	

FY 1990-91

None	134

FY 1991-92

Iredell/Statesville	133

FY 1992-93

Durham/Durham City	129
Lenoir/Kinston	
Nash/Rocky Mount	
Wayne/Goldsboro	

FY 1993-94

Edgecombe/Tarboro	121
Guilford/Greensboro/High Point	
Henderson/Hendersonville	
Rockingham/Eden/Western Rockingham/Reidsville	
Union/Monroe	

FY 1994-95

Beaufort/Washington	119
Franklin/Franklinton	

FY 1995-96

None	

FY 1996-97

Alamance/Burlington	117
Stanly/Albemarle (effective November 7, 1996)	

**SENATE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION
HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION**

February 20, 1997

Representative Grady, Chairing

Opening Comments

Representative Grady

Questions From Previous Meeting

Representatives Black, Arnold, Grady,
and Shubert

Changes in the DHR and Corrections
budgets and percentage of budget.
Page 4A in Committee Notebook

Representative Grady

History of LEA Mergers since 1991
Page 20A in Committee Notebook

Remaining City School Systems
Page 20B in Committee Notebook

Review of Public Education Budget

Jim Johnson, Fiscal Research
Division

VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS/Subcommittee on Education

Thursday, February 20, 1997, 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Donny Hunt	NCCCS
Jerry Owens	NCCCS
C. Michelle Taylor	press
Kenneth Rogers	OSBM
James Brown	OSBM
Ray Denny	OSPL
Donald Rutledge	OSRM
She Adams	OSBM
M King	"
Jim Canty	Superintendent Division NCASA
Jan Canty	NCASA
Deborah Perry	Charlotte - Mecklenburg Schools
Becky Street	PPAB

VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS/Subcommittee on Education

Thursday, February 20, 1997, 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Lang M Lark	NCDPI
Becky McConkey	NCDPI
Allen Suggs	NCDPI
Glenn Hangerman	NLATA
Len Thoyon	DPI
Philip Price	DPI
Jim Barber	"
Clifton B. Nutcrack	U D L
Ellen Russell	The Arc of NC 16 Bowden St Raleigh 27619
Alicia Hare	Public School Forum
John Davis	Public School Forum of NC
Elsie Childress	Pres. NCACCT
Bar Wilson	NCAE

VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS/Subcommittee on Education

Thursday, February 20, 1997, 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Talman Penland	NEAECT + ABTech Comm. College Asheville, N.C.
William Dowdy	NEAECT - Cary
Hal Miller	NEAECT
Gunn Bertram	SRE
Richard L. Thompson	SDPI
Tim McQuirell	NEAICH
Josua Johnson	House Read Clerk
Lynnda McCulloch	Gov's Office
Kelley Sandling	Leg Intern
Gene Causey	Everybody's Business Coalition
Brenda Brown	Hubbard Elementary
W. Lee Shaw	TAP/AP

MINUTES

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION HOUSE/SENATE JOINT MEETING FEBRUARY 26, 1997

The Joint Appropriations Subcommittee on Education met at 8:30 A.M. on February 26, 1997 in Room 421 in the Legislative Office Building. CoChair Arnold presided over the meeting with the following members present: CoChair Arnold, CoChair Grady, CoChair Preston, Davis, Reynolds, Shubert, Oldham, Rogers, and Yongue. Senate members present included: CoChair Lee, CoChair Winner, Hartsell, Dalton, and Garwood. CoChairman Arnold introduced the Pages serving the Committee and welcomed guests. The Agenda and Visitor's List are attached. (Please refer to Attachments 1 and 2.). CoChair Arnold announced that the Committee will be trying to finish Public Education today; along with getting into the Technology Fund, Low Wealth, Small Wealth and an explanation from the Department of Public Instruction by Dr. Richard Thompson, who will present the Structure and Organization of the Department. CoChair Arnold turned the meeting over to Mr. Jim Johnson, Fiscal Research Division.

Mr. Johnson covered the section on School Technology Funds. This system is different in terms of funding in the public school, in that this is a trust fund account that has been set up for all schools.

CoChair Arnold asked about the remainder of the unspent funds of approximately 60 million dollars and also, in 1996, it was found that most of the Media Centers had installed so much equipment, why was this not taken into consideration into their technology plan? Mr. Johnson stated that it was supposed to be, and in fact, moneys from the Trust Fund can be used for example to do rewiring in a building, etc. In almost any building that has many computers added, there must be rewiring to that building. The locals should have done it and it should have been spent from the Trust Fund. If they chose not to do it, it is one of those local kind of decisions. Most buildings that were built back in the 1960's, there is worry now about the asbestos when you make a hole into the walls. The theory behind the Trust Fund was that clearly in technology, not all schools were at the same level.

Senator Lee asked if this money is used to enhance in-house systems, will it not be a communications vice among the students or different entities? Mr. Johnson stated that, yes, some of the schools are hooked into the Internet or broadband networks. Many systems have moved to networking their computers in the building. Senator Lee asked, you are familiar with the volunteers who participated in Net - Day, what impact do you perceive that having on the overall technological development, if any. Mr. Johnson stated that he felt it was probably good, but that he would obtain more information on the subject. Senator Lee asked, does this have any

financial consequences down the ad by making these schools ready and providing the technology, what kind of pressures or opportunities created for us that might have some financial consequences? Mr. Johnson stated that when the Commission was set up in 1994, the needs were researched and the cost statewide for a, not very sophisticated system, was about 3 Hundred Million dollars plus. Line items also buy from this account.

Rep Grady asked Mr. Johnson to please find out how many hours (including the community colleges by school) this information highway is actually being used, and the usage level per school. Mr. Johnson will get the information back to the Committee.

Rep Rogers - Can regular bond moneys be used for that? Mr. Johnson stated yes to his question.

Rep Oldham asked if this would go under repair and maintenance. Mr. Johnson stated that yes, and it would and the basic rule of this trust fund is that personnel cannot be paid from that money. The Commission reviewed the study and looked more deeply at the whole experience of that money - not only maintenance, but more importantly, what this Commission focused on was the lack of training. You can pay for training, as so much of this money is set aside for training purposes.

Rep Reynolds - Follow-up on the training - How much of this money actually went into the training of teachers, staff, etc.? Mr. Johnson stated that where you see an instructor, participants, subs, contracts, etc., those are the line-items that are related to training and the workshop expenses. The figure is around 25% that the local school system must set aside. Senator Winner stated that as she recalled, the schools were supposed to spend 12 ½ % of this money on training and match with an equal amount of other staff development money to be used for computer technology training. So all the monies would not show up in this report of how the fund was used. Mr. Johnson stated that Dr. Thompson was involved at the university level on this and he would be able to answer some of the questions.

Mr. Johnson moved to Supplemental Funding for Small School Systems. This was begun in 1991 to provide supplemental funding to "small" county systems.

Rep Grady asked what was recommended in this year's budget on this, and also the Low Wealth Schools, were funds automatically being appropriated? Mr. Johnson stated that the Small School formulas were funded each year, as the Department and the State Budget readjust and make changes. The allocation in the continuation budget is what is needed to fund the Small School systems in 1997-98. The Low Wealth funding would take an additional 51 million dollars to fully fund that formula in 1997-98, and in that, there is no additional funds for Low Wealth in that funding. Rep Grady followed up with a question on how much is in the continuation budget? Mr. Johnson stated it was around 15 million.

Senator Winner asked two questions: 1) How are we doing on planting these days? Mr. Johnson asked the Department about the planting issue and the answer was none. 2) Other than bidding the increased transportation costs, what does districting have to do with making a small

Rep Yongue asked how many counties were involved in the lawsuit. Mr. Johnson stated six original or so plaintiffs of the Low Wealth Counties and a consortium of the large school districts added to the lawsuit and filed briefs. He stated there are two different groups in the lawsuit.

Rep Rogers asked what is the average current expense per pupil? Mr. Johnson did not have the figure, but he stated the average per pupil for current expenditure is approximately \$868.

Rep Shubert asked if there was any indication that the lawsuit would be dropped. Mr. Johnson stated he had no idea.

Sen Winner commented in response to the question that the large school systems do not get a large amount of moneys to educate their very poor students. It does not cost the same to educate all students - some are more expensive to educate than others. Mr. Johnson stated that there are many similar lawsuits around the country that have been filed. They are all in State courts and the rulings have varied from state to state. In North Carolina, it revolves not only around the equity of funding, but also is drawn around the issue of the adequacy argument. It is the first time it has ever been to the North Carolina Supreme Court and nobody really knows what might happen.

Sen Hartsell asked who was funding the litigation on this? Mr. Johnson gave a second hand knowledge of the question in that the answer is the school system, but one particular school system has funded more than others, being Cumberland County.

Mr. Johnson explained that supplemental salaries spending in 1996 was \$213,000 they area allowed to extend up to 10% of that amount for supplemental salary spending.

Sen Winner stated that she understood that part of the Low Wealth problem were inadequate moneys for building. Another complaint is the inability to compete in the area of teacher's salary by not having money to supplement. Senator Winner felt it would be appropriate to consider letting those counties either use a higher proportion than 10% of the supplement or just take the cap off and let them make their own decisions about what they want to use as supplement.

Mr. Johnson stated that the amount has gone up in the special provision. Both of the formulas are reinactive each year, they are not codified in the General Statutes.

CoChair Arnold asked if the local school district began to participate at 100%, would these funds automatically go up. Mr. Johnson stated that, in the continuation budget, if everybody would be at 100%, the funds would go up. 90% of the counties were at 100% effort and the next year 100 at 100%, yes. Now, that is 100% effort on 47 million dollars.

Rep Rogers asked what kind of conversion rate is occurring? Mr. Johnson stated that since this was funded, one-half million dollars has been reverted. Last year's figures by counties

were pretty good, but a couple of counties who did stand out, Mr. Johnson stated he did not know how they managed to revert this money. Better planning needs to be done particularly if you are planning to sue the State.

Rep Grady made an announcement that he had a bill that addressed the funding for the Low Wealth System and if anyone would like to sign it, he had it with him and it would be on the floor after Session.

Rep Reynolds asked Rep Grady if there was a 10% cap to be used for the salary and Rep Grady stated “no”, it simply addresses the funding for the formula. Mr. Johnson stated that the funding formula was enacted each year in the Appropriations Bill and it is in front of this committee.

Rep Rogers asked about the 10% supplement law and Mr. Johnson stated that it is drawn on what you are allowed to spend money on. The 10% cap has stayed at that figure. Rep Rogers asked how the 10% compares with what is being funded out of local budgets now for supplemental salaries. Mr. Johnson stated that \$318,000 out of the total part of the supplemental money is very small. Rep Winner stated that she felt if the cap was going to be taken off the supplemental salaries out of this fund, it should be done in a way that prohibited them from lowering the amount of local money they are putting into total money and what is needed is to get the salaries up.

Mr. Johnson stated that the 10% cap is 10% of the Low Wealth money, it is not a 10% supplement. It has nothing to do with the limit on the dollar amount.

Rep Reynolds asked what percentage was going for salaries out of the local school budget. Mr. Johnson stated that a spread sheet shows that amount. The Research Department will obtain more information on this.

Mr. Johnson began the session with an overview of the current organizational chart on the Public Instruction Department since everything has been re-engineered to look at the expenditures and budget for the Department.

Dr. Thompson noted the current organizational chart for the Department of Public Instruction through the Director level. Positions from Director up are exempt and do not serve at the pleasure of the Governor.

CoChair Arnold asked, “With that with that much of a change, have you changed the focus or the mission of DPI significantly and what is your mission now?”

Dr. Thompson stated, “Yes, particularly in the staff development area. He said they are also learning to restructure and rethink on these things each day”.

Rep Shubert asked Dr. Thompson to clarify how all positions of Director and above were exempt. Dr. Thompson replied “that means they are not protected by the State Personnel Act.

These positions do not have the same protection as a State employee and serve at the pleasure of the Board. The Board is responsible for hiring and firing from the Division Director and up. Rep Shubert asked if there were names and positions on this chart that fall above someone labeled as a Director, or is that an exempt position? Dr. Thompson stated "no, it is not."

CoChair Arnold stated that Rep Davis had a question on the Grant Wiggins Consultant from the day before. Who is this, how long is this to be, and who does it report to?

Dr. Thompson stated that Dr. Sam Houston, Executive Director of the Educational Stance and Accountability Commission and he might be able to answer these questions.

Dr. Houston stated that the contract with Grant Wiggins, an organization called CLASS (a Center for Learning Assessment of School Structure), and Mr. Grant Wiggins is the President of CLASS. Dr. Houston stated that a contract with CLASS is done on a 12-month yearly basis, and the contract is for services they provide (90 days) in State working with teachers and pilot units that provide staff development. Consulting services are received for the development activities for the new assessment system to be added to the assessment system in the State that deals with children having to apply information and used in the adult word. It is a research and development activity which also includes the full staff from CLASS, and other staff. CoChair Arnold asked if CLASS reported directly to the State Board. Dr. Houston stated that the Commission reports directly to the Governor and General Assembly as dictated by the legislation that created the Commission. CoChair Arnold asked if this was on-going? Dr. Houston stated that there was no Sunset Law that he was aware of and that the Bill stated that the Commission was directed to complete certain activities, such as the development of the Exit Exam and setting of benchmarks and standards to do away with social promotion, to define a uniform system of assessing student performance so that in every school across this state, at each grade level, young people are assessed against State Board Standards rather than what that local district might think is good enough. This is supposed to be in place by the year 2000. Dr. Houston stated that they hope the work is completed by that time. New graduation standards are called for in that legislation by the year 2000. The idea is to get rid of the Consulting Firm and develop our own standards eventually in the State to do the work.

CoChair Arnold asked if Grant Davis would be on board for approximately one year and if the Commission would be on board until the year 2000 for its report. Dr. Houston stated that the Commission reports every July. The reporting mandates are in the legislation and they report directly to the State Board. The contract with CLASS does not run out until June 1997, and an additional contract has not been entered into as of this time. At this time, our plans lead us to believe that we need their services for at least one additional year.

Rep Davis asked if it was correct that the Department was no longer in the business of Outcome Based Education.

Dr. Houston stated that they were not dealing with Outcome Based Education at all. Grant Wiggins is being used to assist with designing the system that not only assesses students performance from the standpoint of them knowing answers, but their ability to apply that

information in the real world. Rep Davis asked how much time was worked for \$80,000 a year? Dr. Houston stated that they are in the State 89 days, along with others who are working with them. They are currently working on a data base so the teachers will be able to get into an Internet of Information so they will have assistance with classroom assignment. This data base will be up and running in a few days. Many tasks (about 150) are being field tested across the State to find out how good the work should be that young people can do.

CoChair Arnold stated that Sen Winner would like to know why there were vacancies still for the Chief Technology Officer information and Services, Data Base Administrator, and those positions of Administrative Applications Director and Network Technology.

Dr. Thompson stated that people were lost and the recruitment has not been doing very well. Recruitment has been going on for approximately one year because the market pays more than we are able to pay and we continue to retain the positions when we hire someone. A search is going on now to fill another position.

CoChair Arnold asked what the salary range of the Chief Technology Officer position was? Dr. Thompson stated that the range is from \$90-96,000.

Rep Preston asked if our technology was official here on the staff - isn't our technology person the highest paid person we have? Mr. Johnson could not answer that. In the highly competitive market that we are in, at what needs to be done, we may not be competitive with our salary. Most of the salaries are \$125,000.00.

Rep Reynolds stated that throughout the State Government we are having problems because technology salaries are skyrocketing.

Rep Yongue asked if something was going to be done to take up the slack where in the past there were a lot of departments who took care of many problems? Dr. Johnson stated that the organizational chart showed four directors to assist with this. This is where those functions are now. Many of the changes in the reorganizational chart consisted of a fee supported system and much of the old division which you are talking about is on contracts now, which we feel provided services cheaper than on the open market. All of those salaries are paid with fees. We do have a request that with the 1.8 million dollar bond and with the requirement that the office has to review the plans and comment, that his office will try to get at least some temporary help, not permanent positions, to have some help out with the bond item.

CoChair Arnold asked, "How much assistance can you give Charter Schools, if any?" Dr. Thompson stated that "we do have two people who were borrowed from another area to help out right now. The answer is very small."

CoChair Arnold asked if Dr. Thompson had any thing to do with the educational process of the three Schools for the Deaf, the Morehead School, etc. or are these all under DHR? Dr. Thompson stated that the two departments meet at different times, but they do not have any authority in that area. Mr. Jim Johnson answered that technically the law says that the Board of

Education has the responsibilities with Special Education where ever it is delivered, which is the one exception. A system of contracts and a memorandum of understanding that links the Special Ed to DHR, the teachers are all certified by these folks, when all this discussion comes up, the DHR people will be trying to find out how much money they have to put into the budget for those kinds of things. At that level, there is some linkages, but nothing in those budgets pass through the State Board of Education, a change that was made in the 1970's about how to handle the Special Education budgets.

Rep Reynolds asked if there was any flexibility on salaries, if needed? Dr. Thompson stated that hopefully they would have flexibility as they have just been able to upgrade the salary.

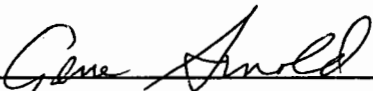
CoChair Arnold thanked Dr. Thompson and asked Mr. Jim Johnson to complete the budget.

Mr. Johnson noted that Page 92A showed the DPI Operations Budget at a total of 6.8 million dollars. On page 92B, the breakout between the structures are shown. A comparison was shown to 1996 to 1997. On 92C, not all the money in the department stays within the department. Some flow through moneys go to other areas and they amount to 13 million dollars of that total. Page 92D shows a history since 1989, showing the DPI budget as a percentage of State Appropriations and as a percentage of the total budget.

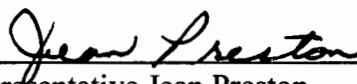
Rep Shubert asked what Q-Speech was. Q-Speech is a non-profit organization located in Wake County of teaching children who are hard of hearing to speak and function in an educational environment.

Rep Oldham asked what the category of "Receipt of Funds" meant. Mr. Johnson stated there are many, including Federal funds that may be used to fund some of these activities. Mr. Johnson will have staff research and obtain a list of these. Mr. Johnson stated that on Page 92E you will see where some of the cuts were made, reductions and reallocated to the local school systems. Page 92-F shows the position history in the Agency since 1988-89. Positions have been reduced from an agency of over 1,000 people to one which now has 496 people in it.

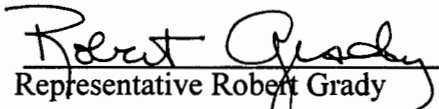
CoChair Arnold stated that the next meeting will be Wednesday, February 27, 1997, at 8:30 A.M. and the business will begin with the University Budgets with Dr. Spangler. The meeting adjourned at 9:50 A.M.



Representative Gene G. Arnold
House Sub-Committee CoChair



Representative Jean Preston
House Sub-Committee CoChair



Representative Robert Grady
House Sub-Committee CoChair



Jean C. McNeill
House Sub-Committee Clerk



Representative Gene G. Arnold
House Sub-Committee CoChair

Representative Jean Preston
House Sub-Committee CoChair

Representative Robert Grady
House Sub-Committee CoChair



Jean C. McNeill
House Sub-Committee Clerk

APPROPRIATIONS/SubCommittee on Education

House/Senate Joint Meeting

8:30 A.M.

February 26, 1997

Representative Arnold - Chairing

AGENDA

Opening Comments

Senator Arnold

Review of Public Education Budget

**Jim Johnson, Fiscal Research
Division**

Public School Expenditures

School Technology Fund

Small School Supplemental Funding

Low Wealth Supplemental Funding

Department of Public Instruction Budget

Structure and Organization

Dr. Richard Thompson

Department of Public Instruction Budget

**Jim Johnson, Fiscal Research
Division**

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Subcommittee on Education

Wednesday, February 26, 1997, 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Phil Price	NC DPI
Jean Muehman	Fiscal Hawk
Larry McLaugh	NC DPI
Becky McConkey	NC DPI
Jim Becher	"
Lou B. Thompson	"
Sam Houston	S/A Commission
Cristen B. Metcalf	UNC
Alicia Hane	Public School Forum
Amy Jo Baum	Smith Anderson
Jean Cratts	NCAAA
Jo Ann Harris	Public School Forum
Jan Rumpel	NCAAA

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Subcommittee on Education

Wednesday, February 26, 1997, 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Katie Cahill	Guest of Hope Williams NC Independent Higher Ed. Assoc.
Hope Williams	NCAICU
Jerry Owens	NECCS
Tim McDowell	NCAICU
Dorothy Hunt	NECCS
Sarah Stewart	AFT/NC
Ann Bedum	SBE
Rickard Thompson	SOP I
Amy Van Oostum	PENC
Marnie King	OSBM
Lee Adams	"
Janet Pittard	OSBM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Harry Omer	OSPL
Ken Keegan	OSBA
David Brown	OSBM
Gene Causby	E - E B
Chris Wilson	Intern
Kelley Sundling	Intern
Ellen Russell	The Arc of NC (Assoc. for Retarded Citizens) PO Box 20545 Raleigh NC 27619

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Thursday, March 6, 1997

MINUTES

The Joint Appropriations Subcommittee on Education met on Thursday, March 6, 1997, at 8:30 a.m. in Room 421 of the Legislative Office Building.

Members present were Representatives Grady, Preston and Arnold, Co-chairs; Representatives Black, Davis, Oldham, Reynolds, Rogers, Shubert and Yongue; and Senators Lee and Winner, Co-chairs; Senators Dalton, Garwood, and Hartsell.

Representative Grady called the meeting to order. Mr. Jim Newlin, Legislative Staff, continued a presentation from the previous meeting with a brief overview of the UNC Budget. Areas other than instruction were covered at this time. Mr. Newlin pointed out that the Legislature had previously enacted initiatives in management flexibility - purchasing; transfer and use of funds; incentives for savings. The Higher Education Study Commission reported back to the General Assembly in 1995 and the General Assembly enacted legislation to direct the Board to study capital improvement priorities

Mr. Bill McCoy, Vice President for Finance, UNC System, addressed management approaches with a perspective on management of funds appropriated to the UNC System by the General Assembly. Last year the Legislature passed additional legislation with respect to how the UNC System would go about managing budget flexibility in moving expenses from one line to another if it makes sense in terms of the accomplishment of the organization. Mr. McCoy pointed out that it sets up a context for prioritizing and allocating based on priorities.

Guidelines for consideration in implementation of the Privatization Study were reviewed.

A question and discussion period followed Mr. McCoy's presentation.

Dr. Judith Pulley, Vice President, UNC System, spoke on the impact of information technology on higher education. Dr. Pulley said that information technology is in the process of permeating the entire environment of higher education. It helps in achieving administration efficiencies and enables effective accountability and assessment studies. The result is improved services to students such as on-line registration; expanding access to higher education, heightening the

Thursday, March 6, 1997

Minutes

Page 2

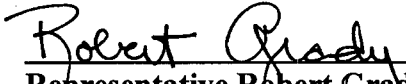
quality of education and changing how students learn. Dr. Pulley talked about a virtual library pilot program which represents another recommendation in the expansion budget.

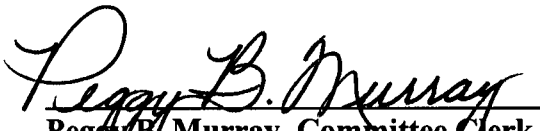
Mr. Newlin pointed out that there is a request by the UNC Board of Governors, the Department of Community Colleges, and the State Library for funding to create this virtual library.

At this time Dr. Pulley introduced Mr. Paul Rizzo, member of the Board of Governors, and former vice chairman of IBM and Dean of Kenan-Flagler School of Business. Mr. Rizzo spoke on the importance of technology in education.

This meeting was adjourned at 9:50 a.m. Representative Grady announced that this Subcommittee would meet again on Monday evening at 5:00 p.m. to complete the University presentation.

Respectfully submitted:


Representative Robert Grady, Co-Chair


Peggy B. Murray, Committee Clerk

Joint Appropriations Subcommittee on Education

March 6, 1997

Agenda

Management and Accountability – Introduction

Jim Newlin

Management Issues

- Fiscal Accountability
- Management Flexibility & Use of Resources
- Privatization
- Repair & Renovations Process
- Capital Prioritization Process

Mr. Bill McCoy
Vice President for Finance
UNC

Libraries & Technology

Introduction

Jim Newlin

Impact of Technology on Libraries and Higher Education

Dr. Judith Pulley
Vice President for Planning
UNC

Importance of Technology in Education

Mr. Paul Rizzo
Board of Governors member
(Former Vice Chairman of
IBM and Dean of Kenan-
Flagler School of Business)

Introduction to Assessment

Jim Newlin

Assessment of Instruction and Services

Dr. Gary Barnes
Vice President for Program
Assessment and Public Service
UNC

Explanation of Governor's Proposed Budget Reductions for UNC

Mr. Kennon Briggs
Office of State Budget and
Management

VISITOR REGISTRATION SHEET

PROPRIATIONS/Subcommittee on Education

Thursday, March 6, 1997, 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Kelly Sandling	Leg. Intern
V. L. Duran	NC BRF
HENRY HOLMES	UNIV OF N.C. GENERAL ADMIN
Ken Grogan	" "
JONI WORTHINGTON	" "
W.O. McCoy	" "
PAUL RIZZO	UNIV OF NC BOARD OF GOVERNORS
Conner Atkeson	AAAP
Judith Pully	UNC GA
Jasper Memory	"
Ray Carroll	"
Gary Barnes	"
Geno Cauby	E-EB

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Subcommittee on Education

Thursday, March 6, 1997, 8:30 AM

Name of Committee

Date

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NAME

FIRM OR AGENCY AND ADDRESS

Maurice King	OSBM
Tom Buzio	"
Steve Adams	"
Jack Pittard	"
David Brown	"
Katherine E Weatherly	John Locke Foundation / John Hope Center for Higher Ed Reform
John Dorman	OSPL
Harry O'Connell	OSPL
Dorothy Hunter	NCCCS
Opal Ann Norris	Public School Forum of NC
Alicia Hare	Public School Forum of NC
Christy Wain	General Assembly Intern

APPROPRIATIONS/Subcommittee on Education

Thursday, March 6, 1997, 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Bill Wilson

ИСК

Hal Miller

Ne AccT

Roz Fuse Hall

UNC - GA

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Tuesday, March 25, 1997

MINUTES

The Joint Appropriations Subcommittee on Education met on Tuesday, March 25, 1997, at 8:30 a.m. in Room 421 of the Legislative Office Building.

Members present were Representatives Grady, and Arnold, Co-chairs; Representatives Black, Davis, Oldham, Reynolds, Rogers, Shubert and Yongue; and Senators Lee and Winner, Co-chairs; Senators Dalton and Garwood.

Representative Grady called the meeting to order. The Senate page, Curtis Thomas from Greensboro sponsored by Senator Bill Martin, was recognized.

The UNC Equity Study was today's order of business. Mr. Jim Newlin, Legislative Staff, reviewed background information on the UNC Equity Study.

Mr. Bill McCoy, Vice President for Finance, UNC System, gave a presentation on the System's approach to the Equity Study. Focus on the study was in terms of two phases. Phase I was to assess the lack of equity in funding in the universities. Phase II was to develop and propose a funding mechanism on a continuing basis to maintain equity. In Phase I, five of the sixteen schools were found to be underfunded at a total of \$21 million. Other schools were found to be funded at appropriate reasonable levels relative to their peers.

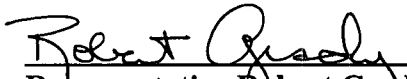
Presently, funding is single-dollar rate per institution per student. The proposal is to go to three categories of program costs. Necessary data can then be gathered in order to make projections. Other expansion items in the expansion budget would be dealt with on a programmatic specific-need basis. A recommendation that \$21 million be funded on a recurring basis for the five schools is a key aspect. This would be helpful in getting the UNC System off to an equitable level as the Phase II model of utilization is approached.

In summary, Mr. McCoy noted that the Phase I Study was well done and seemed a logical mechanism for addressing the continuation budget. The salary budget seems to be okay. The expansion component of the budget focuses primarily on enrollment as a major driver. Developed and reviewed by all the chancellors, there was agreement that this was the right balanced approach to take as far as a recommendation is concerned.

Dr. Kent Caruthers said that Phase II Study activities for the UNC Funding Model Briefing and UNC Equity Study are currently under way. Dr. Caruthers called attention to language of the two special provisions. An explanation of the provisions were given as requested by Representative Grady. Questions and discussion followed this presentation.

There was no further business to come before the committee at this time. The meeting was adjourned.

Respectfully submitted:



Representative Robert Grady, Co-Chair

Peggy B. Murray, Committee Clerk

VISITOR REGISTRATION SHEET

Joint APPROPRIATIONS/Subcommittee on Education

Tuesday, March 25, 1997 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Ray Carroll	UNC-GA
Gary Barnes	UNEBA
Ken Logan	UNC-GA
Clifton B. Butts	UNC
Jayce Memory	UNC-GA
Don Coughill	UNC-GA
Glenn Davis	Public School Forum/NC
Kent Caruthers	MGT representing UNC-GA
Maurice King	OSBM
Harry Quincy	OSPL
Tom Allen	AAUP
Alicia Hane	Public School Forum

VISITOR REGISTRATION SHEET

Joint APPROPRIATIONS/Subcommittee on Education

Tuesday, March 25, 1997 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Donny Hunt	NCCCS
Greg Owens	NCCCS
Benon Otero	NCCCS
Jim Dutton	NCCCS
Hal Miller	DTACCT
Babe Rutt	OSBM
Jeff Davis	UNC
Patricia White	SCIS
David Brown	OSBM
Jane Patten	OSBM
Roy Funchall	UNC
Judith Pulley	UNC GA

Joint Appropriations Committee on Education

March 25, 1997

Agenda

Rep. Robert Grady, Co-Chair

**Legislative Background for UNC
Equity Study**

Jim Newlin
Fiscal Research Staff

UNC Approach to Equity Study

Mr. Bill McCoy
Vice President for Finance
University of North Carolina

**UNC Equity Study: Methods,
Findings and Recommendations**

Dr. Kent Caruthers
Senior Partner
MGT of America, Inc.

**Recommendations for Off-
Campus and Summer School
Funding**

Dr. Judith Pulley
Vice President for Planning
University of North Carolina

VISITOR REGISTRATION SHEET

Joint APPROPRIATIONS/Subcommittee on Education

Tuesday, March 25, 1997 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Lee Adams

OSBM

C. Regan

N.C.A.C.C.

① 6 Martin

CNC

Lois Weaver

Communications Teachers of America

UNC Equity Study

**Selected Data Charts: 4
Methodologies**

Source: MGT of America

EXHIBIT 4-2
POTENTIAL EQUITY ADJUSTMENTS
BASED ON ADJUSTED FUNDING PER FTE BY GROUP
UNIVERSITY OF NORTH CAROLINA
1994-95

Institution	Budgeted FTE	Beginning Authorized Requirements	Adjustments	Adjusted Authorized Requirements	Dollars per FTE			Deviation from Group Average	
					Beginning Requirements	Amount Excluded	Adjusted Requirements	Beginning Requirements	Adjusted Requirements
NCSU	21,000	269,438,612	100,039,262	169,399,350	12,830	4,764	8,067	2.60%	-2.25%
UNC-CH	18,049	218,882,141	66,029,718	152,852,423	12,127	3,658	8,469	-3.02%	2.62%
Group Total/Average	39,049	488,320,753	166,068,980	322,251,773	12,505	4,253	8,252		
UNC-G	10,125	86,699,821	9,160,601	77,539,220	8,563	905	7,658	0.00%	0.00%
Group Total/Average	10,125	86,699,821	9,160,601	77,539,220	8,563	905	7,658		
ASU	10,725	81,368,801	8,474,471	72,894,330	7,587	790	6,797	-7.22%	-2.50%
ECU	15,550	123,400,410	22,847,621	100,552,789	7,936	1,469	6,466	-2.96%	-7.24%
FSU	3,420	28,968,021	2,798,831	26,169,190	8,470	818	7,652	3.58%	9.76%
NCA&TU	7,090	65,673,091	7,612,013	58,061,078	9,263	1,074	8,189	13.27%	17.47%
NCCU	4,590	44,650,822	8,301,400	36,349,422	9,728	1,809	7,919	18.96%	13.60%
UNC-C	13,100	97,726,775	11,245,139	86,481,636	7,460	858	6,602	-8.77%	-5.30%
UNC-W	7,295	55,985,149	7,631,939	48,353,210	7,674	1,046	6,628	-6.15%	-4.92%
WCU	5,750	54,363,162	12,535,249	41,827,913	9,454	2,180	7,274	15.62%	4.35%
Group Total/Average	67,520	552,136,231	81,446,663	470,689,568	8,177	1,206	6,971		
ECSU	2,050	21,690,924	3,254,039	18,436,885	10,581	1,587	8,994	12.85%	9.63%
PSU	2,640	21,815,821	1,600,532	20,215,289	8,264	606	7,657	-11.86%	-6.66%
UNC-A	2,620	23,832,811	3,964,296	19,868,515	9,096	1,513	7,583	-2.98%	-7.56%
WSSU	2,400	23,698,775	2,561,404	21,137,371	9,874	1,067	8,807	5.32%	7.36%
Group Total/Average	9,710	91,038,331	11,380,271	79,658,060	9,376	1,172	8,204		
NCSA	825	17,477,518	4,525,778	12,951,740	21,185	5,486	15,699	0.00%	0.00%
Group Total/Average	825	17,477,518	4,525,778	12,951,740	21,185	5,486	15,699		
Total/Average	127,229	1,235,672,654	272,582,293	963,090,361	9,712	2,142	7,570		

UNC: EQ-1

EXHIBIT 5-8
STATE APPROPRIATIONS AND TUITION PER FTE STUDENT
UNC INSTITUTIONS AND SREB COMPARISON STATE AVERAGES
BY TYPE OF INSTITUTION, SUMMARY OF FOUR OBSERVATIONS

Institutional Category	Variance from UNC Average When Compared to:				Average of Four Observations
	14 Other SREB States		Other Atlantic Coast States		
	1993-94	1994-95	1993-94	1994-95	
Four-Year 1 Institutions					
NC Average	-1.80%	-0.72%	-0.83%	0.10%	-0.81%
NCSU	-1.03%	-0.12%	-0.16%	0.62%	-0.17%
UNC-CH	-2.73%	-1.39%	-1.63%	-0.48%	-1.56%
Four-Year 2 Institutions					
NC Average	-15.23%	-17.13%	-10.27%	-11.03%	-13.41%
UNC-G	-15.23%	-17.13%	-10.27%	-11.03%	-13.41%
Four-Year 3 Institutions					
NC Average	2.47%	1.99%	-2.23%	-2.42%	-0.05%
ASU	-5.13%	-6.56%	-8.46%	-9.45%	-7.40%
ECU	-3.30%	-0.40%	-6.96%	-4.39%	-3.76%
NCA&TU	15.02%	13.19%	8.06%	6.79%	10.76%
NCCU	21.64%	18.33%	13.50%	11.01%	16.12%
UNC-C	-2.58%	-1.03%	-6.37%	-4.91%	-3.72%
WCU	13.14%	7.88%	6.52%	2.42%	7.49%
Four-Year 4 Institutions					
NC Average	0.13%	-1.46%	-0.56%	-3.15%	-1.26%
UNC-W	0.13%	-1.46%	-0.56%	-3.15%	-1.26%
Four-Year 5 Institutions					
NC Average	32.32%	31.45%	35.18%	36.38%	33.83%
FSU	30.78%	30.72%	33.78%	35.70%	32.75%
PSU	34.51%	32.58%	37.17%	37.41%	35.42%
Four-Year 6 Institutions					
NC Average	39.80%	41.58%	37.94%	38.03%	39.33%
ECSU	47.06%	54.66%	44.34%	49.44%	48.88%
UNC-A	35.72%	32.19%	34.34%	29.84%	33.02%
WSSU	38.22%	41.22%	36.54%	37.72%	38.43%

EXHIBIT 6-5
VARIANCE BY INSTITUTION FROM UNC AVERAGE
OF MODIFIED CORE SUPPORT PER FTE STUDENT

Institution	1993-94 Variance from UNC Average	1994-95 Variance from UNC Average	Two Year Average of Variances
NCSU	-0.03%	-9.25%	-4.64%
UNC-CH	18.22%	17.10%	17.66%
UNC-G	-12.50%	-13.37%	-12.94%
ASU	-9.68%	-8.17%	-8.93%
ECU	3.57%	2.78%	3.17%
FSU	12.57%	26.10%	19.34%
NCA&TU	11.00%	14.60%	12.80%
NCCU	25.35%	26.18%	25.76%
UNC-C	-19.15%	-13.20%	-16.18%
UNC-W	-23.28%	-16.10%	-19.69%
WCU	7.30%	2.95%	5.12%
ECSU	14.82%	23.80%	19.31%
PSU	5.67%	8.93%	7.30%
UNC-A	-34.45%	-30.27%	-32.36%
WSSU	19.30%	19.03%	19.16%
Weighted Average	0.00%	0.00%	0.00%

EXHIBIT 7-3
COMPARISON OF FORMULA SIMULATION RESULTS
UNIVERSITY OF NORTH CAROLINA
BASED ON 1994-95 SCH DATA

Institution	Distribution of Formula-Generated Resources				
	Kentucky	Ohio	Tennessee	Texas	Average
NCSU	20.44%	19.01%	21.57%	19.39%	20.10%
UNC-CH	20.53%	17.22%	19.37%	17.59%	18.68%
UNC-G	7.59%	8.24%	8.36%	7.90%	8.02%
ASU	6.26%	7.31%	6.99%	7.13%	6.92%
ECU	9.94%	11.53%	9.77%	11.02%	10.57%
FSU	2.35%	2.33%	2.28%	2.28%	2.31%
NCA&TU	6.02%	5.65%	5.21%	5.66%	5.64%
NCCU	3.70%	3.87%	3.38%	3.71%	3.67%
UNC-C	7.73%	8.93%	7.64%	8.15%	8.11%
UNC-W	4.26%	4.80%	4.57%	4.68%	4.58%
WCU	3.95%	4.41%	4.23%	4.50%	4.27%
ECSU	1.67%	1.46%	1.53%	1.80%	1.61%
PSU	1.84%	1.71%	1.70%	1.93%	1.79%
UNC-A	1.67%	1.74%	1.71%	2.05%	1.79%
WSSU	2.06%	1.81%	1.69%	2.20%	1.94%
UNC Total	100.00%	100.00%	100.00%	100.00%	100.00%

EXHIBIT 7-4
COMPARISON OF FORMULA SIMULATION RESULTS
UNIVERSITY OF NORTH CAROLINA
BASED ON 1993-94 AND 1994-95 SCH DATA

Institution	Average of Four Formulas			Actual Distribution	Percent Difference
	1993-94	1994-95	Average		
NCSU	20.00%	20.10%	20.05%	20.78%	3.50%
UNC-CH	18.97%	18.68%	18.82%	17.76%	-6.00%
UNC-G	7.96%	8.02%	7.99%	7.37%	-8.52%
ASU	6.90%	6.92%	6.91%	6.92%	0.05%
ECU	10.63%	10.57%	10.60%	10.15%	-4.44%
FSU	2.32%	2.31%	2.31%	2.48%	6.55%
NCA&TU	5.55%	5.64%	5.59%	5.68%	1.58%
NCCU	3.66%	3.67%	3.66%	3.92%	6.49%
UNC-C	8.15%	8.11%	8.13%	8.26%	1.63%
UNC-W	4.46%	4.58%	4.52%	4.73%	4.50%
WCU	4.25%	4.27%	4.26%	4.29%	0.76%
ECSU	1.63%	1.61%	1.62%	1.78%	9.13%
PSU	1.82%	1.79%	1.81%	1.90%	4.72%
UNC-A	1.79%	1.79%	1.79%	1.94%	7.50%
WSSU	1.91%	1.94%	1.93%	2.05%	6.27%
UNC Total	100.00%	100.00%	100.00%	100.00%	0.00%

EXHIBIT 8-1
COMPARISON OF RESULTS OF ALTERNATIVE METHODOLOGIES
VARIANCE FROM EQUITY FUNDING TARGETS
UNIVERSITY OF NORTH CAROLINA

Institution	Funding Equity Analysis Method				Simple Average
	Intra-State	SREB	Peers	Formulas	
NCSU	-2.25%	-0.17%	-4.64%	3.50%	-0.89%
UNC-CH	2.62%	-1.56%	17.66%	-6.00%	3.18%
UNC-G	0.00%	-13.41%	-12.94%	-8.52%	-8.72%
ASU	-2.50%	-7.40%	-8.93%	0.05%	-4.70%
ECU	-7.24%	-3.76%	3.17%	-4.44%	-3.07%
FSU	9.76%	32.75%	19.34%	6.55%	17.10%
NCA&TU	17.47%	10.76%	12.80%	1.58%	10.66%
NCCU	13.60%	16.12%	25.76%	6.49%	15.49%
UNC-C	-5.30%	-3.72%	-16.18%	1.63%	-5.89%
UNC-W	-4.92%	-1.26%	-19.69%	4.50%	-5.34%
WCU	4.35%	7.49%	5.12%	0.76%	4.43%
ECSU	9.63%	48.88%	19.31%	9.13%	21.74%
PSU	-6.66%	35.42%	7.30%	4.72%	10.19%
UNC-A	-7.56%	33.02%	-32.36%	7.50%	0.15%
WSSU	7.36%	38.43%	19.16%	6.27%	17.80%

UNC:EQ-5

EXHIBIT 8-3

POTENTIAL IMPLEMENTATION REQUIREMENTS FOR FUNDING EQUITY ADJUSTMENTS UNIVERSITY OF NORTH CAROLINA

Institution	Percentage Adjustment	Baseline Funding	Required (millions)	Adjustment per FTE
NCSU	-0.89%	169,399,350	\$ -	-
UNC-CH	3.18%	152,852,423	-	-
UNC-G	-8.72%	77,539,220	6.8	672
ASU	-4.70%	72,894,330	3.4	317
ECU	-3.07%	100,552,789	3.1	200
FSU	17.10%	26,169,190	-	-
NCA&TU	10.66%	58,061,078	-	-
NCCU	15.49%	36,349,422	-	-
UNC-C	-5.89%	86,481,637	5.1	389
UNC-W	-5.34%	48,353,210	2.6	356
WCU	4.43%	41,827,913	-	-
ECSU	21.74%	18,436,885	-	-
PSU	10.19%	20,215,289	-	-
UNC-A	0.15%	19,868,515	-	-
WSSU	17.80%	21,137,371	-	-
UNC Total		950,138,622	21.0	

UNC:EQ-6

**UNC FUNDING MODEL BRIEFING
JOINT APPROPRIATIONS SUBCOMMITTEES ON EDUCATION
MARCH 25, 1997**

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PROJECT BACKGROUND

- Special provisions enacted by General Assembly in Summer 1995 called for:
 - Equity of Funding Study
 - FTE Definition Study
- Project has been carried out in phases:
 - Phase 1 report adopted by Board of Governors and forwarded to General Assembly in April 1996
 - Phase 2 report adopted by Board of Governors and forwarded to General Assembly in November 1996
 - Phase 3 activities currently underway
- Project activities have included visits to each campus and frequent consultation with standing and special committees of institutional representatives
- Staff from the Office of State Budget and Management and the Legislature have participated in all phases of project activity

SPECIAL PROVISION LANGUAGE RELATED TO FUNDING EQUITY AND FTE STUDIES

EQUITY OF FUNDING (HB 229)

Sec. 15.3. The Commission on the Quality of Education in The University of North Carolina reported to the General Assembly that the funding system for appropriations to each campus for continuing operations, which constitutes the majority of General Fund support to higher education, is not based on identifiable criteria that are measurable or that allow comparisons of adequacy of funding among the 16 campuses.

The Board of Governors of The University of North Carolina shall review the equity of the continuation budget funding system, and the equity of its methods of distributing the lump-sum expansion-funds appropriated by the General Assembly. The Board of Governors shall assess the criteria that should be used in deriving an equitable funding system, such as comparisons of funding at like institutions, such factors as size of student body, the cost of the programs offered by each campus, the level of the student body (lower division, upper division, graduate), the resources required to meet the early college needs of entering students based on their relative preparations for college success, and any other factors deemed by the Board of Governors to be relevant to assuring successful student outcomes. In carrying out this review, the Board of Governors shall consult with the Office of State Budget and Management.

After its review, the Board of Governors shall propose a system of funding to the General Assembly which uses identifiable criteria which are based on educationally and financially sound principles. If the Board of Governors recommends changes in the current funding system, it shall also propose a plan and schedule for moving to the recommended system. The Board of Governors shall report its progress to the Joint Legislative Education Oversight Committee by April 15, 1996, and shall report its final findings and recommendations to the Joint Legislative Education Oversight Committee and the House and Senate Appropriations Subcommittees on Education by November 15, 1996.

FULL-TIME EQUIVALENT STUDENTS (FTE) (HB 229)

Sec. 15.4. The Board of Governors of The University of North Carolina shall consider alternative approaches to funding University undergraduate and graduate enrollment, including the current funding of full-time equivalent students based on 12 semester hours annually for undergraduates, increasing this level to 15 semester hours annually, which would be consistent with graduating in four years, or funding the University on the basis of student credit hours rather than on full-time equivalent enrollment. The Board of Governors shall report its progress to the Joint Legislative Education Oversight Committee by April 15, 1996, and shall make its final recommendations regarding changes on enrollment funding to the Joint Legislative Education Oversight Committee and the House and Senate Appropriations Subcommittees on Education by November 15, 1996.

PHASE 1 STUDY DESIGN -- ANALYSIS OF FUNDING EQUITY

Identification of common findings across four different component analyses:

- an intra-state analysis, comparing budgeted requirements for instruction and related support functions on a budgeted FTE enrollment basis
- a regional analysis, comparing state appropriations and tuition per FTE student for six types of four-year institutions among the 15 states comprising the Southern Regional Education Board
- a national analysis, comparing state appropriations and tuition per FTE student for each UNC institution with the average rates for its previously selected peer universities
- a simulation analysis, utilizing the allocation formulas of four other states, to determine potential budget distributions based on enrollment and mission-related factors

PHASE 1 RECOMMENDATIONS

- An equity adjustment of \$21 million was recommended to be shared by:
 - Appalachian State University
 - East Carolina University
 - UNC-Greensboro
 - UNC-Charlotte
 - UNC-Wilmington
- A revision in the component of the existing formula related to half-funding for support functions was recommended to be amended to provide full funding

PHASE 2 RECOMMENDATIONS

- Reconfirm Phase I findings and the \$21-million equity request
- Adopt revised formula approach for enrollment change effective with 1998-99
- Fund summer term enrollments on basis proportional to regular term
- Fund extension enrollments on basis proportional to regular term
- Enhance reporting and information systems to support funding model

CHARACTERISTICS OF PROPOSED FUNDING MODEL

■ Overall Framework

- Continued compliance with current legislation and its three separate components for:
 - Continuing Operations
 - Academic Salary Increases
 - Expansions and Improvements, based on the schedule of priorities

■ Proposed Treatments for Expansions and Improvements

■ Formula Provisions

- Use of revised mathematical formulas that recognize program cost and level differences to request expanded funding based on changes in enrollment levels

■ Non-Formula Provisions

- Continued ability to request expanded funding based on special needs as listed on the schedule of priorities

■ Incentive Provisions

- Future ability to request funding based on incentive-based provisions that are under development

GENERAL STRATEGY FOR 1997-99 REQUEST

- Continuing Operations

- Reconfirm amounts previously listed in budget request as submitted by the Board of Governors

- Academic Salary Increases for Employees Exempt from SPA

- Reconfirm amounts previously listed in budget request as submitted by the Board of Governors

- Expansions and Improvements

- Request permanent equity adjustment of \$21 million as documented in Phase I Final Report
- Reconfirm use of current formula for 1997-98 enrollment change request
- Use revised formula to re-compute and resubmit 1998-99 expansion request related to enrollment change
- Reconfirm other expansions and improvements as listed on schedule of priorities

COMPARISON OF STRUCTURE OF CURRENT FORMULA AND PROPOSAL -- REGULAR TERM

Component	Current Formula	Proposal
Academic Programs		
# Student Levels	1	3
# Program Areas	1	3
Faculty Salary Rates	varies by institution	varies by institution
Other Instructional Expense	varies by institution	% of faculty salary cost calculation
Overall Funding Rates	single \$ rate per FTE per institution	9 \$ rates per SCH per institution
Libraries		
Books	single \$ rate per FTE per institution	
Staffing	single \$ rate per FTE per institution	% of academic programs calculation
General Institutional Support		
Academic Support		
Student Services		
Institutional Support		
Operation & Maintenance of Plant		
	Consolidated \$ rate per FTE per institution for all general institutional support	% of academic programs calculation
Student Financial Aid	\$ per resident FTE	\$ per resident SCH

DETAILS OF REVISED ACADEMIC PROGRAMS FORMULA FOR FUNDING ENROLLMENT CHANGE ONLY

NOTE: FOR ILLUSTRATIVE PURPOSES ONLY

Program Category*	Student Credit Hours			SCH per Faculty**			New Positions Required				Instruction Salary Rate***	Instruction Salary Amount	Other Academic Costs****	Total Required
	Undergrad	Masters	Doctors	Undergrad	Masters	Doctors	Undergrad	Masters	Doctors	Total				
Lower Cost	8,467	419	94	552	242	169	15.3	1.7	0.6	50.0	\$50,000	\$2,501,112	45%	\$3,626,613
Medium Cost	5,361	797	58	464	243	169	11.6	3.3	0.3					
Higher Cost	5,689	600	115	430	184	158	13.2	3.3	0.7					

* Disciplines are grouped into the following cost categories:

Lower Cost: Letters, Psychology, Social Sciences and Philosophy

Medium Cost: Business, Communications, Education, Library Science, Mathematics, Public Affairs, Law, Area Studies, Home Economics and Interdisciplinary Studies

Higher Cost: Agriculture, Architecture, Computer Sciences, Life Sciences, Physical Sciences, Allied Health, Engineering and Visual/Performing Arts

** Student credit hour per faculty ratios are illustrative and will be refined based on results of current UNC teaching workload study

*** Instructional salary rates will vary by institution using same rates as current enrollment growth formula

**** Other academic cost percentage rate provides for fringe benefits, departmental staff, travel, etc. Percentage rate is illustrative only and is to be determined after analysis of use of permanent equity adjustment

DETAILS OF OTHER FORMULA COMPONENTS FOR FUNDING ENROLLMENT CHANGE ONLY

■ Libraries

- To be expressed as a percentage of formula calculation for enrollment change funding for academic programs
- Percentage rate to be based on current systemwide average, in the range of 11-13%
- Library improvement funding also to be requested as non-formula amount on schedule of priorities

■ General Institutional Support

- To be expressed as a percentage of formula calculation for enrollment change funding for academic programs
- Percentage rate to be based on current systemwide average, in the range of 55-65%
- Improvement funding for general institutional support also could be requested as non-formula amount on schedule of priorities

■ Student Financial Aid

- The only change being proposed to the current model converts the FTE-basis to an SCH-basis.

OTHER PROPOSED APPLICATIONS OF FUNDING FORMULA

■ Summer School

The *academic programs and student financial aid* components of the revised funding model will be used to determine the additional support required to proportionally fund student credit hour production during summer school sessions.

■ Extension

The *academic programs, library, general institutional support and student financial aid* components of the revised funding model will be used to determine the additional support required to proportionally fund student credit hour production from extension.

PHASE 3 ACTIVITIES

- Development of enrollment reporting and projection models that support the use of the 9-cell matrix (3 levels X 3 programs) required by the instruction formula
- Analysis of faculty teaching load information to validate or revise the student credit hours per faculty productivity matrix used in the instruction formula
- Calibration of percentage factors used in the formulas for support functions (after adoption of 1997-98 budget)
- Development of more specific funding policies for summer term instruction
- Development of more specific funding policies for extension instruction
- Development of policies to clarify "reach" of formula changes as applied to health affairs and other special programming

SCHEDULE OF PROJECT ACTIVITY IN COMING MONTHS

■ Late Summer 1997

- Complete development of enrollment models**
- Complete faculty teaching load analysis and development of productivity factors**
- Prepare final calibration of percentage factors based on 1997-98 appropriations and equity adjustment**
- Finalize plans for application of funding formula to summer term and extension**

■ Late Fall 1997

- Prepare enrollment projections for 1998-99**
- Present status briefing for Joint Education Oversight Committee**

■ Winter 1998

- Present proposed formula details to Board of Governors for final approval**
- Adopt supplemental budget request incorporating new formula**
- Submit supplemental request to Governor and General Assembly**

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Monday, March 10, 1997

MINUTES

The Joint Appropriations Subcommittee on Education met on Monday, March 10, 1997, at 5:00 p.m. in Room 421 of the Legislative Office Building.

Members present were Representatives Grady, Preston and Arnold, Co-chairs; Representatives Davis, Oldham, Reynolds, Rogers, Shubert and Yongue; and Senators Lee and Winner, Co-chairs; Senators Dalton, and Garwood.

Representative Grady called the meeting to order. The order of business was completion of the UNC budget presentation.

Mr. Kennon Briggs, Office of State Budget and Management, gave an explanation of the Governor's proposed budget reductions for UNC. Mr. Briggs referred to further adjustments in the 1997-99, North Carolina State Budget Summary of Recommendations. Recommendations for the UNC System (page 76) are as follows: 1) Reduce Campus Non-Academic Support; 2) Reduce General Fund Support for the University of North Carolina Hospitals at Chapel Hill; and 3) Enrollment Changes. Members asked for specific examples of cuts in recommendation #1. In the broad categories, cuts would be taken from physical plant operations. Nothing would be taken from areas connected with academic departments or libraries. The amount varies significantly from campus to campus. Further discussion and debate followed this presentation.

Mr. Jim Newlin, Legislative Staff, gave an introduction for the next agenda item, assessment measures. The General Assembly has directed the University System to develop a number of measures to determine how the System is performing. Dr. Gary Barnes, Vice President for Program Assessment and Public Service, UNC, gave a presentation on assessment of instruction and services and reviewed assessment measures.

Dr. Barnes pointed out that one area of assessment dealing with retention and graduation rates is visible in any state assessment plan for colleges and universities. The Board of Governors has requested data on this longer than almost any other state university system in the country. Following this presentation, there were questions and some discussion regarding specific areas of assessment activity

Thursday, March 6, 1997

Minutes

Page 2

At this time, Mr. C.C. Cameron, Chairman, UNC Board of Governors, spoke to the committee and thanked the members for the opportunity that the University had to present activities and programs funded by the base budget. Mr. Cameron said that he hoped the presentations had given a better understanding of the University System and what it does for the state of North Carolina. The focus of the University has been on fiscal responsibility and accountability and being good stewards of taxpayers money provided to run these institutions. Mr. Cameron took this opportunity to commend Mr. Bill McCoy, Finance Officer at UNC.

On behalf of the committee, Representative Grady thanked representatives from the University. This concluded today's meeting. Committee members were reminded of the next scheduled meeting tomorrow morning at 8:30 a.m. The Community College portion of the budget will be addressed.

Respectfully submitted:


Representative Robert Grady, Co-Chair


Peggy B. Murray, Committee Clerk

VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS/Education Subcommittee

Monday, March 10, 1997 5:00 PM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

<i>Clifton B. Work</i>	<i>UNR</i>
<i>Ken Grogan</i>	<i>UNR</i>
<i>Maurice King</i>	<i>OSBM</i>
<i>Lennon Briggs</i>	<i>"</i>
<i>David Brown</i>	<i>"</i>
<i>Kay Doney</i>	<i>OSPL</i>
<i>Jim Davis</i>	<i>OSBM</i>
<i>John Dorman</i>	<i>OSPL</i>
<i>Barbara Harris</i>	<i>OSBM</i>
<i>DG Martin</i>	
<i>Tim McQuell</i>	<i>McAIC 4</i>
<i>Jasper Memory</i>	<i>unc</i>

VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS/Education Subcommittee

Monday, March 10, 1997 5:00 PM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Jeff Davies	UNC-GA
Roy Carroll	" "
Chad Cameron	" BOG
Judith Pully	UNC-GA
Gary Barnes	"
Kathy Weatherly	John Locke Foundation
Ann Berlan	SBE
Dorothy Hunt	NCCCS
Harriet Dins	NCAE

Monday, March 10, 1997 5:00 PM

Date**FIRM OR AGENCY AND ADDRESS**

MINUTES

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

March 27, 1997

The House APPROPRIATIONS/Subcommittee on Education met at 8:30 AM on March 27, 1997 in Room 421 in the Legislative Office Building. Representative Jean Preston presided and the following members were present: Representative Grady, Co-chair, Representatives Black, Davis, Oldham, Reynolds, Rogers, Shubert, and Yongue. Staff Counsel Jim Newlin was present to assist the Committee. A visitor registration sheet is attached and part of the minutes.

Chairman Preston welcomed guests and went over the agenda. She then called for the first item on the agenda which was the presentation of the Expansion Budget Requests of the UNC System by Dr. Roy Carroll, Senior Vice President and VP for Academic Affairs University of North Carolina. Dr. Carroll explained the process by which their budget is derived, the mission statement of UNC, and their list of priorities for their budget request.

Representative Rogers asked a question about comparing the Associate Professors salaries of NC State vs. UNC. Dr. Carroll answered with percentage increases for each school over the past year. Dr. Carroll said those numbers were not available yet. Rep. Rogers asked if that decision was made by the campus or by the Board of Directors. Dr. Carroll commented that some of those decisions are made at the campus level and others are not. Dr. Carroll continued by explaining that the current request was more restrictive and focused than in previous years with an emphasis on the use of existing resources and basic programs. Representative Oldham asked a question about what area the new programs that Dr. Carroll had mentioned were in. Dr. Carroll replied that they were in a limited area, mainly Allied Health. Representative Oldham asked question in regard to the capital request. Representative Preston asked a question about a specific language program and the estimated increase in the number of students that would result from the requested additions to staff. Dr. Carroll said he believed the number would be at least 50 students. Chairman Preston called for any further questions at this time.

Representative Rogers asked about item #2- Funding Equity and if it could possibly be put in the Base Budget since it was one-time money. Jim Newlin responded that the request was for non-recurring money, but they were asking for it to be put in the continuation budget. Representative Rogers commented that it should be included in Base Budget. Representative Preston agreed. Dr. Carroll commented that a shift of enrollment from in-state to out-of-state has an effect on this.

Dr. Carroll continued explaining items #3 through #12 of their budget request. Representative Preston asked Jim Newlin to get with the university people to find out if

our teachers and administrators are being taught the new curriculum items as well, stating that they need to be kept abreast of the new curriculum.

Representative Grady asked Dr. Carroll what their Plan B would be if the General Assembly did not appropriate the 21 million dollars for Funding Equity. Dr. Carroll responded that there was not a plan B and that they would be forced to take money from other institutions which would create an element of instability. Representative Rogers asked for a status report of The Principal Fellows Program, the first graduated class, where are they. Jim Newlin responded by saying that he would obtain the placement rate.

Representative Rogers commented that the Matching Grant Program was very generous of Dr. Spangler and that some campuses might have an easier time matching than others. Dr. Carroll responded by saying that they look at a sliding scale for universities that have difficulty raising the matching funds. Representative Rogers commented that it would be easier for certain schools to raise the funds to match those grants than others and that they might need to look at some sort of sliding scale. Dr. Russell replied that Dr. Spangler is looking at that alternative to help the smaller schools. Representative Oldham made a comment that the Plan B mentioned earlier should not include going to the smaller institutions to raise the 21 million dollars for funding equity. Dr. Carroll responded by saying that if they were forced to follow Plan B it would definitely be a hardship for those smaller institutions.

Mr. Jeff Davies, Associate Vice President for Finance University of North Carolina was introduced to review the UNC Capital Improvements Process and Capital Request. Mr. Davies explained the prioritization process and the seven categories of their budget request. Mr. Davies mentioned that some projects can be funded on a self-liquidating basis; i.e. parking-deck tickets. He went on to explain the two-thirds rule. Representative Yongue asked who prepared the cost estimates for those projects mentioned in the request. Mr. Davies answered that the campus prepares the estimates and then sends them to the Office of State Construction for review and approval.

Representative Yongue asked how the prioritization would change in accordance with the funding levels. Mr. Davies replied by saying they would look at the un-funded projects in the next biennium and prioritize them accordingly. Representative Grady asked if page 10 was the actual request. Mr. Davies informed him that it was. Representative Grady asked about the Institute of Government and the cancellation of a radio program. Representative Grady commented that a certain Chancellor didn't know what a certain building request was for, but this current budget request was clearly laid out.

Mr. Kennon Briggs, Higher Education Analyst Office of State Budget and Management was introduced and presented the Governor's Expansion and Capital Budget Recommendations for UNC. Mr. Briggs began with a summary of the Governor's

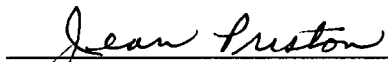
recommendation and continued with a detailed explanation of items #2-13. He also explained that item #1 was a reserve for capital improvements.

Representative Preston asked the status of the isotope study. Mr. Briggs answered that NC State has put out preliminary findings and he would provide that information to Jim Newlin. Representative Preston then asked about the Reading Together Program. Mr. Briggs explained the program is being used in the Guilford County Schools where fifth grade students help second grade students learn to read.

Representative Yongue asked for a timetable of when the isotope study would be finished. Mr. Briggs said he didn't have that information but he would be happy to get it to him. Representative Shubert asked if the isotope study could be expanded to include the Yadkin Pee Dee River. She also commented that the money was requested in one lump sum but there wasn't a list or breakdown of where the money is going included in their request. Mr. Briggs replied that the Governor recommends a lump sum and it is up to the General Assembly to decide how it is divided up. Representative Shubert followed up by saying that she would like to know where the money is going before she is asked to vote on the budget. Mr. Briggs stated that he would get that information to staff to be made available to the members. Jim Newlin clarified that this was just a proposal. Representative Rogers commented that he would also like a copy of the isotope study information and also asked about the Manufacturer's Extension Partnership Program and where the centers are located. Mr. Briggs answered that there was an office in Greenville. Representative Rogers followed up by asking how many engineers were on staff. Mr. Briggs answered that there are currently eleven and the current request would double that number. Jim Newlin pointed out on that item that asking for non-recurring money to hire staff is risky.

Chairman Preston asked for any further questions.

The meeting adjourned at 9:50 am.



Representative Jean Preston, Chairman

Carolyn B. Popson, Committee Clerk

**The University of North Carolina
Board of Governors
1997-99 Academic Salary Increases Request**

As a part of its unified budget request, the Board of Governors is directed by the General Assembly to make recommendations for salary increases for faculty members and other academic personnel who are exempt from the State Personnel Act. The Board request for these academic salary increases is for \$48,156,062 for 1997-98 and \$99,649,400 for 1998-99. These amounts represent a 6 percent increase over the current base for all EPA salaries for the first year of the biennium and an additional 6 percent increase for the second year. The increases address the continuing need for maintaining equity and the competitive position of each of the constituent institutions in the retention and recruitment of faculty and staff.

One index of faculty salary competitiveness is the annual Association of American University Professors (AAUP) national rankings of institutions in terms of salary and compensation levels. These data are not the only source of comparative faculty salary data but are the most comprehensive available. While they are not suitable as a quantitative basis for budgeting, they are useful indicators of the relative positions of faculty salaries from one institution to another nationally. In the 1995-96 survey (the most recent available) the two Research I Institutions, UNC-Chapel Hill and North Carolina State University, and the Doctoral I Institution, the University of North Carolina at Greensboro, lost ground in salary rankings

UNC-EXP-1

compared with similarly classified institutions. For example, associate professors at UNC-Chapel Hill moved from the second to the third quintile compared with associate professors at all comparable institutions while associate professors at North Carolina State University moved from the third to the fourth quintile in the same comparisons. At UNC-Greensboro, both associate and assistant professors moved from the third to the fourth quintile in salary compared with faculty of the same rank at doctoral granting institutions. Overall, these three institutions continued to rank in the 3rd and 4th quintiles compared with Research I and Doctoral I institutions nationally. The losses reported in comparative position occurred because the average increase in faculty salaries nationally in 1995-96 amounted to 2.9 percent compared to a 2 percent increase in North Carolina for the same period.

Masters I institutions in the University of North Carolina, all of which are budgeted at the same average faculty salary with State funds, did slightly better when compared to similarly classified institutions, ranking in the 2nd and 3rd quintiles, while the Baccalaureate II institutions ranked generally in the 2nd quintile. (Because of their special classifications and missions, comparative national data on salaries at UNC-Asheville and the North Carolina School of the Arts are not applicable.)

The same AAUP data on faculty total compensation (salary and benefits) show an even lower competitive position of UNC institutions. Since substantial changes in the benefits program

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are less likely to receive favorable legislative attention, the emphasis in this request is on the salary component.

The 4.5 percent increase in academic salaries given by the General Assembly in the 1996 Second Extra Session combined with the additional one-half percent provided to reward teaching excellence should help restore more competitive salaries during the 1996-97 academic year. Comparative results of the 1996-97 AAUP survey will not be available until spring of 1997. However, it is already known that other Southern Regional Education Board (SREB) states, notably Georgia, awarded higher salary increases (6 percent) for the 1996-97 year than did North Carolina. If similar or higher increases were awarded in many other states, the relative rankings of UNC institutions may fall. Funding the current request at the level indicated (6 percent per year) will assist North Carolina institutions in regaining the top quintile rankings that they held in 1982-83, which helped make higher education in North Carolina a model for the nation. The institutional components of the request for academic salary increases are reflected on the following page.

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Code	Institution	1997-98	1998-99
16080	Appalachian State University	\$ 2,837,250	\$ 5,879,880
	East Carolina University		
16065	Academic Affairs	3,855,536	7,972,427
16066	Health Affairs	1,537,321	3,166,885
16086	Elizabeth City State University	520,961	1,092,795
16088	Fayetteville State University	911,732	1,886,953
16070	North Carolina A & T State University	1,902,130	3,941,822
16090	North Carolina Central University	1,392,905	2,916,243
16092	North Carolina School of the Arts	522,198	1,099,439
16030	North Carolina State University	8,703,360	17,928,920
16055	The University of North Carolina at Asheville	707,859	1,462,394
	The University of North Carolina at Chapel Hill		
16020	Academic Affairs	6,649,500	13,697,975
16021	Health Affairs	5,162,261	10,634,260
16022	Area Health Education Centers	1,589,015	3,273,367
16050	The University of North Carolina at Charlotte	3,291,822	6,849,250
16040	The University of North Carolina at Greensboro	3,132,379	6,531,899
16082	The University of North Carolina at Pembroke	694,630	1,447,039
16060	The University of North Carolina at Wilmington	1,996,663	4,160,724
16075	Western Carolina University	1,654,040	3,430,749
16084	Winston-Salem State University	716,439	1,497,574
16010	The University of North Carolina – General Administration	378,061	778,805
Total – University Operations		48,156,062	99,649,400

The academic salary increases for other parts of the Board's request, which are also based on a 6 percent increase over the current base for all EPA salaries for the first year of the biennium and an additional 6 percent increase for the second year, follow:

	1997-98	1998-99
Agricultural Programs	\$2,493,636	\$5,114,922
UNC Hospitals at Chapel Hill	285,330	585,918
N. C. School of Science & Mathematics	233,709	481,436

UNC-EXP +

**The University of North Carolina
Board of Governors
1997-99 Expansion Budget Request**

The requests for changes in the levels of support (Expansions and Improvements) for educational activities, University-wide, total \$84 million and \$96 million for the two years respectively for current operations and \$842.6 million for capital improvements. These recommendations, as summarized below in a two-part **Schedule of Priorities**, present to the Governor, the Advisory Budget Commission, and the General Assembly a comprehensive expenditure plan for the constituent institutions of the University of North Carolina.

Budget Request for General Fund Appropriations for			
Line	<u>Current Operations</u>	1997-98	1998-99
1.	Enrollment Changes	\$ (1,895,403)	\$ 3,744,391
2.	Funding Equity	21,000,000	21,000,000
3.	Information Technology – Computing and Telecommunications	19,311,078	19,583,866
4.	Libraries	12,803,652	11,782,276
5.	Rewarding Teaching Excellence	6,322,760	12,781,584
6.	University Outreach to the Public Schools	5,466,101	5,978,301
7.	New Degree Programs	3,000,000	3,000,000
8.	Graduate Education and Research	9,103,699	9,103,699
9.	Area Health Education Centers	4,000,000	4,000,000
10.	Administrative Support for New Processes	906,795	915,466
11.	Remove 2% Reversion Requirement	no appropriation	no appropriation
12.	Distinguished Professors Endowment Trust Fund – State Matching Funds	2,000,000	2,000,000
13.	Interinstitutional Programs	1,981,875	2,100,201
	TOTAL	84,000,557	95,989,784

Parentheses denote a reduction.

Budget Request for General Fund Appropriations for		
Line	<u>Capital Improvements</u>	1997-99
1.	Repairs and Renovations	\$ 130,000,000
2.	Fire Safety Improvements, Student Residence Halls	69,734,400
3.	1997 University-wide Facilities Plan	642,894,800
	TOTAL	842,629,200

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The first request in the **Schedule of Priorities** for current operations is for funding Enrollment Changes. The funds requested on Line 1 are to provide for projected enrollment changes during the 1997-99 biennium. (\$1.9 million reduction for 1997-98 and \$3.7 million increase for 1998-99)

	1995-96 Actual	1996-97 Budgeted	1996-97 Estimated	1997-98 Projected	1998-99 Projected
Appalachian State University	10,941	10,960	10,886	10,975	11,050
East Carolina University	15,005	15,060	15,053	15,115	15,180
Elizabeth City State University	1,857	1,945	1,790	1,835	1,880
Fayetteville State University	3,264	3,360	3,360	3,380	3,400
North Carolina A & T State University	6,978	7,170	6,717	6,800	6,850
North Carolina Central University	4,582	5,025	4,501	4,575	4,675
North Carolina School of the Arts	885	920	934	945	970
North Carolina State University	20,730	21,000	20,750	20,830	20,830
UNC-Asheville	2,566	2,625	2,570	2,625	2,635
UNC-Chapel Hill, Academic	17,265	17,350	16,927	17,200	17,200
UNC-Chapel Hill, Health	5,110	5,030	5,102	5,056	5,056
UNC-Charlotte	12,721	13,100	12,800	12,925	13,075
UNC-Greensboro	10,521	10,400	10,300	10,400	10,550
UNC-Pembroke	2,436	2,515	2,498	2,540	2,575
UNC-Wilmington	7,468	7,535	7,814	7,835	7,940
Western Carolina University	5,705	5,850	5,744	5,795	5,845
Winston-Salem State University	2,378	2,435	2,430	2,480	2,525
TOTAL	130,412	132,280	130,176	131,311	132,236

The preliminary enrollment estimate for 1996-97 is 130,176 average annual full-time equivalent students (FTEs), about 2,100 FTEs below the currently budgeted level. Enrollments are projected to grow to 131,311 FTEs in 1997-98 and to 132,236 FTEs in 1998-99, a growth of 2,060 FTEs, or 1.6 percent, over the biennium.

Since the 1996-97 budgeted enrollment is already 132,280 FTEs, on a budget-to-budget basis, there is no growth projected over the biennium. By the second year of the biennium, 1998-99, the projected enrollment of 132,236 is 44 FTEs less than the current budget. However, there is a need for additional funding by the second year of the biennium because there is projected growth at some institutions and also there is an overall shift between in-state and out-of-state

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enrollment. In-state enrollment estimates increase and out-of-state enrollment estimates decrease over this period. Since the nonresident tuition rates are substantially higher than resident rates and there are projected to be fewer nonresidents enrolled, additional appropriations support is required to replace the reduced level of receipts. The following table shows the enrollment by classification.

	1996-97 Budgeted	1997-98 Projected	1998-99 Projected	Net Change over Biennium
In-State Students	113,375	112,856	113,671	296
Out-of-State Students	18,905	18,455	18,565	(340)
Total	132,280	131,311	132,236	(44)

Parentheses denote a reduction.

Over the 1997-99 biennium, significant growth (100 FTE students or more increase on a budget-to-budget basis) is projected for only three institutions (East Carolina University, UNC-Greensboro, and UNC-Wilmington). In all cases of enrollment increases, the appropriations request is based on the traditional method of calculating the cost of enrollment growth which has been modified to include 100 percent of support costs in accordance with the 1996 legislative directive.

The request on Line 2, Funding Equity, (\$21 million for each year) is for additional funding for the five constituent institutions (Appalachian State University, \$3.4 million; East Carolina University, \$3.1 million; UNC-Charlotte, \$5.1 million; UNC-Greensboro, \$6.8 million; and UNC-Wilmington, \$2.6 million) whose funding rates fall below equitable levels as identified in the Board of Governors' study, *An Analysis of Funding Equity in the University of North Carolina, Phase I Final Report*. The 1996 Extra Session provided partial funding, but on a non-recurring basis for 1996-97 only.

Line 3 seeks funding for Information Technology - Computing and Telecommunications at all of the constituent institutions (\$19.3 million in 1997-98 and \$19.6 million in 1998-99). Each institutional request reflects the point at which that institution is in adoption of information technology and what it sees as its priorities in integrating technology into the educational

UNC-EXP-7

mainstream. This request focuses on two broad outcome areas – heightened effectiveness of teaching and learning and improvements in services and cost effectiveness. There is a related infrastructure capital improvements request of \$32.3 million to complete the installation of fiber optics backbones at all institutions and to complete the wiring of all academic facilities.

The Line 4 request is directed to improvements in University Libraries (\$12.8 million in 1997-98 and \$11.8 million in 1998-99). Funds are requested for expansion of library resources of the 16 constituent institutions and the initiation of the electronic North Carolina Virtual Library, which will extend library access through the universities, the community colleges and the public libraries. During 1995-96, the University has undertaken a University-wide study of library resources to ensure that UNC libraries meet national standards for library resources and services as they enter the 21st century. The institutional funding priorities are consistent with preliminary findings in that study.

Line 5 seeks funds to Reward Teaching Excellence (\$6.3 million and \$12.8 million). In order to carry forward the initiative begun by the 1996 Second Extra Session, a one percent salary increase fund is requested for each year of the biennium to be distributed to faculty members who have demonstrated excellence in teaching. In 1996, the General Assembly made available a sum of one-half percent of salary increase funds for this purpose. These funds, which were awarded to teaching faculty according to strict guidelines, provided the opportunity to reward these effective teachers.

The request on Line 6 seeks funding to further the University Outreach to the Public Schools (\$5.5 million in 1997-98 and \$6 million in 1998-99). These program increases are directed to enhancing the preparation of teachers and administrators and to putting the resources of the University at the service of the public schools. These activities represent part of the University's plan to forge stronger links between the University and other educational sectors in order to improve the quality of education in the state. The priority program in this category, University-School Teacher Education Partnerships, is an innovative model for teacher education that expands the field experience and clinical practice of pre-service teachers and increases the involvement of practicing teachers in the preparation of beginning teachers. Two of the technology-related requests are in support of recommendations of the School Technology Users Task Force Report of October, 1995. Four of the programs focus on the initial preparation and continuing professional development of public school administrators: the Master of School

Administration, the Principal Fellows Program, the Principals Executive Program, and the School Leadership Academy. The North Carolina Center for the Advancement of Teaching, the Mathematics and Science Education Network, and "Late Night Learning" and Learning Link services by the UNC Center for Public Television provide continuing professional development and support for public school teachers. Also, three programs - Early Mathematics Placement Test, Summer Ventures in Science and Mathematics, and the Mathematics and Science Education Network Pre-College program - are targeted to support the development of pre-college students. In addition, funding is requested to support the North Carolina Center for the Prevention of School Violence.

On Line 7 a request is submitted for the additional funding required for New Degree Programs (\$3 million for each year of the biennium). Although significant resources were appropriated by the 1995 General Assembly to fund allied health programs, needs remain to fund additional new programs and to strengthen existing programs, especially those recently established. In addition to allied health, advanced programs in biomedicine, computer and information sciences, chemical and civil engineering, occupational safety, and marine sciences are planned. Most new program costs will be met by reallocation of existing internal resources and enrollment increase funds. Some programs, however, will require additional appropriations support.

Funds on Line 8, Graduate Education and Research, are requested to eliminate the remaining 10 percent overhead receipts offset to General Fund appropriations (\$7.3 million each year of the biennium) and to provide additional tuition remissions for nonresident graduate teaching and research assistants (\$1.8 million for each year of the biennium), (a total of \$9.1 million for each year of the biennium). Management flexibility legislation enacted in 1990 expressed the legislative intent that the practice of using reimbursements of indirect costs on contracts and grants as offsets to General Fund appropriations be phased out. However, a 10 percent offset requirement remains. Additional appropriation support would make these overhead receipts available to enhance research programs and graduate education. Additional tuition remissions will enable additional nonresident graduate teaching and research assistants to pay tuition at the in-state rate. This provides an important competitive tool for recruiting the best graduate students nationwide.

The request on Line 9 for Area Health Education Centers (\$4 million for each year of the biennium) addresses the next phase of a plan to expand the number of primary care residences

UNC-EXP-9

and to increase student clinical training in community sites for medical schools and programs for training nurse practitioners, physicians assistants, and certified nurse midwives. Funds are also included to support a community-based clinical component of a new entry level Doctor of Pharmacy (Pharm D) degree program and to expand information access for students and preceptors in community settings. The request is consistent with a legislative directive for the health sciences schools and the AHECs to develop plans for providing an increased number of generalist physicians and other primary care providers for the state.

Funds are requested on Line 10 to provide Administrative Support for New Processes (\$907 thousand in 1997-98 and \$915 thousand in 1998-99). Additional support positions and equipment are required University-wide in campus institutional research offices to meet data requirements related to assessment measures, transfer articulation and performance agreements, public service contributions of the University, and developing and maintaining a new funding model. The data demands are too great to be addressed only through a redeployment of staff and other campus resources; additional support is required.

Legislative approval is requested to Remove the 2% Required Reversion on Line 11 of the Schedule. Action taken in the 1995 Regular Session reduced the required reversion rate for Special Responsibility Constituent Institutions to a uniform 2% rate. Elimination of the remaining required reversion would increase spending availability by approximately \$25 million annually without increases in appropriated dollars. However, at the end of the fiscal year, reversions to the General Fund would be reduced by the same amount.

Additional State Matching Funds for the Distinguished Professors Endowment Trust Fund are requested on Line 12 (\$2 million each year). Under this program instituted in 1985 by special legislation, every \$2 in private funds raised by the constituent institutions are matched with \$1 of state funds to establish endowments of \$500 thousand and \$1 million in order to provide funds to attract distinguished professors to the faculties.

Funding for special Interinstitutional Programs involving two or more constituent institutions or educational sectors is requested on Line 13 (\$2 million in 1997-98 and \$2.1 million in 1998-99). These inter-institutional programs are diverse and include the Water Resources Research Institute, the Sea Grant Program, the North Carolina Health Careers Access Program, the North Carolina Center for Nursing, the University Council on International Programs, the Summer

UNC-EXP-10

Institute of the North Carolina School of the Arts on Roanoke Island, and the North Carolina Scholastic Media Association Program. This request also seeks funds for the North Carolina Arboretum, the UNC Press, the State Education Assistance Authority, and for additional support of the Board's doctoral study assignment program.

UNC-EXP-11

AGRICULTURAL PROGRAMS

The requests for Expansions and Improvements total \$6.0 million for each year of the biennium for current operations. The current operations requests represent a number of proposed expansions and improvements identified by the Agricultural Research Service and the North Carolina Cooperative Extension Service in cooperation with the College of Agriculture and Life Sciences and the agricultural community which these programs serve. The requests are for research and extension program enhancements with special emphasis on compensation and operating support for a dedicated campus and field faculty (\$3.1 million each year), development of agricultural and life sciences industries (\$1.4 million each year), enhancement of the State's natural resources and the environment (\$900,000 each year), and the development of programs focusing on the needs of communities and rural areas (\$600,000 each year). *Note: Capital improvements requests for Agricultural Programs are included in the Schedule of Priorities.*

NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS

The requests for Expansions and Improvements are \$1.1 million for each year of the 1997-99 biennium for current operations and \$7.3 million for capital improvements.

The Expansions and Improvements current operations requests include funds to enhance residential programs; to establish a student leadership development program with Israel; to improve outreach, residential, and support services; and to increase the teachers' salary schedule.

The capital improvements requests of the Board of Trustees are:

Renovate Bryan Center	\$ 3,603,900
Renovate the Royall Outreach Center (Wyche House)	2,579,700
Track and Soccer Field	459,500
Computerized Energy Management System	478,200
Demolish Old Boiler Plant	195,900
TOTAL	7,317,200

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The University of North Carolina Capital Improvements Prioritization Process

Process Prior to the 1997-99 Biennium

- Separate Budget Requests for:

Repairs and Renovations

Architectural Barrier Removal Projects

Occupational Safety and Health Projects

Utilities Repairs and Improvements

Roads, Walks, and Drives

UNC Center for Public Television Facilities

Automated Energy Management Systems

Land Acquisition

Area Health Education Center

New Facilities and Major Renovations to Existing Facilities

Agricultural Programs

North Carolina School of Science and Mathematics

- Within each line of the Budget Request, projects were presented by institution in the priority order recommended by each institution.

The University of North Carolina Capital Improvements Prioritization Process

1995 Session

House Bill 230, Sec. 15.3 (a):

The Board of Governors of the University of North Carolina shall develop a capital improvement request process that can be used to make its capital priorities across campuses known to the General Assembly. The process shall include needs criteria based on mission, enrollment, adequacy of facilities, the functional age of facilities, utilization of facilities, and other objective factors.

UNC-EXP-15

The University of North Carolina Capital Improvements Prioritization Process

The Board of Governors contracted with Eva Klein and Associates, a higher education management consultant, to recommend a method for prioritizing capital improvements projects. Ms. Klein had previously provided assistance to the General Assembly on the work performed by the Government Performance Audit Committee (GPAC). In her research, Ms. Klein:

- conducted a review of current literature related to the prioritization of projects for presentation to Boards and General Assemblies
- conducted interviews with members of the General Assembly, representatives from State Government agencies, representatives from the constituent institutions, representatives from General Administration, and members of the Board of Governors.
- surveyed other states to determine other prioritization methodologies.

In March, 1996, the Board of Governors adopted the consultant's recommendations.

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The University of North Carolina Capital Improvements Prioritization Process

The Board of Governors adopted a new policy framework for all elements of the capital planning and budgeting processes. The new framework articulated, updated, or modified statements of objectives, policy, process, space standards, and information requirements for submissions.

- Descriptions of process have been and are continuing to be reviewed and revised.

Long-Range Capital Planning
Institutional Campus Master Planning
Multi-year Capital Budgeting
Biennial Capital Budget Requests/Submissions
Linking of all Processes to Academic Planning

- Promulgation of new guidelines and standards is an ongoing process.

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The University of North Carolina Capital Improvements Prioritization Process

The Board of Governors Budget Request to the General Assembly outlines a six-year capital plan for General Fund supported facilities. The plan, as refined over time, should be subdivided to further define three two-year capital plans.

The Budget Request is presented in a simplified two-line presentation.

Line 1: Repairs and Renovations

essentially represents all of the projects intended to be funded from the Reserve for Repairs and Renovations.

Line 2: Major Capital Improvements

incorporates all other capital improvements projects, including "major renovations" as well as new facilities

Projects for the North Carolina School of Science and Mathematics are presented separately.

UNC-EXP-18

The University of North Carolina Capital Improvements Prioritization Process

Repair and Renovation projects are those projects that are less than 2/3 of the anticipated annual allocation from the Reserve for Repairs and Renovations. Any project that is estimated to cost in excess of 2/3 of the anticipated annual allocation are "major renovations" and incorporated into Line 2, the 1997-99 University-wide Facilities Plan.

UNC-EXP-19

The University of North Carolina Capital Improvements Prioritization Process

Within the 1997-99 University-wide Facilities Plan, the Board of Governors has established "Program Priority Categories" and prioritized the categories. The categories are as follows:

- (1) Current Capacity
- (2) Future Capacity
- (3) Technology
- (4) Program Quality
- (5) Special Purpose
- (6) Support Facilities
- (7) Land Acquisition

Within each category, projects are listed in institutional order.

UNC-EXP-20

The University of North Carolina Capital Improvements Prioritization Process

The Board of Governors created a secondary set of "other criteria" to further indicate characteristics of projects. This matrix of information is designed to provide further information of interest to the Board and to the General Assembly.

- Is the project a major repair or renovation or a new facility?
- Does the project re-use an existing facility?
- Is the project a renovation in lieu of new construction?
- Does the project complete a partially built facility?
- Does the project achieve material operating savings?
- Does the project benefit a significant portion of the population?
- Does the project reward good planning and management?
- Does the project address an urgent need, e.g., code compliance?
- What other funding is available for this project?

UNC-EXP-21

The University of North Carolina Capital Improvements Prioritization Process

The "matrix" will be enhanced significantly in the next biennial presentation when the Board incorporates "space standards" which are currently under development. Each proposed project will be measured against the standards adopted by the Board.

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The University of North Carolina Capital Improvements Prioritization Process

Institution/Project	Cost Estimate	Supplemental Information								Previous Appropriations, Other Funding
		Major Repair/ Renovation Project	Re-Use of an Existing Facility	Renovation In Lieu of New Construction	Completes a Partially Built Facility	Achieves Material Operating Savings	Benefits a Significant % of the Population	Rewards Good Planning & Management	"Urgent" Need, Code Compliance	
Appalachian State University										
Renovation of Rankin Science Building	\$ 6,666,000	XXX	XXX				XXX	XXX		
Addition and Renovation to Belk Library	10,629,400	XXX					XXX			
East Carolina University, Academic Affairs										
Science Laboratories and Technology Building	47,997,600						XXX	XXX	XXX	\$ 1,000,000
East Carolina University, Health Affairs										
Health Sciences Library Expansion	6,106,600						XXX	XXX		
Elizabeth City State University										
G. R. Little Library Addition and Renovation	10,723,600	XXX					XXX			
Addition to the Academic Computing Center	3,557,600						XXX	XXX		150,000
Fayetteville State University										
Fine Arts and General Classroom Facility	15,524,400						XXX	XXX		750,000
North Carolina Central University										
Lee Biology Building Renovation	1,359,200	XXX		XXX			XXX	XXX	XXX	
Repairs to Five Academic Buildings	10,515,000	XXX		XXX			XXX		XXX	
Robinson Science Building	946,000	XXX		XXX			XXX		XXX	
North Carolina School of the Arts										
Basic Educational Complex	6,133,400						XXX	XXX		
Filmmaking Office/Classroom Post Production Complex	2,000,000				XXX					
North Carolina State University										
Nelson Hall Renovation - Phase II	6,264,900	XXX	XXX	XXX		XXX	XXX	XXX	XXX	1,350,000
Toxicology Building	14,566,700					XXX		XXX	XXX	
College of Veterinary Medicine, Main Building Addition	24,262,000						XXX	XXX		
David Clark Laboratory Renovation and Addition	9,990,800	XXX	XXX	XXX		XXX	XXX	XXX	XXX	
UNC-Asheville										
Asheville Graduate Center, Phase II	792,700				XXX		XXX			
Highsmith Center Renovation and Addition	8,782,000	XXX	XXX				XXX	XXX		
UNC-Chapel Hill, Academic Affairs										
R. B. House Library Renovations	6,629,400	XXX	XXX	XXX			XXX	XXX		
Student Services Building	18,857,500				XXX		XXX	XXX		

UNC-EXP-23

The University of North Carolina Capital Improvements Prioritization Process

In preparing the 1997-99 Budget Request, the Board required input to ensure the linkage of capital planning, academic planning, and capital budgeting.

Campus submissions met guidelines promulgated by General Administration, including project estimates prepared by the Office of State Construction.

Within UNC-General Administration, the capital budget has been prepared by the President and the Vice Presidents for Finance, Academic Affairs, Planning, Public Affairs, and Student Affairs.

This group was assisted by a campus advisory committee.

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The University of North Carolina Capital Improvements Prioritization Process

Given competing demands for limited resources, the Board of Governors determined that it was inappropriate to ask the General Assembly to fund projects that can be funded by each institution on a "self-liquidating" basis.

The Board has provided two additional schedules as "supplementary information" for use by the General Assembly:

- (1) A schedule of institutional priorities
- (2) A schedule of projects with funding for advanced planning or partial construction

UNC-EXP-25

MINUTES

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

April 1, 1997

The House APPROPRIATIONS/Subcommittee on Education met at 8:30 AM on April 1, 1997 in Room 421 in the Legislative Office Building. Representative Gene Arnold presided and the following members were present: Representative Grady, Co-chair, Representatives Black, Davis, Oldham, Reynolds, Rogers, Shubert, and Yongue. Staff Counsels Charlotte Todd and Jim Newlin were present to assist the Committee. A visitor registration sheet is attached and part of the minutes.

Chairman Arnold introduced the House Page serving the Committee and welcomed guests. He then called for the first item on the agenda which was the presentation of the Expansion Budget Requests of the State Board of Community Colleges by Dr. Barry Russell, Senior Vice President, Department of Community Colleges.

Dr. Russell outlined the theme of the State Board of Community Colleges which is to prepare the workforce for the 21st century. He then outlined the process for determining and prioritizing a budget request. Dr. Russell described four categories with A representing the highest priority and D, the lowest. Dr. Russell continued by explaining the Occupational Extension Program and the New & Expanding Industry Program in regard to their funding needs. He added that revised guidelines for prioritizing funding needs were being developed and would be approved next month.

Dr. Russell identified the need for basic skills instruction including literacy and computer skills. He discussed the conversion of community colleges from quarters to semesters. He mentioned the final priority A item which was equipment.

Dr. Russell proceeded with a commentary on enrollment growth. He explained that this year's actual enrollment would be used to determine next year's functional budget and that there appears to be an increase. Dr. Russell concluded his presentation by also mentioning some lower priority items such as Specialized Technology Centers and Library Enhancement. Representative Reynolds asked a question dealing with the length of time it would take to make a new course available to meet changing needs. Dr. Russell replied that it could take a little as one week for critical cases, but generally 1-2 years.

Representative Grady made some remarks about curriculum funding versus occupation extension funding in regards to preventing the schools from becoming poorer. Chairman Arnold asked if the answer would be to fund curriculum programs as they are added. Representative Grady responded by saying they should change the way they fund occupational extension to make it as close to curriculum as possible. Representative

House Appropriations Subcommittee on Education

Minutes

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Rogers asked why the New and Expanding Industry Program figure was only 4 million dollars. Dr. Russell replied that the figure was an estimate made last September but that extreme demand has caused that figure to be revised to 8 million dollars. Representative Rogers asked a question about if and when a request for additional funding would be made considering they had run out of money in December. Charlotte Todd said that a bill had been introduced to appropriate 4.7 million dollars in emergency funds that would be voted on in the next day or so. Chairman Arnold asked if the re-engineering was because of the tuition increase. Ms. Todd said that it was a result of the change from quarters to semesters. Chairman Arnold asked at what percentage of the cost of education is the tuition and wasn't it almost maxed out. Charlotte Todd said she would check into it.

Representative Shubert asked how you could tell what priority each of the items in the handout was. Dr. Russell explained that they were laid out in order. Representative Shubert followed up by saying that she didn't understand what rationalization was being used in the prioritization process. Representative Davis asked what percentage of personnel between the ages of 18-22 require additional skills such as reading and writing. Dr. Russell said that he could get that information and get back to him.

Dr. Russell introduced Mr. David Siler, Human Resources Director for Parker-Hannifan Corporation. Mr. Siler explained that the low rate of unemployment caused the job market to be flooded with non-skilled workers. He continued that the community colleges are critical to train his employees and that his company is willing to pay more for skilled employees. He emphasized the need for the New & Expanding Industry Program. Mr. Siler concluded by saying that a trained and skilled workforce would help keep hi-tech jobs here instead of Mexico. Representative Rogers asked a question clarifying the results of a study that Mr. Siler mentioned that compared math scores of workers at their plant in Sanford to those of workers at their plant in Mexico. Mr. Siler repeated the findings of that study.

Representative Yongue asked Mr. Siler if industry provides any of the equipment to community colleges to use for training. Dr. Russell answered that industry can't keep up with technology. Mr. Siler indicated that they do give Community Colleges their "junk" but that it is slow and outdated. He added that they also contribute money. Representative Grady added that industry is better to State Universities than they are to Community Colleges.

Representative Davis asked Mr. Siler what type of training his employees were receiving from the community college program. Mr. Siler explained that they provide for 80 hours/year training per employee in areas such as basic math, tool & die, blueprint reading and other basic skills. Representative Oldham asked Mr. Siler if his employees were being trained on "junk" at the community colleges. Mr. Siler briefly explained the

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Buddy System they use at his company to train a basic machinist. Representative Oldham followed up with questions about continued training in the plant. Mr. Siler explained that both training at the Community Colleges and training in the plant are utilized at his company. Representative Shubert asked Mr. Siler if training on site with their equipment during off-hours would be possible rather than providing the Community Colleges with very expensive specialized equipment which she said was not practical. Mr. Siler responded that they currently do this, but it is difficult.

Chairman Arnold introduced Dr. Marvin Joyner, President, Central Carolina Community College. Dr. Joyner spoke about the importance and commitment to Occupational Training in Community Colleges in North Carolina. He added that twenty-six percent of employees in the state are involved in manufacturing. Eighty-nine percent of businesses in North Carolina have fewer than 15 employees and that poses a challenge to serve small employers. Dr. Joyner went on to explain that these jobs are very company specific. He also gave a brief explanation about the ratio used to determine funding and about the cost of training being much higher than the return to the company. He added that the workforce is becoming very problematic as unemployment goes down.

Chairman Arnold re-introduced Dr. Barry Russell to present the Capital Budget. He went through capital priority numbers 1, 2, and 3. Dr. Russell went through the seven criteria used in the Capital Outlay Resource Allocation Formula. Representative Shubert asked a question in regard to facilities of small colleges compared to facilities of large colleges. Representative Grady answered by explaining that Community College buildings are not the responsibility of the state whereas at State Colleges they are. Representative Shubert commented that there appeared to be an inherent disparity in the formula, citing two reasons: one, the state has been involved in the process, and two, the needs have outgrown the counties.

Chairman Arnold introduced Mr. Maurice King from the Office of State Budget and Management to present the Governor's Expansion Budget. Mr. King referred directly to the small green budget book, page 27 and followed items 1 through 5 in order. Representative Oldham asked a question about the two Specialized Technology Centers. Dr. Russell indicated that the need for these centers was identified by the State Board and that they would change with the economy.

Representative Rogers asked where Workforce Preparedness/Federal money is going. Charlotte Todd explained that there is 750 million dollars combined State/Federal money for Workforce Preparedness as well as other similar programs. Representative Davis asked if that 750 million dollars was just for North Carolina and who controls it. Charlotte Todd answered that there is 750 million dollars for North Carolina and there is a Job Training Study Commission. Ms. Todd added that the money is disbursed to the Governor who then distributes it to various agencies. Representative Davis asked how

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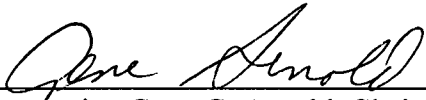
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much of this money goes to Community Colleges. Charlotte said she would check into it and get back to him.

Representative Rogers asked who was on the Legislative Study Commission. Charlotte Todd answered that for the House it was Representative Julia Howard and for the Senate it was Senator Tony Rand.

The meeting adjourned at 9:50 AM.



Representative Gene G. Arnold, Chairman



Carolyn B. Popson, Committee Clerk

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges DIVISION/ INSTITUTION:
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions
4 PROGRAM NUMBER: PROGRAM TITLE:
5 TITLE OF REQUEST: Occupational Extension Unit Value

Priority No. of

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

10

NARRATIVE:

Purpose

Occupational extension offers short-term, non-credit education designed to upgrade and supplement existing skills to meet changing job requirements. These courses are generally developed at the request of an industry or profession. Increasingly these courses provide training in complex, technical skills. The dollars requested will equalize the funding level for these programs with that of curriculum programs to recognize the increased costs of providing this needed education. Without increased funding for occupational extension programs, the colleges will not be able to meet the rapidly changing and growing needs of business and industry adequately.

Justification for Funding

The Commission for A Competitive North Carolina called for a statewide commitment to prepare North Carolina's workforce for jobs reshaped by technological developments, improve workplace performance and ensure continued employability of adults. The cost of providing occupational extension courses continues to increase as technological and economic changes demand up-to-date equipment, skilled instruction, and quick response. Additional funds are needed because of the following:

- ◆ Costs for providing occupational extension education have risen. Technological changes and increasing demands for continued education mean that the costs of providing this education are comparable to the costs of providing education for credit. Courses require the same level of skilled instruction, faculty-to-student ratios, and access to high-tech equipment as credit courses.
- ◆ Employer demand for occupational extension education exceeds Community College capacity to respond. Occupational extension courses are currently funded at a lower rate than curricular program courses though costs are comparable, making it difficult for colleges to provide additional occupational extension courses.
- ◆ Customized education is designed to meet the needs of a specific employer is increasingly required as jobs and processes grow more specialized. Tailoring a course to the specific needs of an employer requires more faculty time and expertise and increases the associated costs.

Anticipated Outcomes

- ◆ Expand availability of occupational extension courses through Community Colleges to support key occupations and industries.
- ◆ Ensure quality instruction in occupational extension courses.
- ◆ Increase customization of occupational extension courses to respond to particular workplace requirements of local employers.

[Note: In its 2nd 1996 Extraordinary Session, the North Carolina General Assembly mandated that the North Carolina Community College System study its funding distribution methods and levels. The System is specifically charged with examining the question of funding levels for occupational extension as well as distribution of these funds. A preliminary report on these efforts will be submitted on January 31, 1997.]

	1997-98	1998-99
6b TOTAL REQUIREMENTS	9,993,517	19,987,034
7b TOTAL RECEIPTS		
8b APPROPRIATION	9,993,517	19,987,034
9b TOTAL POSITIONS	0.00	0.00

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges PRIORITY No. of
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions DIVISION/ INSTITUTION:
4 PROGRAM NUMBER: PROGRAM TITLE:

5 TITLE OF REQUEST: New and Expanding Industry

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

10

	1997-98	1998-99
6b TOTAL REQUIREMENTS	4,000,000	4,000,000
7b TOTAL RECEIPTS		
8b APPROPRIATION	4,000,000	4,000,000
9b TOTAL POSITIONS	0.00	0.00

NARRATIVE:

Purpose

The New and Expanding Industries Program assists companies creating new jobs in North Carolina by providing training for new employees. These funds would be used to expand the customized training offered to new or prospective employees in specific job skills needed by new or expanding industries. This training supports local, regional and State goals for economic development by offering entry-level training at no cost to companies creating new jobs in the State.

Justification for Funding

North Carolina was the pioneer state in developing this unique program linking workforce training needs to economic development efforts. Because of the success of this program, it has been adopted by many competitor States who have continued to increase the amount of funding they provide for customized training for new and expanding industries in their States. The Governor's Commission on Workforce Preparedness recommended increasing funding for this program to \$12 million per year. Additional funds are needed for the following reasons:

- ◆ Demand for the program exceeds the dollars available. Customized training, provided quickly with the highest possible quality, remains one of the State's most valuable tools for attracting and keeping industry. Demand for such training now outstrips funding so colleges must turn away requests.
- ◆ Competition from other States requires additional support to maintain North Carolina's successful record of attracting and retaining business and industry.

Anticipated Outcomes

- ◆ Increased number of business and industries served through the New and Expanding Industries Program.
- ◆ Increased number of workers trained or retrained through the New and Expanding Industries Program.
- ◆ Increased attractiveness of North Carolina as a site for relocating and expanding companies.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges DIVISION/ INSTITUTION: _____
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions
4 PROGRAM NUMBER: _____ PROGRAM TITLE: _____
5 TITLE OF REQUEST: Basic Skills

Priority No. _____ of _____

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

10 NARRATIVE:

	1997-98	1998-99
6b TOTAL REQUIREMENTS	6,072,036	7,144,072
7b TOTAL RECEIPTS		
8b APPROPRIATION	6,072,036	7,144,072
9b TOTAL POSITIONS	0.00	0.00

Purpose

Basic skills education is the foundation for all workforce development. North Carolina's employers need workers who can read, write, and speak English; compute; and solve problems. Additional funds for basic skills education are required to offset increased costs associated with customizing and tailoring these programs to the needs of individuals and employers and the large number of adults lacking basic skills in the State who require basic skills education.

♦ \$7,144,072 would be used to raise the level of funding for basic skills education.

♦ \$2,500,000 would be used to update equipment used in literacy programs in classrooms, at work sites, at community facilities and in prisons.

Justification for Funding

North Carolina's basic skills needs exceed those of the nation as a whole on average. Estimates are that between 18 and 20 percent of North Carolina's adults have a serious lack of basic skills and an additional 31-33 percent have some basic skills deficits. The Literacy Task Force to the Governor's Workforce Preparedness Commission recommended in 1994 that the State double its investment in literacy education. Additional funds are needed.

♦ Increased emphasis on basic skills education is necessary if the State is to realize its workforce development goals. The prevalence of computers and other technological advancements in today's workplaces make basic literacy skills a requirement for an increasing percentage of today's jobs.

♦ Basic skills programs are now funded at a lower level than curriculum instruction. Despite the importance of basic skills programs to the development of a skilled workforce, Community Colleges currently receive less money for providing this type of instruction. The current level of funding has prevented colleges from staffing these programs with skilled, full-time instructors paid to plan lessons, collaborate with other agencies providing services in local communities, offer support services, and monitor program quality.

♦ New basic skills needs are emerging. The State is experiencing an increased demand for English instruction for non-English-speaking people who are entering the State's workforce in record numbers. In addition, colleges are experiencing increased demands for customized basic skills programs, workforce literacy, family literacy, and corrections programs which customize basic skills instruction to the particular needs of workplaces and the needs of undereducated adults.

♦ Advances in learning technologies, including computer-based applications, have demonstrated results in terms of achievement. Investments in equipment are needed to provide up-to-date equipment to maximize the probability of success.

Anticipated Outcomes

The outcome from increased investment in this area will be an increase in the percentage of North Carolina's workforce equipped with the basic academic and critical thinking skills needed for work and life.

♦ Enrollment in GED and Adult High School programs will increase by 40 percent over 1996 levels.

♦ Enrollments in Adult Basic Education programs will increase by 20 percent.

♦ Enrollments in workplace literacy, family literacy, and prison-based programs will increase.

♦ The number of adult learners in computer and other technology-based basic skills programs will increase.

♦ An increased proportion of adults will progress to a higher level of basic skills mastery.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges Priority No. of
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions DIVISION/ INSTITUTION:
4 PROGRAM NUMBER: PROGRAM TITLE:

5 TITLE OF REQUEST: Curriculum Instruction

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

10

	1997-98	1998-99
6b TOTAL REQUIREMENTS	16,538,724	33,077,448
7b TOTAL RECEIPTS		
8b APPROPRIATION	16,538,724	33,077,448
9b TOTAL POSITIONS	0.00	0.00

NARRATIVE:

Purpose

Funds are needed to enhance instruction in programs leading to a diploma, certificate or associate degree awarded through the North Carolina Community College System. Expansion dollars would be used to improve the quality of curriculum instruction in two ways:

- ◆ Provide salary enhancements to ensure quality instruction in technical, vocational and college transfer programs and courses; and
- ◆ Adjust the faculty-to-student funding ratio so that adequate resources will be available for instructional programs and materials.

Justification for Funding

The Governor's Commission on Workforce Preparedness notes that by the year 2000, 75 percent of jobs will require 13-14 years of education. Programs leading to certificates, diplomas and associate degrees are critical to ensuring that North Carolina's workforce has the technical and vocational skills required by today's jobs. Strong curricular offerings are essential to ensuring that adult North Carolinians have access to career development opportunities, to support a school-to-work partnership with public schools, and to provide access to baccalaureate education through college transfer programs. Additional funding in this area is needed to address the following critical needs:

- ◆ Low salaries in the N.C. Community College System have been documented for almost a decade. In 1989, the Commission on the Future of the N.C. Community College System called attention to deficient faculty salaries in the light of the increased importance of workforce development to the economic future of the State. According to figures from the Southern Regional Education Board, North Carolina lags significantly behind other Southeastern states in average faculty salaries.
- ◆ Classes must be tailored to the specific educational requirements of particular fields to ensure that instruction provides the necessary level of one-on-one instruction and hands-on training, as well as maintains the highest levels of educational quality.
- ◆ Adequate instructional resources are necessary to ensure that courses and programs can be continuously updated to meet changing requirements in the occupations and professions adult learners seek to enter.

Anticipated Outcomes

The State's ability to attract, retain and grow high-quality jobs in today's economy is dependent on the development of a skilled workforce. Additional investment in this area would enhance workforce development by:

- ◆ Ensuring experienced and talented faculty are attracted and retained.
- ◆ Improved student learning and the mastery of skills and knowledge due to the better availability of instructional materials and accessibility of faculty to meet individuals' needs.
- ◆ Ensure course content is kept current to reflect changing job requirements.

[Note: In its 2nd 1996 Extraordinary Session, the North Carolina General Assembly mandated that the North Carolina Community College System study its funding distribution methods and levels. A preliminary report on these efforts will be submitted on January 31, 1997. Distribution of funds for curriculum instruction will be one of the areas of recommendations contained in that report.]

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges DIVISION/ INSTITUTION:
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions
4 PROGRAM NUMBER: PROGRAM TITLE:
5 TITLE OF REQUEST: Semester Conversion

Priority No. of

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

10

	1997-98	1998-99
6b TOTAL REQUIREMENTS	1,900,000	
7b TOTAL RECEIPTS		
8b APPROPRIATION	1,900,000	
9b TOTAL POSITIONS	0.00	0.00

NARRATIVE:

Purpose

The Reengineering Project currently underway in the North Carolina Community College System involves the development of a Common Course Library to ensure more consistent educational programs across all 58 Community Colleges and the conversion of the System to a semester calendar for programs leading to diplomas, certificates, and associate degrees. This request will provide funds to offset the anticipated shortfall in tuition receipts due to the semester system conversion.

Justification for Funding

The North Carolina Community College System is in the midst of one of the most significant changes it has ever undertaken. The Reengineering Project provides the foundation to enhance the quality and expand the quantity of education provided through North Carolina's Community Colleges.

♦ Development of a Common Course Library and conversion to the semester system will enhance the ability of the Community College System to work with the State's other educational entities to ensure a smooth transition from high school to Community College. Development of common program and course titles will support the development of "Tech Prep" programs linking rigorous high school education with technical study at the Community College level.

♦ For those students interested in pursuing a baccalaureate degree, these changes will facilitate coordination with the State's public and private four-year colleges and universities.

♦ During the period of conversion to the semester system and in the adoption of new program and course titles, some loss of enrollment and FTEs is anticipated.

♦ Community Colleges face a huge task in meeting the State's workforce development needs, are funded below national averages for two-year colleges, and cannot afford to lose resources due to the semester conversion and other changes intended to improve Community College education for the future.

Anticipated Outcome

♦ The process of converting to the semester system for credit programs and developing the Common Course Library will not cause long-term ill effects that might hamper the Community Colleges' ability to provide vital workforce development services.

♦ Students will have fewer obstacles in transferring course work among and between North Carolina's educational systems.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges DIVISION/ INSTITUTION:
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions
4 PROGRAM NUMBER: PROGRAM TITLE:
5 TITLE OF REQUEST: Educational Equipment

Priority No. of

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

	1997-98	1998-99
6b TOTAL REQUIREMENTS	15,000,000	30,000,000
7b TOTAL RECEIPTS		
8b APPROPRIATION	15,000,000	30,000,000
9b TOTAL POSITIONS	0.00	0.00

10 NARRATIVE:

Purpose

Students in the North Carolina Community College System need access to state-of-the-art equipment to ensure that they have received hands-on training in the specific skills required in today's workplaces. These funds will provide \$15,000,000 million annually in recurring funds to begin to address the severe equipment deficit faced by Community Colleges.

Justification for Funding

The cost of equipment to support technical, vocational and continuing education has skyrocketed. Providing students access to this equipment is part of preparing them for jobs in today's technologically advanced workplaces.

- ◆ Community Colleges face tremendous backlogs of equipment needs. Central Piedmont Community College alone estimates that it has more than \$9,000,000 in equipment needs.
- ◆ The N.C. General Assembly helped address these needs through the allocation of \$10,000,000 in nonrecurring funds in the 1996-97 year. These funds were critical to meeting a portion of the outstanding equipment needs, but recurring funds are needed.
- ◆ Current unfunded depreciation in the Community College System is \$45,430,454.
- ◆ The majority of technical and computer equipment now in use at the Community Colleges is more than five years old.

Anticipated Outcomes

- ◆ Students will have access to leading-edge technology -- the standard in use at most North Carolina businesses.
- ◆ The backlog of equipment needs in the Community Colleges will be reduced and the Community Colleges can make better use of equipment dollars because recurring investments for equipment can be made.
- ◆ The quality of education provided through Community Colleges will be enhanced.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges DIVISION/ INSTITUTION:
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions
4 PROGRAM NUMBER: PROGRAM TITLE:
5 TITLE OF REQUEST: Focused Industrial Training

Priority No. of

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

10 NARRATIVE:

	1997-98	1998-99
6b TOTAL REQUIREMENTS	1,222,303	2,444,606
7b TOTAL RECEIPTS		
8b APPROPRIATION	1,222,303	2,444,606
9b TOTAL POSITIONS	4.00	4.00

Purpose

Focused Industrial Training (FIT) serves North Carolina's existing major industries. These funds will create four new FIT Centers in colleges with 7,000 manufacturing employees in their service areas, will expand the availability of FIT funds, and will fund four additional staff support positions for business and industry on a regional basis.

Justification for Funding

Economic development groups in North Carolina, including the Economic Development Board, Economic Development Sub-Cabinet, and the N.C. Alliance for Competitive Technologies, have called for more workforce development resources to serve existing industries. The Governor's Commission on Workforce Preparedness has called for raising funding for the FIT program to \$12 million annually. Focused Industrial Training provides customized training to meet the needs of existing industries by assessing retraining needs and providing training to upgrade worker skills. The nature and scope of the training is tailored to the needs of the particular production and manufacturing industry served.

◆ Expanded access to FIT resources is needed to ensure better coverage across the State. Currently 33 Community Colleges operate FIT centers. Colleges with more than 9,000 manufacturing employees in the service area are currently funded. The request, if funded, will increase access to this training by providing Centers in the areas with a minimum of 7,000 manufacturing employees in the service area.

◆ Increased FIT programming is needed to meet the workforce development needs of existing industries. Currently many existing FIT centers exhaust their allocations before they can meet the needs of employers in their service area. Because FIT funding is not based on enrollment, FIT Centers are especially qualified to respond to industries that need specific skills training for smaller groups of employees.

◆ Coordination with region. Economic development is increasingly important to tie workforce development to economic development strategies. To facilitate coordination between the FIT Centers and the N.C. Economic Development Partnership regions, this request will fund coordination with regional economic development by providing four additional positions to provide regional coordination of business and industry services available through the Community Colleges, including the FIT Centers.

Anticipated Outcomes

- ◆ Increased number of industries and firms served through Focused Industrial Training.
- ◆ Increased awareness of the workforce development resources available in the N.C. Community College System on the regional level.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges PRIORITY No. of
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions DIVISION/ INSTITUTION:
4 PROGRAM NUMBER: PROGRAM TITLE:
5 TITLE OF REQUEST: Small Business Centers

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

	1997-98	1998-99
6b TOTAL REQUIREMENTS	3,212,500	625,000
7b TOTAL RECEIPTS		
8b APPROPRIATION	3,212,500	625,000
9b TOTAL POSITIONS	0.00	0.00

10 NARRATIVE:

Purpose

The SBC Network supports the growth of existing business and the development of new business by being a community-based provider of training, counseling and information. Additional funds are needed to:

- ◆ Improve service to meet growing demands from small businesses, promote entrepreneurship, and enable the Small Business Centers to broker the resources of the State's Community Colleges to small businesses.
- ◆ Purchase equipment to enable Small Business Centers to establish a computer network and electronic databases.
- ◆ Identify the education and training needs of employers in small businesses.

Justification for Funding

Small Business Centers at the 58 Community Colleges serve 66,000 people annually. Network funding has increased less than 9 percent since the program began in 1984. The SBC Network is based in local communities and provides "user-friendly" access to small business assistance for local small business owners. The Network plays a substantial role in the development of new businesses and the training of employees in existing businesses. Support for the State's small businesses through the SBCs should be enhanced by addressing the following areas:

- ◆ Improve effectiveness of the Small Business Center Network through developing and implementing a core curriculum in small business assistance, expanding professional development opportunities for SBC directors, developing a statewide marketing plan for the SBC Network.
- ◆ Strengthen identification of the education and training needs of employers in existing small businesses.
- ◆ Enhance resources available through each Small Business Center by strengthening the Network. The Network is positioned to serve as the information link between the business community and other state and federal agencies who need to spread information about topics such as governmental regulations, occupational safety, export opportunities, tax incentives, group health insurance, and industrial extension, just to name a few.
- ◆ Improve information technology essential to maximizing the resources of the Network. Additional funding is needed to allow the SBC Network to adequately staff and equip their Centers to begin to meet the current economic demands.

Anticipated Outcomes

- ◆ Increased number of small businesses served through the Small Business Center Network.
- ◆ Increased accessibility to a consistent range of services through each Small Business Center due to increased capacity of information shared through a strengthened Small Business Center Network.

1

DIVISION/ INSTITUTION:

	1997-98	1998-99
6b TOTAL REQUIREMENTS	1,900,000	1,900,000
7b TOTAL RECEIPTS		
8b APPROPRIATION	1,900,000	1,900,000
9b TOTAL POSITIONS	0.00	0.00

6b	TOTAL REQUIREMENTS	1,900,000	1,900,000

7b	TOTAL RECEIPTS		

8b	APPROPRIATION	1,900,000	1,900,000

9b	TOTAL POSITIONS	0.00	0.00

10 [NARRATIVE:

Purpose

To fulfill their role as the primary deliver of adult education and workforce training, Community Colleges must be able to respond to changing job needs and economic trends with new programs and courses. This request provides funds to help cover start-up costs to ensure that colleges can respond in a timely fashion to the critical training needs of local economies and employers.

Justification for Funding

Community Colleges receive funding for credit and non-credit programs based on the number of students served in the previous academic year. No funds are currently available to start new programs.

- ◆ The costs associated with starting new programs to support technical and other key occupations in the State have risen as jobs have become more complex as workplaces have been affected by increased computerization, new methods of work organization and increased competitiveness.
- ◆ Without a source of funds to offset these increased costs, Community Colleges are often left unable to respond in a timely fashion to the workforce development needs of their service areas or to support key economic development strategies with needed training. While 313 new program approvals were granted to Community Colleges in the last five years, the majority of these programs had already been developed and were in place in other Community Colleges within the System and only 25 of these approvals were for programs new to the System.

Anticipated Outcomes

- ◆ The ability of the Community Colleges to design educational programs to meet the needs of business and industry will increase.
- ◆ The number of new programs approved in the N.C. Community College System will increase.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges DIVISION/ INSTITUTION:
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions
4 PROGRAM NUMBER: PROGRAM TITLE:
5 TITLE OF REQUEST: Instructional Support

Priority No. of

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

10

	1997-98	1998-99
6b TOTAL REQUIREMENTS	7,432,450	14,882,450
7b TOTAL RECEIPTS		
8b APPROPRIATION	7,432,450	14,882,450
9b TOTAL POSITIONS	0.00	0.00

NARRATIVE:

Purpose

Instructional support personnel are essential to ensuring that adults entering the North Carolina Community College System meet or exceed their educational goals. This item would provide:

- ◆ Additional instructional support positions, such as learning disabilities specialists; skills enhancement workforce specialists; and basic skills support staff.
- ◆ An expansion of the administrative and support allowance provided the colleges to enhance support services available to support adult learners, especially those with special needs and to retain skilled support staff through more competitive salaries.

Justification for Funding

A quality Community College educational experience requires that adult learners are supported by skilled professionals who can help them plan educational goals, overcome barriers and obstacles to reaching those goals, and provide on-going support for continuous career education.

- ◆ Demographic trends indicate that the number of non-traditional students and students with special needs, such as older workers, women, minorities, and non-English speakers, continues to increase. For these students to be offered the prospect of productive employment, they must have additional support services to ensure their educational and career goals are met.
- ◆ Research shows that North Carolina's Community Colleges are significantly under funded for critical positions to support instruction to groups with special educational and training needs. In 1993, North Carolina was 38 percent below the national average expenditure for institutional and student support services.
- ◆ New developments, such as the work requirements associated with state and federal "welfare reform" and "one-stop career centers," will place additional requirements for counseling, career planning, job development and other support services on Community Colleges.
- ◆ Current funding levels jeopardize the ability of colleges to retain support staff because salary levels are not competitive.

Anticipated Outcomes

- ◆ The percentage of students continuing their education in subsequent terms will increase to 78 percent due to better counseling, career guidance and follow-up.
- ◆ Colleges reviewed for accreditation by the Southern Association of Colleges and Schools will not be cited for having too few support personnel.
- ◆ Retention rates for support staff will be increased.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges DIVISION/ INSTITUTION: _____
3 FUND NUMBER: 1700 FUND TITLE: Specialized Technology Center
4 PROGRAM NUMBER: _____ PROGRAM TITLE: _____
5 TITLE OF REQUEST: Specialized Technology Centers

Priority No. _____ of _____

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

10

	1997-98	1998-99
6b TOTAL REQUIREMENTS	687,500	1,375,000
7b TOTAL RECEIPTS		
8b APPROPRIATION	687,500	1,375,000
9b TOTAL POSITIONS	0.00	0.00

NARRATIVE:

Purpose

Specialized technology centers provide focused support and technical assistance to industries of vital economic importance to North Carolina's economy. This request includes \$425,000 for the North Carolina Center for Applied Textile Technology, \$200,000 for the Hosiery Technology Centers, and \$750,000 to start two new specialized technology centers to support key North Carolina industries. The State Board of Community Colleges will establish a process for identifying these Centers.

Justification for Funding

The N.C. Alliance for Competitive Technologies called on the State to improve the competitiveness of key North Carolina industries by targeting particular industries for technological development, deployment, and workforce training. Specialized technology centers offer this dedicated assistance by providing training on new technologies, occupational analysis and customized services to key North Carolina industries. Funding is necessary for the following reasons:

- ◆ The North Carolina Center for Applied Textile Technology at Belmont has been restructured and positioned to upgrade its operations and to enable it to more fully act as a statewide resource through the North Carolina Community College System. Funds are needed to provide equipment, additional staff, staff retraining and upgrading and curriculum improvement. Additional support is needed to meet accreditation standards of the Southern Association of Colleges and Schools.
- ◆ The Hosiery Technology Centers at Catawba Valley Community College and Randolph Technical Community College require a source of recurring funding to maintain consistent support to the industries they serve. These funds are needed to replace federal support which has been discontinued and to fund expansion of operations to serve more firms and provide additional services.
- ◆ Expansion of Centers is required to ensure that other critical industries can be served. Future Centers will be developed in conjunction with identified state and/or regional economic and workforce development priorities.

Anticipated Outcomes

- ◆ Expand statewide service through the North Carolina Center for Applied Textile Technology.
- ◆ Continue support for North Carolina's hosiery industry through the Hosiery Technology Centers.
- ◆ Develop two additional Specialized Technology Centers to support key North Carolina industries.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges DIVISION/ INSTITUTION:
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions
4 PROGRAM NUMBER: PROGRAM TITLE:
5 TITLE OF REQUEST: Multi-Campus Support

Priority No. of

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

	1997-98	1998-99
6b TOTAL REQUIREMENTS	3,135,000	2,200,000
7b TOTAL RECEIPTS		
8b APPROPRIATION	3,135,000	2,200,000
9b TOTAL POSITIONS	0.00	0.00

10 NARRATIVE:

Purpose

This request addresses the need to increase funding for higher instructional support and other costs borne by Community Colleges that operate multiple campuses in service areas with large populations or geographic spread. The term "campus" describes a facility where students are able to complete a program of study and receive a degree, diploma, certificate, continuing education and other educational services. Its services for students must be at a sufficient level to make it an creditable part of the college under the requirements of the Southern Association of Colleges and Schools (SACS), the accrediting organization for North Carolina's Community Colleges. A "multi-campus college" is a Community College with two or more sites approved as campuses -- not as off-campus centers or other locations where courses are offered on a limited basis -- by the State Board of Community Colleges. Through this funding proposal, colleges which have or request and receive approval for an additional campus will receive start-up funds of \$285,000; second-year funds of \$200,000; and \$140,000 in subsequent years.

Justification for Funding

North Carolina has six multi-campus Community Colleges, serving some of the fastest-growing counties: Central Carolina Community College (Lee, Chatham and Harnett); Caldwell Community College and Technical Institute (Caldwell and Watauga); Rowan-Cabarrus Community College (Rowan and Cabarrus); Central Piedmont Community College (Mecklenburg); Guilford Technical Community College (Guilford); and Wake Technical Community College (Wake).

♦ A new campus of an existing college is less expensive to operate than an entirely new college, with savings in senior administration, planning, construction and other areas. Multi-campus development is a cost-efficient way to deliver critical economic development and educational services to large populations and areas.

♦ Multi-campus colleges must have on each campus counselors, library workers, financial advisers, clerical staff and other instructional support personnel. The current funding formula, which assumes "economies of scale" in calculating support expenses for a typical campus, does not provide enough funds for salaries, supplies, travel and other additional costs of multiple campuses.

Anticipated Outcomes

♦ Improved instructional support and student support services at multi-campus sites.

♦ Improved ability and reduced future expenditures to meet a community's need without creating a new Community College.

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions
4 PROGRAM NUMBER: _____ PROGRAM TITLE: _____
5 TITLE OF REQUEST: Faculty Upgrade - Professional Development

7a YES ☐ NO ☒

9a

10 NARRATIVE:

	1997-98	1998-99
6b TOTAL REQUIREMENTS	1,243,181	2,486,362
7b TOTAL RECEIPTS		
8b APPROPRIATION	1,243,181	2,486,362
9b TOTAL POSITIONS	0.00	0.00

These funds will provide critical retraining for faculty and staff in the Community Colleges on cutting-edge processes and techniques in the classroom and in industry training as well as ensure the development of skilled leaders to lead Community Colleges in this era of change. Funds will be used to:

- ◆ Expand opportunities for faculty to receive the opportunity to return to industry and engage in other professional development activities designed to ensure that instruction delivered through the Community College System reflects current workplace standards.
- ◆ Provide on-going support to Community College leadership programs to build a diverse cadre of knowledgeable and skilled administrators as well as a pool from which future leadership for the System can be chosen.

More than 20,000 people work as faculty, staff or administrators in the North Carolina Community College System. They represent the single most important resource in the delivery of education.

- ♦ Just as industry must invest in retraining to ensure that its workforce can compete for high-skill, high-wage jobs, Community Colleges must invest in upgrading and retraining its faculty and staff to ensure state-of-the-art instruction and maximum efficiency in all Community College operations. The amounts in this request represent less than one-fourth of one percent of the operating budget as investment in the human resources of the System. Research strongly suggests that three percent of the operating budget is an appropriate amount to be earmarked to strengthen and upgrade employees' skills.
- ♦ The rapid pace of change both in the economy and in education requires skilled professional leaders for Community Colleges. At the same time that workforce development needs pose new leadership challenges for Community Colleges, many leaders who entered the Community Colleges as they were established have and continue to reach retirement age. The North Carolina Community College System currently lacks any on-going mechanism for investing in the development of a skilled and diverse leadership base. State Board Reserve Funds have been used to pilot a number of programs including those operated by the North Carolina Community College System Office, North Carolina State University, the North Carolina Chapter of the American Association of Women in Community Colleges, and the Council on Black American Affairs. These programs provide a foundation of experience from which to reinvest in successful programs and initiate new programs to ensure a diverse and skilled pool of future leaders for the State's Community Colleges.

- ◆ The number of faculty and staff members provided the opportunity to partake in staff development activities will increase.
- ◆ The number of skilled and knowledgeable administrators will increase and a pool of outstanding candidates will be available to fill leadership positions within North Carolina's Community Colleges left vacant through retirements and other career shifts.
- ◆ Student learning and instruction will improve due to the upgraded information imparted by faculty.
- ◆ Communities will benefit greatly by the enhanced number of contributions being made by faculty, staff, and administrative leaders.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges DIVISION/ INSTITUTION:
3 FUND NUMBER: 1900 FUND TITLE: Reserves and Transfers
4 PROGRAM NUMBER: PROGRAM TITLE:
5 TITLE OF REQUEST: Scholarships

Priority No. of

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

	1997-98	1998-99
6b TOTAL REQUIREMENTS	2,000,000	2,000,000
7b TOTAL RECEIPTS		
8b APPROPRIATION	2,000,000	2,000,000
9b TOTAL POSITIONS	0.00	0.00

10 NARRATIVE:

Purpose

This request will add to the existing Community College Scholarship Fund, designed to assist students with special needs and for special scholarship purposes in the colleges. This request calls for an investment of \$4 million -- \$2 million in each year of the biennium -- in the existing Community College Scholarship Fund. This will bring the Fund up to \$8 million, twice its current level. The Fund itself remains intact; interest from the Fund provides scholarships to assist Community College students across North Carolina with special needs and for special scholarship purposes. The new funds will permit colleges to award more scholarships and increase the value of grants.

Justification for Funding

- ◆ Financial need is a major barrier to participation in higher education, especially to the working adults who come to Community Colleges. Not only must they meet the cost of tuition, fees, books, transportation and child care, but they give up time on the job that could be spent making money.
- ◆ Interest from the current Community College Scholarship Fund supports approximately 600 full tuition scholarships annually for students pursuing degrees, diplomas and certificates. The Government Performance Audit Commission (GPAC) and Community Colleges Task Force on Challenge Grant Scholarships have both identified increased investment in scholarships for financially disadvantaged students as a critical need.
- ◆ The System needs to be able to provide more scholarships to the colleges, and it needs to be able to increase the value of scholarships to help cover costs in addition to tuition. Expenses for books, fees and supplies, especially in the critical high-tech and health care curricula, often exceed tuition and discourage truly needy students from seeking the training they need.
- ◆ A graduate of a two-year program can expect to earn on average 25 percent more than a high school graduate and 67 percent more than a high school drop-out. Increased investment in scholarships is direct investment in economic opportunity for North Carolinians working to build a stronger future.

Anticipated Outcomes

- ◆ At least 50-75 percent increase in number of scholarships awarded.
- ◆ Increase in value of average award to offset costs beyond tuition.
- ◆ Increased enrollment, persistence, progress and completion rates among financially disadvantaged students.

2 BUDGET CODE:	<u>16800</u>	DEPARTMENT:	<u>Community Colleges</u>
3 FUND NUMBER:	<u>1600</u>	FUND TITLE:	<u>State Aid - Institutions</u>
4 PROGRAM NUMBER:	<u> </u>	PROGRAM TITLE:	<u> </u>
5 TITLE OF REQUEST:	<u>Student Monitoring</u>		

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

8a IF YES, ATTACH A COPY OF THE DRAFT.

	1997-98	1998-99
6b TOTAL REQUIREMENTS	4,317,550	3,617,550
7b TOTAL RECEIPTS		
8b APPROPRIATION	4,317,550	3,617,550
9b TOTAL POSITIONS	5.00	5.00

10 **NARRATIVE:**

The Student Progress Monitoring System will measure student success toward the completion of their goals and will also provide information to determine whether Community Colleges are meeting the workforce development needs of industries. This is an essential part of the statewide accountability system for Community Colleges.

- ◆ \$2,820,117 in recurring funds will provide college-level staffing to work with data/information and additional systemwide staffing.
- ◆ \$1,455,100 in non-recurring funds will provide for the acquisition for software and equipment for state-level management.

Community Colleges need a mechanism for more effectively monitoring the educational progress of students.

- ◆ Investments in data collection and accountability systems made over the last decade in the North Carolina Community College System have produced some data elements, but other essential elements are not collected and thus remain inaccessible to instructors, support personnel, and administrators. More outcome data are needed in areas such as student employment capabilities, job placement, employer satisfaction and student satisfaction.
- ◆ The initial design for a comprehensive integrated data system to monitor student success has been completed. The system was designed by users to meet their needs in an accessible manner. To implement the system, resources are needed to acquire software, install and pilot the program, and replicate it statewide.
- ◆ A student tracking system based on student enrollment groupings will permit an effective program review process for the Community Colleges.

- ◆ Adult learners will benefit as Community Colleges gain better information about student progress toward educational and career goals.
- ◆ Employers will benefit from improved matching of students and training elements to actual workforce development needs.
- ◆ Adult learners will benefit from improvements in determining the support services needed for enhancing student success and educational outcomes.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges Priority No. of
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions DIVISION/ INSTITUTION:
4 PROGRAM NUMBER: PROGRAM TITLE:
5 TITLE OF REQUEST: Child Care

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

10

	1997-98	1998-99
6b TOTAL REQUIREMENTS	750,000	1,500,000
7b TOTAL RECEIPTS		
8b APPROPRIATION	750,000	1,500,000
9b TOTAL POSITIONS	0.00	0.00

NARRATIVE:

Purpose

Since its establishment in 1993-94, the child care grant program has proven to be one of the most effective means of removing barriers to adults seeking the skills training and education they must have to become productive citizens. This request will add \$750,000 per year to the state's existing support for child care for Community College students to help meet tremendous needs of unserved families. The funds go to each Community College as a base grant, with additional funds distributed according to enrollment. The funds will offer Community Colleges the flexibility to support a variety of approaches to child care, including on-site centers, contracted services and reimbursement for care chosen by students. Child care covered by these funds must meet state standards.

Justification for Funding

Child care is an overwhelming concern for adults, particularly for women. Many employers now recognize that quality child care is a wise investment in keeping productive employees on the job.

♦ In Community Colleges, research demonstrates that child care grants are often the most critical factors in encouraging adults to attempt postsecondary training and education, stay in class and complete programs.

♦ State support for child care for Community College students began during academic year 1993-94. During that year, child care grant programs funded by the legislative appropriation of \$1,500,000 operated in 58 North Carolina Community Colleges. More than 1,400 student parents received child care support, and 90 percent persisted in their studies. Subsequent years, funded at \$2,000,000 per year, show similar patterns. For the large majority of these student parents, their ability to continue their training and education was directly dependent upon support for child care.

♦ Need remains far greater than current funds can serve. Last year, only about half the eligible students who applied received support, before the money ran out. Estimates of actual need are even higher, and they will continue to grow as shifts in social services programs reduce or eliminate other child care support options.

Anticipated Outcomes

♦ The number of Community College curriculum student parents receiving child care grants each year will increase by 37.5 percent.

♦ Educational progress, program completion and employment of student parents will increase.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges DIVISION/ INSTITUTION:
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions
4 PROGRAM NUMBER: PROGRAM TITLE:
5 TITLE OF REQUEST: Supplies and Materials

Priority No. of

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

10

	1997-98	1998-99
6b TOTAL REQUIREMENTS	3,050,000	6,100,000
7b TOTAL RECEIPTS		
8b APPROPRIATION	3,050,000	6,100,000
9b TOTAL POSITIONS	0.00	0.00

NARRATIVE:

Purpose

Supplies and materials are required to deliver services through Community Colleges. Funds will offset increases in costs due to inflation.

Justification for Funding

Costs for supplies and materials have risen 28.6 percent over six years while funding has remained flat.

Anticipated Outcomes

- ◆ Faculty will have access to adequate amounts of supplies and materials, thus providing better instruction for students.
- ◆ Community Colleges will not have to divert funds from programs and services to offset the rising costs of supplies and materials.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges DIVISION/ INSTITUTION:
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions
4 PROGRAM NUMBER: PROGRAM TITLE:

5 TITLE OF REQUEST: High Cost Programs

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

	1997-98	1998-99
6b TOTAL REQUIREMENTS	500,000	1,000,000
7b TOTAL RECEIPTS		
8b APPROPRIATION	500,000	1,000,000
9b TOTAL POSITIONS	0.00	0.00

10 NARRATIVE:

Purpose

A limited number of programs within the North Carolina Community College System generate exceptional costs. These forms of technical or vocational training are in equipment-intensive fields. This request specifically addresses the need to purchase new trucks at three truck driver training programs:

- ◆ \$450,000 for Caldwell Community College and Technical Institute.
- ◆ \$300,000 for Johnston Community College.
- ◆ \$250,000 for Cape Fear Community College.

Justification for Funding

- ◆ Funding in these programs has not kept pace with the demand for these programs.
- ◆ The creation of new truck driver training programs at Caldwell Community College and Cape Fear Community College require the purchase of additional equipment.
- ◆ Obsolete equipment at Johnston Community College must be replaced to retain program quality.

Anticipated Outcomes

- ◆ Program quality can be maintained at the three truck driving training programs.
- ◆ Additional adults can be served through these programs with the purchase of new equipment.
- ◆ The Community Colleges will be able to prepare larger numbers of qualified graduates for the ever-increasing numbers of jobs available in this profession, thus meeting industry needs.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges DIVISION/ INSTITUTION:
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions
4 PROGRAM NUMBER: PROGRAM TITLE:

5 TITLE OF REQUEST: Library Enhancement
6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?
7a YES ☐ NO ☒ X
8a IF YES, ATTACH A COPY OF THE DRAFT.
9a
9b

	1997-98	1998-99
6b TOTAL REQUIREMENTS	2,900,000	2,900,000
7b TOTAL RECEIPTS		
8b APPROPRIATION	2,900,000	2,900,000
9b TOTAL POSITIONS	0.00	0.00

10 NARRATIVE:

Purpose

This request, building on non-recurring appropriations from 1995 and 1996, addresses the critical shortage of funds for new library books, materials, and software in Community College libraries, which are dramatically below national standards and in danger of slipping further. The new funds provide:

- ◆ \$1,900,000 in recurring funds, to permit continued strengthening of the libraries on a regular basis.
- ◆ \$1,000,000 of recurring funds to support the participation of the North Carolina Community College System in the Virtual Library program.

Justification for Funding

Access to current information resources and excellent library materials is critical when providing education in today's "Information Age," especially in a state that prides itself on its emerging "high-tech" identity. Libraries have been called the "heart and soul" of colleges. Yet North Carolina's Community College libraries have suffered from severe underfunding for a decade, even as information demands grow.

- ◆ Most of North Carolina's Community Colleges reaccredited since 1987 have been warned about substandard libraries. More than three-quarters have fewer than the minimum acceptable number of book titles; two-thirds fall below the minimum level for magazines and other periodicals.
- ◆ Costs for books and materials have escalated, while funding has remained largely static. In 1987, the average book cost \$24. Seven years later, it was \$42, and the cost has gone up since. Books for high-tech curricula and health sciences are much more expensive and quickly outdated. For example, the nursing accreditation board requires books with a maximum 5-year shelf life.
- ◆ The North Carolina Community College System is working in partnership with the State Library of North Carolina, the University of North Carolina, and the North Carolina Center for Independent Higher Education to develop the North Carolina Virtual Library. The Virtual Library responds to legislative mandates by providing statewide access to a range of electronic information resources, including reference and research materials, state government information and other information. Statewide licensing will also be pursued as part of the North Carolina Access to Libraries and Virtual Education project. Funds invested through the Community College System will be used to pay for statewide licenses for needed resources.

Anticipated Outcomes

- ◆ More Community Colleges will meet the minimum standards of the American Library Association for books and periodicals.
- ◆ Students, faculty and the public will have increased access to improved information technology.
- ◆ Community College students will have access to expanded information resources through linkages with the Virtual Library program.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges DIVISION/ INSTITUTION:
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions
4 PROGRAM NUMBER: PROGRAM TITLE:
5 TITLE OF REQUEST: Distance Education

Priority No. of

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

	1997-98	1998-99
6b TOTAL REQUIREMENTS	5,356,454	5,356,454
7b TOTAL RECEIPTS		
8b APPROPRIATION	5,356,454	5,356,454
9b TOTAL POSITIONS	2.00	2.00

10 NARRATIVE:

Purpose

This request addresses the high priority the General Assembly has put on improving the ability of Community Colleges to reach North Carolinians through distance learning. "Distance learning" encompasses transmission from one or more sites to students elsewhere, on another campus, in a workplace or at home. Usually, it includes the ability of participants to communicate with each other through text, voice, or pictures. Distance learning technologies include, among others, on-line computer systems; and fiber, exemplified in this state by the North Carolina Information Highway (NCIH). Technology has tremendous potential to enhance instruction and to save money by encouraging regional and statewide collaboration and reducing duplication and travel. A number of Community Colleges are NCIH sites and have other technologies. To use the technology effectively, the System must have more funds for skilled personnel and operations. This proposal includes:

- ◆ Additional specialists in Distance Learning/Information Highway Technology, teaching techniques, and computer applications for the colleges and systemwide.
- ◆ Line charges of \$4,000 per month for each Community College participating in NCIH.

Justification for Funding

- ◆ Distance learning, properly used, saves money while maintaining quality by reducing travel, overhead and duplication.
- ◆ Distance learning helps provide equity in serving students in rural and low-wealth counties, delivering top-quality instruction statewide.
- ◆ Distance learning is an important tool for working with business and industry, primary customers of Community College services.
- ◆ Distance learning fosters collaboration and regional service with benefits to both users and suppliers of materials.
- ◆ Distance learning opens the door for cooperation among Community Colleges, K-12 and the University in sharing courses and professional development, exchanging data and tracking students, as requested by the General Assembly and the Education Cabinet.
- ◆ Distance learning links Community College nursing and allied health programs into world-class medical schools and teaching hospitals.
- ◆ In addition to two-way video instruction, NCIH supports high-speed data services critical to efficient management of a 59-campus System.

Anticipated Outcomes

- ◆ Cost savings in salaries, travel, overhead and other expenses by avoiding duplication.
- ◆ Improved access to top-quality, varied courses and professional development offerings throughout the Community College System.
- ◆ Enhanced cooperation between Community Colleges and with other educational and community agencies.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges Priority No. of
3 FUND NUMBER: 1600 DIVISION/ INSTITUTION:
4 PROGRAM NUMBER: FUND TITLE: State Aid - Institutions
5 TITLE OF REQUEST: Networking PROGRAM TITLE:

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

10

	1997-98	1998-99
6b TOTAL REQUIREMENTS	7,250,000	7,250,000
7b TOTAL RECEIPTS		
8b APPROPRIATION	7,250,000	7,250,000
9b TOTAL POSITIONS	0.00	0.00

NARRATIVE:

Purpose

Communication among students, faculty, administrators, colleges, schools, universities, libraries, agencies, businesses and industries, and other entities is paramount to ensuring that the Community Colleges can provide the services expected as primary deliverers of education and training for the workforce. All of the State's Community Colleges need to have the technological infrastructure in place so that basic communication can be made, internally and externally. Technological infrastructure is defined as the actual wiring and cabling within and among the buildings of our campuses, as well as the basic hardware (mainframes/servers) and software for ensuring availability of communication tools.

Justification for Funding

State-of-the-art education to train people for today's workplaces must provide access to information technology.

♦ Currently, very few campuses are connected fully to the computerization and technology available, even from building to building. These campuses are unable to use sufficiently the administrative and instructional advantages that are available through the North Carolina Information Highway, the Internet, or through other voice, video, and data communication tools.

♦ The Community Colleges cannot participate fully or provide what have become basic academic and administrative applications for instructional programs, data collection, accountability requirements, communications, and other programs.

Anticipated Outcomes

♦ With campuses fully-wired and with a technological infrastructure in place, students will have the opportunity to gain the technical skills required directly by our high-tech industries.

♦ All campuses will be able to communicate with each other and share instructional and administrative resources.

♦ The infrastructure will result in an improvement in the general flow of information, in the services that can be provided more effectively and efficiently, in the accuracy of data collected, and in the technological applications available to students, businesses, and communities, both administratively and in the delivery of instruction.

10 NARRATIVE:

		1997-98	1998-99
6b	TOTAL REQUIREMENTS	560,000	560,000
7b	TOTAL RECEIPTS		
8b	APPROPRIATION	560,000	560,000
9b	TOTAL POSITIONS	0.00	0.00

- ◆ Increased savings to the State through increased Systemwide purchasing in key areas where such purchasing is cost-effective.
- ◆ Improved service to Community Colleges through upgrading of System Office.

WORKSHEET II EXPANSION BUDGET REQUEST

1
2 BUDGET CODE: 16800 DEPARTMENT: Community Colleges DIVISION/ INSTITUTION:
3 FUND NUMBER: 1600 FUND TITLE: State Aid - Institutions
4 PROGRAM NUMBER: PROGRAM TITLE:
5 TITLE OF REQUEST: Cultural Enrichment

6a STATUTORY CHANGES/SPECIAL PROVISIONS REQUIRED TO IMPLEMENT?

7a YES ☐ NO ☒

8a IF YES, ATTACH A COPY OF THE DRAFT.

9a

	1997-98	1998-99
6b TOTAL REQUIREMENTS	600,000	600,000
7b TOTAL RECEIPTS		
8b APPROPRIATION	600,000	600,000
9b TOTAL POSITIONS	0.00	0.00

10 NARRATIVE:

Purpose

This request is for \$600,000 in the first year of the biennium to fund competitive grants for Community Colleges to enhance programs and establish the colleges as cultural resources in their communities. Community Colleges may use the funds to bring professional artists into their communities, develop performance series or special-interest forums, design collaborations with local arts agencies or schools, or for other purposes to enrich and diversify their artistic and intellectual environments.

Justification for Funding

- ◆ The Carnegie Commission has called on Community Colleges to be the "conveners of public life." That role includes fostering the growth of the arts through support for professional artists, for innovative arts education programs and for community activities. It is particularly important for Community Colleges serving North Carolina's many rural counties, where distance and skyrocketing ticket prices often limit access to excellent performances and exhibitions.
- ◆ Arts activities are important parts of the service of Community Colleges. They enhance the community's overall quality of life; help recruit new employers interested in diverse, stimulating environments; bolster tourism; and, in cases where artists establish studios and related businesses, contribute to small business growth. The extremely productive relationship between the pottery program at Montgomery Community College and the thriving pottery business of the surrounding counties is just one of many examples of the dollars-and-cents benefits of a healthy arts community.
- ◆ The Visiting Artist Program, operating from 1971 until the early 1990s as a collaboration with the North Carolina Arts Council, demonstrated the benefits to the communities and the colleges of placing excellent artists in the Community Colleges. This new proposal takes the concept a step further, granting participating colleges more flexibility in designing arts experiences for their own areas.

Anticipated Outcomes

- ◆ Participation by up to 30 Community Colleges, with an average grant of \$20,000.
- ◆ Participation in new Community College arts activities by 30,000-50,000 citizens of all ages.

SUMMARY LIST OF CAPITAL BUDGET REQUESTS

Department Community Colleges

Capital
Priority
Number

	<u>Project Description</u>		<u>1997-98</u>	<u>1998-99</u>
1	Project request from colleges capped at \$2.5 million per request, pending survey update and priority listing to be determined by the State Board of Community Colleges.	Requirements	\$ 91,570,954	\$
		Receipts (Source)	0	0
		Appropriation	\$ 91,570,954	\$ 0
2	Renovation and repair allocation of \$100,000 per college	Requirements	\$ 5,900,000	\$
		Receipts (Source)	0	0
		Appropriation	\$ 5,900,000	\$ 0
3	Center for Applied Textile Technology	Requirements	\$ 2,412,600	\$
		Receipts (Source)	0	0
		Appropriation	\$ 2,412,600	\$ 0
		Total Requirements	\$ 99,883,554	\$
		Total Receipts	0	0
		Total Appropriation	\$ 99,883,554	\$ 0

Submit 6 copies on 8 1/2 x 11-inch light blue paper.

CAPITAL OUTLAY RESOURCE ALLOCATION FORMULA

Each college is surveyed as to their capital improvement needs and permitted to submit one project for their home county and one additional project for each other county in their service area that has a justifiable need. Colleges are asked not to make a request if they did not yet have either the required non-state match or a reasonable expectation of obtaining the non-state match.

The college's requests are then ranked according to the Capital Outlay Resource Allocation Formula which was approved by the North Carolina Community College Presidents' Association and the State Board of Community Colleges. That formula uses the following seven criteria for ranking purposes:

1. The ratio of adjusted assignable square feet of classroom, laboratory, office and study space to the adult population of the college services area. The adjusted space, factors in space that is fully funded and not yet in use and deletes space that is scheduled for termination.
2. The ratio of the colleges average annual adjusted FTE to the adult population of the service area. This FTE figure is adjusted to remove immured groups, in plant training and cooperative education FTE served off campus.
3. The capacity/enrollment ratio which is the ratio of a college's instructional and library space to the total weekly student clock hours of instruction.
4. Average weekly room hours of instruction in classrooms and class laboratories. This shows the average number of hours that these rooms are used for instructional purposes each week.
5. The ratio of local capital outlay funds encumbered to the total state and vocational education capital outlay funds appropriated.

6. Type of project being requested. The weighting factors in descending order are 1) classroom and laboratory space, 2) office and study space, and 3) other space.
7. Readiness to implement the project . Projects which are further along in the design approval process will receive the highest rating.

Following the Capital Improvement Resource Allocation Formula, there will be a limitation of two and one half million dollars per request.

PLAYING CATCH-UP EDITORIAL

Study: The South is imperiling its own future

The South, according to a report by the non-profit MDC Inc. research firm, doesn't fully understand where its own interests lie.

The report is no snide put-down. The business of the Chapel Hill-based firm is economic development, not tearing down. Its study, based on economic and demographic studies, is a warning that the region cannot, despite advances that have left us "better off by every economic standard than we were in the nostalgic 1950s," relax now.

The South, says the report, must choose: It can cultivate a prosperous economy by producing a better-educated work force, or it can be hit with a "double whammy" as employers and would-be workers find themselves straining to match jobs with abilities.

The findings are summarized even more bluntly: "A worker armed only with a high school diploma today has fewer prospects than a dropout a generation ago."

Note that the report did *not* say that today's high-schoolers would do just as well to drop out. Quite the opposite: Everyone would do better to stay in — and go on to further study after graduation.

Today, there aren't tens of thousands of small farms to assure a drop-out of a steady (if back-breaking and low-paying) job. But that's not all of it — or even the worst.

Today, even entry-level jobs in many fields of endeavor require a level of proficiency in math, science or computers that the average high school doesn't provide.

Furthermore, almost half of the South's adults have never attended either a college or a community college.

Obviously, employment promises to be a major problem. But it should be just as obvious that there's a related problem, every bit as serious: As existing skills are devalued by a more and more sophisticated work environment, even those who land jobs are going to find their prospects for better pay, benefits and advancement severely limited.

This is scary stuff — perhaps scary enough to persuade Southerners to embrace the study's recommendation that an all-out effort be made to promote post-high school education. We need to do that — not merely to close the gap between ourselves and the rest of the country, although that's more than a vanity issue, but because that's what is required if our state and region are to find and retain their places in a global economy.

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The Atlanta Journal
THE ATLANTA CONSTITUTION
Sunday



March 31, 1996

Business

Upgrading Southern skills

Aging workers will face challenges on the high-tech front

By Chris Burritt
STAFF WRITER

Jamestown, N.C. — In the basement of a red-brick factory that once made rifles for the Confederacy, Oakdale Cotton Mills is taking aim at a modern-day problem: teaching workers to run new machinery that turns raw cotton and polyester into finger-thick ropes.

In the past, when the old equipment broke, the employees knew just where to whack it with a hammer or adjust it with a wrench. Now the workers, many middle-aged and set in their ways, are learning to punch a keyboard on a tall rectangular box with blinking red lights and buttons.

"For a young person who has been trained on computers, it is easy," said Floyd Jones, who has worked 37 years at Oakdale, which dates to the Civil War. "But for a guy like me, 61 years old, you've got to start all over again."

In this era of corporate downsizings and factory closings, aging workers at one of the South's oldest textile mills would seem a sure bet for the unemployment line.

But a new economic forecast says aging workers will play a critical role in the South's future.

Faced with the prospects of fewer younger workers, companies will increasingly have to rely on aging baby boomers who fueled the region's economy in the 1970s and '80s, according to MDC Inc., a Chapel Hill, N.C., research firm that tracks economic and work force development trends.

End of an era

By 2010, the South will have 800,000 fewer people age 20-44 entering the work force, while the number of people age 45-64 will swell by 8 million.

Many of those aging workers lack the proper education to handle the continuing onslaught of technological change.

"The era of surplus labor is at an end, and the South finds itself with the task of preparing an aging work force for the emerging new economy," MDC says in its first State of the South report. The 85-page report was funded by BellSouth Corp., the Ford Foundation, Wachovia Foundation and the Z. Smith Reynolds Foundation.

Industrial trainers working on the factory floor are already dealing with aging workers fearful of learning new skills or who lack basic skills because they never finished school. Increasingly, workers are required to make decisions on their own as companies slash supervisory jobs to save money.

"Basic training used to mean reading, writing and arithmetic," said Karen

■ **INSIDE:** The State of the South Report looks at the challenges. **Excerpts, B5.**

Hartsoe, an industrial instructor at Guilford Technical Community College, which is working with employees of Oakdale Cotton Mills and other old-line manufacturers.

"But it now involves teamwork, listening, problem solving and learning to learn."

Oakdale's owners brought in Guilford Tech instructor Charles Daniels to teach problem solving. He works with teams of five employees who figure out ways to improve the quality of yarn and reduce waste in cotton and polyester. The emphasis is on teaching individuals to think for themselves, in contrast to management's paternalistic style that in years past bloated the payroll.

"This was a family business, and if you liked somebody, you told him, 'You supervise this or that,'" said Billy Ragsdale, 52, Oakdale's fifth-generation president. "But this day and time you cannot afford those kinds of costs."

MDC President George Autry said Oakdale's efforts illustrate the massive need to re-educate and retrain aging workers. Autry said state governments, community colleges and four-year institutions need to work closely to create modern-day versions of agricultural extension programs geared to upgrading skills in business and industry. And high schools need to do a better job of preparing students for the workplace, he

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Photos by KARL DeLAKE / Spectra

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Oakdale Mills, around since the Civil War, is tackling the modern-day problem of retraining workers.

added.

"Most jobs of the future will demand solid thinking skills as well as specialized training," MDC's report said. They will require more than a high school diploma or the skills traditionally taught at vocational schools, but less than a university education.

The report's prime conclusion?

"The states that prosper will be those that educate and train the 75 percent of the population who do not receive university degrees."

WINNERS AND LOSERS

Projected yearly job growth or loss among major Southeastern industries for 1993 through 2010:

Service and trade jobs

Retail trade	93,400
Health services	82,100
Business services	81,500
Social services	27,900
Durable goods manufacturing	8,500
Educational services	7,200

Traditional jobs

Tobacco products	-700
Oil/gas extraction	-900
Coal mining	-1,500
Apparel	-2,500
Textile mill products	-3,700
Household services	-4,100

Source: U.S. Bureau of Economic Analysis

THE AGING WORK FORCE

By 2010, the number of workers age 45-64 in the Southeast will have swelled by 8 million. At the same time, there will be 800,000 fewer younger workers entering the work force.

Change in number of people

20-44 years old	Down 800,000
45-64 years old	Up 7.9 million
65 and older	Up 2.8 million

Source: Current Population Report, Southeast, 1993-2010

ECONOMIC FOCUS

North Carolina Snared Record Investments in '96

By KEN GEFFERT

Staff Reporter of THE WALL STREET JOURNAL

North Carolina is back.

Less than a year after its once-vaunted industrial-recruiting program appeared dead in the water, the Tar Heel State has rebounded with a vengeance. And to prove it, the state will announce, probably today, that it snared a record \$7.38 billion in announced investments by new and expanding companies last year.

The investments by a total of 1,215 companies position North Carolina to

A Banner Year

Projects announced in 1996

1993	946
1994	1,061
1995	780
1996	1,215

reclaim its title as the nation's top recruiter—an honor lost as other states offered richer corporate tax breaks while North Carolina's own industry-hunting program was put on hold by a court challenge.

The totals represent stunning jumps. The 1,215 companies announcing relocations or expansions are 56% more than in 1995; the \$7.38 billion is a third more than the year-earlier total. If all projects materialize as announced, nearly 55,000 jobs would be created.

"The message is very clear," Gov. James Hunt said in an interview Monday. "North Carolina wants new business investment . . . and we're committed to do our part to help business locate and expand here."

Now the state is about to make a change in its top recruiter. Commerce Secretary Dave Phillips, who helped prod the Legislature to fatten the state's corporate incentives last year, is expected this week to leave the full-time post after four years. But he's likely to remain a close adviser as the volunteer head of the governor's Economic Development Board. Mr. Phillips won't comment on his plans.

Part of North Carolina's flashy numbers reflect an overall increase in industrial investment as companies re-

states. A Rust Belt state, Ohio, even eclipsed North Carolina as the nation's most prolific corporate recruiter.

The low point came in August 1995 when a judge in Winston-Salem ruled that some incentives offered by the state's local governments were an illegal giveaway of public money. That "cast a pall" over economic development, Mr. Phillips says, as companies feared any inducements offered in North Carolina could be in jeopardy.

But things started to look up last March when the North Carolina Supreme Court upheld the use of local incentives. Then, after a standoff with state legislators opposed to more generous state-level inducements, Gov. Hunt won approval of a \$183 million package of tax cuts and credits, following vigorous lobbying by Mr. Phillips and Dill Lee, then chairman of the governor's advisory Economic Development Board.

Now, Mr. Phillips is likely to take the slot vacant since Mr. Lee's death last July. As the chairman of the advisory board, Mr. Phillips would be in a position to push other changes in recruiting policy, while also serving in another high-profile job as chairman of the 1996 Special Olympics, being hosted by North Carolina.

Interest in North Carolina picked up sharply during the second half of 1996. With new or expanded tax credits for investment, job creation, employee training and research-and-development, local developers began to get second looks from relocating and expanding companies.

Kenneth M. Atkins, president of the nonprofit Catawba County Economic Development Corp. in Hickory, says a 5% research and development credit against state taxes helped land a telecommunications company that will announce a Catawba research facility within weeks. "I said we've got something we didn't have before, and they said, 'This could make a difference,'" recalls Mr. Atkins.

Statewide, in addition to last year's record pace, "four or five" companies are close to announcing new projects, including two manufacturers each employing 100 or more in western North Carolina, says Gary Carlton, head of the Commerce Department's recruiting operation. "Doesn't that sound refreshing?" he asks, adding that his recruiters are working weekends squiring prospects around the state—a sharp contrast to the dog days of last winter.

Now North Carolina is gunning for the No. 1 ranking as the nation's top recruiting state in an annual ranking by Site Selection magazine. Ohio has topped the list, based on the number of new and expanded facilities landed for the past

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A Banner Year

Projects by new and expanding manufacturers in North Carolina

Number of projects

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1996	1,215

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Part of North Carolina's flashy numbers reflect an overall increase in industrial investment as companies remain upbeat about the economy. "Companies are not just building new plants—they're revitalizing entire operations," says Bill Dorsey, managing principal of Fluor Daniel Consulting, a site-selection firm in Greenville, S.C.

Still, Mr. Dorsey adds, "North Carolina has turned things around. They're back in the thick of it."

The '90s have been rocky for a state accustomed to winning the corporate recruiting wars. Earlier this decade it lost the Southeast's high-stakes bidding battles for auto plants, first BMW to South Carolina and then Mercedes-Benz to Alabama. In 1995, Virginia beat out North Carolina for a hotly contested Motorola semiconductor plant. A troubling theme emerged: North Carolina's traditional lures, such as a model technical-training program and low unionization rate, were no match for more-lucrative tax incentives offered by other

states. After a slushy start, however, voters opposed to more generous state-level inducements, Gov. Hunt won approval of a \$183 million package of tax cuts and credits, following vigorous lobbying by Mr. Phillips and Bill Lee, then chairman of the governor's advisory Economic Development Board.

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But with its recent surge, North Carolina, ranked third last year behind Ohio and Texas, "probably will" regain its old No. 1 spot in rankings due out next month, says Linda Liston, senior vice president for Conway Data Inc., publisher of the Norcross, Ga., magazine.

Why worry so much about a ranking? Such listings can influence other companies considering relocations, consultants say. Indeed, North Carolina is readying a direct-mail ad to 5,000 chief executives and relocation consultants that touts other, more-subjective top rankings.

But Gov. Hunt concedes it won't be easy to sustain record investment. He's already preparing to urge the General Assembly to add another inducement: greater incentives to companies that locate or expand in distressed urban areas. "We're going to have to hustle a whole lot more," the governor says.

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Ready to Work

To Bolster Economies, Some States Rely More On Two-Year Colleges

Specific Job Training Attracts And Retains Employers In North Carolina County

The Payoff: the Paychecks

By FRED R. BLEAKLEY

Staff Reporter of THE WALL STREET JOURNAL

GREENSBORO, N.C. — In the war among the states over economic development, many states offer tax breaks to lure companies in or dissuade them from leaving. But here in North Carolina, the secret—and often more successful—weapon is job training at community colleges.

In Guilford County, halfway between Charlotte and Raleigh, Guilford Technical Community College turns out a steady supply of graduates in more than 50 fields while racing to update its curriculum and equipment as business needs change.

GTCC largely explains why the thriving county's per-capita income has quintupled in 20 years to more than \$22,000, why cutbacks in its textile, furniture and tobacco work forces have gone so smoothly and why the unemployment rate is only 3.5%. Nonagricultural employees in the county now total 253,000, up from 140,000 in the early 1970s.

An Array of New Jobs

"You look across the county now and you'll see telecommunications, auto-parts, electronics, plastics, metalworking, customer-service and financial jobs that weren't here in the 1970s," says Don Jud, an economist at the University of North Carolina at Greensboro. "GTCC has been the key to that."

Other Guilford County colleges, such as North Carolina Agricultural and Technical University, feed skilled workers to local companies as well. And many "comprehensive" community colleges like GTCC are spread around the country. California, South Carolina, Texas, Florida and other states support large community-college systems devoted to training and retraining workers for skilled jobs while broadening their outlook through liberal arts.

But few states have been as successful as North Carolina in building a manufacturing work force. The Tarheel State says that in each of the past eight years, it has been among the top three states in new-plant locations. Five of North Carolina's attracting one business after another (including some from Maryland). Maryland Gov. Parris Glendening persuaded the state Legislature to double funding for community colleges this year.

Other States Take Notice

"Other states are beginning to wake up to the North Carolina model," says George Autry, president of MDC Corp., a labor think tank in Chapel Hill, Louisiana. Mississippi and Kentucky, he adds, want to start gearing their community colleges more toward economic development.

States are realizing that community colleges can help raise the living standards of millions of Americans. Two-year schools can encourage young and old workers alike to pursue education beyond high school without requiring the time and expense of a four-year college degree.

What makes such schools important is the transformation of many dead-end, repetitive factory and office jobs into work that requires employers and their shrinking work forces to keep improving and expanding their skills. To spur education beyond high school, President Clinton has proposed a \$1,500-a-year tax credit for students at two-year schools.

Wooling the Japanese

North Carolina has attracted employers so effectively partly because it was the first state, and still is only one of a few, to offer free custom-training of workers in the specific skills a company needs. To attract Konica Corp. of Japan, GTCC officials went to Tokyo a few years ago to learn the manufacturing skills that the filmmaker required and that they should teach.

To students, GTCC offers the prospect of a good job at a tuition cost of less than \$1,000 a year for full-time students. That is why GTCC's three campuses are packed with 10,000 students each day. A walk around the main campus — a sylvan 100 acres in Jamestown, just outside Greensboro — is like a tour through a commercial website. One path leads past a new Applied Technology Center, which houses 800 computers. Another goes by a Transportation Complex, where a Volvo AB truck-making unit is funding a new diesel-repair program and General Motors Corp. and Ford Motor Co. are relying on GTCC to train technicians in computer diagnosis of engine problems. Along the way are Dental Science and Business Careers buildings and signs pointing to Furniture Hall, Packaging Center and Machinery Hall.

And while the campus looks like a big-time university's, its students' ages range much more widely. More than half of GTCC's 10,000 students are at least 25, and about a sixth of them already have bachelor's or master's degrees.

Hurrying across the campus one recent day is Duchess Livingston, a 25-year-old single mother of three. She is learning to become a doctor's aide, a job paying more than \$20,000 a year, while working part-time as a grocery clerk. Her goal: to move out of a housing project.

Like Ms. Livingston, three-fourths of GTCC's students are working full- or part-time while attending school. They make the effort, Prof. Jud says, "because they

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Two-Year Colleges Can Help Create Jobs

Continued From First Page
see people actually getting jobs."

A study of about 600 recent graduates showed that 10% of them had a starting salary of more than \$35,000 a year, 26% began at \$25,000 to \$30,000, and only 13% were earning less than \$10,000. Jobs with high starting salaries included industrial maintenance (28 of 40 grads started out at more than \$30,000) and dental hygienists (20 of 34 grads began above \$30,000). As the hygienists' pay indicates, the ripple effect of new manufacturing jobs has produced a thriving service economy as well.

Another study, by North Carolina State University, shows that hourly wages of 2,600 of the state's community-college graduates rose an inflation-adjusted 9% to 17% in the four years after leaving school. Even those not getting a two-year degree were ahead of where they would have been with only a high-school diploma.

So, while broken dreams are the legacy of much job-training, GTOC's students see its formula — a mix of technical skills and liberal arts — as a way to get ahead.

Mastering Manufacturing

Debra Grubbs, 20, is going to GTOC full-time during the day and holding down a nearly full-time job as an apprentice technician at Dow Corning Corp., which starts each night at 11 p.m. Instead of attending a four-year college where "I would have been one of those students jumping from one curriculum to another," she is mastering manufacturing skills, such as the use of computers to control machines that fill vats of chemicals.

Although "the hours are killing me," she is eager to "earn my own keep, like my mom says, and work with my hands and my head." If Dow Corning hires her after she graduates next June, as seems likely, she will earn more than \$20,000 a year to start and get an opportunity to advance.

One graduate who has already moved up the ladder is William Giordano, who

enrolled in GTOC after drifting through a series of what he calls "poverty level" retail jobs and got an associate degree in electronic engineering in 1981. He now earns \$70,000 a year fixing machines in a factory owned by the Lorillard Inc. subsidiary of Loews Corp. At 45, he lives with his wife and two young daughters in a contemporary ranch home near Greensboro.

For Banner Pharmaceuticals Inc., a Dutch-owned pharmaceuticals company, GTOC's offer to find and train workers was a big factor in recently moving a plant to the area from Newark, N.J. First, GTOC screened each candidate in a simulated factory for 15 hours. "I sat back, watched everyone play ball and then picked my team," says Don Hebner, vice president and general manager.

Then, for three months before the plant opened, GTOC trained 225 workers in process control, machine maintenance, packaging and other skills. With the plant now up and running for three months, Mr. Hebner couldn't be happier. When Ban-

ner's directors from the Netherlands were touring the plant last month, he noted that it is 12% more productive than similar Banner facilities in Mexico and Canada.

Remedial Skills Taught

Equally important to Guilford County is the way existing businesses can retrain workers, mostly at GTOC's expense, in everything from supervisory skills to blueprint reading and computer basics.

At Convatec, a manufacturing unit of Bristol-Myers Squibb Co., GTOC is bringing workers up to speed in remedial skills. Billie Overly, a 57-year-old warehouse worker with a reading problem, "faked it a whole lot" until her recent course, taken on company time. No longer does she shy away from new projects, a habit that had held her back. "Now I feel like I should be right up there with the rest of them," she says.

Despite its efforts, GTOC realized a few years ago that it might not be turning out enough graduates with the skills needed by many local employers. So,

it commissioned a study. Companies told the college that it wasn't teaching the courses they needed and that the basic math and English skills of too many of its graduates were weak. AMP Inc., an electronic-parts maker, saw that employees sent there for retraining as machinery-repair technicians still couldn't be promoted to higher-level jobs; the college's equipment was outdated. Robert Mackey, president of machine-tool maker Burckhardt America Inc., needed better-trained recruits to reduce downtime on expensive machinery.

To attack such problems, GTOC President Don Cameron and Schools Superintendent Jerry Weast formed a turf-free alliance to better prepare students. Slowly, companies in one industry after another backed the effort. First it was the metal-working industry, sponsoring an ambitious high-school/higher-education apprenticeship and curriculum. Then, last April, a Greensboro Chamber of Commerce group committed more than \$3 million for the transportation, financial, furniture, textile and chemical industries to embark on similar programs.

"In the past, our faculty designed the curriculum, and labs and business rarely

came to the table," Mr. Cameron says. "Then, when companies said that wasn't good enough, we got defensive." Now, he adds, "we're partners."

Rapid Growth Expected

More than 100 students are enrolled in the fledgling programs, and within a few years about 1,000 high-school and GTOC apprentices will be in training. To encourage interest, business executives visit grade schools and run plant tours.

Mr. Cameron welcomed the business attention, partly because companies funded a lot of new equipment. Despite the successes at community colleges, North Carolina, like most states, is too strapped by prison costs and other social needs to keep community colleges up to date. The \$549 million that North Carolina's 58 community colleges receive annually still leaves them about \$160 million short of their needs, officials of the North Carolina Community College System say.

While the community-college/business alliance seems to be working well to help fill the skilled-labor gap in Guilford County, it is unclear whether similar linkups will work broadly throughout the nation. Labor Secretary Robert Reich,

long a fan of community colleges, says he is encouraged because of evidence "business is rapidly getting involved in shaping particular courses and community-college curriculums all over the country."

But as business makes its wishes known to community colleges, it is likely to face opposition. Some people ask: How much public funding for community colleges should go toward subsidizing skills tailored for a specific company? And many educators argue that the prime mission of a college, even a two-year college, should be to broaden students' minds through liberal arts rather than lead them into blue-collar work.

Those arguments may well fade away. But one challenge that may continue to impede community colleges is the American dream of receiving a four-year degree. That dream is diverting many bright students from the practical-skills training they can get at schools such as GTOC.

Even though there aren't enough high-paying jobs for unskilled college graduates, says Jamie Vollmer, a consultant in Fairfield, Iowa, telling parents that a community college is the best option is often viewed as "tantamount to saying their children have a genetic virus."

Stalemate

A juror's refusal
to cooperate stalls
Food Lion deliberations
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Local

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'Time to resolve'

EPA ombudsman tries
to broker truce
in Paw Creek conflict
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Investing in job training

Higher state reimbursements may boost college offerings

By PAM KELLEY
Staff Writer

Years ago, occupational extension courses at N.C. community colleges included lots of offerings for the hobby enthusiast: cooking, quilting, genealogy.

Now, though, these noncredit courses include a broad array of work-force training, everything from short computer classes to recertification classes for emergency medical technicians.

But while the offerings have changed — and, many college officials argue, become crucial to North Carolina's economic well-being — the state still funds the courses at 55 percent the rate of for-credit classes.

A new consultant's study recommends changing the funding formula to give these courses equal billing, a move that would

cost \$27 million a year. Community college leaders say the extra funding would result in more occupational extension classes statewide, and help schools reduce class size and hire better-qualified teachers.

A committee of the N.C. Board of Community Colleges is scheduled to take its first look at a consultant's study today.

Community college officials hope they'll get at least some of the new money for their 1997-98 budget. Legislators know such classes "are so vital to the economic development of the state," said Benson Otovo, the community college system's vice president for business and finance.

In fact, legislators told the N.C. Community College System to study its funding formula last year, partly to find out the



Preston Gist (left), who teaches the masonry classes at CPCC in Charlotte, gives his student, Kenneth Cox, some pointers on trimming a brick to go over a drain Wednesday.

cost of increasing occupational extension funding. Legislators wanted to know how much money it would take to give schools as much money to offer

occupational extension classes as they now get for credit classes, such as nursing or English.

See MONEY / page 5C

Classes that lead to jobs may get more

MONEY

Continued from page 1C

Today, the bulk of the state's community college students — nearly 54 percent of the 779,552 students who attended in 1995-96 — enroll in occupational extension classes.

At Central Piedmont Community College, the demand for some classes — such as computer classes — routinely exceeds supply. An instructor for an occupational extension course might make \$400 for a class that meets 20 hours.

The classes serve students like Kenneth Cox, who enrolled in a brick masonry class at CPCC after graduating from West Charlotte High in June.

"I saw a lot of job openings and it's something I could see myself doing," said Cox, 18. "I think it's an art form because there are a lot of patterns, designs and techniques to master."

Enrolling came down to dollars and sense for John Page, who works as a custodian at Carmel Middle School in the afternoons and evenings, and takes the masonry class from 8:30 a.m. to 1:30 p.m. Page, a native of Liberia, said brick masonry is a good-paying job — one that will hopefully return him to his homeland.

"If I had known, I would have started taking classes earlier," said Page, 41. "If I get a good job here, I'd like to save money, return to Liberia and start my own mason business."

The community college's funding-formula study was conducted by MGT of America, the same company that analyzed the University of North Carolina system's funding last year and concluded that five campuses, including UNC Charlotte, had been shortchanged for years.

The N.C. Board of Community Colleges is expected to vote Friday on whether to approve the study's recommendations, but it'll be legislators who decide whether to pay for the changes.

That decision will likely depend on how much money's available, said N.C. Rep. Robert Grady, a Republican from Onslow County who's co-chair of the House Education Appropriations Committee. "In a perfect world, if money was available, I think the legislature would look upon it favorably," he said.

The study also suggests increasing funding for literacy and basic skills courses, now funded at about 90 percent the rate of credit classes. That would take about \$6 million a year and, officials say, likely entice colleges to offer more literacy classes.

Staff writer Sean Jensen contrib-

31-B

[RETURN TO FRONT: NORMAL or LOW]

THE NEWS OBSERVER
Thursday
July 25, 1996

Community colleges find a new niche

Technical training can resuscitate a career

BY TIM SIMMONS, Staff Writer

Lori Dwinell felt pretty good about her degree in psychology when she graduated from Appalachian State University in 1990. After all, she had been told repeatedly that psychology grads could "do just about anything" with their four-year degree.



Unfortunately for Dwinell, that included a dead-end job as a research assistant. By 1992, she had quit her job, started a family and decided to go back to school -- this time at Johnston Community College.

"I never would have gone to a community college before," said Dwinell, a Clayton resident. "But I needed to improve my job options."

Dwinell has plenty of company. Victims of a shifting job market or their own poor choices, thousands of college graduates are enrolling in the Triangle's community colleges to boost their professional careers.

From microcomputers to truck driving, campus officials say as many as one-fifth of their students are using the community colleges to enhance careers or switch professions altogether.

"It used to be that college graduates came here mainly for pleasure courses," said Jerry Kornegay, dean of enrollment at Wake Technical Community College. "But as jobs change and our courses become more sophisticated, many are here because they need to be here."

Campus officials aren't sure exactly how many four-year grads are attending community college to upgrade skills or change careers, because each campus keeps its numbers differently.

But they know that roughly 30 percent of their students are college graduates and that pleasure courses no longer draw the way they used to. So they suspect the figure is somewhere around 20 percent.

That means the majority of community college students are still enrolled in traditional courses such as basic literacy or

auto mechanics. But corporate cutbacks and the growing importance of technology are clearly changing the mix of students.

"I had a fine liberal arts education," said Jeffrey Sacks, a graduate of the University of South Carolina with a degree in international studies. "I can write a hell of a research paper. But I wasn't the least bit fluent with computer software packages. I'm going to need that if I want to further my career."

So Sacks, 29, a research assistant at FGI in Durham, is working on his associate's degree at Durham Technical Community College.

He is enrolled in the Microcomputer Systems Technology Program, where he is learning to manipulate common software programs such as Novell and Visual Basic in addition to understanding the basics of operating systems such as UNIX.

Technology also is what lured John Fox to the campus of Wake Tech. A graduate of N.C. State University with a degree in parks and recreation, he is now taking courses in Scientific Visualization Computer Graphics

The two-year program teaches students how to create computer-generated animation, special effects, 3D-product design and computer modeling.

The process is used by a wide range of companies that want to translate volumes of abstract numbers into pictures that are easier to understand. The Environmental Protection Agency, for example, uses it to show sulfur dioxide concentrations over various parts of the country, while parts manufacturers use the same process to track injections of plastics into intake manifolds.

"Before this, I thought community colleges were for people who somehow couldn't make it," Fox said. "Or maybe for trades people like plumbers or welders. I don't think that anymore."

Skills that pay off

Not everyone with a four-year degree is hooked by such high-tech courses.

Some are simply finding that people with two-year associate's degrees can earn more money than four-year graduates -- at least in the short run.

"I graduated with an economics degree and I didn't really find a whole lot out there," said Kelly Radford, a 1992 graduate of UNC-Chapel Hill. "What I did find wasn't very appealing."

Two years later, Radford was taking nursing classes at Johnston Community College, in the same program that

32-B

attracted Lori Dwinell.

Both women are working full-time in area hospitals, and Radford says she is making more money and looking at more career options than she ever had before.

"It was a great experience going to a four-year university," Radford said. "But there are so many choices there and sometimes you don't know what to do. It's easy to lose your focus, and by the time you realize it, it's too late."

Vic Hackley has never met Radford, but he has heard her story hundreds of times. Hackley is president of the state's community college system, the former chancellor of Fayetteville State University and former vice president for Student Services with the UNC system.

The mix of experience has provided him with some unusual insights into why so many university graduates are now turning up in community college classrooms.

"It's true that part of the reason is simply poor choices by students and negative stereotypes of community colleges," Hackley said. "Some of these students believe -- and so do their parents -- that the only path to a respectable middle-class job is a four-year degree."

But part of the problem rests with public schools that don't require more of graduates and universities that are embarrassingly out of touch with the job market, Hackley said.

"No student from middle school on should ever have to wonder why they are being asked to learn something. It should be obvious to them that knowledge is meant to be applied," Hackley said. "And no university should let students wander through the curriculum and then be surprised that the marketplace has no job for them. But that is exactly what is happening."

The mismatch helps explain why health technicians and computer programmers can start at \$30,000 a year or more while people such as Fox and Radford struggle to find jobs that pay \$25,000.

Even some training courses such as the truck driving classes at Johnston Community College have lured college graduates with better pay.

"I have a degree in biochemistry from North Carolina State University and I ran my own business for 13 years, but those skills don't count for much in today's market," said Gary Whaley.

"I don't think I'll drive a truck forever, but when I'm done I might very well come back to the community college for more education."

33

New view of education

Hackley isn't suggesting that a two-year degree or a training course will be enough to carry students through their careers. But he joins a growing number of people who say more high school graduates should consider community college first if they don't know what they want from a four-year degree.

"It's obviously cheaper and faster and you are going to need the work experience anyway when you look for a job after finishing your four-year degree," said Patrick Scheetz, director of the Collegiate Employment Research Institute at Michigan State University.

The idea that a four-year degree will guarantee anything -- even an interview -- is simply faulty, Scheetz said. But based on the way students select majors and universities run their schools, it doesn't appear too many people understand that fact of corporate life.

Too many students still graduate with too little work experience, no outside activities and too few computer skills. Not surprisingly, fewer than 40 percent of the nation's college graduates end up with a degree that employers consider marketable, according to surveys done by Scheetz's research institute.

In many cases, the problem can be traced to high school, where four out of every five high school graduates slam the door on dozens of potential careers before they even reach college.

"There's a whole lot of majors you simply can't pursue if you decided in high school that you hated math and stopped at algebra and geometry," Scheetz said.

That's why people such as Hackley and Scheetz urge students to rethink their stereotypes about community colleges and education in general.

"If you want your earning power to increase, you aren't done after community college," Scheetz said. "Study after study shows that."

And once the four-year degree is in your pocket, it won't be long until you realize that isn't enough, Hackley said.

That's not a lesson that most four-year grads learn in college. But for those returning to community colleges, it's a lesson they have pretty much mastered.

"I have always believed that I should never stop learning," said Sacks, the research assistant at FGI. "I guess that's a good thing, because it looks like it will be a requirement for my whole career."

B
3-
M

MINUTES

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

April 22, 1997

The House APPROPRIATIONS/Subcommittee on Education met at 8:30 AM on April 22, 1997 in Room 421 in the Legislative Office Building. Representative Gene Arnold presided and the following members were present: Representative Grady, Co-chair, Representatives Black, Davis, Oldham, Reynolds, Rogers, Shubert, and Yongue. Staff Counsels Charlotte Todd, Jim Johnson and Jim Newlin were present to assist the Committee. A visitor registration sheet is attached and part of the minutes.

Chairman Arnold welcomed guests and announced a change in the agenda. The only item on the agenda would be Senate Bill 286 New and Expanding Industry Funds.

Representative Robert Grady was recognized to explain Senate Bill 286 New and Expanding Industry Funds on behalf of Senator Beverly Perdue, bill sponsor. Representative Grady explained that the bill was to allow the appropriation of emergency funds in the amount of 4.7 million dollars for the New and Expanding Industry Program which had run out of money. Representative Davis asked if Central Community College was included in this. Charlotte Todd informed him that it was.

Representative Oldham asked for an explanation of how certain colleges use more money than others. Charlotte Todd answered by saying that certain colleges are without supervision. Representative Oldham commented on the accountability of college personnel in regard to this spending. Representative Rogers asked about the shortfall and whether the money would be applied across the board or just to those schools that had the shortfall. Representative Grady answered by saying that the shortfall of funds was out of the central office and that there was no shortfall by campus, but that it was system-wide.

Chairman Arnold introduced Dr. Barry Russell, Senior Vice President, Department of Community Colleges. Dr. Russell explained the New and Expanding Industry Program and its necessity and success. He explained that accountability is very important. He continued by explaining that the need for emergency appropriations was not because the Community colleges overspent, but that it was just an unusual year in Economic Development. Representative Rogers asked for clarification that the 6.1 million dollars in the continuation budget as well as the surplus money was all spent. Dr. Russell verified that the 6.1 million dollars that was appropriated was spent as well as system reversions, but that they got caught under Act 143 which did not allow them to transfer any unused money because the original appropriation request for that money was turned down.

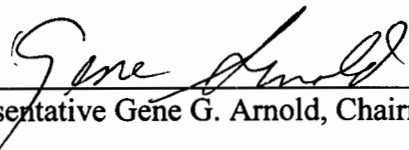
Representative Grady asked Charlotte Todd for the total amount spent this year so far, and she informed him that it was the original 6.1 million dollars that had been appropriated as well as 2.7 million dollars carried over from last year. At this point, Representative Black asked if anyone was opposed to the bill. Representative Arnold replied that although there wasn't any opposition to the bill, they did have other people scheduled to speak.

He introduced Mr. Don Hebner, President, Banner Pharmacaps. Mr. Hebner praised the training program and stated that it was a factor in the relocation of the headquarters of his company. Rep. Reynolds commented that he had recently toured the Pharmacaps facility with the Ambassador of Holland who found it very impressive. Chairman Arnold introduced Mr. Phil Kirk, State Board of Community Colleges. Mr. Kirk stated that in light of Representative Black's comment the would not present his speech. He did mention that the State Board was taking the mandate to take this program seriously and he asked that they please take action today.

Representative Shubert made a motion that the committee rule unfavorable to the Bill and favorable to the Committee Substitute. Chairman Arnold asked for further comments from the floor. Representative Yongue made a comment about future funding needs.

Chairman Arnold called for a vote and all members concurred. The motion carried.

The meeting was adjourned at 9:07 am.


Representative Gene G. Arnold, Chairman


Carolyn B. Popson, Committee Clerk

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Wednesday, April 23, 1997

MINUTES

The House Appropriations Subcommittee on Education met on Wednesday, April 23, 1997, at 8:30 a.m. in Room 421 of the Legislative Office Building.

Members present were Representatives Grady, Preston and Arnold, Co-chairs; Representatives Black, Davis, Oldham, Reynolds, Rogers, Shubert and Yongue. Catherine Sherrill, House Page from Iredell County, was recognized.

Representative Grady called the meeting to order. The committee began proceedings on hearing House Bill 351-The Excellent Schools Act.

Representative Arnold put forward amendments to House Bill 351 and moved that they be adopted. (See Handout #1). The amendments passed by unanimous voice vote. Representative Arnold explained that the intention was to pass House 351 as amended. That bill will be sent to the Floor and held in abeyance. Senate Bill 272 will then be addressed and House Bill 351 rolled into Senate Bill 272. Representative Grady asked if there were further amendments to House Bill 351.

Representative Arnold made a motion that House 351 be given a favorable report as amended and rolled into a committee substitute. The motion passed by unanimous voice vote.

Representative Arnold made a motion to roll House Bill 351 as amended into Senate Bill 272 as a proposed committee substitute. The motion passed by unanimous voice vote.

At this time, the committee addressed Senate Bill 272 which now included House Bill 351 plus amendments that were unanimously adopted.

Representative Grady called for a five-minute recess to give committee members time to look through Senate Bill 272 and draft amendments if desired. Following the brief recess, Representative Grady gave members the opportunity to ask questions or to offer amendments.

Wednesday, April 23, 1997

Minutes

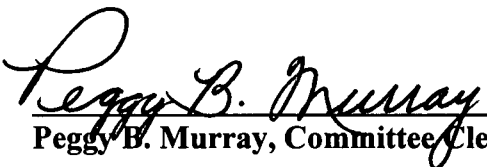
Page 2

Representative Arnold made a motion for a favorable report to the proposed committee substitute for Senate Bill 272. The motion passed unanimously by voice vote and Representative Grady said that Senate Bill 272 would go to the House floor.

There was no further business to come before the Committee today. The meeting was adjourned.

Respectfully submitted:


Representative Robert Grady, Co-Chair


Peggy B. Murray, Committee Clerk

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

APRIL 23, 1997

Representative Robert Grady

House Bill 351 Excellent Schools Act, Proposed Committee Substitute

Senate Bill 272, Excellent Schools Act

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education

Wednesday, April 23, 1997 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Learne Winer	EGHCS
Harry S. Johnson	BBC
Bill Wilson	NCAE
John Wilson	NCAE
Christopher B. Minter	UNCGA
Teena Little	MCACCT
Hal Miller	MCACCT
Glenn Norris	Public School Free of NC
Suren Sark	Gov.'s Office
Harold Winkler	NCA SA
Jim Crutts	NCA SA
Michael Stephens	CISNC
David Brown	DSBM

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education

Wednesday, April 23, 1997 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Swan Harrison	WCPSS
Gene Causby	E - EBC
Tim McDowell	NCAICU
Ann Bertram	SBE
Ron Thompson	DPT
David Howell	DPT
Sarah Stewart	AFT/NC
Megan Carney	B&W Intern- NASU-NC
Kay Dancy	OSPL
Tom Haulick	Gov Office
Lue Adams	OSBM
John Rizzo	11

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education

Wednesday, April 23, 1997 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Maurice King

05B4



4.23-97
Arnold

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 351

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

H351-ARC-013.3

Date _____, 1997

Comm. Sub. []
Amends Title []
Second Edition

Representative Arnold

- 1 moves to amend the bill on page 2, by rewriting lines 17-18 to read:
2 "C. CAREER STATUS DECISION TO BE MADE ONE YEAR AFTER CONTINUING
3 CERTIFICATION AWARDED";
4
5 and on page 2, line 34 by deleting the words:
6 "FEWER STEPS IN SALARY SCHEDULE,";
7
8 and on page 4, between lines 42 and 43, by inserting the following:
9 "(c) Nothing in this section shall be construed to prohibit or
10 postpone the ability of the State Board to dismiss a teacher,
11 assistant principal, director, or supervisor for inadequate
12 performance under G.S. 115C-325(q)(2).";
13
14 and on page 11, by rewriting lines 1-2 to read:
15 "C. CAREER STATUS DECISION TO BE MADE ONE YEAR AFTER CONTINUING
16 CERTIFICATION AWARDED";
17
18 and on page 11, by rewriting lines 7-9 to read as follows:
19 "for ~~three~~ four consecutive years, the board, near the
20 end of the ~~third~~ fourth year, shall vote upon ~~his~~
21 ~~employment for the next school year, whether to grant~~
22 the teacher career";
23
24 and on page 11, line 19, by deleting the word "sixth" and inserting
25 the word "fourth";
26
27 and on page 11, by rewriting lines 31-41 to read as follows:



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 351

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

H351-ARC-013.3

Page 2 of ____

1 "serve another probationary period of more than two
2 years. years, and may, at the option of the board, be
3 employed immediately The board may grant career status
4 immediately upon employing the teacher, or after the
5 first or second year of employment. as a career
6 teacher. In any event, if the teacher is reemployed
7 for a third consecutive school year, he shall
8 automatically become a career teacher. A teacher with
9 career status who resigns and within five years is
10 reemployed by the same local school administrative
11 unit need not serve another probationary period of
12 more than one school year and may, at the option of
13 the board, be reemployed as a career teacher. In any
14 event, if he is reemployed for a second consecutive
15 school year, he shall automatically become a career
16 teacher. The board shall not reemploy the teacher if
17 after the second consecutive year: (i) the board fails
18 to vote on granting career status; (ii) a majority of
19 the board votes against granting the teacher career
20 status; or (iii) the board vote regarding granting the
21 teacher career status results in a tie.

22 (2a) Notice of Teachers Eligible to Achieve Career Status.
23 -- At least 30 days prior to any board action granting
24 career status, the superintendent shall submit to the
25 board a list of the names of all teachers who are
26 eligible to achieve career status. Notwithstanding
27 any other provision of law, the list shall be a public
28 record under Chapter 132 of the General Statutes.";
29

30 and on page 13, line 6,
31 by deleting the word "align" and inserting the word "consolidate";
32

33 and on page 13, line 8 by rewriting the line to read:
34 "or other organizational changes.";
35

36 and on page 15, by rewriting lines 16-18 to read as follows:
37 "been employed by a North Carolina public school
38 system for four consecutive years, the board, near the
39 end of the fourth year, shall vote upon whether to
40 grant the teacher career status. The board";



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 351

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 3 of ____

H351-ARC-013.3

1 and on page 15, line 27 by deleting the word "sixth" and inserting
2 the word "fourth";

3
4 and on page 15, line 36 through page 16, line 2 by inserting the
5 following:

6 "serve another probationary period of more than two
7 years. The board may grant career status immediately
8 upon employing the teacher, or after the first or
9 second year of employment. The board shall not
10 reemploy the teacher if after the second consecutive
11 year: (i) the board fails to vote on granting career
12 status; (ii) a majority of the board votes against
13 granting the teacher career status; or (iii) the board
14 vote regarding granting the teacher career status
15 results in a tie.

16 (2a) Notice of Teachers Eligible to Achieve Career Status.
17 -- At least 30 days prior to any board action granting
18 career status, the superintendent shall submit to the
19 board a list of the names of all teachers who are
20 eligible to achieve career status. Notwithstanding
21 any other provision of law, the list shall be a public
22 record under Chapter 132 of the General Statutes.";

23
24 and on page 39, by inserting between lines 14 and 15 the following:
25 "It is the goal of the General Assembly that local school
26 administrative units may use local salary supplements to increase
27 the salaries of nontenured teachers.";

28
29 and on page 40, line 17,
30 by deleting the phrase "ten percent (10%)" and inserting the phrase
31 "twelve percent (12%)";

32
33 and on page 40, line 19, by deleting the phrase "eight percent (8%)"
34 and inserting the phrase "ten percent (10%)".

35
36

SIGNED _____
Amendment Sponsor



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 351

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 4 of ____

H351-ARC-013.3

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

2

HOUSE BILL 351*
Committee Substitute Favorable 4/17/97

Short Title: Excellent Schools Act.

(Public)

Sponsors:

Referred to:

February 27, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE EXCELLENT SCHOOLS ACT.

3 The General Assembly of North Carolina enacts:

4 Section 1. This act shall be known as "The Excellent Schools Act".
5

6 *****

7 An outline of the provisions of the act follows this section. The outline
8 shows the heading "CONTENTS/INDEX", and it lists by general category the
9 descriptive captions for the various sections and groups of sections that make up the
10 act. This outline is designed for reference only, and it in no way limits, defines, or
11 prescribes the scope or application of the text of the act.
12

13 CONTENTS/INDEX

14 I. PURPOSE OF THE EXCELLENT SCHOOLS ACT

15 Section 2.

16 II. EFFORTS TO RAISE STUDENT PERFORMANCE STANDARDS

17 Section 3.

18 III. RIGOROUS STANDARDS FOR ENTERING THE TEACHING PROFESSION

19 A. ENHANCED STANDARDS FOR TEACHER PREPARATION
20 PROGRAMS

21 Section 4.

22 B. ENHANCED INITIAL CERTIFICATION REQUIREMENTS

23 Section 5.

C. REPORT ON ENHANCEMENT OF INITIAL CERTIFICATION STANDARDS

Section 6.

IV. RIGOROUS STANDARDS FOR CONTINUING CERTIFICATION

A. AWARD OF CONTINUING CERTIFICATION DELAYED ONE YEAR

Section 7.

B. ENHANCED STANDARDS FOR CONTINUING CERTIFICATION

Section 8.

V. RIGOROUS STANDARDS, EVALUATION, AND SUPPORT BEFORE CAREER STATUS IS CONSIDERED

A. SUPPORT AND MENTORS PROVIDED FOR ALL BEGINNING TEACHERS

Section 9.

B. RIGOROUS AND MORE FREQUENT EVALUATIONS BY WELL-TRAINED EVALUATORS BEFORE CAREER STATUS IS CONSIDERED

Section 10.

C. CAREER STATUS DECISION TO BE MADE ONE, TWO, OR THREE YEARS AFTER CONTINUING CERTIFICATION AWARDED

Section 11.

VI. ADDITIONAL PROFESSIONAL DEVELOPMENT OPPORTUNITIES AND TOUGHER STANDARDS FOR TEACHERS WITH CAREER STATUS

A. MEANINGFUL AND CONTINUED PROFESSIONAL DEVELOPMENT FOR TEACHERS

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B. TENURE STREAMLINED TO PROVIDE A FAIR AND EFFICIENT PROCESS FOR REMOVING POOR TEACHERS FROM THE CLASSROOM

Section 13.

C. STUDIES ON MAKING RENEWAL OF TEACHER CERTIFICATES MORE RIGOROUS

Section 14.

Section 15.

VII. A PLAN TO ATTRACT AND RETAIN HIGH QUALITY TEACHERS -- HIGHER STARTING SALARY, FEWER STEPS IN SALARY SCHEDULE, ENHANCED LONGEVITY PAY, AND SIGNIFICANT BUMPS IN THE SALARY SCHEDULE UPON ACHIEVING CONTINUING CERTIFICATION AND CAREER STATUS

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VIII. PAY FOR EXEMPLARY PERFORMANCE/SPECIAL ASSIGNMENTS

A. DEFINITION OF "MASTERS/ADVANCED COMPETENCIES" BY THE STATE BOARD OF EDUCATION

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B. BONUS FOR "MASTERS/ADVANCED COMPETENCIES" AND FOR NBPTS CERTIFICATION

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6 E. EXTRA PAY FOR MENTOR TEACHERS
7 Section 21.
8 F. EXTRA PAY FOR NEW TEACHER DEVELOPMENT
9 Section 22.
10 G. EXTRA PAY FOR PROFESSIONAL DEVELOPMENT
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12 H. EXTRA PAY FOR EXTRA DAYS
13 Section 24.
14 I. ADDITIONAL PAY FOR TEACHERS WITH ADDITIONAL
15 RESPONSIBILITIES
16 Section 25.
17 IX. FUNDS FOR COMPUTER SYSTEMS
18 Section 26.
19 Section 27.
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25 Section 30.
26 XIII. MISCELLANEOUS PROVISIONS
27 A. CAPTIONS ARE FOR REFERENCE ONLY AND DO NOT LIMIT TEXT
28 Section 31.
29 B. NO APPROPRIATIONS REQUIRED BY ACT
30 Section 32.
31 C. EFFECTIVE DATES
32 Section 33.
33

34 I. PURPOSE OF THE EXCELLENT SCHOOLS ACT
35

36 Section 2. The purpose of The Excellent Schools Act is to improve
37 student academic achievement. To accomplish this purpose, it is the goal of the
38 General Assembly to: (i) concentrate student learning in the core academic areas; (ii)
39 improve teacher skills and teacher knowledge as those skills and knowledge relate to
40 improved student academic achievement; and (iii) reward teachers for their improved
41 skills and knowledge and for improved student academic achievement. It is also the
42 goal of the General Assembly to annually review the implementation of the revised
43 and more rigorous teacher preparation, professional development, and certification
44 standards developed by the State Board of Education in compliance with this act.

1 Clear and specific evidence demonstrating identifiable progress toward implementing
2 more rigorous teacher professional standards must exist on an annual basis before the
3 General Assembly may consider continued implementation of this act.

4 5 II. EFFORTS TO RAISE STUDENT PERFORMANCE STANDARDS

6
7 Section 3. (a) Part 3 of Article 8B of Chapter 115C of the General
8 Statutes is amended by adding the following new section to read:

9 "§ 115C-105.38A. Teacher competency assurance.

10 (a) The State Board of Education shall require all certified staff members working
11 in schools identified as low-performing under this Article and to which the State
12 Board has assigned an assistance team to demonstrate their competency in their
13 certification area. The State Board shall develop and implement a plan to require
14 all certified staff members working in schools identified as low-performing that have
15 not been assigned an assistance team to demonstrate their competency in their
16 certification area. The certified staff members shall acquire a passing score on a test
17 designated by the State Board. Those staff members who fail to meet the competency
18 standard shall engage in a remediation plan as follows:

19 (1) Category I. -- This category is designated for individuals who score
20 in the bottom quarter on the standardized measure used to
21 demonstrate competency in their certification area. This
22 remediation shall consist of a program of further study as
23 determined by the State Board.

24 (2) Category II. -- This category is designated for individuals who fail
25 to meet the designated standard but score above the bottom
26 quarter on the standardized measure used to demonstrate
27 competency in their certification area. This remediation shall
28 consist of a program of further study as determined by the State
29 Board.

30 Upon completion of their remediation program, certified staff members shall be
31 retested. Those individuals who fail to meet the competency standard on the retest
32 shall be required to take an additional semester of training. Those individuals will be
33 retested following this additional training. If they fail to meet the competency
34 standard at that time, the State Board shall proceed under G.S. 115C-325(q)(2a) for
35 the dismissal of those individuals. Individuals who have been dismissed under G.S.
36 115C-325(q)(2a) may not thereafter be reemployed by any local board of education.

37 (b) The Board of Governors of The University of North Carolina and the State
38 Board shall jointly designate the constituent institutions that shall provide the
39 remediation programs required under this section. Staff members who are required
40 to participate in a remediation plan under this section will be considered on leave
41 with pay, and the State shall reimburse the Board of Governors of The University of
42 North Carolina for all tuition and fees incurred under this section."

43 (b) The State Board of Education shall develop a plan to create rigorous
44 student academic performance standards for kindergarten through eighth grade and

1 student academic performance standards for courses in grades 9-12. The
2 performance standards shall align, whenever possible, with the student academic
3 performance standards developed for the National Assessment of Educational
4 Progress (NAEP). The plan also shall include clear and understandable methods of
5 reporting individual student academic performance to parents.

6 (c) The State Board of Education shall report on the implementation of
7 subsection (a) of this section to the Joint Legislative Education Oversight Committee
8 as part of its required reports on the implementation of the School-Based
9 Management and Accountability Program. The State Board of Education shall report
10 to the Joint Legislative Education Oversight Committee by March 15, 1998, on the
11 student performance standards and reports developed under subsection (b) of this
12 section. By September 1, 1999, the State Board shall adopt and implement a plan
13 requiring all certified staff members in low performing schools to demonstrate their
14 competency in their certification area.

15

16 III. RIGOROUS STANDARDS FOR ENTERING THE TEACHING PROFESSION

17

18 A. ENHANCED STANDARDS FOR TEACHER PREPARATION 19 PROGRAMS

20 Section 4. (a) G.S. 115C-296(b) reads as rewritten:

21 "(b) It is the policy of the State of North Carolina to maintain the highest quality
22 teacher education programs and school administrator programs in order to enhance
23 the competence of professional personnel certified in North Carolina. To the end
24 that teacher preparation programs are upgraded to reflect a more rigorous course of
25 study, ~~the State Board of Education shall submit to the General Assembly not later~~
26 ~~than November 1, 1994, a plan to promote this policy.~~ The State Board of
27 Education, as lead agency in coordination and cooperation with the University Board
28 of Governors, the Board of Community Colleges and such other public and private
29 agencies as are necessary, shall continue to refine the several certification
30 requirements, standards for approval of institutions of teacher education, standards
31 for institution-based innovative and experimental programs, standards for
32 implementing consortium-based teacher education, and standards for improved
33 efficiencies in the administration of the approved programs.

34 The State Board of Education, as lead agency in coordination with the Board of
35 Governors of The University of North Carolina and any other public and private
36 agencies as necessary, shall continue to raise standards for entry into teacher
37 education programs.

38 The standards for approval of institutions of teacher education shall require that
39 teacher education programs for students who do not major in special education
40 include courses demonstrated competencies in the identification and education of
41 children with learning disabilities. The State Board of Education shall incorporate
42 the criteria developed in accordance with G.S. 116-74.21 for assessing proposals
43 under the School Administrator Training Program into its school administrator
44 program approval standards.

1 All North Carolina institutions of higher education that offer teacher education
2 programs, masters degree programs in education, or masters degree programs in
3 school administration shall provide annual performance reports to the State Board of
4 Education. The annual performance reports shall follow a common format, shall be
5 submitted according to a plan developed by the State Board and shall include the
6 information required under the plan developed by the State Board."

7 (b) The State Board of Education shall develop a plan to provide a
8 focused review of teacher education programs and the current process of accrediting
9 these programs in order to ensure that the programs produce graduates that are well
10 prepared to teach. The plan shall include the development and implementation of an
11 annual school of education performance report for each teacher education program
12 in North Carolina. The annual report shall include at least the following elements:
13 (i) quality of students entering the schools of education, including the average grade
14 point average and average score on preprofessional skills tests that assess reading,
15 writing, math, and other competencies; (ii) graduation rates; (iii) time-to-graduation
16 rates; (iv) average scores of graduates on professional and content area examinations
17 for the purpose of certification; (v) percentage of graduates receiving initial
18 certification; (vi) percentage of graduates hired as teachers; (vii) percentage of
19 graduates remaining in teaching for four years; (viii) graduate satisfaction based on a
20 common survey; and (ix) employer satisfaction based on a common survey. The
21 performance reports shall follow a common format. The State Board of Education
22 shall develop a plan to be implemented beginning in the 1998-99 school year to
23 reward and sanction approved teacher education programs and masters of education
24 programs and to revoke approval of those programs based on the annual
25 performance reports and other criteria established by the State Board of Education.

26 The State Board also shall develop and implement a plan for annual
27 performance reports for all masters degree programs in education and school
28 administration in North Carolina. To the extent it is appropriate, the performance
29 report shall include similar indicators to those developed for the performance report
30 for teacher education programs. The performance reports shall follow a common
31 format.

32 Both plans for performance reports also shall include a method to
33 provide the annual performance reports to the Board of Governors of The University
34 of North Carolina, the State Board of Education, and the boards of trustees of the
35 independent colleges. The State Board of Education shall review the schools of
36 education performance reports, and the performance reports for masters degree
37 programs in education and school administration annually.

38 The State Board of Education shall report to the Joint Legislative
39 Education Oversight Committee by February 15, 1998, on the plans for schools of
40 education performance reports and performance reports for masters degree programs
41 in education and school administration developed under this subsection.

42 (c) The State Board of Education, in coordination with the Board of
43 Governors of The University of North Carolina, and independent colleges and
44 universities that offer teacher education programs, shall conduct a comprehensive

1 teacher supply and demand study. The study shall examine predicted trends over the
2 course of the next decade and include information regarding the effect of teacher
3 attrition rates on supply and demand. The study shall include information on
4 characteristics of new teachers hired with teaching experience in other states and
5 information regarding graduates of North Carolina schools of education who have not
6 received certification. The survey also shall include school unit analysis and
7 Southern Regional Education Board comparative analysis where appropriate. The
8 State Board of Education shall report the results of the supply and demand study to
9 the Joint Legislative Education Oversight Committee by November 15, 1998.

10 (d) By March 15, 1998, the Board of Governors of The University of
11 North Carolina shall report to the Joint Legislative Education Oversight Committee
12 on the efforts to improve teacher preparation through implementation of a second
13 major requirement. The report shall include recommendations to strengthen the
14 requirement and provide greater consistency for second majors throughout the
15 system.

16

17 **B. ENHANCED INITIAL CERTIFICATION REQUIREMENTS**

18 Section 5. G.S. 115C-296(a) reads as rewritten:

19 "(a) The State Board of Education shall have entire control of certifying all
20 applicants for teaching positions in all public elementary and high schools of North
21 Carolina; and it shall prescribe the rules and regulations for the renewal and
22 extension of all certificates and shall determine and fix the salary for each grade and
23 type of certificate which it authorizes: Provided, that the State Board of Education
24 shall require each applicant for an initial ~~certificate or bachelors degree certificate or~~
25 graduate degree certificate to demonstrate ~~his~~ the applicant's academic and
26 professional preparation by achieving a prescribed minimum score ~~at least equivalent~~
27 ~~to that required by the Board on November 30, 1972, on a standard examination~~
28 ~~appropriate and adequate for that purpose: Provided, further, that in the event the~~
29 ~~Board shall specify the National Teachers Examination for this purpose, the required~~
30 ~~minimum score shall not be lower than that which the Board required on November~~
31 ~~30, 1972: Provided, further, that the State Board of Education shall not decrease the~~
32 ~~certification standards for physical education teachers or health education teachers~~
33 ~~below the standards in effect on June 1, 1988.~~ purpose. The State Board of
34 Education shall continue to make the standard initial certification examination more
35 rigorous and to raise the prescribed minimum score as necessary to ensure that each
36 applicant has adequate academic and professional preparation to teach."

37

38 **C. REPORT ON ENHANCEMENT OF INITIAL CERTIFICATION**
39 **STANDARDS**

40 Section 6. (a) The State Board of Education shall review the admission
41 standards for teacher education programs and the initial certification requirements
42 that were adopted by the Board on July 6, 1994. The State Board shall report to the
43 Joint Legislative Education Oversight Committee by March 15, 1998, on the results of
44 the review. The State Board may consolidate the report required under this

1 subsection with the report on continuing certification required under Section 8 of this
2 act and the report on renewal of teacher certificates required under Section 14 of this
3 act.

4 (b) By March 15, 1999, the State Board shall implement the July 6, 1994,
5 admission standards for teacher education programs and initial certification
6 requirements to the extent the State Board determines those standards and
7 requirements are valid and consistent with the State goal of requiring rigorous
8 professional requirements.

10 IV. RIGOROUS STANDARDS FOR CONTINUING CERTIFICATION

12 A. AWARD OF CONTINUING CERTIFICATION DELAYED ONE YEAR

13 Section 7. (a) G.S. 115C-296(b), as rewritten by Section 4(a) of this act,
14 reads as rewritten:

15 "(b) It is the policy of the State of North Carolina to maintain the highest quality
16 teacher education programs and school administrator programs in order to enhance
17 the competence of professional personnel certified in North Carolina. To the end
18 that teacher preparation programs are upgraded to reflect a more rigorous course of
19 study, the State Board of Education, as lead agency in coordination and cooperation
20 with the University Board of Governors, the Board of Community Colleges and such
21 other public and private agencies as are necessary, shall continue to refine the several
22 certification requirements, standards for approval of institutions of teacher education,
23 standards for institution-based innovative and experimental programs, standards for
24 implementing consortium-based teacher education, and standards for improved
25 efficiencies in the administration of the approved programs. The certification
26 program shall provide for initial certification after completion of preservice training,
27 continuing certification after three years of teaching experience, and certificate
28 renewal every five years thereafter.

29 The State Board of Education, as lead agency in coordination with the Board of
30 Governors of The University of North Carolina and any other public and private
31 agencies as necessary, shall continue to raise standards for entry into teacher
32 education programs.

33 The standards for approval of institutions of teacher education shall require that
34 teacher education programs for students who do not major in special education
35 include competencies in the identification and education of children with learning
36 disabilities. The State Board of Education shall incorporate the criteria developed in
37 accordance with G.S. 116-74.21 for assessing proposals under the School
38 Administrator Training Program into its school administrator program approval
39 standards.

40 All North Carolina institutions of higher education that offer teacher education
41 programs, Masters degree programs in education, or Masters degree programs in
42 school administration shall provide annual performance reports to the State Board of
43 Education. The performance reports shall follow a common format and shall be
44 submitted according to a plan developed by the State Board."

1 (b) This section applies to teachers who have not received continuing
2 certification prior to January 1, 1998.

3
4 **B. ENHANCED STANDARDS FOR CONTINUING CERTIFICATION**

5 Section 8. The State Board of Education, in consultation with the Board
6 of Governors of The University of North Carolina, shall evaluate and develop
7 enhanced requirements for continuing certification. The new requirements shall
8 reflect more rigorous standards for continuing certification and to the extent possible
9 shall be aligned with quality professional development programs that reflect State
10 priorities for improving student achievement. The State Board shall report to the
11 Joint Legislative Education Oversight Committee by March 15, 1998, on the results of
12 this evaluation. The State Board may consolidate the report required under this
13 section with the report on Initial Certification required under Section 6 of this act
14 and the report on Renewal of Teacher Certificates required under Section 14 of this
15 act. The State Board of Education shall adopt new standards for continuing
16 certification by May 15, 1998.

17
18 **V. RIGOROUS STANDARDS, EVALUATION, AND SUPPORT BEFORE**
19 **CAREER STATUS IS CONSIDERED**

20
21 **A. SUPPORT AND MENTORS PROVIDED FOR ALL BEGINNING**
22 **TEACHERS**

23 Section 9. The State Board of Education shall develop a mentor program
24 to provide ongoing support for teachers entering the profession. In developing the
25 mentor program, the State Board shall conduct a comprehensive study of the needs
26 of new teachers and how those needs can be met through an orientation and mentor
27 support program. For the purpose of helping local boards to support new teachers,
28 the State Board shall develop and distribute guidelines which address optimum
29 teaching load, extracurricular duties, student assignment, and other working condition
30 considerations. The State Board also shall develop and coordinate a mentor teacher
31 training program. The State Board shall develop criteria for selecting excellent,
32 experienced, and qualified teachers to be participants in the mentor teacher training
33 program. The State Board shall report to the Joint Legislative Education Oversight
34 Committee prior to February 15, 1998, on its progress in implementing this section.

35
36 **B. RIGOROUS AND MORE FREQUENT EVALUATIONS BY WELL-**
37 **TRAINED EVALUATORS BEFORE CAREER STATUS IS CONSIDERED**

38 Section 10. (a) G.S. 115C-326(a) reads as rewritten:

39 "(a) The State Board of Education, in consultation with local boards of education,
40 shall revise and develop uniform performance standards and criteria to be used in
41 evaluating professional public school ~~employees.~~ employees, including school
42 administrators. These standards and criteria shall include improving student
43 achievement and employee skills and employee knowledge. The standards and
44 criteria for school administrators also shall include building-level gains in student

1 learning and effectiveness in carrying out the responsibility of ensuring school safety
2 and enforcing student discipline. The Board shall develop rules to recommend the
3 use of these standards and criteria in the employee evaluation process. The
4 performance standards and criteria may be modified in at the discretion of the Board.

5 The State Board of Education, in collaboration with the Board of Governors of
6 The University of North Carolina, shall develop training programs for practicing
7 school administrators to improve their evaluation of professional public school
8 employees based on the employee's skills and knowledge and student achievement.
9 These programs shall include evaluative methods to determine whether an
10 employee's performance has improved student learning, as well as the appropriate
11 process for professional improvement, contract nonrenewal, and dismissal of school
12 personnel whose performance is inadequate. The Board of Governors of The
13 University of North Carolina shall ensure that the subject matter of the training
14 programs is incorporated into the masters in school administration programs offered
15 by the constituent institutions.

16 Local boards of education shall adopt rules to provide for the evaluation of all
17 professional employees defined as teachers in G.S. 115C-325(a)(6). All teachers who
18 have not attained career status shall be observed at least three times annually by a
19 qualified school administrator or a designee and at least once annually by a teacher,
20 and shall be evaluated at least once annually by a qualified school administrator. All
21 other teachers shall be evaluated annually unless a local board adopts rules that allow
22 specified categories of teachers with career status to be evaluated more or less
23 frequently. Local boards may also adopt rules requiring the annual evaluation of
24 other school employees not specifically covered in this section. Local boards may
25 develop and use alternative evaluation approaches for teachers provided the
26 evaluations are properly validated. Local boards that do not develop alternative
27 evaluations shall utilize the performance standards and criteria adopted by the State
28 Board of Education, but are not limited to those standards and criteria."

29 (b) The State Board of Education shall report to the Joint Legislative
30 Education Oversight Committee by March 15, 1998, on the development of programs
31 to train administrators to improve the evaluation of professional public school
32 employees.

33 (c) The State Board of Education shall report to the Joint Legislative
34 Education Oversight Committee by March 15, 1998, on the revision and development
35 of uniform performance standards and criteria to be used in evaluating professional
36 public school employees including school administrators. The State Board of
37 Education shall adopt new performance standards and criteria by May 15, 1998.

38 (d) The State Board of Education shall develop guidelines for evaluating
39 superintendents. The guidelines shall include criteria for evaluating superintendent
40 effectiveness in providing safe schools and enforcing student discipline. The State
41 Board of Education shall report to the Joint Legislative Education Oversight
42 Committee by April 15, 1998, on the development of the guidelines. The State Board
43 of Education shall adopt guidelines for evaluating superintendents by July 15, 1998.

44

C. CAREER STATUS DECISION TO BE MADE ONE, TWO, OR THREE YEARS AFTER CONTINUING CERTIFICATION AWARDED

Section 11. (a) G.S. 115C-325(c) reads as rewritten:

- "(c) (1) Election of a Teacher to Career Status. -- Except as otherwise provided in subdivision (3) of this subsection, when a teacher ~~will have~~ has been employed by a North Carolina public school system for ~~three~~ four, five, or six consecutive years, the board, near the end of ~~the third year, shall~~ any of those years, may vote upon his employment for the next school year, to grant the teacher career status. The board shall give ~~him~~ the teacher written notice of that decision by June 1 ~~of his third year of employment.~~ 15. If a majority of the board votes to ~~reemploy the teacher, grant career status to the teacher,~~ and if it has notified ~~him~~ the teacher of the decision, it may not rescind that action but must proceed under the provisions of this section for the demotion or dismissal of a teacher if it decides to terminate ~~his~~ the teacher's employment. If a majority of the board votes against reemploying the teacher, ~~he~~ the teacher shall not teach beyond the current school term. ~~If The board shall not reemploy the teacher if after the sixth consecutive year: (i) the board fails to vote on granting career status status; but reemp. ys him for the next year, he automatically becomes a career teacher on the first day of the fourth ninth year of employment. (ii) a majority of the board votes against granting career status; or (iii) the board vote regarding granting the teacher career status results in a tie.~~

A year, for purposes of computing time as a probationary teacher, shall be not less than 120 workdays performed as a full-time, permanent teacher in a normal school year.

- (2) Employment of a Career Teacher. -- A teacher who has obtained career status in any North Carolina public school system need not serve another probationary period of more than two years, and may, at the option of the board, be employed immediately as a career teacher. In any event, if the teacher is reemployed for a third consecutive school year, he shall automatically become a career teacher. A teacher with career status who resigns and within five years is reemployed by the same local school administrative unit need not serve another probationary period of more than one school year and may, at the option of the board, be reemployed as a career teacher. In any event, if he is reemployed for a second consecutive school year, he shall automatically become a career teacher.
- (3) Ineligible for Career Status. -- No employee of a local board of education except a teacher as defined by G.S. 115C-325(a)(6) is eligible to obtain career status or continue in a career status if he

no longer performs the responsibilities of a teacher as defined in G.S. 115C-325(a)(6). No person who is working in a principal or supervisor position who did not acquire career status as a school administrator by June 30, 1997, shall have career status as an administrator. Further, no director or assistant principal is eligible to obtain career status as a school administrator unless he or she has already been conferred that status by the local board of education.

(4) Leave of Absence. -- A career teacher who has been granted a leave of absence by a board shall maintain his career status if he returns to his teaching position at the end of the authorized leave."

(b) This section applies to teachers, as defined in G.S. 115C-325(a)(6), who have not attained career status pursuant to G.S. 115C-325(c) prior to July 1, 1998.

VI. ADDITIONAL PROFESSIONAL DEVELOPMENT OPPORTUNITIES AND TOUGHER STANDARDS FOR TEACHERS WITH CAREER STATUS

A. MEANINGFUL AND CONTINUED PROFESSIONAL DEVELOPMENT FOR TEACHERS

Section 12. (a) G.S. 115C-12 is amended by adding a new subdivision to

read:

"(25) Duty to Monitor and Make Recommendations Regarding Professional Development Programs. -- The State Board of Education, in collaboration with the Board of Governors of The University of North Carolina, shall identify and make recommendations regarding meaningful professional development programs for professional public school employees. The programs shall be aligned with State education goals and directed toward improving student academic achievement. The State Board shall annually evaluate and make recommendations regarding professional development programs based upon reports submitted by the Board of Governors under G.S. 116-11(12a)."

(b) G.S. 116-11 is amended by adding a new subdivision to read:

"(12a) The Board of Governors of The University of North Carolina shall implement, administer, and revise programs for meaningful professional development for professional public school employees based upon the evaluations and recommendations made by the State Board of Education under G.S. 115C-12(25). The programs shall be aligned with State education goals and directed toward improving student academic achievement. The Board of Governors shall submit to the State Board of Education an annual report evaluating the professional development programs administered by the Board of Governors."

1 (c) The State Board of Education shall report to the Board of Governors
2 of The University of North Carolina by January 15, 1998, on its initial
3 recommendations for implementation of subsection (a) of this section.

4 (d) The Board of Governors of The University of North Carolina shall
5 report to the Joint Legislative Education Oversight Committee by April 1, 1998, on a
6 plan to coordinate and align professional development programs for professional
7 public school employees. This report may include recommendations for statutory
8 changes, consolidation, or other organizational changes.

9
10 **B. TENURE STREAMLINED TO PROVIDE A FAIR AND EFFICIENT**
11 **PROCESS FOR REMOVING POOR TEACHERS FROM THE**
12 **CLASSROOM**

13 Section 13. (a) G.S. 115C-325, as rewritten by Section 11(a) of this act,
14 reads as rewritten:

15 "**§ 115C-325. System of employment for public school teachers.**

16 (a) Definition of Terms. -- As used in this section unless the context requires
17 otherwise:

18 (1a) 'Career employee' as used in this section means:

19 a. An employee who has obtained career status with that local
20 board as a teacher as provided in G.S. 115C-325(c);

21 b. An employee who has obtained career status with that local
22 board in an administrative position as provided in G.S.
23 115C-325(d)(2);

24 c. A probationary teacher during the term of the contract as
25 provided in G.S. 115C-325(m); and

26 d. A school administrator during the term of a school
27 administrator contract as provided in G.S. 115C-287.1(c).

28 (1b) 'Career school administrator' means a school administrator who
29 has obtained career status in an administrative position as provided
30 in G.S. 115C-325(d)(2).

31 (1)

32 (1c) 'Career teacher' means a teacher who has obtained career status as
33 provided in G.S. 115C-325(c).

34 (1d) 'Case manager' means a person selected under G.S. 115C-
35 325(h)(7).

36 (2) ~~'Committee' means the Professional Review Committee created~~
37 ~~under G.S. 115C-325(g).~~

38 (3) 'Day' means calendar day. In computing any period of time, Rule
39 6 of the North Carolina Rules of Civil Procedure shall apply.

40 (4) 'Demote' means to reduce the compensation salary of a person
41 who is classified or paid by the State Board of Education as a
42 classroom teacher, teacher or as a school administrator, or to
43 transfer him to a new position carrying a lower salary, or to
44 suspend him without pay to a maximum of 60 days; provided,

1 ~~however, that a suspension without pay pursuant to the provisions~~
2 ~~of G.S. 115C-325(f) shall not be considered a demotion. The word~~
3 ~~'demote' does not include a reduction in compensation that results~~
4 ~~from the elimination of a special duty, such as the duty of an~~
5 ~~athletic coach, assistant principal, or a choral director. include: (i)~~
6 ~~a suspension without pay pursuant to G.S. 115C-325(f)(1); (ii) the~~
7 ~~elimination or reduction of bonus payments, including merit-based~~
8 ~~supplements, or a systemwide modification in the amount of any~~
9 ~~applicable local supplement; (iii) any reduction in salary that~~
10 ~~results from the elimination of a special duty, such as the duty of~~
11 ~~an athletic coach or a choral director; or (iv) the transfer of a~~
12 ~~career school administrator from one position to another position~~
13 ~~regardless of whether the transfer results in a reduction of the~~
14 ~~career administrator's compensation or the transfer is to a~~
15 ~~nonadministrative position.~~

16 (4a) 'Disciplinary suspension' means a final decision to suspend a
17 teacher or school administrator without pay for no more than 60
18 days under G.S. 115C-325(f)(2).

19 (5) 'Probationary teacher' means a certificated person, other than a
20 superintendent, associate superintendent, or assistant
21 superintendent, who has not obtained career-teacher status and
22 whose major responsibility is to supervise teaching.

23 (6) 'Teacher' means a person who holds at least a current, not
24 provisional or expired, Class A certificate or a regular, not
25 provisional or expired, vocational certificate issued by the
26 Department of Public Instruction; whose major responsibility is to
27 teach or directly supervises teaching or who is classified by the
28 State Board of Education or is paid as a classroom teacher; and
29 who is employed to fill a full-time, permanent position.

30 (7) 'School administrator' means a principal, assistant principal,
31 supervisor, or director; whose major function includes the direct or
32 indirect supervision of teaching or any other part of the
33 instructional program as provided in G.S. 115C-287.1(a)(3).

34 (8) 'Year' for purposes of computing time as a probationary teacher
35 shall be not less than 120 workdays performed as a probationary
36 teacher in a full-time permanent position in a school year.

37 (b) Personnel Files. -- The superintendent shall maintain in his office a personnel
38 file for each teacher that contains any complaint, commendation, or suggestion for
39 correction or improvement about the teacher's professional conduct, except that the
40 superintendent may elect not to place in a teacher's file (i) a letter of complaint that
41 contains invalid, irrelevant, outdated, or false information or (ii) a letter of complaint
42 when there is no documentation of an attempt to resolve the issue. The complaint,
43 commendation, or suggestion shall be signed by the person who makes it and shall be
44 placed in the teacher's file only after five days' notice to the teacher. Any denial or

1 explanation relating to such complaint, commendation, or suggestion that the teacher
2 desires to make shall be placed in the file. Any teacher may petition the local board
3 of education to remove any information from his personnel file that he deems invalid,
4 irrelevant, or outdated. The board may order the superintendent to remove said
5 information if it finds the information is invalid, irrelevant, or outdated.

6 The personnel file shall be open for the teacher's inspection at all reasonable times
7 but shall be open to other persons only in accordance with such rules and regulations
8 as the board adopts. Any preemployment data or other information obtained about a
9 teacher before his employment by the board may be kept in a file separate from his
10 personnel file and need not be made available to him. No data placed in the
11 preemployment file may be introduced as evidence at a hearing on the dismissal or
12 demotion of a teacher, except the data may be used to substantiate G.S. 115C-
13 325(e)(1)g. or G.S. 115C-325(e)(1)o. as grounds for dismissal or demotion.

14 (c) (1) Election of a Teacher to Career Status. -- Except as otherwise
15 provided in subdivision (3) of this subsection, when a teacher has
16 been employed by a North Carolina public school system for four,
17 five, or six consecutive years, the board, near the end of any of
18 those years, may vote to grant the teacher career status. The board
19 shall give the teacher written notice of that decision by June 15. If
20 a majority of the board votes to grant career status to the teacher,
21 and if it has notified the teacher of the decision, it may not rescind
22 that action but must proceed under the provisions of this section
23 for the demotion or dismissal of a teacher if it decides to terminate
24 the teacher's employment. If a majority of the board votes against
25 reemploying the teacher, the teacher shall not teach beyond the
26 current school term. The board shall not reemploy the teacher if
27 after the sixth consecutive year: (i) the board fails to vote on
28 granting career status; (ii) a majority of the board votes against
29 granting career status; or (iii) the board vote regarding granting the
30 teacher career status results in a tie.

31 ~~A year, for purposes of computing time as a probationary~~
32 ~~teacher, shall be not less than 120 workdays performed as a~~
33 ~~full-time, permanent teacher in a normal school year.~~

34 (2) Employment of a Career Teacher. -- A teacher who has obtained
35 career status in any North Carolina public school system need not
36 serve another probationary period of more than two years, and
37 may, at the option of the board, be employed immediately or after
38 one year as a career teacher. In any event, if the teacher is
39 reemployed for a third consecutive school year, he shall
40 automatically become a career teacher. ~~A teacher with career~~
41 ~~status who resigns and within five years is reemployed by the same~~
42 ~~local school administrative unit need not serve another~~
43 ~~probationary period of more than one school year and may, at the~~
44 ~~option of the board, be reemployed as a career teacher. In any~~

1 ~~event, if he is reemployed for a second consecutive school year, he~~
2 ~~shall automatically become a career teacher.~~

- 3 (3) Ineligible for Career Status. -- No employee of a local board of
4 education except a teacher as defined by G.S. 115C-325(a)(6) is
5 eligible to obtain career status or continue in a career status as a
6 teacher if he no longer performs the responsibilities of a teacher as
7 defined in G.S. 115C-325(a)(6). No person who is ~~working in a~~
8 ~~principal or supervisor position~~ employed as a school administrator
9 who did not acquire career status as a school administrator by June
10 30, 1997, shall have career status as an administrator. Further, no
11 director or assistant principal is eligible to obtain career status as a
12 school administrator unless he or she has already been conferred
13 that status by the local board of education.

- 14 (4) Leave of Absence. -- A career teacher who has been granted a
15 leave of absence by a board shall maintain his career status if he
16 returns to his teaching position at the end of the authorized leave.

17 (d) Career Teachers and Career School Administrators.

- 18 (1) A career teacher or career school administrator shall not be
19 subjected to the requirement of annual appointment nor shall he
20 be dismissed, demoted, or employed on a part-time basis without
21 his consent except as provided in subsection (e).

- 22 (2) a. The provisions of this subdivision do not apply to a person
23 who is ineligible for career status as provided by G.S. 115C-
24 325(c)(3).

25 b. ~~Whether or not he has previously attained career status as a~~
26 ~~teacher, a person who has performed the duties of a~~
27 ~~principal in the school system for three consecutive years or~~
28 ~~has performed the duties of a supervisor in the school~~
29 ~~system for three consecutive years shall not be transferred~~
30 ~~from that position to a lower paying administrative position~~
31 ~~or to a lower paying nonadministrative position without his~~
32 ~~consent except for the reasons given in G.S. 115C-325(e)(1)~~
33 ~~and in accordance with the provisions for the dismissal of a~~
34 ~~career teacher set out in this section. Transfer of a principal~~
35 ~~or a supervisor is not a transfer to a lower paying position if~~
36 ~~the principal's or supervisor's salary is maintained at the~~
37 ~~previous salary amount.~~

38 c. Subject to G.S. 115C-287.1, when ~~When~~ a teacher has
39 performed the duties of supervisor or principal for three
40 consecutive years, the board, near the end of the third year,
41 shall vote upon his employment for the next school year.
42 The board shall give him written notice of that decision by
43 June 1 of his third year of employment as a supervisor or
44 principal. If a majority of the board votes to reemploy the

1 teacher as a principal or supervisor, and it has notified him
2 of that decision, it may not rescind that action but must
3 proceed under the provisions of this section. If a majority of
4 the board votes not to reemploy the teacher as a principal or
5 supervisor, he shall retain career status as a teacher if that
6 status was attained prior to assuming the duties of supervisor
7 or principal. A supervisor or principal who has not held
8 that position for three years and whose contract will not be
9 renewed for the next school year shall be notified by June 1
10 and shall retain career status as a teacher if that status was
11 attained prior to assuming the duties of supervisor or
12 principal.

13 A year, for purposes of computing time as a probationary
14 principal or supervisor, shall not be less than 145 workdays
15 performed as a full-time, permanent principal or supervisor
16 in a contract year.

17 A principal or supervisor who has obtained career status
18 in that position in any North Carolina public school system
19 may be required by the board of education in another
20 school system to serve an additional three-year probationary
21 period in that position before being eligible for career status.
22 However, he may, at the option of the board of education,
23 be granted career status immediately or after serving a
24 probationary period of one or two additional years. A
25 principal or supervisor with career status who resigns and
26 within five years is reemployed by the same school system
27 need not serve another probationary period in that position
28 of more than two years and may, at the option of the board,
29 be reemployed immediately as a career principal or
30 supervisor or be given career status after only one year. In
31 any event, if he is reemployed for a third consecutive year,
32 he shall automatically become a career principal or
33 supervisor.

34 (e) Grounds for Dismissal or Demotion of a Career Teacher Employee.

35 (1) Grounds. -- No career ~~teacher~~ employee shall be dismissed or
36 demoted or employed on a part-time basis except for one or more
37 of the following:

- 38 a. Inadequate performance.
- 39 b. Immorality.
- 40 c. Insubordination.
- 41 d. Neglect of duty.
- 42 e. Physical or mental incapacity.

- 1 f. Habitual or excessive use of alcohol or nonmedical use of a
2 controlled substance as defined in Article 5 of Chapter 90 of
3 the General Statutes.
4 g. Conviction of a felony or a crime involving moral turpitude.
5 h. Advocating the overthrow of the government of the United
6 States or of the State of North Carolina by force, violence,
7 or other unlawful means.
8 i. Failure to fulfill the duties and responsibilities imposed
9 upon teachers or school administrators by the General
10 Statutes of this State.
11 j. Failure to comply with such reasonable requirements as the
12 board may prescribe.
13 k. Any cause which constitutes grounds for the revocation of
14 ~~such the~~ the career teacher's teaching certificate, certificate or
15 the career school administrator's administrator certificate.
16 l. A justifiable decrease in the number of positions due to
17 district reorganization, decreased enrollment, or decreased
18 funding, provided that there is compliance with subdivision
19 (2).
20 m. Failure to maintain his certificate in a current status.
21 n. Failure to repay money owed to the State in accordance
22 with the provisions of Article 60, Chapter 143 of the
23 General Statutes.
24 o. Providing false information or knowingly omitting a material
25 fact on an application for employment or in response to a
26 preemployment inquiry.
- 27 (2) Reduction in Force. -- Before recommending to a board the
28 dismissal or demotion of the career ~~teacher~~ employee pursuant to
29 G.S. 115C-325(e)(1)l., the superintendent shall give written notice
30 to the career ~~teacher~~ employee by certified mail or personal
31 delivery of his intention to make such recommendation and shall
32 set forth as part of his recommendation the grounds upon which he
33 believes such dismissal or demotion is justified. The notice shall
34 include a statement to the effect that if the ~~teacher~~ career
35 employee within 15 days after receipt of the notice requests a
36 review, he shall be entitled to have the proposed recommendations
37 of the superintendent reviewed by the board. Within the 15-day
38 period after receipt of the notice, the career ~~teacher~~ employee may
39 file with the superintendent a written request for a hearing before
40 the board within 10 days. If the ~~teacher~~ career employee requests
41 a hearing before the board, the hearing procedures provided in
42 ~~G.S. 115C-325(j)~~ G.S. 115C-325(j3) shall be followed. If no
43 request is made within the 15-day period, the superintendent may
44 file his recommendation with the board. If, after considering the

1 recommendation of the superintendent and the evidence adduced
2 at the hearing if there is one, the board concludes that the grounds
3 for the recommendation are true and substantiated by a
4 preponderance of the evidence, the board, if it sees fit, may by
5 resolution order such dismissal. Provisions of this section which
6 permit ~~appointment of, and investigation and review by, a panel of~~
7 ~~the Professional Review Committee~~ a hearing by a case manager
8 shall not apply to a dismissal or demotion recommended pursuant
9 to G.S. 115C-325(e)(1)l.

10 When a career ~~teacher~~ employee is dismissed pursuant to
11 G.S. 115C-325(e)(1)l. above, his name shall be placed on a list of
12 available ~~teachers~~ career employees to be maintained by the board.
13 Career ~~teachers~~ employees whose names are placed on such a list
14 shall have a priority on all positions in which they acquired career
15 status and for which they are qualified which become available in
16 that system for the three consecutive years succeeding their
17 dismissal. However, if the local school administrative unit offers
18 the dismissed ~~teacher~~ career employee a position for which he is
19 certified and he refuses it, his name shall be removed from the
20 priority list.

21 (3) Inadequate Performance. -- In determining whether the
22 professional performance of a career ~~teacher~~ employee is adequate,
23 consideration shall be given to regular and special evaluation
24 reports prepared in accordance with the published policy of the
25 employing local school administrative unit and to any published
26 standards of performance which shall have been adopted by the
27 board. Failure to notify a career ~~teacher~~ employee of an
28 inadequacy in his performance shall be conclusive evidence of
29 satisfactory performance.

30 (4) Three-Year Limitation on Basis of Dismissal or Demotion --
31 Dismissal or demotion under subdivision (1) above, except
32 ~~paragraph g~~ paragraphs g. and o. thereof, shall not be based on
33 conduct or actions which occurred more than three years before
34 the written notice of the superintendent's intention to recommend
35 dismissal or demotion is mailed to the ~~teacher~~ career employee.
36 The three-year limitation shall not apply to dismissals or demotions
37 pursuant to subdivision (1)b. above when the charge of immorality
38 is based upon a ~~teacher's~~ career employee's sexual misconduct
39 toward or sexual harassment of students or staff.

40 (f) (1) Suspension without Pay. -- If a superintendent believes that cause
41 exists for dismissing a ~~probationary or career teacher~~ employee for
42 any reason specified in ~~G.S. 115C-325(e)(1)a. through~~
43 ~~115C-325(e)(1)j.~~ G.S. 115C-325(e)(1) and that immediate
44 suspension of the ~~teacher~~ career employee is necessary, the

1 superintendent may suspend ~~him~~ the career employee without pay.
2 Before suspending a ~~teacher~~ career employee without pay, the
3 superintendent shall meet with the ~~teacher~~ career employee and
4 give him written notice of the charges against him, an explanation
5 of the bases for the charges, and an opportunity to respond.
6 Within five days after a suspension under this paragraph, the
7 superintendent shall initiate a ~~dismissal~~ dismissal, demotion, or
8 disciplinary suspension without pay as provided in this section. If
9 it is finally determined that no grounds for ~~dismissal~~ dismissal,
10 demotion, or disciplinary suspension without pay exist, the ~~teacher~~
11 career employee shall be reinstated ~~immediately and immediately,~~
12 shall be paid for the period of ~~suspension~~ suspension, and all
13 records of the suspension shall be removed from the career
14 employee's personnel file.

15 (2) Disciplinary Suspension Without Pay. -- A teacher career employee
16 recommended for suspension without pay pursuant to G.S.
17 ~~115C-325(a)(4)~~ 115C-325(a)(4a) may request a hearing before the
18 board. If the teacher requests a hearing before the board, the
19 procedures provided in G.S. 115C-325(j) shall be followed. If no
20 request is made within 15 days, the superintendent may file his
21 recommendation with the board. If, after considering the
22 recommendation of the superintendent and the evidence adduced
23 at the hearing if one is held, the board concludes that the grounds
24 for the recommendation are true and substantiated by a
25 preponderance of the evidence, the board, if it sees fit, may by
26 resolution order such suspension. ~~Provisions of this section which~~
27 ~~permit appointment of, and investigation and review by, a panel of~~
28 ~~the Professional Review Committee shall not apply to a suspension~~
29 ~~without pay pursuant to G.S. 115C-325(a)(4).~~

30 a. Board hearing for disciplinary suspensions for more than 10
31 days or for certain types of intentional misconduct. -- The
32 procedures for a board hearing under G.S. 115C-325(j3)
33 shall apply if any of the following circumstances exist:

- 34 1. The recommended disciplinary suspension without
35 pay is for more than 10 days; or
- 36 2. The disciplinary suspension is for intentional
37 misconduct, such as inappropriate sexual or physical
38 conduct, immorality, insubordination, habitual or
39 excessive alcohol or nonmedical use of a controlled
40 substance as defined in Article 5 of Chapter 90 of the
41 General Statutes, any cause that constitutes grounds
42 for the revocation of the teacher's or school
43 administrator's certificate, or providing false
44 information.

b. Board hearing for disciplinary suspensions of no more than 10 days. -- The procedures for a board hearing under G.S. 115C-325(j2) shall apply to all disciplinary suspensions of no more than 10 days that are not for intentional misconduct as specified in G.S. 115C-325(f)(2)a.2.

(f1) Suspension with Pay. -- If a superintendent believes that cause may exist for dismissing or demoting a ~~probationary or career teacher employee~~ for any reasons specified in ~~G.S. 115C-325(e)(1)b through 115C-325(e)(1)j~~, G.S. 115C-325(e)(1), but that additional investigation of the facts is necessary and circumstances are such that the ~~teacher career employee~~ should be removed immediately from his duties, the superintendent may suspend the ~~teacher career employee~~ with pay for a reasonable period of time, not to exceed 90 days. The superintendent shall ~~immediately~~ notify the board of education within two days of his action and shall notify the career employee within two days of the action and the reasons for it. If the superintendent has not initiated dismissal or demotion proceedings against the ~~teacher career employee~~ within the 90-day period, the ~~teacher career employee~~ shall be reinstated to his duties immediately and all records of the suspension with pay shall be removed from the ~~teacher's career employee's~~ personnel file at his request. However, if the superintendent and the employee agree to extend the 90-day period, the superintendent may initiate dismissal or demotion proceedings against the career employee at any time during the period of the extension.

~~(g) Professional Review Committee; Qualifications; Terms; Vacancy; Training.~~

(1) ~~There is hereby created a Professional Review Committee which shall consist of 132 citizens, 11 from each of the State's congressional districts, five of whom shall be lay persons and six of whom shall have been actively and continuously engaged in teaching or in supervision or administration of schools in this State for the five years preceding their appointment and who are broadly representative of the profession, to be appointed by the Superintendent of Public Instruction with the advice and consent of the State Board of Education. Each member shall be appointed for a term of three years. The initial terms of office of the persons appointed from the 12th Congressional District shall commence on January 3, 1993, and expire on June 30, 1995. The Superintendent of Public Instruction, with the advice and consent of the State Board of Education, shall fill any vacancy which may occur in the Committee. The person appointed to fill the vacancy shall serve for the unexpired portion of the term of the member of the Committee whom he is appointed to replace.~~

(2) ~~The Superintendent of Public Instruction shall provide for the Committee such training as he considers necessary or desirable for the purpose of enabling the members of the Committee to perform the functions required of them.~~

1 (3) ~~The compensation of committee members while serving as a~~
2 ~~member of a hearing panel shall be as for State boards and~~
3 ~~commissions pursuant to G.S. 138-5. The compensation shall be~~
4 ~~paid by the State Board of Education.~~

5 (h) Procedure for Dismissal or Demotion of Career Teacher Employee.

6 (1) A career teacher employee may not be dismissed, demoted, or
7 reduced to part-time employment except upon the superintendent's
8 recommendation.

9 (2) Before recommending to a board the dismissal or demotion of the
10 career teacher employee, the superintendent shall give written
11 notice to the career teacher employee by certified mail or personal
12 delivery of his intention to make such recommendation and shall
13 set forth as part of his recommendation the grounds upon which he
14 believes such dismissal or demotion is justified. The
15 superintendent also shall meet with the career employee and give
16 him written notice of the charges against him, an explanation of
17 the basis for the charges, and an opportunity to respond if the
18 career employee has not done so under G.S. 115C-325(f)(1). The
19 notice shall include a statement to the effect that if the teacher
20 career employee within 15 seven days after the date of receipt of
21 the notice requests a review, he shall be entitled to have the
22 grounds for the proposed recommendations of the superintendent
23 reviewed by a panel of the Committee case manager. A copy of
24 G.S. 115C-325 and a current list of the ~~members of the~~
25 ~~Professional Review Committee~~ case managers shall also be sent to
26 the career teacher employee. If the teacher career employee does
27 not request a panel hearing with a case manager within the 15
28 seven days provided, the superintendent may submit his
29 recommendation to the board.

30 (3) Within the 15-day seven-day period after receipt of the notice, the
31 career teacher employee may file with the superintendent a written
32 request for either (i) a review of the a hearing on the grounds for
33 the superintendent's proposed recommendation by a panel of the
34 ~~Professional Review Committee~~ case manager or (ii) a hearing
35 within five days before the board on the superintendent's
36 recommendation, within 10 days. If the teacher career employee
37 requests an immediate hearing before the board, he forfeits his
38 right to a hearing by ~~a panel of the Professional Review~~
39 ~~Committee.~~ A hearing conducted by the board pursuant to this
40 subdivision shall be conducted pursuant to G.S. 115C-325(j) and
41 (1) a case manager. If no request is made within that period, the
42 superintendent may file his recommendation with the board. The
43 board, if it sees fit, may by resolution ~~dismiss such teacher.~~ (i)
44 reject the superintendent's recommendation or (ii) accept or

1 modify the superintendent's recommendation and dismiss, demote,
2 reinstate, or suspend the employee without pay. If a request for
3 review is made, the superintendent shall not file his
4 recommendation for dismissal with the board until a report of a
5 panel of the Committee the case manager is filed with the
6 superintendent.

7 (4) ~~If a request for review is made, the superintendent, within five days~~
8 ~~of filing such request for review, shall notify the Superintendent of~~
9 ~~Public Instruction who, within seven days from the time of receipt~~
10 ~~of such notice, shall designate a panel of five members of the~~
11 ~~Committee, at least two of whom shall be lay persons, who shall~~
12 ~~not be employed in or be residents of the county in which the~~
13 ~~request for review is made, to review the proposed~~
14 ~~recommendations of the superintendent for the purpose of~~
15 ~~determining whether in its opinion the grounds for the~~
16 ~~recommendation are true and substantiated. The teacher or~~
17 ~~principal making the request for review shall have the right to~~
18 ~~require that at least two members of the panel shall be members of~~
19 ~~his professional peer group.~~

20 (5) If the career employee elects to request a hearing by a case
21 manager, the career employee and superintendent shall each have
22 the right to eliminate up to one-third of the names on the
23 approved list of case managers. The career employee shall specify
24 those case managers who are not acceptable in the career
25 employee's request for a review of the superintendent's proposed
26 recommendation under G.S. 115C-325(h)(3). The superintendent
27 and career employee may jointly select a person to serve as case
28 manager. The person need not be on the master list of case
29 managers maintained by the Superintendent of Public Instruction.

30 (6) If a career employee requests a review by a case manager, the
31 superintendent shall notify the Superintendent of Public Instruction
32 within two days' receipt of the request. The notice shall contain a
33 list of the case managers the career employee and the
34 superintendent have eliminated from the master list or the name of
35 a person, if any, jointly selected. Failure to exercise the right to
36 eliminate names from the master list shall constitute a waiver of
37 that right.

38 (7) The Superintendent of Public Instruction shall select a case
39 manager within three days of receiving notice from the
40 superintendent. The Superintendent of Public Instruction shall
41 designate the person jointly selected by the parties to serve as case
42 manager provided the person agrees to serve as case manager and
43 can meet the requirements for time frames for the hearing and
44 report as provided in G.S. 115C-325(i1)(1). If a case manager was

- 1 not jointly selected or if the case manager is not available, the
2 Superintendent of Public Instruction shall select a case manager
3 from the master list. No person eliminated by the career employee
4 or superintendent shall be designated case manager.
- 5 (8) The superintendent and career employee shall provide each other
6 with copies of all documents submitted to the Superintendent of
7 Public Instruction or to the designated case manager.
- 8 (h1) Case Managers; Qualifications; Training; Compensation.
- 9 (1) Each year the State Board of Education shall select and maintain a
10 master list of no more than 42 qualified case managers.
- 11 (2) Persons selected by the State Board as case managers shall be: (i)
12 certified as a North Carolina Superior Court mediator; (ii) a
13 member of the American Arbitration Association's roster of
14 arbitrators and mediators; or (iii) have comparable certification in
15 alternative dispute resolution. Case managers must complete a
16 special training course approved by the State Board of Education.
- 17 (3) The State Board of Education shall determine the compensation
18 for a case manager. The State Board shall pay the case manager's
19 compensation and reimbursement for expenses.
- 20 ~~(i) Hearing by Panel of Professional Review Committee; Report; Action of~~
21 ~~Superintendent; Review by Board.~~
- 22 (1) ~~The career teacher and superintendent will each have the right to~~
23 ~~designate not more than 33 of the 132 members of the Professional~~
24 ~~Review Committee as not acceptable to the teacher or~~
25 ~~superintendent respectively. No person so designated shall be~~
26 ~~appointed to the panel. The career teacher shall specify to the~~
27 ~~superintendent those Committee members who are not acceptable~~
28 ~~in his request for a review of the superintendent's proposed~~
29 ~~recommendations provided for in subdivision (h)(3) above. The~~
30 ~~superintendent's notice to the Superintendent of Public Instruction~~
31 ~~provided for in subdivision (h)(4) above shall contain a list of~~
32 ~~those members of the Committee not acceptable to the~~
33 ~~superintendent and the teacher respectively. Failure to designate~~
34 ~~nonacceptable members in accordance with this subsection shall~~
35 ~~constitute a waiver of that right.~~
- 36 (2) ~~As soon as possible after the time of its designation, the panel shall~~
37 ~~elect a chairman and shall conduct a hearing in accordance with~~
38 ~~G.S. 115C-325(j) for the purpose of determining whether the~~
39 ~~grounds for the recommendation are true and substantiated. The~~
40 ~~panel shall be furnished assistance reasonably required to conduct~~
41 ~~its hearing and shall be empowered to subpoena and swear~~
42 ~~witnesses and to require them to give testimony and to produce~~
43 ~~books and papers relevant to its investigation.~~

- 1 (3) ~~The career teacher and superintendent involved shall each have~~
2 ~~the right to meet with the panel accompanied by counsel or other~~
3 ~~person of his choice and to present any evidence and arguments~~
4 ~~which he considers pertinent to the considerations of the panel and~~
5 ~~to cross-examine witnesses.~~
- 6 (4) ~~When the panel has completed its hearing, it shall prepare a~~
7 ~~written report and send it to the superintendent and teacher. The~~
8 ~~report shall contain its findings as to whether or not the grounds~~
9 ~~for the recommendation are true and substantiated by a~~
10 ~~preponderance of the evidence, and a statement of the reasons for~~
11 ~~its findings. The panel shall complete its hearing and prepare the~~
12 ~~report within 20 days from the time of its designation, except in~~
13 ~~cases in which the panel finds that justice requires that a greater~~
14 ~~time be spent in connection with the investigation and the~~
15 ~~preparation of such report, and reports that finding to the~~
16 ~~superintendent and the teacher. Provided, that such extension does~~
17 ~~not exceed 10 days.~~
- 18 (5) ~~Within five days after the superintendent receives the report of the~~
19 ~~panel, the superintendent shall decide whether or not to submit a~~
20 ~~written recommendation for dismissal to the board or to drop the~~
21 ~~charges against the teacher and shall notify the teacher, in writing,~~
22 ~~of the decision. Within five days after receiving the~~
23 ~~superintendent's notice of his intent to recommend the teacher's~~
24 ~~dismissal to the board, the teacher shall decide whether to request~~
25 ~~a hearing before the board and shall notify the superintendent, in~~
26 ~~writing, of the decision. If the teacher requests a hearing before the~~
27 ~~board, the superintendent shall submit his written recommendation~~
28 ~~to the board with a copy to the teacher within five days after~~
29 ~~receiving the teacher's request. The superintendent's~~
30 ~~recommendation shall state the grounds for the recommendation~~
31 ~~and shall be accompanied by a copy of the report of the panel of~~
32 ~~the Committee.~~
- 33 (6) ~~Within seven days after receiving the superintendent's~~
34 ~~recommendation and before taking any formal action, the board~~
35 ~~shall set a time and place for the hearing and notify the teacher by~~
36 ~~certified mail of the date, time and place of the hearing. The time~~
37 ~~specified shall not be less than seven nor more than 20 days after~~
38 ~~the board has notified the teacher. If the teacher did not request a~~
39 ~~hearing, the board may, by resolution, dismiss the teacher. If the~~
40 ~~teacher can show that his request for a hearing was postmarked~~
41 ~~within the time provided, his right to a hearing is not forfeited.~~
- 42 (i) Report of Case Manager: Superintendent's Recommendation.
43 (1) The case manager shall complete the hearing held in accordance
44 with G.S. 115C-325(j) and prepare the report within 10 days from

the time of the designation, except in cases in which the case manager finds that justice requires that a greater time be spent in connection with the investigation and the preparation of such report, and reports that finding to the superintendent and the career employee. No extension under this subdivision shall exceed five days.

(2) The case manager shall make all necessary findings of fact, based upon the preponderance of the evidence, on all issues related to each and every ground for dismissal and on all relevant matters related to the question of whether the superintendent's recommendation is justified. The case manager also shall make a recommendation as to whether the findings of fact substantiate the superintendent's grounds for dismissal. The case manager shall deliver copies of the report to the superintendent and the career employee.

(3) Within two days after receiving the case manager's report, the superintendent shall decide whether to submit a written recommendation to the local board for dismissal, demotion, or disciplinary suspension without pay to the board or to drop the charges against the career employee. The superintendent shall notify the career employee, in writing, of the decision.

(4) If the superintendent contends that the case manager's report fails to address a critical factual issue, the superintendent shall within three days receipt of the case manager's report, request in writing with a copy to the career employee that the case manager prepare a supplement to the report. The superintendent shall specify what critical factual issue the superintendent contends the case manager failed to address. If the case manager determines that the report failed to address a critical factual issue, the case manager may prepare a supplement to the report to address the issue and deliver the supplement to both parties before the board hearing. The failure of the case manager to prepare a supplemental report or to address a critical factual issue shall not constitute a basis for appeal.

(j) Hearing Procedure by a Case Manager. -- The following provisions shall be applicable apply to any a hearing conducted pursuant to G.S. 115C-325(k) or (l) or to any hearing conducted by a board pursuant to G.S. 115C-325(h)(3) by the case manager.

(1) The hearing shall be private.

(2) The hearing shall be conducted in accordance with such reasonable rules and regulations as the board may adopt consistent with G.S. 115C-325, or if no rules have been adopted, in accordance with reasonable rules and regulations adopted by the State Board of Education to govern such case manager hearings.

- 1 (3) At the hearing the ~~teacher~~ career employee and the superintendent
2 shall have the right to be present and to be heard, to be
3 represented by counsel and to present through witnesses any
4 competent testimony relevant to the issue of whether grounds for
5 dismissal or demotion exist or whether the procedures set forth in
6 G.S. 115C-325 have been followed.
- 7 (4) Rules of evidence shall not apply to a hearing conducted ~~pursuant~~
8 ~~to this act and boards and panels of the Professional Review~~
9 ~~Committee by a case manager and the case manager~~ may give
10 probative effect to evidence that is of a kind commonly relied on
11 by reasonably prudent persons in the conduct of serious affairs.
- 12 (5) At least five days before the hearing, the superintendent shall
13 provide to the ~~teacher~~ career employee a list of witnesses the
14 superintendent intends to present, a brief statement of the nature
15 of the testimony of each witness and a copy of any documentary
16 evidence ~~he~~ the superintendent intends to present. At least three
17 days before the hearing, the ~~teacher~~ career employee shall provide
18 to the superintendent a list of witnesses the ~~teacher~~ career
19 employee intends to present, a brief statement of the nature of the
20 testimony of each witness and a copy of any documentary evidence
21 ~~he~~ the career employee intends to present. Additional witnesses or
22 documentary evidence may not be presented except ~~upon consent~~
23 ~~of both parties or upon a majority vote of the board or panel.~~ upon
24 a finding by the case manager that the new evidence is critical to
25 the matter at issue and the party making the request could not,
26 with reasonable diligence, have discovered and produced the
27 evidence according to the schedule provided in this subdivision.
- 28 (6) The case manager may subpoena and swear witnesses and may
29 require them to give testimony and to produce records and
30 documents relevant to the grounds for dismissal.
- 31 (7) The case manager shall decide all procedural issues, including
32 limiting cumulative evidence, necessary for a fair and efficient
33 hearing.
- 34 (8) The superintendent shall provide for making a transcript of the
35 hearing. If the career employee contemplates a hearing before the
36 board or to appeal the board's decision to a court of law, the
37 career employee may request and shall receive at no charge a
38 transcript of the proceedings before the case manager.
- 39 (j1) Board Determination.
- 40 (1) Within two days after receiving the superintendent's notice of
41 intent to recommend the career employee's dismissal to the board,
42 the career employee shall decide whether to request a hearing
43 before the board and shall notify the superintendent, in writing, of
44 the decision. If the career employee can show that the request for

1 a hearing was postmarked within the time provided, the career
2 employee shall not forfeit the right to a board hearing. Within two
3 days after receiving the career employee's request for a board
4 hearing, the superintendent shall submit to the board the written
5 recommendation and shall provide a copy to the career employee.
6 The superintendent's recommendation shall state the grounds for
7 the recommendation and shall be accompanied by a copy of the
8 case manager's report.

9 (2) If the career employee contends that the case manager's report
10 fails to address a critical factual issue the career employee shall, at
11 the same time he notifies the superintendent of a request for a
12 board hearing pursuant to G.S. 115C-325(j1)(1), request in writing
13 with a copy to the superintendent that the case manager prepare a
14 supplement to the case manager's report. The career employee
15 shall specify the critical factual issue he contends the case manager
16 failed to address. If the case manager determines that the report
17 failed to address a critical factual issue, the case manager may
18 prepare a supplement to the report to address the issue and shall
19 deliver the supplement to both parties before the board hearing.
20 The failure of the case manager to prepare a supplemental report
21 or to address a critical factual issue shall not constitute a basis for
22 appeal.

23 (3) Within two days after receiving the superintendent's
24 recommendation and before taking any formal action, the board
25 shall set a time and place for the hearing and shall notify the
26 career employee by certified mail or personal delivery of the date,
27 time, and place of the hearing. The time specified shall not be less
28 than seven nor more than 10 days after the board has notified the
29 career employee. If the career employee did not request a hearing,
30 the board may, by resolution, reject the superintendent's decision,
31 or accept or modify the decision and dismiss, demote, reinstate, or
32 suspend the career employee without pay.

33 (4) If the career employee requests a board hearing, it shall be
34 conducted in accordance with G.S. 115C-325(j2).

35 (5) The board shall make a determination and may (i) reject the
36 superintendent's recommendation or (ii) accept or modify the
37 recommendation and dismiss, demote, reinstate, or suspend the
38 employee without pay.

39 (6) Within two days following the hearing, the board shall send a
40 written copy of its findings and determination to the career
41 employee and the superintendent.

42 (j2) Board Hearing. -- The following procedures shall apply to a hearing
43 conducted by the board:

44 (1) The hearing shall be private.

- 1 (2) If the career employee requested a hearing by a case manager, the
2 board shall receive the following:
3 a. The whole record from the hearing held by the case
4 manager, including a transcript of the hearing, as well as any
5 other records, exhibits, and documentary evidence submitted
6 to the case manager at the hearing.
7 b. The case manager's findings of fact, including any
8 supplemental findings prepared by the case manager under
9 G.S. 115C-325 (i1)(4) or G.S. 115C-325(j1)(2).
10 c. The case manager's recommendation as to whether the
11 grounds in G.S. 115C-325(e) submitted by the
12 superintendent are substantiated.
13 d. The superintendent's recommendation and the grounds for
14 the recommendation.
15 (3) If the career employee did not request a hearing by a case
16 manager, the board shall receive the following:
17 a. Any documentary evidence the superintendent intends to
18 use to support the recommendation. The superintendent
19 shall provide the documentary evidence to the career
20 employee seven days before the hearing.
21 b. Any documentary evidence the career employee intends to
22 use to rebut the superintendent's recommendation. The
23 career employee shall provide the superintendent with the
24 documentary evidence three days before the hearing.
25 c. The superintendent's recommendation and the grounds for
26 the recommendation.
27 (4) The superintendent and career employee may submit a written
28 statement not less than three days before the hearing.
29 (5) The superintendent and career employee shall be permitted to
30 make oral arguments to the board based on the record before the
31 board.
32 (6) No new evidence may be presented at the hearing except upon a
33 finding by the board that the new evidence is critical to the matter
34 at issue and the party making the request could not, with
35 reasonable diligence, have discovered and produced the evidence
36 at the hearing before the case manager.
37 (7) The board shall accept the case manager's findings of fact unless a
38 majority of the board determines that the findings of fact are not
39 supported by substantial evidence when reviewing the record as a
40 whole. In such an event, the board shall make alternative findings
41 of fact. If a majority of the board determines that the case
42 manager did not address a critical factual issue, the board may
43 remand the findings of fact to the case manager to complete the
44 report to the board. If the case manager does not submit the

1 report within seven days receipt of the board's request, the board
2 may determine its own findings of fact regarding the critical factual
3 issues not addressed by the case manager. The board's
4 determination shall be based upon a preponderance of the
5 evidence.

6 (8) The board is not required to provide a transcript of the hearing to
7 the career employee. If the board elects to make a transcript and
8 if the career employee contemplates an appeal to a court of law,
9 the career employee may request and shall receive at no charge a
10 transcript of the proceedings. A career employee may have the
11 hearing transcribed by a court reporter at the career employee's
12 expense.

13 (j3) Board Hearing for Certain Disciplinary Suspensions and for Reductions in
14 Force. -- The following procedures shall apply for a board hearing under G.S. 115C-
15 325(e)(2) and G.S. 115C-325(f)(2)a.:

16 (1) The hearing shall be private.

17 (2) The hearing shall be conducted in accordance with reasonable
18 rules adopted by the State Board of Education to govern such
19 hearings.

20 (3) At the hearing, the career employee and the superintendent shall
21 have the right to be present and to be heard, to be represented by
22 counsel, and to present through witnesses any competent testimony
23 relevant to the issue of whether grounds exist for a disciplinary
24 suspension without pay under G.S. 115C-325(f)(2)a., or whether
25 the grounds for a dismissal or demotion due to a reduction in force
26 is justified.

27 (4) Rules of evidence shall not apply to a hearing under this
28 subsection and the board may give probative effect to evidence
29 that is of a kind commonly relied on by reasonably prudent
30 persons in the conduct of serious affairs.

31 (5) At least 10 days before the hearing, the superintendent shall
32 provide to the career employee a list of witnesses the
33 superintendent intends to present, a brief statement of the nature
34 of the testimony of each witness, and a copy of any documentary
35 evidence the superintendent intends to present.

36 (6) At least six days before the hearing, the career employee shall
37 provide the superintendent a list of witnesses the career employee
38 intends to present, a brief statement of the nature of the testimony
39 of each witness, and a copy of any documentary evidence the
40 career employee intends to present.

41 (7) No new evidence may be presented at the hearing except upon a
42 finding by the board that the new evidence is critical to the matter
43 at issue and the party making the request could not, with

- 1 reasonable diligence, have discovered and produced the evidence
2 according to the schedule provided in this subsection.
- 3 (8) The board may subpoena and swear witnesses and may require
4 them to give testimony and to produce records and documents
5 relevant to the grounds for suspension without pay.
- 6 (9) The board shall decide all procedural issues, including limiting
7 cumulative evidence, necessary for a fair and efficient hearing.
- 8 (10) The superintendent shall provide for making a transcript of the
9 hearing. If the career employee contemplates an appeal of the
10 board's decision to a court of law, the career employee may
11 request and shall receive at no charge a transcript of the
12 proceedings.
- 13 ~~(k) Panel Finds Grounds for Superintendent's Recommendation True and~~
14 ~~Substantiated.~~
- 15 (1) ~~If the panel found that the grounds for the recommendation of the~~
16 ~~superintendent are true and substantiated, at the hearing the board~~
17 ~~shall consider the recommendation of the superintendent, the~~
18 ~~report of the panel, including any minority report, and any~~
19 ~~evidence which the teacher or the superintendent may wish to~~
20 ~~present with respect to the question of whether the grounds for the~~
21 ~~recommendation are true and substantiated. 1. The hearing may be~~
22 ~~conducted in an informal manner.~~
- 23 (2) ~~If, after considering the recommendation of the superintendent, the~~
24 ~~report of the panel and the evidence adduced at the hearing, the~~
25 ~~board concludes that the grounds for the recommendation are true~~
26 ~~and substantiated, by a preponderance of the evidence, the board,~~
27 ~~if it sees fit, may by resolution order such dismissal.~~
- 28 ~~(l) Panel Does Not Find That the Grounds for Superintendent's Recommendation~~
29 ~~Are True and Substantiated.~~
- 30 (1) ~~If the panel does not find that the grounds for the recommendation~~
31 ~~of the superintendent are true and substantiated, at the hearing the~~
32 ~~board shall determine whether the grounds for the~~
33 ~~recommendation of the superintendent are true and substantiated~~
34 ~~upon the basis of competent evidence adduced at the hearing by~~
35 ~~witnesses who shall testify under oath or affirmation to be~~
36 ~~administered by any board member or the secretary of the board.~~
- 37 (2) ~~The procedure at the hearing shall be such as to permit and secure~~
38 ~~a full, fair and orderly hearing and to permit all relevant~~
39 ~~competent evidence to be received therein. The report of the panel~~
40 ~~of the committee shall be deemed to be competent evidence. A full~~
41 ~~record shall be kept of all evidence taken or offered at such~~
42 ~~hearing. Both counsel for the local school administrative unit and~~
43 ~~the career teacher or his counsel shall have the right to~~
44 ~~cross-examine witnesses.~~

(3) ~~At the request of either the superintendent or the teacher, the board shall issue subpoenas requiring the production of papers or records or the attendance of persons residing within the State before the board. Subpoenas for witnesses to testify at the hearing in support of the recommendation of the superintendent or on behalf of the career teacher shall, as requested, be issued in blank by the board over the signature of its chairman or secretary. The board shall pay witness fees for up to five witnesses subpoenaed on behalf of the teacher, except that it shall not pay for any witness who resides within the county in which the dismissal originates or who is an employee of the board. However, no employee of the board shall suffer any loss of compensation because he has been subpoenaed to testify at the hearing. These payments shall be as provided for witnesses in G.S. 7A-314.~~

(4) ~~At the conclusion of the hearing provided in this section, the board shall render its decision on the evidence submitted at such hearing and not otherwise. The board's decision shall be based on a preponderance of the evidence.~~

(5) ~~Within five days following the hearing, the board shall send a written copy of its findings and order to the teacher and superintendent. The board shall provide for making a transcript of its hearing. If the teacher contemplates an appeal to a court of law, he may request and shall receive at no charge a transcript of the proceedings.~~

(m) Probationary Teacher.

(1) The board of any local school administrative unit may not discharge a probationary teacher during the school year except for the reasons for and by the procedures by which a career teacher employee may be dismissed as set forth in subsections (e) (e), (f), (f1), and (h) to (j3) above.

(2) The board, upon recommendation of the superintendent, may refuse to renew the contract of any probationary teacher or to reemploy any teacher who is not under contract for any cause it deems sufficient: Provided, however, that the cause may not be arbitrary, capricious, discriminatory or for personal or political reasons.

(n) (See note) Appeal. -- Any teacher career employee who has been dismissed or demoted ~~pursuant to under~~ G.S. 115C-325(e)(2), or ~~pursuant to subsections (h), (k) or (l) of this section under~~ G.S. 115C-325(j2), or who has been suspended without pay ~~pursuant to G.S. 115C-325(a)(4), under~~ G.S. 115C-325(a)(4a), or any school administrator whose contract is not renewed in accordance with G.S. 115C-287.1, or any probationary teacher whose contract is not renewed under ~~G.S. 115C-325~~ G.S. 115C-325(m)(2) shall have the right to appeal from the decision of the board to the superior court for the superior court district or set of districts as defined in G.S. 7A-

1 41.1 in which the ~~teacher or school administrator~~ career employee is employed. This
2 appeal shall be filed within a period of ~~30~~ 15 days after notification of the decision of
3 the board. The cost of preparing the transcript shall be ~~borne by the board~~
4 determined under G.S. 115C-325(j2)(8) or G.S. 115C-325(j3)(10). A ~~teacher~~ career
5 employee who has been demoted or dismissed, or a school administrator whose
6 contract is not renewed, who has not requested a hearing before the board of
7 education pursuant to this section shall not be entitled to judicial review of the
8 board's action.

9 (o) Resignation; Nonrenewal of Contract. -- A teacher, career or probationary,
10 should not resign without the consent of the superintendent unless he has given at
11 least 30 days' notice. If the teacher does resign without giving at least 30 days'
12 notice, the board may request that the State Board of Education revoke the teacher's
13 certificate for the remainder of that school year. A copy of the request shall be
14 placed in the teacher's personnel file.

15 A probationary teacher whose contract will not be renewed for the next school
16 year shall be notified of this fact by June 1.

17 (p) Section Applicable to Certain Institutions. -- Notwithstanding any law or
18 regulation to the contrary, this section shall apply to all persons employed in teaching
19 and related educational classes in the schools and institutions of the Departments of
20 Human Resources and Correction regardless of the age of the students.

21 (q) Procedure for Dismissal of School Administrators and Teachers Employed in
22 Low-Performing Schools.

23 (1) Notwithstanding any other provision of this section or any other
24 law, the State Board:

25 a. Shall suspend with pay a principal who has been assigned to
26 a school for more than two years before the State Board
27 identifies that school as low-performing and assigns an
28 assistance team to that school under Article 8B of this
29 Chapter; and

30 b. May suspend with pay a principal who has been assigned to
31 a school for no more than two years before the State Board
32 identifies that school as low-performing and assigns an
33 assistance team to that school under Article 8B of this
34 Chapter.

35 These principals shall be suspended with pay pending a hearing
36 before a panel of three members of the State Board. The purpose
37 of this hearing, which shall be held within 60 days after the
38 principal is suspended, is to determine whether the principal shall
39 be dismissed. The panel shall order the dismissal of the principal,
40 at which time the period of suspension with pay shall expire,
41 unless the panel makes a public determination that the principal
42 has established that the factors that led to the identification of the
43 school as low-performing were not due to the inadequate
44 performance of the principal. The State Board shall adopt

procedures to ensure that due process rights are afforded to principals under this subsection. Decisions of the panel may be appealed on the record to the State Board, with further right of judicial review under Chapter 150B of the General Statutes.

- (2) Notwithstanding any other provision of this section or any other law, this subdivision shall govern the State Board's dismissal of teachers, assistant principals, directors, and supervisors assigned to schools that the State Board has identified as low-performing and to which the State Board has assigned an assistance team under Article 8B of this Chapter. The State Board shall dismiss a teacher, assistant principal, director, or supervisor when the State Board receives two consecutive evaluations that include written findings and recommendations regarding that person's inadequate performance from the assistance team. These findings and recommendations shall be substantial evidence of the inadequate performance of the teacher or school administrator.

The State Board may dismiss a teacher, assistant principal, director, or supervisor when:

- a. The State Board determines that the school has failed to make satisfactory improvement after the State Board assigned an assistance team to that school under G.S. 115C-105.38; and
- b. That assistance team makes the recommendation to dismiss the teacher, assistant principal, director, or supervisor for one or more grounds established in G.S. 115C-325(e)(1) for dismissal or demotion of a career teacher.

A teacher, assistant principal, director, or supervisor may request a hearing before a panel of three members of the State Board within 30 days of any dismissal under this subdivision. The State Board shall adopt procedures to ensure that due process rights are afforded to persons recommended for dismissal under this subdivision. Decisions of the panel may be appealed on the record to the State Board, with further right of judicial review under Chapter 150B of the General Statutes.

- (2a) Notwithstanding any other provision of this section or any other law, this subdivision shall govern the State Board's dismissal of certified staff members who have engaged in a remediation plan under G.S. 115C-105.38A(a) but who, after two retests, fail to meet the competency standard set by the State Board. The failure to meet the competency standard after two retests shall be substantial evidence of the inadequate performance of the certified staff member.

A certified staff member may request a hearing before a panel of three members of the State Board within 30 days of any

dismissal under this subdivision. The State Board shall adopt procedures to ensure that due process rights are afforded to certified staff members recommended for dismissal under this subdivision. Decisions of the panel may be appealed on the record to the State Board, with further right of judicial review under Chapter 150B of the General Statutes.

(3) The State Board of Education or a local board may terminate the contract of a school administrator dismissed under this subsection. Nothing in this subsection shall prevent a local board from refusing to renew the contract of any person employed in a school identified as low-performing under G.S. 115C-105.37.

(4) Neither party to a school administrator contract is entitled to damages under this subsection.

(5) The State Board shall have the right to subpoena witnesses and documents on behalf of any party to the proceedings under this subsection."

(b) This section applies to proceedings initiated after September 1, 1997.

C. STUDIES ON MAKING RENEWAL OF TEACHER CERTIFICATES MORE RIGOROUS

Section 14. The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall reevaluate and enhance the requirements for renewal of teacher certificates. The State Board shall consider modifications in the certificate renewal process to align the process with State education goals and improved student achievement and to make it a mechanism for teachers to renew continually their knowledge and professional skills. The State Board of Education shall report to the Joint Legislative Oversight Committee by March 15, 1998, on the proposed new standards for the renewal of teacher certificates. The State Board may consolidate the report required under this section with the report on initial certification required under Section 6 of this act and the report on continuing certification required under Section 8 of this act.

The State Board of Education shall adopt new standards for the renewal of teacher certificates by May 15, 1998. The new standards adopted by the State Board shall apply to certificates that expire after July 1, 1998.

Section 15. The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall study and recommend ways to modify the administrator recertification process to ensure that all schools have well-qualified administrators. The State Board shall report the results of this study to the Joint Legislative Education Oversight Committee by February 15, 1998.

VII. A PLAN TO ATTRACT AND RETAIN HIGH QUALITY TEACHERS -- HIGHER STARTING SALARY, ENHANCED LONGEVITY PAY, AND

**SIGNIFICANT BUMPS IN THE SALARY SCHEDULE UPON ACHIEVING
CONTINUING CERTIFICATION AND CAREER STATUS.**

Section 16. (a) It is the goal of the General Assembly to increase teacher salaries over the next four years so as to attract and retain excellent teachers in the public schools; therefore, it is the goal of the General Assembly to implement, over the upcoming four fiscal years, a plan for increasing the starting salary for teachers by nearly twenty percent (20%). This would bring the starting salary to at least twenty-five thousand dollars (\$25,000) by the year 2000. Under this plan, the salary schedule would also contain significant "bumps" at the third step, which is the point at which teachers have attained continuing certification; and at the fourth, fifth, or sixth step, which is the point at which teachers may achieve career status.

It is further the intent of the General Assembly that local school administrative units will not use these State-funded salary increments to supplant local salary supplements.

As a first step in implementing this plan, it is the goal of the General Assembly to fund a salary schedule plan for the 1997-98 school year for teachers with "A" certificates similar to the following:

**1997-98 Salary Schedule Plan
"A" Teachers**

<u>Years of Experience</u>	<u>10-Month Salary, Nontenured</u>	<u>10-Month Salary, Tenured</u>
0	\$22,150	--
1	\$22,570	--
2	\$23,000	--
3	\$23,780	\$23,780
4	\$24,060	\$25,290
5	\$24,530	\$25,760
6	\$25,010	\$26,240
7	\$25,500	\$26,730
8	\$25,990	\$27,220
9	\$26,480	\$27,710
10	\$26,980	\$28,210
11	\$27,500	\$28,730
12	\$28,030	\$29,260
13	\$28,570	\$29,800
14	\$29,120	\$30,350
15	\$29,680	\$30,910
16	\$30,250	\$31,480
17	\$30,830	\$32,060
18	\$31,430	\$32,660
19	\$32,040	\$33,270
20	\$32,670	\$33,900
21	\$33,300	\$34,530
22	\$33,940	\$35,170
23	\$34,590	\$35,820

1	24	\$35,260	\$36,490
2	25	\$35,950	\$37,180
3	26	\$36,650	\$37,880
4	27	\$37,360	\$38,590
5	28	\$38,090	\$39,320
6	29 +	\$38,883	\$40,060

7 For subsequent fiscal years, it is the goal of the General Assembly to fund
8 salary schedule plans similar to the following:

9 1998-99 Salary Schedule Plan
10 "A" Teachers

11	Years	10-Month	10-Month
12	of	Salary,	Salary,
13	<u>Experience</u>	<u>Nontenured</u>	<u>Tenured</u>
14	0	\$23,100	--
15	1	\$23,520	--
16	2	\$23,950	--
17	3	\$24,750	\$24,750
18	4	\$25,110	\$26,380
19	5	\$25,390	\$27,890
20	6	\$25,860	\$28,360
21	7	\$26,340	\$28,840
22	8	\$26,830	\$29,330
23	9	\$27,320	\$29,820
24	10	\$27,810	\$30,310
25	11	\$28,310	\$30,810
26	12	\$28,830	\$31,330
27	13	\$29,360	\$31,860
28	14	\$29,900	\$32,400
29	15	\$30,450	\$32,950
30	16	\$31,010	\$33,510
31	17	\$31,580	\$34,080
32	18	\$32,160	\$34,660
33	19	\$32,760	\$35,260
34	20	\$33,370	\$35,870
35	21	\$34,000	\$36,500
36	22	\$34,630	\$37,130
37	23	\$35,270	\$37,770
38	24	\$35,920	\$38,420
39	25	\$36,590	\$39,090
40	26	\$37,280	\$39,780
41	27	\$37,980	\$40,480
42	28	\$38,690	\$41,190
43	29 +	\$39,420	\$41,920

44			
45			
46		1999-2000 Salary Schedule Plan	
47		"A" Teachers	
48			
49	Years	10-Month	10-Month
50	of	Salary,	Salary,
51	<u>Experience</u>	<u>Nontenured</u>	<u>Tenured</u>

1	0	\$24,050	--
2	1	\$24,470	--
3	2	\$24,900	--
4	3	\$25,700	\$25,700
5	4	\$26,300	\$27,580
6	5	\$26,660	\$29,210
7	6	\$26,940	\$30,720
8	7	\$27,410	\$31,190
9	8	\$27,890	\$31,670
10	9	\$28,380	\$32,160
11	10	\$28,870	\$32,650
12	11	\$29,360	\$33,140
13	12	\$29,860	\$33,640
14	13	\$30,380	\$34,160
15	14	\$30,910	\$34,690
16	15	\$31,450	\$35,230
17	16	\$32,000	\$35,780
18	17	\$32,560	\$36,340
19	18	\$33,130	\$36,910
20	19	\$33,710	\$37,490
21	20	\$34,310	\$38,090
22	21	\$34,920	\$38,700
23	22	\$35,550	\$39,330
24	23	\$36,180	\$39,960
25	24	\$36,820	\$40,600
26	25	\$37,470	\$41,250
27	26	\$38,140	\$41,920
28	27	\$38,830	\$42,610
29	28	\$39,530	\$43,310
30	29 +	\$40,240	\$44,020

2000-2001 School Year Plan
"A" Teachers

	Years of Experience	10-Month Salary, Nontenured	10-Month Salary, Tenured
35	0	\$25,000	--
36	1	\$25,420	--
37	2	\$25,850	--
38	3	\$26,650	\$26,650
39	4	\$26,950	\$28,240
40	5	\$27,550	\$30,120
41	6	\$27,910	\$31,750
42	7	\$28,190	\$33,260
43	8	\$28,660	\$33,730
44	9	\$29,140	\$34,210
45	10	\$29,630	\$34,700
46	11	\$30,120	\$35,190
47	12	\$30,610	\$35,680
48	13	\$31,110	\$36,180
49	14	\$31,630	\$36,700
50	15	\$32,160	\$37,230

1	16	\$32,700	\$37,770
2	17	\$33,250	\$38,320
3	18	\$33,810	\$38,880
4	19	\$34,380	\$39,450
5	20	\$34,960	\$40,030
6	21	\$35,560	\$40,630
7	22	\$36,170	\$41,240
8	23	\$36,800	\$41,870
9	24	\$37,430	\$42,500
10	25	\$38,070	\$43,140
11	26	\$38,720	\$43,790
12	27	\$39,390	\$44,460
13	28	\$40,080	\$45,150
14	29 +	\$40,780	\$45,850

15
16 (b) To further implement this plan, it is the goal of the General
17 Assembly to increase longevity pay for teachers with 25 or more years of State service
18 to four and one-half percent (4.5%) of base salary, the same level as for State
19 employees.

20 21 VIII. PAY FOR EXEMPLARY PERFORMANCE/SPECIAL ASSIGNMENTS

22 23 A. DEFINITION OF "MASTERS/ADVANCED COMPETENCIES" BY THE 24 STATE BOARD OF EDUCATION

25 Section 17. (a) The State Board of Education, after consultation with the
26 Board of Governors of The University of North Carolina, shall develop a new
27 category of teacher certificate known as the "Masters/Advanced Competencies"
28 certificate. To receive this certificate, an applicant shall successfully complete a
29 masters degree program that includes rigorous academic preparation in the subject
30 area in which the applicant will teach and in the skills and knowledge expected of a
31 master teacher or the applicant shall demonstrate to the satisfaction of the State
32 Board that the candidate has acquired the skills and knowledge expected of a master
33 teacher.

34 (b) The Board of Governors of The University of North Carolina shall
35 develop a plan to revise the current masters of education degree programs at the
36 constituent institutions. The plan shall provide for degree programs that require
37 participants take a more rigorous course of study than is currently required and that
38 includes concentrations in the academic content areas in which the participants will
39 teach. The plan shall also consider methods for: (i) providing the more rigorous
40 course of study using the same number of hours as are currently required for masters
41 of education degrees; and (ii) providing participants the opportunity to complete the
42 masters of education degree program as part-time students, by summer school
43 attendance, and at sites not located at a constituent institution's campus provided
44 there is sufficient demand for the off-campus programs.

45 (c) Persons who qualify for a "G" certificate prior to September 1, 2000,
46 shall be awarded a "Masters/Advanced Competencies" certificate without meeting

1 additional requirements. On and after September 1, 2000, no additional "G"
2 certificates shall be awarded.

3 (d) The State Board of Education shall report to the Joint Legislative
4 Education Oversight Committee by January 15, 1998, on its progress in implementing
5 subsection (a) of this section. The Board of Governors of The University of North
6 Carolina shall report to the Joint Legislative Education Oversight Committee by
7 January 15, 1998, on its plan to implement subsection (b) of this section.

8

9 **B. BONUS PLAN FOR "MASTERS/ADVANCED COMPETENCIES" AND**
10 **FOR NBPTS CERTIFICATION**

11 Section 18. It is the goal of the General Assembly to increase
12 significantly the salaries of teachers who attain a "Masters/Advanced Competencies"
13 certificate and teachers who are certified by the National Board for Professional
14 Teaching Standards (NBPTS) so as to provide an incentive for good teachers to
15 become excellent teachers. In order to do so, it is further the goal of the General
16 Assembly to enact, for the 1997-98 school year, a salary schedule plan that will
17 provide a ten percent (10%) bonus for teachers who attain NBPTS certification. It is
18 further the goal of the General Assembly to enact by the year 2000 a salary schedule
19 plan that will provide an eight percent (8%) bonus to teachers who attain a
20 "Masters/Advanced Competencies" certification.

21

22 **C. PARTICIPATION FEE AND PAID LEAVE FOR NBPTS PROGRAM**

23 Section 19. It is the goal of the General Assembly to continue to pay for
24 the National Board for Professional Teaching Standards participation fee and for up
25 to three days of approved paid leave for teachers participating in the NBPTS program
26 during the 1997-98 school year and the 1998-99 school year and thereafter for
27 teachers in the public schools.

28

29 **D. SCHOOL-BASED INCENTIVE AWARDS UNDER THE ABC'S PROGRAM**

30 Section 20. (a) It is the goal of the General Assembly to provide school-
31 based incentive awards under G.S. 115C-105.36 (a) to schools at which students
32 achieve higher than expected improvements in the basics and the skills they need to
33 get a good job, and to schools at which students meet the expected improvements in
34 the basics and the skills they need to get a good job. In accordance with State Board
35 of Education policy, incentive awards in schools that achieve higher than expected
36 improvements may be up to: (i) one thousand five hundred dollars (\$1,500) for each
37 teacher and for certified personnel; and (ii) five hundred dollars (\$500.00) for each
38 teacher assistant. In accordance with State Board of Education policy, incentive
39 awards in schools that meet the expected improvements may be up to: (i) seven
40 hundred fifty dollars (\$750.00) for each teacher and for certified personnel; and (ii)
41 three hundred seventy-five dollars (\$375.00) for each teacher assistant.

42

43 It is further the goal of the General Assembly to provide funds to provide
44 assistance teams to low-performing schools. It is also the goal of the General
Assembly to provide funds to provide remediation to teachers who work in schools

1 that are identified as low-performing and who do not acquire a passing score on a
2 test designated by the State Board of Education.

3 (b) G.S. 115C-105.37(b) reads as rewritten:

4 "(b) Each identified low-performing school shall ~~notify~~ provide written
5 notification to the parents of students attending that ~~school~~ school. The written
6 notification shall include a statement that the State Board of Education has found
7 that the school has ~~failed~~ 'failed to meet the minimum growth standards, as defined
8 by the State Board, and a majority of students in ~~that~~ the school are performing
9 below grade ~~level~~ level.' This notification also shall include a description of the
10 steps the school is taking to improve student performance."

11

12 **E. EXTRA PAY FOR MENTOR TEACHERS**

13 Section 21. It is the goal of the General Assembly to fund a mentor
14 teacher program that will recognize the achievements of excellent, experienced
15 teachers and will provide each newly certified teacher with a qualified and well-
16 trained mentor. The funds shall be used to compensate each mentor for serving as a
17 mentor prior to and during the school year.

18

19 **F. EXTRA PAY FOR NEW TEACHER DEVELOPMENT**

20 Section 22. It is the goal of the General Assembly to compensate every
21 newly certified teacher for three additional days of employment for orientation and
22 classroom preparation.

23

24 **G. EXTRA PAY FOR PROFESSIONAL DEVELOPMENT**

25 Section 23. It is the goal of the General Assembly to provide funds for
26 teachers' participation in professional development programs that are aligned with
27 State educational goals and improved student achievement. The funds should be
28 used for teacher development programs that enable teachers to renew continually
29 their knowledge and professional skills, programs that train principals to observe and
30 evaluate teachers, programs that train master teachers to observe teachers that have
31 not achieved career status, programs that train mentors for beginning teachers, and
32 other programs as directed by the State Board of Education.

33

34 **H. EXTRA PAY FOR EXTRA DAYS**

35 Section 24. It is the goal of the General Assembly to provide funds to
36 enable school systems to utilize better the teacher workdays within the calendar for
37 planning, staff development, remediation, and other purposes. These funds shall be
38 used to pay teachers for working on, and thereby forfeiting, vacation days.

39

40 **I. ADDITIONAL PAY FOR TEACHERS WITH ADDITIONAL**
41 **RESPONSIBILITIES**

42 Section 25. It is the goal of the General Assembly to provide funds to
43 compensate teachers for additional assignments and responsibilities designed to
44 improve student achievement for additional workdays outside of the school calendar.

1 These funds should be allocated to local school administrative units on the basis of
2 average daily membership. The local board should use one-half of the funds on the
3 recommendation of the local superintendent and one-half on the recommendation of
4 school improvement teams. These funds could be used to compensate teachers for
5 purposes such as teaching after-school or Saturday academies for students at risk of
6 academic failure, developing curriculum, participating in teacher training and
7 development outside of the school calendar, and teaching classes on Saturday to
8 students needing additional instructional opportunities.

9
10 **IX. FUNDS FOR COMPUTER SYSTEMS**

11
12 Section 26. G.S. 115C-546.1(a) reads as rewritten:

13 "(a) There is created the Public School Building Capital Fund. The Fund shall
14 be used to assist county governments in meeting their public school building capital
15 needs: needs and their equipment needs under their local school technology plans."

16 Section 27. G.S. 115C-546.2 reads as rewritten:

17 "**§ 115C-546.2. Allocations from the Fund; uses; expenditures; reversion to General**
18 **Fund; matching requirements.**

19 (a) Monies in the Fund shall be allocated to the counties on a per average daily
20 membership basis according to the average daily membership for the budget year as
21 determined and certified by the State Board of Education. Interest earned on funds
22 allocated to each county shall be allocated to that county.

23 (b) Monies Counties shall use monies in the Fund ~~shall be used~~ for capital outlay
24 projects including the planning, construction, reconstruction, enlargement,
25 improvement, repair, or renovation of public school buildings and for the purchase of
26 land for public school ~~buildings: buildings;~~ for equipment to implement a local
27 school technology plan that is approved pursuant to G.S. 115C-102.6C; or for both.
28 Monies used to implement a local school technology plan shall be transferred to the
29 State School Technology Fund and allocated by that Fund to the local school
30 administrative unit for equipment.

31 As used in this section, 'public school buildings' only includes facilities for
32 individual schools that are used for instructional and related purposes and does not
33 include centralized administration, maintenance, or other facilities.

34 In the event a county finds that it does not need all or part of the funds allocated
35 to it for capital outlay projects including the planning, construction, reconstruction,
36 enlargement, improvement, repair, or renovation of public school ~~buildings or~~
37 buildings, for the purchase of land for public school buildings, or for equipment to
38 implement a local school technology plan, the unneeded funds allocated to that
39 county may be used to retire any indebtedness incurred by the county for public
40 school facilities.

41 In the event a county finds that its public school building needs and its school
42 technology needs can be met in a more timely fashion through the allocation of
43 financial resources previously allocated for purposes other than school building needs
44 or school technology needs and not restricted for use in meeting public school

1 building ~~needs~~, needs or school technology needs, the county commissioners may,
2 with the concurrence of the affected local Board of Education, use those financial
3 resources to meet school building needs and school technology needs and may
4 allocate the funds it receives under this Article for purposes other than school
5 building needs or school technology needs to the extent that financial resources were
6 redirected from such purposes. The concurrence described herein shall be secured in
7 advance of the allocation of the previously unrestricted financial resources and shall
8 be on a form prescribed by the Local Government Commission.

9 (c) Monies in the Fund allocated for capital projects shall be matched on the basis
10 of one dollar of local funds for every three dollars of State funds. Monies in the
11 Fund transferred to the State Technology Fund do not require a local match.

12 Revenue received from local sales and use taxes that is restricted for public school
13 capital outlay purposes pursuant to G.S. 105-502 or G.S. 105-487 may be used to
14 meet the local matching requirement. Funds expended by a county after July 1,
15 1986, for land acquisition, engineering fees, architectural fees, or other directly
16 related costs for a public school building capital project that was not completed prior
17 to July 1, 1987, may be used to meet the local match requirement."
18

19 X. FUNDS FOR TEACHER SUPPLY AND DEMAND STUDY

20

21 Section 28. It is the goal of the General Assembly to provide funds for
22 the State Board of Education to conduct a comprehensive teacher supply and
23 demand study.
24

25 XI. FUNDS FOR TRAINING AND COMPENSATING CASE MANAGERS

26

27 Section 29. It is the goal of the General Assembly to provide funds for
28 training individuals who will serve as case managers. It is also the goal of the
29 General Assembly to provide funds for compensating and reimbursing the expenses
30 of case managers.
31

32 XII. FUNDS FOR DEVELOPING NEW EVALUATIONS

33

34 Section 30. It is the goal of the General Assembly to provide funds for
35 developing and revising uniform performance standards and criteria to be used in
36 evaluating professional public school employees including school administrators and
37 for reviewing performance pay systems for teachers.
38

39 XIII. MISCELLANEOUS PROVISIONS

40

41 A. CAPTIONS ARE FOR REFERENCE ONLY AND DO NOT LIMIT TEXT

42 Section 31. The series of captions used in this act (the descriptive
43 phrases in boldface and capital letters) are inserted for convenience and reference

1 only, and they in no way define, limit, or prescribe the scope or application of the
2 text of this act.

3

4 **B. NO APPROPRIATIONS REQUIRED BY ACT**

5 Section 32. This act shall not be construed to obligate the General
6 Assembly to appropriate any funds to implement the provisions of this act. Nothing
7 in Sections 16 through 25 or Sections 28 through 30 of this act shall be construed to
8 create any rights or causes of action.

9

10 **C. EFFECTIVE DATES**

11 Section 33. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 351*
Committee Substitute Favorable 4/17/97
Proposed Committee Substitute H351-PCS7277

Short Title: Excellent Schools Act.

(Public)

Sponsors:

Referred to:

February 27, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE EXCELLENT SCHOOLS ACT.
3 The General Assembly of North Carolina enacts:

4 Section 1. This act shall be known as "The Excellent Schools Act".
5

6 *****

7 An outline of the provisions of the act follows this section. The outline
8 shows the heading "CONTENTS/INDEX", and it lists by general category the
9 descriptive captions for the various sections and groups of sections that make up the
10 act. This outline is designed for reference only, and it in no way limits, defines, or
11 prescribes the scope or application of the text of the act.

12

13

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33
34 **I. PURPOSE OF THE EXCELLENT SCHOOLS ACT**
35

36 Section 2. The purpose of The Excellent Schools Act is to improve
37 student academic achievement. To accomplish this purpose, it is the goal of the
38 General Assembly to: (i) concentrate student learning in the core academic areas; (ii)
39 improve teacher skills and teacher knowledge as those skills and knowledge relate to
40 improved student academic achievement; and (iii) reward teachers for their improved
41 skills and knowledge and for improved student academic achievement. It is also the
42 goal of the General Assembly to annually review the implementation of the revised
43 and more rigorous teacher preparation, professional development, and certification
44 standards developed by the State Board of Education in compliance with this act.

1 Clear and specific evidence demonstrating identifiable progress toward implementing
2 more rigorous teacher professional standards must exist on an annual basis before the
3 General Assembly may consider continued implementation of this act.

4 5 **II. EFFORTS TO RAISE STUDENT PERFORMANCE STANDARDS**

6
7 Section 3. (a) Part 3 of Article 8B of Chapter 115C of the General
8 Statutes is amended by adding the following new section to read:

9 **"§ 115C-105.38A. Teacher competency assurance.**

10 (a) The State Board of Education shall require all certified staff members working
11 in schools identified as low-performing under this Article and to which the State
12 Board has assigned an assistance team to demonstrate their competency in their
13 certification area. The State Board shall develop and implement a plan to require
14 all certified staff members working in schools identified as low-performing that have
15 not been assigned an assistance team to demonstrate their competency in their
16 certification area. The certified staff members shall acquire a passing score on a test
17 designated by the State Board. Those staff members who fail to meet the competency
18 standard shall engage in a remediation plan as follows:

19 (1) Category I. -- This category is designated for individuals who score
20 in the bottom quarter on the standardized measure used to
21 demonstrate competency in their certification area. This
22 remediation shall consist of a program of further study as
23 determined by the State Board.

24 (2) Category II. -- This category is designated for individuals who fail
25 to meet the designated standard but score above the bottom
26 quarter on the standardized measure used to demonstrate
27 competency in their certification area. This remediation shall
28 consist of a program of further study as determined by the State
29 Board.

30 Upon completion of their remediation program, certified staff members shall be
31 retested. Those individuals who fail to meet the competency standard on the retest
32 shall be required to take an additional semester of training. Those individuals will be
33 retested following this additional training. If they fail to meet the competency
34 standard at that time, the State Board shall proceed under G.S. 115C-325(q)(2a) for
35 the dismissal of those individuals. Individuals who have been dismissed under G.S.
36 115C-325(q)(2a) may not thereafter be reemployed by any local board of education.

37 (b) The Board of Governors of The University of North Carolina and the State
38 Board shall jointly designate the constituent institutions that shall provide the
39 remediation programs required under this section. Staff members who are required
40 to participate in a remediation plan under this section will be considered on leave
41 with pay, and the State shall reimburse the Board of Governors of The University of
42 North Carolina for all tuition and fees incurred under this section.

1 (c) Nothing in this section shall be construed to prohibit or postpone the ability of
2 the State Board to dismiss a teacher, assistant principal, director, or supervisor for
3 inadequate performance under G.S. 115C-325(q)(2)."

4 (b) The State Board of Education shall develop a plan to create rigorous
5 student academic performance standards for kindergarten through eighth grade and
6 student academic performance standards for courses in grades 9-12. The
7 performance standards shall align, whenever possible, with the student academic
8 performance standards developed for the National Assessment of Educational
9 Progress (NAEP). The plan also shall include clear and understandable methods of
10 reporting individual student academic performance to parents.

11 (c) The State Board of Education shall report on the implementation of
12 subsection (a) of this section to the Joint Legislative Education Oversight Committee
13 as part of its required reports on the implementation of the School-Based
14 Management and Accountability Program. The State Board of Education shall report
15 to the Joint Legislative Education Oversight Committee by March 15, 1998, on the
16 student performance standards and reports developed under subsection (b) of this
17 section. By September 1, 1999, the State Board shall adopt and implement a plan
18 requiring all certified staff members in low performing schools to demonstrate their
19 competency in their certification area.

21 III. RIGOROUS STANDARDS FOR ENTERING THE TEACHING PROFESSION

23 A. ENHANCED STANDARDS FOR TEACHER PREPARATION 24 PROGRAMS

25 Section 4. (a) G.S. 115C-296(b) reads as rewritten:

26 "(b) It is the policy of the State of North Carolina to maintain the highest quality
27 teacher education programs and school administrator programs in order to enhance
28 the competence of professional personnel certified in North Carolina. To the end
29 that teacher preparation programs are upgraded to reflect a more rigorous course of
30 study, ~~the State Board of Education shall submit to the General Assembly not later~~
31 ~~than November 1, 1994, a plan to promote this policy.~~ The State Board of
32 Education, as lead agency in coordination and cooperation with the University Board
33 of Governors, the Board of Community Colleges and such other public and private
34 agencies as are necessary, shall continue to refine the several certification
35 requirements, standards for approval of institutions of teacher education, standards
36 for institution-based innovative and experimental programs, standards for
37 implementing consortium-based teacher education, and standards for improved
38 efficiencies in the administration of the approved programs.

39 The State Board of Education, as lead agency in coordination with the Board of
40 Governors of The University of North Carolina and any other public and private
41 agencies as necessary, shall continue to raise standards for entry into teacher
42 education programs.

43 The standards for approval of institutions of teacher education shall require that
44 teacher education programs for students who do not major in special education

1 include ~~courses~~ demonstrated competencies in the identification and education of
2 children with learning disabilities. The State Board of Education shall incorporate
3 the criteria developed in accordance with G.S. 116-74.21 for assessing proposals
4 under the School Administrator Training Program into its school administrator
5 program approval standards.

6 All North Carolina institutions of higher education that offer teacher education
7 programs, masters degree programs in education, or masters degree programs in
8 school administration shall provide annual performance reports to the State Board of
9 Education. The annual performance reports shall follow a common format, shall be
10 submitted according to a plan developed by the State Board and shall include the
11 information required under the plan developed by the State Board."

12 (b) The State Board of Education shall develop a plan to provide a
13 focused review of teacher education programs and the current process of accrediting
14 these programs in order to ensure that the programs produce graduates that are well
15 prepared to teach. The plan shall include the development and implementation of an
16 annual school of education performance report for each teacher education program
17 in North Carolina. The annual report shall include at least the following elements:
18 (i) quality of students entering the schools of education, including the average grade
19 point average and average score on preprofessional skills tests that assess reading,
20 writing, math, and other competencies; (ii) graduation rates; (iii) time-to-graduation
21 rates; (iv) average scores of graduates on professional and content area examinations
22 for the purpose of certification; (v) percentage of graduates receiving initial
23 certification; (vi) percentage of graduates hired as teachers; (vii) percentage of
24 graduates remaining in teaching for four years; (viii) graduate satisfaction based on a
25 common survey; and (ix) employer satisfaction based on a common survey. The
26 performance reports shall follow a common format. The State Board of Education
27 shall develop a plan to be implemented beginning in the 1998-99 school year to
28 reward and sanction approved teacher education programs and masters of education
29 programs and to revoke approval of those programs based on the annual
30 performance reports and other criteria established by the State Board of Education.

31 The State Board also shall develop and implement a plan for annual
32 performance reports for all masters degree programs in education and school
33 administration in North Carolina. To the extent it is appropriate, the performance
34 report shall include similar indicators to those developed for the performance report
35 for teacher education programs. The performance reports shall follow a common
36 format.

37 Both plans for performance reports also shall include a method to
38 provide the annual performance reports to the Board of Governors of The University
39 of North Carolina, the State Board of Education, and the boards of trustees of the
40 independent colleges. The State Board of Education shall review the schools of
41 education performance reports, and the performance reports for masters degree
42 programs in education and school administration annually.

43 The State Board of Education shall report to the Joint Legislative
44 Education Oversight Committee by February 15, 1998, on the plans for schools of

1 education performance reports and performance reports for masters degree programs
2 in education and school administration developed under this subsection.

3 (c) The State Board of Education, in coordination with the Board of
4 Governors of The University of North Carolina, and independent colleges and
5 universities that offer teacher education programs, shall conduct a comprehensive
6 teacher supply and demand study. The study shall examine predicted trends over the
7 course of the next decade and include information regarding the effect of teacher
8 attrition rates on supply and demand. The study shall include information on
9 characteristics of new teachers hired with teaching experience in other states and
10 information regarding graduates of North Carolina schools of education who have not
11 received certification. The survey also shall include school unit analysis and
12 Southern Regional Education Board comparative analysis where appropriate. The
13 State Board of Education shall report the results of the supply and demand study to
14 the Joint Legislative Education Oversight Committee by November 15, 1998.

15 (d) By March 15, 1998, the Board of Governors of The University of
16 North Carolina shall report to the Joint Legislative Education Oversight Committee
17 on the efforts to improve teacher preparation through implementation of a second
18 major requirement. The report shall include recommendations to strengthen the
19 requirement and provide greater consistency for second majors throughout the
20 system.

21

22 B. ENHANCED INITIAL CERTIFICATION REQUIREMENTS

23 Section 5. G.S. 115C-296(a) reads as rewritten:

24 "(a) The State Board of Education shall have entire control of certifying all
25 applicants for teaching positions in all public elementary and high schools of North
26 Carolina; and it shall prescribe the rules and regulations for the renewal and
27 extension of all certificates and shall determine and fix the salary for each grade and
28 type of certificate which it authorizes: Provided, that the State Board of Education
29 shall require each applicant for an initial ~~certificate or~~ bachelors degree certificate or
30 graduate degree certificate to demonstrate ~~his~~ the applicant's academic and
31 professional preparation by achieving a prescribed minimum score ~~at least equivalent~~
32 ~~to that required by the Board on November 30, 1972,~~ on a standard examination
33 appropriate and adequate for that purpose: ~~Provided, further, that in the event the~~
34 ~~Board shall specify the National Teachers Examination for this purpose, the required~~
35 ~~minimum score shall not be lower than that which the Board required on November~~
36 ~~30, 1972: Provided, further, that the State Board of Education shall not decrease the~~
37 ~~certification standards for physical education teachers or health education teachers~~
38 ~~below the standards in effect on June 1, 1988.~~ purpose. The State Board of
39 Education shall continue to make the standard initial certification examination more
40 rigorous and to raise the prescribed minimum score as necessary to ensure that each
41 applicant has adequate academic and professional preparation to teach."

42

43 C. REPORT ON ENHANCEMENT OF INITIAL CERTIFICATION 44 STANDARDS

1 Section 6. (a) The State Board of Education shall review the admission
2 standards for teacher education programs and the initial certification requirements
3 that were adopted by the Board on July 6, 1994. The State Board shall report to the
4 Joint Legislative Education Oversight Committee by March 15, 1998, on the results of
5 the review. The State Board may consolidate the report required under this
6 subsection with the report on continuing certification required under Section 8 of this
7 act and the report on renewal of teacher certificates required under Section 14 of this
8 act.

9 (b) By March 15, 1999, the State Board shall implement the July 6, 1994,
10 admission standards for teacher education programs and initial certification
11 requirements to the extent the State Board determines those standards and
12 requirements are valid and consistent with the State goal of requiring rigorous
13 professional requirements.

14

15 **IV. RIGOROUS STANDARDS FOR CONTINUING CERTIFICATION**

16

17 **A. AWARD OF CONTINUING CERTIFICATION DELAYED ONE YEAR**

18 Section 7. (a) G.S. 115C-296(b), as rewritten by Section 4(a) of this act,
19 reads as rewritten:

20 "(b) It is the policy of the State of North Carolina to maintain the highest quality
21 teacher education programs and school administrator programs in order to enhance
22 the competence of professional personnel certified in North Carolina. To the end
23 that teacher preparation programs are upgraded to reflect a more rigorous course of
24 study, the State Board of Education, as lead agency in coordination and cooperation
25 with the University Board of Governors, the Board of Community Colleges and such
26 other public and private agencies as are necessary, shall continue to refine the several
27 certification requirements, standards for approval of institutions of teacher education,
28 standards for institution-based innovative and experimental programs, standards for
29 implementing consortium-based teacher education, and standards for improved
30 efficiencies in the administration of the approved programs. The certification
31 program shall provide for initial certification after completion of preservice training,
32 continuing certification after three years of teaching experience, and certificate
33 renewal every five years thereafter.

34 The State Board of Education, as lead agency in coordination with the Board of
35 Governors of The University of North Carolina and any other public and private
36 agencies as necessary, shall continue to raise standards for entry into teacher
37 education programs.

38 The standards for approval of institutions of teacher education shall require that
39 teacher education programs for students who do not major in special education
40 include competencies in the identification and education of children with learning
41 disabilities. The State Board of Education shall incorporate the criteria developed in
42 accordance with G.S. 116-74.21 for assessing proposals under the School
43 Administrator Training Program into its school administrator program approval
44 standards.

1 All North Carolina institutions of higher education that offer teacher education
2 programs, Masters degree programs in education, or Masters degree programs in
3 school administration shall provide annual performance reports to the State Board of
4 Education. The performance reports shall follow a common format and shall be
5 submitted according to a plan developed by the State Board."

6 (b) This section applies to teachers who have not received continuing
7 certification prior to January 1, 1998.

8

9 **B. ENHANCED STANDARDS FOR CONTINUING CERTIFICATION**

10 Section 8. The State Board of Education, in consultation with the Board
11 of Governors of The University of North Carolina, shall evaluate and develop
12 enhanced requirements for continuing certification. The new requirements shall
13 reflect more rigorous standards for continuing certification and to the extent possible
14 shall be aligned with quality professional development programs that reflect State
15 priorities for improving student achievement. The State Board shall report to the
16 Joint Legislative Education Oversight Committee by March 15, 1998, on the results of
17 this evaluation. The State Board may consolidate the report required under this
18 section with the report on Initial Certification required under Section 6 of this act
19 and the report on Renewal of Teacher Certificates required under Section 14 of this
20 act. The State Board of Education shall adopt new standards for continuing
21 certification by May 15, 1998.

22

23 **V. RIGOROUS STANDARDS, EVALUATION, AND SUPPORT BEFORE**
24 **CAREER STATUS IS CONSIDERED**

25

26 **A. SUPPORT AND MENTORS PROVIDED FOR ALL BEGINNING**
27 **TEACHERS**

28 Section 9. The State Board of Education shall develop a mentor program
29 to provide ongoing support for teachers entering the profession. In developing the
30 mentor program, the State Board shall conduct a comprehensive study of the needs
31 of new teachers and how those needs can be met through an orientation and mentor
32 support program. For the purpose of helping local boards to support new teachers,
33 the State Board shall develop and distribute guidelines which address optimum
34 teaching load, extracurricular duties, student assignment, and other working condition
35 considerations. The State Board also shall develop and coordinate a mentor teacher
36 training program. The State Board shall develop criteria for selecting excellent,
37 experienced, and qualified teachers to be participants in the mentor teacher training
38 program. The State Board shall report to the Joint Legislative Education Oversight
39 Committee prior to February 15, 1998, on its progress in implementing this section.

40

41 **B. RIGOROUS AND MORE FREQUENT EVALUATIONS BY WELL-**
42 **TRAINED EVALUATORS BEFORE CAREER STATUS IS CONSIDERED**

43

Section 10. (a) G.S. 115C-326(a) reads as rewritten:

1 "(a) The State Board of Education, in consultation with local boards of education,
2 shall revise and develop uniform performance standards and criteria to be used in
3 evaluating professional public school ~~employees.~~ employees, including school
4 administrators. These standards and criteria shall include improving student
5 achievement and employee skills and employee knowledge. The standards and
6 criteria for school administrators also shall include building-level gains in student
7 learning and effectiveness in carrying out the responsibility of ensuring school safety
8 and enforcing student discipline. The Board shall develop rules to recommend the
9 use of these standards and criteria in the employee evaluation process. The
10 performance standards and criteria may be modified ~~in~~ at the discretion of the Board.

11 The State Board of Education, in collaboration with the Board of Governors of
12 The University of North Carolina, shall develop training programs for practicing
13 school administrators to improve their evaluation of professional public school
14 employees based on the employee's skills and knowledge and student achievement.
15 These programs shall include evaluative methods to determine whether an
16 employee's performance has improved student learning, as well as the appropriate
17 process for professional improvement, contract nonrenewal, and dismissal of school
18 personnel whose performance is inadequate. The Board of Governors of The
19 University of North Carolina shall ensure that the subject matter of the training
20 programs is incorporated into the masters in school administration programs offered
21 by the constituent institutions.

22 Local boards of education shall adopt rules to provide for the evaluation of all
23 professional employees defined as teachers in G.S. 115C-325(a)(6). All teachers who
24 have not attained career status shall be observed at least three times annually by a
25 qualified school administrator or a designee and at least once annually by a teacher,
26 and shall be evaluated at least once annually by a qualified school administrator. All
27 other teachers shall be evaluated annually unless a local board adopts rules that allow
28 specified categories of teachers with career status to be evaluated more or less
29 frequently. Local boards may also adopt rules requiring the annual evaluation of
30 other school employees not specifically covered in this section. Local boards may
31 develop and use alternative evaluation approaches for teachers provided the
32 evaluations are properly validated. Local boards that do not develop alternative
33 evaluations shall utilize the performance standards and criteria adopted by the State
34 Board of Education, but are not limited to those standards and criteria."

35 (b) The State Board of Education shall report to the Joint Legislative
36 Education Oversight Committee by March 15, 1998, on the development of programs
37 to train administrators to improve the evaluation of professional public school
38 employees.

39 (c) The State Board of Education shall report to the Joint Legislative
40 Education Oversight Committee by March 15, 1998, on the revision and development
41 of uniform performance standards and criteria to be used in evaluating professional
42 public school employees including school administrators. The State Board of
43 Education shall adopt new performance standards and criteria by May 15, 1998.

(d) The State Board of Education shall develop guidelines for evaluating superintendents. The guidelines shall include criteria for evaluating superintendent effectiveness in providing safe schools and enforcing student discipline. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by April 15, 1998, on the development of the guidelines. The State Board of Education shall adopt guidelines for evaluating superintendents by July 15, 1998.

C. CAREER STATUS DECISION TO BE MADE ONE YEAR AFTER CONTINUING CERTIFICATION AWARDED

Section 11. (a) G.S. 115C-325(c) reads as rewritten:

"(c) (1) Election of a Teacher to Career Status. -- Except as otherwise provided in subdivision (3) of this subsection, when a teacher ~~will have~~ has been employed by a North Carolina public school system for ~~three~~ four consecutive years, the board, near the end of the ~~third~~ fourth year, shall vote upon ~~his employment for the next school year. whether to grant the teacher career status.~~ The board shall give ~~him~~ the teacher written notice of that decision by June 1 of ~~his third year of employment.~~ 15. If a majority of the board votes to ~~reemploy the teacher,~~ grant career status to the teacher, and if it has notified ~~him~~ the teacher of the decision, it may not rescind that action but must proceed under the provisions of this section for the demotion or dismissal of a teacher if it decides to terminate ~~his~~ the teacher's employment. If a majority of the board votes against reemploying the teacher, ~~he~~ the teacher shall not teach beyond the current school term. ~~If~~ The board shall not reemploy the teacher if after the fourth consecutive year: (i) the board fails to vote on granting career status; but reemploys him for the next year, he automatically becomes a career teacher on the first day of the fourth ninth year of employment. (ii) a majority of the board votes against granting career status; or (iii) the board vote regarding granting the teacher career status results in a tie.

A year, for purposes of computing time as a probationary teacher, shall be not less than 120 workdays performed as a full-time, permanent teacher in a normal school year.

(2) Employment of a Career Teacher. -- A teacher who has obtained career status in any North Carolina public school system need not serve another probationary period of more than two ~~years.~~ years, and may, at the option of the board, be employed immediately ~~The board may grant career status immediately upon employing the teacher, or after the first or second year of employment, as a career teacher. In any event, if the teacher is reemployed for a third consecutive school year, he shall automatically become a career teacher. A teacher with career status who resigns and within five~~

~~years is reemployed by the same local school administrative unit need not serve another probationary period of more than one school year and may, at the option of the board, be reemployed as a career teacher. In any event, if he is reemployed for a second consecutive school year, he shall automatically become a career teacher. The board shall not reemploy the teacher if after the second consecutive year: (i) the board fails to vote on granting career status; (ii) a majority of the board votes against granting the teacher career status; or (iii) the board vote regarding granting the teacher career status results in a tie.~~

(2a) Notice of Teachers Eligible to Achieve Career Status. -- At least 30 days prior to any board action granting career status, the superintendent shall submit to the board a list of the names of all teachers who are eligible to achieve career status. Notwithstanding any other provision of law, the list shall be a public record under Chapter 132 of the General Statutes.

(3) Ineligible for Career Status. -- No employee of a local board of education except a teacher as defined by G.S. 115C-325(a)(6) is eligible to obtain career status or continue in a career status if he no longer performs the responsibilities of a teacher as defined in G.S. 115C-325(a)(6). No person who is working in a principal or supervisor position who did not acquire career status as a school administrator by June 30, 1997, shall have career status as an administrator. Further, no director or assistant principal is eligible to obtain career status as a school administrator unless he or she has already been conferred that status by the local board of education.

(4) Leave of Absence. -- A career teacher who has been granted a leave of absence by a board shall maintain his career status if he returns to his teaching position at the end of the authorized leave."

(b) This section applies to teachers, as defined in G.S. 115C-325(a)(6), who have not attained career status pursuant to G.S. 115C-325(c) prior to July 1, 1998.

VI. ADDITIONAL PROFESSIONAL DEVELOPMENT OPPORTUNITIES AND TOUGHER STANDARDS FOR TEACHERS WITH CAREER STATUS

A. MEANINGFUL AND CONTINUED PROFESSIONAL DEVELOPMENT FOR TEACHERS

Section 12. (a) G.S. 115C-12 is amended by adding a new subdivision to read:

"(25) Duty to Monitor and Make Recommendations Regarding Professional Development Programs. -- The State Board of Education, in collaboration with the Board of Governors of The

University of North Carolina, shall identify and make recommendations regarding meaningful professional development programs for professional public school employees. The programs shall be aligned with State education goals and directed toward improving student academic achievement. The State Board shall annually evaluate and make recommendations regarding professional development programs based upon reports submitted by the Board of Governors under G.S. 116-11(12a)."

(b) G.S. 116-11 is amended by adding a new subdivision to read:

"(12a) The Board of Governors of The University of North Carolina shall implement, administer, and revise programs for meaningful professional development for professional public school employees based upon the evaluations and recommendations made by the State Board of Education under G.S. 115C-12(25). The programs shall be aligned with State education goals and directed toward improving student academic achievement. The Board of Governors shall submit to the State Board of Education an annual report evaluating the professional development programs administered by the Board of Governors."

(c) The State Board of Education shall report to the Board of Governors of The University of North Carolina by January 15, 1998, on its initial recommendations for implementation of subsection (a) of this section.

(d) The Board of Governors of The University of North Carolina shall report to the Joint Legislative Education Oversight Committee by April 1, 1998, on a plan to coordinate and consolidate professional development programs for professional public school employees. This report may include recommendations for statutory or other organizational changes.

B. TENURE STREAMLINED TO PROVIDE A FAIR AND EFFICIENT PROCESS FOR REMOVING POOR TEACHERS FROM THE CLASSROOM

Section 13. (a) G.S. 115C-325, as rewritten by Section 11(a) of this act, reads as rewritten:

"§ 115C-325. System of employment for public school teachers.

(a) Definition of Terms. -- As used in this section unless the context requires otherwise:

(1a) 'Career employee' as used in this section means:

- a. An employee who has obtained career status with that local board as a teacher as provided in G.S. 115C-325(c);
- b. An employee who has obtained career status with that local board in an administrative position as provided in G.S. 115C-325(d)(2);
- c. A probationary teacher during the term of the contract as provided in G.S. 115C-325(m); and

- 1 d. A school administrator during the term of a school
2 administrator contract as provided in G.S. 115C-287.1(c).
- 3 (1b) 'Career school administrator' means a school administrator who
4 has obtained career status in an administrative position as provided
5 in G.S. 115C-325(d)(2).
- 6 ~~(1)~~
- 7 (1c) 'Career teacher' means a teacher who has obtained career status as
8 provided in G.S. 115C-325(c).
- 9 (1d) 'Case manager' means a person selected under G.S. 115C-
10 325(h)(7).
- 11 ~~(2) 'Committee' means the Professional Review Committee created~~
12 ~~under G.S. 115C-325(g).~~
- 13 (3) 'Day' means calendar day. In computing any period of time, Rule
14 6 of the North Carolina Rules of Civil Procedure shall apply.
- 15 (4) 'Demote' means to reduce the ~~compensation~~ salary of a person
16 who is classified or paid by the State Board of Education as a
17 classroom teacher, teacher or as a school administrator, or to
18 ~~transfer him to a new position carrying a lower salary, or to~~
19 ~~suspend him without pay to a maximum of 60 days; provided,~~
20 ~~however, that a suspension without pay pursuant to the provisions~~
21 ~~of G.S. 115C-325(f) shall not be considered a demotion. The word~~
22 ~~'demote' does not include a reduction in compensation that results~~
23 ~~from the elimination of a special duty, such as the duty of an~~
24 ~~athletic coach, assistant principal, or a choral director. include: (i)~~
25 a suspension without pay pursuant to G.S. 115C-325(f)(1); (ii) the
26 elimination or reduction of bonus payments, including merit-based
27 supplements, or a systemwide modification in the amount of any
28 applicable local supplement; (iii) any reduction in salary that
29 results from the elimination of a special duty, such as the duty of
30 an athletic coach or a choral director; or (iv) the transfer of a
31 career school administrator from one position to another position
32 regardless of whether the transfer results in a reduction of the
33 career administrator's compensation or the transfer is to a
34 nonadministrative position.
- 35 (4a) 'Disciplinary suspension' means a final decision to suspend a
36 teacher or school administrator without pay for no more that 60
37 days under G.S. 115C-325(f)(2).
- 38 (5) 'Probationary teacher' means a certificated person, other than a
39 superintendent, associate superintendent, or assistant
40 superintendent, who has not obtained career-teacher status and
41 whose major responsibility is to supervise teaching.
- 42 (6) 'Teacher' means a person who holds at least a current, not
43 provisional or expired, Class A certificate or a regular, not
44 provisional or expired, vocational certificate issued by the

Department of Public Instruction; whose major responsibility is to teach or directly supervises teaching or who is classified by the State Board of Education or is paid as a classroom teacher; and who is employed to fill a full-time, permanent position.

(7) 'School administrator' means a principal, assistant principal, supervisor, or director; whose major function includes the direct or indirect supervision of teaching or any other part of the instructional program as provided in G.S. 115C-287.1(a)(3).

(8) 'Year' for purposes of computing time as a probationary teacher shall be not less than 120 workdays performed as a probationary teacher in a full-time permanent position in a school year.

(b) Personnel Files. -- The superintendent shall maintain in his office a personnel file for each teacher that contains any complaint, commendation, or suggestion for correction or improvement about the teacher's professional conduct, except that the superintendent may elect not to place in a teacher's file (i) a letter of complaint that contains invalid, irrelevant, outdated, or false information or (ii) a letter of complaint when there is no documentation of an attempt to resolve the issue. The complaint, commendation, or suggestion shall be signed by the person who makes it and shall be placed in the teacher's file only after five days' notice to the teacher. Any denial or explanation relating to such complaint, commendation, or suggestion that the teacher desires to make shall be placed in the file. Any teacher may petition the local board of education to remove any information from his personnel file that he deems invalid, irrelevant, or outdated. The board may order the superintendent to remove said information if it finds the information is invalid, irrelevant, or outdated.

The personnel file shall be open for the teacher's inspection at all reasonable times but shall be open to other persons only in accordance with such rules and regulations as the board adopts. Any preemployment data or other information obtained about a teacher before his employment by the board may be kept in a file separate from his personnel file and need not be made available to him. No data placed in the preemployment file may be introduced as evidence at a hearing on the dismissal or demotion of a teacher, except the data may be used to substantiate G.S. 115C-325(e)(1)g. or G.S. 115C-325(e)(1)o. as grounds for dismissal or demotion.

(c) (1) Election of a Teacher to Career Status. -- Except as otherwise provided in subdivision (3) of this subsection, when a teacher has been employed by a North Carolina public school system for four consecutive years, the board, near the end of the fourth year, shall vote upon whether to grant the teacher career status. The board shall give the teacher written notice of that decision by June 15. If a majority of the board votes to grant career status to the teacher, and if it has notified the teacher of the decision, it may not rescind that action but must proceed under the provisions of this section for the demotion or dismissal of a teacher if it decides to terminate the teacher's employment. If a majority of the board votes against reemploying the teacher, the teacher shall not teach beyond the

current school term. The board shall not reemploy the teacher if after the fourth consecutive year: (i) the board fails to vote on granting career status; (ii) a majority of the board votes against granting career status; or (iii) the board vote regarding granting the teacher career status results in a tie.

~~A year, for purposes of computing time as a probationary teacher, shall be not less than 120 workdays performed as a full-time, permanent teacher in a normal school year.~~

- (2) Employment of a Career Teacher. -- A teacher who has obtained career status in any North Carolina public school system need not serve another probationary period of more than two years. The board may grant career status immediately upon employing the teacher, or after the first or second year of employment. The board shall not reemploy the teacher if after the second consecutive year: (i) the board fails to vote on granting career status; (ii) a majority of the board votes against granting the teacher career status; or (iii) the board vote regarding granting the teacher career status results in a tie.

- (2a) Notice of Teachers Eligible to Achieve Career Status. -- At least 30 days prior to any board action granting career status, the superintendent shall submit to the board a list of the names of all teachers who are eligible to achieve career status. Notwithstanding any other provision of law, the list shall be a public record under Chapter 132 of the General Statutes.

- (3) Ineligible for Career Status. -- No employee of a local board of education except a teacher as defined by G.S. 115C-325(a)(6) is eligible to obtain career status or continue in a career status as a teacher if he no longer performs the responsibilities of a teacher as defined in G.S. 115C-325(a)(6). No person who is ~~working in a principal or supervisor position~~ employed as a school administrator who did not acquire career status as a school administrator by June 30, 1997, shall have career status as an administrator. Further, no director or assistant principal is eligible to obtain career status as a school administrator unless he or she has already been conferred that status by the local board of education.

- (4) Leave of Absence. -- A career teacher who has been granted a leave of absence by a board shall maintain his career status if he returns to his teaching position at the end of the authorized leave.

(d) Career Teachers and Career School Administrators.

- (1) A career teacher or career school administrator shall not be subjected to the requirement of annual appointment nor shall he be dismissed, demoted, or employed on a part-time basis without his consent except as provided in subsection (e).

1 (2) a. The provisions of this subdivision do not apply to a person
2 who is ineligible for career status as provided by G.S. 115C-
3 325(c)(3).

4 b. ~~Whether or not he has previously attained career status as a~~
5 ~~teacher, a person who has performed the duties of a~~
6 ~~principal in the school system for three consecutive years or~~
7 ~~has performed the duties of a supervisor in the school~~
8 ~~system for three consecutive years shall not be transferred~~
9 ~~from that position to a lower paying administrative position~~
10 ~~or to a lower paying nonadministrative position without his~~
11 ~~consent except for the reasons given in G.S. 115C-325(e)(1)~~
12 ~~and in accordance with the provisions for the dismissal of a~~
13 ~~career teacher set out in this section. Transfer of a principal~~
14 ~~or a supervisor is not a transfer to a lower paying position if~~
15 ~~the principal's or supervisor's salary is maintained at the~~
16 ~~previous salary amount.~~

17 c. Subject to G.S. 115C-287.1, when ~~When~~ a teacher has
18 performed the duties of supervisor or principal for three
19 consecutive years, the board, near the end of the third year,
20 shall vote upon his employment for the next school year.
21 The board shall give him written notice of that decision by
22 June 1 of his third year of employment as a supervisor or
23 principal. If a majority of the board votes to reemploy the
24 teacher as a principal or supervisor, and it has notified him
25 of that decision, it may not rescind that action but must
26 proceed under the provisions of this section. If a majority of
27 the board votes not to reemploy the teacher as a principal or
28 supervisor, he shall retain career status as a teacher if that
29 status was attained prior to assuming the duties of supervisor
30 or principal. A supervisor or principal who has not held
31 that position for three years and whose contract will not be
32 renewed for the next school year shall be notified by June 1
33 and shall retain career status as a teacher if that status was
34 attained prior to assuming the duties of supervisor or
35 principal.

36 A year, for purposes of computing time as a probationary
37 principal or supervisor, shall not be less than 145 workdays
38 performed as a full-time, permanent principal or supervisor
39 in a contract year.

40 A principal or supervisor who has obtained career status
41 in that position in any North Carolina public school system
42 may be required by the board of education in another
43 school system to serve an additional three-year probationary
44 period in that position before being eligible for career status.

1 However, he may, at the option of the board of education,
2 be granted career status immediately or after serving a
3 probationary period of one or two additional years. A
4 principal or supervisor with career status who resigns and
5 within five years is reemployed by the same school system
6 need not serve another probationary period in that position
7 of more than two years and may, at the option of the board,
8 be reemployed immediately as a career principal or
9 supervisor or be given career status after only one year. In
10 any event, if he is reemployed for a third consecutive year,
11 he shall automatically become a career principal or
12 supervisor.

13 (e) Grounds for Dismissal or Demotion of a Career ~~Teacher~~ Employee.

14 (1) Grounds. -- No career ~~teacher~~ employee shall be dismissed or
15 demoted or employed on a part-time basis except for one or more
16 of the following:

- 17 a. Inadequate performance.
- 18 b. Immorality.
- 19 c. Insubordination.
- 20 d. Neglect of duty.
- 21 e. Physical or mental incapacity.
- 22 f. Habitual or excessive use of alcohol or nonmedical use of a
23 controlled substance as defined in Article 5 of Chapter 90 of
24 the General Statutes.
- 25 g. Conviction of a felony or a crime involving moral turpitude.
- 26 h. Advocating the overthrow of the government of the United
27 States or of the State of North Carolina by force, violence,
28 or other unlawful means.
- 29 i. Failure to fulfill the duties and responsibilities imposed
30 upon teachers or school administrators by the General
31 Statutes of this State.
- 32 j. Failure to comply with such reasonable requirements as the
33 board may prescribe.
- 34 k. Any cause which constitutes grounds for the revocation of
35 ~~such the~~ career teacher's teaching ~~certificate~~ certificate or
36 the career school administrator's administrator certificate.
- 37 l. A justifiable decrease in the number of positions due to
38 district reorganization, decreased enrollment, or decreased
39 funding, provided that there is compliance with subdivision
40 (2).
- 41 m. Failure to maintain his certificate in a current status.
- 42 n. Failure to repay money owed to the State in accordance
43 with the provisions of Article 60, Chapter 143 of the
44 General Statutes.

o. Providing false information or knowingly omitting a material fact on an application for employment or in response to a preemployment inquiry.

- (2) Reduction in Force. -- Before recommending to a board the dismissal or demotion of the career ~~teacher~~ employee pursuant to G.S. 115C-325(e)(1)l., the superintendent shall give written notice to the career ~~teacher~~ employee by certified mail or personal delivery of his intention to make such recommendation and shall set forth as part of his recommendation the grounds upon which he believes such dismissal or demotion is justified. The notice shall include a statement to the effect that if the ~~teacher~~ career employee within 15 days after receipt of the notice requests a review, he shall be entitled to have the proposed recommendations of the superintendent reviewed by the board. Within the 15-day period after receipt of the notice, the career ~~teacher~~ employee may file with the superintendent a written request for a hearing before the board within 10 days. If the ~~teacher~~ career employee requests a hearing before the board, the hearing procedures provided in ~~G.S. 115C-325(j)~~ G.S. 115C-325(j3) shall be followed. If no request is made within the 15-day period, the superintendent may file his recommendation with the board. If, after considering the recommendation of the superintendent and the evidence adduced at the hearing if there is one, the board concludes that the grounds for the recommendation are true and substantiated by a preponderance of the evidence, the board, if it sees fit, may by resolution order such dismissal. Provisions of this section which permit ~~appointment of, and investigation and review by, a panel of the Professional Review Committee~~ a hearing by a case manager shall not apply to a dismissal or demotion recommended pursuant to G.S. 115C-325(e)(1)l.

When a career ~~teacher~~ employee is dismissed pursuant to G.S. 115C-325(e)(1)l. above, his name shall be placed on a list of available ~~teachers~~ career employees to be maintained by the board. Career ~~teachers~~ employees whose names are placed on such a list shall have a priority on all positions in which they acquired career status and for which they are qualified which become available in that system for the three consecutive years succeeding their dismissal. However, if the local school administrative unit offers the dismissed ~~teacher~~ career employee a position for which he is certified and he refuses it, his name shall be removed from the priority list.

- (3) Inadequate Performance. -- In determining whether the professional performance of a career ~~teacher~~ employee is adequate, consideration shall be given to regular and special evaluation

reports prepared in accordance with the published policy of the employing local school administrative unit and to any published standards of performance which shall have been adopted by the board. Failure to notify a career ~~teacher~~ employee of an inadequacy in his performance shall be conclusive evidence of satisfactory performance.

(4) Three-Year Limitation on Basis of Dismissal or Demotion -- Dismissal or demotion under subdivision (1) above, except ~~paragraph g~~ paragraphs g. and o. thereof, shall not be based on conduct or actions which occurred more than three years before the written notice of the superintendent's intention to recommend dismissal or demotion is mailed to the ~~teacher~~ career employee. The three-year limitation shall not apply to dismissals or demotions pursuant to subdivision (1)b. above when the charge of immorality is based upon a ~~teacher's~~ career employee's sexual misconduct toward or sexual harassment of students or staff.

(f) (1) Suspension without Pay. -- If a superintendent believes that cause exists for dismissing a ~~probationary or career teacher~~ employee for any reason specified in ~~G.S. 115C-325(e)(1)a. through 115C-325(e)(1)j.~~ G.S. 115C-325(e)(1) and that immediate suspension of the ~~teacher~~ career employee is necessary, the superintendent may suspend ~~him~~ the career employee without pay. Before suspending a ~~teacher~~ career employee without pay, the superintendent shall meet with the ~~teacher~~ career employee and give him written notice of the charges against him, an explanation of the bases for the charges, and an opportunity to respond. Within five days after a suspension under this paragraph, the superintendent shall initiate a ~~dismissal~~ dismissal, demotion, or disciplinary suspension without pay as provided in this section. If it is finally determined that no grounds for ~~dismissal~~ dismissal, demotion, or disciplinary suspension without pay exist, the ~~teacher~~ career employee shall be reinstated ~~immediately and immediately,~~ shall be paid for the period of ~~suspension~~ suspension, and all records of the suspension shall be removed from the career employee's personnel file.

(2) Disciplinary Suspension Without Pay. -- A ~~teacher~~ career employee recommended for suspension without pay pursuant to G.S. ~~115C-325(a)(4)~~ 115C-325(a)(4a) may request a hearing before the board. ~~If the teacher requests a hearing before the board, the procedures provided in G.S. 115C-325(j) shall be followed.~~ If no request is made within 15 days, the superintendent may file his recommendation with the board. If, after considering the recommendation of the superintendent and the evidence adduced at the hearing if one is held, the board concludes that the grounds

for the recommendation are true and substantiated by a preponderance of the evidence, the board, if it sees fit, may by resolution order such suspension. ~~Provisions of this section which permit appointment of, and investigation and review by, a panel of the Professional Review Committee shall not apply to a suspension without pay pursuant to G.S. 115C-325(a)(4).~~

a. Board hearing for disciplinary suspensions for more than 10 days or for certain types of intentional misconduct. -- The procedures for a board hearing under G.S. 115C-325(j3) shall apply if any of the following circumstances exist:

1. The recommended disciplinary suspension without pay is for more than 10 days; or

2. The disciplinary suspension is for intentional misconduct, such as inappropriate sexual or physical conduct, immorality, insubordination, habitual or excessive alcohol or nonmedical use of a controlled substance as defined in Article 5 of Chapter 90 of the General Statutes, any cause that constitutes grounds for the revocation of the teacher's or school administrator's certificate, or providing false information.

b. Board hearing for disciplinary suspensions of no more than 10 days. -- The procedures for a board hearing under G.S. 115C-325(j2) shall apply to all disciplinary suspensions of no more than 10 days that are not for intentional misconduct as specified in G.S. 115C-325(f)(2)a.2.

(f1) Suspension with Pay. -- If a superintendent believes that cause may exist for dismissing or demoting a ~~probationary or career teacher employee~~ for any reasons specified in ~~G.S. 115C-325(e)(1)b through 115C-325(e)(1)~~; G.S. 115C-325(e)(1), but that additional investigation of the facts is necessary and circumstances are such that the ~~teacher career employee~~ should be removed immediately from his duties, the superintendent may suspend the ~~teacher career employee~~ with pay for a reasonable period of time, not to exceed 90 days. The superintendent shall ~~immediately~~ notify the board of education within two days of his action and shall notify the career employee within two days of the action and the reasons for it. If the superintendent has not initiated dismissal or demotion proceedings against the ~~teacher career employee~~ within the 90-day period, the ~~teacher career employee~~ shall be reinstated to his duties immediately and all records of the suspension with pay shall be removed from the ~~teacher's career employee's~~ personnel file at his ~~request~~. request. However, if the superintendent and the employee agree to extend the 90-day period, the superintendent may initiate dismissal or demotion proceedings against the career employee at any time during the period of the extension.

~~(g) Professional Review Committee; Qualifications; Terms; Vacancy; Training.~~

- (1) ~~There is hereby created a Professional Review Committee which shall consist of 132 citizens, 11 from each of the State's congressional districts, five of whom shall be lay persons and six of whom shall have been actively and continuously engaged in teaching or in supervision or administration of schools in this State for the five years preceding their appointment and who are broadly representative of the profession, to be appointed by the Superintendent of Public Instruction with the advice and consent of the State Board of Education. Each member shall be appointed for a term of three years. The initial terms of office of the persons appointed from the 12th Congressional District shall commence on January 3, 1993, and expire on June 30, 1995. The Superintendent of Public Instruction, with the advice and consent of the State Board of Education, shall fill any vacancy which may occur in the Committee. The person appointed to fill the vacancy shall serve for the unexpired portion of the term of the member of the Committee whom he is appointed to replace.~~
- (2) ~~The Superintendent of Public Instruction shall provide for the Committee such training as he considers necessary or desirable for the purpose of enabling the members of the Committee to perform the functions required of them.~~
- (3) ~~The compensation of committee members while serving as a member of a hearing panel shall be as for State boards and commissions pursuant to G.S. 138-5. The compensation shall be paid by the State Board of Education.~~
- (h) Procedure for Dismissal or Demotion of Career ~~Teacher~~ Employee.
- (1) A career ~~teacher~~ employee may not be dismissed, demoted, or reduced to part-time employment except upon the superintendent's recommendation.
- (2) Before recommending to a board the dismissal or demotion of the career ~~teacher~~ employee, the superintendent shall give written notice to the career ~~teacher~~ employee by certified mail or personal delivery of his intention to make such recommendation and shall set forth as part of his recommendation the grounds upon which he believes such dismissal or demotion is justified. The superintendent also shall meet with the career employee and give him written notice of the charges against him, an explanation of the basis for the charges, and an opportunity to respond if the career employee has not done so under G.S. 115C-325(f)(1). The notice shall include a statement to the effect that if the ~~teacher~~ career employee within ~~15~~ seven days after the date of receipt of the notice requests a review, he shall be entitled to have the grounds for the proposed recommendations of the superintendent reviewed by a panel of the Committee case manager. A copy of

- 1 G.S. 115C-325 and a current list of ~~the members of the~~
2 ~~Professional Review Committee~~ case managers shall also be sent to
3 the career ~~teacher~~ employee. If the ~~teacher~~ career employee does
4 not request a ~~panel~~ hearing with a case manager within the ~~15~~
5 seven days provided, the superintendent may submit his
6 recommendation to the board.
- 7 (3) Within the ~~15-day~~ seven-day period after receipt of the notice, the
8 career ~~teacher~~ employee may file with the superintendent a written
9 request for either (i) ~~a review of the a hearing on the grounds for~~
10 ~~the superintendent's proposed recommendation by a panel of the~~
11 ~~Professional Review Committee~~ case manager or (ii) a hearing
12 within five days before the board on the superintendent's
13 recommendation, within 10 days. If the ~~teacher~~ career employee
14 requests an immediate hearing before the board, he forfeits his
15 right to a hearing by a ~~panel of the Professional Review~~
16 ~~Committee.~~ A hearing conducted by the board pursuant to this
17 subdivision shall be conducted pursuant to G.S. 115C-325(j) and
18 (4) a case manager. If no request is made within that period, the
19 superintendent may file his recommendation with the board. The
20 board, if it sees fit, may by resolution ~~dismiss such teacher.~~ (i)
21 reject the superintendent's recommendation or (ii) accept or
22 modify the superintendent's recommendation and dismiss, demote,
23 reinstate, or suspend the employee without pay. If a request for
24 review is made, the superintendent shall not file his
25 recommendation for dismissal with the board until a report of a
26 ~~panel of the Committee~~ the case manager is filed with the
27 superintendent.
- 28 (4) ~~If a request for review is made, the superintendent, within five days~~
29 ~~of filing such request for review, shall notify the Superintendent of~~
30 ~~Public Instruction who, within seven days from the time of receipt~~
31 ~~of such notice, shall designate a panel of five members of the~~
32 ~~Committee, at least two of whom shall be lay persons, who shall~~
33 ~~not be employed in or be residents of the county in which the~~
34 ~~request for review is made, to review the proposed~~
35 ~~recommendations of the superintendent for the purpose of~~
36 ~~determining whether in its opinion the grounds for the~~
37 ~~recommendation are true and substantiated. The teacher or~~
38 ~~principal making the request for review shall have the right to~~
39 ~~require that at least two members of the panel shall be members of~~
40 ~~his professional peer group.~~
- 41 (5) If the career employee elects to request a hearing by a case
42 manager, the career employee and superintendent shall each have
43 the right to eliminate up to one-third of the names on the
44 approved list of case managers. The career employee shall specify

those case managers who are not acceptable in the career employee's request for a review of the superintendent's proposed recommendation under G.S. 115C-325(h)(3). The superintendent and career employee may jointly select a person to serve as case manager. The person need not be on the master list of case managers maintained by the Superintendent of Public Instruction.

(6) If a career employee requests a review by a case manager, the superintendent shall notify the Superintendent of Public Instruction within two days' receipt of the request. The notice shall contain a list of the case managers the career employee and the superintendent have eliminated from the master list or the name of a person, if any, jointly selected. Failure to exercise the right to eliminate names from the master list shall constitute a waiver of that right.

(7) The Superintendent of Public Instruction shall select a case manager within three days of receiving notice from the superintendent. The Superintendent of Public Instruction shall designate the person jointly selected by the parties to serve as case manager provided the person agrees to serve as case manager and can meet the requirements for time frames for the hearing and report as provided in G.S. 115C-325(i1)(1). If a case manager was not jointly selected or if the case manager is not available, the Superintendent of Public Instruction shall select a case manager from the master list. No person eliminated by the career employee or superintendent shall be designated case manager.

(8) The superintendent and career employee shall provide each other with copies of all documents submitted to the Superintendent of Public Instruction or to the designated case manager.

(h1) Case Managers; Qualifications; Training; Compensation.

(1) Each year the State Board of Education shall select and maintain a master list of no more than 42 qualified case managers.

(2) Persons selected by the State Board as case managers shall be: (i) certified as a North Carolina Superior Court mediator; (ii) a member of the American Arbitration Association's roster of arbitrators and mediators; or (iii) have comparable certification in alternative dispute resolution. Case managers must complete a special training course approved by the State Board of Education.

(3) The State Board of Education shall determine the compensation for a case manager. The State Board shall pay the case manager's compensation and reimbursement for expenses.

~~(i) Hearing by Panel of Professional Review Committee; Report; Action of Superintendent; Review by Board.~~

~~(1) The career teacher and superintendent will each have the right to designate not more than 33 of the 132 members of the Professional~~

~~Review Committee as not acceptable to the teacher or superintendent respectively. No person so designated shall be appointed to the panel. The career teacher shall specify to the superintendent those Committee members who are not acceptable in his request for a review of the superintendent's proposed recommendations provided for in subdivision (h)(3) above. The superintendent's notice to the Superintendent of Public Instruction provided for in subdivision (h)(4) above shall contain a list of those members of the Committee not acceptable to the superintendent and the teacher respectively. Failure to designate nonacceptable members in accordance with this subsection shall constitute a waiver of that right.~~

~~(2) As soon as possible after the time of its designation, the panel shall elect a chairman and shall conduct a hearing in accordance with G.S. 115C-325(j) for the purpose of determining whether the grounds for the recommendation are true and substantiated. The panel shall be furnished assistance reasonably required to conduct its hearing and shall be empowered to subpoena and swear witnesses and to require them to give testimony and to produce books and papers relevant to its investigation.~~

~~(3) The career teacher and superintendent involved shall each have the right to meet with the panel accompanied by counsel or other person of his choice and to present any evidence and arguments which he considers pertinent to the considerations of the panel and to cross-examine witnesses.~~

~~(4) When the panel has completed its hearing, it shall prepare a written report and send it to the superintendent and teacher. The report shall contain its findings as to whether or not the grounds for the recommendation are true and substantiated by a preponderance of the evidence, and a statement of the reasons for its findings. The panel shall complete its hearing and prepare the report within 20 days from the time of its designation, except in cases in which the panel finds that justice requires that a greater time be spent in connection with the investigation and the preparation of such report, and reports that finding to the superintendent and the teacher. Provided, that such extension does not exceed 10 days.~~

~~(5) Within five days after the superintendent receives the report of the panel, the superintendent shall decide whether or not to submit a written recommendation for dismissal to the board or to drop the charges against the teacher and shall notify the teacher, in writing, of the decision. Within five days after receiving the superintendent's notice of his intent to recommend the teacher's dismissal to the board, the teacher shall decide whether to request~~

~~a hearing before the board and shall notify the superintendent, in writing, of the decision. If the teacher requests a hearing before the board, the superintendent shall submit his written recommendation to the board with a copy to the teacher within five days after receiving the teacher's request. The superintendent's recommendation shall state the grounds for the recommendation and shall be accompanied by a copy of the report of the panel of the Committee.~~

- ~~(6) Within seven days after receiving the superintendent's recommendation and before taking any formal action, the board shall set a time and place for the hearing and notify the teacher by certified mail of the date, time and place of the hearing. The time specified shall not be less than seven nor more than 20 days after the board has notified the teacher. If the teacher did not request a hearing, the board may, by resolution, dismiss the teacher. If the teacher can show that his request for a hearing was postmarked within the time provided, his right to a hearing is not forfeited.~~

(i1) Report of Case Manager; Superintendent's Recommendation.

- (1) The case manager shall complete the hearing held in accordance with G.S. 115C-325(j) and prepare the report within 10 days from the time of the designation, except in cases in which the case manager finds that justice requires that a greater time be spent in connection with the investigation and the preparation of such report, and reports that finding to the superintendent and the career employee. No extension under this subdivision shall exceed five days.

- (2) The case manager shall make all necessary findings of fact, based upon the preponderance of the evidence, on all issues related to each and every ground for dismissal and on all relevant matters related to the question of whether the superintendent's recommendation is justified. The case manager also shall make a recommendation as to whether the findings of fact substantiate the superintendent's grounds for dismissal. The case manager shall deliver copies of the report to the superintendent and the career employee.

- (3) Within two days after receiving the case manager's report, the superintendent shall decide whether to submit a written recommendation to the local board for dismissal, demotion, or disciplinary suspension without pay to the board or to drop the charges against the career employee. The superintendent shall notify the career employee, in writing, of the decision.

- (4) If the superintendent contends that the case manager's report fails to address a critical factual issue, the superintendent shall within three days receipt of the case manager's report, request in writing

1 with a copy to the career employee that the case manager prepare
2 a supplement to the report. The superintendent shall specify what
3 critical factual issue the superintendent contends the case manager
4 failed to address. If the case manager determines that the report
5 failed to address a critical factual issue, the case manager may
6 prepare a supplement to the report to address the issue and deliver
7 the supplement to both parties before the board hearing. The
8 failure of the case manager to prepare a supplemental report or to
9 address a critical factual issue shall not constitute a basis for
10 appeal.

11 (j) Hearing Procedure by a Case Manager. -- The following provisions shall be
12 ~~applicable apply to any a hearing conducted pursuant to G.S. 115C-325(k) or (l) or to~~
13 ~~any hearing conducted by a board pursuant to G.S. 115C-325(h)(3) by the case~~
14 manager.

15 (1) The hearing shall be private.

16 (2) The hearing shall be conducted in accordance with ~~such~~
17 ~~reasonable rules and regulations as the board may adopt consistent~~
18 ~~with G.S. 115C-325, or if no rules have been adopted, in~~
19 ~~accordance with~~ reasonable rules and regulations adopted by the
20 State Board of Education to govern ~~such~~ case manager hearings.

21 (3) At the hearing the ~~teacher~~ career employee and the superintendent
22 shall have the right to be present and to be heard, to be
23 represented by counsel and to present through witnesses any
24 competent testimony relevant to the issue of whether grounds for
25 dismissal or demotion exist or whether the procedures set forth in
26 G.S. 115C-325 have been followed.

27 (4) Rules of evidence shall not apply to a hearing conducted ~~pursuant~~
28 ~~to this act and boards and panels of the Professional Review~~
29 ~~Committee~~ by a case manager and the case manager may give
30 probative effect to evidence that is of a kind commonly relied on
31 by reasonably prudent persons in the conduct of serious affairs.

32 (5) At least five days before the hearing, the superintendent shall
33 provide to the ~~teacher~~ career employee a list of witnesses the
34 superintendent intends to present, a brief statement of the nature
35 of the testimony of each witness and a copy of any documentary
36 evidence ~~he~~ the superintendent intends to present. At least three
37 days before the hearing, the ~~teacher~~ career employee shall provide
38 to the superintendent a list of witnesses the ~~teacher~~ career
39 employee intends to present, a brief statement of the nature of the
40 testimony of each witness and a copy of any documentary evidence
41 ~~he~~ the career employee intends to present. Additional witnesses or
42 documentary evidence may not be presented except ~~upon consent~~
43 ~~of both parties or upon a majority vote of the board or panel. upon~~
44 a finding by the case manager that the new evidence is critical to

the matter at issue and the party making the request could not, with reasonable diligence, have discovered and produced the evidence according to the schedule provided in this subdivision.

(6) The case manager may subpoena and swear witnesses and may require them to give testimony and to produce records and documents relevant to the grounds for dismissal.

(7) The case manager shall decide all procedural issues, including limiting cumulative evidence, necessary for a fair and efficient hearing.

(8) The superintendent shall provide for making a transcript of the hearing. If the career employee contemplates a hearing before the board or to appeal the board's decision to a court of law, the career employee may request and shall receive at no charge a transcript of the proceedings before the case manager.

(j1) Board Determination.

(1) Within two days after receiving the superintendent's notice of intent to recommend the career employee's dismissal to the board, the career employee shall decide whether to request a hearing before the board and shall notify the superintendent, in writing, of the decision. If the career employee can show that the request for a hearing was postmarked within the time provided, the career employee shall not forfeit the right to a board hearing. Within two days after receiving the career employee's request for a board hearing, the superintendent shall submit to the board the written recommendation and shall provide a copy to the career employee. The superintendent's recommendation shall state the grounds for the recommendation and shall be accompanied by a copy of the case manager's report.

(2) If the career employee contends that the case manager's report fails to address a critical factual issue the career employee shall, at the same time he notifies the superintendent of a request for a board hearing pursuant to G.S. 115C-325(j1)(1), request in writing with a copy to the superintendent that the case manager prepare a supplement to the case manager's report. The career employee shall specify the critical factual issue he contends the case manager failed to address. If the case manager determines that the report failed to address a critical factual issue, the case manager may prepare a supplement to the report to address the issue and shall deliver the supplement to both parties before the board hearing. The failure of the case manager to prepare a supplemental report or to address a critical factual issue shall not constitute a basis for appeal.

(3) Within two days after receiving the superintendent's recommendation and before taking any formal action, the board

shall set a time and place for the hearing and shall notify the career employee by certified mail or personal delivery of the date, time, and place of the hearing. The time specified shall not be less than seven nor more than 10 days after the board has notified the career employee. If the career employee did not request a hearing, the board may, by resolution, reject the superintendent's decision, or accept or modify the decision and dismiss, demote, reinstate, or suspend the career employee without pay.

(4) If the career employee requests a board hearing, it shall be conducted in accordance with G.S. 115C-325(j2).

(5) The board shall make a determination and may (i) reject the superintendent's recommendation or (ii) accept or modify the recommendation and dismiss, demote, reinstate, or suspend the employee without pay.

(6) Within two days following the hearing, the board shall send a written copy of its findings and determination to the career employee and the superintendent.

(j2) Board Hearing. -- The following procedures shall apply to a hearing conducted by the board:

(1) The hearing shall be private.

(2) If the career employee requested a hearing by a case manager, the board shall receive the following:

a. The whole record from the hearing held by the case manager, including a transcript of the hearing, as well as any other records, exhibits, and documentary evidence submitted to the case manager at the hearing.

b. The case manager's findings of fact, including any supplemental findings prepared by the case manager under G.S. 115C-325 (i1)(4) or G.S. 115C-325(j1)(2).

c. The case manager's recommendation as to whether the grounds in G.S. 115C-325(e) submitted by the superintendent are substantiated.

d. The superintendent's recommendation and the grounds for the recommendation.

(3) If the career employee did not request a hearing by a case manager, the board shall receive the following:

a. Any documentary evidence the superintendent intends to use to support the recommendation. The superintendent shall provide the documentary evidence to the career employee seven days before the hearing.

b. Any documentary evidence the career employee intends to use to rebut the superintendent's recommendation. The career employee shall provide the superintendent with the documentary evidence three days before the hearing.

c. The superintendent's recommendation and the grounds for the recommendation.

(4) The superintendent and career employee may submit a written statement not less than three days before the hearing.

(5) The superintendent and career employee shall be permitted to make oral arguments to the board based on the record before the board.

(6) No new evidence may be presented at the hearing except upon a finding by the board that the new evidence is critical to the matter at issue and the party making the request could not, with reasonable diligence, have discovered and produced the evidence at the hearing before the case manager.

(7) The board shall accept the case manager's findings of fact unless a majority of the board determines that the findings of fact are not supported by substantial evidence when reviewing the record as a whole. In such an event, the board shall make alternative findings of fact. If a majority of the board determines that the case manager did not address a critical factual issue, the board may remand the findings of fact to the case manager to complete the report to the board. If the case manager does not submit the report within seven days receipt of the board's request, the board may determine its own findings of fact regarding the critical factual issues not addressed by the case manager. The board's determination shall be based upon a preponderance of the evidence.

(8) The board is not required to provide a transcript of the hearing to the career employee. If the board elects to make a transcript and if the career employee contemplates an appeal to a court of law, the career employee may request and shall receive at no charge a transcript of the proceedings. A career employee may have the hearing transcribed by a court reporter at the career employee's expense.

(j3) Board Hearing for Certain Disciplinary Suspensions and for Reductions in Force. -- The following procedures shall apply for a board hearing under G.S. 115C-325(e)(2) and G.S. 115C-325(f)(2)a.:

(1) The hearing shall be private.

(2) The hearing shall be conducted in accordance with reasonable rules adopted by the State Board of Education to govern such hearings.

(3) At the hearing, the career employee and the superintendent shall have the right to be present and to be heard, to be represented by counsel, and to present through witnesses any competent testimony relevant to the issue of whether grounds exist for a disciplinary suspension without pay under G.S. 115C-325(f)(2)a., or whether

the grounds for a dismissal or demotion due to a reduction in force is justified.

(4) Rules of evidence shall not apply to a hearing under this subsection and the board may give probative effect to evidence that is of a kind commonly relied on by reasonably prudent persons in the conduct of serious affairs.

(5) At least 10 days before the hearing, the superintendent shall provide to the career employee a list of witnesses the superintendent intends to present, a brief statement of the nature of the testimony of each witness, and a copy of any documentary evidence the superintendent intends to present.

(6) At least six days before the hearing, the career employee shall provide the superintendent a list of witnesses the career employee intends to present, a brief statement of the nature of the testimony of each witness, and a copy of any documentary evidence the career employee intends to present.

(7) No new evidence may be presented at the hearing except upon a finding by the board that the new evidence is critical to the matter at issue and the party making the request could not, with reasonable diligence, have discovered and produced the evidence according to the schedule provided in this subsection.

(8) The board may subpoena and swear witnesses and may require them to give testimony and to produce records and documents relevant to the grounds for suspension without pay.

(9) The board shall decide all procedural issues, including limiting cumulative evidence, necessary for a fair and efficient hearing.

(10) The superintendent shall provide for making a transcript of the hearing. If the career employee contemplates an appeal of the board's decision to a court of law, the career employee may request and shall receive at no charge a transcript of the proceedings.

~~(k) Panel Finds Grounds for Superintendent's Recommendation True and Substantiated.~~

~~(1) If the panel found that the grounds for the recommendation of the superintendent are true and substantiated, at the hearing the board shall consider the recommendation of the superintendent, the report of the panel, including any minority report, and any evidence which the teacher or the superintendent may wish to present with respect to the question of whether the grounds for the recommendation are true and substantiated. The hearing may be conducted in an informal manner.~~

~~(2) If, after considering the recommendation of the superintendent, the report of the panel and the evidence adduced at the hearing, the board concludes that the grounds for the recommendation are true~~

1 ~~and substantiated, by a preponderance of the evidence, the board,~~
2 ~~if it sees fit, may by resolution order such dismissal.~~

3 ~~(1) Panel Does Not Find That the Grounds for Superintendent's Recommendation~~
4 ~~Are True and Substantiated.~~

5 ~~(1) If the panel does not find that the grounds for the recommendation~~
6 ~~of the superintendent are true and substantiated, at the hearing the~~
7 ~~board shall determine whether the grounds for the~~
8 ~~recommendation of the superintendent are true and substantiated~~
9 ~~upon the basis of competent evidence adduced at the hearing by~~
10 ~~witnesses who shall testify under oath or affirmation to be~~
11 ~~administered by any board member or the secretary of the board.~~

12 ~~(2) The procedure at the hearing shall be such as to permit and secure~~
13 ~~a full, fair and orderly hearing and to permit all relevant~~
14 ~~competent evidence to be received therein. The report of the panel~~
15 ~~of the committee shall be deemed to be competent evidence. A full~~
16 ~~record shall be kept of all evidence taken or offered at such~~
17 ~~hearing. Both counsel for the local school administrative unit and~~
18 ~~the career teacher or his counsel shall have the right to~~
19 ~~cross-examine witnesses.~~

20 ~~(3) At the request of either the superintendent or the teacher, the~~
21 ~~board shall issue subpoenas requiring the production of papers or~~
22 ~~records or the attendance of persons residing within the State~~
23 ~~before the board. Subpoenas for witnesses to testify at the hearing~~
24 ~~in support of the recommendation of the superintendent or on~~
25 ~~behalf of the career teacher shall, as requested, be issued in blank~~
26 ~~by the board over the signature of its chairman or secretary. The~~
27 ~~board shall pay witness fees for up to five witnesses subpoenaed on~~
28 ~~behalf of the teacher, except that it shall not pay for any witness~~
29 ~~who resides within the county in which the dismissal originates or~~
30 ~~who is an employee of the board. However, no employee of the~~
31 ~~board shall suffer any loss of compensation because he has been~~
32 ~~subpoenaed to testify at the hearing. These payments shall be as~~
33 ~~provided for witnesses in G.S. 7A-314.~~

34 ~~(4) At the conclusion of the hearing provided in this section, the board~~
35 ~~shall render its decision on the evidence submitted at such hearing~~
36 ~~and not otherwise. The board's decision shall be based on a~~
37 ~~preponderance of the evidence.~~

38 ~~(5) Within five days following the hearing, the board shall send a~~
39 ~~written copy of its findings and order to the teacher and~~
40 ~~superintendent. The board shall provide for making a transcript of~~
41 ~~its hearing. If the teacher contemplates an appeal to a court of law,~~
42 ~~he may request and shall receive at no charge a transcript of the~~
43 ~~proceedings.~~

44 (m) Probationary Teacher.

- 1 (1) The board of any local school administrative unit may not
2 discharge a probationary teacher during the school year except for
3 the reasons for and by the procedures by which a career ~~teacher~~
4 employee may be dismissed as set forth in subsections ~~(e)~~ (e), (f),
5 (f1), and (h) to ~~(h)~~ (j3) above.
- 6 (2) The board, upon recommendation of the superintendent, may
7 refuse to renew the contract of any probationary teacher or to
8 reemploy any teacher who is not under contract for any cause it
9 deems sufficient: Provided, however, that the cause may not be
10 arbitrary, capricious, discriminatory or for personal or political
11 reasons.
- 12 (n) (See note) Appeal. -- Any ~~teacher~~ career employee who has been dismissed or
13 demoted ~~pursuant to under~~ G.S. 115C-325(e)(2), or ~~pursuant to subsections (h), (k)~~
14 ~~or (l) of this section under~~ G.S. 115C-325(j2), or who has been suspended without
15 pay ~~pursuant to G.S. 115C-325(a)(4)~~, under G.S. 115C-325(a)(4a), or any school
16 administrator whose contract is not renewed in accordance with G.S. 115C-287.1, or
17 any probationary teacher whose contract is not renewed under G.S. 115C-325 G.S.
18 115C-325(m)(2) shall have the right to appeal from the decision of the board to the
19 superior court for the superior court district or set of districts as defined in G.S. 7A-
20 41.1 in which the ~~teacher or school administrator~~ career employee is employed. This
21 appeal shall be filed within a period of ~~30~~ 15 days after notification of the decision of
22 the board. The cost of preparing the transcript shall be ~~borne by the board~~.
23 determined under G.S. 115C-325(j2)(8) or G.S. 115C-325(j3)(10). A ~~teacher~~ career
24 employee who has been demoted or dismissed, or a school administrator whose
25 contract is not renewed, who has not requested a hearing before the board of
26 education pursuant to this section shall not be entitled to judicial review of the
27 board's action.
- 28 (o) Resignation; Nonrenewal of Contract. -- A teacher, career or probationary,
29 should not resign without the consent of the superintendent unless he has given at
30 least 30 days' notice. If the teacher does resign without giving at least 30 days'
31 notice, the board may request that the State Board of Education revoke the teacher's
32 certificate for the remainder of that school year. A copy of the request shall be
33 placed in the teacher's personnel file.
- 34 A probationary teacher whose contract will not be renewed for the next school
35 year shall be notified of this fact by June 1.
- 36 (p) Section Applicable to Certain Institutions. -- Notwithstanding any law or
37 regulation to the contrary, this section shall apply to all persons employed in teaching
38 and related educational classes in the schools and institutions of the Departments of
39 Human Resources and Correction regardless of the age of the students.
- 40 (q) Procedure for Dismissal of School Administrators and Teachers Employed in
41 Low-Performing Schools.
- 42 (1) Notwithstanding any other provision of this section or any other
43 law, the State Board:

- a. Shall suspend with pay a principal who has been assigned to a school for more than two years before the State Board identifies that school as low-performing and assigns an assistance team to that school under Article 8B of this Chapter; and
- b. May suspend with pay a principal who has been assigned to a school for no more than two years before the State Board identifies that school as low-performing and assigns an assistance team to that school under Article 8B of this Chapter.

These principals shall be suspended with pay pending a hearing before a panel of three members of the State Board. The purpose of this hearing, which shall be held within 60 days after the principal is suspended, is to determine whether the principal shall be dismissed. The panel shall order the dismissal of the principal, at which time the period of suspension with pay shall expire, unless the panel makes a public determination that the principal has established that the factors that led to the identification of the school as low-performing were not due to the inadequate performance of the principal. The State Board shall adopt procedures to ensure that due process rights are afforded to principals under this subsection. Decisions of the panel may be appealed on the record to the State Board, with further right of judicial review under Chapter 150B of the General Statutes.

- (2) Notwithstanding any other provision of this section or any other law, this subdivision shall govern the State Board's dismissal of teachers, assistant principals, directors, and supervisors assigned to schools that the State Board has identified as low-performing and to which the State Board has assigned an assistance team under Article 8B of this Chapter. The State Board shall dismiss a teacher, assistant principal, director, or supervisor when the State Board receives two consecutive evaluations that include written findings and recommendations regarding that person's inadequate performance from the assistance team. These findings and recommendations shall be substantial evidence of the inadequate performance of the teacher or school administrator.

The State Board may dismiss a teacher, assistant principal, director, or supervisor when:

- a. The State Board determines that the school has failed to make satisfactory improvement after the State Board assigned an assistance team to that school under G.S. 115C-105.38; and
- b. That assistance team makes the recommendation to dismiss the teacher, assistant principal, director, or supervisor for

one or more grounds established in G.S. 115C-325(e)(1) for dismissal or demotion of a career teacher.

A teacher, assistant principal, director, or supervisor may request a hearing before a panel of three members of the State Board within 30 days of any dismissal under this subdivision. The State Board shall adopt procedures to ensure that due process rights are afforded to persons recommended for dismissal under this subdivision. Decisions of the panel may be appealed on the record to the State Board, with further right of judicial review under Chapter 150B of the General Statutes.

(2a) Notwithstanding any other provision of this section or any other law, this subdivision shall govern the State Board's dismissal of certified staff members who have engaged in a remediation plan under G.S. 115C-105.38A(a) but who, after two retests, fail to meet the competency standard set by the State Board. The failure to meet the competency standard after two retests shall be substantial evidence of the inadequate performance of the certified staff member.

A certified staff member may request a hearing before a panel of three members of the State Board within 30 days of any dismissal under this subdivision. The State Board shall adopt procedures to ensure that due process rights are afforded to certified staff members recommended for dismissal under this subdivision. Decisions of the panel may be appealed on the record to the State Board, with further right of judicial review under Chapter 150B of the General Statutes.

(3) The State Board of Education or a local board may terminate the contract of a school administrator dismissed under this subsection. Nothing in this subsection shall prevent a local board from refusing to renew the contract of any person employed in a school identified as low-performing under G.S. 115C-105.37.

(4) Neither party to a school administrator contract is entitled to damages under this subsection.

(5) The State Board shall have the right to subpoena witnesses and documents on behalf of any party to the proceedings under this subsection."

(b) This section applies to proceedings initiated after September 1, 1997.

C. STUDIES ON MAKING RENEWAL OF TEACHER CERTIFICATES MORE RIGOROUS

Section 14. The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall reevaluate and enhance the requirements for renewal of teacher certificates. The State Board shall consider modifications in the certificate renewal

1 process to align the process with State education goals and improved student
2 achievement and to make it a mechanism for teachers to renew continually their
3 knowledge and professional skills. The State Board of Education shall report to the
4 Joint Legislative Oversight Committee by March 15, 1998, on the proposed new
5 standards for the renewal of teacher certificates. The State Board may consolidate
6 the report required under this section with the report on initial certification required
7 under Section 6 of this act and the report on continuing certification required under
8 Section 8 of this act.

9 The State Board of Education shall adopt new standards for the renewal
10 of teacher certificates by May 15, 1998. The new standards adopted by the State
11 Board shall apply to certificates that expire after July 1, 1998.

12 Section 15. The State Board of Education, in consultation with local
13 boards of education and the Board of Governors of The University of North
14 Carolina, shall study and recommend ways to modify the administrator recertification
15 process to ensure that all schools have well-qualified administrators. The State Board
16 shall report the results of this study to the Joint Legislative Education Oversight
17 Committee by February 15, 1998.

18
19 **VII. A PLAN TO ATTRACT AND RETAIN HIGH QUALITY TEACHERS --**
20 **HIGHER STARTING SALARY, ENHANCED LONGEVITY PAY, AND**
21 **SIGNIFICANT BUMPS IN THE SALARY SCHEDULE UPON ACHIEVING**
22 **CONTINUING CERTIFICATION AND CAREER STATUS.**

23
24 Section 16. (a) It is the goal of the General Assembly to increase teacher
25 salaries over the next four years so as to attract and retain excellent teachers in the
26 public schools; therefore, it is the goal of the General Assembly to implement, over
27 the upcoming four fiscal years, a plan for increasing the starting salary for teachers by
28 nearly twenty percent (20%). This would bring the starting salary to at least twenty-
29 five thousand dollars (\$25,000) by the year 2000. Under this plan, the salary schedule
30 would also contain significant "bumps" at the third step, which is the point at which
31 teachers have attained continuing certification; and at the fourth, fifth, or sixth step,
32 which is the point at which teachers may achieve career status.

33 It is further the intent of the General Assembly that local school
34 administrative units will not use these State-funded salary increments to supplant
35 local salary supplements.

36 As a first step in implementing this plan, it is the goal of the General
37 Assembly to fund a salary schedule plan for the 1997-98 school year for teachers with
38 "A" certificates similar to the following:

39 1997-98 Salary Schedule Plan

40 "A" Teachers

41			
42	Years	10-Month	10-Month
43	of	Salary,	Salary,
44	<u>Experience</u>	<u>Nontenured</u>	<u>Tenured</u>

1	0	\$22,150	--
2	1	\$22,570	--
3	2	\$23,000	--
4	3	\$23,780	\$23,780
5	4	\$24,060	\$25,290
6	5	\$24,530	\$25,760
7	6	\$25,010	\$26,240
8	7	\$25,500	\$26,730
9	8	\$25,990	\$27,220
10	9	\$26,480	\$27,710
11	10	\$26,980	\$28,210
12	11	\$27,500	\$28,730
13	12	\$28,030	\$29,260
14	13	\$28,570	\$29,800
15	14	\$29,120	\$30,350
16	15	\$29,680	\$30,910
17	16	\$30,250	\$31,480
18	17	\$30,830	\$32,060
19	18	\$31,430	\$32,660
20	19	\$32,040	\$33,270
21	20	\$32,670	\$33,900
22	21	\$33,300	\$34,530
23	22	\$33,940	\$35,170
24	23	\$34,590	\$35,820
25	24	\$35,260	\$36,490
26	25	\$35,950	\$37,180
27	26	\$36,650	\$37,880
28	27	\$37,360	\$38,590
29	28	\$38,090	\$39,320
30	29 +	\$38,883	\$40,060

For subsequent fiscal years, it is the goal of the General Assembly to fund salary schedule plans similar to the following:

1998-99 Salary Schedule Plan
"A" Teachers

Years of Experience	10-Month Salary, Nontenured	10-Month Salary, Tenured
0	\$23,100	--
1	\$23,520	--
2	\$23,950	--
3	\$24,750	\$24,750
4	\$25,110	\$26,380
5	\$25,390	\$27,890
6	\$25,860	\$28,360
7	\$26,340	\$28,840
8	\$26,830	\$29,330
9	\$27,320	\$29,820
10	\$27,810	\$30,310
11	\$28,310	\$30,810
12	\$28,830	\$31,330
13	\$29,360	\$31,860

1	14	\$29,900	\$32,400
2	15	\$30,450	\$32,950
3	16	\$31,010	\$33,510
4	17	\$31,580	\$34,080
5	18	\$32,160	\$34,660
6	19	\$32,760	\$35,260
7	20	\$33,370	\$35,870
8	21	\$34,000	\$36,500
9	22	\$34,630	\$37,130
10	23	\$35,270	\$37,770
11	24	\$35,920	\$38,420
12	25	\$36,590	\$39,090
13	26	\$37,280	\$39,780
14	27	\$37,980	\$40,480
15	28	\$38,690	\$41,190
16	29 +	\$39,420	\$41,920

1999-2000 Salary Schedule Plan
"A" Teachers

Years of <u>Experience</u>	10-Month Salary, <u>Nontenured</u>	10-Month Salary, <u>Tenured</u>
0	\$24,050	--
1	\$24,470	--
2	\$24,900	--
3	\$25,700	\$25,700
4	\$26,300	\$27,580
5	\$26,660	\$29,210
6	\$26,940	\$30,720
7	\$27,410	\$31,190
8	\$27,890	\$31,670
9	\$28,380	\$32,160
10	\$28,870	\$32,650
11	\$29,360	\$33,140
12	\$29,860	\$33,640
13	\$30,380	\$34,160
14	\$30,910	\$34,690
15	\$31,450	\$35,230
16	\$32,000	\$35,780
17	\$32,560	\$36,340
18	\$33,130	\$36,910
19	\$33,710	\$37,490
20	\$34,310	\$38,090
21	\$34,920	\$38,700
22	\$35,550	\$39,330
23	\$36,180	\$39,960
24	\$36,820	\$40,600
25	\$37,470	\$41,250
26	\$38,140	\$41,920
27	\$38,830	\$42,610
28	\$39,530	\$43,310

1	29 +	\$40,240	\$44,020
2			
3	2000-2001 School Year Plan		
4	"A" Teachers		
5			
6	Years	10-Month	10-Month
7	of	Salary,	Salary,
8	<u>Experience</u>	<u>Nontenured</u>	<u>Tenured</u>
9	0	\$25,000	--
10	1	\$25,420	--
11	2	\$25,850	--
12	3	\$26,650	\$26,650
13	4	\$26,950	\$28,240
14	5	\$27,550	\$30,120
15	6	\$27,910	\$31,750
16	7	\$28,190	\$33,260
17	8	\$28,660	\$33,730
18	9	\$29,140	\$34,210
19	10	\$29,630	\$34,700
20	11	\$30,120	\$35,190
21	12	\$30,610	\$35,680
22	13	\$31,110	\$36,180
23	14	\$31,630	\$36,700
24	15	\$32,160	\$37,230
25	16	\$32,700	\$37,770
26	17	\$33,250	\$38,320
27	18	\$33,810	\$38,880
28	19	\$34,380	\$39,450
29	20	\$34,960	\$40,030
30	21	\$35,560	\$40,630
31	22	\$36,170	\$41,240
32	23	\$36,800	\$41,870
33	24	\$37,430	\$42,500
34	25	\$38,070	\$43,140
35	26	\$38,720	\$43,790
36	27	\$39,390	\$44,460
37	28	\$40,080	\$45,150
38	29 +	\$40,780	\$45,850

It is the goal of the General Assembly that local school administrative units may use local salary supplements to increase the salaries of nontenured teachers.

(b) To further implement this plan, it is the goal of the General Assembly to increase longevity pay for teachers with 25 or more years of State service to four and one-half percent (4.5%) of base salary, the same level as for State employees.

VIII. PAY FOR EXEMPLARY PERFORMANCE/SPECIAL ASSIGNMENTS

A. DEFINITION OF "MASTERS/ADVANCED COMPETENCIES" BY THE STATE BOARD OF EDUCATION

1 Section 17. (a) The State Board of Education, after consultation with the
2 Board of Governors of The University of North Carolina, shall develop a new
3 category of teacher certificate known as the "Masters/Advanced Competencies"
4 certificate. To receive this certificate, an applicant shall successfully complete a
5 masters degree program that includes rigorous academic preparation in the subject
6 area in which the applicant will teach and in the skills and knowledge expected of a
7 master teacher or the applicant shall demonstrate to the satisfaction of the State
8 Board that the candidate has acquired the skills and knowledge expected of a master
9 teacher.

10 (b) The Board of Governors of The University of North Carolina shall
11 develop a plan to revise the current masters of education degree programs at the
12 constituent institutions. The plan shall provide for degree programs that require
13 participants take a more rigorous course of study than is currently required and that
14 includes concentrations in the academic content areas in which the participants will
15 teach. The plan shall also consider methods for: (i) providing the more rigorous
16 course of study using the same number of hours as are currently required for masters
17 of education degrees; and (ii) providing participants the opportunity to complete the
18 masters of education degree program as part-time students, by summer school
19 attendance, and at sites not located at a constituent institution's campus provided
20 there is sufficient demand for the off-campus programs.

21 (c) Persons who qualify for a "G" certificate prior to September 1, 2000,
22 shall be awarded a "Masters/Advanced Competencies" certificate without meeting
23 additional requirements. On and after September 1, 2000, no additional "G"
24 certificates shall be awarded.

25 (d) The State Board of Education shall report to the Joint Legislative
26 Education Oversight Committee by January 15, 1998, on its progress in implementing
27 subsection (a) of this section. The Board of Governors of The University of North
28 Carolina shall report to the Joint Legislative Education Oversight Committee by
29 January 15, 1998, on its plan to implement subsection (b) of this section.

30
31 **B. BONUS PLAN FOR "MASTERS/ADVANCED COMPETENCIES" AND**
32 **FOR NBPTS CERTIFICATION**

33 Section 18. It is the goal of the General Assembly to increase
34 significantly the salaries of teachers who attain a "Masters/Advanced Competencies"
35 certificate and teachers who are certified by the National Board for Professional
36 Teaching Standards (NBPTS) so as to provide an incentive for good teachers to
37 become excellent teachers. In order to do so, it is further the goal of the General
38 Assembly to enact, for the 1997-98 school year, a salary schedule plan that will
39 provide a twelve percent (12%) bonus for teachers who attain NBPTS certification.
40 It is further the goal of the General Assembly to enact by the year 2000 a salary
41 schedule plan that will provide a ten percent (10%) bonus to teachers who attain a
42 "Masters/Advanced Competencies" certification.

43

44 **C. PARTICIPATION FEE AND PAID LEAVE FOR NBPTS PROGRAM**

1 Section 19. It is the goal of the General Assembly to continue to pay for
2 the National Board for Professional Teaching Standards participation fee and for up
3 to three days of approved paid leave for teachers participating in the NBPTS program
4 during the 1997-98 school year and the 1998-99 school year and thereafter for
5 teachers in the public schools.

6

7 **D. SCHOOL-BASED INCENTIVE AWARDS UNDER THE ABC'S PROGRAM**

8 Section 20. (a) It is the goal of the General Assembly to provide school-
9 based incentive awards under G.S. 115C-105.36 (a) to schools at which students
10 achieve higher than expected improvements in the basics and the skills they need to
11 get a good job, and to schools at which students meet the expected improvements in
12 the basics and the skills they need to get a good job. In accordance with State Board
13 of Education policy, incentive awards in schools that achieve higher than expected
14 improvements may be up to: (i) one thousand five hundred dollars (\$1,500) for each
15 teacher and for certified personnel; and (ii) five hundred dollars (\$500.00) for each
16 teacher assistant. In accordance with State Board of Education policy, incentive
17 awards in schools that meet the expected improvements may be up to: (i) seven
18 hundred fifty dollars (\$750.00) for each teacher and for certified personnel; and (ii)
19 three hundred seventy-five dollars (\$375.00) for each teacher assistant.

20 It is further the goal of the General Assembly to provide funds to provide
21 assistance teams to low-performing schools. It is also the goal of the General
22 Assembly to provide funds to provide remediation to teachers who work in schools
23 that are identified as low-performing and who do not acquire a passing score on a
24 test designated by the State Board of Education.

25 (b) G.S. 115C-105.37(b) reads as rewritten:

26 "(b) Each identified low-performing school shall ~~notify~~ provide written
27 notification to the parents of students attending that ~~school~~ school. The written
28 notification shall include a statement that the State Board of Education has found
29 that the school has ~~failed~~ 'failed to meet the minimum growth standards, as defined
30 by the State Board, and a majority of students in ~~that~~ the school are performing
31 below grade ~~level~~ level.' This notification also shall include a description of the
32 steps the school is taking to improve student performance."

33

34 **E. EXTRA PAY FOR MENTOR TEACHERS**

35 Section 21. It is the goal of the General Assembly to fund a mentor
36 teacher program that will recognize the achievements of excellent, experienced
37 teachers and will provide each newly certified teacher with a qualified and well-
38 trained mentor. The funds shall be used to compensate each mentor for serving as a
39 mentor prior to and during the school year.

40

41 **F. EXTRA PAY FOR NEW TEACHER DEVELOPMENT**

42 Section 22. It is the goal of the General Assembly to compensate every
43 newly certified teacher for three additional days of employment for orientation and
44 classroom preparation.

G. EXTRA PAY FOR PROFESSIONAL DEVELOPMENT

Section 23. It is the goal of the General Assembly to provide funds for teachers' participation in professional development programs that are aligned with State educational goals and improved student achievement. The funds should be used for teacher development programs that enable teachers to renew continually their knowledge and professional skills, programs that train principals to observe and evaluate teachers, programs that train master teachers to observe teachers that have not achieved career status, programs that train mentors for beginning teachers, and other programs as directed by the State Board of Education.

H. EXTRA PAY FOR EXTRA DAYS

Section 24. It is the goal of the General Assembly to provide funds to enable school systems to utilize better the teacher workdays within the calendar for planning, staff development, remediation, and other purposes. These funds shall be used to pay teachers for working on, and thereby forfeiting, vacation days.

I. ADDITIONAL PAY FOR TEACHERS WITH ADDITIONAL RESPONSIBILITIES

Section 25. It is the goal of the General Assembly to provide funds to compensate teachers for additional assignments and responsibilities designed to improve student achievement for additional workdays outside of the school calendar. These funds should be allocated to local school administrative units on the basis of average daily membership. The local board should use one-half of the funds on the recommendation of the local superintendent and one-half on the recommendation of school improvement teams. These funds could be used to compensate teachers for purposes such as teaching after-school or Saturday academies for students at risk of academic failure, developing curriculum, participating in teacher training and development outside of the school calendar, and teaching classes on Saturday to students needing additional instructional opportunities.

IX. FUNDS FOR COMPUTER SYSTEMS

Section 26. G.S. 115C-546.1(a) reads as rewritten:

"(a) There is created the Public School Building Capital Fund. The Fund shall be used to assist county governments in meeting their public school building capital ~~needs.~~ needs and their equipment needs under their local school technology plans."

Section 27. G.S. 115C-546.2 reads as rewritten:

"§ 115C-546.2. Allocations from the Fund; uses; expenditures; reversion to General Fund; matching requirements.

(a) Monies in the Fund shall be allocated to the counties on a per average daily membership basis according to the average daily membership for the budget year as determined and certified by the State Board of Education. Interest earned on funds allocated to each county shall be allocated to that county.

1 (b) ~~Monies~~ Counties shall use monies in the Fund ~~shall be used~~ for capital outlay
2 projects including the planning, construction, reconstruction, enlargement,
3 improvement, repair, or renovation of public school buildings and for the purchase of
4 land for public school ~~buildings~~. buildings; for equipment to implement a local
5 school technology plan that is approved pursuant to G.S. 115C-102.6C; or for both.
6 Monies used to implement a local school technology plan shall be transferred to the
7 State School Technology Fund and allocated by that Fund to the local school
8 administrative unit for equipment.

9 As used in this section, 'public school buildings' only includes facilities for
10 individual schools that are used for instructional and related purposes and does not
11 include centralized administration, maintenance, or other facilities.

12 In the event a county finds that it does not need all or part of the funds allocated
13 to it for capital outlay projects including the planning, construction, reconstruction,
14 enlargement, improvement, repair, or renovation of public school ~~buildings or~~
15 buildings, for the purchase of land for public school buildings, or for equipment to
16 implement a local school technology plan, the unneeded funds allocated to that
17 county may be used to retire any indebtedness incurred by the county for public
18 school facilities.

19 In the event a county finds that its public school building needs and its school
20 technology needs can be met in a more timely fashion through the allocation of
21 financial resources previously allocated for purposes other than school building needs
22 or school technology needs and not restricted for use in meeting public school
23 building ~~needs~~, needs or school technology needs, the county commissioners may,
24 with the concurrence of the affected local Board of Education, use those financial
25 resources to meet school building needs and school technology needs and may
26 allocate the funds it receives under this Article for purposes other than school
27 building needs or school technology needs to the extent that financial resources were
28 redirected from such purposes. The concurrence described herein shall be secured in
29 advance of the allocation of the previously unrestricted financial resources and shall
30 be on a form prescribed by the Local Government Commission.

31 (c) Monies in the Fund allocated for capital projects shall be matched on the basis
32 of one dollar of local funds for every three dollars of State funds. Monies in the
33 Fund transferred to the State Technology Fund do not require a local match.

34 Revenue received from local sales and use taxes that is restricted for public school
35 capital outlay purposes pursuant to G.S. 105-502 or G.S. 105-487 may be used to
36 meet the local matching requirement. Funds expended by a county after July 1,
37 1986, for land acquisition, engineering fees, architectural fees, or other directly
38 related costs for a public school building capital project that was not completed prior
39 to July 1, 1987, may be used to meet the local match requirement."

40

41 X. FUNDS FOR TEACHER SUPPLY AND DEMAND STUDY

42

1 Section 28. It is the goal of the General Assembly to provide funds for
2 the State Board of Education to conduct a comprehensive teacher supply and
3 demand study.

4
5 **XI. FUNDS FOR TRAINING AND COMPENSATING CASE MANAGERS**

6
7 Section 29. It is the goal of the General Assembly to provide funds for
8 training individuals who will serve as case managers. It is also the goal of the
9 General Assembly to provide funds for compensating and reimbursing the expenses
10 of case managers.

11
12 **XII. FUNDS FOR DEVELOPING NEW EVALUATIONS**

13
14 Section 30. It is the goal of the General Assembly to provide funds for
15 developing and revising uniform performance standards and criteria to be used in
16 evaluating professional public school employees including school administrators and
17 for reviewing performance pay systems for teachers.

18
19 **XIII. MISCELLANEOUS PROVISIONS**

20
21 **A. CAPTIONS ARE FOR REFERENCE ONLY AND DO NOT LIMIT TEXT**

22 Section 31. The series of captions used in this act (the descriptive
23 phrases in boldface and capital letters) are inserted for convenience and reference
24 only, and they in no way define, limit, or prescribe the scope or application of the
25 text of this act.

26
27 **B. NO APPROPRIATIONS REQUIRED BY ACT**

28 Section 32. This act shall not be construed to obligate the General
29 Assembly to appropriate any funds to implement the provisions of this act. Nothing
30 in Sections 16 through 25 or Sections 28 through 30 of this act shall be construed to
31 create any rights or causes of action.

32
33 **C. EFFECTIVE DATES**

34 Section 33. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

D

SENATE BILL 272*

Education/Higher Education Committee Substitute Adopted 3/24/97

Third Edition Engrossed 3/25/97

Proposed House Committee Substitute S272-PCSA736

Short Title: Excellent Schools Act.

(Public)

Sponsors:

Referred to:

February 27, 1997

1

A BILL TO BE ENTITLED

2

AN ACT TO ENACT THE EXCELLENT SCHOOLS ACT.

3

The General Assembly of North Carolina enacts:

4

Section 1. This act shall be known as "The Excellent Schools Act".

5

6

7

An outline of the provisions of the act follows this section. The outline shows the heading "CONTENTS/INDEX", and it lists by general category the descriptive captions for the various sections and groups of sections that make up the act. This outline is designed for reference only, and it in no way limits, defines, or prescribes the scope or application of the text of the act.

12

13

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35
36 **I. PURPOSE OF THE EXCELLENT SCHOOLS ACT**
37

38 Section 2. The purpose of The Excellent Schools Act is to improve
39 student academic achievement. To accomplish this purpose, it is the goal of the
40 General Assembly to: (i) concentrate student learning in the core academic areas; (ii)
41 improve teacher skills and teacher knowledge as those skills and knowledge relate to
42 improved student academic achievement; and (iii) reward teachers for their improved
43 skills and knowledge and for improved student academic achievement. It is also the
44 goal of the General Assembly to annually review the implementation of the revised

1 and more rigorous teacher preparation, professional development, and certification
2 standards developed by the State Board of Education in compliance with this act.
3 Clear and specific evidence demonstrating identifiable progress toward implementing
4 more rigorous teacher professional standards must exist on an annual basis before the
5 General Assembly may consider continued implementation of this act.

6 7 **II. EFFORTS TO RAISE STUDENT PERFORMANCE STANDARDS**

8
9 Section 3. (a) Part 3 of Article 8B of Chapter 115C of the General
10 Statutes is amended by adding the following new section to read:

11 **"§ 115C-105.38A. Teacher competency assurance.**

12 (a) The State Board of Education shall require all certified staff members working
13 in schools identified as low-performing under this Article and to which the State
14 Board has assigned an assistance team to demonstrate their competency in their
15 certification area. The State Board shall develop and implement a plan to require
16 all certified staff members working in schools identified as low-performing that have
17 not been assigned an assistance team to demonstrate their competency in their
18 certification area. The certified staff members shall acquire a passing score on a test
19 designated by the State Board. Those staff members who fail to meet the competency
20 standard shall engage in a remediation plan as follows:

21 (1) Category I. -- This category is designated for individuals who score
22 in the bottom quarter on the standardized measure used to
23 demonstrate competency in their certification area. This
24 remediation shall consist of a program of further study as
25 determined by the State Board.

26 (2) Category II. -- This category is designated for individuals who fail
27 to meet the designated standard but score above the bottom
28 quarter on the standardized measure used to demonstrate
29 competency in their certification area. This remediation shall
30 consist of a program of further study as determined by the State
31 Board.

32 Upon completion of their remediation program, certified staff members shall be
33 retested. Those individuals who fail to meet the competency standard on the retest
34 shall be required to take an additional semester of training. Those individuals will be
35 retested following this additional training. If they fail to meet the competency
36 standard at that time, the State Board shall proceed under G.S. 115C-325(q)(2a) for
37 the dismissal of those individuals. Individuals who have been dismissed under G.S.
38 115C-325(q)(2a) may not thereafter be reemployed by any local board of education.

39 (b) The Board of Governors of The University of North Carolina and the State
40 Board shall jointly designate the constituent institutions that shall provide the
41 remediation programs required under this section. Staff members who are required
42 to participate in a remediation plan under this section will be considered on leave
43 with pay, and the State shall reimburse the Board of Governors of The University of
44 North Carolina for all tuition and fees incurred under this section.

1 (c) Nothing in this section shall be construed to prohibit or postpone the ability of
2 the State Board to dismiss a teacher, assistant principal, director, or supervisor for
3 inadequate performance under G.S. 115C-325(q)(2)."

4 (b) The State Board of Education shall develop a plan to create rigorous
5 student academic performance standards for kindergarten through eighth grade and
6 student academic performance standards for courses in grades 9-12. The
7 performance standards shall align, whenever possible, with the student academic
8 performance standards developed for the National Assessment of Educational
9 Progress (NAEP). The plan also shall include clear and understandable methods of
10 reporting individual student academic performance to parents.

11 (c) The State Board of Education shall report on the implementation of
12 subsection (a) of this section to the Joint Legislative Education Oversight Committee
13 as part of its required reports on the implementation of the School-Based
14 Management and Accountability Program. The State Board of Education shall report
15 to the Joint Legislative Education Oversight Committee by March 15, 1998, on the
16 student performance standards and reports developed under subsection (b) of this
17 section. By September 1, 1999, the State Board shall adopt and implement a plan
18 requiring all certified staff members in low performing schools to demonstrate their
19 competency in their certification area.

20 21 **III. RIGOROUS STANDARDS FOR ENTERING THE TEACHING PROFESSION**

22 23 **A. ENHANCED STANDARDS FOR TEACHER PREPARATION** 24 **PROGRAMS**

25 Section 4. (a) G.S. 115C-296(b) reads as rewritten:

26 "(b) It is the policy of the State of North Carolina to maintain the highest quality
27 teacher education programs and school administrator programs in order to enhance
28 the competence of professional personnel certified in North Carolina. To the end
29 that teacher preparation programs are upgraded to reflect a more rigorous course of
30 study, ~~the State Board of Education shall submit to the General Assembly not later~~
31 ~~than November 1, 1994, a plan to promote this policy. The State Board of~~
32 Education, as lead agency in coordination and cooperation with the University Board
33 of Governors, the Board of Community Colleges and such other public and private
34 agencies as are necessary, shall continue to refine the several certification
35 requirements, standards for approval of institutions of teacher education, standards
36 for institution-based innovative and experimental programs, standards for
37 implementing consortium-based teacher education, and standards for improved
38 efficiencies in the administration of the approved programs.

39 The State Board of Education, as lead agency in coordination with the Board of
40 Governors of The University of North Carolina and any other public and private
41 agencies as necessary, shall continue to raise standards for entry into teacher
42 education programs.

43 The standards for approval of institutions of teacher education shall require that
44 teacher education programs for students who do not major in special education

1 include ~~courses~~ demonstrated competencies in the identification and education of
2 children with learning disabilities. The State Board of Education shall incorporate
3 the criteria developed in accordance with G.S. 116-74.21 for assessing proposals
4 under the School Administrator Training Program into its school administrator
5 program approval standards.

6 All North Carolina institutions of higher education that offer teacher education
7 programs, masters degree programs in education, or masters degree programs in
8 school administration shall provide annual performance reports to the State Board of
9 Education. The annual performance reports shall follow a common format, shall be
10 submitted according to a plan developed by the State Board and shall include the
11 information required under the plan developed by the State Board."

12 (b) The State Board of Education shall develop a plan to provide a
13 focused review of teacher education programs and the current process of accrediting
14 these programs in order to ensure that the programs produce graduates that are well
15 prepared to teach. The plan shall include the development and implementation of an
16 annual school of education performance report for each teacher education program
17 in North Carolina. The annual report shall include at least the following elements:
18 (i) quality of students entering the schools of education, including the average grade
19 point average and average score on preprofessional skills tests that assess reading,
20 writing, math, and other competencies; (ii) graduation rates; (iii) time-to-graduation
21 rates; (iv) average scores of graduates on professional and content area examinations
22 for the purpose of certification; (v) percentage of graduates receiving initial
23 certification; (vi) percentage of graduates hired as teachers; (vii) percentage of
24 graduates remaining in teaching for four years; (viii) graduate satisfaction based on a
25 common survey; and (ix) employer satisfaction based on a common survey. The
26 performance reports shall follow a common format. The State Board of Education
27 shall develop a plan to be implemented beginning in the 1998-99 school year to
28 reward and sanction approved teacher education programs and masters of education
29 programs and to revoke approval of those programs based on the annual
30 performance reports and other criteria established by the State Board of Education.

31 The State Board also shall develop and implement a plan for annual
32 performance reports for all masters degree programs in education and school
33 administration in North Carolina. To the extent it is appropriate, the performance
34 report shall include similar indicators to those developed for the performance report
35 for teacher education programs. The performance reports shall follow a common
36 format.

37 Both plans for performance reports also shall include a method to
38 provide the annual performance reports to the Board of Governors of The University
39 of North Carolina, the State Board of Education, and the boards of trustees of the
40 independent colleges. The State Board of Education shall review the schools of
41 education performance reports, and the performance reports for masters degree
42 programs in education and school administration annually.

43 The State Board of Education shall report to the Joint Legislative
44 Education Oversight Committee by February 15, 1998, on the plans for schools of

1 education performance reports and performance reports for masters degree programs
2 in education and school administration developed under this subsection.

3 (c) The State Board of Education, in coordination with the Board of
4 Governors of The University of North Carolina, and independent colleges and
5 universities that offer teacher education programs, shall conduct a comprehensive
6 teacher supply and demand study. The study shall examine predicted trends over the
7 course of the next decade and include information regarding the effect of teacher
8 attrition rates on supply and demand. The study shall include information on
9 characteristics of new teachers hired with teaching experience in other states and
10 information regarding graduates of North Carolina schools of education who have not
11 received certification. The survey also shall include school unit analysis and
12 Southern Regional Education Board comparative analysis where appropriate. The
13 State Board of Education shall report the results of the supply and demand study to
14 the Joint Legislative Education Oversight Committee by November 15, 1998.

15 (d) By March 15, 1998, the Board of Governors of The University of
16 North Carolina shall report to the Joint Legislative Education Oversight Committee
17 on the efforts to improve teacher preparation through implementation of a second
18 major requirement. The report shall include recommendations to strengthen the
19 requirement and provide greater consistency for second majors throughout the
20 system.

21

22 B. ENHANCED INITIAL CERTIFICATION REQUIREMENTS

23 Section 5. G.S. 115C-296(a) reads as rewritten:

24 "(a) The State Board of Education shall have entire control of certifying all
25 applicants for teaching positions in all public elementary and high schools of North
26 Carolina; and it shall prescribe the rules and regulations for the renewal and
27 extension of all certificates and shall determine and fix the salary for each grade and
28 type of certificate which it authorizes: Provided, that the State Board of Education
29 shall require each applicant for an initial ~~certificate or bachelors degree certificate or~~
30 graduate degree certificate to demonstrate ~~his~~ the applicant's academic and
31 professional preparation by achieving a prescribed minimum score ~~at least equivalent~~
32 ~~to that required by the Board on November 30, 1972, on a standard examination~~
33 ~~appropriate and adequate for that purpose: Provided, further, that in the event the~~
34 ~~Board shall specify the National Teachers Examination for this purpose, the required~~
35 ~~minimum score shall not be lower than that which the Board required on November~~
36 ~~30, 1972: Provided, further, that the State Board of Education shall not decrease the~~
37 ~~certification standards for physical education teachers or health education teachers~~
38 ~~below the standards in effect on June 1, 1988. purpose. The State Board of~~
39 Education shall continue to make the standard initial certification examination more
40 rigorous and to raise the prescribed minimum score as necessary to ensure that each
41 applicant has adequate academic and professional preparation to teach."

42

43 C. REPORT ON ENHANCEMENT OF INITIAL CERTIFICATION 44 STANDARDS

1 Section 6. (a) The State Board of Education shall review the admission
2 standards for teacher education programs and the initial certification requirements
3 that were adopted by the Board on July 6, 1994. The State Board shall report to the
4 Joint Legislative Education Oversight Committee by March 15, 1998, on the results of
5 the review. The State Board may consolidate the report required under this
6 subsection with the report on continuing certification required under Section 8 of this
7 act and the report on renewal of teacher certificates required under Section 14 of this
8 act.

9 (b) By March 15, 1999, the State Board shall implement the July 6, 1994,
10 admission standards for teacher education programs and initial certification
11 requirements to the extent the State Board determines those standards and
12 requirements are valid and consistent with the State goal of requiring rigorous
13 professional requirements.

14 15 **IV. RIGOROUS STANDARDS FOR CONTINUING CERTIFICATION**

16 17 **A. AWARD OF CONTINUING CERTIFICATION DELAYED ONE YEAR**

18 Section 7. (a) G.S. 115C-296(b), as rewritten by Section 4(a) of this act,
19 reads as rewritten:

20 "(b) It is the policy of the State of North Carolina to maintain the highest quality
21 teacher education programs and school administrator programs in order to enhance
22 the competence of professional personnel certified in North Carolina. To the end
23 that teacher preparation programs are upgraded to reflect a more rigorous course of
24 study, the State Board of Education, as lead agency in coordination and cooperation
25 with the University Board of Governors, the Board of Community Colleges and such
26 other public and private agencies as are necessary, shall continue to refine the several
27 certification requirements, standards for approval of institutions of teacher education,
28 standards for institution-based innovative and experimental programs, standards for
29 implementing consortium-based teacher education, and standards for improved
30 efficiencies in the administration of the approved programs. The certification
31 program shall provide for initial certification after completion of preservice training,
32 continuing certification after three years of teaching experience, and certificate
33 renewal every five years thereafter.

34 The State Board of Education, as lead agency in coordination with the Board of
35 Governors of The University of North Carolina and any other public and private
36 agencies as necessary, shall continue to raise standards for entry into teacher
37 education programs.

38 The standards for approval of institutions of teacher education shall require that
39 teacher education programs for students who do not major in special education
40 include competencies in the identification and education of children with learning
41 disabilities. The State Board of Education shall incorporate the criteria developed in
42 accordance with G.S. 116-74.21 for assessing proposals under the School
43 Administrator Training Program into its school administrator program approval
44 standards.

1 All North Carolina institutions of higher education that offer teacher education
2 programs, Masters degree programs in education, or Masters degree programs in
3 school administration shall provide annual performance reports to the State Board of
4 Education. The performance reports shall follow a common format and shall be
5 submitted according to a plan developed by the State Board."

6 (b) This section applies to teachers who have not received continuing
7 certification prior to January 1, 1998.

8

9 **B. ENHANCED STANDARDS FOR CONTINUING CERTIFICATION**

10 Section 8. The State Board of Education, in consultation with the Board
11 of Governors of The University of North Carolina, shall evaluate and develop
12 enhanced requirements for continuing certification. The new requirements shall
13 reflect more rigorous standards for continuing certification and to the extent possible
14 shall be aligned with quality professional development programs that reflect State
15 priorities for improving student achievement. The State Board shall report to the
16 Joint Legislative Education Oversight Committee by March 15, 1998, on the results of
17 this evaluation. The State Board may consolidate the report required under this
18 section with the report on Initial Certification required under Section 6 of this act
19 and the report on Renewal of Teacher Certificates required under Section 14 of this
20 act. The State Board of Education shall adopt new standards for continuing
21 certification by May 15, 1998.

22

23 **V. RIGOROUS STANDARDS, EVALUATION, AND SUPPORT BEFORE**
24 **CAREER STATUS IS CONSIDERED**

25

26 **A. SUPPORT AND MENTORS PROVIDED FOR ALL BEGINNING**
27 **TEACHERS**

28 Section 9. The State Board of Education shall develop a mentor program
29 to provide ongoing support for teachers entering the profession. In developing the
30 mentor program, the State Board shall conduct a comprehensive study of the needs
31 of new teachers and how those needs can be met through an orientation and mentor
32 support program. For the purpose of helping local boards to support new teachers,
33 the State Board shall develop and distribute guidelines which address optimum
34 teaching load, extracurricular duties, student assignment, and other working condition
35 considerations. The State Board also shall develop and coordinate a mentor teacher
36 training program. The State Board shall develop criteria for selecting excellent,
37 experienced, and qualified teachers to be participants in the mentor teacher training
38 program. The State Board shall report to the Joint Legislative Education Oversight
39 Committee prior to February 15, 1998, on its progress in implementing this section.

40

41 **B. RIGOROUS AND MORE FREQUENT EVALUATIONS BY WELL-**
42 **TRAINED EVALUATORS BEFORE CAREER STATUS IS CONSIDERED**

43 Section 10. (a) G.S. 115C-326(a) reads as rewritten:

1 "(a) The State Board of Education, in consultation with local boards of education,
2 shall revise and develop uniform performance standards and criteria to be used in
3 evaluating professional public school ~~employees.~~ employees, including school
4 administrators. These standards and criteria shall include improving student
5 achievement and employee skills and employee knowledge. The standards and
6 criteria for school administrators also shall include building-level gains in student
7 learning and effectiveness in carrying out the responsibility of ensuring school safety
8 and enforcing student discipline. The Board shall develop rules to recommend the
9 use of these standards and criteria in the employee evaluation process. The
10 performance standards and criteria may be modified ~~in~~ at the discretion of the Board.

11 The State Board of Education, in collaboration with the Board of Governors of
12 The University of North Carolina, shall develop training programs for practicing
13 school administrators to improve their evaluation of professional public school
14 employees based on the employee's skills and knowledge and student achievement.
15 These programs shall include evaluative methods to determine whether an
16 employee's performance has improved student learning, as well as the appropriate
17 process for professional improvement, contract nonrenewal, and dismissal of school
18 personnel whose performance is inadequate. The Board of Governors of The
19 University of North Carolina shall ensure that the subject matter of the training
20 programs is incorporated into the masters in school administration programs offered
21 by the constituent institutions.

22 Local boards of education shall adopt rules to provide for the evaluation of all
23 professional employees defined as teachers in G.S. 115C-325(a)(6). All teachers who
24 have not attained career status shall be observed at least three times annually by a
25 qualified school administrator or a designee and at least once annually by a teacher,
26 and shall be evaluated at least once annually by a qualified school administrator. All
27 other teachers shall be evaluated annually unless a local board adopts rules that allow
28 specified categories of teachers with career status to be evaluated more or less
29 frequently. Local boards may also adopt rules requiring the annual evaluation of
30 other school employees not specifically covered in this section. Local boards may
31 develop and use alternative evaluation approaches for teachers provided the
32 evaluations are properly validated. Local boards that do not develop alternative
33 evaluations shall utilize the performance standards and criteria adopted by the State
34 Board of Education, but are not limited to those standards and criteria."

35 (b) The State Board of Education shall report to the Joint Legislative
36 Education Oversight Committee by March 15, 1998, on the development of programs
37 to train administrators to improve the evaluation of professional public school
38 employees.

39 (c) The State Board of Education shall report to the Joint Legislative
40 Education Oversight Committee by March 15, 1998, on the revision and development
41 of uniform performance standards and criteria to be used in evaluating professional
42 public school employees including school administrators. The State Board of
43 Education shall adopt new performance standards and criteria by May 15, 1998.

(d) The State Board of Education shall develop guidelines for evaluating superintendents. The guidelines shall include criteria for evaluating superintendent effectiveness in providing safe schools and enforcing student discipline. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by April 15, 1998, on the development of the guidelines. The State Board of Education shall adopt guidelines for evaluating superintendents by July 15, 1998.

C. CAREER STATUS DECISION TO BE MADE ONE YEAR AFTER CONTINUING CERTIFICATION AWARDED

Section 11. (a) G.S. 115C-325(c) reads as rewritten:

- "(c) (1) Election of a Teacher to Career Status. -- Except as otherwise provided in subdivision (3) of this subsection, when a teacher ~~will have~~ has been employed by a North Carolina public school system for ~~three~~ four consecutive years, the board, near the end of the ~~third~~ fourth year, shall vote upon ~~his employment for the next school year. whether to grant the teacher career status.~~ The board shall give ~~him~~ the teacher written notice of that decision by June ~~1~~ 15 of ~~his third year of employment.~~ If a majority of the board votes to ~~reemploy the teacher,~~ grant career status to the teacher, and if it has notified ~~him~~ the teacher of the decision, it may not rescind that action but must proceed under the provisions of this section for the demotion or dismissal of a teacher if it decides to terminate ~~his~~ the teacher's employment. If a majority of the board votes against reemploying the teacher, ~~he~~ the teacher shall not teach beyond the current school term. ~~If~~ The board shall not reemploy the teacher if after the fourth consecutive year: (i) the board fails to vote on granting career status; but reemploys him for the next year, he automatically becomes a career teacher on the first day of the fourth ninth year of employment; (ii) a majority of the board votes against granting career status; or (iii) the board vote regarding granting the teacher career status results in a tie.

A year, for purposes of computing time as a probationary teacher, shall be not less than 120 workdays performed as a full-time, permanent teacher in a normal school year.

- (2) Employment of a Career Teacher. -- A teacher who has obtained career status in any North Carolina public school system need not serve another probationary period of more than two ~~years.~~ years, and ~~may, at the option of the board, be employed immediately~~ The board may grant career status immediately upon employing the teacher, or after the first or second year of employment, as a career teacher. In any event, if the teacher is reemployed for a third consecutive school year, he shall automatically become a career teacher. A teacher with career status who resigns and within five

~~years is reemployed by the same local school administrative unit need not serve another probationary period of more than one school year and may, at the option of the board, be reemployed as a career teacher. In any event, if he is reemployed for a second consecutive school year, he shall automatically become a career teacher. The board shall not reemploy the teacher if after the second consecutive year: (i) the board fails to vote on granting career status; (ii) a majority of the board votes against granting the teacher career status; or (iii) the board vote regarding granting the teacher career status results in a tie.~~

(2a) Notice of Teachers Eligible to Achieve Career Status. -- At least 30 days prior to any board action granting career status, the superintendent shall submit to the board a list of the names of all teachers who are eligible to achieve career status. Notwithstanding any other provision of law, the list shall be a public record under Chapter 132 of the General Statutes.

(3) Ineligible for Career Status. -- No employee of a local board of education except a teacher as defined by G.S. 115C-325(a)(6) is eligible to obtain career status or continue in a career status if he no longer performs the responsibilities of a teacher as defined in G.S. 115C-325(a)(6). No person who is working in a principal or supervisor position who did not acquire career status as a school administrator by June 30, 1997, shall have career status as an administrator. Further, no director or assistant principal is eligible to obtain career status as a school administrator unless he or she has already been conferred that status by the local board of education.

(4) Leave of Absence. -- A career teacher who has been granted a leave of absence by a board shall maintain his career status if he returns to his teaching position at the end of the authorized leave."

(b) This section applies to teachers, as defined in G.S. 115C-325(a)(6), who have not attained career status pursuant to G.S. 115C-325(c) prior to July 1, 1998.

VI. ADDITIONAL PROFESSIONAL DEVELOPMENT OPPORTUNITIES AND TOUGHER STANDARDS FOR TEACHERS WITH CAREER STATUS

A. MEANINGFUL AND CONTINUED PROFESSIONAL DEVELOPMENT FOR TEACHERS

Section 12. (a) G.S. 115C-12 is amended by adding a new subdivision to read:

"(25) Duty to Monitor and Make Recommendations Regarding Professional Development Programs. -- The State Board of Education, in collaboration with the Board of Governors of The

University of North Carolina, shall identify and make recommendations regarding meaningful professional development programs for professional public school employees. The programs shall be aligned with State education goals and directed toward improving student academic achievement. The State Board shall annually evaluate and make recommendations regarding professional development programs based upon reports submitted by the Board of Governors under G.S. 116-11(12a)."

(b) G.S. 116-11 is amended by adding a new subdivision to read:

"(12a) The Board of Governors of The University of North Carolina shall implement, administer, and revise programs for meaningful professional development for professional public school employees based upon the evaluations and recommendations made by the State Board of Education under G.S. 115C-12(25). The programs shall be aligned with State education goals and directed toward improving student academic achievement. The Board of Governors shall submit to the State Board of Education an annual report evaluating the professional development programs administered by the Board of Governors."

(c) The State Board of Education shall report to the Board of Governors of The University of North Carolina by January 15, 1998, on its initial recommendations for implementation of subsection (a) of this section.

(d) The Board of Governors of The University of North Carolina shall report to the Joint Legislative Education Oversight Committee by April 1, 1998, on a plan to coordinate and consolidate professional development programs for professional public school employees. This report may include recommendations for statutory or other organizational changes.

B. TENURE STREAMLINED TO PROVIDE A FAIR AND EFFICIENT PROCESS FOR REMOVING POOR TEACHERS FROM THE CLASSROOM

Section 13. (a) G.S. 115C-325, as rewritten by Section 11(a) of this act, reads as rewritten:

"§ 115C-325. System of employment for public school teachers.

(a) Definition of Terms. -- As used in this section unless the context requires otherwise:

(1a) 'Career employee' as used in this section means:

- a. An employee who has obtained career status with that local board as a teacher as provided in G.S. 115C-325(c);
- b. An employee who has obtained career status with that local board in an administrative position as provided in G.S. 115C-325(d)(2);
- c. A probationary teacher during the term of the contract as provided in G.S. 115C-325(m); and

- d. A school administrator during the term of a school administrator contract as provided in G.S. 115C-287.1(c).
- (1b) 'Career school administrator' means a school administrator who has obtained career status in an administrative position as provided in G.S. 115C-325(d)(2).
- ~~(1)~~
- (1c) 'Career teacher' means a teacher who has obtained career status as provided in G.S. 115C-325(c).
- (1d) 'Case manager' means a person selected under G.S. 115C-325(h)(7).
- ~~(2) 'Committee' means the Professional Review Committee created under G.S. 115C-325(g).~~
- (3) 'Day' means calendar day. In computing any period of time, Rule 6 of the North Carolina Rules of Civil Procedure shall apply.
- (4) 'Demote' means to reduce the ~~compensation~~ salary of a person who is classified or paid by the State Board of Education as a classroom teacher, teacher or as a school administrator, or to transfer him to a new position carrying a lower salary, or to suspend him without pay to a maximum of 60 days; provided, however, that a suspension without pay pursuant to the provisions of G.S. 115C-325(f) shall not be considered a demotion. The word 'demote' does not include a reduction in compensation that results from the elimination of a special duty, such as the duty of an athletic coach, assistant principal, or a choral director. include: (i) a suspension without pay pursuant to G.S. 115C-325(f)(1); (ii) the elimination or reduction of bonus payments, including merit-based supplements, or a systemwide modification in the amount of any applicable local supplement; (iii) any reduction in salary that results from the elimination of a special duty, such as the duty of an athletic coach or a choral director; or (iv) the transfer of a career school administrator from one position to another position regardless of whether the transfer results in a reduction of the career administrator's compensation or the transfer is to a nonadministrative position.
- (4a) 'Disciplinary suspension' means a final decision to suspend a teacher or school administrator without pay for no more than 60 days under G.S. 115C-325(f)(2).
- (5) 'Probationary teacher' means a certificated person, other than a superintendent, associate superintendent, or assistant superintendent, who has not obtained career-teacher status and whose major responsibility is to supervise teaching.
- (6) 'Teacher' means a person who holds at least a current, not provisional or expired, Class A certificate or a regular, not provisional or expired, vocational certificate issued by the

Department of Public Instruction; whose major responsibility is to teach or directly supervises teaching or who is classified by the State Board of Education or is paid as a classroom teacher; and who is employed to fill a full-time, permanent position.

(7) 'School administrator' means a principal, assistant principal, supervisor, or director; whose major function includes the direct or indirect supervision of teaching or any other part of the instructional program as provided in G.S. 115C-287.1(a)(3).

(8) 'Year' for purposes of computing time as a probationary teacher shall be not less than 120 workdays performed as a probationary teacher in a full-time permanent position in a school year.

(b) Personnel Files. -- The superintendent shall maintain in his office a personnel file for each teacher that contains any complaint, commendation, or suggestion for correction or improvement about the teacher's professional conduct, except that the superintendent may elect not to place in a teacher's file (i) a letter of complaint that contains invalid, irrelevant, outdated, or false information or (ii) a letter of complaint when there is no documentation of an attempt to resolve the issue. The complaint, commendation, or suggestion shall be signed by the person who makes it and shall be placed in the teacher's file only after five days' notice to the teacher. Any denial or explanation relating to such complaint, commendation, or suggestion that the teacher desires to make shall be placed in the file. Any teacher may petition the local board of education to remove any information from his personnel file that he deems invalid, irrelevant, or outdated. The board may order the superintendent to remove said information if it finds the information is invalid, irrelevant, or outdated.

The personnel file shall be open for the teacher's inspection at all reasonable times but shall be open to other persons only in accordance with such rules and regulations as the board adopts. Any preemployment data or other information obtained about a teacher before his employment by the board may be kept in a file separate from his personnel file and need not be made available to him. No data placed in the preemployment file may be introduced as evidence at a hearing on the dismissal or demotion of a teacher, except the data may be used to substantiate G.S. 115C-325(e)(1)g. or G.S. 115C-325(e)(1)o. as grounds for dismissal or demotion.

(c) (1) Election of a Teacher to Career Status. -- Except as otherwise provided in subdivision (3) of this subsection, when a teacher has been employed by a North Carolina public school system for four consecutive years, the board, near the end of the fourth year, shall vote upon whether to grant the teacher career status. The board shall give the teacher written notice of that decision by June 15. If a majority of the board votes to grant career status to the teacher, and if it has notified the teacher of the decision, it may not rescind that action but must proceed under the provisions of this section for the demotion or dismissal of a teacher if it decides to terminate the teacher's employment. If a majority of the board votes against reemploying the teacher, the teacher shall not teach beyond the

current school term. The board shall not reemploy the teacher if after the fourth consecutive year: (i) the board fails to vote on granting career status; (ii) a majority of the board votes against granting career status; or (iii) the board vote regarding granting the teacher career status results in a tie.

~~A year, for purposes of computing time as a probationary teacher, shall be not less than 120 workdays performed as a full-time, permanent teacher in a normal school year.~~

(2) Employment of a Career Teacher. -- A teacher who has obtained career status in any North Carolina public school system need not serve another probationary period of more than two years. The board may grant career status immediately upon employing the teacher, or after the first or second year of employment. The board shall not reemploy the teacher if after the second consecutive year: (i) the board fails to vote on granting career status; (ii) a majority of the board votes against granting the teacher career status; or (iii) the board vote regarding granting the teacher career status results in a tie.

(2a) Notice of Teachers Eligible to Achieve Career Status. -- At least 30 days prior to any board action granting career status, the superintendent shall submit to the board a list of the names of all teachers who are eligible to achieve career status. Notwithstanding any other provision of law, the list shall be a public record under Chapter 132 of the General Statutes.

(3) Ineligible for Career Status. -- No employee of a local board of education except a teacher as defined by G.S. 115C-325(a)(6) is eligible to obtain career status or continue in a career status as a teacher if he no longer performs the responsibilities of a teacher as defined in G.S. 115C-325(a)(6). No person who is ~~working in a principal or supervisor position~~ employed as a school administrator who did not acquire career status as a school administrator by June 30, 1997, shall have career status as an administrator. Further, no director or assistant principal is eligible to obtain career status as a school administrator unless he or she has already been conferred that status by the local board of education.

(4) Leave of Absence. -- A career teacher who has been granted a leave of absence by a board shall maintain his career status if he returns to his teaching position at the end of the authorized leave.

(d) Career Teachers and Career School Administrators.

(1) A career teacher or career school administrator shall not be subjected to the requirement of annual appointment nor shall he be dismissed, demoted, or employed on a part-time basis without his consent except as provided in subsection (e).

(2) a. The provisions of this subdivision do not apply to a person who is ineligible for career status as provided by G.S. 115C-325(c)(3).

b. ~~Whether or not he has previously attained career status as a teacher, a person who has performed the duties of a principal in the school system for three consecutive years or has performed the duties of a supervisor in the school system for three consecutive years shall not be transferred from that position to a lower paying administrative position or to a lower paying nonadministrative position without his consent except for the reasons given in G.S. 115C-325(e)(1) and in accordance with the provisions for the dismissal of a career teacher set out in this section. Transfer of a principal or a supervisor is not a transfer to a lower paying position if the principal's or supervisor's salary is maintained at the previous salary amount.~~

c. Subject to G.S. 115C-287.1, when ~~When~~ a teacher has performed the duties of supervisor or principal for three consecutive years, the board, near the end of the third year, shall vote upon his employment for the next school year. The board shall give him written notice of that decision by June 1 of his third year of employment as a supervisor or principal. If a majority of the board votes to reemploy the teacher as a principal or supervisor, and it has notified him of that decision, it may not rescind that action but must proceed under the provisions of this section. If a majority of the board votes not to reemploy the teacher as a principal or supervisor, he shall retain career status as a teacher if that status was attained prior to assuming the duties of supervisor or principal. A supervisor or principal who has not held that position for three years and whose contract will not be renewed for the next school year shall be notified by June 1 and shall retain career status as a teacher if that status was attained prior to assuming the duties of supervisor or principal.

A year, for purposes of computing time as a probationary principal or supervisor, shall not be less than 145 workdays performed as a full-time, permanent principal or supervisor in a contract year.

A principal or supervisor who has obtained career status in that position in any North Carolina public school system may be required by the board of education in another school system to serve an additional three-year probationary period in that position before being eligible for career status.

1 However, he may, at the option of the board of education,
2 be granted career status immediately or after serving a
3 probationary period of one or two additional years. A
4 principal or supervisor with career status who resigns and
5 within five years is reemployed by the same school system
6 need not serve another probationary period in that position
7 of more than two years and may, at the option of the board,
8 be reemployed immediately as a career principal or
9 supervisor or be given career status after only one year. In
10 any event, if he is reemployed for a third consecutive year,
11 he shall automatically become a career principal or
12 supervisor.

13 (e) Grounds for Dismissal or Demotion of a Career ~~Teacher~~ Employee.

14 (1) Grounds. -- No career ~~teacher~~ employee shall be dismissed or
15 demoted or employed on a part-time basis except for one or more
16 of the following:

- 17 a. Inadequate performance.
- 18 b. Immorality.
- 19 c. Insubordination.
- 20 d. Neglect of duty.
- 21 e. Physical or mental incapacity.
- 22 f. Habitual or excessive use of alcohol or nonmedical use of a
23 controlled substance as defined in Article 5 of Chapter 90 of
24 the General Statutes.
- 25 g. Conviction of a felony or a crime involving moral turpitude.
- 26 h. Advocating the overthrow of the government of the United
27 States or of the State of North Carolina by force, violence,
28 or other unlawful means.
- 29 i. Failure to fulfill the duties and responsibilities imposed
30 upon teachers or school administrators by the General
31 Statutes of this State.
- 32 j. Failure to comply with such reasonable requirements as the
33 board may prescribe.
- 34 k. Any cause which constitutes grounds for the revocation of
35 ~~such the~~ the career teacher's teaching certificate, certificate or
36 the career school administrator's administrator certificate.
- 37 l. A justifiable decrease in the number of positions due to
38 district reorganization, decreased enrollment, or decreased
39 funding, provided that there is compliance with subdivision
40 (2).
- 41 m. Failure to maintain his certificate in a current status.
- 42 n. Failure to repay money owed to the State in accordance
43 with the provisions of Article 60, Chapter 143 of the
44 General Statutes.

o. Providing false information or knowingly omitting a material fact on an application for employment or in response to a preemployment inquiry.

- (2) Reduction in Force. -- Before recommending to a board the dismissal or demotion of the career ~~teacher~~ employee pursuant to G.S. 115C-325(e)(1)l., the superintendent shall give written notice to the career ~~teacher~~ employee by certified mail or personal delivery of his intention to make such recommendation and shall set forth as part of his recommendation the grounds upon which he believes such dismissal or demotion is justified. The notice shall include a statement to the effect that if the ~~teacher~~ career employee within 15 days after receipt of the notice requests a review, he shall be entitled to have the proposed recommendations of the superintendent reviewed by the board. Within the 15-day period after receipt of the notice, the career ~~teacher~~ employee may file with the superintendent a written request for a hearing before the board within 10 days. If the ~~teacher~~ career employee requests a hearing before the board, the hearing procedures provided in ~~G.S. 115C-325(j)~~ G.S. 115C-325(j3) shall be followed. If no request is made within the 15-day period, the superintendent may file his recommendation with the board. If, after considering the recommendation of the superintendent and the evidence adduced at the hearing if there is one, the board concludes that the grounds for the recommendation are true and substantiated by a preponderance of the evidence, the board, if it sees fit, may by resolution order such dismissal. Provisions of this section which permit ~~appointment of, and investigation and review by, a panel of the Professional Review Committee~~ a hearing by a case manager shall not apply to a dismissal or demotion recommended pursuant to G.S. 115C-325(e)(1)l.

When a career ~~teacher~~ employee is dismissed pursuant to G.S. 115C-325(e)(1)l. above, his name shall be placed on a list of available ~~teachers~~ career employees to be maintained by the board. Career ~~teachers~~ employees whose names are placed on such a list shall have a priority on all positions in which they acquired career status and for which they are qualified which become available in that system for the three consecutive years succeeding their dismissal. However, if the local school administrative unit offers the dismissed ~~teacher~~ career employee a position for which he is certified and he refuses it, his name shall be removed from the priority list.

- (3) Inadequate Performance. -- In determining whether the professional performance of a career ~~teacher~~ employee is adequate, consideration shall be given to regular and special evaluation

reports prepared in accordance with the published policy of the employing local school administrative unit and to any published standards of performance which shall have been adopted by the board. Failure to notify a career ~~teacher~~ employee of an inadequacy in his performance shall be conclusive evidence of satisfactory performance.

(4) Three-Year Limitation on Basis of Dismissal or Demotion -- Dismissal or demotion under subdivision (1) above, except ~~paragraph g~~ paragraphs g. and o. thereof, shall not be based on conduct or actions which occurred more than three years before the written notice of the superintendent's intention to recommend dismissal or demotion is mailed to the ~~teacher~~ career employee. The three-year limitation shall not apply to dismissals or demotions pursuant to subdivision (1)b. above when the charge of immorality is based upon a ~~teacher's~~ career employee's sexual misconduct toward or sexual harassment of students or staff.

(f) (1) Suspension without Pay. -- If a superintendent believes that cause exists for dismissing a ~~probationary or career teacher~~ employee for any reason specified in ~~G.S. 115C-325(e)(1)a. through 115C-325(e)(1)j.~~ G.S. 115C-325(e)(1) and that immediate suspension of the ~~teacher~~ career employee is necessary, the superintendent may suspend ~~him~~ the career employee without pay. Before suspending a ~~teacher~~ career employee without pay, the superintendent shall meet with the ~~teacher~~ career employee and give him written notice of the charges against him, an explanation of the bases for the charges, and an opportunity to respond. Within five days after a suspension under this paragraph, the superintendent shall initiate a ~~dismissal~~ dismissal, demotion, or disciplinary suspension without pay as provided in this section. If it is finally determined that no grounds for ~~dismissal~~ dismissal, demotion, or disciplinary suspension without pay exist, the ~~teacher~~ career employee shall be reinstated ~~immediately and immediately~~ immediately, shall be paid for the period of ~~suspension~~ suspension, and all records of the suspension shall be removed from the career employee's personnel file.

(2) Disciplinary Suspension Without Pay. -- A ~~teacher~~ career employee recommended for suspension without pay pursuant to G.S. ~~115C-325(a)(4)~~ 115C-325(a)(4a) may request a hearing before the board. ~~If the teacher requests a hearing before the board, the procedures provided in G.S. 115C-325(j) shall be followed.~~ If no request is made within 15 days, the superintendent may file his recommendation with the board. If, after considering the recommendation of the superintendent and the evidence adduced at the hearing if one is held, the board concludes that the grounds

for the recommendation are true and substantiated by a preponderance of the evidence, the board, if it sees fit, may by resolution order such suspension. ~~Provisions of this section which permit appointment of, and investigation and review by, a panel of the Professional Review Committee shall not apply to a suspension without pay pursuant to G.S. 115C-325(a)(4).~~

a. Board hearing for disciplinary suspensions for more than 10 days or for certain types of intentional misconduct. -- The procedures for a board hearing under G.S. 115C-325(j3) shall apply if any of the following circumstances exist:

1. The recommended disciplinary suspension without pay is for more than 10 days; or
2. The disciplinary suspension is for intentional misconduct, such as inappropriate sexual or physical conduct, immorality, insubordination, habitual or excessive alcohol or nonmedical use of a controlled substance as defined in Article 5 of Chapter 90 of the General Statutes, any cause that constitutes grounds for the revocation of the teacher's or school administrator's certificate, or providing false information.

b. Board hearing for disciplinary suspensions of no more than 10 days. -- The procedures for a board hearing under G.S. 115C-325(j2) shall apply to all disciplinary suspensions of no more than 10 days that are not for intentional misconduct as specified in G.S. 115C-325(f)(2)a.2.

(f1) Suspension with Pay. -- If a superintendent believes that cause may exist for dismissing or demoting a ~~probationary or career teacher~~ employee for any reasons specified in ~~G.S. 115C-325(e)(1)b through 115C-325(e)(1)i~~, G.S. 115C-325(e)(1), but that additional investigation of the facts is necessary and circumstances are such that the ~~teacher~~ career employee should be removed immediately from his duties, the superintendent may suspend the ~~teacher~~ career employee with pay for a reasonable period of time, not to exceed 90 days. The superintendent shall ~~immediately~~ notify the board of education within two days of his action and shall notify the career employee within two days of the action and the reasons for it. If the superintendent has not initiated dismissal or demotion proceedings against the ~~teacher~~ career employee within the 90-day period, the ~~teacher~~ career employee shall be reinstated to his duties immediately and all records of the suspension with pay shall be removed from the ~~teacher's~~ career employee's personnel file at his ~~request~~. request. However, if the superintendent and the employee agree to extend the 90-day period, the superintendent may initiate dismissal or demotion proceedings against the career employee at any time during the period of the extension.

~~(g) Professional Review Committee; Qualifications; Terms; Vacancy; Training.~~

- (1) ~~There is hereby created a Professional Review Committee which shall consist of 132 citizens, 11 from each of the State's congressional districts, five of whom shall be lay persons and six of whom shall have been actively and continuously engaged in teaching or in supervision or administration of schools in this State for the five years preceding their appointment and who are broadly representative of the profession, to be appointed by the Superintendent of Public Instruction with the advice and consent of the State Board of Education. Each member shall be appointed for a term of three years. The initial terms of office of the persons appointed from the 12th Congressional District shall commence on January 3, 1993, and expire on June 30, 1995. The Superintendent of Public Instruction, with the advice and consent of the State Board of Education, shall fill any vacancy which may occur in the Committee. The person appointed to fill the vacancy shall serve for the unexpired portion of the term of the member of the Committee whom he is appointed to replace.~~
- (2) ~~The Superintendent of Public Instruction shall provide for the Committee such training as he considers necessary or desirable for the purpose of enabling the members of the Committee to perform the functions required of them.~~
- (3) ~~The compensation of committee members while serving as a member of a hearing panel shall be as for State boards and commissions pursuant to G.S. 138-5. The compensation shall be paid by the State Board of Education.~~
- (h) Procedure for Dismissal or Demotion of Career Teacher Employee.
- (1) ~~A career teacher employee~~ may not be dismissed, demoted, or reduced to part-time employment except upon the superintendent's recommendation.
- (2) ~~Before recommending to a board the dismissal or demotion of the career teacher employee, the superintendent shall give written notice to the career teacher employee by certified mail or personal delivery of his intention to make such recommendation and shall set forth as part of his recommendation the grounds upon which he believes such dismissal or demotion is justified. The superintendent also shall meet with the career employee and give him written notice of the charges against him, an explanation of the basis for the charges, and an opportunity to respond if the career employee has not done so under G.S. 115C-325(f)(1). The notice shall include a statement to the effect that if the teacher career employee within 15 seven days after the date of receipt of the notice requests a review, he shall be entitled to have the grounds for the proposed recommendations of the superintendent reviewed by a panel of the Committee case manager. A copy of~~

1 G.S. 115C-325 and a current list of ~~the members of the~~
2 ~~Professional Review Committee case managers~~ shall also be sent to
3 the career teacher employee. If the ~~teacher~~ career employee does
4 not request a ~~panel~~ hearing with a case manager within the ~~15~~
5 seven days provided, the superintendent may submit his
6 recommendation to the board.

7 (3) Within the ~~15-day~~ seven-day period after receipt of the notice, the
8 career ~~teacher~~ employee may file with the superintendent a written
9 request for either (i) ~~a review of the~~ a hearing on the grounds for
10 the superintendent's proposed recommendation by a panel of the
11 Professional Review Committee case manager or (ii) a hearing
12 within five days before the board on the superintendent's
13 recommendation, within 10 days. If the ~~teacher~~ career employee
14 requests an immediate hearing before the board, he forfeits his
15 right to a hearing by a ~~panel of the Professional Review~~
16 ~~Committee.~~ A hearing conducted by the board pursuant to this
17 subdivision shall be conducted pursuant to G.S. 115C-325(j) and
18 (4) a case manager. If no request is made within that period, the
19 superintendent may file his recommendation with the board. The
20 board, if it sees fit, may by resolution ~~dismiss such teacher.~~ (i)
21 reject the superintendent's recommendation or (ii) accept or
22 modify the superintendent's recommendation and dismiss, demote,
23 reinstate, or suspend the employee without pay. If a request for
24 review is made, the superintendent shall not file his
25 recommendation for dismissal with the board until a report of a
26 ~~panel of the Committee~~ the case manager is filed with the
27 superintendent.

28 (4) ~~If a request for review is made, the superintendent, within five days~~
29 ~~of filing such request for review, shall notify the Superintendent of~~
30 ~~Public Instruction who, within seven days from the time of receipt~~
31 ~~of such notice, shall designate a panel of five members of the~~
32 ~~Committee, at least two of whom shall be lay persons, who shall~~
33 ~~not be employed in or be residents of the county in which the~~
34 ~~request for review is made, to review the proposed~~
35 ~~recommendations of the superintendent for the purpose of~~
36 ~~determining whether in its opinion the grounds for the~~
37 ~~recommendation are true and substantiated. The teacher or~~
38 ~~principal making the request for review shall have the right to~~
39 ~~require that at least two members of the panel shall be members of~~
40 ~~his professional peer group.~~

41 (5) If the career employee elects to request a hearing by a case
42 manager, the career employee and superintendent shall each have
43 the right to eliminate up to one-third of the names on the
44 approved list of case managers. The career employee shall specify

- 1 those case managers who are not acceptable in the career
2 employee's request for a review of the superintendent's proposed
3 recommendation under G.S. 115C-325(h)(3). The superintendent
4 and career employee may jointly select a person to serve as case
5 manager. The person need not be on the master list of case
6 managers maintained by the Superintendent of Public Instruction.
- 7 (6) If a career employee requests a review by a case manager, the
8 superintendent shall notify the Superintendent of Public Instruction
9 within two days' receipt of the request. The notice shall contain a
10 list of the case managers the career employee and the
11 superintendent have eliminated from the master list or the name of
12 a person, if any, jointly selected. Failure to exercise the right to
13 eliminate names from the master list shall constitute a waiver of
14 that right.
- 15 (7) The Superintendent of Public Instruction shall select a case
16 manager within three days of receiving notice from the
17 superintendent. The Superintendent of Public Instruction shall
18 designate the person jointly selected by the parties to serve as case
19 manager provided the person agrees to serve as case manager and
20 can meet the requirements for time frames for the hearing and
21 report as provided in G.S. 115C-325(i1)(1). If a case manager was
22 not jointly selected or if the case manager is not available, the
23 Superintendent of Public Instruction shall select a case manager
24 from the master list. No person eliminated by the career employee
25 or superintendent shall be designated case manager.
- 26 (8) The superintendent and career employee shall provide each other
27 with copies of all documents submitted to the Superintendent of
28 Public Instruction or to the designated case manager.
- 29 (h1) Case Managers; Qualifications; Training; Compensation.
- 30 (1) Each year the State Board of Education shall select and maintain a
31 master list of no more than 42 qualified case managers.
- 32 (2) Persons selected by the State Board as case managers shall be: (i)
33 certified as a North Carolina Superior Court mediator; (ii) a
34 member of the American Arbitration Association's roster of
35 arbitrators and mediators; or (iii) have comparable certification in
36 alternative dispute resolution. Case managers must complete a
37 special training course approved by the State Board of Education.
- 38 (3) The State Board of Education shall determine the compensation
39 for a case manager. The State Board shall pay the case manager's
40 compensation and reimbursement for expenses.
- 41 ~~(i) Hearing by Panel of Professional Review Committee; Report; Action of~~
42 ~~Superintendent; Review by Board.~~
- 43 (1) ~~The career teacher and superintendent will each have the right to~~
44 ~~designate not more than 33 of the 132 members of the Professional~~

~~Review Committee as not acceptable to the teacher or superintendent respectively. No person so designated shall be appointed to the panel. The career teacher shall specify to the superintendent those Committee members who are not acceptable in his request for a review of the superintendent's proposed recommendations provided for in subdivision (h)(3) above. The superintendent's notice to the Superintendent of Public Instruction provided for in subdivision (h)(4) above shall contain a list of those members of the Committee not acceptable to the superintendent and the teacher respectively. Failure to designate nonacceptable members in accordance with this subsection shall constitute a waiver of that right.~~

~~(2) As soon as possible after the time of its designation, the panel shall elect a chairman and shall conduct a hearing in accordance with G.S. 115C-325(j) for the purpose of determining whether the grounds for the recommendation are true and substantiated. The panel shall be furnished assistance reasonably required to conduct its hearing and shall be empowered to subpoena and swear witnesses and to require them to give testimony and to produce books and papers relevant to its investigation.~~

~~(3) The career teacher and superintendent involved shall each have the right to meet with the panel accompanied by counsel or other person of his choice and to present any evidence and arguments which he considers pertinent to the considerations of the panel and to cross-examine witnesses.~~

~~(4) When the panel has completed its hearing, it shall prepare a written report and send it to the superintendent and teacher. The report shall contain its findings as to whether or not the grounds for the recommendation are true and substantiated by a preponderance of the evidence, and a statement of the reasons for its findings. The panel shall complete its hearing and prepare the report within 20 days from the time of its designation, except in cases in which the panel finds that justice requires that a greater time be spent in connection with the investigation and the preparation of such report, and reports that finding to the superintendent and the teacher. Provided, that such extension does not exceed 10 days.~~

~~(5) Within five days after the superintendent receives the report of the panel, the superintendent shall decide whether or not to submit a written recommendation for dismissal to the board or to drop the charges against the teacher and shall notify the teacher, in writing, of the decision. Within five days after receiving the superintendent's notice of his intent to recommend the teacher's dismissal to the board, the teacher shall decide whether to request~~

~~a hearing before the board and shall notify the superintendent, in writing, of the decision. If the teacher requests a hearing before the board, the superintendent shall submit his written recommendation to the board with a copy to the teacher within five days after receiving the teacher's request. The superintendent's recommendation shall state the grounds for the recommendation and shall be accompanied by a copy of the report of the panel of the Committee.~~

(6) ~~Within seven days after receiving the superintendent's recommendation and before taking any formal action, the board shall set a time and place for the hearing and notify the teacher by certified mail of the date, time and place of the hearing. The time specified shall not be less than seven nor more than 20 days after the board has notified the teacher. If the teacher did not request a hearing, the board may, by resolution, dismiss the teacher. If the teacher can show that his request for a hearing was postmarked within the time provided, his right to a hearing is not forfeited.~~

(i) Report of Case Manager; Superintendent's Recommendation.

(1) The case manager shall complete the hearing held in accordance with G.S. 115C-325(j) and prepare the report within 10 days from the time of the designation, except in cases in which the case manager finds that justice requires that a greater time be spent in connection with the investigation and the preparation of such report, and reports that finding to the superintendent and the career employee. No extension under this subdivision shall exceed five days.

(2) The case manager shall make all necessary findings of fact, based upon the preponderance of the evidence, on all issues related to each and every ground for dismissal and on all relevant matters related to the question of whether the superintendent's recommendation is justified. The case manager also shall make a recommendation as to whether the findings of fact substantiate the superintendent's grounds for dismissal. The case manager shall deliver copies of the report to the superintendent and the career employee.

(3) Within two days after receiving the case manager's report, the superintendent shall decide whether to submit a written recommendation to the local board for dismissal, demotion, or disciplinary suspension without pay to the board or to drop the charges against the career employee. The superintendent shall notify the career employee, in writing, of the decision.

(4) If the superintendent contends that the case manager's report fails to address a critical factual issue, the superintendent shall within three days receipt of the case manager's report, request in writing

1 with a copy to the career employee that the case manager prepare
2 a supplement to the report. The superintendent shall specify what
3 critical factual issue the superintendent contends the case manager
4 failed to address. If the case manager determines that the report
5 failed to address a critical factual issue, the case manager may
6 prepare a supplement to the report to address the issue and deliver
7 the supplement to both parties before the board hearing. The
8 failure of the case manager to prepare a supplemental report or to
9 address a critical factual issue shall not constitute a basis for
10 appeal.

11 (j) Hearing Procedure by a Case Manager. -- The following provisions shall be
12 applicable apply to any a hearing conducted pursuant to G.S. 115C-325(k) or (l) or to
13 any hearing conducted by a board pursuant to G.S. 115C-325(h)(3) by the case
14 manager.

15 (1) The hearing shall be private.

16 (2) The hearing shall be conducted in accordance with ~~such~~
17 ~~reasonable rules and regulations as the board may adopt consistent~~
18 ~~with G.S. 115C-325, or if no rules have been adopted, in~~
19 ~~accordance with~~ reasonable rules and regulations adopted by the
20 State Board of Education to govern ~~such~~ case manager hearings.

21 (3) At the hearing the ~~teacher~~ career employee and the superintendent
22 shall have the right to be present and to be heard, to be
23 represented by counsel and to present through witnesses any
24 competent testimony relevant to the issue of whether grounds for
25 dismissal or demotion exist or whether the procedures set forth in
26 G.S. 115C-325 have been followed.

27 (4) Rules of evidence shall not apply to a hearing conducted ~~pursuant~~
28 ~~to this act and boards and panels of the Professional Review~~
29 ~~Committee by a case manager and the case manager~~ may give
30 probative effect to evidence that is of a kind commonly relied on
31 by reasonably prudent persons in the conduct of serious affairs.

32 (5) At least five days before the hearing, the superintendent shall
33 provide to the ~~teacher~~ career employee a list of witnesses the
34 superintendent intends to present, a brief statement of the nature
35 of the testimony of each witness and a copy of any documentary
36 evidence ~~he~~ the superintendent intends to present. At least three
37 days before the hearing, the ~~teacher~~ career employee shall provide
38 to the superintendent a list of witnesses the ~~teacher~~ career
39 employee intends to present, a brief statement of the nature of the
40 testimony of each witness and a copy of any documentary evidence
41 ~~he~~ the career employee intends to present. Additional witnesses or
42 documentary evidence may not be presented except ~~upon consent~~
43 ~~of both parties or upon a majority vote of the board or panel.~~ upon
44 a finding by the case manager that the new evidence is critical to

1 the matter at issue and the party making the request could not,
2 with reasonable diligence, have discovered and produced the
3 evidence according to the schedule provided in this subdivision.

4 (6) The case manager may subpoena and swear witnesses and may
5 require them to give testimony and to produce records and
6 documents relevant to the grounds for dismissal.

7 (7) The case manager shall decide all procedural issues, including
8 limiting cumulative evidence, necessary for a fair and efficient
9 hearing.

10 (8) The superintendent shall provide for making a transcript of the
11 hearing. If the career employee contemplates a hearing before the
12 board or to appeal the board's decision to a court of law, the
13 career employee may request and shall receive at no charge a
14 transcript of the proceedings before the case manager.

15 (j1) Board Determination.

16 (1) Within two days after receiving the superintendent's notice of
17 intent to recommend the career employee's dismissal to the board,
18 the career employee shall decide whether to request a hearing
19 before the board and shall notify the superintendent, in writing, of
20 the decision. If the career employee can show that the request for
21 a hearing was postmarked within the time provided, the career
22 employee shall not forfeit the right to a board hearing. Within two
23 days after receiving the career employee's request for a board
24 hearing, the superintendent shall submit to the board the written
25 recommendation and shall provide a copy to the career employee.
26 The superintendent's recommendation shall state the grounds for
27 the recommendation and shall be accompanied by a copy of the
28 case manager's report.

29 (2) If the career employee contends that the case manager's report
30 fails to address a critical factual issue the career employee shall, at
31 the same time he notifies the superintendent of a request for a
32 board hearing pursuant to G.S. 115C-325(j1)(1), request in writing
33 with a copy to the superintendent that the case manager prepare a
34 supplement to the case manager's report. The career employee
35 shall specify the critical factual issue he contends the case manager
36 failed to address. If the case manager determines that the report
37 failed to address a critical factual issue, the case manager may
38 prepare a supplement to the report to address the issue and shall
39 deliver the supplement to both parties before the board hearing.
40 The failure of the case manager to prepare a supplemental report
41 or to address a critical factual issue shall not constitute a basis for
42 appeal.

43 (3) Within two days after receiving the superintendent's
44 recommendation and before taking any formal action, the board

- 1 shall set a time and place for the hearing and shall notify the
2 career employee by certified mail or personal delivery of the date,
3 time, and place of the hearing. The time specified shall not be less
4 than seven nor more than 10 days after the board has notified the
5 career employee. If the career employee did not request a hearing,
6 the board may, by resolution, reject the superintendent's decision,
7 or accept or modify the decision and dismiss, demote, reinstate, or
8 suspend the career employee without pay.
9 (4) If the career employee requests a board hearing, it shall be
10 conducted in accordance with G.S. 115C-325(j2).
11 (5) The board shall make a determination and may (i) reject the
12 superintendent's recommendation or (ii) accept or modify the
13 recommendation and dismiss, demote, reinstate, or suspend the
14 employee without pay.
15 (6) Within two days following the hearing, the board shall send a
16 written copy of its findings and determination to the career
17 employee and the superintendent.
18 (j2) Board Hearing. -- The following procedures shall apply to a hearing
19 conducted by the board:
20 (1) The hearing shall be private.
21 (2) If the career employee requested a hearing by a case manager, the
22 board shall receive the following:
23 a. The whole record from the hearing held by the case
24 manager, including a transcript of the hearing, as well as any
25 other records, exhibits, and documentary evidence submitted
26 to the case manager at the hearing.
27 b. The case manager's findings of fact, including any
28 supplemental findings prepared by the case manager under
29 G.S. 115C-325 (i1)(4) or G.S. 115C-325(j1)(2).
30 c. The case manager's recommendation as to whether the
31 grounds in G.S. 115C-325(e) submitted by the
32 superintendent are substantiated.
33 d. The superintendent's recommendation and the grounds for
34 the recommendation.
35 (3) If the career employee did not request a hearing by a case
36 manager, the board shall receive the following:
37 a. Any documentary evidence the superintendent intends to
38 use to support the recommendation. The superintendent
39 shall provide the documentary evidence to the career
40 employee seven days before the hearing.
41 b. Any documentary evidence the career employee intends to
42 use to rebut the superintendent's recommendation. The
43 career employee shall provide the superintendent with the
44 documentary evidence three days before the hearing.

c. The superintendent's recommendation and the grounds for the recommendation.

(4) The superintendent and career employee may submit a written statement not less than three days before the hearing.

(5) The superintendent and career employee shall be permitted to make oral arguments to the board based on the record before the board.

(6) No new evidence may be presented at the hearing except upon a finding by the board that the new evidence is critical to the matter at issue and the party making the request could not, with reasonable diligence, have discovered and produced the evidence at the hearing before the case manager.

(7) The board shall accept the case manager's findings of fact unless a majority of the board determines that the findings of fact are not supported by substantial evidence when reviewing the record as a whole. In such an event, the board shall make alternative findings of fact. If a majority of the board determines that the case manager did not address a critical factual issue, the board may remand the findings of fact to the case manager to complete the report to the board. If the case manager does not submit the report within seven days receipt of the board's request, the board may determine its own findings of fact regarding the critical factual issues not addressed by the case manager. The board's determination shall be based upon a preponderance of the evidence.

(8) The board is not required to provide a transcript of the hearing to the career employee. If the board elects to make a transcript and if the career employee contemplates an appeal to a court of law, the career employee may request and shall receive at no charge a transcript of the proceedings. A career employee may have the hearing transcribed by a court reporter at the career employee's expense.

(j3) Board Hearing for Certain Disciplinary Suspensions and for Reductions in Force. -- The following procedures shall apply for a board hearing under G.S. 115C-325(e)(2) and G.S. 115C-325(f)(2)a.:

(1) The hearing shall be private.

(2) The hearing shall be conducted in accordance with reasonable rules adopted by the State Board of Education to govern such hearings.

(3) At the hearing, the career employee and the superintendent shall have the right to be present and to be heard, to be represented by counsel, and to present through witnesses any competent testimony relevant to the issue of whether grounds exist for a disciplinary suspension without pay under G.S. 115C-325(f)(2)a., or whether

- 1 the grounds for a dismissal or demotion due to a reduction in force
2 is justified.
- 3 (4) Rules of evidence shall not apply to a hearing under this
4 subsection and the board may give probative effect to evidence
5 that is of a kind commonly relied on by reasonably prudent
6 persons in the conduct of serious affairs.
- 7 (5) At least 10 days before the hearing, the superintendent shall
8 provide to the career employee a list of witnesses the
9 superintendent intends to present, a brief statement of the nature
10 of the testimony of each witness, and a copy of any documentary
11 evidence the superintendent intends to present.
- 12 (6) At least six days before the hearing, the career employee shall
13 provide the superintendent a list of witnesses the career employee
14 intends to present, a brief statement of the nature of the testimony
15 of each witness, and a copy of any documentary evidence the
16 career employee intends to present.
- 17 (7) No new evidence may be presented at the hearing except upon a
18 finding by the board that the new evidence is critical to the matter
19 at issue and the party making the request could not, with
20 reasonable diligence, have discovered and produced the evidence
21 according to the schedule provided in this subsection.
- 22 (8) The board may subpoena and swear witnesses and may require
23 them to give testimony and to produce records and documents
24 relevant to the grounds for suspension without pay.
- 25 (9) The board shall decide all procedural issues, including limiting
26 cumulative evidence, necessary for a fair and efficient hearing.
- 27 (10) The superintendent shall provide for making a transcript of the
28 hearing. If the career employee contemplates an appeal of the
29 board's decision to a court of law, the career employee may
30 request and shall receive at no charge a transcript of the
31 proceedings.
- 32 ~~(k) Panel Finds Grounds for Superintendent's Recommendation True and~~
33 ~~Substantiated.~~
- 34 (1) ~~If the panel found that the grounds for the recommendation of the~~
35 ~~superintendent are true and substantiated, at the hearing the board~~
36 ~~shall consider the recommendation of the superintendent, the~~
37 ~~report of the panel, including any minority report, and any~~
38 ~~evidence which the teacher or the superintendent may wish to~~
39 ~~present with respect to the question of whether the grounds for the~~
40 ~~recommendation are true and substantiated. The hearing may be~~
41 ~~conducted in an informal manner.~~
- 42 (2) ~~If, after considering the recommendation of the superintendent, the~~
43 ~~report of the panel and the evidence adduced at the hearing, the~~
44 ~~board concludes that the grounds for the recommendation are true~~

- 1 and substantiated, by a preponderance of the evidence, the board,
2 if it sees fit, may by resolution order such dismissal.
- 3 ~~(1) Panel Does Not Find That the Grounds for Superintendent's Recommendation~~
4 ~~Are True and Substantiated.~~
- 5 ~~(1) If the panel does not find that the grounds for the recommendation~~
6 ~~of the superintendent are true and substantiated, at the hearing the~~
7 ~~board shall determine whether the grounds for the~~
8 ~~recommendation of the superintendent are true and substantiated~~
9 ~~upon the basis of competent evidence adduced at the hearing by~~
10 ~~witnesses who shall testify under oath or affirmation to be~~
11 ~~administered by any board member or the secretary of the board.~~
- 12 ~~(2) The procedure at the hearing shall be such as to permit and secure~~
13 ~~a full, fair and orderly hearing and to permit all relevant~~
14 ~~competent evidence to be received therein. The report of the panel~~
15 ~~of the committee shall be deemed to be competent evidence. A full~~
16 ~~record shall be kept of all evidence taken or offered at such~~
17 ~~hearing. Both counsel for the local school administrative unit and~~
18 ~~the career teacher or his counsel shall have the right to~~
19 ~~cross-examine witnesses.~~
- 20 ~~(3) At the request of either the superintendent or the teacher, the~~
21 ~~board shall issue subpoenas requiring the production of papers or~~
22 ~~records or the attendance of persons residing within the State~~
23 ~~before the board. Subpoenas for witnesses to testify at the hearing~~
24 ~~in support of the recommendation of the superintendent or on~~
25 ~~behalf of the career teacher shall, as requested, be issued in blank~~
26 ~~by the board over the signature of its chairman or secretary. The~~
27 ~~board shall pay witness fees for up to five witnesses subpoenaed on~~
28 ~~behalf of the teacher, except that it shall not pay for any witness~~
29 ~~who resides within the county in which the dismissal originates or~~
30 ~~who is an employee of the board. However, no employee of the~~
31 ~~board shall suffer any loss of compensation because he has been~~
32 ~~subpoenaed to testify at the hearing. These payments shall be as~~
33 ~~provided for witnesses in G.S. 7A-314.~~
- 34 ~~(4) At the conclusion of the hearing provided in this section, the board~~
35 ~~shall render its decision on the evidence submitted at such hearing~~
36 ~~and not otherwise. The board's decision shall be based on a~~
37 ~~preponderance of the evidence.~~
- 38 ~~(5) Within five days following the hearing, the board shall send a~~
39 ~~written copy of its findings and order to the teacher and~~
40 ~~superintendent. The board shall provide for making a transcript of~~
41 ~~its hearing. If the teacher contemplates an appeal to a court of law,~~
42 ~~he may request and shall receive at no charge a transcript of the~~
43 ~~proceedings.~~
- 44 (m) Probationary Teacher.

- 1 (1) The board of any local school administrative unit may not
2 discharge a probationary teacher during the school year except for
3 the reasons for and by the procedures by which a career ~~teacher~~
4 employee may be dismissed as set forth in subsections ~~(e)~~ (e), (f),
5 (f1), and (h) to ~~(h)~~ (j3) above.
- 6 (2) The board, upon recommendation of the superintendent, may
7 refuse to renew the contract of any probationary teacher or to
8 reemploy any teacher who is not under contract for any cause it
9 deems sufficient: Provided, however, that the cause may not be
10 arbitrary, capricious, discriminatory or for personal or political
11 reasons.
- 12 (n) (See note) Appeal. -- Any ~~teacher~~ career employee who has been dismissed or
13 demoted ~~pursuant to~~ under G.S. 115C-325(e)(2), or ~~pursuant to subsections (h), (k)~~
14 ~~or (l) of this section~~ under G.S. 115C-325(j2), or who has been suspended without
15 pay ~~pursuant to~~ G.S. 115C-325(a)(4), under G.S. 115C-325(a)(4a), or any school
16 administrator whose contract is not renewed in accordance with G.S. 115C-287.1, or
17 any probationary teacher whose contract is not renewed under G.S. 115C-325 G.S.
18 115C-325(m)(2) shall have the right to appeal from the decision of the board to the
19 superior court for the superior court district or set of districts as defined in G.S. 7A-
20 41.1 in which the ~~teacher or school administrator~~ career employee is employed. This
21 appeal shall be filed within a period of ~~30~~ 15 days after notification of the decision of
22 the board. The cost of preparing the transcript shall be ~~borne by the board.~~
23 determined under G.S. 115C-325(j2)(8) or G.S. 115C-325(j3)(10). A ~~teacher~~ career
24 employee who has been demoted or dismissed, or a school administrator whose
25 contract is not renewed, who has not requested a hearing before the board of
26 education pursuant to this section shall not be entitled to judicial review of the
27 board's action.
- 28 (o) Resignation; Nonrenewal of Contract. -- A teacher, career or probationary,
29 should not resign without the consent of the superintendent unless he has given at
30 least 30 days' notice. If the teacher does resign without giving at least 30 days'
31 notice, the board may request that the State Board of Education revoke the teacher's
32 certificate for the remainder of that school year. A copy of the request shall be
33 placed in the teacher's personnel file.
- 34 A probationary teacher whose contract will not be renewed for the next school
35 year shall be notified of this fact by June 1.
- 36 (p) Section Applicable to Certain Institutions. -- Notwithstanding any law or
37 regulation to the contrary, this section shall apply to all persons employed in teaching
38 and related educational classes in the schools and institutions of the Departments of
39 Human Resources and Correction regardless of the age of the students.
- 40 (q) Procedure for Dismissal of School Administrators and Teachers Employed in
41 Low-Performing Schools.
- 42 (1) Notwithstanding any other provision of this section or any other
43 law, the State Board:

- a. Shall suspend with pay a principal who has been assigned to a school for more than two years before the State Board identifies that school as low-performing and assigns an assistance team to that school under Article 8B of this Chapter; and
- b. May suspend with pay a principal who has been assigned to a school for no more than two years before the State Board identifies that school as low-performing and assigns an assistance team to that school under Article 8B of this Chapter.

These principals shall be suspended with pay pending a hearing before a panel of three members of the State Board. The purpose of this hearing, which shall be held within 60 days after the principal is suspended, is to determine whether the principal shall be dismissed. The panel shall order the dismissal of the principal, at which time the period of suspension with pay shall expire, unless the panel makes a public determination that the principal has established that the factors that led to the identification of the school as low-performing were not due to the inadequate performance of the principal. The State Board shall adopt procedures to ensure that due process rights are afforded to principals under this subsection. Decisions of the panel may be appealed on the record to the State Board, with further right of judicial review under Chapter 150B of the General Statutes.

- (2) Notwithstanding any other provision of this section or any other law, this subdivision shall govern the State Board's dismissal of teachers, assistant principals, directors, and supervisors assigned to schools that the State Board has identified as low-performing and to which the State Board has assigned an assistance team under Article 8B of this Chapter. The State Board shall dismiss a teacher, assistant principal, director, or supervisor when the State Board receives two consecutive evaluations that include written findings and recommendations regarding that person's inadequate performance from the assistance team. These findings and recommendations shall be substantial evidence of the inadequate performance of the teacher or school administrator.

The State Board may dismiss a teacher, assistant principal, director, or supervisor when:

- a. The State Board determines that the school has failed to make satisfactory improvement after the State Board assigned an assistance team to that school under G.S. 115C-105.38; and
- b. That assistance team makes the recommendation to dismiss the teacher, assistant principal, director, or supervisor for

one or more grounds established in G.S. 115C-325(e)(1) for dismissal or demotion of a career teacher.

A teacher, assistant principal, director, or supervisor may request a hearing before a panel of three members of the State Board within 30 days of any dismissal under this subdivision. The State Board shall adopt procedures to ensure that due process rights are afforded to persons recommended for dismissal under this subdivision. Decisions of the panel may be appealed on the record to the State Board, with further right of judicial review under Chapter 150B of the General Statutes.

(2a) Notwithstanding any other provision of this section or any other law, this subdivision shall govern the State Board's dismissal of certified staff members who have engaged in a remediation plan under G.S. 115C-105.38A(a) but who, after two retests, fail to meet the competency standard set by the State Board. The failure to meet the competency standard after two retests shall be substantial evidence of the inadequate performance of the certified staff member.

A certified staff member may request a hearing before a panel of three members of the State Board within 30 days of any dismissal under this subdivision. The State Board shall adopt procedures to ensure that due process rights are afforded to certified staff members recommended for dismissal under this subdivision. Decisions of the panel may be appealed on the record to the State Board, with further right of judicial review under Chapter 150B of the General Statutes.

(3) The State Board of Education or a local board may terminate the contract of a school administrator dismissed under this subsection. Nothing in this subsection shall prevent a local board from refusing to renew the contract of any person employed in a school identified as low-performing under G.S. 115C-105.37.

(4) Neither party to a school administrator contract is entitled to damages under this subsection.

(5) The State Board shall have the right to subpoena witnesses and documents on behalf of any party to the proceedings under this subsection."

(b) This section applies to proceedings initiated after September 1, 1997.

C. STUDIES ON MAKING RENEWAL OF TEACHER CERTIFICATES MORE RIGOROUS

Section 14. The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall reevaluate and enhance the requirements for renewal of teacher certificates. The State Board shall consider modifications in the certificate renewal

1 process to align the process with State education goals and improved student
2 achievement and to make it a mechanism for teachers to renew continually their
3 knowledge and professional skills. The State Board of Education shall report to the
4 Joint Legislative Oversight Committee by March 15, 1998, on the proposed new
5 standards for the renewal of teacher certificates. The State Board may consolidate
6 the report required under this section with the report on initial certification required
7 under Section 6 of this act and the report on continuing certification required under
8 Section 8 of this act.

9 The State Board of Education shall adopt new standards for the renewal
10 of teacher certificates by May 15, 1998. The new standards adopted by the State
11 Board shall apply to certificates that expire after July 1, 1998.

12 Section 15. The State Board of Education, in consultation with local
13 boards of education and the Board of Governors of The University of North
14 Carolina, shall study and recommend ways to modify the administrator recertification
15 process to ensure that all schools have well-qualified administrators. The State Board
16 shall report the results of this study to the Joint Legislative Education Oversight
17 Committee by February 15, 1998.

18

19 **VII. A PLAN TO ATTRACT AND RETAIN HIGH QUALITY TEACHERS --**
20 **HIGHER STARTING SALARY, ENHANCED LONGEVITY PAY, AND**
21 **SIGNIFICANT BUMPS IN THE SALARY SCHEDULE UPON ACHIEVING**
22 **CONTINUING CERTIFICATION AND CAREER STATUS.**

23

24 Section 16. (a) It is the goal of the General Assembly to increase teacher
25 salaries over the next four years so as to attract and retain excellent teachers in the
26 public schools; therefore, it is the goal of the General Assembly to implement, over
27 the upcoming four fiscal years, a plan for increasing the starting salary for teachers by
28 nearly twenty percent (20%). This would bring the starting salary to at least twenty-
29 five thousand dollars (\$25,000) by the year 2000. Under this plan, the salary schedule
30 would also contain significant "bumps" at the third step, which is the point at which
31 teachers have attained continuing certification; and at the fourth, fifth, or sixth step,
32 which is the point at which teachers may achieve career status.

33 It is further the intent of the General Assembly that local school
34 administrative units will not use these State-funded salary increments to supplant
35 local salary supplements.

36 As a first step in implementing this plan, it is the goal of the General
37 Assembly to fund a salary schedule plan for the 1997-98 school year for teachers with
38 "A" certificates similar to the following:

39

1997-98 Salary Schedule Plan

40

"A" Teachers

41

42 Years	10-Month	10-Month
43 of	Salary,	Salary,
44 <u>Experience</u>	<u>Nontenured</u>	<u>Tenured</u>

1	0	\$22,150	--
2	1	\$22,570	--
3	2	\$23,000	--
4	3	\$23,780	\$23,780
5	4	\$24,060	\$25,290
6	5	\$24,530	\$25,760
7	6	\$25,010	\$26,240
8	7	\$25,500	\$26,730
9	8	\$25,990	\$27,220
10	9	\$26,480	\$27,710
11	10	\$26,980	\$28,210
12	11	\$27,500	\$28,730
13	12	\$28,030	\$29,260
14	13	\$28,570	\$29,800
15	14	\$29,120	\$30,350
16	15	\$29,680	\$30,910
17	16	\$30,250	\$31,480
18	17	\$30,830	\$32,060
19	18	\$31,430	\$32,660
20	19	\$32,040	\$33,270
21	20	\$32,670	\$33,900
22	21	\$33,300	\$34,530
23	22	\$33,940	\$35,170
24	23	\$34,590	\$35,820
25	24	\$35,260	\$36,490
26	25	\$35,950	\$37,180
27	26	\$36,650	\$37,880
28	27	\$37,360	\$38,590
29	28	\$38,090	\$39,320
30	29 +	\$38,883	\$40,060

For subsequent fiscal years, it is the goal of the General Assembly to fund salary schedule plans similar to the following:

1998-99 Salary Schedule Plan

"A" Teachers

<u>Years of Experience</u>	<u>10-Month Salary, Nontenured</u>	<u>10-Month Salary, Tenured</u>
0	\$23,100	--
1	\$23,520	--
2	\$23,950	--
3	\$24,750	\$24,750
4	\$25,110	\$26,380
5	\$25,390	\$27,890
6	\$25,860	\$28,360
7	\$26,340	\$28,840
8	\$26,830	\$29,330
9	\$27,320	\$29,820
10	\$27,810	\$30,310
11	\$28,310	\$30,810
12	\$28,830	\$31,330
13	\$29,360	\$31,860

1	14	\$29,900	\$32,400
2	15	\$30,450	\$32,950
3	16	\$31,010	\$33,510
4	17	\$31,580	\$34,080
5	18	\$32,160	\$34,660
6	19	\$32,760	\$35,260
7	20	\$33,370	\$35,870
8	21	\$34,000	\$36,500
9	22	\$34,630	\$37,130
10	23	\$35,270	\$37,770
11	24	\$35,920	\$38,420
12	25	\$36,590	\$39,090
13	26	\$37,280	\$39,780
14	27	\$37,980	\$40,480
15	28	\$38,690	\$41,190
16	29 +	\$39,420	\$41,920

1999-2000 Salary Schedule Plan
"A" Teachers

	Years of <u>Experience</u>	10-Month Salary, <u>Nontenured</u>	10-Month Salary, <u>Tenured</u>
24	0	\$24,050	--
25	1	\$24,470	--
26	2	\$24,900	--
27	3	\$25,700	\$25,700
28	4	\$26,300	\$27,580
29	5	\$26,660	\$29,210
30	6	\$26,940	\$30,720
31	7	\$27,410	\$31,190
32	8	\$27,890	\$31,670
33	9	\$28,380	\$32,160
34	10	\$28,870	\$32,650
35	11	\$29,360	\$33,140
36	12	\$29,860	\$33,640
37	13	\$30,380	\$34,160
38	14	\$30,910	\$34,690
39	15	\$31,450	\$35,230
40	16	\$32,000	\$35,780
41	17	\$32,560	\$36,340
42	18	\$33,130	\$36,910
43	19	\$33,710	\$37,490
44	20	\$34,310	\$38,090
45	21	\$34,920	\$38,700
46	22	\$35,550	\$39,330
47	23	\$36,180	\$39,960
48	24	\$36,820	\$40,600
49	25	\$37,470	\$41,250
50	26	\$38,140	\$41,920
51	27	\$38,830	\$42,610
52	28	\$39,530	\$43,310

1	29 +	\$40,240	\$44,020
2			
3		2000-2001 School Year Plan	
4		"A" Teachers	
5			
6	Years	10-Month	10-Month
7	of	Salary,	Salary,
8	<u>Experience</u>	<u>Nontenured</u>	<u>Tenured</u>
9	0	\$25,000	--
10	1	\$25,420	--
11	2	\$25,850	--
12	3	\$26,650	\$26,650
13	4	\$26,950	\$28,240
14	5	\$27,550	\$30,120
15	6	\$27,910	\$31,750
16	7	\$28,190	\$33,260
17	8	\$28,660	\$33,730
18	9	\$29,140	\$34,210
19	10	\$29,630	\$34,700
20	11	\$30,120	\$35,190
21	12	\$30,610	\$35,680
22	13	\$31,110	\$36,180
23	14	\$31,630	\$36,700
24	15	\$32,160	\$37,230
25	16	\$32,700	\$37,770
26	17	\$33,250	\$38,320
27	18	\$33,810	\$38,880
28	19	\$34,380	\$39,450
29	20	\$34,960	\$40,030
30	21	\$35,560	\$40,630
31	22	\$36,170	\$41,240
32	23	\$36,800	\$41,870
33	24	\$37,430	\$42,500
34	25	\$38,070	\$43,140
35	26	\$38,720	\$43,790
36	27	\$39,390	\$44,460
37	28	\$40,080	\$45,150
38	29 +	\$40,780	\$45,850

It is the goal of the General Assembly that local school administrative units may use local salary supplements to increase the salaries of nontenured teachers.

(b) To further implement this plan, it is the goal of the General Assembly to increase longevity pay for teachers with 25 or more years of State service to four and one-half percent (4.5%) of base salary, the same level as for State employees.

VIII. PAY FOR EXEMPLARY PERFORMANCE/SPECIAL ASSIGNMENTS

A. DEFINITION OF "MASTERS/ADVANCED COMPETENCIES" BY THE STATE BOARD OF EDUCATION

1 Section 17. (a) The State Board of Education, after consultation with the
2 Board of Governors of The University of North Carolina, shall develop a new
3 category of teacher certificate known as the "Masters/Advanced Competencies"
4 certificate. To receive this certificate, an applicant shall successfully complete a
5 masters degree program that includes rigorous academic preparation in the subject
6 area in which the applicant will teach and in the skills and knowledge expected of a
7 master teacher or the applicant shall demonstrate to the satisfaction of the State
8 Board that the candidate has acquired the skills and knowledge expected of a master
9 teacher.

10 (b) The Board of Governors of The University of North Carolina shall
11 develop a plan to revise the current masters of education degree programs at the
12 constituent institutions. The plan shall provide for degree programs that require
13 participants take a more rigorous course of study than is currently required and that
14 includes concentrations in the academic content areas in which the participants will
15 teach. The plan shall also consider methods for: (i) providing the more rigorous
16 course of study using the same number of hours as are currently required for masters
17 of education degrees; and (ii) providing participants the opportunity to complete the
18 masters of education degree program as part-time students, by summer school
19 attendance, and at sites not located at a constituent institution's campus provided
20 there is sufficient demand for the off-campus programs.

21 (c) Persons who qualify for a "G" certificate prior to September 1, 2000,
22 shall be awarded a "Masters/Advanced Competencies" certificate without meeting
23 additional requirements. On and after September 1, 2000, no additional "G"
24 certificates shall be awarded.

25 (d) The State Board of Education shall report to the Joint Legislative
26 Education Oversight Committee by January 15, 1998, on its progress in implementing
27 subsection (a) of this section. The Board of Governors of The University of North
28 Carolina shall report to the Joint Legislative Education Oversight Committee by
29 January 15, 1998, on its plan to implement subsection (b) of this section.

30

31 **B. BONUS PLAN FOR "MASTERS/ADVANCED COMPETENCIES" AND**
32 **FOR NBPTS CERTIFICATION**

33 Section 18. It is the goal of the General Assembly to increase
34 significantly the salaries of teachers who attain a "Masters/Advanced Competencies"
35 certificate and teachers who are certified by the National Board for Professional
36 Teaching Standards (NBPTS) so as to provide an incentive for good teachers to
37 become excellent teachers. In order to do so, it is further the goal of the General
38 Assembly to enact, for the 1997-98 school year, a salary schedule plan that will
39 provide a twelve percent (12%) bonus for teachers who attain NBPTS certification.
40 It is further the goal of the General Assembly to enact by the year 2000 a salary
41 schedule plan that will provide a ten percent (10%) bonus to teachers who attain a
42 "Masters/Advanced Competencies" certification.

43

44 **C. PARTICIPATION FEE AND PAID LEAVE FOR NBPTS PROGRAM**

1 Section 19. It is the goal of the General Assembly to continue to pay for
2 the National Board for Professional Teaching Standards participation fee and for up
3 to three days of approved paid leave for teachers participating in the NBPTS program
4 during the 1997-98 school year and the 1998-99 school year and thereafter for
5 teachers in the public schools.

6
7 **D. SCHOOL-BASED INCENTIVE AWARDS UNDER THE ABC'S PROGRAM**

8 Section 20. (a) It is the goal of the General Assembly to provide school-
9 based incentive awards under G.S. 115C-105.36 (a) to schools at which students
10 achieve higher than expected improvements in the basics and the skills they need to
11 get a good job, and to schools at which students meet the expected improvements in
12 the basics and the skills they need to get a good job. In accordance with State Board
13 of Education policy, incentive awards in schools that achieve higher than expected
14 improvements may be up to: (i) one thousand five hundred dollars (\$1,500) for each
15 teacher and for certified personnel; and (ii) five hundred dollars (\$500.00) for each
16 teacher assistant. In accordance with State Board of Education policy, incentive
17 awards in schools that meet the expected improvements may be up to: (i) seven
18 hundred fifty dollars (\$750.00) for each teacher and for certified personnel; and (ii)
19 three hundred seventy-five dollars (\$375.00) for each teacher assistant.

20 It is further the goal of the General Assembly to provide funds to provide
21 assistance teams to low-performing schools. It is also the goal of the General
22 Assembly to provide funds to provide remediation to teachers who work in schools
23 that are identified as low-performing and who do not acquire a passing score on a
24 test designated by the State Board of Education.

25 (b) G.S. 115C-105.37(b) reads as rewritten:

26 "(b) Each identified low-performing school shall ~~notify~~ provide written
27 notification to the parents of students attending that ~~school~~ school. The written
28 notification shall include a statement that the State Board of Education has found
29 that the school has ~~failed~~ 'failed to meet the minimum growth standards, as defined
30 by the State Board, and a majority of students in ~~that~~ the school are performing
31 below grade ~~level~~ level.' This notification also shall include a description of the
32 steps the school is taking to improve student performance."

33
34 **E. EXTRA PAY FOR MENTOR TEACHERS**

35 Section 21. It is the goal of the General Assembly to fund a mentor
36 teacher program that will recognize the achievements of excellent, experienced
37 teachers and will provide each newly certified teacher with a qualified and well-
38 trained mentor. The funds shall be used to compensate each mentor for serving as a
39 mentor prior to and during the school year.

40
41 **F. EXTRA PAY FOR NEW TEACHER DEVELOPMENT**

42 Section 22. It is the goal of the General Assembly to compensate every
43 newly certified teacher for three additional days of employment for orientation and
44 classroom preparation.

G. EXTRA PAY FOR PROFESSIONAL DEVELOPMENT

Section 23. It is the goal of the General Assembly to provide funds for teachers' participation in professional development programs that are aligned with State educational goals and improved student achievement. The funds should be used for teacher development programs that enable teachers to renew continually their knowledge and professional skills, programs that train principals to observe and evaluate teachers, programs that train master teachers to observe teachers that have not achieved career status, programs that train mentors for beginning teachers, and other programs as directed by the State Board of Education.

H. EXTRA PAY FOR EXTRA DAYS

Section 24. It is the goal of the General Assembly to provide funds to enable school systems to utilize better the teacher workdays within the calendar for planning, staff development, remediation, and other purposes. These funds shall be used to pay teachers for working on, and thereby forfeiting, vacation days.

I. ADDITIONAL PAY FOR TEACHERS WITH ADDITIONAL RESPONSIBILITIES

Section 25. It is the goal of the General Assembly to provide funds to compensate teachers for additional assignments and responsibilities designed to improve student achievement for additional workdays outside of the school calendar. These funds should be allocated to local school administrative units on the basis of average daily membership. The local board should use one-half of the funds on the recommendation of the local superintendent and one-half on the recommendation of school improvement teams. These funds could be used to compensate teachers for purposes such as teaching after-school or Saturday academies for students at risk of academic failure, developing curriculum, participating in teacher training and development outside of the school calendar, and teaching classes on Saturday to students needing additional instructional opportunities.

IX. FUNDS FOR COMPUTER SYSTEMS

Section 26. G.S. 115C-546.1(a) reads as rewritten:

"(a) There is created the Public School Building Capital Fund. The Fund shall be used to assist county governments in meeting their public school building capital ~~needs.~~ needs and their equipment needs under their local school technology plans."

Section 27. G.S. 115C-546.2 reads as rewritten:

"§ 115C-546.2. Allocations from the Fund; uses; expenditures; reversion to General Fund; matching requirements.

(a) Monies in the Fund shall be allocated to the counties on a per average daily membership basis according to the average daily membership for the budget year as determined and certified by the State Board of Education. Interest earned on funds allocated to each county shall be allocated to that county.

1 (b) ~~Monies~~ Counties shall use monies in the Fund ~~shall be used~~ for capital outlay
2 projects including the planning, construction, reconstruction, enlargement,
3 improvement, repair, or renovation of public school buildings and for the purchase of
4 land for public school ~~buildings~~; buildings; for equipment to implement a local
5 school technology plan that is approved pursuant to G.S. 115C-102.6C; or for both.
6 Monies used to implement a local school technology plan shall be transferred to the
7 State School Technology Fund and allocated by that Fund to the local school
8 administrative unit for equipment.

9 As used in this section, 'public school buildings' only includes facilities for
10 individual schools that are used for instructional and related purposes and does not
11 include centralized administration, maintenance, or other facilities.

12 In the event a county finds that it does not need all or part of the funds allocated
13 to it for capital outlay projects including the planning, construction, reconstruction,
14 enlargement, improvement, repair, or renovation of public school ~~buildings or~~
15 buildings, for the purchase of land for public school buildings, or for equipment to
16 implement a local school technology plan, the unneeded funds allocated to that
17 county may be used to retire any indebtedness incurred by the county for public
18 school facilities.

19 In the event a county finds that its public school building needs and its school
20 technology needs can be met in a more timely fashion through the allocation of
21 financial resources previously allocated for purposes other than school building needs
22 or school technology needs and not restricted for use in meeting public school
23 building ~~needs~~; needs or school technology needs, the county commissioners may,
24 with the concurrence of the affected local Board of Education, use those financial
25 resources to meet school building needs and school technology needs and may
26 allocate the funds it receives under this Article for purposes other than school
27 building needs or school technology needs to the extent that financial resources were
28 redirected from such purposes. The concurrence described herein shall be secured in
29 advance of the allocation of the previously unrestricted financial resources and shall
30 be on a form prescribed by the Local Government Commission.

31 (c) Monies in the Fund allocated for capital projects shall be matched on the basis
32 of one dollar of local funds for every three dollars of State funds. Monies in the
33 Fund transferred to the State Technology Fund do not require a local match.

34 Revenue received from local sales and use taxes that is restricted for public school
35 capital outlay purposes pursuant to G.S. 105-502 or G.S. 105-487 may be used to
36 meet the local matching requirement. Funds expended by a county after July 1,
37 1986, for land acquisition, engineering fees, architectural fees, or other directly
38 related costs for a public school building capital project that was not completed prior
39 to July 1, 1987, may be used to meet the local match requirement."

40

41 X. FUNDS FOR TEACHER SUPPLY AND DEMAND STUDY

42

1 Section 28. It is the goal of the General Assembly to provide funds for
2 the State Board of Education to conduct a comprehensive teacher supply and
3 demand study.

4
5 **XI. FUNDS FOR TRAINING AND COMPENSATING CASE MANAGERS**

6
7 Section 29. It is the goal of the General Assembly to provide funds for
8 training individuals who will serve as case managers. It is also the goal of the
9 General Assembly to provide funds for compensating and reimbursing the expenses
10 of case managers.

11
12 **XII. FUNDS FOR DEVELOPING NEW EVALUATIONS**

13
14 Section 30. It is the goal of the General Assembly to provide funds for
15 developing and revising uniform performance standards and criteria to be used in
16 evaluating professional public school employees including school administrators and
17 for reviewing performance pay systems for teachers.

18
19 **XIII. MISCELLANEOUS PROVISIONS**

20
21 **A. CAPTIONS ARE FOR REFERENCE ONLY AND DO NOT LIMIT TEXT**

22 Section 31. The series of captions used in this act (the descriptive
23 phrases in boldface and capital letters) are inserted for convenience and reference
24 only, and they in no way define, limit, or prescribe the scope or application of the
25 text of this act.

26
27 **B. NO APPROPRIATIONS REQUIRED BY ACT**

28 Section 32. This act shall not be construed to obligate the General
29 Assembly to appropriate any funds to implement the provisions of this act. Nothing
30 in Sections 16 through 25 or Sections 28 through 30 of this act shall be construed to
31 create any rights or causes of action.

32
33 **C. EFFECTIVE DATES**

34 Section 33. This act is effective when it becomes law.



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TO: Representatives Arnold, Grady, and Preston, Coauthors, House
Appropriations/Subcommittee on Education
FROM: Kory Goldsmith, Committee Counsel *KJG*
Jim Watts, Committee Specialist
DATE: April 21, 1997
RE: **HB 351 Second Edition Excellent Schools Act.**

SECTION 1 is an outline of the provisions of the Act. The outline is for reference purposes only and in no way limits, defines, or prescribes the scope of the text.

Purpose of the Act

SECTION 2 establishes that the purpose of the act is to improve student performance. Further establishes that is the goal of the General Assembly to develop and reward teachers' knowledge and skills as related to student achievement in the core academic areas and to reward teachers for improved student achievement. Also provides that the General Assembly will review progress annually and that clear and specific evidence of progress towards more rigorous teacher professional standards must be exhibited before continued implementation of the act.

Raise Student Performance Standards

SECTION 3 adds a new section to G.S 115C-105.38A. The legislation directs the State Board of Education to require that all certified staff in schools identified as low-performing and assigned an assistance teams as provided for in the ABC's plan be required to demonstrate their competency in their certification area by passing a test designated by the State Board of Education. Further provides that the State Board develop a plan to require the same test(s) of certified staff in all low-performing schools.

Certified personnel that fail to meet the competency standard shall engage in a remediation plan that will include a program of further study determined by the State Board of Education. Upon completion of the remediation program, personnel shall be re-tested. Those personnel who fail to pass the competency standard shall take additional training and be re-tested again. If they fail to meet the competency standard at that time the State Board is required to proceed with the dismissal of those personnel. Those dismissed shall not be re-employed in any North Carolina public school.

The Board Of Governors and the State Board shall jointly designate constituent institutions that will provide the remediation programs. Staff members that participate in the program will

be considered on leave with pay and the State shall reimburse the BOG for tuition and fees incurred.

Section 3 also provides that the State Board of Education shall develop a plan to create rigorous student performance standards for grades K-8 and courses in grades 9-12. Further requires that these performance standards align, when possible, with NAEP standards. The plan shall also include clear and understandable methods of reporting individual student performance to parents.

Requires that the State Board of Education report on the implementation of teaching competency testing and the student performance standards. Requires the State Board to adopt and implement a program for testing all certified personnel in low performing schools by September 1, 1999.

Standards For Entering The Teaching Profession

SECTION 4 amends G.S. 115C-296(b) to require the State Board of Education and other agencies to continue raising entry standards for students entering teacher preparation programs. It requires that all North Carolina institutions of higher education offering teacher education or Masters degree programs provide annual performance reports to the State Board of Education. The performance reports shall include at least the following criteria: (i) quality of students entering schools of education; (ii) graduation rates; (iii) time-to-graduation rates; (iv) average scores on certification examinations; (v) percentage of graduates receiving initial certification; (vi) percentage of graduates hired as teachers; (vii) percentage of graduates remaining in teaching for four years; (viii) graduate satisfaction based on a common survey and (ix) employer satisfaction based on a common survey. Further requires that the State Board of Education report to the Education Oversight on its plans for performance reports by February 15, 1998.

Also directs the State Board of Education to conduct a comprehensive teacher supply and demand study including examination of such issues as teacher attrition, characteristics of teachers coming from other states, school of education graduates not receiving initial certification and regional comparative analysis. Requires a report to the Education Oversight Committee by November 15, 1998. Further requires the Board of Governors to report on the implementation of the second major requirement, including recommendations to strengthen the requirement.

SECTION 5 amends G.S. 115C-296(a) to urge the State Board of Education to continue making the standard exam for initial certification more rigorous and to raise the minimum score to ensure that applicants are academically and professionally prepared to teach.

SECTION 6 directs the State Board of Education to review the admissions standards for teacher education programs and the initial certification requirements that were adopted by the State Board of Education on July 6, 1994. The State Board is directed to implement those standards by March 15, 1999.

Standards For Continuing Education

SECTION 7 would amend G.S. 115C-296(b) as amended in Section 3 to require that the teacher certification program provide initial certification after completion of preservice training, continuing certification after 3 years of teaching experience, and certificate renewal every five

years. This section applies to teachers who have not received continuing certification before January 1, 1998.

SECTION 8 requires the State Board to reevaluate and enhance the requirements for continuing certification. The new requirements shall reflect more rigorous standards and be aligned with quality professional development programs that reflect State priorities for improving student achievement. The State Board shall report to the Joint Legislative Education Oversight Committee by March 15, 1998 on the results of this evaluation. The State Board shall adopt new standards for continuing certification by May 15, 1998.

Rigorous Standards, Evaluation And Support Before Career Status Is Considered

SECTION 9 would require the State Board to develop a mentor and orientation program so that each newly certified teacher will have a qualified mentor. Requires that the State Board of Education develop criteria for selecting excellent, experienced, and qualified teachers to serve as mentors. Further requires the State Board of Education develop guidelines for local boards of education which address issues related to working conditions for new teachers. The State Board shall report to the Joint Legislative Education Oversight Committee before February 15, 1998 on its progress in developing the mentor program.

SECTION 10 would amend G.S. 115C-326(a) to direct the State Board to revise and develop performance standards for evaluating professional public school employees. These evaluations shall include standards and criteria reflecting student achievement, employee skills, and employee knowledge. The State Board, in collaboration with the Board of Governors shall develop programs to train administrators to improve professional public school employee evaluations based on employee knowledge, skills and student achievement. These programs shall include evaluative methods to determine whether or not an employee's performance has improved student learning as well as the appropriate process for professional improvement, contract non-renewal and dismissal for school personnel whose performance is inadequate. The Board of Governors is directed to include the subject matter of the training program in Masters in School Administration programs. Teachers who have not achieved career status shall be observed at least three times annually by a qualified administrator and at least once annually by a teacher. Further requires an annual evaluation by a qualified school administrator.

Directs the State Board to report to Education Oversight on administrator training programs and revisions to evaluations by March 15, 1998. Requires the State Board to adopt new performance standards and criteria by May 15, 1998.

SECTION 11 extends the period of time that teachers are employed on probationary contracts. Currently, if a teacher is employed for a fourth consecutive year, the teacher achieves "career status", also known as tenure. Under the act, a school board could grant career status after the fourth, fifth, or sixth consecutive year of employment. If the board does not grant career status after the sixth year, the board is prohibited from continuing to employ the teacher.

SECTION 12 makes two amendments to the statutes regarding professional development programs. The duties and powers of the State Board are amended to include the duty of identify and annually make recommendations to the UNC Board of Governors regarding professional development programs that are aligned with State education goals and directed toward improving student academic achievement. It also amends the duties and powers of the UNC Board of

Governors to implement, administer, and revise professional development programs based upon the annual recommendations of the State Board of Education. The State Board shall report to the Board of Governors its initial recommendations by January 15, 1998. The Board of Governors shall report to the Joint Legislative Education Oversight Committee on its plan to coordinate and align professional development programs April 1, 1998.

SECTION 13 amends G.S. 115C-325 which deals with the process for dismissing a career teacher. It should be noted that the same dismissal procedure applies to: (1) school administrators that achieve tenure on or before July 1, 1997; (2) probationary teachers **during** the term of their 1 year contracts; and (3) school administrators who do not have career status **during** the term of their multiple-year contracts. The legislation creates a new definition, the "career employee", which brings together under one term these four types of employees for purposes of the dismissal procedure.

The amendments to the dismissal process abolish the Professional Review Commission (PRC), as well as the procedure that allowed a teacher to request that a Professional Review Panel review the superintendent's grounds for dismissal. In its place, the legislation provides that the "career employee" may request a hearing before a "case manager". The State Board of Education selects and maintains a list of up to 42 individuals with experience in alternative dispute resolution who have also taken a training course for case managers. The career employee and the superintendent may agree to have someone not on the State list serve as a case manager. The case manager is responsible for conducting a private hearing, deciding procedural issues, and may subpoena witnesses, documents, and records. The case manager is also charged with preparing a report for the superintendent. The report must include findings of fact as to each ground for dismissal and on all matters related to the superintendent's recommendation. The case manager also makes a recommendation regarding whether the findings of fact substantiate the superintendent's grounds for dismissal.

If the superintendent proceeds with a recommendation to dismiss the career employee, the employee may request a hearing before the local board. That hearing is private, and based upon the record produced in the hearing before the case manager. New evidence may be admitted under very limited circumstances. The board may reject the superintendent's recommendation, or accept or modify the recommendation. The career employee has 15 days to appeal the board decision to Superior Court.

The amendments also create a procedure called "Disciplinary Suspension Without Pay". This occurs if the career employee is suspended without pay for up to 60 days. The procedure for suspending the employee differs according to the length of the suspension and also the alleged conduct. The career employee may request a board hearing if the suspension is for more than 10 days, or for intentional misconduct such as inappropriate sexual or physical conduct, immorality, insubordination, habitual or excessive alcohol or non-medical use of a controlled substance. The procedure for this type of hearing is similar to a case manager hearing. If the suspension is for less than 10 days and for conduct not otherwise covered, the employee may request a board hearing based only upon documentary evidence.

The amendments also provide for the dismissal of certified staff employed in low performing schools if the staff member fails to meet the State Board's competency standard after two re-tests. The failure to meet the competency standard after two re-tests constitutes substantial evidence of inadequate performance.

The amendments would apply to dismissals initiated after September 1, 1997.

SECTION 14 directs the State Board of Education, in consultation with UNC Board of Governors and local boards of education, to reevaluate and enhance the requirements for teacher certificate renewal. The State Board shall consider changes that will align the process with State goals and improved student achievement. The State Board shall report to the Joint Legislative Education Oversight Committee before February 15, 1998 on the proposed new standards. The State Board shall adopt new standards by May 15, 1998. The new standards shall apply to all certificates that expire after July 1, 1998.

SECTION 15 directs the State Board of Education, in consultation with local boards of education and the UNC Board of Governors, to study and make recommendations to modify the administrator recertification process to ensure that all schools have well-qualified administrators. The State Board shall report to the Joint Legislative Education Oversight Committee before February 1, 1998.

SECTION 16 states the goal of the General Assembly to increase the starting salary for teachers almost 20% over the next four fiscal years and thereby bringing the starting salary to a minimum of \$25,000 by the year 2000. The proposed salary schedule includes significant increases at the third year (when continuing certification is attained), and the fourth year (when career status is attained). The General Assembly intends that local school units will not use this money to supplant local salary supplements. The act contains proposed salary schedules for teachers with "A" certificates for the 1997-98, 1998-99, 1999-2000, 2000-20001 school years.

It is also the intent of the General Assembly to increase longevity pay for teachers with 25 or more years of service to 4.5% of base salary, the same level as other State employees.

Pay For Exemplary Performance/Special Assignments

SECTION 17 directs the State Board to develop a "Masters/Advanced Competencies" certificate to replace the "G" certificate beginning September 1, 2000. The new certificate would require that an applicant successfully complete a masters degree program that concentrates on the subject are where the applicant will teach. "G" certificates will be available until September 1, 2000. The State Board shall report to the Joint Legislative Education Oversight Committee before January 15, 1998 on its progress.

The UNC Board of Governors is directed to develop a plan to revise the current masters of education degree programs to make them more rigorous. The plan shall consider ways to provide the more rigorous masters degree programs using the current number of credit hours, to provide the programs for part-time and summer school students, and to provide the programs at off-campus sites.

SECTION 18 states that it is the goal of the General Assembly to enact for the 1997-98 school year a salary schedule to give teachers who get National Board for Professional Teaching Standards certification a 10% bonus and a salary schedule plan by the year 2000 to give teachers an 8% bonus for getting "Masters/Advanced Competencies" certification.

SECTION 19 states the goal of the General Assembly to continue to pay the fee for the National Board for Professional Teaching Standards (NBPTS) test and pay for a maximum of 3 days approved paid leave for public teachers participating in the program beginning with the 1997-98 school year.

SECTION 20 states the goal of the General Assembly to provide expanded school-based incentive awards under the ABC's program. In schools where student achievement is higher than expected, teachers and other certified personnel would receive up to \$1500 and teacher assistants would receive up to \$500. In schools that meet the expected goals for student achievement, teachers and other certified personnel would receive up to \$750 and teacher assistants would receive up to \$375.00/ It is also the goal of the General Assembly to provide funds for assistance teams to low-performing schools. This section also amends G.S. 115C-105.37(b) to clarify the contents of the parental notification when a school is designated by the State Board as low performing.

SECTION 21 states the goal of the General Assembly to fund a program to provide each newly certified teacher with a mentor and to provide extra pay for the mentor teachers.

SECTION 22 states the goal of the General Assembly to pay each newly certified teacher for 3 extra days of orientation and classroom preparation.

SECTION 23 states the goal of the General Assembly to provide funds for teacher participation in professional development programs that are aligned with State educational goals and improved student achievement.

SECTION 24 states the goal of the General Assembly to provide funds to pay teachers for working on vacation days.

SECTION 25 states the goal of the General Assembly to provide funds to pay teachers for additional assignments and additional workdays.

SECTION 26 amends G.S. 115C-546.1(a) to allow funds from the Public School Building Capital Fund may be used for computers. Currently, the funds may only be used for public school building capital needs.

SECTION 27 amends G.S. 115C-546.2 so that counties may use funds from the Public School Building Capital Fund for equipment to implement approved local school technology plans. Currently, the funds only may be used for both capital outlay projects and equipment. Funds for equipment to implement a local school technology plan shall be transferred to the State School Technology Fund for allocation to the local school administrative unit. Funds transferred to the State Technology Fund do not require a local match.

SECTION 28 states that it is to goal of the General Assembly to provide funds for a teacher supply and demand study.

SECTION 29 states that it is the goal of the General Assembly to provide funds for training individuals to be case managers and to provide funds to compensate case managers.

SECTION 30 states that is the goal of the General Assembly to provide funds for developing new professional employee evaluations and performance pay systems for teachers.

Miscellaneous Provisions

SECTION 31 provides that the captions used in the Act do not define or limit the application of the bill.

SECTION 32 provides that the General Assembly is not obligated to appropriate funds to implement the provisions of the Act. Nothing in Sections 16-25 or Sections 28-30 shall be construed to create any rights or causes of action.

House Bill 351 would take effect when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 272 (Proposed House Committee Sub)

SHORT TITLE: Excellent Schools Act

SPONSOR(S): Proposed House Committee Substitute for SB 272

FISCAL IMPACT

Yes (X) No () No Estimate Available (X)
on portions of the bill

FY 1997-98 FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02

REVENUES

EXPENDITURES

Case Manager Expenses \$48,000-\$135,000 \$48,000-\$135,000 \$48,000-\$135,000 \$48,000-\$135,000 \$48,000-\$135,000
@\$75 per hour. Range of
cases: 8-15 per year.
80-120 hours per case.

Tuition and fees for teachers in remediation programs. @\$1,661 per teachers.	No Cost	No Cost	Total cost cannot be estimated at this time	Total cost cannot be estimated at this time	Total cost cannot be estimated at this time

POSITIONS:

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: State Board of Education, Local boards of education, Board of Governors of the UNC

EFFECTIVE DATE: Because different sections of the bill have various effective dates, see the chart on the following page.

Effective dates

Performance Objectives Tied to Salary Increases	SBE Action.	Effective Date	Who the standard will effect.	When that teacher would have started teaching.
Initial Certification	Adopt new PRAXIS cut scores 3/15/99 (report to JLEOC by 3/15/98)	Bill is silent.	Bill is silent.	NA
Continuing Certification	Adopt new standards by 5/15/98 (report to JLEOC by 3/15/98).	January 1, 1998.	Teachers who have not received continuing certification by Jan. 1, 1998.	1996-97 school year.
Tenure (Career Status)	Adopt new evaluations by 5/15/98 (report to JLEOC by 3/15/98).	Decisions made on or after July 1, 1998.	Teachers who have not achieved career status by July 1, 1998.	1996-97 school year.
Certificate Renewal	Adopt new standards by 5/15/98 (report to JLEOC by 3/15/98).	Any certificate that expires after July 1, 1998.	Varies.	Varies.
Masters and Advanced Competencies	Report to JLEOC by 1/15/98 with plan for new certificate	September 1, 2000 (no more "G" certificates after that date).	SBE should address this in plan for new certificate.	Varies.
National Board for Professional Teaching Standards	None	July 1, 1997 (Upon ratification of the appropriation)	All teachers with NBTS certification.	Varies.

BILL SUMMARY: *Raise student performance standards.* Adds new GS 115C-105.38A to assure teacher competency. Requires that staff members working in low-performing schools demonstrate competency in their certification area. Requires the State Board to develop a plan to require the same test of all teachers in low performing schools. Requires remediation training of staff members who fail to meet competency standards. Calls for eventual dismissal of teachers who fail to be certified, after remediation, testing, and more remediation. Requires that UNC Board of Governors

designate constituent institutions to provide training. Requires reports on development of student academic performance standards for kindergarten through eighth grade by March 15, 1998 and Sept. 1, 1999.

Standards for entering teacher profession. Requires all non special-education teachers to have demonstrated competencies (was, courses) in the identification and education of children with learning disabilities. Requires all NC institutions offering undergraduate and graduate teacher education to provide annual performance reports to the State Board of Education. Requires State Board to develop a plan to provide review of teacher education programs and an annual report for each training program, which would include graduation rates, scores on competency tests, and percentage of graduates receiving initial certification. State Board must report to the Joint Legislative Education Oversight Committee by Feb. 15, 1998 about this performance reporting. Requires that State Board conduct a teacher supply and demand study and report on its results by Nov. 15, 1998. Requires that UNC Board of Governors report by March 15, 1998 on its effort to improve teacher preparation through implementation of a second major requirement. Requires (was, urges) State Board to continue to make the standard initial certification examination more rigorous. Requires State Board to report to Joint Legislative Education Oversight Committee by March 15, 1998 results of its review of admission standards for teacher education programs and initial certification requirements.

Standards for continuing certification. Expands applicability of this section to teachers who have not received continuing certification prior to January 1, 1998. Requires that State Board develop more rigorous standards for continuing certification and report about that effort by March 15, 1998.

Standards, evaluation, and support before career status is considered. Adds greater detail to mentor program, including requirements that State Board study new teacher needs and develop guidelines addressing optimum working conditions, in topics such as teaching load and extracurricular duties. Clarifies that revision of GS 115C-326(a) includes developing performance standards for school administrators. Specifies that UNC Board of Governors must develop training programs for school administrators. Requires that teachers who have not attained career status must be observed three times annually by a school administrator, once by a teacher, and evaluated at least once annually by a school administrator (was, three evaluations per year, without distinction between observation and evaluation). Amends GS 115C-325(c) to provide that teachers who have not attained career status before July 1, 1998 will be reviewed for career teacher status at the end of the fourth, fifth, and sixth year of employment. Prohibits a local board of education from reemploying a teacher after a sixth year of employment if (a) the board fails to vote on granting career status, (b) a majority of the board votes against granting career status, or (c) the board vote on this issue results in a tie.

Professional development opportunities and standards for teachers with career status. Amends GS 115C-12 to require State Board to monitor and make recommendations about professional development programs and to require that the UNC Board of Governors administer such programs. Makes additional changes in GS 115C-325, including expansion of meaning of "demote" to include items such as

reduction of bonus payments, reduction in salary as a result of elimination of a special duty provisions for removing poor teachers from the classroom, and transfer of a career school administrator. Adds definition of school administrator. Addresses issue of board acceptance or rejection of a case manager's findings of fact. Provides that the board is not required to provide a transcript of the hearing to the career employee, but if the board does make a transcript, the employee may have a copy at no charge for any appeal. Permits employee to have hearing transcribed at own expense. Adds provisions describing a board hearing process for reductions in force and suspension of career employees without pay (process does not involve a case manager). Changes some time frames throughout the statute, generally shortening them to provide for a quicker process. Expands appeal to include school administrators and probationary teachers who have not had their contracts renewed. Requires that State Board reevaluate and enhance requirements for renewal of teacher certificates. Requires adoption of new certificate renewal standards by May 15, 1998, to be applied to certificates expiring after July 1, 1998.

Salary plan to attract and retain high quality teachers. Revises salary schedules (shown in bill) to show pay plans for nontenured and tenured teachers separately. Deletes \$2,500 bonus in eighth year.

Pay for exemplary performance and special assignments. Clarifies that teacher earning certificate of "Masters/Advanced Competencies" must earn a masters degree. Distinguishes certification by the National Board for Professional Teaching Standards (NBPTS) and the "Masters/Advanced Competencies" certification. States goal of 10% pay bonuses for teachers with NBPTS certification for 1997-98 (was, 12%) and 8% pay bonuses for those with the "Masters/Advanced Competencies" certification by 2000. Expands provision concerning incentive awards under the ABC's program, including increasing the award to individual teachers in schools that achieve higher than expected improvements to \$1,500 (was, \$1000).

Miscellaneous provisions. Adds goals for funding the State Board of Education's teacher supply and demand study, funding training of case managers, and funding development of revised uniform performance standards.¹

ASSUMPTIONS AND METHODOLOGY:

This fiscal note deals only with the direct costs of House Bill 351.

Where a section of the bill is set out as a goal of the General Assembly to fund an item at some point in the future, then no costs have been projected for that section. Section 32 of the bill provides that the General Assembly is not obligated to appropriate funds to implement the provisions of this act.

If, however, the estimated costs to reach the national average teacher salary were included, they would exceed \$1.2 billion over the next five years.

¹ Institute of Government Bill Summary and General Research Division

The following items are set out as goals in the Excellent Schools Act.

- Salary schedules for Bachelor and Masters degrees, and certification by the National Board for Professional Teaching Standards.
- ABC incentive awards
- Mentor teachers
- Professional development
- Pay for vacation days used as required work days
- Extra days for extra responsibilities

The requirement for teachers in low performing school buildings to demonstrate competency in their certification area will require additional state funds in 1999. Costs will vary depending on whether the State Board of Education adopts an existing test such as the Praxis or develops a new test. Costs will also vary by the number of school buildings identified as low performing and the number of teachers who fail the board adopted test.

- All test costs will be borne by the state.
- The cost of tuition and fees to the university for remediation costs will be paid by the state. Estimated annual resident tuition cost, plus fees \$1,661. This is an average cost based on tuition and fees at the Masters campuses in the University of North Carolina system..
- If teacher is taken from the classroom to participate in the remediation program the costs of a substitute will be paid by the state. If the teacher were out full time then the cost would include an additional teaching position.
- No projection can be made on the number of teachers that might be required to take the new examination.
- No data will be available until after July 1997 on the number of low performing school buildings. Projections on the test failure rate cannot be made until the State Board adopts a test.

By 1998 better projections should be available once the number of low performing buildings is known, and the test has been selected.

Case managers costs associated with cases involving career employees will be paid by the State Board of Education at hourly rates comparable to a Superior Court Mediator. The current rate for Superior Court Mediators is \$75 per hour.

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: James D. Johnson

APPROVED BY: Tom CovingtonTomC

DATE: April 23, 1997

APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Wednesday, May 7, 1997

MINUTES

The House Appropriations Subcommittee on Education met on Wednesday, May 7, 1997, at 8:30 a.m. in Room 421 of the Legislative Office Building.

Members present were Representatives Grady, Preston and Arnold, Co-chairs; Representatives Davis, Oldham, Reynolds, Rogers, Shubert and Yongue.

Representative Grady called the meeting to order. The House page, Keisha Holloway from Wake County, was introduced. The order of business was to review and take a vote on Senate Base Budget Reductions and Additional Reductions Recommended by the Governor. See Handout #1.

Ms. Charlotte Todd, Mr. Jim Johnson, and Mr. Jim Newlin, Legislative Fiscal Staff for Education, reviewed recommended reductions for Community Colleges, Public Education and UNC System respectively. Following discussion of each system, Representative Grady explained that votes would be taken as follows:

Community Colleges, Items #1-State Board Reserve Fund, #2-Curriculum Improvement Projects, #3-TPA Administrative Funds, #4-New Industry Equipment for Regional Coordinators and #5-Community Services Block Grant.

Representative Arnold made a motion to accept these cuts.

VOTE - Motion adopted unanimously by voice vote.

Additional cut recommended by the Governor - Maintenance of Plant.

VOTE - Motion adopted by voice vote. (One vote against.)

Public Education, Items #6-Adjustment in Average Salary (to December 1996), #7-Adjustment in Average Salary (to September 1996), #8-Career Development Hold Harmless.

Representative Arnold made a motion to accept these cuts.

VOTE - Motion adopted unanimously by voice vote.

Item #9-Liability Insurance.

Representative Arnold made a motion NOT to accept this cut.

VOTE - Motion adopted unanimously by voice vote.

Item #10-Reduce School Bus Purchases.

Representative Arnold made a motion NOT to accept this cut.

VOTE - Motion adopted by show-of-hands vote. (Three in favor of reduction; five opposed to reduction.)

UNC System, Items #11-Overhead Receipts, #12-UNC-Charlotte, #13-Enrollment Changes, #14-Scholarship Fund Balances, #15-Aid to Private Medical Schools.

Representative Arnold made a motion to accept.

VOTE - Motion adopted unanimously by voice vote.

Items #16-Board of Governors Dental Scholars, #17-Board of Governors Medical Scholars.

Representative Arnold made a motion to accept.

VOTE - Motion adopted unanimously by voice vote.

Item #18-UNC Hospitals Reduction.

Representative Arnold made a motion to accept.

VOTE - Motion adopted unanimously by voice vote.

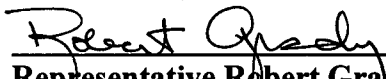
Mr. Bill McCoy, Vice President for Finance, UNC System, asked to make a comment at this time on the additional cut recommended by the Governor for a 1% cut to reduce Campus Non-Academic except instruction, libraries and financial aid, page 4 of handout #1.

Academic Campuses.(Additional cut recommended by Governor)

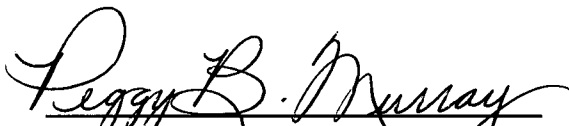
VOTE - Unanimously voted to adopt cut.

Representative Grady said that the committee would meet again tomorrow morning at 8:30 a.m. to see if there are further cuts to be taken. Committee members may offer recommended cuts at this time. The meeting was adjourned.

Respectfully submitted:



Representative Robert Grady, Co-Chair



Peggy B. Murray, Committee Clerk

**SENATE BASE BUDGET
REDUCTIONS
AND
ADDITIONAL REDUCTIONS
RECOMMENDED
BY THE GOVERNOR**

May 7, 1997

Community Colleges

GENERAL FUND

FY 97-98

FY 98-99

Recommended Continuation Budget

\$489,218,944

\$489,576,870

Legislative Changes

1 State Board Reserve Fund	(\$250,000)	R	(\$250,000)	R
Reduce the State Board Reserve Fund from \$900,000 to \$650,000 as requested by the Governor.				
2 Curriculum Improvement Projects	(\$113,709)	R	(\$113,709)	R
Reduce the State funds in this program by the amount reverted due to the availability of federal funds for this purpose.				
3 JTPA Administrative Funds	(\$17,216)	R	(\$17,216)	R
Reduce the administrative funds allocated to colleges that offer JTPA class size projects from federal funds.				
4 New Industry Equipment for Regional Coordinators	(\$300,000)	R	(\$300,000)	R
Reduce the funds available to buy equipment for the Department of Community Colleges regional coordinators to move across the state as needed. These funds have been underspent for several years and can be reduced.				
5 Community Services Block Grant	(\$86,581)	R	(\$86,581)	R
Reduce funds in the Community Services Block Grant that offers hobby and leisure classes to the community.				

Total Legislative Changes

(\$767,506) R (\$767,506) R

Position Changes

Revised Budget

\$488,451,438

\$488,809,364

Additional Cut Recommended
by the Governor:1997-981998-99

MAINTENANCE OF PLANT

These funds help to supplement local funds for maintenance costs of three community colleges that have more than 50% of their students residing outside the home county of the college. These colleges are College of the Albemarle, Southwestern Community College, and Central Carolina Community College.

(\$517,506)

(\$517,506)

Public Education

GENERAL FUND

	FY 97-98		FY 98-99	
Recommended Continuation Budget	\$4,400,046,882		\$4,480,110,794	
Legislative Changes				
Public Schools				
6 Adjustment in Average Salary	(\$7,704,040)	R	(\$7,825,991)	R
Adjust projected average salary for school employees in FY1997-98 and FY1998-99 to December 1996 actual salaries.				
7 Adjustment in Average Salary	(\$20,415,665)	R	(\$20,779,145)	R
Adjust projected average salary for school employees in FY1997-98 and FY1998-99 to September 1996 actual salaries.				
8 Career Development Hold Harmless	(\$2,551,197)	R	(\$2,551,197)	R
Eliminate hold harmless funding for former career development pilot units. Due to projected salary increase these funds will no longer be needed.				
9 Liability Insurance	(\$800,000)	R	(\$800,000)	R
Eliminate funding for teacher liability insurance.				
10 Reduce School Bus Purchases	(\$8,057,041)	R	(\$8,571,306)	R
Reduce by 180 the number of school buses purchased in FY1997-98 and FY1998-99.				
Total Legislative Changes	(\$39,527,943)	R	(\$40,527,639)	R
Position Changes				
Revised Budget	\$4,360,518,939		\$4,439,583,155	

UNC System

GENERAL FUND

	FY 97-98	FY 98-99
Recommended Continuation Budget	\$1,418,358,030	\$1,425,342,510

Legislative Changes**A.Academic Campuses****11 Overhead Receipts**

Revise overhead receipts estimates up to levels anticipated during 1996-97 (\$381,521) NR

12 UNC-Charlotte

Reduction in Reserve for New Buildings: (\$349,631) NR
The library addition will be completed later than planned, and will be occupied in late 1997-98.

B.Schedule of Priorities**13 Enrollment Changes**

Projected enrollment for 1997-98 is lower than the number of students budgeted for 1996-97 by 969 full-time equivalents (FTE); provides for an additional 925 fulltime equivalent students in second year of biennium, and to account for a shift to more in-state students. (\$1,895,403) NR \$3,744,391 R
-59.20 61.00

C.Related Educational Programs**14 Scholarship Fund Balances**

Reduce appropriations and use accumulated cash balances in non-reverting trust funds due to cash repayments; revert balance in old scholarship fund (\$1,850,790) NR

15 Aid to Private Medical Schools

Continue assistance for same level of enrollments as actual numbers for 1996-97 (\$329,000) R (\$365,000) R

16 Board of Governors Dental Scholars

Hold inflationary increases to 3% annually (\$43,696) R (\$52,332) R

17 Board of Governors Medical Scholars

Hold inflationary increases to 3% annually (\$38,735) R (\$20,700) R

E.UNC Hospitals**18 UNC Hospitals Reduction**

Reduce UNC Hospitals General Fund operating support. (\$3,610,860) R (\$3,610,860) R

Senate Subcommittee on Education

Total Legislative Changes	(\$4,022,291)	R	(\$304,501)	R
	(\$4,477,345)	NR		
Position Changes	-59.20		61.00	
Revised Budget	\$1,409,858,394		\$1,425,038,009	

Additional Cut Recommended
by the Governor

A. Academic Campuses

Reduce Campus Non-Academic Support 1% reduction for all areas except instruction, libraries and financial aid; 1/2% reduction for AHEC.	(\$3,594,742)	(\$3,644,100)

**HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
EDUCATION**

MAY 7, 1997

AGENDA

Representative Robert Grady, Chairing

Presentation on Senate and Governor's Recommended Base Budget
Reductions:

Community Colleges

Charlotte Todd

Public Schools

Jim Johnson

University System

Jim Newlin

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education

Wednesday, May 7, 1997 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

D. L. Cuddy	JEFF, 1027 St. Mary's, Raleigh
Harriet Dial	NCAE
Bill Wilson	NCAE
John Wilson	NCAE
Hal Miller	NCAECT
Dorothy Hunt	NCCCS
Ann Johnson	atly
Harold H. Webb	CFA ASSN
Jan Pratt	NCAASD
Glenn Nassis	Public School Jan off NC
Ann Beaman	SBE
Tim Maloney	NCAICU

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education

Wednesday, May 7, 1997 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Ken Hogan	UNC
W O McCoy	"
Ann Steune	ACT/UC
Gene Causby	E - EBC
Jeff Davies	UNC
DE MARTIN	UNC
Alister B. Nutcase	and
David Brown	OSBM
Ken Johnson	"
Kay Oney	Off of State Planning
Maurice King	OSBM
Janet Putter	OSBM

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education

Wednesday, May 7, 1997 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Lue Adams

OSBM

James E. Winer

EGHOS

MINUTES
HOUSE APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION

May 13, 1997

The House APPROPRIATIONS/Subcommittee on Education met at 8:30 AM on May 13, 1997 in Room 421 in the Legislative Office Building. Representative Gene Arnold presided and the following members were present: Representatives Grady and Preston Co-chairs, Representatives Black, Davis, Oldham, Reynolds, Rogers, Shubert, and Yongue. Staff Counsels Charlotte Todd, Jim Johnson and Jim Newlin were present to assist the Committee. A visitor registration sheet is attached and part of the minutes.

Chairman Arnold welcomed guests and introduced the House Page serving the Committee. He explained that the agenda for the day contained several bills each of which would be briefly explained by the bill sponsor. He also explained that the members of the Committee would be responsible for rating each bill on a scale of 1-10 and recording these ratings on a sheet to be passed out by staff. He asked that each member turn these completed sheets into staff at the completion of the meeting so scores for each bill could be compiled.

Chairman Arnold announced that the first item on the agenda, HB 479 would be heard on Wednesday, May 14, 1997 at the request of Representative Adams, the bill sponsor.

Representative Beall, bill sponsor, was recognized to explain HB 961. Representative Yongue asked if this bill was basically capital outlay. Representative Beall explained that it was. Chairman Arnold asked if this request had been submitted to the university to be included with their budget. Representative Beall said that to the best of his knowledge it had not, but may be with the Community Colleges. Charlotte Todd added that this was a new request.

Representative Crawford, bill sponsor, was recognized to explain HB 161. Chairman Arnold clarified the amount of the appropriation. Representative Shubert asked if the program was regional and followed up by suggesting that it should be expanded to other counties. Representative Rogers commented the program has been expanded periodically and it is an excellent program. Chairman Arnold asked how it tied into the Education Act. Representative Crawford explained that it was similar to the Teaching Fellows Program.

Chairman Arnold called for Representative Culpepper to explain HB 822, but he was not present.

Representative Daughtry, bill sponsor, was recognized to explain HB 679. He introduced Mr. Dave Boliek, WTVD Channel 11, to further explain the bill. Mr. Boliek continued with an explanation of the Net Day program and related costs.

Representative Robert Hunter, bill sponsor, was recognized to explain HB 947. He provided the committee information about the McSmiles Program. He also explained that if Smart Start is funded this program won't need separate funding. Representative Rogers asked if anyone was replicating this program. Representative Yongue asked if DPI analyzes programs like this. Ann Berlam answered the question by saying that there is not a publication available that lists all programs like this. Representative Yongue followed up by saying the program should be expanded to other counties. Representative Shubert commented that this program should be available in other. She followed up by asking if this program had ever been presented to the State. Rep. Hunter said that it had been.

Chairman Arnold called for Representative Kinney, bill sponsor, to explain HB 1089, but he was not present.

Chairman Arnold announced that the next item on the agenda, HB 767 would be heard on Wednesday, May 14, 1997 at the request of Representative McAllister, the bill sponsor.

Representative Grady was recognized to explain HB 462 on behalf of Representative Smith, bill sponsor. He explained that Representative Smith wanted the bill to be changed so that it was a study rather than a bill. Representative Davis made the motion and it was seconded by Representative Rogers. The Chairman called for a vote. The committee unanimously agreed to the motion.

Chairman Arnold called for Representative Warner, bill sponsor, to explain HB 157, but he was not present.

Representative Wood, bill sponsor, was recognized to explain HB 381. Representative Wood explained the purpose of the bill was to provide much needed funds for the start-up of Charter Schools. Chairman Arnold clarified the amount of the total request to be \$500,000 with the individual grants being \$15,000 each.

Representative Grady, bill sponsor, was recognized to explain HB 454. Representative Grady explained that the purpose of this request was to finish funding the Low Wealth Fund. Representative Yongue asked what the amount was last year. Representative Grady said he believed it went up every year and called on staff for an amount, but they could not come up with an answer. Leanne Winner, lobbyist for Low Wealth Schools Funding & Equalization Consortium, was able to provide the committee with the amount. Representative Oldham asked how much under the requested amount was the sponsor willing to go. Chairman Arnold and Representative Grady referred to the fact that the State must continue this funding or they could be sued.

Representative Grady, bill sponsor, was recognized to explain HB 905. Representative Grady pointed out the needs of the Occupational Curriculum funding.

Representative Preston, bill sponsor, was recognized to explain HB 256. Representative Preston explained the need for school budget accountability and a tracking system. Representative Rogers put forth an amendment which changed the length of the contract for Superintendent's. Representative Preston commented that she was not opposed to the amendment. Chairman Arnold called for a vote and the Amendment was adopted. Representative Rogers asked if it would be necessary to put the Amendment into a Committee Substitute. Chairman Arnold asked staff if we needed to re-submit the bill to the floor with the Amendment. Charlotte Todd suggested that we handle it as a special provision. A copy of the amendment is attached to the minutes.

Representative Preston, bill sponsor, was recognized to explain HB 512. Representative Preston explained the need for safe schools. Chairman Arnold asked what happened if there wasn't an alternative school available for students to be moved to. Representative Preston explained that was part of the reason for the increased funding request for alternative schools.

Representative Preston, bill sponsor, was recognized to explain HB 864. Representative Preston explained that this bill was a continuation of a commitment of the General Assembly to decrease class size grades one through three.

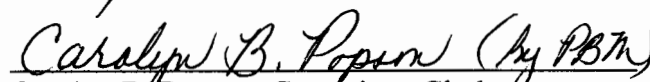
Representative Oldham asked if the members that were not present to explain their bills had been properly notified. Chairman Arnold checked with the Committee Clerk and verified that all bill sponsors were properly notified by electronic mail.

Chairman Arnold announced that house bills not heard that day would be heard at the meeting on Wednesday, May 14, 1997. Jim Newlin passed out the rating sheets to the members. Chairman Arnold asked that the members of the committee fill out these sheets and return them to Jim Newlin.

With no further business the meeting was adjourned at 9:27 AM.



Representative Gene G. Arnold, Chairman



Carolyn B. Popson, Committee Clerk

House Appropriations Committee on Education

May 1~~4~~¹³, 1997

8:30 AM

AGENDA

Rep. Robert Grady, Co-Chairman, Presiding

CALL TO ORDER

BILLS TO BE DISCUSSED

HB 479 NC A&T AGRICULTURAL RESEARCH FUNDS Rep. Adams

HB 961 FUNDS/EXPAND COMMUNITY LINK Rep. Beall

HB 161 MODEL TEACHER CONSORTIUM Rep. Crawford

HB 822 SCHOOL RESOURCE OFFICER/TYRRELL HS Rep. Culpepper

HB 679 EXPAND TECHNOLOGY IN SCHOOLS Rep. Daughtry

HB 947 MOBILE PRESCHOOL PROGRAM FUNDS Rep. R. Hunter

HB 1089 UNC MILITARY TUITION Rep. Kinney

HB 767 UNC EDUCATIONAL CONSORTIA FUNDS Rep. McAllister

HB 462 NONCERTIFIED SCHOOL EMPLOYMENT FUNDS Rep. Smith

HB 157 COMM. COLLEGE SCHOLARSHIP PROGRAM Rep. Warner

HB 381 CHARTER SCHOOL START-UP FUNDS Rep. Wood

HB 454 LOW WEALTH SCHOOL SUPP. FUNDS Rep. Grady

HB 905 EXCELLENT COMMUNITY COLLEGES ACT Rep. Grady

HB 256 SCHOOL BUDGET ACCOUNTABILITY Rep. Preston

HB 512 SCHOOL SAFETY ACT Rep. Preston

HB 864 CLASS-SIZE REDUCTION IN GRADE 3 Rep. Preston

ADJOURNMENT

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Wednesday, May 14, 1997

MINUTES

The House Appropriations Subcommittee on Education met on Wednesday, May 14, 1997, at 8:30 a.m. in Room 421 of the Legislative Office Building.

Members present were Representatives Grady, Preston and Arnold, Co-chairs; Representatives Black, Davis, Oldham, Reynolds, Rogers, Shubert and Yongue.

Representative Grady called the meeting to order. The House Page was recognized. Committee business included a presentation by bill sponsor for each of the following bills:

HOUSE BILL 479 - NC A&T Agricultural Research Funds; Bill sponsor, Representative Adams

HOUSE BILL 1089 - UNC Military Tuition; Bill sponsor, Representative Kinney

Representative Grady made a motion to adopt an amendment put forth for HB 1089. (Copy of amendment attached). Motion passed by unanimous voice vote.

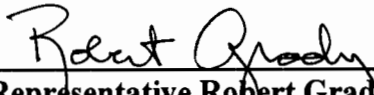
HOUSE BILL 767 - UNC Educational consortia Funds; Bill sponsor, Representative McAllister

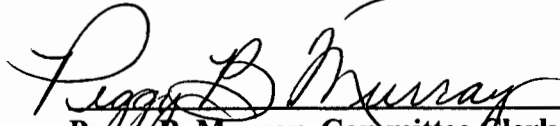
HOUSE BILL 157 - Community college Scholarship Program; Bill sponsor, Representative Warner

Discussion followed each presentation. Representative Grady asked each member to prioritize the bills. Completed forms were submitted to the committee clerk.

The Appropriations/Education meeting scheduled for Thursday, May 15 was canceled. Today's meeting was adjourned at 9:10 a.m.

Respectfully submitted:


Representative Robert Grady, Co-Chair


Peggy B. Murray, Committee Clerk

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Wednesday, May 14, 1997

8:30 AM

Representative Robert Grady, Co-Chairman, Presiding

AGENDA

CALL TO ORDER

BILLS TO BE DISCUSSED

HB 479 NC A&T AGRICULTURAL RESEARCH FUNDS Rep. Adams

HB 1089 UNC MILITARY TUITION Rep. Kinney

HB 767 UNC EDUCATIONAL CONSORTIA FUNDS Rep. McAllister

HB 157 COMMUNITY COLLEGE SCHOLARSHIP PROGRAM Rep. Warner

ADJOURNMENT

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education Wednesday, May 14, 1997 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

<i>Gunn Belam</i>	<i>SBE</i>
<i>Sarah Stewart</i>	<i>AFT/NC</i>
<i>Gene Causby</i>	<i>E - EBC</i>
<i>David Brown</i>	<i>OSBM</i>
<i>Jim Kevin</i>	<i>"</i>
<i>Mamie King</i>	<i>"</i>
<i>Ane Adams</i>	<i>"</i>
<i>Oliver Norris</i>	<i>Pub. School Zone</i>
<i>Bob Benson</i>	<i>NCSEA</i>
<i>Sarah Gark</i>	<i>Gov.'s Office</i>

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education Wednesday, May 14, 1997 8:30 AM

Name of Committee

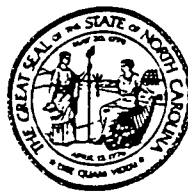
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

<i>Dorothy Hunt</i>	<i>NCCCS</i>
<i>Jerry Owens</i>	<i>NCCCS</i>
<i>D.L. Cuddy</i>	<i>Self, Raleigh</i>
<i>Wade F. Whitth</i>	<i>Former Member of House</i>
<i>Jan Crutts</i>	<i>NCA SA</i>
<i>DB Martin</i>	<i>VWL</i>
<i>Jerry Davies</i>	<i>UNC</i>
<i>Christopher Buttery</i>	<i>UNC</i>
<i>Susan Harrison</i>	<i>WCPSS</i>
<i>Meredith Miller</i>	<i>UNC</i>
<i>Tim McQuinn</i>	<i>NCAICU</i>
<i>Kay Quince</i>	<i>OSPL</i>



5-14-97
adopted

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 1089

H1089-ALH-1

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 1 of ____

Date _____, 1997

Comm. Sub. []
Amends Title []

1 moves to amend the bill on page 1, line 21,
2 by rewriting that line to read:
3 "Section 2. There is appropriated from the General Fund to
4 the Board of Governors of The University of North Carolina the sum
5 of seventy-one thousand five hundred forty dollars (\$71,540) for the
6 1997-98 fiscal year to implement this act.
7 Section 3. This act becomes effective July 1, 1997."
8

SIGNED Jack Kinney
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

RATING OF BILLS			
House Bill Number	Short Title	Sponsor	Rating: 1=highest 10=lowest
479	NC A&T Agricultural Research Funds	Adams	
1089	UNC Military Tuition	Kinney	
767	UNC Educational Consortia Funds	McAllister	
157	Comm. College Scholarship Program	Warner	

MEMBER'S NAME:

MINUTES
HOUSE APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION

May 22, 1997

The House APPROPRIATIONS/Subcommittee on Education met at 8:30 AM on May 22, 1997 in Room 421 in the Legislative Office Building. Representative Gene Arnold presided and the following members were present:

Representative Preston Co-Chair, Representatives Black, Davis, Oldham, Reynolds, Rogers, Shubert, and Yongue. Staff Counsels Charlotte Todd, Jim Johnson and Jim Newlin were present to assist the Committee. Visitor registration sheet is attached and part of the minutes.

Chairman Arnold welcomed guests and introduced the Pages serving the Committee. Chairman Arnold explained that the agenda for the meeting would involve unfinished business and the preparation of a report to be submitted to the full Appropriations Committee.

The first item of unfinished business involved a request by Representative Oldham and Representative Adams. Chairman Arnold described the changes in the language in the proposal. A motion was made by Representative Oldham and it was seconded by Representative Shubert to accept the proposal with the new language. The Chairman asked for any further questions. Representative Davis asked where the money was coming from. Chairman Arnold stated that the Committee had discussed the day before that they had asked Mr. D.G. Martin to ask the college if they would fund this study out of their existing funds. Mr. Martin stated that the college said they would find the funding but they were not certain where it would come from. Representative Davis followed up by asking Mr. Martin what the estimated amount they needed was for this program. Mr. Martin did not have an estimate. Jim Newlin elaborated on the study, but had no cost estimate. Representative Rogers asked the Chairman to clarify where the changes were. The motion was carried by a unanimous vote. The next item was a budget request from Appalachian State University for their Centennial Celebration. Representative Rogers asked if this request was in line with similar requests that had been made from the other universities in the past. Jim Newlin explained what this request involved and stated that it was similar in amount to past requests.

Chairman Arnold called on Jim Johnson to present the Public School Budget Proposal. Jim Johnson went through each provision and pointed out differences and also pointed out language that was identical to previous budget requests. Representative Yongue asked a question about the provision regarding the ABC's Performance Recognition. He asked if Pre-K teachers were eligible. Jim Johnson clarified that Pre-K teachers were not covered because the state does not fund Pre-K programs. Representative Rogers asked a question about the Charter School Accountability Requirements. He asked if they were talking about independent audits. Jim Johnson said that they were and further explained the Charter Schools audits and the standards they use. Representative Rogers followed

up by asked if these audits would be comparable to the audits performed by the School Boards. Jim Johnson answered that they were.

The next provision was Civil Penalty and Forfeiture Fund Established. There were several questions regarding the Constitutionality of the distribution of funds collected from civil penalties and forfeitures. Representatives Shubert, Rogers and Reynolds stated that they would like a ruling from staff attorney before they make any decision on the special provision. The staff attorney was not immediately available.

The committee moved on to the next provision until the staff attorney could be located. Jim Johnson continued to explain several special provisions that involved certain pay scales and assessment fees for teachers. Then he went on to the special provision that involved teacher accountability. He also explained that these few provisions were similar to those included in the last budget, only the Fiscal year information was changed.

The next provision involved the Safe Schools bills. He explained that the provision merged the bills introduced by Representatives Preston and Black. He stated that these bills had been thoroughly explained in the Education committee and asked if the committee wanted the provision explained at this time. Chairman Arnold asked the members if they wanted the provision explained in further detail. The committee decided to move on.

Jim Johnson went on to the next provision which provided pay scales for central office administrative personnel. The next provision provided a pay increase for non-certified employees. The next provision dealt with the House portions of the Excellent Schools Act. Jim Johnson went through each item with the dollar figures. Chairman Arnold clarified that it was his understanding that the numbers were amounts that the State Board could pay up to depending on funds available. Representative Rogers asked a question about how the "additional pay for additional duties" funds would be allocated. Jim Johnson explained that they would be allocated on an ADM basis. Representative Davis asked if it would be allocated to each LEA. Representative Rogers asked for clarification on which duties would be included. Representative Shubert asked if all of this was included in the Excellent Schools Act. Jim Johnson said that it was.

The next provision dealt with the Global Curriculum Program. Next Jim Johnson explained what items were not included yet; teacher salaries, school administrators, technology in schools, and school calendar. Representative Yongue asked the Chairman what the protocol would be for approving all of these provisions. Chairman Arnold explained that the provisions would be rolled into a conference report that would be given to the full appropriations committee by the end of that day so they could approve it and send it to the Senate. Rep Rogers asked if the Chair would consider meeting again that afternoon after session. Chairman Arnold answered yes to that question. Representative Shubert asked a question about a title clarification on page 13. Jim Johnson explained that it was just a typographical error.

Representative Shubert asked a question about the funding for Academically Gifted children. Jim Johnson explained that the funding was not cut, but that it was increased. Representative Davis asked a question about the money that was put in last session for

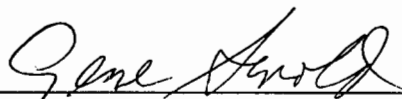
teacher liability. Jim Johnson stated that there were no changes with it and it was in the House budget. Representative Shubert asked about Advanced Placement funding. Chairman Arnold explained per Jim Johnson that it could be placed on the supplemental list. Representative Yongue asked what the AG ruling on Pre-K teachers was. He also asked if the assistants under the Pre-K teachers were included. Jim Johnson stated that they were not because the General Assembly never intended to fund Pre-K.

Chairman Arnold asked for anything further. Representative Reynolds asked if he could explain the Plantation Provision to the committee. The Chair recognized him to do so. Representative Rogers made a motion to move the provision to Travel & Tourism.. Representative Reynolds asked if there was sufficient time to get it there. Representative Rogers continued that he didn't think the provision should be funded with Education money. He added that the Community Colleges needed the money. Representative Shubert asked if the committee would be meeting that afternoon. Chairman Arnold asked for a vote from the committee. The vote passed. Representative Reynolds made a motion to withdraw the request at that time. Representative Rogers stated that if he was in attendance that afternoon he would also make his same motion to have the request moved to Travel & Tourism.

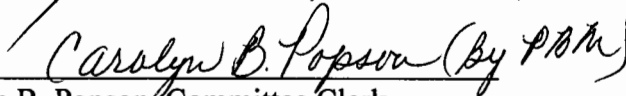
Sarah Fuerst, staff attorney, arrived at this time to explain the constitutionality of the civil forfeitures and penalties funds. Representative Shubert made a motion to remove this section of the provision from the request. Chairman Arnold asked for clarification of the motion from Representative Shubert. The Chair recommended that this item be delayed until that afternoon to give Representative Shubert time to prepare something in writing. Representative Shubert agreed.

Representative Davis asked to move on to Community Colleges. He had language that he wanted added to the provision. Charlotte Todd explained the amendment that added a section to Operation and Maintenance of Plant funds. Representative Davis explained his reasons for this request. Representative Shubert asked a question about the number of students who are from outside the county. Chairman Arnold explained that the time allocated for the meeting had expired and that the committee would meet that afternoon at a time TBA.

Chairman Arnold adjourned the meeting at 9:50 AM.



Representative Gene G. Arnold, Chairman

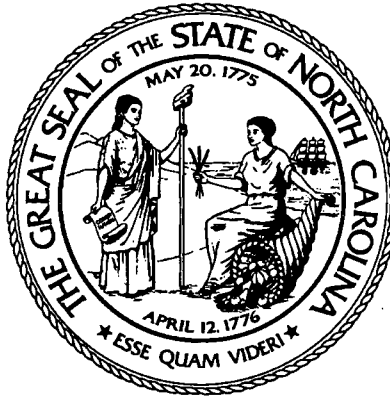


Carolyn B. Popson, Committee Clerk

1998

**HOUSE
APPROPRIATIONS –
EDUCATION**

MINUTES



**HOUSE APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION**

1997-98 SESSION

CO-CHAIRS

**Representative Gene Arnold
Representative Robert Grady
Representative Jean Preston**

COMMITTEE CLERKS

**Sandra Ellis
Kara McCoy
Peggy Burgin Murray**

APPROPRIATIONS/Subcommittee on Education**1997 - 98****HOUSE MEMBERS**

MEMBER	TELEPHONE	OFFICE	SEAT	CLERK
G. Arnold, Co-Chairman	3-5747	535	54	
R. Grady, Co-Chairman	5-3024	402	37	Peggy Murray
J. Preston, Co-Chairman	5-3026	403	38	Alice Falcone
J. Black	5-4946	1229	31	Jean Mims
D. Bonner	5-9664	617	109	Lucy Johnson
D. Davis	5-3003	419C	89	Audrey Johnson
V. Insko	3-5800	1319	112	Pat Baker
P. Oldham	3-5877	538	58	Delta Prince
D. Reynolds	3-5820	533	76	
G. Rogers	5-3023	416A	35	Sally Gillis
F. Shubert	3-5771	2119	64	Dawn Ellis
D. Yongue	3-5823	1305	94	Jenny Umstead

**APPROPRIATIONS/Subcommittee on Education
Members**

CO-CHAIRS



**Representative
Robert Grady**



**Representative
Gene G. Arnold
Senior Ranking Member**



**Representative
Jean R. Preston**

RANKING MINORITY MEMBER



**Representative
Gene Rogers**



**Representative
James B. Black**



**Representative
Donald A. Bonner**



**Representative
Don Davis**



**Representative
Verla C. Insko**



**Representative
Warren C. Oldham**



**Representative
Dennis Reynolds**



**Representative
Fern Shubert**



**Representative
Douglas Y. Yongue**

ATTENDANCE

1997-98 (SHORT SESSION)

House APPROPRIATIONS/Subcommittee on Education
(Shaded area indicates Chair)

[illegible]

**JOINT MEETINGS OF THE APPROPRIATIONS SUBCOMMITTEE
ON EDUCATION, 1998 ***

May 12, 1998

May 13, 1998

May 14, 1998

May 20, 1998

June 23, 1998

July 7, 1998

July 16, 1998 (*P.M.*)

***Materials from these meetings can be found in the notebooks of the Joint Meetings of the Appropriations Subcommittee on Education for 1998.**

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Wednesday, May 27, 1998

MINUTES

The House Appropriations Subcommittee on Education met on Wednesday, May 27, 1998, at 8:30 a.m. in Room 421 of the Legislative Office Building.

Members present were Representative Preston, Co-chair; Representatives Black, Davis, Oldham, Reynolds, Rogers, Shubert and Yongue. Senate members were unable to meet today.

Representative Preston called the meeting to order. House page, Billie Mills, Hickory, sponsored by Speaker Harold Brubaker, was recognized.

Dr. Charles Coble, General Administrator, University of North Carolina, was today's order of business. The Recommendation by UNC President and Board of Governors to request funding to establish a UNC School Services Matching Incentive Grant Program was today's order of business. The budget request was in the amount of \$975,000.

Offices of School Service have operated since 1991 at the 15 UNC constituent institutions with teacher education programs. The offices of School Service serve as the liaison between the resources of the University and the needs of the public schools with a focus on low-performing schools. The Offices of School Services assist in the design and implementation of professional development programs for teachers, administrators, and other school personnel and assist the advanced use of technology in the service areas of the University.

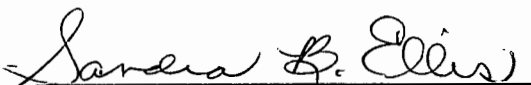
In summary, Dr. Coble noted that incentive grants would enable the Offices of School Service to more effectively extend services from the university to the public schools. Incentive grants would be awarded on the basis of proposals which are developed in collaboration with all of the LEAs proposed to be served by the grant. The grants would be awarded to plans which align with and advance the educational goals and strategic priorities of the State Board of Education; extend, where possible, the knowledge and benefits of the University-School Teacher Education Partnerships to other schools; and outline a strategy for sustaining the collaboration and expanding the involvement of other agencies and organizations over time.

Questions and discussion followed this presentation.

There was no further business to come before the committee at this time. The meeting was adjourned.

Respectfully submitted:


Representative Jean R. Preston, Co-Chair


Sandra B. Ellis, Committee Clerk

APPROPRIATIONS/Subcommittee on Education**1997 - 98****HOUSE MEMBERS**

MEMBER	TELEPHONE	OFFICE	SEAT	CLERK
G. Arnold, Co-Chairman	3-5747 919-443-1073(H)	535 Fax: 919-443-1073*51	54	Kara McKoy
R. Grady, Co-Chairman	5-3024 910-353-3579(B)	402	37	Peggy Murray
J. Preston, Co-Chairman	5-3026 910-354-6993	403 Fax: 919-354-5118	38	Sandra Ellis
J. Black	5-4946 704-847-9938(H) 704-377-5936(B)	1229 Fax: 704-375-4003	31	Jean Mims
D. Davis	5-3003 910-897-7282(H) 910-892-1841(B)	419C Fax: 910-997-8910	89	Audrey Johnson
P. Oldham	3-5877 910-767-6936(H)	538 Fax: 910-767-7035	58	Delta Prince
D. Reynolds	3-5820 910-578-9541	533	76	
G. Rogers	5-3023 919-792-4245(H) 919-792-6354(B)	416A	35	Sally Gillis
F. Shubert	3-5771 704-624-3519(H) 704-624-2720(B)	2119	64	Dawn Ellis
D. Yongue	3-5823 910-276-1727(H)	1305 Fax: 910-276-1727	94	Jenny Umstead

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
SUBCOMMITTEE MEETING NOTICE**

You are hereby notified that the **APPROPRIATIONS** Subcommittee on **Education** will meet as follows:

DAY & DATE: **Wednesday, May 27, 1998**

TIME: **8:30 AM**

LOCATION: **LOB Room 421**

Dr. Charles Coble, Vice President, UNC, will address UNC Request for School Services Matching Incentive Grant Program.

Respectfully,

Representatives Gene Arnold, Robert Grady and
Jean Preston
Co-Chairs

I hereby certify this notice was filed by the committee clerk at the following offices at **3:00 PM** on **May 26, 1998**.

____Principal Clerk
____Reading Clerk - House Chamber

Peggy B. Murray (Committee Clerk)

ATTENDANCE

1997-98 (SHORT SESSION)

House APPROPRIATIONS/Subcommittee on Education
(Shaded area indicates Chair)

[illegible]

VISITOR REGISTRATION SHEET

APPROPRIATIONS Sub-Committee on Education

May 27, 1998

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS[illegible]

UNC School Services Matching Incentive Grant Program

Budget Request: \$975,000

Offices of School Service have operated since 1991 at the 15 UNC constituent institutions with teacher education programs. The Offices of School Service serve as the liaison between the resources of the University and the needs of the public schools with a focus on low-performing schools. The Offices of School Services assist in the design and implementation of professional development programs for teachers, administrators, and other school personnel and assist the advanced use of technology in the service area of the university.

Incentive grants would enable the Offices of School Service to more effectively extend services from the university to the public schools. Incentive grants would be awarded on the basis of proposals which are developed in collaboration with all of the LEAs proposed to be served by the grant. The grants would be awarded to plans which align with and advance the educational goals and strategic priorities of the State Board of Education; extend, where possible, the knowledge and benefits of the University-School Teacher Education Partnerships to other schools; and outline a strategy for sustaining the collaboration and expanding the involvement of other agencies and organization over time.

UNC School Services Matching Incentive Grants

The interest of the state and the University will be served if public school improvement in North Carolina continues its recent positive trends and does so with greater velocity and with more distributed benefit regardless of location. For that reason the Office of University-School Programs in the UNC General Administration is pleased to announce an opportunity for individual campuses or groups of campuses in collaboration with the k-12 school systems to apply for a Matching Incentive Grant to extend services from the university to the public schools.

All constituent institutions in The University of North Carolina are invited to submit proposals through their existing Offices of School Services for the 1998-99 school year. Proposals may range from \$50,000 to \$75,000 per campus. Each proposal will be awarded on the basis of the following criteria:

1. The proposal is developed in collaboration with all of the LEAs proposed to be served by the grant;
2. The proposal documents an agreement to receive matching funds from the LEAs and/or business partners who agree to support the program plans described in the proposal;
3. The CEOs of all participating agencies sign a letter of agreement to all financial obligations and program activities outlined in the proposal;
4. The plan aligns with and advances the educational goals and strategic priorities of the State Board of Education;
5. The plan extends, where possible, the knowledge and benefits of the University-School Teacher Education Partnerships to other schools;
6. The plan outlines a strategy for sustaining the collaboration and expanding the involvement of other agencies and organization over time.

Proposals of 5-10 pages should be submitted to the Vice President for University-School Programs, UNC General Administration by July 1, 1998. Announcements will be made by July 30, contingent upon funding by the N.C. General Assembly.

Comparison of Offices of School Service and Educational Consortia

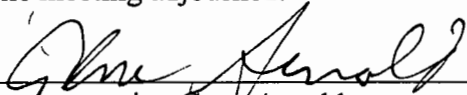
	OFFICES OF SCHOOL SERVICE	EDUCATIONAL CONSORTIA
<i>Location</i>	15 UNC constituent institutions	8 UNC constituent institutions
<i>Mission</i>	Focus directly on service to the public schools	Multiple agenda: education, economic development, technology planning and training
<i>Funding</i>	\$975,000 matching grant funds to be distributed upon approval of proposals received and reviewed by UNC General Administration	\$1,200,000 non-matching allocations; \$150,000 per campus No review required
<i>Budget request and approval</i>	Request from UNC General Administration, approved by Board of Governors	Not requested by UNC General Administration or approved by Board of Governors
<i>History</i>	Established in 1991 as UNC system-wide initiative to support public schools	Established from 1991-1993 through three different legislative actions
<i>Organizational Structure</i>	Housed in UNC colleges/schools/departments of education to provide a program of organized assistance to the public schools	Not necessarily tied to a college/school/department of education; an independent program
<i>Relationship to University-School Teacher Education Partnerships</i>	Established the collaboration with the public schools that has expanded into Partnerships for teacher preparation; provides the essential ongoing in-service professional development to complement pre-service teacher preparation programs	Relationship varies; no direct and consistent link to Partnerships required
<i>Accountability</i>	Ultimate oversight by Chancellor; annual reports to UNC General Administration, Board of Governors, and the NC General Assembly	Report to board of directors; occasional reports to UNC General Administration as requested

MINUTES
HOUSE APPROPRIATIONS
PERMANENT SUBCOMMITTEE ON EDUCATION
May 28, 1998

The Appropriations Subcommittee on Education met immediately after the adjournment of the House Session on May 28, 1998. Representative Arnold, Co-Chair, called the meeting to order at his chamber desk. The following members were present: Representative Preston, Co-Chair; and Representatives Black, Davis, Daughtry, Oldham, Shubert and Yongue.

The committee met briefly to consider House Committee Substitute for Senate Bill 845 - AN ACT TO PERMIT THE STATE TO PROVIDE SCHOOL AND ACTIVITY BUSES FOR THE TRANSPORTATION NEEDS OF THE SPECIAL OLYMPICS. An amendment was offered to change the amount of the liability insurance from one million dollars (\$1,000,000) to five million dollars (\$5,000,000); and to further amend on page 2, line five by adding "officially" after the word "persons". The amendment was adopted and Representative Black moved to give House Committee Substitute for Senate Bill 845 a favorable report, as amended. Motion carried.

The meeting adjourned.



Representative Gene Arnold
Presiding Co-Chair



Anne Cole, Acting Committee Clerk

Attachments:
Committee Report for bill
Copy of bill
Copy of amendment

**1998 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE
The following report(s) from permanent sub committee(s) is/are presented:

By Representative(s) Arnold, Grady and Preston for the Permanent Subcommittee on Education of
the Standing Committee on APPROPRIATIONS.

House

☒ Committee Substitute for

S.B. 845

☒ A BILL TO BE ENTITLED AN ACT TO PERMIT THE STATE
TO PROVIDE SCHOOL AND ACTIVITY BUSES FOR THE TRANSPORTATION NEEDS OF
THE SPECIAL OLYMPICS.

REPORTED TO THE STANDING COMMITTEE ON

RECOMMENDED ACTION:

- ☐ With a favorable recommendation.
- ☐ With a favorable recommendation and recommend that the bill be re-referred to the Committee on
- ☐ With a favorable recommendation, as amended.
- ☐ With a favorable recommendation, as amended, and recommend that the bill be re-referred to the Committee on
- ☐ With an unfavorable recommendation.
- ☐ With a favorable recommendation as to proposed committee substitute bill which changes the title, unfavorable as to original bill.
- ☐ With a favorable recommendation as to proposed House committee substitute bill, which changes the title, unfavorable as to Senate committee substitute bill.
- ☐ Without prejudice.
- ☐ Other recommended action: _____

WITH APPROVAL OF STANDING COMMITTEE CHAIR FOR REPORT TO BE MADE DIRECTLY
TO THE FLOOR OF THE HOUSE:

Representative Holmes for the Standing Committee on APPROPRIATIONS.

George M. Holmes

- ☐ With a favorable report.
- ☒ With a favorable report, as amended.
- ☐ With a favorable report as to committee substitute bill (#), ☐ which changes the title, unfavorable as to original bill (Committee Substitute Bill #). (and recommendation that the committee substitute bill (#) be referred to the Committee on .)
- ☐ And having received a unanimous vote in committee, be placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

4/24/97

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

H. B. No. _____

DATE May 28, 1998

S. B. No. 845

Amendment No. 1

(to be filled in by
Principal Clerk)

Rep.) ~~DAUBERT~~ ARNOLD
Sen.) _____

moves to amend the bill on page 1, line 19

by changing \$1,000,000 to
\$5,000,000

And on page 2 line ~~one~~ FIVE
by adding "officially" after the word
persons.

SIGNED Gene Arnold

ADOPTED _____ FAILED _____ TABLED _____

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

Sub. comm. on Education.

3

SENATE BILL 845

Agriculture/Environment/Natural Resources Committee Substitute Adopted 4/24/97
House Committee Substitute Favorable 5/27/98

Short Title: School Buses for Special Olympics.

(Public)

Sponsors:

Referred to:

April 15, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO PERMIT THE STATE TO PROVIDE SCHOOL AND ACTIVITY
3 BUSES FOR THE TRANSPORTATION NEEDS OF THE SPECIAL
4 OLYMPICS.

5 The General Assembly of North Carolina enacts:

6 Section 1. Notwithstanding the provisions of G.S. 143-341(8)i. and G.S.
7 14-247, the Department of Administration may allow the 1999 Special Olympics
8 World Summer Games Organizing Committee, Inc., to use State-owned trucks and
9 vans for the 1999 Special Olympics World Summer Games in North Carolina.

10 The Department of Administration shall not charge any fees for the use
11 of the vehicles for the 1999 Special Olympics World Summer Games.

12 The 1999 Special Olympics World Summer Games Organizing
13 Committee, Inc., shall submit to the Department of Administration, for its approval, a
14 list of the purposes for which the vehicles may be used. Vehicles may only be used
15 for approved purposes.

16 The State shall incur no liability for any damages resulting from the use
17 of vehicles under this provision. The 1999 Special Olympics World Summer Games
18 Organizing Committee, Inc., shall carry liability insurance of not less than one million
19 dollars (\$1,000,000) covering the use of the vehicles and shall be responsible for the
20 full cost of repairs to these vehicles if they are damaged while used for the 1999
21 Special Olympics World Summer Games.

1 Section 2. Notwithstanding any other provisions of law, the Johnston
2 County, Wake County, Orange County, and Durham County public school systems
3 may permit, under terms and conditions set by the public school systems, the use and
4 operation of public school buses and activity buses by the 1999 Special Olympics
5 World Summer Games Organizing Committee, Inc., for the transportation of persons
6 associated with the 1999 Special Olympics World Summer Games for the periods
7 from May 28, 1998, through May 31, 1998, and from June 19, 1999, through July 10,
8 1999.

9 Section 3. The authorizations contained in Sections 1 and 2 of this act
10 are effective only during the months of May 1998, June 1999, and July 1999.

11 Section 4. This act is effective when it becomes law.

Yonger *Arnold*
Preston
Black - 2nd *Yongue*
Idkum
Langley
Arnold
Arnold
Shubert

DUPLICATE

R.D. King

Title Change

House
Proposed Committee Substitute For
S.B. 845

SESSION LAW _____

A BILL TO BE ENTITLED

AN ACT TO PERMIT THE STATE TO PROVIDE SCHOOL AND ACTIVITY BUSES FOR THE
TRANSPORTATION NEEDS OF THE SPECIAL OLYMPICS.

Introduced by Senator(s) Odom _____

Principal Clerk's Use Only

Committee Rules, Calendar, and
Actions of the House
majority being present, having considered
bill, recommend that it do pass.
Rep. Morgan
For the Committee
and be re-referred to
Committee on Appropriations.

House
FAVORABLE TO COMM. SUB.
UNFAVORABLE TO BILL
C.S.

MAY 27 1998. TITLE CHANGE

AND PLACED ON
CALENDAR FOR
re-referred to Appropriations

Committee/Subcommittee on
Appropriations refers
Subcommittee on
Education
Salmer/aw
For the Committee

referred to Committee/Subcommittee
Education
MAY 28 1998

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Wednesday, June 3, 1998

MINUTES

The House Appropriations Subcommittee on Education met on Wednesday, June 3, 1998, at 8:30 a.m. in Room 421 of the Legislative Office Building.

Members present were Representatives Arnold, Grady and Preston, Co-chairs; Representatives Black, Crawford, Davis, Oldham, Reynolds, Rogers, Shubert Wood and Yongue.

Representative Preston called the meeting to order. The House pages, Zack and Forest from Craven County, sponsored by Representative William Wainwright, were recognized.

The agenda is to address bills which were not acted on last year; not new bills filed this Short Session. Will not vote on bills because we are not aware of what the education availability may be at this time. Today's goal is to review these bills and probably return at a later time and rank according to what we think should have highest consideration for funding.

Bills Addressed:

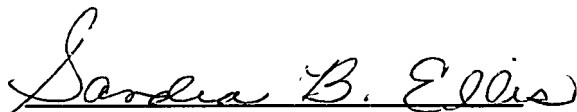
• H161	Representative Crawford	Model Teacher Consortium Funds
• H381	Representative Wood	Charter School Start-up Funds
• H454	Representative Grady	Low-Wealth School Supplemental Funds
• H462	Representative Smith*	Noncertified School Employee Funds
• H864	Representative Preston	Class-size Reduction in Grade 3

Questions and discussion followed each bill's presentation. Representative Grady, Co-chair, presided while Representative Preston presented her bill.

The meeting was adjourned to meet again tomorrow, June 4, at 8:30am to take up the bills from the Community Colleges and Universities.

Respectfully submitted:


Representative Jean R. Preston, Co-Chair


Sandra B. Ellis, Committee Clerk

*Representative Smith was not in attendance; H462 was not addressed.

House Appropriations Subcommittee on Education

Wednesday, June 3, 1998

8:30 AM

Call to order

Rep. Jean Preston, Co-Chair

Public School Bills

H161	CRAWFORD	MODEL TEACHER CONSORTIUM FUNDS
H381	WOOD	CHARTER SCHOOL START-UP FUNDS
H454	GRADY	LOW WEALTH SCHOOL SUPP. FUNDS
H462	SMITH	NONCERTIFIED SCHOOL EMPLOYEE FUNDS
H864	PRESTON	CLASS-SIZE REDUCTION IN GRADE 3

VISITOR REGISTRATION SHEET

APPROPRIATIONS Sub-Committee on Education

June 3, 1998

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Hal Miller	NCAAA
William Wong	NCACT
Erny Hancock	Intern
Deanne Wymer	EGHS
Susan Harrison	NCSBA
Gene Causky	WCPSS
Paul Cratts	E-EBC
Nirali Patel	NCAAA
Susan Markham	Gov.'s Office
Ann Norri	EGHS
Ann Belam	Public School Jan
Harriet Nile	SBE
Elizabeth G. J. J. J.	NAE
David Brown	OSBOM
John May	OSBM
	NCCWA

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 161

Short Title: Model Teacher Consortium Funds.

(Public)

Sponsors: Representatives Crawford; and Boyd-McIntyre.

Referred to: Appropriations.

February 13, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR THE OPERATION OF THE MODEL
3 TEACHER EDUCATION CONSORTIUM.

4 The General Assembly of North Carolina enacts:

5 Section 1. There is appropriated from the General Fund to the State
6 Board of Education the sum of two million five hundred thousand dollars
7 (\$2,500,000) for the 1997-98 fiscal year and the sum of two million five hundred
8 thousand dollars (\$2,500,000) for the 1998-99 fiscal year for the operation of the
9 Model Teacher Education Consortium.

10 Section 2. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 381*

Short Title: Charter School Start-Up Funds.

(Public)

Sponsors: Representatives Wood; and Watson.

Referred to: Appropriations.

March 4, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO ASSIST APPROVED CHARTER
3 SCHOOLS TO MEET THEIR START-UP COSTS.

4 The General Assembly of North Carolina enacts:

5 Section 1. There is appropriated from the General Fund to the State
6 Board of Education the sum of one million five hundred thousand dollars
7 (\$1,500,000) for the 1997-98 fiscal year for the State Board to establish and
8 implement a program that provides grants or loans to charter schools for whom
9 charters are approved. The State Board shall determine the amount of each grant or
10 loan; however, no charter school shall receive more than fifty thousand dollars
11 (\$50,000). Each grant or loan shall be used during the first year after the charter has
12 been approved. The grant or loan shall be used for one-time costs or expenses
13 related to starting the school.

14 Section 2. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 454

Short Title: Low-Wealth School Supp. Funds.

(Public)

Sponsors: Representatives Grady, Arnold, Preston, Rogers, Owens; Adams, Alexander, Baddour, Beall, Bonner, Boyd-McIntyre, Buchanan, Culpepper, Davis, Easterling, Fox, Goodwin, Hardaway, Hiatt, Hurley, Luebke, Miller, Morris, Ramsey, Sherrill, Shubert, Smith, Sutton, Thompson, Wainwright, Watson, and Yongue.

Referred to: Appropriations.

March 10, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR LOW-WEALTH SCHOOL SYSTEMS'
3 SUPPLEMENTAL FUNDING.

4 The General Assembly of North Carolina enacts:

5 Section 1. There is appropriated from the General Fund to State Aid to
6 Local School Administrative Units the sum of fifty-three million six hundred forty-
7 three thousand three hundred forty-three dollars (\$53,643,343) for the 1997-98 fiscal
8 year and the sum of fifty-three million six hundred forty-three thousand three
9 hundred forty-three dollars (\$53,643,343) for the 1998-99 fiscal year for low-wealth
10 school systems' supplemental funding.

11 Section 2. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 462

Short Title: Noncertified School Emp'ee/Salaries.

(Public)

Sponsors: Representatives Smith; Sexton, Wainwright, and Jeffus.

Referred to: Appropriations.

March 10, 1997

1 A BILL TO BE ENTITLED

2 AN ACT TO DIRECT THE STATE BOARD OF EDUCATION TO DEVELOP
3 AND IMPLEMENT A MINIMUM SALARY SCHEDULE FOR ALL
4 NONCERTIFIED PUBLIC SCHOOL EMPLOYEES AND TO APPROPRIATE
5 FUNDS FOR THAT PURPOSE.

6 The General Assembly of North Carolina enacts:

7 Section 1. There is appropriated from the General Fund to the State
8 Board of Education the sum of sixty-four million dollars (\$64,000,000) for the 1997-98
9 fiscal year and the sum of sixty-four million dollars (\$64,000,000) for the 1998-99
10 fiscal year. The State Board of Education shall use these funds to develop and
11 implement, to the extent funds are available to do so, a statewide salary schedule for
12 all noncertified public school personnel.

13 Section 2. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 864

Short Title: Class-Size Reduction in Grade 3.

(Public)

Sponsors: Representatives Preston; Arnold, Baddour, Baker, Black, Bonner, Bowie, Buchanan, Culp, Dedmon, Easterling, Fox, Grady, Gray, Gulley, Hiatt, Jarrell, Jeffus, Justus, McAllister, McCombs, McMahan, Miner, Moore, Morris, Mosley, Nichols, Oldham, Owens, Redwine, Rogers, Russell, Saunders, Sexton, Smith, Thompson, Wainwright, Warner, Watson, and Weatherly.

Referred to: Appropriations.

April 7, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO REDUCE CLASS SIZE IN THE THIRD
3 GRADE.
4 The General Assembly of North Carolina enacts:
5 Section 1. There is appropriated from the General Fund to State Aid to
6 Local School Administrative Units the sum of nineteen million eighty-five thousand
7 nine hundred dollars (\$19,085,900) for the 1997-98 fiscal year and the sum of
8 nineteen million eighty-five thousand nine hundred dollars (\$19,085,900) for the
9 1998-99 fiscal year to reduce class size in third grade to 23 or fewer students. These
10 funds shall be allocated by the State Board of Education to local school
11 administrative units on the basis of one teacher for every 23 students in third grade.
12 Local school administrative units shall use these funds only to reduce class size in
13 third grade.
14 For the purpose of calculating the maximum allowable class size for third
15 grade, the ratio of teachers to students shall be 1 to 26.
16 Section 2. This act becomes effective July 1, 1997.

June 1, 1998

To: Rep. Gene Arnold

From: Jim Newlin

Subject: **Bills Currently Assigned to House Appropriations Subcommittee on Education**

The attached sheets show the bills currently assigned to this subcommittee. We have marked those bills which had action last session, and we have circled those which the sponsors may wish to present to the subcommittee again.

All of these bills except one (Sen. Odom's bill **School Buses for Special Olympics S 845**) are holdovers from last year. SB 845 was assigned last week.

We have asked Janice Wheeler and Lynn Muchmore to see if Rep. Holmes would go ahead and reassign some of this year's bills to your subcommittee so that the sponsors could present them. We expect an answer tomorrow.

It might be helpful if these sponsors were asked if they want to present these currently assigned bills to the subcommittee. Some of the members may have filed another bill on the same subject this year, and they might prefer to wait to present a more recent version.

Please let us know what our next step should be. I would suggest that you ask the Subcommittee clerks to contact the sponsors of the circled bills to tell them we will hear these bills Wednesday morning, and to send out notices to that effect.



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Bill Information
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The text of bills are available within 24 hours after introduction or floor action. If you click on a bill's short title and the bill text does not appear, it will be there soon. Check back.

✓ **H0157** COMM. COLLEGE SCHOLARSHIP PROGRAM CC

Status: PEND Sponsor: WARNER

Last Action: [H] ASSIGNED TO APP-EDUC [05/06/1997]

[Bill History](#)

Committee: APP-EDUC

✓ **H0161** MODEL TEACHER CONSORTIUM FUNDS Pub

Status: PEND Sponsor: CRAWFORD

Last Action: [H] RE-ASSIGNED TO APP-EDUC [05/06/1997]

[Bill History](#)

Committee: APP-EDUC

H0256 SCHOOL BUDGET ACCOUNTABILITY ACTION ON CONCEPT IN 1997

Status: PEND Sponsor: PRESTON

Last Action: [H] ASSIGNED TO APP-EDUC [05/06/1997]

[Bill History](#)

Committee: APP-EDUC

H0308 REPEAL SUNSET ON FICA SAVINGS USE NOT OURS

Status: PEND Sponsor: FITCH

Last Action: [H] ASSIGNED TO APP-EDUC [05/06/1997]

[Bill History](#)

Committee: APP-EDUC

H0377 SE COMMUNITY COLLEGE FUNDS CAPITAL

Status: PEND Sponsor: HILL

Last Action: [H] ASSIGNED TO APP-EDUC [05/06/1997]

[Bill History](#)

Committee: APP-EDUC

✓ **H0381** CHARTER SCHOOL START-UP FUNDS Pub

Status: PEND Sponsor: WOOD

Last Action: [H] ASSIGNED TO APP-EDUC [05/06/1997]

[Bill History](#)

Committee: APP-EDUC

✓ **H0454** LOW-WEALTH SCHOOL SUPP. FUNDS Pub HAVE 1998 BILLS

Status: PEND Sponsor: GRADY

Last Action: [H] ASSIGNED TO APP-EDUC [05/06/1997]

[Bill History](#)

Committee: APP-EDUC

✓ **H0462** NONCERTIFIED SCHOOL EMPLOYEE FUNDS Pub HAVE 1998 BILLS

Status: PEND Sponsor: SMITH

Last Action: [H] ASSIGNED TO APP-EDUC [05/06/1997]

[Bill History](#)

Committee: APP-EDUC

H0479 NC A&T AGRICULTURAL RESEARCH FUNDS

Status: PEND Sponsor: ADAMS

Last Action: [H] ASSIGNED TO APP-EDUC [05/06/1997]

Bill History

Committee: APP-EDUC

H0512 SCHOOL SAFETY ACT

Status: PEND Sponsor: PRESTON

Last Action: [H] ASSIGNED TO APP-EDUC [05/06/1997]

Bill History

Committee: APP-EDUC

ACTION ON
CONCEPT
IN 1997**H0679 EXPAND TECHNOLOGY IN SCHOOLS**

Status: PEND Sponsor: DAUGHTRY

Last Action: [H] ASSIGNED TO APP-EDUC [05/06/1997]

Bill History

Committee: APP-EDUC

ACTION
IN
1997 MAIN
BILL**H0767 UNC EDUCATIONAL CONSORTIUM FUNDS**

Status: PEND Sponsor: MCALLISTER

Last Action: [H] ASSIGNED TO APP-EDUC [05/06/1997]

Bill History

Committee: APP-EDUC

FUNDING FOR
OTHER 8
CONSORTIA HAS
BEEN
ELIMINATED
EFFECTIVE 7/1/97**H0822 SCHOOL RESOURCE OFFICER/TYRRELL HS**

Status: PEND Sponsor: CULPEPPER

Last Action: [H] ASSIGNED TO APP-EDUC [05/06/1997]

Bill History

Committee: APP-EDUC

Pub

H0864 CLASS-SIZE REDUCTION IN GRADE 3

Status: PEND Sponsor: PRESTON

Last Action: [H] ASSIGNED TO APP-EDUC [05/06/1997]

Bill History

Committee: APP-EDUC

Pub

H0905 EXCELLENT COMMUNITY COLLEGES ACT

Status: PEND Sponsor: GRADY

Last Action: [H] RE-REF COM ON APP-EDUC [04/22/1997]

Bill History

Committee: APP-EDUC

cc

H0947 MOBILE PRESCHOOL PROGRAM FUNDS

Status: PEND Sponsor: HUNTER R

Last Action: [H] ASSIGNED TO APP-EDUC [05/06/1997]

Bill History

Committee: APP-EDUC

H0961 EXPAND COMMUNITY LINK FUNDS

Status: PEND Sponsor: BEALL

Last Action: [H] ASSIGNED TO APP-EDUC [05/06/1997]

Bill History

Committee: APP-EDUC

Pub Com.
College

H1019 **RIGOROUS ACADEMIC CONTROL STANDARDS** ACTION
Status: PEND Sponsor: PRESTON IN 1997
Last Action: [H] ASSIGNED TO APP-EDUC [05/14/1997] MAIN BILL
Bill History Committee: APP-EDUC

H1089 **UNC MILITARY TUITION** ACTION
Status: PEND Sponsor: KINNEY IN
Last Action: [H] ASSIGNED TO APP-EDUC [04/29/1997] 1997
Bill History Committee: APP-EDUC

H1180 **FSU/PEMBROKE TEACHER ED. CONSORTIUM** J
Status: PEND Sponsor: MCALLISTER
Last Action: [H] ASSIGNED TO APP-EDUC [05/22/1997]
Bill History Committee: APP-EDUC

H1212 **TECHNOLOGY & TRAINING FUNDS** ACTION IN
Status: PEND Sponsor: REYNOLDS 1997 WITH
Last Action: [H] ASSIGNED TO APP-EDUC [05/14/1997] REVERSIONS
Bill History Committee: APP-EDUC

S0845 **SCHOOL BUSES FOR SPECIAL OLYMPICS** NEW
Status: PEND Sponsor: ODOM BILL
Last Action: [H] ASSIGNED TO APP-EDUC [05/28/1998]
Bill History Committee: APP-EDUC

email the NCGA Webmanager

N.C. Model Teacher Education Consortium

True Collaboration among the following:

- **17 Local School Systems**

Bertie County
Chowan-Edenton County
Edgecombe County
Franklin County
Gates County
Granville County
Halifax County
Hertford County
Johnston County

Martin County
Northampton County
Perquimans County
Roanoke Rapids City
Vance County
Warren County
Weldon City
Wilson County

- **5 Colleges/Universities**

Chowan College
East Carolina University
Elizabeth City State University
North Carolina Central University
North Carolina Wesleyan College

- **8 Community Colleges**

College of the Albemarle
Edgecombe Community College
Halifax Community College
Johnston Community College

Martin Community College
Roanoke-Chowan Community College
Vance-Granville Community College
Wilson Technical Community College

- **State Department of Public Instruction**

The Consortium is a collaborative effort of the above partners begun in 1989 to address the critical shortage of highly-qualified and fully-licensed teachers in the poor rural schools of northeastern North Carolina.

CONSORTIUM PARTICIPATION IN COLLEGE COURSEWORK

January 1990 - February 1998

Local School Systems	Graduate Students	Undergraduate Students
Bertie County	81	39
Edenton/Chowan County	2	0
Edgecombe County	4	4
Franklin County	9	28
Gates County	19	24
Granville County	61	55
Halifax County	175	180
Hertford County	66	63
Johnston County	2	1
Martin County	1	9
Northampton County	133	83
Perquimans County	3	0
Roanoke Rapids City	48	51
Vance County	98	111
Warren County	98	56
Weldon City	43	47
Wilson County	0	0
Other School Systems	116	34
Community Colleges	17	20
Participants Not Employed in School Systems	26	22
Totals	1,002	832

Total Clients Served: 1,601

NOTE: The total number of students (1,002 + 832 = 1,834) is larger than the total number of clients served (1,601) due to the fact that some students have worked in two different school systems while taking consortium courses.

Types of Financial Assistance for NCMTEC's Customers

Undergraduate Students

	<u>NCMTEC Pays</u>	<u>STUDENTS Pay</u>
Consortium Courses	Remaining Tuition (as much as \$330.00) Textbooks	\$40.00 Tuition
Student Teaching	Tuition & \$500.00 per month/3 months	
On-Campus Tuition	6 semester hrs./yr. (maximum)	

Graduate Students

	<u>NCMTEC Pays</u>	<u>STUDENTS Pay</u>
ECU's Tuition	\$135.00 Tuition	• \$135.00 Tuition • Textbooks • \$15.00 Registration • Application Fees <i>(Degree or Non-degree)</i>
NCCU's Tuition	\$120.00 Tuition	• \$120.00 Tuition • Textbooks
On-Campus Tuition	3 semester hrs./yr. (maximum)	

The N. C. Model Teacher Education Consortium's seventeen participating school systems have the following common characteristics:

- **Large numbers of provisionally-licensed and lateral entry teachers;**
- **Limited resources for induction programs and on-going staff development;**
- **Strong needs for more effective programs; and**
- **Many employees who are eager to grow professionally.**

N.C. Model Teacher Education Consortium Activities

(Other than College Coursework)

- Serves as advocate/liaison for students seeking college admission/degree/teacher or administrative licensure
- Sponsors Transcript Evaluation Days and Graduate Advisor Sessions in the area one evening each semester for undergraduate and graduate students
- Sponsors two Praxis Examination Preparation Seminars annually
- Enhances the educational program for non-traditional college students by providing opportunities to attend seminars, workshops, and other cultural experiences

Mission Statement

The North Carolina Model Teacher Education Consortium is a collaborative effort which provides affordable, accessible, high-quality education/training to aspiring and practicing educators in participating school districts in Northeastern North Carolina.

This effort will increase the quantity of highly qualified educators in the region. This Consortium is committed to increasing the number of minority educators within the service area.

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Thursday, June 4, 1998

MINUTES

The House Appropriations Subcommittee on Education met on Thursday, June 4, 1998, at 8:30 a.m. in Room 414, Legislative Office Building.

Members present were Representatives Grady and Preston, Co-chairs; Representatives Davis, Oldham, Rogers, Shubert and Yongue. A visitors' sheet is attached to these minutes.

Representative Grady called the meeting to order. House pages were recognized: Curtis Spenser and Stephanie Starnes from Catawba County. Business to come before the committee today was to hear presentations by bill sponsors on bills that have been introduced.

The following bills were presented:

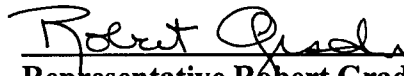
House Bill 961 - AN ACT TO APPROPRIATE FUNDS TO EXPAND AND UPGRADE THE COMMUNITY LINK PROGRAM TO PROVIDE ADDITIONAL EDUCATIONAL SERVICES TO WESTERN NORTH CAROLINA. Representative Charles Beall, bill sponsor, made the presentation. Discussion followed this presentation.

House Bill 905 - AN ACT TO ENACT THE EXCELLENT COMMUNITY COLLEGES ACT. Representative Robert Grady, bill sponsor, made the presentation.

House Bill 479 - AN ACT TO APPROPRIATE FUNDS FOR AGRICULTURAL RESEARCH AND EXTENSION PROGRAMS AT NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY. Representative Alma Adams, bill sponsor, made the presentation. (See handout #1). Dr. Daniel Godfrey, Dean of the School of Agriculture, North Carolina A&T State University, was recognized to speak before the committee. Discussion followed this presentation.

**There was no further business to come before the committee at this time.
The meeting was adjourned at 9:35 a.m.**

Respectfully submitted:



Representative Robert Grady, Co-Chair



Peggy B. Murray, Committee Clerk

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 961*

Short Title: Funds/Expand Community Link.

(Public)

Sponsors: Representatives Beall and Ramsey.

Referred to: Appropriations.

April 16, 1997

1 A BILL TO BE ENTITLED

2 AN ACT TO APPROPRIATE FUNDS TO EXPAND AND UPGRADE THE
3 COMMUNITY LINK PROGRAM TO PROVIDE ADDITIONAL
4 EDUCATIONAL SERVICES TO WESTERN NORTH CAROLINA.

5 The General Assembly of North Carolina enacts:

6 Section 1. There is appropriated from the General Fund to the
7 Department of Community Colleges the sum of nine hundred sixty-seven thousand
8 dollars (\$967,000) for the 1997-98 fiscal year to expand the Community Link program
9 and upgrade its existing sites. Community Link is a telecommunications delivery
10 system that provides educational opportunities to the mountain communities of rural
11 Western North Carolina.

12 Section 2. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 905

Short Title: Excellent Community Colleges Act.

(Public)

Sponsors: Representatives Grady; Adams, Aldridge, Alexander, Black, Bonner, Bowie, Braswell, Brawley, Brown, Buchanan, Church, Cole, Culp, Dedmon, Dickson, Dockham, Earle, Ellis, Fox, Gardner, Goodwin, Hardy, Hensley, Hiatt, Hill, H. Hunter, Hurley, Ives, Kinney, Kiser, McCombs, McCrary, McMahan, Mitchell, Moore, Morris, Mosley, Nichols, Nye, Oldham, Preston, Ramsey, Rayfield, Rogers, Russell, Saunders, Sexton, Sherrill, Smith, Thompson, Tolson, Wainwright, Warner, Warwick, Watson, and Wilkins.

Referred to: Education, if favorable, Appropriations.

April 9, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE EXCELLENT COMMUNITY COLLEGES ACT.
3 The General Assembly of North Carolina enacts:
4 Section 1. This act shall be known as "The Excellent Community
5 Colleges Act".
6

7 *****

8 An outline of the provisions of the act follows this section. The outline
9 shows the heading "CONTENTS/INDEX" and it lists by general category the
10 descriptive captions for the various sections and groups of sections that make up the
11 act. This outline is designed for reference only, and it in no way limits, defines, or
12 prescribes the scope or application of the text of the act.
13

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16 Section 2.

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18 GOALS AND FINDINGS

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NEEDS OF BUSINESS AND INDUSTRY**

Section 3.

**B. CAPACITY TO RESPOND TO EMPLOYERS' NEEDS FOR ESSENTIAL
BASIC SKILLS**

Section 4.

**C. ABILITY TO PROVIDE ACADEMIC AND SKILL PREPARATION FOR
THE FUTURE**

Section 5.

**D. ABILITY TO PROVIDE QUALITY EDUCATION AND TRAINING WITH
STATE-OF-THE-ART TECHNOLOGY, EQUIPMENT, AND BOOKS**

Section 6.

III. LEGISLATIVE OVERSIGHT OF IMPLEMENTATION OF THE ACT

Section 7.

IV. MISCELLANEOUS PROVISIONS

A. CAPTIONS ARE FOR REFERENCE ONLY AND DO NOT LIMIT TEXT

Section 8.

B. EFFECTIVE DATES

Section 9.

I. STATEMENT OF LEGISLATIVE GOALS AND FINDINGS

Section 2. (a) It is the goal of the General Assembly that North Carolina citizens benefit from a prosperous and healthy economy which (i) encourages the growth of both new and existing businesses and industries, (ii) creates new jobs and nurtures existing jobs, (iii) improves the quality of life, and (iv) produces revenues to provide and support essential government services.

(b) The General Assembly finds that a prosperous and healthy economy depends on the ability of North Carolina businesses and industries to respond effectively to rapid changes in the workplace resulting from technology and competition in a global economy. Building and maintaining a workforce capable of such responses creates two new imperatives for increasing citizens' access to education and training:

(1) Formal education beyond high school to bridge the gap between the number of qualified workers entering the workforce and the number of new jobs which will require one to two years of education beyond high school, and

(2) Retraining of existing employees in order to bridge the gap between their current knowledge and skills and the knowledge and skills which their jobs will require in the future.

(c) The General Assembly finds further that the State's investments in the North Carolina Community College System have provided a basic infrastructure which is poised to address these critical needs for education and training. With adequate funding, community colleges are capable of meeting the workforce

1 development needs of the State. In order to maintain and improve existing programs
2 and meet the additional demands for education and training, the North Carolina
3 Community College System must address needs in four essential areas:

- 4 (1) Capacity to respond to emerging workforce training needs of
5 business and industry;
- 6 (2) Capacity to respond to employers' needs for essential basic skills;
- 7 (3) Ability to provide academic and skill preparation for the future;
8 and
- 9 (4) Ability to provide quality education and training with state-of-the-
10 art technology, equipment, and books.

11 12 **II. IMPLEMENTATION OF MEASURES TO IMPLEMENT LEGISLATIVE** 13 **GOALS AND FINDINGS**

14 15 **A. CAPACITY TO RESPOND TO EMERGING WORKFORCE TRAINING** 16 **NEEDS OF BUSINESS AND INDUSTRY**

17 Section 3. The capacity of community colleges to design and deliver
18 customized, quality, and timely instructional responses to meet the diverse needs of
19 employers and employees is an essential element in maintaining and expanding the
20 State's economy. Funds in this area will enhance community colleges' capacity and
21 flexibility in retraining current employees by providing adequate funding for
22 occupational continuing education courses and services; therefore, there is
23 appropriated from the General Fund to the Department of Community Colleges the
24 sum of nineteen million nine hundred eighty-seven thousand thirty-four dollars
25 (\$19,987,034) for the 1997-98 fiscal year and the sum of nineteen million nine
26 hundred eighty-seven thousand thirty-four dollars (\$19,987,034) for the 1998-99 fiscal
27 year for the purpose of raising the occupational extension unit value to the level of
28 the curriculum unit value.

29 30 **B. CAPACITY TO RESPOND TO EMPLOYERS' NEEDS FOR ESSENTIAL** 31 **BASIC SKILLS**

32 Section 4. A major component of helping the State's workforce achieve
33 and maintain necessary employment skills involves providing courses and services
34 which enable employees to develop basic skills in reading, writing, math, problem
35 solving, working with one another, and English as a second language. Enhanced
36 funding to support basic skills and literacy instruction is needed; therefore, there is
37 appropriated from the General Fund to the Department of Community Colleges the
38 sum of six million seventy-two thousand thirty-six dollars (\$6,072,036) for the 1997-98
39 fiscal year and the sum of seven million one hundred forty-four thousand seventy-two
40 dollars (\$7,144,072) for the 1998-99 fiscal year for the purpose of raising basic skills
41 to curriculum-level funding.

42 43 **C. ABILITY TO PROVIDE ACADEMIC AND SKILL PREPARATION FOR** 44 **THE FUTURE**

Section 5. Associate degree, diploma, and certificate curriculum programs designed to prepare people for employment or transfer to a higher-level degree represent the primary gateway to employability and economic self-sufficiency. Funds in this area will enhance community colleges' capacity and flexibility to serve people and communities by fostering new program development, enhancing existing associate degree, diploma, and certificate programs, integrating workplace skills into the curriculum, and offsetting high costs in vital high technology fields; therefore, there is appropriated from the General Fund to the Department of Community Colleges the sum of sixteen million five hundred thirty-eight thousand seven hundred twenty-four dollars (\$16,538,724) for the 1997-98 fiscal year and the sum of thirty-three million seventy-seven thousand four hundred forty-eight dollars (\$33,077,448) for the purpose of enhancing salaries and adjusting student-teacher ratios.

D. ABILITY TO PROVIDE QUALITY EDUCATION AND TRAINING WITH STATE-OF-THE-ART TECHNOLOGY, EQUIPMENT, AND BOOKS

Section 6. Funds will provide cutting-edge, state-of-the-art technology, equipment, and books essential for effective, quality programs in all areas of instruction including curriculum, occupational continuing education, and literacy; therefore, there is appropriated from the General Fund to the Department of Community Colleges the sum of fifteen million dollars (\$15,000,000) for the 1997-98 fiscal year and the sum of thirty million dollars (\$30,000,000) for the purpose of purchasing new technical and vocational equipment and books.

III. LEGISLATIVE OVERSIGHT OF IMPLEMENTATION OF THE ACT

Section 7. The State Board of Community Colleges shall report to the Joint Legislative Education Oversight Committee prior to October 1, 1998, on the impact the funds appropriated under this act have had on the ability of each community college to implement the institutional effectiveness plan that is tailored to the specific mission of each college and to meet the goals of the North Carolina Community College System. In preparing the report, the State Board of Community Colleges shall include the data submitted by each college for the 1996-97 and 1997-98 fiscal years, in the "Critical Success Factors" report and shall focus primarily on program outcomes.

IV. MISCELLANEOUS PROVISIONS

A. CAPTIONS ARE FOR REFERENCE ONLY AND DO NOT LIMIT TEXT

Section 8. The series of captions used in this act (the descriptive phrases in boldface and capital letters) are inserted for convenience and reference only, and they in no way define, limit, or prescribe the scope or application of the text of the act.

B. EFFECTIVE DATES

Section 9. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 479

Short Title: NC A & T Agricultural Research Funds.

(Public)

Sponsors: Representatives Adams; Black, Bowie, Boyd-McIntyre, Braswell, Earle, Fitch, Jarrell, Jeffus, Kinney, Michaux, Oldham, Smith, Wainwright, Womble, and Wright.

Referred to: Appropriations.

March 10, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR AGRICULTURAL RESEARCH AND
3 EXTENSION PROGRAMS AT NORTH CAROLINA AGRICULTURAL AND
4 TECHNICAL STATE UNIVERSITY.

5 Whereas, currently, North Carolina Agricultural and Technical State
6 University receives federal funding in the amount of \$2.6 million for its Agricultural
7 Research Program and \$2.5 million for its Cooperative Extension Program; and

8 Whereas, in order to provide equitable funding, it is the intent of the
9 General Assembly to increase the State's level of funding for these programs to
10 eventually match the federal level of funding; Now, therefore,

11 The General Assembly of North Carolina enacts:

12 Section 1. There is appropriated from the General Fund to the Board of
13 Governors of The University of North Carolina the sum of one million dollars
14 (\$1,000,000) for the 1997-98 fiscal year and the sum of one million dollars
15 (\$1,000,000) for the 1998-99 fiscal year as matching funds for agricultural research
16 and extension programs at North Carolina Agricultural and Technical State
17 University. These funds are in addition to any State funds appropriated for these
18 programs and shall be allocated as follows:

19 (1) \$500,000 for the 1997-98 fiscal year and \$500,000 for the 1998-99
20 fiscal year to match federal funds for the Agricultural Research
21 Program.

1 (2) \$500,000 for the 1997-98 fiscal year and \$500,000 for the 1998-99
2 fiscal year to match federal funds for the Cooperative Extension
3 Program.

4 Section 2. This act becomes effective July 1, 1997.

Food Safety, Nutrition and Health



Cooperative Extension and Research at ...
NORTH CAROLINA A&T STATE UNIVERSITY

Each year, there are 6.5 to 8.1 million cases of foodborne illness in this country. Medical and insurance costs, and lost productivity, make measures to lessen this problem extremely important.

Increased sales of ready-to-eat foods (with little or no preservatives) at supermarkets, convenience stores and other retail outlets with personnel inexperienced in food handling create a need for training and Extension programs. Another trend contributing to increased need for food safety training comes from the restaurant industry, where restaurants are responding to consumer demand for more extensive menus. New menu items bring with them new demands for equipment and food handling procedures. With more Americans eating more meals at restaurants every year, it is essential that restaurant employees are aware of the contamination potential for each dish on the menu. The growing popularity of organic foods also has increased the potential for foodborne illness. Some of the replacements organic growers use as alternatives to chemical fertilizers and pesticides can nurture contaminants.

ACTION PLAN

- Develop training and educational programs for food handlers, with a focus on small restaurants, gas station delicatessens, day care facilities, and nursing homes
- Provide training for high school teachers (since many high school students work part time in restaurants), occasional food handlers including youth clubs, parent groups, and church groups
- Intensify research into improved detection methods for foodborne pathogens
- Intensify research into methods for destroying pathogenic microorganisms on the surface areas of fresh fruits, vegetables, meat and poultry, without compromising the appeal of these foods

POTENTIAL IMPACTS

- Heightened consumer awareness of unsafe practices that compromise food safety
- Adoption of safe food preparation and handling practices by food handlers
- Improved microbiological safety of fresh fruits, vegetables, red meat, poultry, and minimally processed foods

Resources Needed

Personnel Costs	\$320,000
Operational Expenses	\$417,500
Training and Development	\$30,000
Program Development	\$17,500
Communications	\$15,000
TOTAL	\$800,000



Changes in the public attitude toward tobacco coupled with loss of other farm subsidies continue to reshape small-farm production and marketing in North Carolina. In many cases, the long-standing safety net for small farms is being eliminated. Today's small farms face new economic, social and political realities. Public concerns for the environment, including water quality and waste management issues, represent new challenges for small-scale farmers.

With new challenges come new opportunities as well. Public interest in new value-added farm products, local grown fresh produce, alternative crops and enterprises, and niche markets opened by cultural diversity represent new opportunities for the 40,000 small farms in North Carolina. To address these challenges and opportunities, agricultural research scientists and extension specialists must work collaboratively with county agents to provide the knowledge, skills and research needed for success in a changing agricultural environment.

ACTION PLAN

- Develop the infrastructure at the A&T farm for exploring issues relevant to small-scale agriculture
- Develop collaborative research and outreach efforts among scientists at A&T, North Carolina State University and the North Carolina Department of Agriculture and Consumer Services which protect soil, water and air quality
- Develop alternative enterprises which will ensure the economic viability of small, part-time and limited-resource farmers, with special attention to the needs of minority farmers
- Develop and market high-quality research and educational programs which increase community economic well-being and quality of life

POTENTIAL IMPACTS

- Stabilization of number of small-scale and minority-operated farms, and the number of new farms will increase
- Small farms will show increased income diversification
- Small farm production will become increasingly environmentally safe and publicly acceptable
- Increased focus on niche markets

Resources Needed

<i>Personnel Costs</i>	\$360,000
<i>Capital Improvements</i>	\$400,000
<i>Operating Costs</i>	\$450,000
<i>Program Development</i>	\$60,000
<i>Communications</i>	\$30,000
TOTAL	\$1,300,000



Like families everywhere, those in North Carolina are affected dramatically by economic, social and political pressures. Persistent poverty, inadequate child-care, unhealthy lifestyles, and unfavorable economic opportunities are factors which tarnish the horizon for families. Building the capacity of North Carolina's families and communities to meet life's challenges head-on contributes substantially to sustaining the state's strength and stability. For generations, education has been the vehicle for advancing the social and economic status of children, families and communities. Research shows that preventive and early intervention educational programs help individuals and families develop skills and knowledge to function effectively, gain economic security, and become healthy, productive responsible members of their communities and society.

Research indicates that nearly half of all violent crimes committed by juveniles occur between 2:00 p.m. and 8:00 p.m., and that initial sexual encounters for teens generally take place between 3:00 p.m. and 6:00 p.m. These statistics underscore the need to provide youth with meaningful, constructive after-school activities, including recreation and academic enrichment. The options for after-school activities should also include strategies for nurturing the innovative, entrepreneurial spirit of youth. Such strategies are vital for promoting North Carolina's economic diversity as well as the workforce preparedness of youth.

ACTION PLAN

- Conduct research and develop educational programs which focus on helping youth, parents and community leaders take responsibility for their lives
- Develop life skill programs for youth, with a focus on the needs of minorities and youth growing up with limited financial resources
- Provide teenage and single parents with educational information which will offer them strategies for coping with the challenges of parenthood
- Develop family and resource management programs which help families maximize their resources for improved family dynamics and enhanced economic security

POTENTIAL IMPACTS

- Increased citizen participation in building strong families and safe communities
- Enhanced capacity of families and communities to establish and maintain self-sufficiency
- Reductions in youth violence and teen pregnancy, and strong, supportive, nurturing families
- Youth who are responsible, productive, contributing citizens

Resources Needed

<i>Personnel Costs</i>	<i>\$380,000</i>
<i>Operational Costs</i>	<i>\$215,000</i>
<i>Program Development</i>	<i>\$255,000</i>
<i>Training Development</i>	<i>\$100,000</i>
<i>Communications</i>	<i>\$50,000</i>
TOTAL	\$1,000,000



Despite the state's robust economy, there are communities in North Carolina which are not getting their share of the general prosperity. The prospects for those who are being left behind are not only unjust; these communities are increasingly headed toward crisis conditions. Land loss by African-American farmers has surpassed 200 percent. The residents of many communities do not have strategies or even systems for economic self-determination. Without intervention programs and outreaches, opportunities for local ownership, grass-root empowerment and rejuvenation of local human capital will escape them. If left unresolved, these problems in the social and economic fabric of many communities in North Carolina will eventually undermine the entire state's stature in national and global economics.

The North Carolina A&T School of Agriculture is well positioned to apply economic principles to building sustainable, socially concerned programs, and to embellish the quality of life of the state's residents. Juxtaposed against and intricately related to this current need for community economic development is the School's expertise in providing grassroots capacity for workforce preparation, infrastructure development, community-based planning, business and entrepreneurial development, program evaluation, leadership training, and technology-mediated instruction.

ACTION PLAN

- Intensify research into identifying factors inhibiting community development, and needs assessment studies
- Formulate and disseminate strategies for sustainable communities
- Provide additional leadership training programs
- Develop small farm survival strategies
- Rectify land-loss trend among African-American farmers
- Form community-based micro enterprise development programs
- Develop adequate skills and competencies to meet current and emerging needs of the workforce

POTENTIAL IMPACTS

- A better prepared workforce
- Increased number of welfare-to-work participants
- Increased effectiveness of community development programs, a larger pool of effective local leaders, and more viable and sustainable communities
- Increased number of small and minority-owned farms
- Growth in number of small businesses

Resources Needed

<i>Personnel Costs</i>	<i>\$500,000</i>
<i>Operational Costs</i>	<i>\$265,000</i>
<i>Program Development</i>	<i>\$355,000</i>
<i>Communications</i>	<i>\$80,000</i>
TOTAL	\$1,200,000



The School of Agriculture finds itself in a digital revolution which is bringing about dramatic changes in both learning needs and the way learning opportunities are delivered. Technologies associated with distance learning are essential tools for providing learning opportunities that are responsive to learners' needs. If the School of Agriculture is to continue to produce graduates with skills for the workforce, and if it is to continue to provide research which is timely and relevant, it must respond to the needs of new and expanding constituencies.

In addition to reducing costs for printing, distribution, and travel, computer networking also allows unprecedented access by learners, and greater interaction among a community of learners. Virtual communities actively participating in learning environments, characterized by real-world problem-solving, empower learners to construct meaning within the context of their educational experiences.

High-speed digital networking is far and away the most efficient and effective environment to facilitate goals of distance learning, collaboration and access.

ACTION PLAN

- Develop a high-speed digital network connecting all the School of Agriculture's departments
- Provide faculty training in the use of networks to facilitate teaching, research and extension
- Provide computer and network support for faculty and staff

POTENTIAL IMPACTS

- Increased enrollment resulting from the use of distance learning technology
- Increased number of society-ready graduates prepared for a knowledge economy
- Increased access to research and extension information, providing just-in-time solutions for community problems
- Increased networking, collaboration and interaction among land-grant researchers, extension specialists, community groups, and federal, state and county partners
- Increased efficiency and effectiveness in program design and evaluation

Resources Needed

<i>Personnel Costs</i>	<i>\$130,000</i>
<i>Capital Improvements</i>	<i>\$245,000</i>
<i>Faculty Development</i>	<i>\$110,000</i>
<i>Operating Costs</i>	<i>\$215,000</i>
TOTAL	\$700,000

Key Points to Emphasize with State Legislators

- Both A&T and NCSU are land-grant universities (teaching, research and extension) receiving federal appropriations from the US Department of Agriculture. However, the state provides only a 12% share of the total extension and research budget for A&T. This level of funding is much less than that provided to other state supported institutions.
- NC A&T is requesting a gradual approach to state matching funds, starting with a 30% match in 1999, increasing to a full 100% match in 2003.
- NC A&T extension and research is requesting continuous funding at the 100% matching level for each year after 2003.
- A&T has professional and paraprofessional staff in nearly 1/3 of NC's 100 counties.
- A&T has a history of working with diverse audiences, and disadvantaged families and communities who are viewed by some as being hard-to-reach and without political clout.
- Even with minimal funding, A&T continues to work collaboratively with NCSU to support a responsive extension and research network within the state of North Carolina.
- Through innovative programs such as *Ways to Grow* and *Community Voices*, small farms are introduced to alternative agricultural enterprises and non-traditional leaders emerge with voices of change and growth for rural communities.
- To sustain the environment while producing high value crops, A&T researchers evaluated alternative sustainable practices for growing seedless watermelons and sweet corn. From data evaluated thus far, not only was yield enhanced, but texture and taste were also improved. This research could translate into increased revenue for the state's small-scale farmers.
- A&T initiated a statewide Partners-in-Learning program for 4-H'ers age 6-8 years old, encouraging parents to become partners with their youth while exploring the world of science and nature.
- Working collaboratively with other state agricultural agencies, the A&T extension and research programs helped nearly 1,000 small-scale farmers generate increased income from the production and marketing of alternative enterprises. The estimated gross income from these new enterprises was \$2.9M.
- Other sustainable research projects include the Tillage, Runoff, Agricultural Chemical and Erosion (TRACE) project and bioremediation of contaminants.

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Wednesday, July 1, 1998

MINUTES

The House Appropriations Subcommittee on Education met at 8:30 a.m. on Wednesday, July 1, 1998, in Room 421 of the Legislative Office Building.

Members present were: Representatives Arnold, Grady and Preston, Co-chairs; Representatives Black, Davis, Oldham, Reynolds, Rogers, Shubert, and Yongue. A visitors sheet is attached to these minutes.

The meeting was called to order by Representative Robert Grady. Pages were introduced: Eric Provost and Molly Seimens from Wake County and Alex Parker from California.

The purpose of today's meeting was to hear sponsors explain bills which have been assigned to the APPROPRIATIONS/Education Subcommittee. Procedure established was that, in the interest of time, only the sponsor would speak on the bill. Representative Grady announced some changes to the agenda. House Bills 979 and 1154 were removed and House Bill 1719 was added. The following bills were presented in the order given:

House Bill 1198-Savings Reserve/School Technology by Representative Reynolds.

House Bill 1719-Substitute Teacher Pay Raise by Representative Jeffus.

House Bill 1199-Monetary Incentive/Academic Excellence by Representative Shubert.

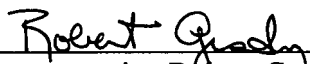
House Bill 1262-School Utility Costs Paid by the State by Representative Brown.

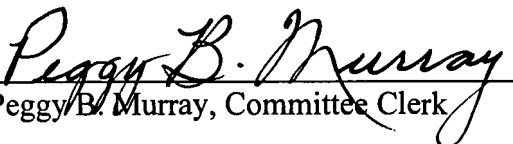
House Bill 1218-Adult/Student Ratio Reductions by Representative Black.

House Bill 399-English As a Second Language Funds by Representative Insko.

Questions and discussion followed each presentation. This completed the subcommittee's agenda and there was no further business to come before the subcommittee at this time. The meeting was adjourned at 9:40 a.m.

Respectfully submitted:


Representative Robert Grady, Co-Chair


Peggy B. Murray, Committee Clerk

**HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION
MEETING**

Wednesday, July 1, 1998

AGENDA

The following bills will be heard:

HB 399 English As a Second Language Funds	Representative Insko
HB 979 Substitute Teacher Pay Raise	Representative Jeffus
HB 1154 Safe School Plans/Accountability	Representative Black
HB 1218 Adult/Student Ratio Reductions	Representative Black
HB 1198 Savings Reserve/School Technology Fund	Representative Reynolds
HB 1199 Monetary Incentive/Academic Excellence	Representative Shubert
HB 1262 School Utility Costs Paid by State	Representative Brown

VISITOR REGISTRATION SHEET

APPROPRIATIONS Sub-Committee on Education

July 1, 1998

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

[illegible]

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 399*

Short Title: English as a Second Language/Funds.

(Public)

Sponsors: Representatives Insko, Hackney, Culp (Cosponsors); Alexander, Bonner, Cunningham, Easterling, Goodwin, Hall, Hightower, Jarrell, Jeffus, Luebke, Michaux, Moore, Mosley, Nichols, Oldham, Saunders, Wainwright, Warwick, Watson, Womble, and Yongue.

Referred to: Appropriations.

March 5, 1997

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE ENGLISH AS A SECOND LANGUAGE PROGRAM.

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to State Aid to Local School Administrative Units the sum of ten million dollars (\$10,000,000) for the 1997-98 fiscal year and the sum of ten million dollars (\$10,000,000) for the 1998-99 fiscal year to improve services for students with limited English proficiency. The State Board of Education shall allocate these funds to local school administrative units with a high percentage of students for whom English is a second language.

Section 2. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

2

HOUSE BILL 979
Committee Substitute Favorable 5/14/97

Short Title: Substitute Teacher Pay Raise.

(Public)

Sponsors:

Referred to:

April 17, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO LINK PAY RAISES FOR SUBSTITUTE TEACHERS TO PAY
3 RAISES FOR TEACHERS.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 115C-12(8) reads as rewritten:

6 "(8) Power to Make Provisions for Sick Leave and for Substitute
7 Teachers. -- The Board shall provide for sick leave with pay for all
8 public school employees in accordance with the provisions of this
9 Chapter and shall promulgate rules and regulations providing for
10 necessary substitutes on account of sick leave and other teacher
11 absences.

12 ~~The pay for a substitute shall be fixed by the Board. A~~
13 ~~substitute teacher with a teaching certificate shall be paid at the~~
14 ~~daily pay rate of a teacher with no years of experience who is paid~~
15 ~~on the 'A' certificate salary schedule. The State Board shall fix~~
16 ~~the daily rate of pay for all other substitutes.~~

17 If a teacher assistant acts as a substitute teacher, the salary of
18 the teacher assistant for the day shall be the same as the daily
19 salary of an entry-level teacher with an 'A' certificate.

20 The Board may provide to each local school administrative
21 unit not exceeding one percent (1%) of the cost of instructional
22 services for the purpose of providing substitute teachers for those

1 on sick leave as authorized by law or by regulations of the Board,
2 but not exceeding the provisions made for other State employees."

3 Section 2. There is appropriated from the General Fund to State Aid to
4 Local School Administrative Units the sum of ten million five hundred twenty-seven
5 thousand nine hundred twelve dollars (\$10,527,912) for the 1997-98 fiscal year and
6 the sum of ten million five hundred twenty-seven thousand nine hundred twelve
7 dollars (\$10,527,912) for the 1998-99 fiscal year to implement Section 1 of this act.

8 Section 3. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1997

H

2

HOUSE BILL 1154
Committee Substitute Favorable 5/14/97

Short Title: Safe School Plans/Accountability.

(Public)

Sponsors:

Referred to:

April 24, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR THE IMPLEMENTATION OF SAFE SCHOOL
3 PLANS AND TO HOLD PRINCIPALS ACCOUNTABLE FOR THE SAFETY
4 OF SCHOOLS.
5 The General Assembly of North Carolina enacts:
6 Section 1. Chapter 115C of the General Statutes is amended by adding a
7 new Article to read:
8 "ARTICLE 8C.
9 "Local Plans for Maintaining Safe and Orderly Schools.
10 "**§ 115C-105.45. Legislative findings.**
11 The General Assembly finds that all schools should be safe, secure, and orderly. If
12 students are to aim for academic excellence, it is imperative that there is a climate of
13 respect in every school and that every school is free of disruption, drugs, violence,
14 and weapons. All schools must have plans, policies, and procedures for dealing with
15 disorderly and disruptive behavior. All schools and school units must have effective
16 measures for assisting students who are at risk of academic failure or of engaging in
17 disruptive and disorderly behavior.
18 "**§ 115C-105.46. State Board of Education responsibilities.**
19 In order to implement this Article, the State Board of Education:
20 (1) Shall adopt guidelines for developing local plans under G.S. 115C-
21 105.47;
22 (2) Shall provide, in cooperation with the Board of Governors of The
23 University of North Carolina, ongoing technical assistance to the

local school administrative units in the development, implementation, and evaluation of their local plans under G.S. 115C-105.47;

(3) May require a local board of education to withhold the salary of any administrator or other employee of local school administrative units who delays or refuses to prepare and implement local safe school plans in accordance with G.S. 115C-105.47;

(4) May revoke the certificate of the superintendent, pursuant to G.S. 115C-274(c), for failure to fulfill the superintendent's duties under a local safe school plan.

"§ 115C-105.47. Local safe school plans.

(a) Each local board of education shall develop a local school administrative unit safe school plan designed to ensure that every school in the local school administrative unit is safe, secure, and orderly, that there is a climate of respect in every school, and that appropriate personal conduct is a priority for all students and all public school personnel. The board shall include parents, the school community, representatives of the community, and others in the development of this plan. The plan may be developed by or in conjunction with other committees.

(b) Each plan shall include each of the following components:

(1) Clear statements of the standard of behavior expected of students at different grade levels and of school personnel and clear statements of the consequences that will result from one or more violations of those standards.

(2) A clear statement of the responsibility of the superintendent for coordinating the adoption and the implementation of the plan, evaluating principals' performance regarding school safety, monitoring and evaluating the implementation of safety plans at the school-level, and coordinating with local law enforcement and court officials appropriate aspects of implementation of the plan. The statement of responsibility shall provide appropriate disciplinary consequences that may occur if the superintendent fails to carry out these responsibilities, including a reprimand in the superintendent's personnel file and withholding of the superintendent's salary.

(3) A clear statement of the responsibility of the school principal for restoring, if necessary, and maintaining a safe, secure, and orderly school environment and of the consequences that may occur if the principal fails to meet that responsibility. The principal's duties shall include exhibiting appropriate leadership for school personnel and students, providing for alternative placements for students who are seriously disruptive, reporting all criminal acts pursuant to G.S. 115C-288(g), and providing appropriate disciplinary consequences for disruptive students. The consequences to the principal that may occur shall include a reprimand in the principal's personnel

- 1 file, disciplinary proceedings under G.S. 115C-325 for principals
2 who hold career status, and disciplinary proceedings under the
3 principal's contract for principals who are under contract.
4 (4) Clear statements of the roles of other administrators, teachers, and
5 other school personnel in restoring, if necessary, and maintaining a
6 safe, secure, and orderly school environment.
7 (5) Procedures for identifying and serving the needs of students who
8 are at risk of academic failure or of engaging in disruptive or
9 disorderly behavior.
10 (6) Mechanisms for assessing the needs of disruptive and disorderly
11 students, providing them with services to assist them in achieving
12 academically and in modifying their behavior, and removing them
13 from the classroom when necessary.
14 (7) Measurable objectives for improving school safety and order.
15 (8) Measures of the effectiveness of efforts to assist students at risk of
16 academic failure or of engaging in disorderly or disruptive
17 behavior.
18 (9) Professional development clearly matched to the goals and
19 objectives of the plan.
20 (10) A plan to work effectively with local law enforcement officials and
21 court officials to ensure that schools are safe and laws are enforced.
22 (11) A plan to provide access to information to the school community,
23 parents, and representatives of the local community on the ongoing
24 implementation of the local plan, monitoring of the local plan, and
25 the integration of educational and other services for students into
26 the total school program.
27 (12) The name and role description of the person responsible for
28 implementation of the plan.
29 (13) Direction to school improvement teams within the local school
30 administrative unit to consider the special conditions at their
31 schools and to incorporate into their local school improvement
32 plans the appropriate components of the local plan for maintaining
33 safe and orderly schools.
34 (14) Any other information the local board considers necessary or
35 appropriate to implement this Article.

36 (c) Upon its approval of the plan developed under this section, the local board
37 shall submit the plan to the State Board of Education for its review and comments.
38 The local board shall consider the comments it receives from the State Board before
39 it implements the plan.

40 (d) The local board may amend the plan as often as it considers necessary or
41 appropriate. Any changes to a plan may be submitted to the State Board of
42 Education for its review and comments."

43 Section 2. The State Board of Education shall develop a plan to reward
44 school principals for improving school safety and school climate. The Board shall

1 report this plan, along with any recommended statutory changes, to the Joint
2 Legislative Education Oversight Committee by April 15, 1998.

3 Section 3. There is appropriated from the General Fund to the State
4 Board of Education the sum of fifty thousand dollars (\$50,000) for the 1997-98 fiscal
5 year and the sum of fifty thousand dollars (\$50,000) for the 1998-99 fiscal year for the
6 development of guidelines for local safe school plans and for providing technical
7 assistance to local school administrative units, in accordance with G.S. 115C-105.46,
8 as enacted in Section 1 of this act.

9 Section 4. This act becomes effective July 1, 1997. Local boards of
10 education shall begin implementation of local safe school plans developed under
11 Section 1 of this act by the beginning of the 1998-99 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1218

Short Title: Adult/Student Ratio Reductions.

(Public)

Sponsors: Representatives Black; Alexander, Baddour, Beall, Bonner, Boyd-McIntyre, Braswell, Church, Cole, Culpepper, Dedmon, Earle, Goodwin, Grady, Hensley, Hightower, Hill, H. Hunter, R. Hunter, Hurley, Insko, Jeffus, Luebke, McAllister, Michaux, Miller, Moore, Mosley, Nye, Oldham, Preston, Ramsey, Redwine, Rogers, Saunders, Smith, Sutton, Tolson, Wainwright, Warner, Warwick, Watson, Wilkins, Womble, Wright, and Yongue.

Referred to: Appropriations.

May 5, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO REDUCE THE ADULT/STUDENT
3 RATIO IN KINDERGARTEN THROUGH THIRD GRADE.

4 The General Assembly of North Carolina enacts:

5 Section 1. There is appropriated from the General Fund to State Aid to
6 Local School Administrative Units the sum of twenty-six million one hundred forty
7 thousand four hundred seventy-one dollars (\$26,140,471) for the 1997-98 fiscal year
8 and the sum of twenty-six million one hundred forty thousand four hundred seventy-
9 one dollars (\$26,140,471) for the 1998-99 fiscal year to reduce the adult-student ratio
10 in kindergarten through third grade to one teacher assistant and one teacher to 23 or
11 fewer students. The maximum allowable ratio of teacher assistants to students in
12 kindergarten through third grade is one teacher assistant to 26 students.

13 Section 2. G.S. 115C-301(c) reads as rewritten:

14 "(c) Maximum Class Size. -- The average class size for each grade span in a local
15 school administrative unit shall at no time exceed the funded allotment ratio of
16 teachers and teacher assistants to students. At the end of the second school month
17 and for the remainder of the school year, the size of an individual class shall not
18 exceed the allotment ratio by more than three students. At no time may the General
19 Assembly appropriate funds for higher unit-wide class averages than those for which

1 State funds were provided during the 1984-85 school year. The State Board of
2 Education shall report prior to January 1 and prior to July 1 of each year to the Joint
3 Legislative Education Oversight Committee on each class that exceeded the funded
4 allotment ratio of teachers and teacher assistants to students, regardless of whether a
5 waiver was needed or granted for the higher class size."

6 Section 3. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1198

Short Title: Savings Reserve/School Tech. Fund.

(Public)

Sponsors: Representatives Reynolds, Shubert; and Clary.

Referred to: Education, if favorable, Appropriations.

May 1, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO TRANSFER THE INTEREST ACCUMULATED EACH QUARTER
3 BY THE SAVINGS RESERVE ACCOUNT TO THE SCHOOL TECHNOLOGY
4 FUND AND TO APPROPRIATE FUNDS FOR THE SCHOOL TECHNOLOGY
5 FUND.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 143-15.3 is amended by adding a new subsection to read:

8 "(c) At the end of each fiscal quarter, the State Controller shall transfer the
9 interest accumulated by the Savings Reserve Account to the School Technology Fund
10 established by G.S. 115C-102.6D."

11 Section 2. There is appropriated from the General Fund to the School
12 Technology Fund established by G.S. 115C-102.6D the sum of two million dollars
13 (\$2,000,000) for the 1997-98 fiscal year.

14 Section 3. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

2

HOUSE BILL 1199
Committee Substitute Favorable 5/22/97

Short Title: Monetary Incentive/Acad. Excellence.

(Public)

Sponsors:

Referred to:

May 1, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE MONETARY INCENTIVES FOR ACADEMIC
3 EXCELLENCE.

4 The General Assembly of North Carolina enacts:

5 Section 1. Chapter 115C of the General Statutes is amended by adding a
6 new Article to read:

7 "ARTICLE 35A.

8 "State Funds to Encourage Academic Excellence.

9 "§ 115C-496. State funds to pay advancement costs.

10 Since it is the desire of the State to encourage academic excellence and to
11 encourage high school students to take more demanding classes, the State Board of
12 Education shall pay the cost of the Advanced Placement exam for any student who
13 takes and completes an Advanced Placement class with a passing grade.

14 "§ 115C-496.1. Funds prorated for part-time students attending high school.

15 The State Board of Education shall include students who are enrolled in a public
16 high school but attend classes for less than one-half of the instructional day when
17 calculating the average daily membership for a local school administrative unit. The
18 State Board shall use funds available from the Public School Fund to allocate to the
19 local school administrative unit an appropriate pro rata amount for these part time
20 students.

21 "§ 115C-496.2. State pays tuition for high school student taking college classes.

22 Notwithstanding any other provision of law, if a student who is eligible to attend a
23 public high school completes the student's high school course requirements prior to

1 completing 12 years of schooling (not including kindergarten and prekindergarten if
2 applicable) and enrolls in a college level class or classes at an institution of higher
3 education, the State Board of Education shall pay for the student's tuition at the
4 institution of higher education. The amount set aside for payment of tuition shall be
5 the amount that would have been allocated to the local school administrative unit for
6 the student to complete 12 years of schooling (not including kindergarten and
7 prekindergarten if applicable) in the public schools. These funds may be used to pay
8 tuition at any nationally or regionally accredited institution of higher education that
9 the student may choose to attend for up to four years of instruction. Funds set aside
10 but not expended for the payment of tuition shall not revert during the four years of
11 instruction.

12 Should a student not complete all high school graduation requirements but be
13 advanced in certain subjects to the point that university or community college courses
14 would be more beneficial than those available at the student's high school, the
15 normal allotment to the local school administrative unit shall be apportioned based
16 upon the amount of instructional time taken in the local school administrative unit
17 and the local school administrative unit shall receive funds for the portion of the day
18 that the student attends class in the public school. The balance of the funds shall be
19 used to pay tuition at an institution of higher education to the extent that funds are
20 available after payment to the local school administrative unit."

21 Section 2. There is appropriated from the General Fund to the State
22 Board of Education the sum of four million six hundred eighty-seven thousand two
23 hundred twelve dollars (\$4,687,212) for the 1997-98 fiscal year and the sum of four
24 million nine hundred seventy-four thousand six hundred forty dollars (\$4,974,640) for
25 the 1998-99 fiscal year to assist with the costs of taking the Advanced Placement tests,
26 including the costs of the exams, materials and supplies for the exam, and the
27 education of teachers who instruct and prepare students for the exam.

28 Section 3. Except as provided otherwise, this act becomes effective July
29 1, 1997. G.S. 115C-496.1 and G.S. 115C-496.2 shall become effective July 1, 1998.
30 The State Board of Education shall develop policies for implementing this act.

GENERAL ASSEMBLY OF NORTH CAROLINA
EXTRA SESSION 1998

H

1

HOUSE BILL 1262

Short Title: School Utility Costs Paid by State.

(Public)

Sponsors: Representatives Brown; Davis, Goodwin, Hiatt, Moore, Morris, Sexton,
Watson, and G. Wilson.

Referred to: Appropriations.

May 13, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR SCHOOL UTILITY COSTS.

3 The General Assembly of North Carolina enacts:

4 Section 1. G.S. 115C-408(b) reads as rewritten:

5 "(b) To insure a quality education for every child in North Carolina, and to assure
6 that the necessary resources are provided, it is the policy of the State of North
7 Carolina to provide from State revenue sources the instructional expenses and utility
8 expenses for current operations of the public school system as defined in the standard
9 course of study.

10 It is the policy of the State of North Carolina that the facilities requirements for a
11 public education system will be met by county governments.

12 It is the intent of the 1983 General Assembly to further clarify and delineate the
13 specific financial responsibilities for the public schools to be borne by State and local
14 governments."

15 Section 2. There is appropriated from the General Fund to State Aid to
16 Local School Administrative Units the sum of one hundred fifty-eight million four
17 hundred seventy-five thousand three hundred fifty-one dollars (\$158,475,351) for the
18 1998-99 fiscal year for school utility costs.

19 Section 3. This act becomes effective July 1, 1998.

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Thursday, July 2, 1998

MINUTES

The House Appropriations Subcommittee on Education met on Thursday, July 2, 1998, at 8:30 a.m. in Room 421 of the Legislative Office Building.

Members present were Representatives Arnold, Grady and Preston, Co-chairs; Representatives Davis, Oldham, Reynolds, Rogers, Shubert Wood and Yongue.

Representative Preston called the meeting to order. The House pages, Laura Anderson of Edgecombe County, sponsored by Representative Joe Tolson and Audrey Bowerman of Wake County sponsored, by Representative Julia Howard.

Agenda items to be heard today was an explanation of the Education Section of Senate Bill 1366 (Senate Appropriations Bill) and Special Provisions by the Senate Report Committee.

Charlotte Todd of the Fiscal Research staff was recognized to review the Community College Budget and Special Provisions.

Questions and discussion followed this presentation.

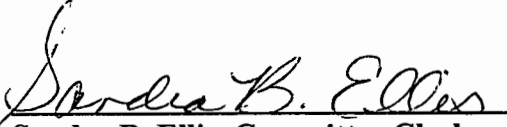
Representative Preston next recognized Jim Newlin of the Fiscal Research staff for review of the University System portion of Senate Bill 1366.

Questions and discussion followed this presentation.

The meeting was adjourned to meet again on Tuesday, July 7, to continue discussion on the agenda items.

Respectfully submitted:


Representative Jean R. Preston, Co-Chair


Sandra B. Ellis, Committee Clerk

**HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
EDUCATION**

**JULY 2, 1998
AGENDA**

Call to Order

Representative Jean Preston, Presiding

Explanation of Education Section of Senate Bill 1366 (Senate Appropriations Bill)

A. Community Colleges	Charlotte Todd
B. University System	Jim Newlin
C. Public Schools	Jim Johnson

APPROPRIATIONS/Subcommittee on Education
1997 - 98
HOUSE MEMBERS

11-2-98

MEMBER	TELEPHONE	OFFICE	SEAT	CLERK
✓ G. Arnold, Co-Chairman	3-5747 919-443-1073(H)	535 Fax: 919-443-1073*51	54	Kara McKoy
✓ R. Grady, Co-Chairman	5-3024 910-353-3579(B)	402	37	Peggy Murray
✓ J. Preston, Co-Chairman	5-3026 910-354-6993	403 Fax: 919-354-5118	38	Sandra Ellis
J. Black	5-4946 704-847-9938(H) 704-377-5936(B)	1229 Fax: 704-375-4003	31	Jean Mims
✓ D. Davis	5-3003 910-897-7282(H) 910-892-1841(B)	419C Fax: 910-997-8910	89	Audrey Johnson
✓ P. Oldham	3-5877 910-767-6936(H)	538 Fax: 910-767-7035	58	Delta Prince
✓ D. Reynolds	3-5820 910-578-9541	533	76	
✓ G. Rogers	5-3023 919-792-4245(H) 919-792-6354(B)	416A	35	Sally Gillis
✓ F. Shubert	3-5771 704-624-3519(H) 704-624-2720(B)	2119	64	Dawn Ellis
✓ D. Yongue	3-5823 910-276-1727(H)	1305 Fax: 910-276-1727	94	Jenny Umstead

J. Johnson
J. Newlin
C. Todd

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education Thursday, July 2, 1998 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Debra Ross	ALHA
Thad Dicks	NCAE
Rice Wilson	NCAE
Stephanie Summerson	NCTCDC
Carrie Altman	NC Office Science & Tech.
Ann Duncan	WGR
David Brown	OSBM
Kennon Briggs	DECC8
Hal Miller	NCACCT
Maurice Kuj	OSBM
W O McCoy	UNC - da
Clifton M. Calfe	'1

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education Thursday, July 2, 1998 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Amy Van Oostum	PENC
Jennifer R. Hogan	UNC-GA
Richard (Pete) Andrews	UNC-CH
Ann Berlam	SBE
Piper Nieters	SBE
Tim McLaughlin	NCALU
Gene Causby	E- EBC
Elizabeth Groenewegen	OSBM
Janet Pittard	OSBM
Jan Kratts	NCASA
Exterius Davis	Electricities of NC
Joan Harris	WCPSS

Date**FIRM OR AGENCY AND ADDRESS**[illegible]

Public Education

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$4,493,194,418

Budget Changes

ABC Program

1 ABC Bonus Awards 1997-98

Provide additional funds to pay the projected ABC bonus awards for FY1997-98. \$17,118,003 was earmarked from 1997-98 excess reversions.

\$0 NR

2 ABC Bonus Awards

Provide funds to pay the projected ABC bonus awards for FY1998-99.

\$98,480,985 NR

3 ABC Accountability

Provide funds to the State Board of Education to pay for existing end-of-grade and end-of-course tests authorized by the Board and the General Assembly. To begin pilot test for alternative assessments for exceptional children as required by federal law.

\$2,000,000 NR

4 Assistance to Low Performing and At Risk Schools

Funds to assist low performing and at risk schools.

\$2,000,000 NR

Excellent Schools Act

5 Increase Teacher Salaries

Implement the second year of the new teacher salary schedules called for in the Excellent Schools Act. North Carolina's goal is to increase teacher salaries to the national average. \$192,943,537 in recurring funds are located in the Compensation Reserves for this purpose.

\$0 R

6 Teacher Longevity: 1997-98 Salary Increases

Appropriate funds to fund teacher longevity increases associated with the FY1998-99 salary increases that are a part of the Excellent Schools Act.

\$3,254,624 R

7 Additional Pay for Extra Duties

Provide additional funds for teachers in low performing and at-risk schools. These funds will be used to pay for extra duties, student remediation and other teacher activities that lead to improved student performance. A portion of the nonrecurring funds may also be used for additional pay teachers who are a part of local assessment teams.

\$12,405,561 R
\$3,160,454 NR

Senate Subcommittee on Education

8 Extend Mentors to Second Year Teachers

Extend mentors to teachers who had mentors during their first year of teaching. Also provide mentors to instructional support personnel who are in their first year and who were not previously teachers.

\$5,473,776 NR

9 Extra Pay for Forfeited Vacation Days

Provide additional funds to pay for forfeited teacher vacation days if the teacher is required to work on an optional teacher workday, and did not have the opportunity to take vacation at another time.

\$4,250,000 R

Improving Student Performance

10 Funds for Limited Proficiency in English Students

Provide funds to school systems with students who have limited proficiency in English.

\$5,000,000 NR

11 School Technology Funds

Increase School Technology Funds. An additional \$4,700,000 was earmarked from 1997-98 excess reversions.

\$5,300,000 NR

12 Small School Supplemental Funding

Provide additional fund for Small School Supplemental Funding.

\$3,000,000 NR

13 Advanced Placement and International Baccalaureate

Provide funds for pay for advanced placement examinations and international baccalaureate examinations. Funds also may be used for staff development costs for teachers.

\$2,846,195 NR

14 A+ Schools

Provides funds to continue the A+ Schools program.

\$500,000 NR

15 Global Curriculum Funds

Provide funds to continue the Global Curriculum program.

\$150,000 NR

16 Total Quality Education

Provides funds to continue and to expand the Total Quality Education program.

\$650,000 NR

17 School Leadership Pilot Funds

Funds to the State Board of Education for a school leadership pilot project in two school districts. The school districts will participate in the nationwide program of the Center for Leadership in School Reform.

\$200,000 NR

Public Instruction

18 Additional Certification Specialists

Provide \$160,000 through receipts to increase the number of certification specialists in the Department of Public Instruction.

\$0 R

Senate Subcommittee on Education

19 Charter School Administration Funds	\$491,209	R
Provide funds to the State Board of Education and the Local Government Commission to provide administrative support audit support for charter schools.		
20 Student Information System	\$1,000,000	NR
Funds to begin the replacement of the Student Information System (SIMS)		
Teacher Development		
21 Teaching Fellows Program	\$2,400,000	R
Funds to increase the North Carolina Teaching Fellows scholarship from \$5,000 per year to \$6,500 per year.		
22 National Board for Professional Teaching Standards	\$2,261,588	NR
Provide funds to pay for North Carolina teachers to take the assessment established by the National Board for Professional Teaching Standards and for leave days to prepare for the assessment.		
23 Teacher Evaluation Instruments	\$500,000	NR
Funds to the State Board of Education to develop and validate a new teacher performance appraisal instrument.		
Various Budget Adjustments		
24 Funding for Increases in Average Daily Membership	\$26,553,765	R
Provide funding for additional increases in average daily membership in FY1998-99.		
25 Longevity Increases	\$0	NR
Appropriate funds to fund teacher longevity increases associated with the FY1997-98 salary increases that were a part of the Excellent Schools Act. \$9,010,274 was earmarked from 1997-98 excess reversions		
26 Mentor Teachers	\$9,235,124	NR
Provide full funding for mentor teachers to first year teachers or instructional support personnel who were not previously teachers.		
27 Average Annual Salary Adjustment	(\$35,525,769)	R
Annual adjustment in average salaries of certified personnel to reflect actual experience through December 1997.		
28 School Bus Purchases	(\$24,199,403)	R
Purchase new school buses from nonrecurring funds. \$24,199,403 was earmarked from 1997-98 excess reversions.		

Senate Subcommittee on Education

Budget Changes	(\$10,370,013)	R
	\$141,758,122	NR
Total Position Changes		
Revised Total Budget	\$4,624,582,527	

UNC System

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$1,455,260,484

Budget Changes

A. UNC Campuses

29 Base Budget Reductions	(\$1,502,974)	R
Reduce each budget code by 0.1%		
30 New Facility Reserves	\$128,778	R
Adjust reserves for new buildings based on estimated completion dates.	(\$952,617)	NR
31 Utilities Reductions	(\$800,938)	R
Reduce utilities increases based on recent expenditures		
32 Span of Control Study	(\$3,595,609)	R
Board of Governors is directed to use span of control study to improve efficiency of campuses' operations.		

B. Schedule of Priorities

33 Enrollment Growth	\$13,730,338	R
Provide for growth of 1,100 additional students, reduced tuition receipts because of shift to more in-state students, and to implement new formula for enrollment changes.		
34 Enrollment: Distance Learning & Off-Campus Degrees	\$13,019,005	R
Provides funding for courses offered off-campus in order to increase access and to provide for increased capacity, based on projections of substantial enrollment growth.		
A. Total Request	\$13,636,958	
B. Less Transfers from Cooperative PhD. Programs	\$(253,929)	
C. Eliminate on-campus undergraduate bonus factors	\$(364,024)	
D. Net Appropriation	\$13,019,005	
35 Information Technology	\$4,500,000	R
Funds for Computing and Technology to improve effectiveness of teaching and learning, service, and cost effectiveness	\$15,000,000	NR
36 Libraries		
Improve library resources for constituent institutions.	\$10,000,000	NR

Senate Subcommittee on Education

37 University Outreach to the Public Schools: A.		
School Services Matching Incentive Grant Program	\$975,000	NR
Funds for campuses to create partnerships with local school systems to extend UNC services to public schools.		
38 University Outreach to the Public Schools: B.	\$480,000	R
Principal Fellows Program		
Increase the number of fellows in the first year class from 76 to 100.		
39 University Outreach to the Public Schools: C.		
Reading Together	\$300,000	NR
Additional General Fund support for this pilot program at UNC-Greensboro.		
40 University Outreach to the Public Schools: D		
Learning Link: UNC TV Electronic Educational Community	\$535,500	NR
Improvements in interactive on-line service to public schools, linking University resources of all campuses to public school teachers		
41 Graduate Education and Research	\$8,000,000	R
Provide additional support for graduate teaching and research assistants		
42 Distinguished Professors Endowment Trust Fund		
Additional state matching funds for program to increase endowed funding for faculty chairs.	\$5,600,000	NR
43 Inter-Institutional Programs		
Manufacturing Extension Partnership	\$900,000	NR
Continue state matching funds for federal grant to provide engineering services to small manufacturers in NC.		
C. Agricultural Programs		
44 Agricultural Enhancement	\$1,400,000	R
Provide increased support for non-salary operating costs in the Agricultural Research and Cooperative Extension programs at NC State.		
45 Pfiesteria Research	\$600,000	R
Provide operating funds to establish a Center for Applied Aquatic Ecology at NC State to facilitate research on toxic microorganisms	\$1,000,000	NR
46 Matching Funds for Agricultural Grants		
Provide funds to Agricultural Programs at NC Agricultural and Technical State University to match federal grants.	\$500,000	NR
47 Turfgrass Research		
Funds to continue turfgrass research projects at NC State University	\$500,000	NR

Senate Subcommittee on Education

D. Related Educational Programs

48 Aid to Students Attending Private Colleges	\$7,248,986	R
Provides funding for increases in Legislative Tuition Grants (from \$1,450 to \$1,600 per year) and for need-based scholarship funds (from \$750 to \$900 per NC FTE per year).		

E. Other Programs

49 East Carolina Doctoral II Classification	\$2,000,000	R
Provides partial funding to recognize need to increase support to East Carolina, recently designated as a Doctoral II University.		
50 Poultry Research	\$100,000	R
Funding for research in new and emerging diseases affecting the poultry industry. Funds are to be allocated to the College of Veterinary Medicine at NC State.		
51 Center for Global Business Education and Research	\$60,000	NR
Funds for UNC-Greensboro to provide support services for volunteer group of organizations interested in world trade		
52 Leadership NC	\$75,000	NR
Funds to support non-state training program serving 40 to 50 participants per year		
53 Teacher Academy	\$500,000	NR
Funds to increase the number of programs offered in technology and literacy.		
54 Learn NC	\$1,000,000	R
Funding to expand efforts of UNC-Chapel Hill to provide services to public school teachers across the state.		
55 Institute of Medicine	\$400,000	NR
Grant-in-aid funds for this Institute		
56 Fiber Optic Infrastructure	\$2,000,000	NR
Funds to complete payment of fiber optic infrastructure installed at NC Central University		
57 Oyster Research	\$300,000	NR
Funds for the Institute of Marine Science at UNC-CH for study of sustainable oyster aquaculture.		

Budget Changes	\$46,307,586	R
	\$37,692,883	NR
Total Position Changes		
Revised Total Budget	\$1,539,260,953	

Community Colleges

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$504,200,909

Budget Changes

58 Enrollment	\$2,000,000	R
Funds additional enrollment growth in the community college system.		
59 Technology	\$9,000,000	R
Provides colleges recurring funds for management information technology staff, non-recurring funds for the purchase and development of software, and recurring funds for Department staff to provide computer and construction technical assistance to colleges as well as SIPS charges and other computer related costs.	\$1,000,000	NR
	12.00	
60 Equipment and Books	\$9,000,000	NR
Provides the same level of equipment and book funds to the community college system as it received in the prior fiscal year.		
61 Equipment Reserve	\$21,200,000	NR
Creates a non-reverting equipment reserve fund to assist community colleges in meeting their backlog of equipment needs as documented in the Phase 3 Funding Study report to the State Board of Community Colleges.		
62 Multi-Campus Funds	\$1,000,000	R
Provides an equal amount of supplemental funding to those multi-campus college sites operated on an annual basis approved and recommended this year by the State Board of Community Colleges to the General Assembly. Sites operating less than a full year shall receive a pro rata share for the 1998-99 fiscal year.		
63 Center for Applied Textile Technology	\$225,000	R
Expands the operating budget of the Center for Applied Textile Technology.		
64 Center for Applied Textile Technology	\$300,000	NR
A grant-in-aid for operations at the Center for Applied Textile Technology.		
65 Operations and Maintenance of Plant Funds	\$313,668	R
Restores the reduction in the operations and maintenance of plant funds to Central Carolina Community College and Southwestern Community College.		

Senate Subcommittee on Education

66 Public Radio Station Funds	\$10,000	R
Provides \$5,000 to each of the Community College System's two public radio stations.		
67 Prison Program Start-Up Funds-Pamlico CC	\$500,000	NR
Provides funds to allow Pamlico Community College to start new prison education programs.		
68 Reduction in Human Resources Development Program	(\$92,904)	R
Reduces the Human Resources Development (HRD) program as recommended by the Governor.		
69 Worker's Compensation Adjustment	(\$121,731)	R
Accepts the Governor's reduction in the Department's Worker Compensation budget.		
70 Departmental Reductions	(\$57,660)	R
Reduces the Department's budget as recommended by the Governor in the warehouse rent line and vacant program assistant position.		
	-1.00	
71 MCC Matching Scholarship Endowment Funds	\$500,000	NR
Provides matching scholarship endowment funds for Montgomery Community College Foundation, Inc.		
Budget Changes	\$12,276,373	R
	\$32,500,000	NR
Total Position Changes	11.00	
Revised Total Budget	\$548,977,282	

Statewide Reserves

FY 98-99

1 Salary Compensation Reserves		\$341,871,828	R
Public Schools			
Raise Average Teacher Salary (6.5%)	\$192,943,537		
Principals & Asst. Principals (8.7%)	\$ 18,437,996		
Other Public School Employees (3%)	\$ 24,552,564		
Subtotal	\$235,934,097		
Community Colleges (3%)	\$ 14,641,536		
University Employees			
EPA Employees (3%)	\$ 25,548,463		
School of Science & Math (6.5%)	\$ 212,953		
Subtotal	\$ 25,761,416		
SPA Employees			
University SPA Employees (2% + 1%)	\$ 12,368,250		
Agency & Department SPA (2% + 1%)	\$ 43,089,837		
Subtotal	\$ 55,458,087		
Other State Employees (3%)	\$ 7,912,764		
Agency Teachers (6.5%)	\$ 2,163,928		
2 Reserve for 1% Compensation Bonus		\$43,171,138	NR
3 Reduce Funds for Retirement Rate Adjustment			
Due to Actuarial Gains in the Teacher's and State Employees' Retirement System		(\$42,909,070)	NR
4 Reduce Funds for Retirement Rate Adjustment			
Due to actuarial gains in the Consolidated Judicial Retirement System		(\$1,472,800)	NR
5 Debt Service		(\$9,661,426)	R
Reduction due to revised requirements for principal and interest payments		(\$4,518,148)	NR
6 Reserve for Juvenile Justice Initiative		\$4,133,295	R
		\$13,214,192	NR
7 Reserve for Travel Rate Increase for State Employees		\$1,000,000	NR

Senate Reserves Report

8 Global Trans Park Reserve

\$5,325,000 NR

Total Reserves

\$336,343,697 R

\$13,810,312 NR

2

Statewide Capital

FY 98-99

Administration

1 Reserve for State Veterans Nursing Home-Salisbury

Renovation of a 100-bed nursing care unit

\$1,000,000 NR

Agriculture and Consumer Services

2 N.C. State Fair

Conservation Education Center-Design

\$500,000 NR

3 Eastern Agriculture Center

Funds for continued development including Parking, Paving, and a Covered Walkway

\$1,000,000 NR

4 Southeastern Farmers Market and Agriculture Center

Continued Development

\$500,000 NR

5 Union County Equine Facility-Planning

\$1,000,000 NR

6 Umstead Farm Unit

Authorizes the department to use timber receipts for FY 98-99 for the construction of nutrition and animal care facilities at the Umstead Farm Unit in Butner.

Total Requirements	\$533,000
Less Receipts	(533,000)

Appropriation	\$ 0

Community Colleges

7 Center for Applied Textile Technology

Center for Applied Textile Technology Lab and Administration Building

\$2,000,000 NR

8 Fayetteville Technical Community College

Funds to construct the Model Early Childhood Education Center

\$3,000,000 NR

Senate Capital Report

Correction

9 Central Prison-Acute Care Hospital

Design of a new 90-bed facility

\$2,500,000 NR

Cultural Resources

10 Museum of Art-Expansion and Renovation

Design Funds

\$2,400,000 NR

11 Museum of the Albemarle-New Building

Site preparation and beginning construction

\$7,000,000 NR

Environment and Natural Resources

12 State Match-Water Resources Projects

Funds for the state share of federal civil works projects

\$7,300,000 NR

13 Construction/Renovation of Aquariums

Funds to complete Roanoke Island facility and to do site development at Pine Knoll Shores and Fort Fisher facilities

\$3,750,000 NR

14 Central Piedmont Aquarium-Planning

\$500,000 NR

15 Land Acquisition-Jocassee Lake-Transylvania County

Purchase land adjacent to Jocassee Lake to be preserved as a park, recreational, and scenic areas

\$5,000,000 NR

16 Detoxification of PCB Landfill in Warren County

\$3,000,000 NR

17 Channel Widening/Deepening-Wilmington Port

To improve navigation for shipping terminals and industries.

\$4,800,000 NR

Health and Human Services

18 Eastern School for the Deaf

Construction of 11,000 sq. ft. Independent Living Complex in Wilson

\$1,040,000 NR

19 Cherry Hospital/Children and Youth Facility

Replace an existing building which no longer meets federal standards

\$5,000,000 NR

Senate Capital Report

20 New Whitaker School-Planning

Planning for a 33-bed facility

\$250,000 NR

21 Eastern Vocational Rehabilitation Facility/Goldsboro

Purchase an existing building for the expansion of the Traumatic Brain Injured Program

\$300,000 NR

State Ports

22 Reserve for Continued Development of State Ports

Continued development of the state ports at Wilmington and Morehead City

\$2,000,000 NR

University of North Carolina-Board of Governors

23 East Carolina University

Science Laboratories and Technology Building-Site Development

\$3,200,000 NR

24 East Carolina University

Multipurpose Center-Matching Funds

\$2,000,000 NR

25 Elizabeth City State University

To complete Fine Arts and Mass Communications Building

\$948,600 NR

26 Fayetteville State University

Fine Arts and General Classroom Facility-Site Development

\$1,000,000 NR

27 North Carolina A&T State University

Campus Security Improvements

\$1,450,000 NR

28 North Carolina Central University

Health and Safety Repairs and Renovations

\$2,000,000 NR

29 School of the Arts

Basic Education Complex-Planning

\$800,000 NR

30 School of the Arts

Filmmaking Office/Classroom Post Production Complex

\$300,000 NR

31 North Carolina State University

Toxicology Building-Construction

\$13,806,100 NR

Senate Capital Report

32 North Carolina State University		
Engineering Instructional Facility-Advanced Planning	\$5,000,000	NR
33 North Carolina State University		
Upfit and Equip Center for Marine Science and Technology Building	\$2,400,000	NR
34 North Carolina State University		
Polk House-Funds to relocate and renovate	\$600,000	NR
35 North Carolina State University		
Raulston Arboretum Education Center	\$3,400,000	NR
36 UNC-Asheville		
Higsmith Center Renovation and Addition-Planning	\$1,000,000	NR
37 UNC-Chapel Hill		
R.B. House Library-Renovation	\$9,332,700	NR
38 UNC-Chapel Hill		
Medical Biomolecular Research Building-Site Development	\$6,000,000	NR
39 UNC-Chapel Hill		
Paul Green Theater	\$1,000,000	NR
40 UNC-Chapel Hill		
Additional renovations of Memorial Hall-Planning	\$1,000,000	NR
41 UNC-Chapel Hill		
Addition and renovation of the Knapp Building	\$6,570,600	NR
42 UNC-General Administration		
School Leadership Academy	\$2,000,000	NR
43 UNC-Charlotte		
Academic Facilities-Humanities-Site Development	\$3,000,000	NR
44 UNC-Charlotte		
Academic Facilities-Sciences-Planning	\$2,000,000	NR
45 UNC-Greensboro		
Science Instructional Building-Site Development	\$7,700,000	NR

Senate Capital Report

46 UNC-Pembroke

Regional Center for Economic, Professional and Community Development-
Planning

\$700,000 NR

47 Western Carolina University

Fine and Performing Arts Center-Site Development

\$2,500,000 NR

48 Winston-Salem State University

Computer Science Facility-Planning

\$700,000 NR

49 UNC-Public Television

Advanced Planning, Conversion to Digital TV

\$1,100,000 NR

Total Capital Appropriation

\$135,348,000 NR

EDUCATION SPECIAL PROVISIONS

1 Requested by: Senators Plyler, Perdue, Odom

2 **ALLOCATIONS FOR PUBLIC SCHOOLS**

3 Section 9. (a) There is appropriated from 1997-88 General Fund over-
4 collections the sum of fifty-five million dollars (~~\$55,000,000~~) which shall be used as
5 follows: ^{55,027,680}

- 6 (1) \$17,118,003 to fulfill the State's obligations to public school
7 employees who qualified for performance bonuses for the 1997-98
8 school year under the ABC's of Public Education Program;
9 (2) \$9,010,274 to fulfill the State's obligations to public school teachers
10 who qualified for longevity payments for the 1997-98 school year;
11 (3) \$24,199,403 to permit the State Board of Education to order school
12 buses needed for the 1998-99 school year; and
13 (4) \$4,700,000 for the State School Technology Fund to provide
14 additional school technology funds prior to the beginning of the
15 1998-99 school year.

16 (b) This section shall not become effective if the allocations in subsection
17 (a) of this section are enacted in other legislation by the 1997 General Assembly.

1 **CODE NO. 98DPI-S001-P**

2 Requested by: Senators Winner, Lee, Plyler, Perdue, Odom

3 **TEACHER SALARY SCHEDULES**

4 Section 9.1. (a) Effective for the 1998-99 school year, the Director of the
5 Budget may transfer from the Reserve for Compensation Increase for the 1998-99
6 fiscal year funds necessary to implement the teacher salary schedule set out in
7 subsection (b) of this section, including funds for the employer's retirement and social
8 security contributions and funds for annual longevity payments at one percent (1%)
9 of base salary for 10 to 14 years of State service, one and one-half percent (1.5%) of
10 base salary for 15 to 19 years of State service, two percent (2%) of base salary for 20
11 to 24 years of State service, and four and one-half percent (4.5%) of base salary for
12 25 or more years of State service, commencing July 1, 1998, for all teachers whose
13 salaries are supported from the State's General Fund. These funds shall be allocated
14 to individuals according to rules adopted by the State Board of Education and the
15 Superintendent of Public Instruction. The longevity payment shall be paid in a lump
16 sum once a year.

17 (b)(1) For the 1998-99 school year, the following monthly salary
18 schedules shall apply to certified personnel of the public schools
19 who are classified as teachers. The schedule contains 30 steps with
20 each step corresponding to one year of teaching experience.
21

22 1998-99 Monthly Salary Schedule
23 "A" Teachers

24	25 Years of	26 "A"	27 NBPTS
28	29 Experience	30 Teachers	31 Certification
32	0	2,310	N/A
33	1	2,352	N/A
34	2	2,395	N/A
35	3	2,551	2,857
36	4	2,678	2,999
37	5	2,779	3,112
38	6	2,826	3,165
39	7	2,874	3,218
40	8	2,923	3,273
41	9	2,972	3,328
42	10	3,021	3,383
43	11	3,071	3,439
44	12	3,123	3,497
45	13	3,176	3,557
46	14	3,230	3,617
47	15	3,285	3,679
48	16	3,341	3,741
49	17	3,398	3,805
50	18	3,456	3,870
51	19	3,516	3,937
52	20	3,577	4,006
53	21	3,640	4,076
	22	3,703	4,147
	23	3,767	4,219
	24	3,832	4,291
	25	3,899	4,366

1	26	3,968	4,444
2	27	4,038	4,522
3	28	4,109	4,602
4	29 +	4,182	4,683

1998-99 Monthly Salary Schedule
"G" Teachers

Years of Experience	"G" Teachers	NBPTS Certification
0	2,454	N/A
1	2,499	N/A
2	2,545	N/A
3	2,710	3,035
4	2,845	3,186
5	2,953	3,307
6	3,003	3,363
7	3,054	3,420
8	3,106	3,478
9	3,158	3,536
10	3,210	3,595
11	3,263	3,654
12	3,318	3,716
13	3,375	3,780
14	3,432	3,843
15	3,490	3,908
16	3,550	3,976
17	3,610	4,043
18	3,672	4,112
19	3,736	4,184
20	3,801	4,257
21	3,868	4,332
22	3,934	4,406
23	4,002	4,482
24	4,072	4,560
25	4,143	4,640
26	4,216	4,721
27	4,290	4,804
28	4,366	4,889
29 +	4,443	4,976

- (2) Certified public school teachers with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided for certified personnel of the public schools who are classified as "G" teachers. Certified public school teachers with certification based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to the compensation provided for certified personnel of the public schools who are classified as "G" teachers.

- (c) Effective for the 1998-99 school year, the first step of the salary schedule for school psychologists shall be equivalent to Step 5, corresponding to five

1 years of experience, on the salary schedule established in this section for certified
2 personnel of the public schools who are classified as "G" teachers. Certified
3 psychologists shall be placed on the salary schedule at an appropriate step based on
4 their years of experience. Certified psychologists shall receive longevity payments
5 based on years of State service in the same manner as teachers.

6 Certified psychologists with certification based on academic preparation
7 at the six-year degree level shall receive a salary supplement of one hundred twenty-
8 six dollars (\$126.00) per month in addition to the compensation provided for certified
9 psychologists. Certified psychologists with certification based on academic
10 preparation at the doctoral degree level shall receive a salary supplement of two
11 hundred fifty-three dollars (\$253.00) per month in addition to the compensation
12 provided for certified psychologists.

13 (d) Effective for the 1998-99 school year, speech pathologists who are
14 certified as speech pathologists at the masters degree level and audiologists who are
15 certified as audiologists at the masters degree level and who are employed in the
16 public schools as speech and language specialists and audiologists shall be paid on the
17 school psychologist salary schedule.

18 Speech pathologists and audiologists with certification based on academic
19 preparation at the six-year degree level shall receive a salary supplement of one
20 hundred twenty-six dollars (\$126.00) per month in addition to the compensation
21 provided for speech pathologists and audiologists. Speech pathologists and
22 audiologists with certification based on academic preparation at the doctoral degree
23 level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00)
24 per month in addition to the compensation provided for speech pathologists and
25 audiologists.

26 (e) Effective for the 1998-99 school year, certified school nurses who are
27 employed in the public schools as nurses shall be paid on the "G" salary schedule.

1 CODE NO. 98DPI-S011B-P

2 Requested by: Senators Winner, Lee, Perdue

3 FUNDS TO IMPLEMENT THE ABC'S OF PUBLIC EDUCATION PROGRAM

4 Section 9.2. Section 8.36 of S.L. 1997-443 reads as rewritten:

5 "Section 8.36. (a) Of the funds appropriated to State Aid to Local School
6 Administrative Units, the State Board of Education ~~may use up to seventy-two~~
7 ~~million four hundred thousand dollars (\$72,400,000) for the 1997-98 fiscal year to~~
8 shall provide incentive funding for schools that meet or exceed the projected levels
9 of improvement in student performance, in accordance with the ABC's of Public
10 Education Program. In accordance with State Board of Education policy, incentive
11 awards in schools that achieve higher than expected improvements may be up to: (i)
12 one thousand five hundred dollars (\$1,500) for each teacher and for certified
13 personnel; and (ii) five hundred dollars (\$500.00) for each teacher assistant. In
14 accordance with State Board of Education policy, incentive awards in schools that
15 meet the expected improvements may be up to: (i) seven hundred fifty dollars
16 (\$750.00) for each teacher and for certified personnel; and (ii) three hundred seventy-
17 five dollars (\$375.00) for each teacher assistant.

18 (b) The State Board of Education may use funds appropriated to State Aid to
19 Local School Administrative Units for assistance teams to low-performing schools."

1 **CODE NO. 98DPI-S025-P**

2 Requested by: Senators Winner, Lee

3 **EXTRA PAY FOR MENTOR TEACHERS**

4 Section 9.3. (a) Funds appropriated to State Aid to Local School
5 Administrative Units, shall be used to provide qualified and well-trained mentors for
6 newly certified teachers, teachers who had mentors during the 1997-98 school year,
7 and entry-level instructional support personnel who have not previously been
8 teachers. These funds shall be used to compensate each mentor at the rate of (i) one
9 hundred dollars (\$100.00) per month for a maximum of 10 months for serving as a
10 mentor for a first year teacher during the school year, and (ii) one hundred dollars
11 (\$100.00) for serving as a mentor for a first-year teacher for one day prior to the
12 beginning of the school year.

13 (b) The State Board of Education may use funds for the mentor program
14 to evaluate the program. The State Board shall report the results of its evaluation to
15 the Joint Legislative Education Oversight Committee prior to March 5, 2000.

1 CODE NO. 98DPI-S027B-P

2 Requested by: Senators Winner, Lee, Perdue

3 **AID TO LOW-PERFORMING AND AT-RISK SCHOOLS**

4 Section 9.4. (a) Funds appropriated for the 1998-99 fiscal year for aid to
5 low-performing and at-risk schools shall be used to provide services to:

6 (1) Elementary schools at which fifty percent (50%) of the students are
7 below grade level on previous year's end-of-grade test, during the
8 1997-98 school year or the 1998-99 school year;

9 (2) Middle schools at which fifty percent (50%) of the students in the
10 sixth grade were below grade level on their end-of-grade fifth
11 grade tests during the 1997-98 school year or the 1998-99 school
12 year; and

13 (3) The five percent (5%) of high schools in the State that have the
14 lowest composite scores on the ABC's accountability measures.

15 (b) Funds for salary-related items in the amounts of twelve million four
16 hundred five thousand five hundred sixty-one dollars (\$12,405,561) in recurring funds
17 and three million one hundred sixty thousand four hundred fifty-four dollars
18 (\$3,160,454) in nonrecurring funds shall be used as follows:

19 (1) Up to ten percent (10%) of the nonrecurring funds on a statewide
20 basis may be used for salary supplements for teachers assigned to
21 local assessment teams;

22 (2) The remainder of the funds shall be used for extra pay for extra
23 duties for teachers for such activities as Saturday academies and
24 after school tutoring, for professional development, and for
25 additional days of work outside of the 220 paid days in the school
26 calendar. These days should be cooperatively planned by the
27 principal and the faculty.

28 These funds shall be allocated by the State Board based on the average daily
29 membership of the school.

30 The Director of the Budget is encouraged to include these funds in the
31 continuation budget for the 1999-2001 fiscal biennium.

32 (c) Funds for nonsalary items in the amount of two million dollars
33 (\$2,000,000) shall be used only for staff development costs, and for textbooks,
34 instructional supplies, materials, and equipment.

35 (d) The principal of a low-performing or at-risk school, in consultation
36 with the faculty and the site-based management team, shall develop an initial plan for
37 improving the school. The plan shall include whole-staff training. The plan shall be
38 submitted to the local superintendent and approved by the local board prior to
39 submission to the State Board of Education. The plan shall be revised annually.

40 The plan shall be reviewed and accepted or rejected by the State Board
41 of Education within 30 days after receipt of the plan. The State Board may delegate
42 to the State Superintendent the responsibility for accepting or rejecting the plan.

43 The local board shall receive the money for each school for which a plan
44 is approved. The local board shall receive for each school for which a plan is
45 approved a minimum of ten thousand dollars (\$10,000) from the funds in subsection
46 (c) of this section; the remainder of these funds shall be allocated on the basis of
47 average daily membership. The State Board of Education shall allocate funds in
48 subsection (b) of this section on the basis of on teacher days based on average daily
49 membership of the school.

50 (e) The State Board of Education is encouraged to use federal funds
51 such as Goals 2000 and Comprehensive School Reform Demonstration Grants to
52 assist low-performing and at-risk schools.

1 (f) Funds allocated in subsections (b) and (c) of this section shall revert
2 on August 31, 1999.
3 (g) The State Board of Education shall report to the Joint Legislative
4 Education Oversight Committee prior to December 1, 1998, on the plans and on the
5 use of funds for Aid to Low-Performing and At-Risk Schools.

1 **CODE NO. 98DPI-S031-P**

2 Requested by: Senators Winner, Lee, Perdue

3 **ABC'S HIGH SCHOOL ACCOUNTABILITY MODEL**

4 Section 9.5. The State Board of Education shall continue its efforts to
5 improve the standards for determining whether high schools meet or exceed their
6 projected levels of improvement in student performance in accordance with the
7 ABC's of Public Education Program. The General Assembly urges the State Board
8 to consider including in the standards (i) a measurement of improvement in
9 individual students' performance, (ii) dropout rates, and (iii) a measurement of
10 student enrollment and achievement in courses required for graduation, advanced
11 placement courses, or other upper level courses.

1 **CODE NO. 98DPI-S018-P**

2 Requested by: Senators Winner, Lee, Perdue

3 **SCHOOL-BASED ADMINISTRATOR SALARIES**

4 Section 9.6. (a) Funds appropriated to the Reserve for Compensation
5 Increase shall be used for the implementation of the salary schedule for school-based
6 administrators as provided in this section. These funds shall be used for State-paid
7 employees only.

8 (b) The salary schedule for school-based administrators shall apply only
9 to principals and assistant principals. The salary schedule for the 1998-99 fiscal year,
10 commencing July 1, 1998, is as follows:

Assistant Principals				Principal I		
Step	Base	Base + 1%	Base + 2%	Base	Base + 1%	Base + 2%
16 4	\$2,873	\$2,902	\$2,930	--	--	--
17 5	2,983	3,013	3,043	--	--	--
18 6	3,033	3,063	3,094	--	--	--
19 7	3,085	3,116	3,147	--	--	--
20 8	3,137	3,168	3,200	\$3,137	\$3,168	\$3,200
21 9	3,190	3,222	3,254	3,190	3,222	3,254
22 10	3,242	3,274	3,307	3,242	3,274	3,307
23 11	3,296	3,329	3,362	3,296	3,329	3,362
24 12	3,351	3,385	3,418	3,351	3,385	3,418
25 13	3,409	3,443	3,477	3,409	3,443	3,477
26 14	3,466	3,501	3,535	3,466	3,501	3,535
27 15	3,525	3,560	3,596	3,525	3,560	3,596
28 16	3,586	3,622	3,658	3,586	3,622	3,658
29 17	3,646	3,682	3,719	3,646	3,682	3,719
30 18	3,709	3,746	3,783	3,709	3,746	3,783
31 19	3,773	3,811	3,848	3,773	3,811	3,848
32 20	3,839	3,877	3,916	3,839	3,877	3,916
33 21	3,907	3,946	3,985	3,907	3,946	3,985
34 22	3,973	4,013	4,052	3,973	4,013	4,052
35 23	4,042	4,082	4,123	4,042	4,082	4,123
36 24	4,113	4,154	4,195	4,113	4,154	4,195
37 25	4,184	4,226	4,268	4,184	4,226	4,268
38 26	4,258	4,301	4,343	4,258	4,301	4,343
39 27	4,333	4,376	4,420	4,333	4,376	4,420
40 28	4,410	4,454	4,498	4,410	4,454	4,498
41 29	4,487	4,532	4,577	4,487	4,532	4,577
42 30	4,577	4,623	4,669	4,577	4,623	4,669
43 31	4,669	4,716	4,762	4,669	4,716	4,762
44 32	--	--	--	4,762	4,810	4,857
Principal II				Principal III		
Step	Base	Base + 1%	Base + 2%	Base	Base + 1%	Base + 2%
50 4	--	--	--	--	--	--
51 5	--	--	--	--	--	--
52 6	--	--	--	--	--	--
53 7	--	--	--	--	--	--

1	8	--	--	--	--	--	--
2	9	--	--	--	--	--	--
3	10	\$3,296	\$3,329	\$3,362	--	--	--
4	11	3,351	3,385	3,418	--	--	--
5	12	3,409	3,443	3,477	\$3,466	\$3,501	\$3,535
6	13	3,466	3,501	3,535	3,525	3,560	3,596
7	14	3,525	3,560	3,596	3,586	3,622	3,658
8	15	3,586	3,622	3,658	3,646	3,682	3,719
9	16	3,646	3,682	3,719	3,709	3,746	3,783
10	17	3,709	3,746	3,783	3,773	3,811	3,848
11	18	3,773	3,811	3,848	3,839	3,877	3,916
12	19	3,839	3,877	3,916	3,907	3,946	3,985
13	20	3,907	3,946	3,985	3,973	4,013	4,052
14	21	3,973	4,013	4,052	4,042	4,082	4,123
15	22	4,042	4,082	4,123	4,113	4,154	4,195
16	23	4,113	4,154	4,195	4,184	4,226	4,268
17	24	4,184	4,226	4,268	4,258	4,301	4,343
18	25	4,258	4,301	4,343	4,333	4,376	4,420
19	26	4,333	4,376	4,420	4,410	4,454	4,498
20	27	4,410	4,454	4,498	4,487	4,532	4,577
21	28	4,487	4,532	4,577	4,577	4,623	4,669
22	29	4,577	4,623	4,669	4,669	4,716	4,762
23	30	4,669	4,716	4,762	4,762	4,810	4,857
24	31	4,762	4,810	4,857	4,857	4,906	4,954
25	32	4,857	4,906	4,954	4,954	5,004	5,053
26	33	4,954	5,004	5,053	5,053	5,104	5,154
27	34	5,053	5,104	5,154	5,154	5,206	5,257
28	35	--	--	--	5,257	5,310	5,362
29	36	--	--	--	5,362	5,416	5,469

Step	Principal IV			Principal V		
	Base	Base + 1%	Base + 2%	Base	Base + 1%	Base + 2%
35	4	--	--	--	--	--
36	5	--	--	--	--	--
37	6	--	--	--	--	--
38	7	--	--	--	--	--
39	8	--	--	--	--	--
40	9	--	--	--	--	--
41	10	--	--	--	--	--
42	11	--	--	--	--	--
43	12	--	--	--	--	--
44	13	\$3,586	\$3,622	\$3,658	--	--
45	14	3,646	3,682	3,719	\$3,709	\$3,746
46	15	3,709	3,746	3,783	3,773	3,811
47	16	3,773	3,811	3,848	3,839	3,877
48	17	3,839	3,877	3,916	3,907	3,946
49	18	3,907	3,946	3,985	3,973	4,013
50	19	3,973	4,013	4,052	4,042	4,082
51	20	4,042	4,082	4,123	4,113	4,154
52	21	4,113	4,154	4,195	4,184	4,226
53	22	4,184	4,226	4,268	4,258	4,301

1	23	4,258	4,301	4,343	4,333	4,376	4,420
2	24	4,333	4,376	4,420	4,410	4,454	4,498
3	25	4,410	4,454	4,498	4,487	4,532	4,577
4	26	4,487	4,532	4,577	4,577	4,623	4,669
5	27	4,577	4,623	4,669	4,669	4,716	4,762
6	28	4,669	4,716	4,762	4,762	4,810	4,857
7	29	4,762	4,810	4,857	4,857	4,906	4,954
8	30	4,857	4,906	4,954	4,954	5,004	5,053
9	31	4,954	5,004	5,053	5,053	5,104	5,154
10	32	5,053	5,104	5,154	5,154	5,206	5,257
11	33	5,154	5,206	5,257	5,257	5,310	5,362
12	34	5,257	5,310	5,362	5,362	5,416	5,469
13	35	5,362	5,416	5,469	5,469	5,524	5,578
14	36	5,469	5,524	5,578	5,578	5,634	5,690
15	37	5,578	5,634	5,690	5,689	5,746	5,803
16	38	--	--	--	5,803	5,861	5,919
17	39	--	--	--	--	--	--
18	40	--	--	--	--	--	--
19	41	--	--	--	--	--	--

Step	Principal VI			Principal VII		
	Base	Base + 1%	Base + 2%	Base	Base + 1%	Base + 2%
20						
21						
22						
23						
24						
25	4	--	--	--	--	--
26	5	--	--	--	--	--
27	6	--	--	--	--	--
28	7	--	--	--	--	--
29	8	--	--	--	--	--
30	9	--	--	--	--	--
31	10	--	--	--	--	--
32	11	--	--	--	--	--
33	12	--	--	--	--	--
34	13	--	--	--	--	--
35	14	--	--	--	--	--
36	15	--	--	--	--	--
37	16	\$3,907	\$3,946	\$3,985	--	--
38	17	3,973	4,013	4,052	\$4,113	\$4,154
39	18	4,042	4,082	4,123	4,184	4,226
40	19	4,113	4,154	4,195	4,258	4,301
41	20	4,184	4,226	4,268	4,333	4,376
42	21	4,258	4,301	4,343	4,410	4,454
43	22	4,333	4,376	4,420	4,487	4,532
44	23	4,410	4,454	4,498	4,577	4,623
45	24	4,487	4,532	4,577	4,669	4,716
46	25	4,577	4,623	4,669	4,762	4,810
47	26	4,669	4,716	4,762	4,857	4,906
48	27	4,762	4,810	4,857	4,954	5,004
49	28	4,857	4,906	4,954	5,053	5,104
50	29	4,954	5,004	5,053	5,154	5,206
51	30	5,053	5,104	5,154	5,257	5,310
52	31	5,154	5,206	5,257	5,362	5,416
53	32	5,257	5,310	5,362	5,469	5,524

1	33	5,362	5,416	5,469	5,578	5,634	5,690
2	34	5,469	5,524	5,578	5,689	5,746	5,803
3	35	5,578	5,634	5,690	5,803	5,861	5,919
4	36	5,689	5,746	5,803	5,920	5,979	6,038
5	37	5,803	5,861	5,919	6,038	6,098	6,159
6	38	5,920	5,979	6,038	6,159	6,221	6,282
7	39	6,038	6,098	6,159	6,282	6,345	6,408
8	40	6,159	6,221	6,282	6,407	6,471	6,535
9	41	--	--	--	6,536	6,601	6,667

10				
11			Principal VIII	
12	Step	Base	Base	Base
13			+ 1%	+ 2%
14				
15	4	--	--	--
16	5	--	--	--
17	6	--	--	--
18	7	--	--	--
19	8	--	--	--
20	9	--	--	--
21	10	--	--	--
22	11	--	--	--
23	12	--	--	--
24	13	--	--	--
25	14	--	--	--
26	15	--	--	--
27	16	--	--	--
28	17	--	--	--
29	18	\$4,258	\$4,301	\$4,343
30	19	4,333	4,376	4,420
31	20	4,410	4,454	4,498
32	21	4,487	4,532	4,577
33	22	4,577	4,623	4,669
34	23	4,669	4,716	4,762
35	24	4,762	4,810	4,857
36	25	4,857	4,906	4,954
37	26	4,954	5,004	5,053
38	27	5,053	5,104	5,154
39	28	5,154	5,206	5,257
40	29	5,257	5,310	5,362
41	30	5,362	5,416	5,469
42	31	5,469	5,524	5,578
43	32	5,578	5,634	5,690
44	33	5,689	5,746	5,803
45	34	5,803	5,861	5,919
46	35	5,920	5,979	6,038
47	36	6,038	6,098	6,159
48	37	6,159	6,221	6,282
49	38	6,282	6,345	6,408
50	39	6,407	6,471	6,535
51	40	6,536	6,601	6,667
52	41	6,667	6,734	6,800
53				

(c) The appropriate classification for placement of principals and assistant principals on the salary schedule, except for principals in alternative schools, shall be determined in accordance with the following schedule:

Classification	Number of Teachers Supervised
Assistant Principal	
Principal I	Fewer than 11 Teachers
Principal II	11-21 Teachers
Principal III	22-32 Teachers
Principal IV	33-43 Teachers
Principal V	44-54 Teachers
Principal VI	55-65 Teachers
Principal VII	66-100 Teachers
Principal VIII	More than 100 Teachers

The number of teachers supervised includes teachers and assistant principals paid from State funds only; it does not include teachers or assistant principals paid from non-State funds or the principal or teacher assistants.

The beginning classification for principals in alternative schools shall be the Principal III level. Principals in alternative schools who supervise 33 or more teachers shall be classified according to the number of teachers supervised.

(d) A principal shall be placed on the step on the salary schedule that reflects total number of years of experience as a certificated employee of the public schools and an additional step for every three years of experience as a principal.

(e) For the 1998-99 fiscal year, a principal or assistant principal shall be placed on the appropriate step plus one percent (1%) if:

- (1) The employee's school met or exceeded the projected levels of improvement in student performance for the 1997-98 fiscal year, in accordance with the ABCs of Public Education Program; or
- (2) The local board of education found in 1997-98 that the employee's school met objectively measurable goals set by the local board of education for maintaining a safe and orderly school.

The principal or assistant principal shall be placed on the appropriate step plus two percent (2%) if the conditions set out in both subdivisions (1) and (2) are satisfied. The principal or assistant principal shall receive a lump-sum payment for the 1998-99 fiscal year service if the conditions set out in subdivision (1) or (2) or both are satisfied. The lump sum shall be paid as determined by guidelines adopted by the State Board. Placement on the salary schedule in the following year shall be based upon these increases.

(f) For the 1998-99 fiscal year, a principal or assistant principal shall receive a lump sum payment of:

- (1) One percent (1%) of his or her State-paid salary if the employee's school meets or exceeds the projected levels of improvement in student performance for the 1998-99 fiscal year, in accordance with the ABCs of Public Education Program; or
- (2) One percent (1%) of his or her State-paid salary if the local board of education finds that the employee's school has met the goals of the local plan for maintaining a safe and orderly school.

The principal or assistant principal shall receive a lump-sum payment of two percent (2%) if the conditions set out in both subdivisions (1) and (2) are satisfied. The lump sum shall be paid as determined by guidelines adopted by the State Board. Placement on the salary schedule in the following year shall be based upon these increases.

(g) Principals and assistant principals with certification based on academic preparation at the six-year degree level shall be paid a salary supplement of one hundred twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a salary supplement of two hundred fifty-three dollars (\$253.00) per month.

(h) There shall be no State requirement that superintendents in each local school unit shall receive in State-paid salary at least one percent (1%) more than the highest paid principal receives in State salary in that school unit: Provided, however, the additional State-paid salary a superintendent who was employed by a local school administrative unit for the 1992-93 fiscal year received because of that requirement shall not be reduced because of this subsection for subsequent fiscal years that the superintendent is employed by that local school administrative unit so long as the superintendent is entitled to at least that amount of additional State-paid salary under the rules in effect for the 1992-93 fiscal year.

(i) Longevity pay for principals and assistant principals shall be as provided for State employees.

(j)(1) If a principal is reassigned to a higher job classification because the principal is transferred to a school within a local school administrative unit with a larger number of State-allotted teachers, the principal shall be placed on the salary schedule as if the principal had served the principal's entire career as a principal at the higher job classification.

(2) If a principal is reassigned to a lower job classification because the principal is transferred to a school within a local school administrative unit with a smaller number of State-allotted teachers, the principal shall be placed on the salary schedule as if the principal had served the principal's entire career as a principal at the lower job classification.

This subdivision applies to all transfers on or after the effective date of this section, except transfers in school systems that have been created, or will be created, by merging two or more school systems. Transfers in these merged systems are exempt from the provisions of this subdivision for one calendar year following the date of the merger.

(k) Participants in an approved full-time masters in school administration program shall receive up to a 10-month stipend at the beginning salary of an assistant principal during this internship period. Certification of eligible full-time interns shall be supplied to the Department of Public Instruction by the Principal's Fellow Program or the School of Education at The University of North Carolina at Chapel Hill where the intern participates in a full-time masters in school administration language.

1 CODE NO. 98DPI-S030-P

2 Requested by: Senators Winner, Lee, Perdue

3 PRINCIPAL SALARY STUDIES

4 Section 9.7. Section 8.43(d) of S.L. 1997-443 reads as rewritten:

5 "(d) The State Board of Education may use up to fifty thousand dollars (\$50,000)
6 of funds appropriated by this act to State Aid to Local School Administrative Units
7 for the ~~1997-98~~ 1998-99 fiscal year to study principals' salaries ~~including the~~
8 including:

- 9 (1) The relationship of principals' salaries to the salaries of teachers
10 and other certified school ~~personnel~~ personnel;
11 (2) Whether the current relationship between the teacher and
12 principal salary schedules should be increased to a three percent
13 (3%) differential;
14 (3) Whether assistant principals should be given additional steps for
15 years of experience; and
16 (4) The appropriate relationship of principal's salary to size of school.

17 The State Board of Education shall report the results of the study to the Joint
18 Legislative Education Oversight Committee prior to December 15, 1998."

1 **CODE NO. 98DPI-S002-P**

2 Requested by: Senators Cooper, Winner, Lee

3 **COMMUNITIES IN SCHOOLS FUNDS/DO NOT REVERT**

4 Section 9.8. (a) Funds allocated to Communities in Schools of the Rocky

5 Mount Region, Inc., for the 1997-98 fiscal year shall not revert at the end of the fiscal
6 year but shall remain available for expenditure during the 1998-99 fiscal year.

7 (b) This section becomes effective June 30, 1998.

1 CODE NO. 98DPI-S003A-P

2 Requested by: Senators Winner, Lee, Perdue

3 SCHOOL ACTIVITY BUS USAGE AUTHORIZED UNDER CERTAIN
4 CIRCUMSTANCES

5 Section 9.9. G.S. 66-58(c) is amended by adding a new subdivision to
6 read:

7 "(9b) The use of a public school activity bus by a nonprofit corporation
8 or a unit of local government to provide transportation services to
9 school-aged and preschool-aged children and their caretakers and
10 instructors."

1 CODE NO. 98DPI-S004A-P

2 Requested by: Senators Winner, Lee

3 SCHOOL BOARD QUICK TAKE

4 Section 9.10. G.S. 40A-42(a) reads as rewritten:

5 "(a) When a local public condemnor is acquiring property by condemnation for a
6 purpose set out in G.S. 40A-3(b)(1), (4) or (7), or when a city is acquiring property
7 for a purpose set out in G.S. 160A-311(1), (2), (3), (4), (6), or (7), or when a county
8 is acquiring property for a purpose set out in G.S. 153A-274(1), (2) or (3), or when a
9 local board of education or any combination of local boards is acquiring property for
10 any purpose set forth in G.S. 115C-517, or when a condemnor is acquiring property
11 by condemnation as authorized by G.S. 40A-3(c)(8), (9), (10) or (12), title to the
12 property and the right to immediate possession shall vest pursuant to this subsection.
13 Unless an action for injunctive relief has been initiated, title to the property specified
14 in the complaint, together with the right to immediate possession thereof, shall vest in
15 the condemnor upon the filing of the complaint and the making of the deposit in
16 accordance with G.S. 40A-41."

1 CODE NO. 98DPI-S005-P

2 Requested by: Senators Winner, Lee

3 LITIGATION RESERVE

4 Section 9.11. (a) Funds in the State Board of Education's Litigation
5 Reserve that are not expended or encumbered on June 30, 1998, shall not revert on
6 July 1, 1998, but shall remain available for expenditure until June 30, 1999.

7 (b) The State Board of Education may expend up to five hundred
8 thousand dollars (\$500,000) for the 1998-99 fiscal year from unexpended funds for
9 certified employees' salaries to pay expenses related to pending litigation.

10 (c) Subsection (a) of this section becomes effective June 30, 1998.

1 CODE NO. 98DPI-S006-P

2 Requested by: Senators Winner, Lee

3 **EXCEPTIONAL CHILDREN FUNDS**

4 Section 9.12. (a) The funds appropriated for exceptional children in this
5 act shall be allocated as follows:

6 (1) Each local school administrative unit shall receive for academically
7 gifted children the sum of seven hundred forty-six dollars and
8 ninety-five cents (\$746.95) per child for four percent (4%) of the
9 1998-99 allocated average daily membership in the local school
10 administrative unit, regardless of the number of children identified
11 as academically gifted in the local school administrative unit. The
12 total number of children for which funds shall be allocated
13 pursuant to this subdivision is 49,828 for the 1998-99 school year.

14 (2) Each local school administrative unit shall receive for exceptional
15 children other than academically gifted children the sum of two
16 thousand two hundred forty-eight dollars and thirty-nine cents
17 (\$2,248.39) per child for the lesser of (i) all children who are
18 identified as exceptional children other than academically gifted
19 children or (ii) twelve and five-tenths percent (12.5%) of the 1998-
20 99 allocated average daily membership in the local school
21 administrative unit. The maximum number of children for which
22 funds shall be allocated pursuant to this subdivision is 147,334 for
23 the 1998-99 school year.

24 The dollar amounts allocated under this subsection for exceptional children shall also
25 increase in accordance with legislative salary increments for personnel who serve
26 exceptional children.

27 (b) To the extent that funds appropriated for exceptional children other
28 than academically gifted children are adequate to do so, the State Board of Education
29 may allocate these funds to provide services for severely disabled children in school
30 units and in group homes.

1 **CODE NO. 98DPI-S007B-P**

2 Requested by: Senators Winner, Lee

3 **ALTERNATIVE SCHOOLS/AT-RISK STUDENTS**

4 Section 9.13. The State Board of Education may use up to two hundred
5 thousand dollars (\$200,000) of the funds in the Alternative Schools/At-Risk Student
6 allotment for the 1998-99 fiscal year to:

7 (1) Implement G.S. 115C-12(24), and

8 (2) Conduct studies of alternative schools and access to alternative
9 schools, as required by Senate Bill 1260 or House Bill 1373, if
10 enacted by the 1998 Regular Session of the 1997 General
11 Assembly.

1 CODE NO. 98DPI-S010B-P

2 Requested by: Senators Winner, Lee

3 CHARTER SCHOOLS

4 Section 9.14. (a) If the projected average daily membership of schools
5 other than charter schools in a county school administrative unit with 3,000 or fewer
6 students is decreased by more than four percent (4%) due to projected shifts of
7 enrollment to charter schools, the State Board of Education may use funds
8 appropriated to State Aid to Local School Administrative Units for the 1998-99 fiscal
9 year to reduce the loss of funds to the schools other than charter schools in the unit
10 to a maximum of four percent (4%). This subsection applies to the 1998-99 fiscal
11 year only.

12 (b) G.S. 115C-238.29D reads as rewritten:

13 "**§ 115C-238.29D. Final approval of applications for charter schools.**

14 (a) The State Board shall grant final approval of an application if it finds that the
15 application meets the requirements set out in this Part or adopted by the State Board
16 of Education and that granting the application would achieve one or more of the
17 purposes set out in G.S. 115C-238.29A. The State Board shall act by March 15 of a
18 calendar year on all applications and appeals it receives prior to February 15 of that
19 calendar year.

20 (b) The State Board shall authorize no more than five charter schools per year in
21 one local school administrative unit. The State Board shall authorize no more than
22 100 charter schools statewide. If more than five charter schools in one local school
23 administrative unit or more than 100 schools statewide meet the standards for final
24 approval, the State Board shall give priority to applications that are most likely to
25 further State education policies and to strengthen the educational program offered in
26 the local school administrative units in which they are located.

27 (c) The State Board of Education may authorize a school before the applicant has
28 secured its space, equipment, facilities, and personnel if the applicant indicates the
29 authority is necessary for it to raise working capital. The State Board shall not
30 allocate any funds to the school until the school has obtained space.

31 (d) The State Board of Education may grant the initial charter for a period not to
32 exceed five years and may renew the charter upon the request of the chartering entity
33 for subsequent periods not to exceed five years each. A material revision of the
34 provisions of a charter application shall be made only upon the approval of the State
35 Board of Education. Beginning with the charter school's second year of operation
36 and annually thereafter, the State Board shall allow a charter school to increase its
37 enrollment by ten percent (10%) of the school's previous year's enrollment or as is
38 otherwise provided in the charter. This enrollment growth shall not be considered a
39 material revision of the charter application and shall not require the prior approval of
40 the State Board.

41 (e) The State Board of Education shall not grant an initial charter to a school or
42 approve a material change to a charter that is projected to result in a decrease in one
43 school year, due to shifts of enrollment to charter schools, of more than four percent
44 (4%) of the average daily membership of schools other than charter schools in a local
45 school administrative unit."

46 (c) G.S. 115C-238.29F(d) reads as rewritten:

47 "(d) Instructional Program. --

- 48 (1) The school shall provide instruction each year for at least 180 days.
49 (2) The school shall design its programs to at least meet the student
50 performance standards adopted by the State Board of Education
51 and the student performance standards contained in the charter.
52 (3) A charter school shall conduct the student assessments required for
53 charter schools by the State Board of Education. In conducting

1 these assessments, the school shall be subject to the State Board's
2 policies and guidelines on testing ethics.

3 (4) A charter school is a local educational agency for the purpose of
4 G.S. 115C-110. The school shall comply with policies adopted by
5 the State Board of Education for charter schools relating to the
6 education of children with special needs.

7 (5) The school is subject to and shall comply with Article 27 of
8 Chapter 115C of the General Statutes, except that a charter school
9 may also exclude a student from the charter school and return that
10 student to another school in the local school administrative unit in
11 accordance with the terms of its charter."

12 (d) G.S. 115C-238.29F(e)(3) reads as rewritten:

13 "(3) If a teacher employed by a local school administrative unit makes a
14 written request for an extended leave of absence to teach at a
15 charter school, the local school administrative unit shall grant the
16 leave. The local school administrative unit ~~shall~~ is required to
17 grant a leave of absence for any number of years requested by the
18 teacher, teacher up to four years and shall to extend the leave of
19 absence for any number of years requested by the teacher, and
20 shall extend the leave at the teacher's request. teacher, so long as
21 the total number of years requested does not exceed four. The
22 local school administrative unit is authorized to grant a leave of
23 absence or an extension of a leave of absence for a total of more
24 than four years if it finds it is in the best interest of the unit to do
25 so. For the initial year of a charter school's operation, the local
26 school administrative unit may require that the request for a leave
27 or extension of leave be made up to 45 days before the teacher
28 would otherwise have to report for duty. For subsequent years, the
29 local school administrative unit may require that the request for a
30 leave or extension of leave be made up to 90 days before the
31 teacher would otherwise have to report for duty. A teacher who
32 has career status under G.S. 115C-325 prior to receiving an
33 extended leave of absence to teach at a charter school may return
34 to a public school in the local school administrative unit with
35 career status at the end of the leave of absence or upon the end of
36 employment at the charter school if an appropriate position is
37 available. If an appropriate position is unavailable, the teacher's
38 name shall be placed on a list of available teachers and that
39 teacher shall have priority on all positions for which that teacher is
40 qualified in accordance with G.S. 115C-325(e)(2)."

41 (e) The State Board of Education may spend up to fifty thousand dollars
42 (\$50,000) from State Aid to Local School Administrative Units for the 1998-99 fiscal
43 year to establish a charter school advisory committee.

44 (f) G.S. 115C-238.29F(f) reads as rewritten:

45 "(f) Accountability. --

46 (1) The school is subject to the financial audits, the audit procedures,
47 and the audit requirements adopted by the State Board of
48 Education for charter schools. These audit requirements may
49 include the requirements of the School Budget and Fiscal Control
50 Act.

51 (2) The school shall comply with the reporting requirements
52 established by the State Board of Education in the Uniform
53 Education Reporting System.

- 1 (3) The school shall report at least annually to the chartering entity
2 and the State Board of Education the information required by the
3 chartering entity or the State Board.
- 4 (4) The school shall report electronically to the local board of
5 education on students enrolled in the school and on students who
6 withdraw or drop out of the school. The State Board of Education
7 shall determine the content, format, and timing of this report."
- 8 (g) The State Board of Education shall examine the funding formula for
9 charter schools and its impact on public schools, giving special attention to the
10 impact of the formula on instructional programs, school-building administration, and
11 school transportation.
- 12 The State Board shall report electronically its findings to the Joint
13 Legislative Education Oversight Committee prior to December 15, 1998.

1 CODE NO. 98DPI-S012A-P

2 Requested by: Senators Winner, Lee

3 TESTING

4 Section 9.15. (a) Of the funds appropriated for State Aid to Local School
5 Administrative Units, the State Board of Education may use up to two million dollars
6 (\$2,000,000) for the 1998-99 fiscal year to:

- 7 (1) Cover cost increases in end-of-grade, end-of-course, and other tests
8 previously authorized by the SBE and the General Assembly, that
9 are caused by increases in average daily membership;
10 (2) Reestablish high school end-of-course tests previously established
11 by the State Board of Education in accordance with Section 8.27 of
12 S.L. 1997-443;
13 (3) Develop new end-of-course tests required for high school, in
14 accordance with Section 8.27 of S.L. 1997-443; and
15 (4) Begin the development of alternative assessments for children with
16 special needs.

17 The General Assembly encourages the Director of the Budget to include
18 these funds in the continuation budget request for the 1999-2000 fiscal year and
19 subsequent fiscal years.

20 (b) G.S. 115C-174.11(c)(1) reads as rewritten:

21 "(1) The State Board of Education shall adopt a system of annual
22 testing for grades three through 12. These tests shall be designed to
23 measure progress toward reading, communication skills, and
24 mathematics for grades three through eight, and toward
25 competencies designated by the State Board for grades nine
26 through 12. Notwithstanding subsection (a) of this section, the
27 State Board shall develop and implement a study allowing selected
28 local school administrative units that volunteer to administer a
29 standardized test in May, 12 months prior to the third grade end-
30 of-grade test, in order to establish a baseline that will be used to
31 measure academic growth at the end of third grade. Initially, the
32 State Board shall select 12 volunteer local school administrative
33 units that are diverse in geography and size to participate in the
34 study. If the State Board determines that a standardized test
35 administered in May, 12 months prior to the third grade end-of-
36 grade test, is more reliable than a standardized test administered at
37 the beginning of third grade for the purpose of measuring
38 academic growth, the State Board may change the test date for
39 additional local school units. The State Board shall report the
40 results of the study to the Joint Legislative Education Oversight
41 Committee by October 15, 2000.

42 Baseline measurements administered in May, 12 months prior to
43 the third grade end-of-grade test, are not public records as
44 provided in Chapter 132 of the General Statutes."

1 CODE NO. 98DPI-S013B-P

2 Requested by: Senators Winner, Lee

3 SUBSTITUTE TEACHERS

4 Section 9.16. (a) G.S. 115C-12(8) reads as rewritten:

5 "(8) Power to Make Provisions for Sick Leave and for Substitute
6 Teachers. -- The Board shall provide for sick leave with pay for all
7 public school employees in accordance with the provisions of this
8 Chapter and shall promulgate rules and regulations providing for
9 necessary substitutes on account of sick leave and other teacher
10 absences.

11 ~~The pay for a substitute shall be fixed by the Board. The~~
12 ~~minimum pay for a substitute teacher who holds a teaching~~
13 ~~certificate shall be fifty-four percent (54%) of the daily pay rate of~~
14 ~~an entry-level teacher with an 'A' certificate. The minimum pay~~
15 ~~for a substitute teacher who does not hold a teaching certificate~~
16 ~~shall be thirty-eight percent (38%) of the daily pay rate of an~~
17 ~~entry-level teacher with an 'A' certificate. The pay for~~
18 ~~noncertified substitutes shall not exceed the pay of certified~~
19 ~~substitutes.~~

20 Local boards may use State funds allocated for substitute
21 teachers to hire full-time substitute teachers.

22 If a teacher assistant acts as a substitute teacher, the salary of
23 the teacher assistant for the day shall be the same as the daily
24 salary of an entry-level teacher with an 'A' certificate.

25 ~~The Board may provide to each local school administrative~~
26 ~~unit not exceeding one percent (1%) of the cost of instructional~~
27 ~~services for the purpose of providing substitute teachers for those~~
28 ~~on sick leave as authorized by law or by regulations of the Board,~~
29 ~~but not exceeding the provisions made for other State employees."~~

30 (b) If the average number of substitute teacher days taken by teachers in
31 a local school administrative unit is higher than the statewide average, the local board
32 of education shall determine the reasons unit average is high and shall develop a plan
33 for decreasing the unit average.

1 CODE NO. 98DPI-S014-P

2 Requested by: Senators Winner, Lee

3 TORT CLAIM LIABILITY/SCHOOL BUSES

4 Section 9.17. (a) G.S. 115C-257 reads as rewritten:

5 "§ 115C-257. Attorney General to pay claims.

6 The Attorney General is hereby authorized to pay reasonable medical expenses,
7 not to exceed ~~six hundred dollars (\$600.00)~~, three thousand dollars (\$3,000), incurred
8 within one year from the date of accident to or for each pupil who sustains bodily
9 injury or death caused by accident, while boarding, riding on, or alighting from a
10 school bus operated by any local school administrative unit."

11 (b) G.S. 143-300.1 reads as rewritten:

12 "§ 143-300.1. Claims against county and city boards of education for accidents
13 involving school buses or school transportation service vehicles.

14 (a) The North Carolina Industrial Commission shall have jurisdiction to hear and
15 determine tort claims against any county board of education or any city board of
16 education, which claims arise as a result of any alleged mechanical defects or other
17 defects which may affect the safe operation of a public school bus or school
18 transportation service vehicle resulting from an alleged negligent act of maintenance
19 personnel or as a result of any alleged negligent act or omission of the driver driver,
20 volunteer, or monitor of a public school bus or school transportation service vehicle
21 when:

22 (1) The salary of that driver is paid or authorized to be paid from the
23 State Public School Fund, and the driver is an employee of the
24 county or city administrative unit of which that board is the
25 governing body,

26 (1a) The monitor was appointed and acting in accordance with G.S.
27 115C-245(d).

28 (1b) The volunteer was aboard the bus with the permission of the
29 principal or was assisting a student in entering or leaving the bus,
30 or

31 (2) The driver is an unpaid school bus driver trainee under the
32 supervision of an authorized employee of the Department of
33 Transportation, Division of Motor Vehicles, or an authorized
34 employee of that board or a county or city administrative unit
35 thereof,

36 and which driver was at the time of the alleged negligent act or omission operating a
37 public school bus or school transportation service vehicle in the course of his
38 employment by or training for that administrative unit or ~~board.~~ board, which
39 monitor was acting as such in the course of serving under G.S. 115C-245(d), or which
40 volunteer was aboard the bus with the permission of the principal or was assisting a
41 student in entering or leaving the bus. The liability of such county or city board of
42 education, the defenses which may be asserted against such claim by such board, the
43 amount of damages which may be awarded to the claimant, and the procedure for
44 filing, hearing and determining such claim, the right of appeal from such
45 determination, the effect of such appeal, and the procedure for taking, hearing and
46 determining such appeal shall be the same in all respects as is provided in this Article
47 with respect to tort claims against the State Board of Education except as hereinafter
48 provided. Any claim filed against any county or city board of education pursuant to
49 this section shall state the name and address of such board, the name of the employee
50 upon whose alleged negligent act or omission the claim is based, and all other
51 information required by G.S. 143-297 in the case of a claim against the State Board of
52 Education. Immediately upon the docketing of a claim, the Industrial Commission
53 shall forward one copy of the plaintiff's affidavit to the superintendent of the schools

1 of the county or city administrative unit against the governing board of which such
2 claim is made, one copy of the plaintiff's affidavit to the State Board of Education
3 and one copy of the plaintiff's affidavit to the office of the Attorney General of North
4 Carolina. All notices with respect to tort claims against any such county or city board
5 of education shall be given to the superintendent of schools of the county or city
6 administrative unit of which such board is a governing board, to the State Board of
7 Education and also to the office of the Attorney General of North Carolina.

8 (b) The Attorney General shall be charged with the duty of representing the city
9 or county board of education in connection with claims asserted against them
10 pursuant to this section where the amount of the claim, in the opinion of the
11 Attorney General, is of sufficient import to require and justify such appearance.

12 (c) In the event that the Industrial Commission shall make award of damages
13 against any county or city board of education pursuant to this section, the Attorney
14 General shall draw a voucher for the amount required to pay such award. The funds
15 necessary to cover vouchers written by the Attorney General for claims against
16 county and city boards of education for accidents involving school buses and school
17 transportation service vehicles shall be made available from funds appropriated to the
18 Department of Public Instruction. Neither the county or city boards of education, or
19 the county or city administrative unit shall be liable for the payment of any award
20 made pursuant to the provisions of this section in excess of the amount paid upon
21 such voucher by the Attorney General. Settlement and payment may be made by the
22 Attorney General as provided in G.S. 143-295.

23 (d) The Attorney General may defend any civil action which may be brought
24 against the ~~driver~~ driver, volunteer, or monitor of a public school bus or school
25 transportation service vehicle or school bus maintenance mechanic when such driver
26 or mechanic is paid or authorized to be paid from the State Public School ~~Fund~~
27 Fund, when the monitor is acting in accordance with G.S. 115C-245(d), when the
28 volunteer was aboard the bus with the permission of the principal or was assisting a
29 student in entering or leaving the bus, or when the driver is an unpaid school bus
30 driver trainee under the supervision of an authorized employee of the Department of
31 Transportation, Division of Motor Vehicles, or an authorized employee of a county
32 or city board of education or administrative unit thereof. The Attorney General may
33 afford this defense through the use of a member of his staff or, in his discretion,
34 employ private counsel. The Attorney General is authorized to pay any judgment
35 rendered in such civil action not to exceed the limit provided under the Tort Claims
36 Act. The Attorney General may compromise and settle any claim covered by this
37 section to the extent that he finds the same to be valid, up to the limit provided in
38 the Tort Claims Act, provided that the authority granted in this subsection shall be
39 limited to only those claims which would be within the jurisdiction of the Industrial
40 Commission under the Tort Claims Act."

41 (c) This section applies as to claims arising on or after July 1, 1998.

1 **CODE NO. 98DPI-S015A-P**

2 Requested by: Senators Winner, Lee

3 **EXTRA PAY FOR FORFEITED VACATION DAYS**

4 Section 9.18. (a) Of the funds appropriated to State Aid to Local School
5 Administrative Units, the sum of four million two hundred fifty thousand dollars
6 (\$4,250,000) for the 1998-99 fiscal year shall be used by local boards of education to
7 pay teachers for working on, and thereby forfeiting, vacation days, in accordance with
8 G.S. 115C-302.1(c). The State Board of Education shall make available to each local
9 school administrative unit sufficient funds to provide pay for a maximum of six days
10 for each teacher who is qualified to receive additional pay for forfeited vacation days
11 under G.S. 115C-302.1(c). For the 1998-99 fiscal year, the funds allotted under this
12 subsection shall be available for days scheduled by local boards and individual
13 schools as follows: two for days scheduled by the local board of education under G.S.
14 115C-84.2(a)(4); and four for days scheduled by school principals in consultation with
15 school improvement teams under G.S. 115C-84.2(a)(5).

16 (b) G.S. 115C-84.2 reads as rewritten:

17 **"§ 115C-84.2. School calendar.**

18 (a) School Calendar. -- Each local board of education shall adopt a school
19 calendar consisting of 220 days all of which shall fall within the fiscal year. A school
20 calendar shall include the following:

21 (1) A minimum of 180 days and 1,000 hours of instruction covering at
22 least nine calendar months. The local board shall designate when
23 the 180 instructional days shall occur. The number of instructional
24 hours in an instructional day may vary according to local board
25 policy and does not have to be uniform among the schools in the
26 administrative unit. Local boards may approve school
27 improvement plans that include days with varying amounts of
28 instructional time. If school is closed early due to inclement
29 weather, the day and the scheduled amount of instructional hours
30 may count towards the required minimum to the extent allowed by
31 State Board policy. The school calendar shall include a plan for
32 making up days and instructional hours missed when schools are
33 not opened due to inclement weather.

34 (2) A minimum of 10 annual vacation leave days.

35 (3) The same or an equivalent number of legal holidays occurring
36 within the school calendar as those designated by the State
37 Personnel Commission for State employees.

38 (4) Ten days, as designated by the local board, for use as teacher
39 workdays, additional instructional days, or other lawful purposes.
40 A local board may delegate to the individual schools some or all of
41 the 10 days to schedule under subdivision (5) of this subsection. A
42 local board may schedule different purposes for different personnel
43 on any given day and is not required to schedule the same dates
44 for all personnel.

45 (5) The remaining days shall be scheduled by each individual school
46 by the school's principal in consultation with the school
47 improvement team. Days may be scheduled for any of the purposes
48 allowed under subdivision (4) of this subsection. Days may be
49 scheduled for different purposes for different personnel and there
50 is no requirement to schedule the same dates for all personnel.

51 Local boards and individual schools are encouraged to use the calendar flexibility
52 in order to meet the annual performance standards set by the State Board. Local

boards of education shall consult with parents and the employed public school personnel in the development of the school calendar.

Local boards and individual schools shall give teachers at least 14 calendar days' notice before requiring a teacher to work instead of taking vacation leave on days scheduled in accordance with subdivision (4) or (5) of this subsection. A teacher may elect to waive this notice requirement for one or more such days.

(b) Limitations. -- The following limitations apply when developing the school calendar:

(1) The total number of teacher workdays for teachers employed for a 10 month term shall not exceed 200 days.

(2) The calendar shall include at least ~~30~~ 42 consecutive days when teacher attendance is not required unless: (i) the school is a year-round school; or (ii) the teacher is employed for a term in excess of 10 months. At the request of the local board of education or of the principal of a school, a teacher may elect to work on one of the 42 days when teacher attendance is not required in lieu of another scheduled workday.

(3) School shall not be held on Sundays.

(4) Veteran's Day shall be a holiday for all students enrolled in the public schools.

(c) Emergency Conditions. --

(1) During any period of emergency in any section of the State where emergency conditions make it necessary, the State Board of Education may order general, and if necessary, extended recesses or adjournment of the public schools.

(2) The State Board of Education may adopt rules to allow a local board to request that the State Board suspend one or more days from the school calendar for an individual school. In order to suspend days under this subdivision a local board shall show and the State Board shall find that extraordinary circumstances that could not have been reasonably predicted justify the action.

(d) Opening and Closing Dates. -- Local boards of education shall determine the dates of opening and closing the public schools under subdivision (a)(1) of this section. A local board may revise the scheduled closing date if necessary in order to comply with the minimum requirements for instructional days or instructional time. Different opening and closing dates may be fixed for schools in the same administrative unit."

(c) The amendments to G.S. 115C-84.2(b)(2) set out in subsection (b) of this section apply to school years beginning with the 1999-2000 school year.

1 CODE NO. 98DPI-S016-P

2 Requested by: Senators Winner, Lee, Perdue

3 **TEACHING FELLOWS PROGRAM**

4 Section 9.19. (a) G.S. 115C-363.23A(a) reads as rewritten:

5 "(a) A Teaching Fellows Program shall be administered by the North Carolina
6 Teaching Fellows Commission. The Teaching Fellows Program shall be used to
7 provide a four-year scholarship loan of ~~five thousand dollars (\$5,000)~~ six thousand
8 five hundred dollars (\$6,500) per year to North Carolina high school seniors
9 interested in preparing to teach in the public schools of the State. The Commission
10 shall adopt very stringent standards, including minimum grade point average and
11 scholastic aptitude test scores, for awarding these scholarship loans to ensure that
12 only the best high school seniors receive them."

13 (b) Notwithstanding the provisions of G.S. 115C-363.23A(f), the Public
14 School Forum, as administrator for the North Carolina Teaching Fellows Program,
15 may spend, in addition to funds required for collection costs related to loan
16 repayments, up to one hundred fifty thousand dollars (\$150,000) for the 1998-99 fiscal
17 year from the fund balance for the Program for costs associated with administration
18 of the Program.

1 CODE NO. 98DPI-S021-P

2 Requested by: Senators Winner, Lee

3 **LIMITED ENGLISH PROFICIENCY**

4 Section 9.20. (a) The State Board of Education shall develop guidelines
5 for identifying and providing services to students with limited proficiency in the
6 English language.

7 The State Board shall allocate the funds to local school administrative
8 units on the basis of the number of students they serve with limited English
9 proficiency, with a minimum of 20 students per unit and a maximum of ten and six-
10 tenths percent (10.6%) of the average daily membership of the unit.

11 Local school administrative units shall use funds allocated to them to pay
12 for classroom teachers, textbooks, classroom materials/instructional
13 supplies/equipment, and staff development for students with limited English
14 proficiency. A unit may use the funds for a program like the Bilingual Teacher
15 Assistant Demonstration Project.

16 A county in which a local school administrative unit receives funds under
17 this section shall use the funds to supplement local current expense funds and shall
18 not supplant local current expense funds.

19 (b) G.S. 115C-105.25(b)(4) reads as rewritten:

20 "(4) Funds allocated for children with special needs, for students with
21 limited English proficiency, and ~~funds allocated~~ for driver's
22 education shall not be transferred."

23 (c) The State Board of Education shall review its certification
24 requirements for English as a Second Language (ESL) and determine whether the
25 requirements should be revised in order to assist local school administrative units to
26 quickly obtain adequate numbers of qualified teachers. The State Board and the
27 Board of Governors of The University of North Carolina shall coordinate efforts to
28 provide ESL certification programs that are geographically disbursed throughout the
29 State. The Board of Governors shall examine providing ESL certification programs
30 through distance learning methods and off-campus programs.

31 (d) The State Board of Education shall identify existing or develop new
32 programs that provide instructional personnel with in-service, noncertificate training
33 for assisting students with limited English proficiency in the regular classroom. The
34 Board of Governors of The University of North Carolina and the State Board of
35 Community Colleges shall collaborate with the State Board of Education in order to
36 deliver these programs to geographically diverse locations.

37 (e) The State Board of Education shall survey local school administrative
38 units to determine whether schools are able to recruit and retain ESL certified
39 teachers. The State Board shall provide the results of this survey to the Joint
40 Legislative Education Oversight Committee prior to December 15, 1999.

1 **CODE NO. 98DPI-S022-P**

2 Requested by: Senators Winner, Lee

3 **DRIVERS EDUCATION FUNDS DO NOT REVERT**

4 Section 9.21. (a) Of the funds appropriated for drivers education for the
5 1997-98 fiscal year, but not expended for that purpose, up to thirty-five thousand
6 dollars (\$35,000) shall not revert at the end of the fiscal year. The State Board of
7 Education may use these funds during the 1998-99 fiscal year for forms to implement
8 S.L. 1997-507, AN ACT TO PROVIDE THAT CERTAIN STUDENTS WHO DROP
9 OUT OF SCHOOL OR DO NOT MAKE PROGRESS TOWARD GRADUATION
10 SHALL NOT BE ELIGIBLE FOR DRIVERS PERMITS OR LICENSES.

11 (b) The State Board of Education may use funds appropriated for drivers
12 education for the 1998-99 fiscal year to implement S.L. 1997-507.

13 (c) Subsection (a) of this section becomes effective June 30, 1998.

1 CODE NO. 98DPI-S024-P

2 Requested by: Senators Winner, Lee

3 **ADDITIONAL TEACHERS FOR MIDDLE SCHOOL CHILDREN WHO ARE**
4 **ACADEMICALLY BELOW GRADE LEVEL**

5 Section 9.22. Section 8.29(c) of S.L. 1997-443 reads as rewritten:

6 "(c) Of the funds appropriated to State Aid to Local School Administrative Units,
7 the sum of three million two hundred thousand dollars (\$3,200,000) for the 1997-98
8 fiscal year and the sum of three million two hundred thousand dollars (\$3,200,000)
9 for the 1998-99 fiscal year shall be used to provide additional teachers for middle
10 school children who are academically below grade level. Middle school children are
11 children in a school that serves grades six, seven, and eight, and no other grades.

12 (1) The State Board of Education shall allocate these teacher positions
13 to pilot middle schools on the basis of the number of students in
14 grade six who scored at proficiency Level I on the end-of-grade
15 test in mathematics, on the end-of-grade test in reading, or on
16 both, at the end of their last school year. The funds shall be used
17 in schools ~~that have at least 50 such students~~ at a ratio of one
18 teacher to every 50 students. ~~No partial positions shall be~~
19 ~~allocated.~~ Positions shall be rounded to the nearest one-half
20 position.

21 (2) The purpose of these funds is to improve the academic
22 performance and the behavior of these students during the first
23 school year after elementary school by placing them in classes with
24 a low student-to-teacher ratio for either all of their core academic
25 subjects or for the subject or subjects in which they are below
26 grade level. In order to accomplish this purpose, local school
27 administrative units shall use (i) the teachers allocated for these
28 students pursuant to the regular teacher allotment and (ii) the
29 teachers allocated for these students under this section only to
30 improve the academic performance and the behavior of these
31 students. Local boards of education shall adopt rules to ensure that
32 each student for whom funds for additional teacher positions are
33 allocated under this section shall be assigned a teacher who is
34 responsible for monitoring the academic progress of the student.

35 (3) Of the funds appropriated in this section, the State Board of
36 Education may use up to twenty-five thousand dollars (\$25,000) to
37 evaluate the effectiveness of these smaller classes in improving
38 academic performance and discipline in middle schools."

1 CODE NO. 98DPI-S035-P

2 Requested by: Senators Winner, Lee

3 UNIFORM EDUCATION REPORTING SYSTEMS FUNDS/BUILDING LEVEL
4 REPORTS ON SCHOOL FUNDING

5 Section 9.23. Section 8.25(b) of S.L. 1997-443 reads as rewritten:

6 "(b) The State Board of Education shall modify the Uniform Education Reporting
7 System to provide clear, accurate, and standard information on the use of funds at
8 the unit and school level. The plan shall provide information that will enable the
9 General Assembly to determine State, local, and federal expenditures for personnel at
10 the unit and school level. The plan also shall allow the tracking of expenditures for
11 textbooks, educational supplies and equipment, capital outlay, at-risk students, and
12 other purposes. The revised Uniform Education Reporting System shall be
13 implemented beginning with the ~~1998-99~~ 1999-2000 school year."

1 CODE NO. 98DPI-S033-P

2 Requested by: Senators Reeves, Perdue

3 **DUES DEDUCTION FOR RETIREES**

4 Section 9.24. (a) Article 1 of Chapter 135 of the General Statutes is
5 amended by adding a new section to read:

6 "**§ 135-18.8. Deduction for payments to certain employees' associations allowed.**

7 Any member who is a member of a domiciled employees' association that has at
8 least 2,000 members, the majority of whom are employees of the State or public
9 school employees, may authorize, in writing, the periodic deduction from the
10 member's retirement benefits a designated lump sum to be paid to the employees'
11 association. The authorization shall remain in effect until revoked by the member.
12 A plan of deductions pursuant to this section shall become void if the employees'
13 association engages in collective bargaining with the State, any political subdivision of
14 the State, or any local school administrative unit."

15 (b) This section becomes effective July 1, 1998, and applies to retirement
16 benefits paid on or after that date.

1 **CODE NO. 98DPI-S036-P**

2 Requested by: Senators Winner, Lee, Odom

3 **SCHOOL BUS ALLOCATION**

4 Section 9.25. If funds for school bus replacement are insufficient for the
5 full scheduled allocation of school buses for all local school administrative units, the
6 reductions to allocations should be spread proportionally among the local school
7 administrative units.

1 CODE NO. 98DPI-S023-P

2 Requested by: Senators Winner, Lee

3 UNIFORM EDUCATION REPORTING SYSTEM (UERS)/STUDENT INFORMATION
4 MANAGEMENT SYSTEM (SIMS) FUNDS

5 Section 9.26. (a) The State Board of Education shall use funds
6 appropriated for the Uniform Education Reporting System and the Student
7 Information Management System for the 1998-99 fiscal year to begin the development
8 of a replacement for the existing Student Information System. In developing the new
9 system, the State Board shall give priority to the development of applications that
10 maintain student records, maintain ABC accountability data, allow for the transfer of
11 student records between local school administrative units, and facilitate the transfer of
12 transcripts to institutions of higher education.

13 In designing the new system, the State Board shall develop a model for
14 statewide implementation that maximizes the economies of scale with respect to
15 operations, personnel, and hardware. The State Board's goal shall be to develop a
16 new system that provides information to local schools, local school boards, and the
17 State Board in the most cost-efficient manner.

18 The new system shall follow guidelines established by the Information
19 Resources Management System.

20 The State Board may develop pilots of the new system.

21 (b) The State Board shall provide periodic reports to the Joint Legislative
22 Education Oversight Committee on the development of the new system and shall
23 report to the 1999 General Assembly on implementation of the pilot projects.

24 (c) Funds appropriated for the Uniform Education Reporting System and
25 the Student Information Management System shall not revert at the end of the fiscal
26 year but shall remain available until expended on the project.

1 Requested by: Senators Winner, Lee

2 **SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING**

3 Section 9.27. (a) Funds for small school systems. -- Except as provided in
4 subsection (b) of this section, the State Board of Education shall allocate funds
5 appropriated for small school system supplemental funding (i) to each county school
6 administrative unit with an average daily membership of less than 3,150 students and
7 (ii) to each county school administrative unit with an average daily membership of
8 from 3,150 to 4,000 students if the county in which the local school administrative
9 unit is located has a county adjusted property tax base per student that is below the
10 State adjusted property tax base per student and if the total average daily
11 membership of all local school administrative units located within the county is from
12 3,150 to 4,000 students. The allocation formula shall:

- 13 (1) Round all fractions of positions to the next whole position.
- 14 (2) Provide five and one-half additional regular classroom teachers in
15 counties in which the average daily membership per square mile is
16 greater than four, and seven additional regular classroom teachers
17 in counties in which the average daily membership per square mile
18 is four or less.
- 19 (3) Provide additional program enhancement teachers adequate to
20 offer the standard course of study.
- 21 (4) Change the duty-free period allocation to one teacher assistant per
22 400 average daily membership.
- 23 (5) Provide a base for the consolidated funds allotment of at least
24 \$355,000, excluding textbooks.
- 25 (6) Allot vocational education funds for grade 6 as well as for grades
26 7-12.

27 If funds appropriated for each fiscal year for small school system supplemental
28 funding are not adequate to fund fully the program, the State Board of Education
29 shall reduce the amount allocated to each county school administrative unit on a pro
30 rata basis. This formula is solely a basis for distribution of supplemental funding for
31 certain county school administrative units and is not intended to reflect any measure
32 of the adequacy of the educational program or funding for public schools. The
33 formula is also not intended to reflect any commitment by the General Assembly to
34 appropriate any additional supplemental funds for such county administrative units.

35 (b) Nonsupplant requirement. -- A county in which a local school
36 administrative unit receives funds under this section shall use the funds to supplement
37 local current expense funds and shall not supplant local current expense funds. For
38 the 1997-99 fiscal biennium, the State Board of Education shall not allocate funds
39 under this section to a county found to have used these funds to supplant local per
40 student current expense funds. The State Board of Education shall make a finding
41 that a county has used these funds to supplant local current expense funds in the
42 prior year, or the year for which the most recent data are available, if:

- 43 (1) The current expense appropriation per student of the county for
44 the current year is less than ninety-five percent (95%) of the
45 average of the local current expense appropriations per student for
46 the three prior fiscal years; and
- 47 (2) The county cannot show (i) that it has remedied the deficiency in
48 funding, or (ii) that extraordinary circumstances caused the county
49 to supplant local current expense funds with funds allocated under
50 this section.

51 The State Board of Education shall adopt rules to implement this section.

52 (c) Phase-out provision. -- If a local school administrative unit becomes
53 ineligible for funding under this formula solely because of an increase in population

1 or an increase in the county adjusted property tax base per student of the county in
2 which the local school administrative unit is located, funding for that unit shall be
3 phased out over a two-year period. For the first year of ineligibility, the unit shall
4 receive the same amount it received for the prior fiscal year. For the second year of
5 ineligibility, it shall receive half of that amount.

6 (d) Definitions. -- As used in this section:

7 (1) "Average daily membership" means within two percent (2%) of
8 the average daily membership as defined in the North Carolina
9 Public Schools Allotment Policy Manual, adopted by the State
10 Board of Education.

11 (2) "County adjusted property tax base per student" means the total
12 assessed property valuation for each county, adjusted using a
13 weighted average of the three most recent annual sales assessment
14 ratio studies, divided by the total number of students in average
15 daily membership who reside within the county.

16 (2a) "Local current expense funds" means the most recent county
17 current expense appropriations to public schools, as reported by
18 local boards of education in the audit report filed with the
19 Secretary of the Local Government Commission pursuant to G.S.
20 115C-447.

21 (3) "Sales assessment ratio studies" means sales assessment ratio
22 studies performed by the Department of Revenue under G.S. 105-
23 289(h).

24 (4) "State adjusted property tax base per student" means the sum of all
25 county adjusted property tax bases divided by the total number of
26 students in average daily membership who reside within the State.

27 (4a) "Supplant" means to decrease local per student current expense
28 appropriations from one fiscal year to the next fiscal year.

29 (5) "Weighted average of the three most recent annual sales
30 assessment ratio studies" means the weighted average of the three
31 most recent annual sales assessment ratio studies in the most recent
32 years for which county current expense appropriations and
33 adjusted property tax valuations are available. If real property in a
34 county has been revalued one year prior to the most recent sales
35 assessment ratio study, a weighted average of the two most recent
36 sales assessment ratios shall be used. If property has been revalued
37 the year of the most recent sales assessment ratio study, the sales
38 assessment ratio for the year of revaluation shall be used.

39 (e) Reports. -- The State Board of Education shall report to the Joint
40 Legislative Education Oversight Committee prior to May 1, 1999, on the results of its
41 analysis of whether counties supplanted funds.

most recent annual sales assessment ratio studies in the most recent years for which county current expense appropriations and adjusted property tax valuations are available. If real property in a county has been revalued one year prior to the most recent sales assessment ratio study, a weighted average of the two most recent sales assessment ratios shall be used. If property has been revalued the year of the most recent sales assessment ratio study, the sales assessment ratio for the year of revaluation shall be used.

(e) Reports. -- The State Board of Education shall report to the Joint Legislative Education Oversight Committee prior to May 1, 1999, on the results of its analysis of whether counties supplanted funds.

PART X. COMMUNITY COLLEGES

Requested by: Senators Plyler, Purcell, Lee, Winner

EXTEND FOR ONE YEAR THE DEADLINE FOR MATCHING COMMUNITY COLLEGE BOND FUNDS

Section 10. (a) Section 6(b)IV of Chapter 542 of the 1993 Session Laws, as added by Section 4 of Chapter 515 of the 1995 Session Laws, reads as rewritten:

"IV. If the State Board of Community Colleges determines that a community college has not met the matching requirements of G.S. 115D-31(a)(1) by July 1, ~~1998~~, 1999, with respect to a capital improvement project for which bond proceeds are allocated in subdivision I or pursuant to subdivision II of this subsection, the Board shall certify that fact to the State Treasurer by October 1, ~~1998~~, 1999. All of these bond proceeds with respect to which the Board certifies that the matching requirement has not been met by July 1, ~~1998~~, 1999, shall be placed by the State Treasurer in a special account within the Community Colleges Bond Fund and shall be used for making grants to community colleges. Bond proceeds in the special account shall be allocated among the community colleges in accordance with the following conditions:

(1) The State Board of Community Colleges shall generate, by October 1, ~~1998~~, 1999, a priority ranking of legitimate community college capital improvement needs using a formula based on objective meaningful factors relevant to capital needs, including space to population ratio, population served ratio, capacity enrollment ratio, local to State and vocational education ratios, type of project, and readiness to implement.

(2) The State Board of Community Colleges shall provide the State Treasurer a projected allocation of the proceeds in the special account in accordance with this priority ranking, except that:

- a. No projected allocation shall be made for a community college that the Board certified in accordance with this subdivision IV had failed to meet a matching requirement.
- b. No more than four million dollars (\$4,000,000) shall be allocated to a single community college.
- c. Funds shall not be allocated for more than one project per community college.

(3) The proceeds of grants made from bond proceeds in the special account shall be allocated and expended for paying the cost of community college capital improvements in accordance with this allocation by the State Board of Community Colleges, to the extent and as provided in this act. The Director of the Budget is empowered, when the Director of the Budget determines it is in the best interest of the State and the North Carolina Community

College System to do so, and if the cost of a particular project is less than the projected allocation, to use the excess funds to increase the size of that project or increase the size of any other project itemized in this section, or to increase the amount allocated to a particular community college within the aggregate amount of funds available under this section. The Director of the Budget shall consult with the Advisory Budget Commission and the Joint Legislative Commission on Governmental Operations before making these changes."

(b) This section becomes effective June 30, 1998.

Requested by: Senators Lee, Winner

INDEPENDENT STUDY OF CAPITAL BUDGET AND OPERATING BUDGET FUND ALLOCATIONS

Section 10.1. The State Board of Community Colleges shall contract with an outside consultant to:

- (1) Review the community college capital allocation process and to recommend modifications to the process necessary to make the process more equitable; and
- (2) Study performance budget measures and recommend options for allocating community college funds on a performance budgeting basis.

The State Board may use funds from the State Board Reserve to implement this section.

The State Board shall report to the Joint Legislative Appropriations Subcommittee on Education and the Fiscal Research Division prior to February 1, 1999, on the implementation of this section.

Requested by: Senators Lee, Winner, Dalton

COMMUNITY COLLEGE EQUIPMENT RESERVE FUND

Section 10.2. (a) G.S. 115D-31 reads as rewritten:

"§ 115D-31. State financial support of institutions.

(a) The State Board of Community Colleges shall be responsible for providing, from sources available to the State Board, funds to meet the financial needs of institutions, as determined by policies and regulations of the State Board, for the following budget items:

- (1) Plant Fund. -- Furniture and equipment for administrative and instructional purposes, library books, and other items of capital outlay approved by the State Board. Provided, the State Board may, on an equal matching-fund basis from appropriations made by the State for the purpose, grant funds to individual institutions for the purchase of land, construction and remodeling of institutional buildings determined by the State Board to be necessary for the instructional programs or administration of such institutions. For the purpose of determining amount of matching State funds, local funds shall include expenditures made prior to the enactment of this Chapter or prior to an institution becoming a community college pursuant to the provisions of this Chapter, when such expenditures were made for the purchase of land, construction, and remodeling of institutional buildings subsequently determined by the State Board to be necessary as herein specified, and provided such local expenditures have not previously been used as the basis for obtaining matching State

funds under the provisions of this Chapter or any other laws of the State. Notwithstanding the provisions of this subdivision, G.S. 116-53(b), or G.S. 143-31.4, appropriations by the State of North Carolina for capital or permanent improvements for community colleges may be matched with any prior expenditure of non-State funds for capital construction or land acquisition not already used for matching purposes.

(2) Current Operating Expenses:

- a. General administration. -- Salaries and other costs as determined by the State Board necessary to carry out the functions of general administration.
- b. Instructional services. -- Salaries and other costs as determined by the State Board necessary to carry out the functions of instructional services.
- c. Support services. -- Salaries and other costs as determined by the State Board necessary to carry out the functions of support services.

(3) Additional Support for Regional Institutions as Defined in G.S. 115D-2(4). -- Matching funds to be used with local funds to meet the financial needs of the regional institutions for the items set out in G.S. 115D-32(a)(2)a. Amount of matching funds to be provided by the State under this section shall be determined as follows: The population of the administrative area in which the regional institution is located shall be called the 'local factor,' the combined populations of all other counties served by the institution shall be called the 'State factor.' When the budget for the items listed in G.S. 115D-32(a)(2)a. has been approved under the procedures set out in G.S. 115D-45, the administrative area in which the regional institution is located shall provide a percentage to be determined by dividing the local factor by the sum of the local factor and the State factor. The State shall provide a percentage of the necessary funds to meet this budget, the percentage to be determined by dividing the State factor by the sum of the local factor and the State factor. If the local administrative area provides less than its proportionate share, the amount of State funds provided shall be reduced by the same proportion as were the administrative area funds.

Wherever the word 'population' is used in this subdivision, it shall mean the population of the particular area in accordance with the latest United States census.

(b) The State Board is authorized to accept, receive, use, or reallocate to the institutions any federal funds or aids that have been or may be appropriated by the government of the United States for the encouragement and improvement of any phase of the programs of the institutions.

(c) State funds appropriated to the State Board of Community Colleges for equipment and library ~~books~~ books, except for funds appropriated to the Equipment Reserve Fund, shall revert to the General Fund 12 months after the close of the fiscal year for which they were appropriated. Encumbered balances outstanding at the end of each period shall be handled in accordance with existing State budget policies. The Department shall identify to the Office of State Budget and Management the funds that revert at the end of the 12 months after the close of the fiscal year.

(d) State funds appropriated to the State Board of Community Colleges for the Equipment Reserve Fund shall be allocated to institutions in accordance with the

1 equipment allocation formula for the fiscal period. An institution to which these
2 funds are allocated shall spend the funds only in accordance with an equipment
3 acquisition plan developed by the institution and approved by the State Board.

4 These funds shall not revert and shall remain available until expended in
5 accordance with an approved plan."

6 (b) The State Board of Community Colleges shall allocate equipment
7 funds appropriated for the 1998-99 fiscal year, including funds appropriated to the
8 Equipment Reserve Fund, in accordance with the formula proposed to the General
9 Assembly by the Board at its May 1998 meeting.

10
11 Requested by: Senators Lee, Winner

12 **BUDGET REALIGNMENT TO IMPLEMENT REORGANIZATION AUTHORIZED**

13 Section 10.3. Notwithstanding G.S. 143-23 or any other provision of law,
14 the State Board of Community Colleges may transfer funds within the budget of the
15 Department of Community Colleges to the extent necessary to implement the
16 departmental reorganization plan recommended by the President of the North
17 Carolina Community College System and adopted by the State Board.

18
19 Requested by: Senators Lee, Winner

20 **CONTINUING BUDGET CONCEPT**

21 Section 10.4. (a) The State Board of Community Colleges shall
22 implement the continuing budget concept for full-time equivalent students (FTE)
23 earned for the 1998-99 fiscal year as follows:

24 (1) Community colleges that experience a decline in enrollment shall
25 not receive a decrease in full-time equivalent student (FTE)
26 enrollment funds until their enrollment declines more than three
27 percent (3%). At that time, they shall experience a decline of only
28 the amount over three percent (3%);

29 (2) Community colleges that experience an increase in enrollment
30 shall not receive an increase in full-time equivalent student (FTE)
31 enrollment funds until their enrollment increases more than two
32 percent (2%). At that time, they shall experience an increase of
33 only the amount over two percent (2%).

34 (b) The State Board of Community Colleges shall implement the
35 continuing budget concept for subsequent fiscal years by funding (i) the average
36 earned full-time equivalent student (FTE) enrollment for the prior three fiscal years,
37 or (ii) the earned full-time equivalent student (FTE) enrollment for the prior fiscal
38 year, whichever is greater.

39
40 Requested by: Senators Lee, Winner

41 **ANNUAL REVIEW ACCOUNTABILITY ENHANCED**

42 Section 10.5. The General Assembly finds that the current annual
43 program review standards are not adequate to ensure that programs are meeting the
44 needs of students, employers, and the general public; therefore, the State Board of
45 Community Colleges shall review the current standard to ensure a higher degree of
46 program accountability and shall establish appropriate levels of performance for each
47 measure based on sound methodological practices.

48 The State Board shall make an interim report to the Joint Legislative
49 Education Oversight Committee and to the Fiscal Research Division on its improved
50 accountability measures prior to November 1, 1998, and a final report prior to
51 February 1, 1999.

Requested by: Senators Lee, Winner

1 DEVELOPMENT OF MANAGEMENT INFORMATION SYSTEM

2 Section 10.6. The State Board of Community Colleges shall develop a
3 plan for an efficient and effective technology and management information system.
4 The system shall be designed to support the Community College System's planning,
5 evaluation, communication, resource management, full-time equivalent student (FTE)
6 reporting, and decision-making processes. The plan shall identify the technology and
7 management information needs of the local colleges and the Department of
8 Community Colleges, the costs of meeting these needs, and the benefits of meeting
9 them.

10 The State Board shall report to the Joint Legislative Education Oversight
11 Committee prior to February 1, 1999, on the plan it develops.

12
13 Requested by: Senators Lee, Winner

14 COOPERATIVE HIGH SCHOOL EDUCATION PROGRAM ACCOUNTABILITY

15 Section 10.7. (a) It is the goal of the General Assembly to increase the
16 number of qualified high school students participating in cooperative high school
17 education programs that are provided by local community colleges through cost-
18 effective programs that do not duplicate high school Advanced Placement courses
19 that are currently being offered or that could feasibly be offered. These programs
20 shall provide additional higher education opportunities for qualified high school
21 students while minimizing overlapping costs to the State for public schools and
22 community colleges.

23 (b) The State Board of Community Colleges and the State Board of
24 Education shall create a joint task force to study the existing policies for cooperative
25 high school education programs and to recommend changes necessary to improve the
26 programs' success and accountability. The Boards shall report their findings and
27 recommendations to the Joint Legislative Education Oversight Committee and the
28 Fiscal Research Division prior to March 1, 1999.

29
30 Requested by: Senators Lee, Winner

31 REPORTING REQUIREMENTS

32 Section 10.8. The local institutions of the North Carolina Community
33 College System shall comply with annual reporting requirements established by the
34 State Board of Community Colleges; therefore, the State Board of Community
35 Colleges shall develop an action plan to improve the timeliness and accuracy of the
36 data that are required to be reported to the State Board by each institution. This
37 plan may include withholding State funds from the institution if an institution is not
38 in compliance.

39 The plan shall be approved and implemented by October 30, 1998.

40
41 Requested by: Senators Lee, Winner

42 COMMUNITY COLLEGE TUITION STUDY

43 Section 10.9. The Joint Legislative Education Oversight Committee shall
44 study community college tuition in light of (i) recent proposals intended to maximize
45 the opportunities of North Carolina residents to continue their education after high
46 school and (ii) federal "Hope Scholarships". The Committee shall report the results
47 of its study to the Appropriations Subcommittees on Education of the Senate and the
48 House of Representatives prior to January 15, 1998. 4

49
50 Requested by: Senators Hoyle, Lee, Winner

51 HOSPITALITY AND TOURISM JOB TRAINING PROGRAMS

52 Section 10.10. (a) The State Board of Community Colleges shall study
53 hospitality and tourism job training programs offered by the local institutions of the

1 North Carolina Community College System. The State Board of Community
2 Colleges shall collaborate with the Board of Governors of The University of North
3 Carolina, the State Board of Education, and the Department of Commerce to
4 improve articulation between institutions with regard to hospitality and tourism job
5 training programs. The efforts to improve articulations shall be considered a joint
6 venture of these educational institutions that are participating members of the
7 Culinary, Hospitality, Tourism Education Alliance (CHTEA), and of the Department
8 of Commerce and the travel and tourism industry.

9 (b) The State Board of Community Colleges, the State Board of
10 Education, the Board of Governors of The University of North Carolina, and the
11 Department of Commerce shall report jointly to the Joint Legislative Education
12 Oversight Committee on the following:

- 13 (1) An inventory of all curriculum, continuing education, and job
14 training programs offered in the State that support the travel,
15 tourism, and hospitality industries;
- 16 (2) Recommendations for improvements to the programs and a system
17 of program accountability; and
- 18 (3) Recommendations on ways to improve communication between
19 the industry and the Boards and to enhance efforts to promote the
20 programs.

21
22 Requested by: Senators Lee, Winner

23 ROANOKE-CHOWAN COMMUNITY COLLEGE/SHELTERED WORKSHOP

24 Section 10.11. Roanoke-Chowan Community College may use proceeds
25 derived from the lease of buildings associated with the sheltered workshop to phase
26 out the sheltered workshop operation.

27 PART XI. UNIVERSITIES

28 Requested by: Senators Lee, Winner

29 UNC INCENTIVE FUNDING

30 Section 11. (a) G.S. 116-30.3(d) reads as rewritten:

31
32 "(d) For fiscal year 1997-98 and ~~each subsequent fiscal year~~, fiscal year 1998-99,
33 one-half of the reversions required in subsections (a) and (b) of this section shall be
34 available to each special responsibility constituent institution of The University of
35 North Carolina. Those funds shall be used by the institution at the campus level for
36 any of the following: the nonrecurring costs of technology, including the installation
37 of technology infrastructure for academic facilities on the campus of the special
38 responsibility constituent institution, the implementation by the constituent institution
39 of its campus technology plan as approved by the Board of Governors, or for
40 libraries. The funds shall not be used to support positions. Each special responsibility
41 constituent institution shall report annually to the Board of Governors regarding how
42 the institution spent the funds made available under this section."

43 (b) Effective July 1, 1999, G.S. 116-30.3 as amended by subsection (a) of
44 this section reads as rewritten:

45 "§ 116-30.3. Reversions.

46 ~~(a)~~ Of the General Fund current operations appropriations credit balance
47 remaining at the end of each fiscal year in each budget code of a special
48 responsibility constituent institution, except for the budget code of the Area Health
49 Education Centers of the University of North Carolina at Chapel Hill, any amount
50 ~~greater than two percent (2%)~~ of the General Fund appropriation for that fiscal year
51 may be carried forward by the institution to the next fiscal year and may be used for
one-time expenditures that will not impose additional financial obligations on the
State. Of the General Fund current operations appropriations credit balance

30 Requested by: Senators Rand, Lee

31 **COMMUNITY COLLEGE TUITION WAIVER**

32 Section 10.12. It is the intent of the General Assembly to provide a
33 tuition waiver for up to two years, to the extent that funds are appropriated expressly
34 for that purpose, to deserving students who graduate from a North Carolina high
35 school and are enrolled full-time in a North Carolina community college within six
36 months of graduation.
37

1 Requested by: Senators Lee, Winner

2 **UNC INCENTIVE FUNDING**

3 Section 11. (a) G.S. 116-30.3(d) reads as rewritten:

4 "(d) For fiscal year 1997-98 and ~~each subsequent fiscal year, fiscal year 1998-99,~~
5 one-half of the reversions required in subsections (a) and (b) of this section shall be
6 available to each special responsibility constituent institution of The University of
7 North Carolina. Those funds shall be used by the institution at the campus level for
8 any of the following: the nonrecurring costs of technology, including the installation
9 of technology infrastructure for academic facilities on the campus of the special
10 responsibility constituent institution, the implementation by the constituent institution
11 of its campus technology plan as approved by the Board of Governors, or for
12 libraries. The funds shall not be used to support positions. Each special responsibility
13 constituent institution shall report annually to the Board of Governors regarding how
14 the institution spent the funds made available under this section."

15 (b) Effective July 1, 1999, G.S. 116-30.3 as amended by subsection (a) of
16 this section reads as rewritten:

17 **"§ 116-30.3. Reversions.**

18 (a) Of the General Fund current operations appropriations credit balance
19 remaining at the end of each fiscal year in each budget code of a special
20 responsibility constituent institution, except for the budget code of the Area Health
21 Education Centers of the University of North Carolina at Chapel Hill, any amount
22 ~~greater than two percent (2%)~~ of the General Fund appropriation for that fiscal year
23 may be carried forward by the institution to the next fiscal year and may be used for
24 one-time expenditures that will not impose additional financial obligations on the
25 State. Of the General Fund current operations appropriations credit balance
26 remaining in the budget code of the Area Health Education Centers of the University
27 of North Carolina at Chapel Hill, any amount ~~greater than one percent (1%)~~ of the
28 General Fund appropriation for that fiscal year may be carried forward in that budget
29 code to the next fiscal year and may be used for one-time expenditures that will not
30 impose additional financial obligations on the State. However, the amount carried
31 forward under this section shall not exceed two and one-half percent (2 1/2%) of the
32 General Fund appropriation. The Director of the Budget, under the authority set
33 forth in G.S. 143-25, shall establish the General Fund current operations credit
34 balance remaining in each budget code of each institution.

35 (b) ~~An institution shall cease to be a special responsibility constituent institution~~
36 ~~under the following circumstances:~~

- 37 (1) ~~An institution, other than the Area Health Education Centers of~~
38 ~~the University of North Carolina, does not revert at least two~~
39 ~~percent (2%) of its General Fund current operations credit balance~~
40 ~~remaining in each budget code of that institution, or~~
41 (2) ~~The Area Health Education Centers of the University of North~~
42 ~~Carolina at Chapel Hill does not revert at least one percent (1%)~~
43 ~~of its General Fund current operations credit balance remaining in~~
44 ~~its budget code.~~

45 ~~However, if the Board of Governors finds that the low reversion rate is due to~~
46 ~~adverse and unforeseen conditions, the Board may allow the institution to remain a~~
47 ~~special responsibility constituent institution for one year to come into conformity with~~
48 ~~this section. The Board may make this exception only one time for any special~~
49 ~~responsibility constituent institution, and shall report these exceptions to the Joint~~
50 ~~Legislative Commission on Governmental Operations.~~

51 (c) ~~One half of the reversions required in subsection (a) and (b) of this section~~
52 ~~shall be returned to the General Fund credit balance at the end of each fiscal year.~~

1 ~~(d) For fiscal year 1997-98 and fiscal year 1998-99, one half of the reversions~~
2 ~~required in subsections (a) and (b) of this section shall be available to each special~~
3 ~~responsibility constituent institution of The University of North Carolina. Those funds~~
4 ~~shall be used by the institution at the campus level for any of the following: the~~
5 ~~nonrecurring costs of technology, including the installation of technology~~
6 ~~infrastructure for academic facilities on the campus of the special responsibility~~
7 ~~constituent institution, the implementation by the constituent institution of its campus~~
8 ~~technology plan as approved by the Board of Governors, or for libraries. The funds~~
9 ~~shall not be used to support positions. Each special responsibility constituent~~
10 ~~institution shall report annually to the Board of Governors regarding how the~~
11 ~~institution spent the funds made available under this section."~~

1 CODE NO. 98UNC-S002-P

2 Requested by: Senators Lee, Winner

3 NATURAL RESOURCES LEADERSHIP INSTITUTE

4 Section 11.1. For the 1998-99 fiscal year, the requirement for reversion of
5 General Fund appropriations as required by G.S. 116-30.3 for the Cooperative
6 Extension Service budget code at North Carolina State University is reduced by one
7 hundred seventy thousand dollars (\$170,000) in order to provide funding for the
8 Natural Resource Leadership Institute sponsored by the Cooperative Extension
9 Service.

1 CODE NO. 98UNC-S003-P

2 Requested by: Senators Lee, Winner

3 INCENTIVE SCHOLARSHIP PROGRAM FOR NATIVE AMERICANS

4 Section 11.2. Section 17.3(a) of Chapter 769, 1993 Session Laws, reads as
5 rewritten:

6 "Sec. 17.3. (a) The Board of Governors of The University of North Carolina shall
7 establish the Incentive Scholarship Program for Native Americans to provide
8 opportunities for Native Americans who are residents of North Carolina to attend
9 constituent institutions of The University of North Carolina under rules adopted by
10 the Board of Governors. Scholarships awarded under the program shall carry a
11 maximum value of three thousand dollars (\$3,000) per recipient per academic year,
12 ~~reduced by any amount of need-based aid that the recipient may receive from Pell~~
13 ~~Grants, North Carolina Student Incentive Grants, Supplemental Educational~~
14 ~~Opportunity Grants, or the American Indian Student Legislative Grant Program. to~~
15 be awarded after all other need-based grants for which the recipient is eligible have
16 been included in the student's financial aid package. The maximum amount of the
17 award shall not exceed the cost of attendance budget used to calculate financial aid
18 less other need-based aid received, and in no case shall the award exceed three
19 thousand dollars (\$3,000). To be eligible for such a scholarship, a student shall be a
20 Native American, defined as an individual who maintains cultural identification as a
21 Native American through membership in an Indian tribe recognized by the United
22 States or by the State of North Carolina or through other tribal affiliation or
23 community recognition."

1 CODE NO. 98UNC-S004-P

2 Requested by: Senators Lee, Winner, Plyler

3 AID TO STUDENTS ATTENDING PRIVATE COLLEGES PROCEDURE

4 Section 11.3. Section 10.4 of S.L. 1997-443 reads as rewritten:

5 "Section 10.4. (a) Funds appropriated in this act to the Board of Governors of
6 The University of North Carolina for aid to private colleges shall be disbursed in
7 accordance with the provisions of G.S. 116-19, 116-21, and 116-22. These funds shall
8 provide up to ~~seven hundred fifty dollars (\$750.00)~~ nine hundred dollars (\$900.00)
9 per full-time equivalent North Carolina undergraduate student enrolled at a private
10 institution as of October 1 each year.

11 These funds shall be placed in a separate, identifiable account in each eligible
12 institution's budget or chart of accounts. All funds in this account shall be provided
13 as scholarship funds for needy North Carolina students during the fiscal year. Each
14 student awarded a scholarship from this account shall be notified of the source of the
15 funds and of the amount of the award. Funds not utilized under G.S. 116-19 shall be
16 available for the tuition grant program as defined in subsection (b) of this section.

17 (b) In addition to any funds appropriated pursuant to G.S. 116-19 and in addition
18 to all other financial assistance made available to private educational institutions
19 located within the State, or to students attending these institutions, there is granted to
20 each full-time North Carolina undergraduate student attending an approved
21 institution as defined in G.S. 116-22, a sum, not to exceed ~~one thousand four hundred~~
22 ~~fifty dollars (\$1,450)~~ one thousand six hundred dollars (\$1,600) per academic year,
23 which shall be distributed to the student as hereinafter provided.

24 The tuition grants provided for in this section shall be administered by the State
25 Education Assistance Authority pursuant to rules adopted by the State Education
26 Assistance Authority not inconsistent with this section. The State Education
27 Assistance Authority shall not approve any grant until it receives proper certification
28 from an approved institution that the student applying for the grant is an eligible
29 student. Upon receipt of the certification, the State Education Assistance Authority
30 shall remit at such times as it shall prescribe the grant to the approved institution on
31 behalf, and to the credit, of the student.

32 In the event a student on whose behalf a grant has been paid is not enrolled and
33 carrying a minimum academic load as of the tenth classroom day following the
34 beginning of the school term for which the grant was paid, the institution shall refund
35 the full amount of the grant to the State Education Assistance Authority. Each
36 approved institution shall be subject to examination by the State Auditor for the
37 purpose of determining whether the institution has properly certified eligibility and
38 enrollment of students and credited grants paid on the behalf of the students.

39 In the event there are not sufficient funds to provide each eligible student with a
40 full grant:

- 41 (1) The Board of Governors of The University of North Carolina, with
42 the approval of the Office of State Budget and Management, may
43 transfer available funds to meet the needs of the programs
44 provided by subsections (a) and (b) of this section; and
- 45 (2) Each eligible student shall receive a pro rata share of funds then
46 available for the remainder of the academic year within the fiscal
47 period covered by the current appropriation.

48 Any remaining funds shall revert to the General Fund.

49 (c) Expenditures made pursuant to this section may be used only for secular
50 educational purposes at nonprofit institutions of higher learning. Expenditures made
51 pursuant to this section shall not be used for any student who:

- 52 (1) Is incarcerated in a State or federal correctional facility for
53 committing a Class A, B, B1, or B2 felony; or

1 (2) Is incarcerated in a State or federal correctional facility for
2 committing a Class C through I felony and is not eligible for parole
3 or release within 10 years.

4 (d) The State Education Assistance Authority shall document the number of full-
5 time equivalent North Carolina undergraduate students that are enrolled in off-
6 campus programs and the State funds collected by each institution pursuant to G.S.
7 116-19 for those students. The State Education Assistance Authority shall also
8 document the number of scholarships and the amount of the scholarships that are
9 awarded under G.S. 116-19 to students enrolled in off-campus programs. An "off-
10 campus program" is any program offered for degree credit away from the institution's
11 main permanent campus.

12 The State Education Assistance Authority shall include in its annual report to the
13 Joint Legislative Education Oversight Committee the information it has compiled and
14 its findings regarding this program."

1 CODE NO. 98UNC-S005A-P

2 Requested by: Senators Lee, Winner

3 UNC EQUITY FUNDS/CAPITAL FACILITIES STUDY

4 Section 11.4. Section 10.1 of S.L. 1997-443 reads as rewritten:

5 "Section 10.1. (a) The funds appropriated to the Board of Governors of The
6 University of North Carolina for equity funds are to address relative inequities in
7 State operating funding revealed through a study of the constituent institutions in the
8 university system. The General Assembly notes that the study dealt with equity based
9 upon current funding from State appropriations and tuition for operations and did
10 not consider historical equity in funding for physical facilities or funding from non-
11 State sources. Therefore, in making this appropriation, the General Assembly does
12 not conclude that the total funding of any institution, including specifically the
13 historically black universities, is adequate in light of all considerations.

14 (b) Based on findings of the Legislative Study Commission on the Status of
15 Education at The University of North Carolina, the General Assembly is still
16 concerned about perceived differences in the quality of capital facilities on the
17 different campuses, which may impact the ability of some campuses to attract students
18 and faculty. Since the Board of Governors has recently completed studies of equity
19 of funding for operating costs among the constituent institutions and of the Board of
20 Governors' capital improvements request process, it is timely that the question of
21 equity of facilities be addressed.

22 The Board of Governors of The University of North Carolina shall study the
23 relative equity and adequacy of the physical facilities of its constituent institutions.
24 The study shall consider the condition of the facilities, whether or not facilities are
25 comparable among the campuses given the different missions of the institutions,
26 comparable adequacy of the physical facilities given the size and projected growth of
27 the school, and such other factors deemed appropriate by the Board of Governors.
28 The study shall include all facilities contributing to the accomplishment of the
29 campuses' missions. First, the Board of Governors shall study those facilities
30 considered central to the academic missions of the campuses that are generally
31 supported from General Fund appropriations. Secondly, the Board of Governors
32 shall study those facilities that contribute to the overall missions of the campuses,
33 including residential, dining, research, and other facilities regardless of the sources of
34 funding. The Board of Governors shall consider its policies on funding of self-
35 liquidating projects and whether those policies contribute to any inequities among the
36 campuses, including the overall costs to the students.

37 ~~The Board of Governors shall report to the General Assembly by January 15, 1999,~~
38 ~~with the results of its study. The report shall include recommendations to rectify any~~
39 ~~inequities or inadequacies found in the study.~~

40 (c) The Board of Governors shall contract with a private consulting firm with
41 expertise in higher education matters to assess the additional capital needs of the
42 constituent institutions of The University of North Carolina. The needs assessment
43 shall project the needs for capital funding for a 10-year period, and shall include a
44 detailed plan for making funding allocations based on the priorities of needs.

45 The plan shall provide a detailed capital spending plan for the next 10 years to
46 assist the General Assembly in making funding decisions relating to The University of
47 North Carolina, as the State plans for major increases in enrollment in higher
48 education and prepares its citizens to compete in a global economy. The plan shall
49 include considerations of the costs and changes in capital needs caused by new
50 technologies and alternative systems for delivery of higher education services.

51 The consultant shall visit each campus in The University of North Carolina system
52 to understand the needs of each campus based on their assigned missions, physical
53 needs, and plans.

1 The Board and its consultant shall provide interim progress reports to the General
2 Assembly on a periodic basis. The Board of Governors shall report to the General
3 Assembly by April 15, 1999, with the results of its study and plan.
4 Of the funds appropriated to the Board of Governors for fiscal year 1998-99, up to
5 two hundred fifty thousand dollars (\$250,000) may be reallocated for the purposes of
6 this section, including funds that would normally revert to the General Fund at the
7 end of the fiscal year."

1 CODE NO. 98UNC-S006-P

2 Requested by: Senators Lee, Winner

3 **MANUFACTURING EXTENSION PARTNERSHIP**

4 Section 11.5. Section 10.7 of S.L. 1997-443 reads as rewritten:

5 "Section 10.7. Of the funds appropriated to the Board of Governors of The
6 University of North Carolina, the sum of nine hundred thousand dollars (\$900,000)
7 for the ~~1997-98~~ 1998-99 fiscal year shall be allocated to North Carolina State
8 University to match additional federal funds for the Manufacturing Extension
9 Partnership Program."

1 CODE NO. 98UNC-S008-P

2 Requested by: Senators Lee, Winner, Warren, Perdue

3 **EAST CAROLINA DOCTORAL II CLASSIFICATION**

4 Section 11.6. Of the funds appropriated to the Board of Governors of
5 The University of North Carolina for the 1998-99 fiscal year, the sum of two million
6 dollars (\$2,000,000) shall be allocated to East Carolina University in recognition of
7 the designation of that institution as a Doctoral II University. The funds may be used
8 for additional faculty, increases in faculty salaries, increases in the number of
9 graduate student tuition remissions, and other enhancements required to meet the
10 needs of a Doctoral II institution. The use of these funds shall be in accord with the
11 plan developed for the Board of Governors for adjusting the funding for East
12 Carolina University to a level appropriate for Doctoral II University status. East
13 Carolina University shall report to the Board of Governors, the Office of State
14 Budget and Management, and the Fiscal Research Division on the allocation of these
15 funds within its budgets.

1 CODE NO. 98UNC-S009A-P

2 Requested by: Senators Lee, Winner

3 UNC DISTANCE EDUCATION

4 Section 11.7. This act provides funding to The University of North
5 Carolina Board of Governors for degree-related courses provided away from the
6 campus sites of the constituent institutions of The University of North Carolina. The
7 intent of this commitment is to provide expanded opportunities for higher education
8 to more North Carolina residents, including nontraditional students, and to increase
9 the number of North Carolina residents who earn post-secondary degrees.

10 These funds shall be used for the provision of off-campus higher
11 education programs, including the costs for the development or adaptation of
12 programs for this purpose, and the funds may be used for the costs of providing space
13 and services at the off-campus sites.

14 Prior to approving funding for off-campus programs in nursing, the Board
15 shall consult with the central office of the Area Health Education Centers (AHEC) to
16 obtain information about regional needs and priorities and to coordinate funding with
17 AHEC efforts in nursing education.

18 The Board of Governors shall track these funds separately in order to
19 provide data on the costs of providing these programs, including the different costs
20 for various methods of delivery of educational programs. The Board of Governors
21 shall provide for evaluation of these off-campus programs, including comparisons to
22 the costs and quality of on-campus delivery of similar programs, as well as the impact
23 on access to higher education and the educational attainment levels of North
24 Carolina residents. The Board shall provide a preliminary report to the General
25 Assembly by May 1, 2000, and subsequent evaluations, including recommendations
26 for changes, shall be made at least biennially to the Joint Legislative Education
27 Oversight Committee.

1 CODE NO. 98UNC-S012A-P

2 Requested by: Senator Winner

3 **UNC HOSPITALS/MANAGEMENT FLEXIBILITY**

4 Section 11.8. (a) G.S. 116-37 reads as rewritten:

5 **"§ 116-37. University of North Carolina Hospitals at Chapel Hill.**

6 (a) Composition. -- The Board of Governors of the University of North Carolina
7 is hereby directed to create a board of directors for the University of North Carolina
8 Hospitals at Chapel Hill consisting of 12 members of which nine shall be appointed
9 by the Board of Governors. Three members ex officio of said board shall be the
10 University of North Carolina at Chapel Hill Vice-Chancellor for Health Affairs,
11 University of North Carolina at Chapel Hill Vice-Chancellor for Business and
12 Finance, and the Dean of the University of North Carolina at Chapel Hill Medical
13 School, or successors to these offices under other titles with similar responsibilities.
14 Nine members shall be appointed from the business and professional public-at-large,
15 none of whom shall be Governors of the University, and, thereafter, the nine
16 appointive members shall select one of their number to serve as chairman. Members
17 of this board shall include, but not be limited to, persons with special competence in
18 business management, hospital administration, and medical practice not affiliated
19 with University faculty. The Governors may remove any member for cause. Board
20 members, other than ex officio members, shall each receive such per diem and
21 necessary travel and subsistence expenses while engaged in the discharge of their
22 official duties as is provided by law for members of State boards and commissions
23 generally.

24 (a1) Appointment to Board. -- Each of the nine persons who, as of June 30, 1989,
25 is serving as an appointed member of the Board shall be reassigned by the Governors,
26 each to a different term, ending June 30, 1989, June 30, 1990, June 30, 1991, June 30,
27 1992, June 30, 1993, June 30, 1994, June 30, 1995, June 30, 1996, or June 30, 1997.
28 After July 1, 1989, the term of office for new appointments shall commence on July
29 1, and all members shall serve for four-year terms; provided, however, that no person
30 may be appointed to (i) more than three full four-year terms in succession, or (ii) a
31 four-year term if preceded immediately by 12 years of service. Resignation from a
32 term of office shall not constitute a break in service for the purpose of this subsection.
33 Board member vacancies shall be filled by the Governors for the remainder of the
34 unexpired term.

35 (b) Meetings and Powers of Board. -- The board of directors shall meet at least
36 every 60 days and may hold special meetings at any time and place within the State
37 at the call of its chairman. The board of directors shall make rules, regulations, and
38 policies governing the management and operation of the University of North Carolina
39 Hospitals at Chapel Hill, consistent with basic State statutes and procedures, to meet
40 the goals of education, research, patient care, and community service. The board's
41 action on matters within its jurisdiction is final, except that appeals may be made, in
42 writing, to the Board of Governors with a copy of the appeal to the University
43 administration. The board of directors shall elect and may remove the executive
44 director of the University of North Carolina Hospitals at Chapel Hill. The board of
45 directors may enter into formal agreements with the University of North Carolina at
46 Chapel Hill, Division of Health Affairs, with respect to the provision of clinical
47 experience for students and may also enter into formal agreements with the
48 University of North Carolina at Chapel Hill for the provision of maintenance and
49 supporting services.

50 (c) Executive Director. -- The chief administrative officer of the University of
51 North Carolina Hospitals at Chapel Hill shall be the executive director, who shall be
52 appointed by the board of directors to serve at its pleasure. The executive director
53 shall administer the affairs of the University of North Carolina Hospitals at Chapel

1 Hill subject to the duly adopted policies, rules, and regulations of the board of
2 directors, including the appointment, promotion, demotion, and discharge of all
3 personnel. The executive director shall report to the board of directors quarterly or
4 more often as required. The executive director will serve as secretary to the board of
5 directors.

6 (d) Personnel. -- The University of North Carolina Hospitals at Chapel Hill shall
7 maintain a personnel office for personnel administration. ~~Notwithstanding the~~
8 ~~provisions of Chapter 126 of the General Statutes to the contrary, the Board of~~
9 ~~Directors of the University of North Carolina Hospitals at Chapel Hill shall establish~~
10 ~~policies and rules governing the study and implementation of competitive position~~
11 ~~classification and compensation plans for registered and licensed practical nurse~~
12 ~~positions that have been approved by the Board of Directors. These plans shall~~
13 ~~provide for minimum, maximum, and intermediate rates of pay, and may include~~
14 ~~provisions for range revisions and shift premium pay and for salary adjustments to~~
15 ~~address internal inequities, job performance, and market conditions. The Office of~~
16 ~~State Personnel shall review the classification and compensation plans on an annual~~
17 ~~basis. All changes in compensation plans for these registered and licensed practical~~
18 ~~nurse positions shall be submitted to the Office of State Personnel upon~~
19 ~~implementation. All employees of the University of North Carolina Hospitals at~~
20 ~~Chapel Hill shall be deemed to be employees of the State and shall be subject to all~~
21 ~~provisions of State law relevant thereto; provided, however, that except as to the~~
22 ~~provisions of Articles 5, 6, and 7 of Chapter 126 of the General Statutes, the~~
23 ~~provisions of Chapter 126 shall not apply to employees of the University of North~~
24 ~~Carolina Hospitals at Chapel Hill, and the policies and procedures governing the~~
25 ~~terms and conditions of employment of such employees shall be adopted by the~~
26 ~~Board of Directors.~~

5- Policy
6- Equal
Employment
Opportunity
7- Seniority
of employees

27 (1) The Board of Directors shall fix or approve the schedules of pay,
28 expense allowances, and other compensation and adopt position
29 classification plans for all employees of the University of North
30 Carolina Hospitals at Chapel Hill.

31 (2) The Board of Directors shall adopt or provide for rules and
32 regulations concerning, but not limited to, annual leave, sick leave,
33 special leave with full pay or with partial pay supplementing
34 workers' compensation payments for employees injured in
35 accidents arising out of and in the course of employment, working
36 conditions, service awards, and incentive award programs, grounds
37 for dismissal, demotion, or discipline, other personnel policies, and
38 any other measures that promote the hiring and retention of
39 capable, diligent, and effective career employees. However, an
40 employee who has achieved career State employee status as
41 defined by G.S. 126-1.1 by October 31, 1998, shall not have his or
42 her compensation reduced as a result of this subdivision. Further,
43 an employee who has achieved career State employee status as
44 defined by G.S. 126-1.1 by October 31, 1998, shall be subject to the
45 rules regarding discipline or discharge that were effective on
46 October 31, 1998, and shall not be subject to the rules regarding
47 discipline or discharge adopted after October 31, 1998.

48 (3) The Board of Directors may prescribe the office hours, workdays,
49 and holidays to be observed by the various offices and departments
50 of the University of North Carolina Hospitals at Chapel Hill.

51 (4) The Board of Directors shall establish boards, committees, or
52 councils to conduct hearings upon the appeal of employees who
53 have been suspended, demoted, otherwise disciplined, or

1 discharged, to hear employee grievances, or to undertake any other
2 duties relating to personnel administration that the Board of
3 Directors may direct.

4 (e) Finances. -- The University of North Carolina Hospitals at Chapel Hill shall be
5 subject to the provisions of the Executive Budget Act. There shall be maintained a
6 business and budget office to administer the budget and financial affairs of the
7 University of North Carolina Hospitals at Chapel Hill. The executive director, subject
8 to the board of directors, shall be responsible for all aspects of budget preparation,
9 budget execution, and expenditure reporting. Subject to the approval of the Director
10 of the Budget: All operating funds of the University of North Carolina Hospitals at
11 Chapel Hill may be budgeted and disbursed through a special fund code, all receipts
12 of the University of North Carolina Hospitals at Chapel Hill may be deposited
13 directly to the special fund code; and general fund appropriations for support of the
14 University of North Carolina Hospitals at Chapel Hill may be budgeted in a general
15 fund code under a single purpose, "Contribution to University of North Carolina
16 Hospitals at Chapel Hill Operations" and be transferable to the special fund
17 operating code as receipts. Prior to taking any action under this subsection, the
18 Director of the Budget may consult with the Advisory Budget Commission.

19 (e1) Finances -- Patient/Hospital Benefit. -- The Executive Director of the
20 University of North Carolina Hospitals at Chapel Hill or the Director's designee, may
21 expend operating budget funds, including State funds, of the University of North
22 Carolina Hospitals at Chapel Hill for the direct benefit of a patient, when, in the
23 judgment of the Executive Director or the Director's designee, the expenditure of
24 these funds would result in a financial benefit to the University of North Carolina
25 Hospitals at Chapel Hill. Any such expenditures are declared to result in the
26 provision of medical services and create charges of the University of North Carolina
27 Hospitals at Chapel Hill for which the hospitals may bill and pursue recovery in the
28 same way as allowed by law for recovery of other hospitals' charges for services that
29 are unpaid.

30 These expenditures shall be limited to no more than seven thousand five hundred
31 dollars (\$7,500) per patient per admission and shall be restricted (i) to situations in
32 which a patient is financially unable to afford ambulance or other transportation for
33 discharge; (ii) to afford placement in an after-care facility pending approval of third
34 party entitlement benefits; (iii) to assure availability of a bed in an after-care facility
35 after discharge from the hospitals; (iv) to secure equipment or other medically
36 appropriate services after discharge; (v) or to pay health insurance premiums. The
37 Executive Director or the Director's designee shall reevaluate at least once a month
38 the cost-effectiveness of any continuing payment on behalf of a patient.

39 To the extent that the University of North Carolina Hospitals at Chapel Hill
40 advance anticipated government entitlement benefits for a patient's benefit, for which
41 the patient later receives a lump sum "backpay" award from an agency of the State,
42 whether for the current admission or subsequent admission, the State agency shall
43 withhold from this backpay an amount equal to the sum advanced on the patient's
44 behalf by the University of North Carolina Hospitals at Chapel Hill, if, prior to the
45 disbursement of the backpay, the applicable State program has received notice from
46 the University of North Carolina Hospitals at Chapel Hill of the advancement.

47 (f) Purchases. -- ~~The University of North Carolina Hospitals at Chapel Hill shall~~
48 ~~be subject to all provisions of Articles 3 and 3A of Chapter 143 of the General~~
49 ~~Statutes relating to the Department of Administration, Purchase and Contract~~
50 ~~Division. There shall be maintained a purchasing office to handle all purchasing~~
51 ~~requirements of the University of North Carolina Hospitals at Chapel Hill. The~~
52 ~~Purchase and Contract Division may enter into such arrangements with the board of~~
53 ~~directors as the Division may deem necessary in consideration of the special~~

1 ~~requirements of the University of North Carolina Hospitals at Chapel Hill for~~
2 ~~procurement of certain supplies, materials, equipments and services. Notwithstanding~~
3 ~~the provisions of Articles 3 and 3A of Chapter 143 of the General Statutes to the~~
4 ~~contrary, the Board of Directors shall establish policies and regulations governing the~~
5 ~~purchasing requirements of the University of North Carolina Hospitals at Chapel Hill.~~
6 ~~These policies and regulations shall provide for requests for proposals, competitive~~
7 ~~bidding or purchasing by means other than competitive bidding, contract negotiations~~
8 ~~and contract awards for purchasing supplies, materials, equipment, and services~~
9 ~~which are necessary and appropriate to fulfill the clinical, educational, research, and~~
10 ~~community service missions of the University of North Carolina Hospitals at Chapel~~
11 ~~Hill. The Board of Directors shall seek the advice of the Director of the Purchase~~
12 ~~and Contract Division on an annual basis concerning the adequacy of the University~~
13 ~~of North Carolina Hospitals at Chapel Hill management staff and internal controls~~
14 ~~to administer the additional authorities authorized under this section.~~

15 (g) Property. -- ~~The board of directors shall be responsible to the University Board~~
16 ~~of Governors for the maintenance, operation, and control of the University of North~~
17 ~~Carolina Hospitals at Chapel Hill and grounds. Notwithstanding the provisions of~~
18 ~~Article 6 of Chapter 146 of the General Statutes to the contrary, the Board of~~
19 ~~Directors shall establish rules and regulations to perform the functions otherwise~~
20 ~~prescribed for the Department of Administration in acquiring or disposing of any~~
21 ~~interest in real property by the University of North Carolina Hospitals at Chapel Hill.~~
22 ~~These rules and regulations shall include provisions for development of specifications,~~
23 ~~advertisement, and negotiations with owners for acquisition by purchase, gift, lease,~~
24 ~~or rental, but not by condemnation or exercise of eminent domain, on behalf of the~~
25 ~~University of North Carolina Hospitals at Chapel Hill. This section does not~~
26 ~~authorize the Board of Directors to encumber real property. The Board of Directors~~
27 ~~shall seek the advice of the State Property Office on an annual basis concerning the~~
28 ~~adequacy of the University of North Carolina Hospitals at Chapel Hill management~~
29 ~~staff and internal controls to administer the additional authorities permitted by this~~
30 ~~section. After review by the Attorney General as to form and after the~~
31 ~~consummation of any such acquisition, the University of North Carolina Hospitals at~~
32 ~~Chapel Hill shall promptly file a report concerning the acquisition or disposition with~~
33 ~~the Governor and Council of State.~~

34 (h) Patient Information. -- ~~The University of North Carolina Hospitals at Chapel~~
35 ~~Hill shall, at the earliest possible opportunity, specifically make a verbal and written~~
36 ~~request to each patient to disclose the patient's Social Security number, if any. If the~~
37 ~~patient does not disclose that number, the University of North Carolina Hospitals at~~
38 ~~Chapel Hill shall deny benefits, rights, and privileges of the University of North~~
39 ~~Carolina Hospitals at Chapel Hill to the patient as soon as practical, to the maximum~~
40 ~~extent permitted by federal law or federal regulations. The University of North~~
41 ~~Carolina Hospitals at Chapel Hill shall make the disclosure to the patient required by~~
42 ~~Section 7(b) of P.L. 93-579. This subsection is supplementary to G.S. 105A-3(c).~~

43 (i) Property Construction. -- ~~Notwithstanding G.S. 143-341(3) and G.S. 143-135.1,~~
44 ~~the Board of Directors shall, with respect to the design, construction, and renovation~~
45 ~~of buildings, utilities, and other property developments of the University of North~~
46 ~~Carolina Hospitals at Chapel Hill requiring the expenditure of public money:~~

- 47 (1) ~~Conduct the fee negotiations for all design contracts and supervise~~
48 ~~the letting of all construction and design contracts.~~
- 49 (2) ~~Develop procedures governing the responsibilities of the University~~
50 ~~of North Carolina Hospitals at Chapel Hill to perform the duties of~~
51 ~~the Department of Administration, the Office of State~~
52 ~~Construction, and the State Building Commission under G.S. 133-~~

1.1(d), Article 8 of Chapter 143 of the General Statutes, and G.S. 143-341(3).

(3) Develop procedures and limitations governing the use of open-end design agreements.

(4) As appropriate, submit construction documents for review and approval by the Department of Insurance and the Division of Facility Services of the Department of Human Resources.

(5) Use the standard contracts for design and construction currently in use for State capital improvement projects by the Office of State Construction of the Department of Administration.

(6) Seek the advice of the Director of the Office of State Construction on an annual basis concerning the adequacy of the University of North Carolina Hospitals at Chapel Hill management staff and internal controls to administer the additional authorities authorized by this section."

(b) G.S. 126-5 is amended by adding a new subsection to read:

"(c8) Except as to the provisions of Articles 5, 6, and 7 of this Chapter, the provisions of this Chapter shall not apply to:

(1) Employees of the University of North Carolina Hospitals at Chapel Hill.

(2) Employees of the Medical Faculty Practice Plan, a Division of the School of Medicine of East Carolina University.

(3) Employees of UNC Physicians and Associates, a Division of the School of Medicine of the University of North Carolina at Chapel Hill."

(c) G.S. 143-56 reads as rewritten:

"§ 143-56. Certain purchases excepted from provisions of Article.

Unless as may otherwise be ordered by the Secretary of Administration, the purchase of supplies, materials and equipment through the Secretary of Administration shall be mandatory in the following cases:

(1) Published books, manuscripts, maps, pamphlets and periodicals.

(2) Perishable articles such as fresh vegetables, fresh fish, fresh meat, eggs, and others as may be classified by the Secretary of Administration.

Purchase through the Secretary of Administration shall not be mandatory for a purchase of supplies, materials or equipment for the General Assembly if the total expenditures is less than the expenditure benchmark established under the provisions of ~~G.S. 143-53.1 or 143-53.1~~, for group purchases made by hospitals through a competitive bidding purchasing program, as defined in ~~G.S. 143-129~~, 143-129, by the University of North Carolina Hospitals at Chapel Hill pursuant to G.S. 116-37(f), by the University of North Carolina at Chapel Hill on behalf of UNC Physicians and Associates pursuant to G.S. 116-37.2(c), or by East Carolina University on behalf of the Medical Faculty Practice Plan pursuant to G.S. 116-40.6(c).

All purchases of the above articles made directly by the departments, institutions and agencies of the State government shall, whenever possible, be based on competitive bids. Whenever an order is placed or contract awarded for such articles by any of the departments, institutions and agencies of the State government, a copy of such order or contract shall be forwarded to the Secretary of Administration and a record of the competitive bids upon which it was based shall be retained for inspection and review."

(d) G.S. 146-22 reads as rewritten:

"§ 146-22. All acquisitions to be made by Department of Administration.

1 Every acquisition of land on behalf of the State or any State agency, whether by
2 purchase, condemnation, lease, or rental, shall be made by the Department of
3 Administration and approved by the Governor and Council of State; provided that if
4 the proposed acquisition is a purchase of land with an appraised value of at least
5 twenty-five thousand dollars (\$25,000), and the acquisition is for other than a
6 transportation purpose, the acquisition may only be made after consultation with the
7 Joint Legislative Commission on Governmental ~~Operations~~; Operations; and
8 provided further, that acquisitions on behalf of the University of North Carolina
9 Hospitals at Chapel Hill shall be made in accordance with G.S. 116-37(g),
10 acquisitions on behalf of the UNC Physicians and Associates shall be made in
11 accordance with G.S. 116-37.2(d), and acquisitions on behalf of the Medical Faculty
12 Practice Plan made in accordance with G.S. 116-40.6(d). In determining whether the
13 appraised value is at least twenty-five thousand dollars (\$25,000), the value of the
14 property in fee simple shall be used. The State may not purchase land as a
15 tenant-in-common without consultation with the Joint Legislative Commission on
16 Governmental Operations if the appraised value of the property in fee simple is at
17 least twenty-five thousand dollars (\$25,000)."

18 (e) G.S. 133-1.1(d) reads as rewritten:
19 "(d) On projects on which no registered architect or engineer is required pursuant
20 to the provisions of this section, the governing board or awarding authority shall
21 require a certificate of compliance with the State Building Code from the city or
22 county inspector for the specific trade or trades involved or from a registered
23 architect or engineer, except that the provisions of this subsection shall not apply on
24 projects (i) wherein plans and specifications are approved by the Department of
25 Administration, Division of State Construction, and the completed project is
26 inspected by the Division of State Construction and the State Electrical Inspector, (ii)
27 that are exempt from the State Building Code, or (iii) that are subject to G.S. 116-
28 31.11 and the completed project is inspected by the State Electrical Inspector and by
29 The University of North Carolina or its constituent or affiliated institution; (iv) that
30 are subject to G.S. 116-37(i) and the completed project is inspected by the State
31 Electrical Inspector and by the University of North Carolina Hospitals at Chapel Hill,
32 (v) that are subject to G.S. 116-37.2(e) and the completed project is inspected by the
33 State Electrical Inspector and by the University of North Carolina at Chapel Hill on
34 behalf of the UNC Physicians and Associates, or (vi) that are subject to G.S. 116-
35 40.6(e) and the completed project is inspected by the State Electrical Inspector and
36 by East Carolina University on behalf of the Medical Faculty Practice Plan."

37 (f) Chapter 116 of the General Statutes is amended by adding the
38 following:

39 "§ 116-37.2. The University of North Carolina Physicians and Associates.

40 (a) UNC Physicians and Associates. -- "UNC Physicians and Associates," a
41 division of the School of Medicine of the University of North Carolina at Chapel
42 Hill, operates clinical programs and facilities for the purpose of providing medical
43 care to the general public and training physicians and other health care professionals.

44 (b) Personnel. -- All employees of UNC Physicians and Associates shall be
45 deemed to be employees of the State and shall be subject to all provisions of State
46 law relevant thereto; provided, however, that except as to the provisions of Articles 5,
47 6, and 7 of Chapter 126 of the General Statutes, the provisions of Chapter 126 shall
48 not apply to employees of UNC Physicians and Associates, and the policies and
49 procedures governing the terms and conditions of employment of such employees
50 shall be adopted by the Board of Trustees of the University of North Carolina at
51 Chapel Hill; provided, that with respect to such employees as may be members of the
52 faculty of the University of North Carolina at Chapel Hill, no such policies and
53 procedures may be inconsistent with policies established by, or adopted pursuant to

1 delegation from, the Board of Governors of the University of North Carolina. Such
2 policies and procedures shall be implemented on behalf of UNC Physicians and
3 Associates by a personnel office maintained by the University of North Carolina at
4 Chapel Hill.

5 (1) The Board of Trustees shall fix or approve the schedules of pay,
6 expense allowances, and other compensation and adopt position
7 classification plans for employees of UNC Physicians and
8 Associates.

9 (2) The Board of Trustees may adopt or provide for rules and
10 regulations concerning, but not limited to, annual leave, sick leave,
11 special leave with full pay or with partial pay supplementing
12 workers' compensation payments for employees injured in
13 accidents arising out of and in the course of employment, working
14 conditions, service awards, and incentive award programs, grounds
15 for dismissal, demotion, or discipline, other personnel policies, and
16 any other measures that promote the hiring and retention of
17 capable, diligent, and effective career employees. However, an
18 employee who has achieved career State employee status as
19 defined by G.S. 126-1.1 by October 31, 1998, shall not have his or
20 her compensation reduced as a result of this subdivision. Further,
21 an employee who has achieved career State employee status as
22 defined by G.S. 126-1.1 by October 31, 1998, shall be subject to the
23 rules regarding discipline or discharge that were effective on
24 October 31, 1998, and shall not be subject to the rules regarding
25 discipline or discharge adopted after October 31, 1998.

26 (3) The Board of Trustees may prescribe the office hours, workdays,
27 and holidays to be observed by the various offices and departments
28 of UNC Physicians and Associates.

29 (4) The Board of Trustees shall establish boards, committees, or
30 councils to conduct hearings upon the appeal of employees who
31 have been suspended, demoted, otherwise disciplined, or
32 discharged, to hear employee grievances, or to undertake any other
33 duties relating to personnel administration that the Board of
34 Trustees may direct.

35 (c) Purchases. -- Notwithstanding the provisions of Articles 3 and 3A of Chapter
36 143 of the General Statutes to the contrary, the Board of Trustees of the University of
37 North Carolina at Chapel Hill shall establish policies and regulations governing the
38 purchasing requirements of UNC Physicians and Associates. These policies and
39 regulations shall provide for requests for proposals, competitive bidding or purchasing
40 by means other than competitive bidding, contract negotiations and contract awards
41 for purchasing supplies, materials, equipment, and services which are necessary and
42 appropriate to fulfill the clinical and educational missions of UNC Physicians and
43 Associates. Pursuant to such policies and regulations, purchases for UNC Physicians
44 and Associates shall be effected by a purchasing office maintained by the University
45 of North Carolina at Chapel Hill. The Board of Trustees shall seek the advice of the
46 Director of the Purchase and Contract Division on an annual basis concerning the
47 adequacy of the University of North Carolina at Chapel Hill management staff and
48 internal controls to administer the additional authorities authorized under this
49 section.

50 (d) Property. -- Notwithstanding the provisions of Article 6 of Chapter 146 of the
51 General Statutes to the contrary, the Board of Trustees shall establish rules and
52 regulations to perform the functions otherwise prescribed for the Department of
53 Administration in acquiring or disposing of any interest in real property for the use of

1 UNC Physicians and Associates. These rules and regulations shall include provisions
2 for development of specifications, advertisement, and negotiations with owners for
3 acquisition by purchase, gift, lease, or rental, but not by condemnation or exercise of
4 eminent domain, on behalf of UNC Physicians and Associates. This section does not
5 authorize the Board of Trustees to encumber real property. Such rules and
6 regulations shall be implemented by a property office maintained by the University of
7 North Carolina at Chapel Hill. The Board of Trustees shall seek the advice of the
8 State Property Office on an annual basis concerning the adequacy of the University of
9 North Carolina at Chapel Hill management staff and internal controls to administer
10 the additional authorities permitted by this section. After review by the Attorney
11 General as to form and after the consummation of any such acquisition, the
12 University of North Carolina at Chapel Hill shall promptly file, on behalf of UNC
13 Physicians and Associates, a report concerning the acquisition or disposition with the
14 Governor and Council of State.

15 (e) Property Construction. -- Notwithstanding G.S. 143-341(3) and G.S. 143-135.1,
16 the Board of Trustees shall adopt policies and procedures to be implemented by the
17 administration of the University of North Carolina at Chapel Hill, with respect to the
18 design, construction, and renovation of buildings, utilities, and other property
19 developments for the use of UNC Physicians and Associates, requiring the
20 expenditure of public money for:

- 21 (1) Conducting the fee negotiations for all design contracts and
22 supervising the letting of all construction and design contracts.
- 23 (2) Performing the duties of the Department of Administration, the
24 Office of State Construction, and the State Building Commission
25 under G.S. 133-1.1(d), Article 8 of Chapter 143 of the General
26 Statutes, and G.S. 143-341(3).
- 27 (3) Using open-end design agreements.
- 28 (4) As appropriate, submitting construction documents for review and
29 approval by the Department of Insurance and the Division of
30 Facility Services of the Department of Human Resources.
- 31 (5) Using the standard contracts for design and construction currently
32 in use for State capital improvement projects by the Office of State
33 Construction of the Department of Administration.

34 The Board of Trustees shall seek the advice of the Director of the Office of State
35 Construction on an annual basis concerning the adequacy of the University of North
36 Carolina at Chapel Hill management staff and internal controls to administer the
37 additional authorities authorized by this section.

38 **"§ 116-40.6. East Carolina University Medical Faculty Practice Plan.**

39 (a) Medical Faculty Practice Plan. -- The "Medical Faculty Practice Plan," a
40 division of the School of Medicine of East Carolina University, operates clinical
41 programs and facilities for the purpose of providing medical care to the general
42 public and training physicians and other health care professionals.

43 (b) Personnel. -- Employees of the Medical Faculty Practice Plan shall be deemed
44 to be employees of the State and shall be subject to all provisions of State law
45 relevant thereto; provided, however, that except as to the provisions of Articles 5, 6,
46 and 7 of Chapter 126 of the General Statutes, the provisions of Chapter 126 shall not
47 apply to employees of the Medical Faculty Practice Plan, and the policies and
48 procedures governing the terms and conditions of employment of such employees
49 shall be adopted by the Board of Trustees of East Carolina University; provided, that
50 with respect to such employees as may be members of the faculty of East Carolina
51 University, no such policies and procedures may be inconsistent with policies
52 established by, or adopted pursuant to delegation from, the Board of Governors of
53 the University of North Carolina. Such policies and procedures shall be

1 implemented on behalf of the Medical Faculty Practice Plan by a personnel office
2 maintained by East Carolina University.

3 (1) The Board of Trustees shall fix or approve the schedules of pay,
4 expense allowances, and other compensation and adopt position
5 classification plans for employees of the Medical Faculty Practice
6 Plan.

7 (2) The Board of Trustees may adopt or provide for rules and
8 regulations concerning, but not limited to, annual leave, sick leave,
9 special leave with full pay or with partial pay supplementing
10 workers' compensation payments for employees injured in
11 accidents arising out of and in the course of employment, working
12 conditions, service awards, and incentive award programs, grounds
13 for dismissal, demotion, or discipline, other personnel policies, and
14 any other measures that promote the hiring and retention of
15 capable, diligent, and effective career employees. However, an
16 employee who has achieved career State employee status as
17 defined by G.S. 126-1.1 by October 31, 1998, shall not have his or
18 her compensation reduced as a result of this subdivision. Further,
19 an employee who has achieved career State employee status as
20 defined by G.S. 126-1.1 by October 31, 1998, shall be subject to the
21 rules regarding discipline or discharge that were effective on
22 October 31, 1998, and shall not be subject to the rules regarding
23 discipline or discharge adopted after October 31, 1998.

24 (3) The Board of Trustees may prescribe the office hours, workdays,
25 and holidays to be observed by the various offices and departments
26 of the Medical Faculty Practice Plan.

27 (4) The Board of Trustees shall establish boards, committees or
28 councils to conduct hearings upon the appeal of employees who
29 have been suspended, demoted, otherwise disciplined, or
30 discharged, to hear employee grievances, or to undertake any other
31 duties relating to personnel administration that the Board of
32 Trustees may direct.

33 (c) Purchases. -- Notwithstanding the provisions of Articles 3 and 3A of Chapter
34 143 of the General Statutes to the contrary, the Board of Trustees of East Carolina
35 University shall establish policies and regulations governing the purchasing
36 requirements of the Medical Faculty Practice Plan. These policies and regulations
37 shall provide for requests for proposals, competitive bidding or purchasing by means
38 other than competitive bidding, contract negotiations and contract awards for
39 purchasing supplies, materials, equipment, and services which are necessary and
40 appropriate to fulfill the clinical and educational missions of the Medical Faculty
41 Practice Plan. Pursuant to such policies and regulations, purchases for the Medical
42 Faculty Practice Plan shall be effected by a purchasing office maintained by East
43 Carolina University. The Board of Trustees shall seek the advice of the Director of
44 the Purchase and Contract Division on an annual basis concerning the adequacy of
45 the East Carolina University management staff and internal controls to administer the
46 additional authorities authorized under this section.

47 (d) Property. -- Notwithstanding the provisions of Article 6 of Chapter 146 of the
48 General Statutes to the contrary, the Board of Trustees shall establish rules and
49 regulations to perform the functions otherwise prescribed for the Department of
50 Administration in acquiring or disposing of any interest in real property for the use
51 of the Medical Faculty Practice Plan. These rules and regulations shall include
52 provisions for development of specifications, advertisement, and negotiations with
53 owners for acquisition by purchase, gift, lease, or rental, but not by condemnation or

1 exercise of eminent domain, on behalf of the Medical Faculty Practice Plan. This
2 section does not authorize the Board of Trustees to encumber real property. Such
3 rules and regulations shall be implemented by a property office maintained by East
4 Carolina University. The Board of Trustees shall seek the advice of the State
5 Property Office on an annual basis concerning the adequacy of the East Carolina
6 University management staff and internal controls to administer the additional
7 authorities permitted by this section. After review by the Attorney General as to
8 form and after the consummation of any such acquisition, East Carolina University
9 shall promptly file, on behalf of the Medical Faculty Practice Plan, a report
10 concerning the acquisition or disposition with the Governor and Council of State.

11 (e) Property Construction. -- Notwithstanding G.S. 143-341(3) and G.S. 143-135.1,
12 the Board of Trustees shall adopt policies and procedures, to be implemented by the
13 administration of East Carolina University, with respect to the design, construction,
14 and renovation of buildings, utilities, and other property developments for the use of
15 the Medical Faculty Practice Plan, requiring the expenditure of public money for:

16 (1) Conducting the fee negotiations for all design contracts and
17 supervising the letting of all construction and design contracts.

18 (2) Performing the duties of the Department of Administration, the
19 Office of State Construction, and the State Building Commission
20 under G.S. 133-1.1(d), Article 8 of Chapter 143 of the General
21 Statutes, and G.S. 143-341(3).

22 (3) Using open-end design agreements.

23 (4) As appropriate, submitting construction documents for review and
24 approval by the Department of Insurance and the Division of
25 Facility Services of the Department of Human Resources.

26 (5) Using the standard contracts for design and construction currently
27 in use for State capital improvement projects by the Office of State
28 Construction of the Department of Administration.

29 The Board of Trustees shall seek the advice of the Director of the Office of State
30 Construction on an annual basis concerning the adequacy of East Carolina University
31 management staff and internal controls to administer the additional authorities
32 authorized by this section."

33 (g) This section becomes effective November 1, 1998.

1 CODE NO. 98UNC-S013-P

2 Requested by: Senators Lee, Winner

3 UNC APPLICATIONS POOL

4 Section 11.9. The Board of Governors of The University of North
5 Carolina shall create a system that provides for the sharing of selected applications
6 for admissions from North Carolina residents among the constituent institutions. The
7 intent of the system shall be to increase the number of qualified North Carolina high
8 school graduates who participate in higher education by providing information about
9 applicants to other schools as well as providing information to applicants about
10 alternative higher education opportunities in North Carolina. The Board of
11 Governors may cooperate with the State Board of Community Colleges and with the
12 private colleges and universities in North Carolina in creating such a system.

13 The Board of Governors shall report on its progress in developing such a
14 system to the Joint Legislative Education Oversight Committee by January 15, 1999.

1 CODE NO. 98UNC-S014-P

2 Requested by: Senators Lee, Winner, Plyler

3 PRIVATE COLLEGES/INCENTIVE FUNDS

4 Section 11.10. G.S. 116-20 reads as rewritten:

5 "**§116-20. Scholarship and contract terms; base period.**

6 In order to encourage and assist private institutions to educate additional numbers
7 of North Carolinians, the Board of Governors of the University of North Carolina is
8 hereby authorized to enter into contracts within the institutions under the terms of
9 which an institution receiving any funds that may be appropriated pursuant to this
10 section would agree that, during any fiscal year in which such funds were received,
11 the institution would provide and administer scholarship funds for needy North
12 Carolina students in an amount at least equal to the amount paid to the institution,
13 pursuant to this section, during the fiscal year. Under the terms of the contracts the
14 Board of Governors of the University of North Carolina would agree to pay to the
15 institutions, subject to the availability of funds, a fixed sum of money for each North
16 Carolina student enrolled as of October 1 of any year for which appropriated funds
17 may be available, over and above the number of North Carolina students enrolled in
18 that institution as of October 1, ~~1970~~, 1997, which shall be the base date for the
19 purpose of this calculation. Funds appropriated pursuant to this section shall be paid
20 by the ~~Department of Administration~~ State Education Assistance Authority to an
21 institution upon recommendation of the Board of Governors of the University of
22 North Carolina and on certification of the institution showing the number of North
23 Carolina students enrolled at the institution as of October 1 of any year for which
24 funds may be appropriated over the number enrolled on the base date. In the event
25 funds are appropriated for expenditure pursuant to this section and funds are also
26 appropriated, for the same fiscal year, for expenditure pursuant to G.S. 116-19,
27 students who are enrolled at an institution in excess of the number enrolled on the
28 base date may be counted under this section for the purpose of calculating the
29 amount to be paid to the institution, but the same students may ~~not~~ also be counted
30 under G.S. 116-19, for the purpose of calculating payment to be made under that
31 section."

1 CODE NO. 98UNC-S020-P

2 Requested by: Senators Lee, Winner, Odom, Plyler

3 **SUSTAINABLE OYSTER AQUACULTURE STUDY**

4 Section 11.11. (a) Of the funds appropriated in this act to the Board of
5 Governors of The University of North Carolina for fiscal year 1998-99, the sum of
6 three hundred thousand dollars (\$300,000) shall be allocated to the Institute of
7 Marine Sciences at the University of North Carolina at Chapel Hill to study the
8 potential for sustainable oyster aquaculture of triploid *Crassostrea sikamea*
9 (Kumamoto), triploid *Crassostrea ariakensis* (Suminoe), triploid *Crassostrea gigas*
10 (Pacific), and triploid *Ostrea edulis* (European flat). Testing shall be carried out
11 under a variety of environmental conditions, including, but not limited to, the
12 evaluation of oyster growth of each type of oyster in polluted waters and the ability of
13 each type of oyster to purify polluted waters.

14 (b) The Primary Investigator or Researcher receiving funding pursuant to
15 subsection (a) of this section shall provide progress reports to the Joint Legislative
16 Commission on Seafood and Aquaculture, the Environmental Review Commission,
17 the Marine Fisheries Commission, and the Fiscal Research Division on January 1 and
18 July 1 of each year until the project or study is complete. Upon completion of the
19 project or study, the Primary Investigator or Researcher shall provide a final report of
20 its findings and recommendations to the above entities.

CODE NO. 98UNC-S019-P

Requested by: Senators Lee, Winner

UNC REPAIRS AND RENOVATIONS

Section 30.2. The Board of Governors of The University of North Carolina may allocate up to ten million dollars (\$10,000,000) of its funding from the Reserve for Repairs and Renovations for improvements to the technology infrastructure on the campuses of the constituent institutions. Such improvements to the technology infrastructure shall include repairs to existing systems, improvements to improve the use and suitability of existing space for technology, and other improvements to utilities infrastructure that will allow the increased use of advanced technology for educational and research purposes.

These funds shall be used in accordance with G.S. 143-15.3A.

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Wednesday, July 8, 1998

MINUTES

The House Appropriations Subcommittee on Education met on Wednesday, July 8, 1998, at 8:30 a.m. in Room 421 of the Legislative Office Building.

Members present were Representatives Arnold, Grady, Preston, Co-chairs; Representatives Black, Davis, Oldham, Reynolds, and Yongue. Representatives Rogers and Shubert had an excused absence.

Representative Grady called the meeting to order. The House pages are Sara Dickens of Beaufort, sponsored by Representative Hardy and Summer Bethune, Cumberland County, sponsored by Representative McCallister.

Agenda Items are to hear bills and take whatever action necessary.

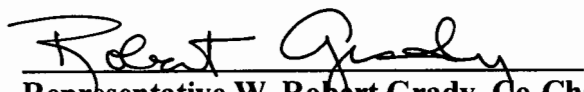
• HB 1430	Natural Resources Leadership Funds	Representative Culp
• HB 1532	Model Teacher Consortium Funds	Representative Crawford
• HB 1386	Expand Community Link Funds	Representative Carpenter
• HB 1548	Institute Of Government Intern Funds	Representative Goodwin
• HB 1676	Teacher Compensation/Extra Work Days	Representative Black
• HB 1428	LEP Student Funds	Representative Arnold
• HB 1557	Low-Wealth School Supplemental Funds	Representative Arnold
• HB 1672	Principal Salary Funds	Representative Arnold
• HB 1634	Community College Expansion Funds	Representative Reynolds
(HB 1673 and 1674 removed from the agenda at the request of Representative Arnold)		

Questions and discussion followed each presentation.

The committee plan is to meet tomorrow, Thursday, July 9, to hear all bills which have been received. We will then meet with staff to nail down the real availability figure, plug in items we feel are "must do" and bring to committee to try to finish our work next week.

The meeting adjourned to be back tomorrow morning at 8:30am to conclude presentation of bills.

Respectfully submitted:


Representative W. Robert Grady, Co-Chair


Sandra B. Ellis, Committee Clerk

**HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION
MEETING**

Wednesday, July 8, 1998

AGENDA

Call to Order

**Representative Grady,
Co-Chair**

Bill for Consideration:

HB 1428 LEP Student Funds

HB 1557 Low-Wealth School Supplemental Funds

HB 1672 Principal Salary Funds

HB 1673 Teacher Evaluations/Assessment Teams

HB 1674 Principals in Low-Performing Schools

HB 1676 Teacher Compensation/Extra Work Days

HB 1386 Expand Community Link Funds

HB 1532 Model Teacher Consortium Funds

HB 1430 Natural Resources Leadership Funds

HB 1548 IOG Intern Funds

Representative Arnold

Representative Arnold

Representative Arnold

Representative Arnold

Representative Arnold

Representative Black

Representative Carpenter

Representative Crawford

Representative Culp

Representative Goodwin

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education Wednesday, July 8, 1998 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Virginia Eagles	NCDOA - YAID
Paula A. Hoef	Covenant w/NC's Children
Jane Jennings	NC PTA
Leslie McCombs - Porter	Professional Educators of NC (PENC)
Steve Smutko	Natural Res. Leadership Inst. (NRSU)
Thad D.	NCAE
David Brown	OSBM
Maurice King	"
Elizabeth Brownstein	OSBM
Janet Pittard	OSBM
Jean P. Murphy	Ncmodel Teacher Ed. Consortium
NIRALI PATEL	Intern, Gov.'s Office

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education Wednesday, July 8, 1998 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Professional Educators of North Carolina (PENAC)	Jim Stegall
	Rep. Goodrum
F-EBC	Gen. Cauby
EGHS	GERRY HARKER
eghs	Sharon Hankins
SBE	Tipper Vickers

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1430

Short Title: Natural Resources Leadership Funds.

(Public)

Sponsors: Representative Culp.

Referred to: Appropriations.

May 25, 1998

1 A BILL TO BE ENTITLED

2 AN ACT TO APPROPRIATE FUNDS TO CONTINUE THE PROGRAMS OF
3 THE NATURAL RESOURCE LEADERSHIP INSTITUTE SPONSORED BY
4 THE COOPERATIVE EXTENSION SERVICE AT NORTH CAROLINA
5 STATE UNIVERSITY.

6 The General Assembly of North Carolina enacts:

7 Section 1. There is appropriated from the General Fund to the Board of
8 Governors of The University of North Carolina the sum of one hundred seventy
9 thousand dollars (\$170,000) for the 1998-99 fiscal year in order to provide funding for
10 the Natural Resource Leadership Institute sponsored by the Cooperative Extension
11 Service at North Carolina State University.

12 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1532

Short Title: Model Teacher Consortium Funds.

(Public)

Sponsors: Representative Crawford.

Referred to: Appropriations.

May 27, 1998

- 1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR THE OPERATION OF THE MODEL
3 TEACHER EDUCATION CONSORTIUM.
4 The General Assembly of North Carolina enacts:
5 Section 1. There is appropriated from the General Fund to the State
6 Board of Education the sum of two million five hundred thousand dollars
7 (\$2,500,000) for the 1998-99 fiscal year for the operation of the Model Teacher
8 Education Consortium.
9 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1386

Short Title: Funds/Expand Community Link.

(Public)

Sponsors: Representative Carpenter.

Referred to: Appropriations.

May 21, 1998

1

A BILL TO BE ENTITLED

2

AN ACT TO APPROPRIATE FUNDS TO EXPAND AND UPGRADE THE

3

COMMUNITY LINK PROGRAM TO PROVIDE ADDITIONAL

4

EDUCATIONAL SERVICES TO WESTERN NORTH CAROLINA.

5

The General Assembly of North Carolina enacts:

6

Section 1. There is appropriated from the General Fund to the

7

Department of Community Colleges the sum of nine hundred sixty-seven thousand

8

dollars (\$967,000) for the 1998-99 fiscal year to expand the Community Link program

9

and upgrade its existing sites. Community Link is a telecommunications delivery

10

system that provides educational opportunities to the mountain communities of rural

11

Western North Carolina.

12

Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1548

Short Title: IOG Intern Funds.

(Public)

Sponsors: Representatives Goodwin; Adams, Baddour, Culpepper, Dedmon, Gardner, Hensley, R. Hunter, Hurley, Ives, Jeffus, McMahan, Moore, Rogers, Russell, Sutton, Wainwright, Weatherly, and Yongue.

Referred to: Appropriations.

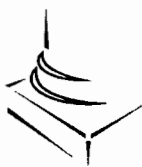
May 27, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO THE UNIVERSITY OF NORTH
3 CAROLINA FOR THE INTERNSHIP PROGRAM AT THE INSTITUTE OF
4 GOVERNMENT.

5 The General Assembly of North Carolina enacts:

6 Section 1. There is appropriated from the General Fund to the Board of
7 Governors of The University of North Carolina the sum of fourteen thousand dollars
8 (\$14,000) for the 1998-99 fiscal year to be used for student intern compensation at the
9 UNC Institute of Government.

10 Section 2. This act becomes effective July 1, 1998.



INSTITUTE of GOVERNMENT

July 7, 1998

Wayne G. Goodwin
Representative
North Carolina House of Representatives
P.O. Drawer 249
Rockingham, N.C. 28380

Dear Representative Goodwin,

Thank you for introducing HB 1548 to appropriate \$14,000 to be used to increase the hourly wage of student interns participating in the Institute of Government Summer Internship Program from \$5.00 to \$6.75. I appreciate the support for the intern program you have shown by sponsoring this bill.

As you know from your own participation in the Institute's intern program, the primary purpose is not to pay the interns for their work. Rather, our goal is to provide interesting work in government and prepare future leaders. Even so, some payment is important so that students of a variety of income classes have a fair chance at internships. The hourly wage for an intern in the Institute of Government Program in 1997 was \$5. The hourly wage has been \$5 since 1988. As the program supports 20 students for a period of ten weeks, the state appropriation in 1997 was \$40,000. Increasing the wage to \$6.75 requires an increase of \$14,000.

The Youth Advocacy and Involvement Office in the Department of Administration supervises a similar internship program. In 1997 the General Assembly increased the hourly wage for interns participating in the Youth Advocacy program to \$6.75. The Youth Advocacy program and the Institute of Government program have always paid interns the same hourly wage and I feel that it is important that interns participating in both programs continue to receive the same pay. The Institute temporarily is paying the interns participating in the 1998 program \$6.75 per hour. The Institute is paying the difference between the \$5 appropriated wage and the actual wage with funds the Institute generates from other activities. It would be most beneficial to the Institute and the intern program for the wages to be paid from appropriated funds.

Again, thank you for your support of the Institute of Government intern program. I feel that the appropriation provided by HB 1548 is extremely important to the continued success of the program. Please let me know if I can provide further information or assistance in your efforts to secure this appropriation.

Sincerely,

Michael Smith
Director

The University of North Carolina at Chapel Hill

CB# 3330 Knapp Building • Chapel Hill, NC 27599-3330
919 966-5381 • 919 962-0654 (Fax)



INSTITUTE *of* GOVERNMENT

March 9, 1998

Wayne G. Goodwin
Representative
North Carolina House of Representatives
P O Drawer 249
Rockingham NC 28380

Dear Representative Goodwin:

I am writing to request your assistance in upgrading the hourly wage of interns in the Institute of Government Summer Internship Program. I hope that your fond memories of being an intern, being involved in prospective intern interviewing, and being close to the program over the years will lead you to be interested in helping. While you are familiar with the program, please let me provide some historic detail.

The Institute of Government Summer Internship Program provides paid summer internships in state and local government in the Raleigh area. This program has operated since 1962, with the Institute assuming full responsibility for it from Governor Terry Sanford in 1965. A key component of this program is that all interns are required to live together in a residential setting. In recent years, the interns have lived as a group in a Meredith College dormitory. We believe that this enhances the educational experience. Even so, it can place a financial burden on some interns, who must maintain another apartment or living space in addition to their living space for the internship program.

This program's primary purpose is not paying interns for their work—instead, it provides interesting work in government and prepares future leaders. Even so, some payment is important so that students of a variety of income classes have a fair chance at internships. The hourly wage for an intern in the Institute of Government program in summer, 1997 was \$5. That is \$200 per week, over a ten-week period. This hourly wage has been \$5 since 1988, when the wage was increased from \$3.73 per hour.

Last summer, the Institute of Government internship program supported 20 internships, plus a student coordinator. A handful of additional internships may also be filled, and local government and local government associations in Raleigh fund them. The state appropriation for these 20 interns in 1997 was \$40,000 (20 x 40 hours per week x ten weeks).

The Youth Advocacy and Involvement Office in the Department of Administration supervises a similar internship program. That internship program fills 100 internships every summer. The internships are located around the state, and students often are able to live at home, in their home campus apartments, or with family or friends. In 1997, the General Assembly increased the hourly wage for interns in this program from \$5 per hour to \$6.75.

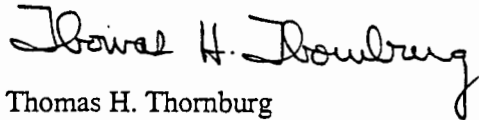
The University of North Carolina at Chapel Hill

CB# 3330 Knapp Building • Chapel Hill, NC 27599-3330
919 966-5381 • 919 962-0654 (fax)

Until this past legislative session, the Youth Advocacy program and the Institute of Government program have always paid interns the same hourly wage. Given their historic treatment as parallel offerings with some distinctive differences, we request that the General Assembly pass legislation to increase the intern wage from \$5 per hour to \$6.75 per hour. The needed appropriation would change from \$40,000 to \$54,000, an increase of \$14,000 over 1997. In 1998, the Institute will pay interns \$6.75 per hour, making up the difference between the appropriated \$5 wage and the actual wage with funds the Institute generates from other activities. Even so, it would be most beneficial to the Institute and the intern program for these wages to be paid from appropriated funds.

I hope you can help the Institute achieve this goal. Please let me know if I can provide additional information or assistance.

Sincerely,



Thomas H. Thornburg
Associate Director for Programs
919/ 966-4377

Attachments:

- (1) summer intern program brochure
- (2) school representation in the intern program

Schools represented in Institute of Government Summer Internship Program, 1995-97

1995—25 interns

1996—20 interns

1997—20 interns

North Carolina Schools Represented

Appalachian State University
Davidson College
Duke University
East Carolina University
Elizabeth City State University
Elon College
Fayetteville State University
Guilford College
Johnson C. Smith University
Meredith College
North Carolina A&T
North Carolina Central University
North Carolina School of Arts
North Carolina State University
Queens College
Salem College
UNC-Asheville
UNC-Chapel Hill
UNC-Greensboro
UNC-Pembroke
Wake Forest University
Western Carolina University
Winston-Salem State University

Out-of-State Schools Represented

Amherst College (Amherst, MA). Student hometown was Burnsville, NC.
Hampton University (Hampton, VA). Student hometown was Elizabethtown, NC.
Morehouse College (Atlanta, GA). Student hometown was Hope Mills, NC.



North Carolina General Assembly
House of Representatives
State Legislative Building
Raleigh 27601-1096

REPRESENTATIVE WAYNE GOODWIN
32ND DISTRICT

OFFICE ADDRESS: ROOM 502 LEGISLATIVE OFFICE BUILDING
RALEIGH, N.C. 27601-1096
TELEPHONE: (919) 733-4838
(919) 733-3113 FAX

HOME ADDRESS: 528 ANSON AVENUE
ROCKINGHAM, N.C. 28379

COMMITTEES:

COMMERCE
BUSINESS AND LABOR SUBCOMMITTEE
FINANCE
JUDICIARY II
PENSIONS AND RETIREMENTS
UNIVERSITY OF NORTH CAROLINA BOARD
OF GOVERNORS

MEMORANDUM

TO: Representative Gene Arnold
Representative Jim Black
Representative Don Davis
Representative Robert Grady
Representative Pete Oldham
Representative Jean Preston
Representative Dennis Reynolds
Representative Gene Rogers
Representative Fern Shubert
Representative Doug Yongue

FROM: Representative Wayne Goodwin WG

RE: HB 1548

DATE: June 25, 1998

I want to take this opportunity to draw your attention to my bill, HB 1548. This bill is merely an expense of \$14,000.00 (that's right) so that interns through the Institute of Government (IOG) Internship Program are paid the same summer wages as other state interns through the N.C. State Government Internship Program offered through the Youth Advocacy and Involvement Office. I participated in this program with the SBI in 1989, and my experience was very valuable.

Currently, IOG interns are paid a total of \$6.75 per hour -- \$5 per hour from the State appropriation for that purpose and the additional \$1.75 out of the IOG operating budget. The IOG pays the \$1.75 only because last year's state budget did not include the same pay increase given other state interns. As wonderful a resource as the IOG is for legislators and for our citizens, I think it is only fair that we treat their intern funding the same way we treat Youth Advocacy and Involvement Office intern funding and provide an equal amount for both programs.

I want to stress that this is a fairness issue, is a small appropriation, and addresses a technical omission from last year's budget that needs our attention this year. I would strongly urge your support of this small increase being included in the budget. Thank you for your consideration.

cc: Senator Aaron Plyler
Senator Leslie Winner
Senator Howard Lee

Mr. Franklin Freeman
Mr. Michael Smith, IOG
Mr. Thomas Thornburg, IOG



GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1676

Short Title: Teacher Compensation/Extra Work Days.

(Public)

Sponsors: Representatives Black; H. Hunter, Hensley, Luebke, Mercer, Mosley, Sexton, Shubert, Tolson, Wainwright, Warner, Warwick, Womble and Yongue.

Referred to: Appropriations.

June 1, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO COMPENSATE TEACHERS FOR
3 WORKING MORE DAYS IN ONE SCHOOL YEAR THAN IN THE PRIOR
4 SCHOOL YEAR.
5 The General Assembly of North Carolina enacts:
6 Section 1. G.S. 115C-302.1(b) reads is rewritten:
7 "(b) Salary Payments. -- State-allotted teachers shall be paid for a term of 10
8 months. State-allotted months of employment for vocational education to local boards
9 shall be used for the employment of teachers of vocational and technical education
10 for a term of employment to be determined by the local boards of education.
11 However, local boards shall not reduce the term of employment for any vocational
12 agriculture teacher personnel position that was 12 calendar months for the 1982-83
13 school year for any school year thereafter.
14 Each local board of education shall establish a set date on which monthly salary
15 payments to State-allotted teachers shall be made. This set pay date may differ from
16 the end of the month of service. The daily rate of pay for teachers shall equal one
17 twenty-second of the monthly rate of pay. If teachers in a local school administrative
18 unit are required to work on more days during the 1997-98 school year or a
19 subsequent school year than they were required to work during the prior school year,
20 teachers shall be paid for up to three such additional days.
21 Teachers may be prepaid on the monthly pay date for days not yet worked. A
22 teacher who fails to attend scheduled workdays or who has not worked the number

1 of days for which the teacher has been paid and who resigns, is dismissed, or whose
2 contract is not renewed shall repay to the local board any salary payments received
3 for days not yet worked. A teacher who has been prepaid and continues to be
4 employed by a local board but fails to attend scheduled workdays may be subject to
5 dismissal under G.S. 115C-325 or other appropriate discipline.

6 Any individual teacher who is not employed in a year-round school may be paid
7 in 12 monthly installments if the teacher so requests on or before the first day of the
8 school year. The request shall be filed in the local school administrative unit which
9 employs the teacher. The payment of the annual salary in 12 installments instead of
10 10 shall not increase or decrease the teacher's annual salary nor in any other way
11 alter the contract made between the teacher and the local school administrative unit.
12 Teachers employed for a period of less than 10 months shall not receive their salaries
13 in 12 installments."

14 Section 2. There is appropriated from the General Fund to State Aid to
15 Local School Administrative Units the sum of fifteen million dollars (\$15,000,000) for
16 the 1998-99 fiscal year to implement the provisions of Section 1 of this act.

17 Section 3. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1428*

Short Title: LEP Students/Appropriations.

(Public)

Sponsors: Representatives Arnold; Hackney, Insko, Jeffus, Luebke, Preston, Sexton, Tolson, Warwick, and Watson.

Referred to: Appropriations.

May 25, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE LEGISLATIVE
3 STUDY COMMISSION ON PUBLIC SCHOOLS TO APPROPRIATE FUNDS
4 FOR PROGRAMS TO SERVE LIMITED ENGLISH PROFICIENCY
5 STUDENTS.

6 The General Assembly of North Carolina enacts:

7 Section 1. There is appropriated from the General Fund to the State
8 Board of Education the sum of fifteen million dollars (\$15,000,000) for the 1998-99
9 fiscal year to provide funds to assist students with limited proficiency in the English
10 language. The State Board shall allocate funds to local school administrative units to
11 assist students with limited English proficiency (LEP). The State Board also may
12 allocate funds to institutions of higher education to provide training to instructional
13 personnel who serve LEP students. The State Board shall determine the allocation of
14 the funds and shall develop standards for identifying and providing services to LEP
15 students. Local school administrative units shall use funds appropriated under this
16 act to pay for classroom teachers, textbooks, classroom materials/instructional
17 supplies/equipment, and staff development. A county in which a local school
18 administrative unit receives funds under this section shall use the funds to supplement
19 local current expense funds and shall not supplant local current expense funds.

20 Section 2. G.S. 115C-105.25(b)(4) reads as rewritten:

21 "(4) Funds allocated for children with special needs, for students with
22 limited English proficiency, and ~~funds allocated~~ for driver's
23 education shall not be transferred."

1 Section 3. The State Board of Education shall review its certification
2 requirements for English as a Second Language (ESL) and determine whether the
3 requirements should be revised in order to assist local school administrative units to
4 quickly obtain adequate numbers of qualified teachers. The State Board and the
5 Board of Governors of The University of North Carolina shall coordinate efforts to
6 provide ESL certification programs that are geographically disbursed throughout the
7 State. The Board of Governors shall examine providing ESL certification programs
8 through distance learning methods and off-campus programs.

9 Section 4. The State Board of Education shall identify existing or
10 develop new programs that provide instructional personnel with in-service,
11 noncertificate training for assisting LEP students in the regular classroom. The Board
12 of Governors of The University of North Carolina and the State Board of Community
13 Colleges shall collaborate with the State Board in order to deliver these programs to
14 geographically diverse locations.

15 Section 5. The State Board of Education shall survey local school
16 administrative units to determine whether schools are able to recruit and retain ESL
17 certified teachers. The State Board shall provide the results of this survey to the
18 Joint Legislative Education Oversight Committee prior to December 15, 1999.

19 Section 6. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1557

Short Title: Low-Wealth Supp. School Funds.

(Public)

Sponsors: Representatives Arnold; Goodwin, Hurley, Luebke, Morris, Owens,
Sexton, Thompson, Tolson, and Yongue.

Referred to: Appropriations.

May 28, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR LOW-WEALTH SCHOOL SYSTEMS'
3 SUPPLEMENTAL FUNDING.

4 The General Assembly of North Carolina enacts:

5 Section 1. There is appropriated from the General Fund to State Aid to
6 Local School Administrative Units the sum of fifty-three million six hundred forty-
7 three thousand three hundred forty-three dollars (\$53,643,343) for the 1998-99 fiscal
8 year for low-wealth school systems' supplemental funding.

9 It is a goal of the General Assembly to provide supplemental funds to
10 low-wealth counties to allow those counties to enhance the instructional program and
11 student achievement.

12 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1672

Short Title: Principal Salary Funds.

(Public)

Sponsors: Representatives Arnold; Sexton, Shubert, Watson, and Yongue.

Referred to: Appropriations

June 1, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO INCREASE THE SALARIES OF
3 PRINCIPALS AND ASSISTANT PRINCIPALS.

4 The General Assembly of North Carolina enacts:

5 Section 1. (a) There is appropriated from the General Fund to the
6 Reserve for Compensation the sum of eighteen million dollars (\$18,000,000) for the
7 1998-99 fiscal year to implement the salary increases for school-based administrators
8 set out in this section.

9 (b) The salary ranges for school-based administrators shall apply only to
10 principals and assistant principals. The salary ranges for the 1998-99 fiscal year,
11 commencing July 1, 1998, are as follows:

12	Classification	Range
13	Assistant Principal	2,873 - 4,880
14	Principal I	3,068 - 4,978
15	Principal II	3,238 - 5,282
16	Principal III	3,421 - 5,606
17	Principal IV	3,548 - 5,833
18	Principal V	3,680 - 6,068
19	Principal VI	3,892 - 6,440
20	Principal VII	4,112 - 6,700
21	Principal VIII	4,189 - 6,834

22
23 (c) The appropriate classification for placement of principals and
24 assistant principals on the salary range, except for principals in alternative schools,
25 shall be determined in accordance with the following schedule:

26 Number of Teachers

	Classification	Supervised
1	Assistant Principal	
2	Principal I	Less than 11 Teachers
3	Principal II	11-21 Teachers
4	Principal III	22-32 Teachers
5	Principal IV	33-43 Teachers
6	Principal V	44-54 Teachers
7	Principal VI	55-65 Teachers
8	Principal VII	66-100 Teachers
9	Principal VIII	More than 100 Teachers

10
11 The number of teachers supervised includes teachers and assistant principals paid
12 from State funds only; it does not include teachers or assistant principals paid from
13 non-State funds or the principal or teacher assistants.

14 The beginning classification for principals in alternative schools shall be
15 the Principal III level. Principals in alternative schools who supervise 33 or more
16 teachers shall be classified according to the number of teachers supervised.

17 (d) For the 1998-99 fiscal year, a principal or assistant principal may be
18 awarded a salary increase of up to one percent (1%) if

19 (1) The employee's school meets or exceeds the projected levels of
20 improvement in student performance for the 1998-99 fiscal year, in
21 accordance with the ABC's of Public Education Program; or

22 (2) The local board of education finds that the employee's school has
23 met or exceeded the goals of the local plan for maintaining a safe
24 and orderly school.

25 The principal or assistant principal may be awarded a salary increase of up to two
26 percent (2%) if the conditions set out in both subdivisions (1) and (2) are satisfied.
27 The principal or assistant principal shall receive a lump sum payment for the 1998-99
28 fiscal year service if the conditions set out in subdivision (1) or (2) or both are
29 satisfied. The lump sum shall be paid as determined by guidelines adopted by the
30 State Board of Education. Placement on the salary range in the following year shall
31 be based upon these increases.

32 (e) Principals and assistant principals with certification based on
33 academic preparation at the six-year degree level shall be paid a salary supplement of
34 one hundred twenty-six dollars (\$126.00) per month and at the doctoral degree level
35 shall be paid a salary supplement of two hundred fifty-three dollars (\$253.00) per
36 month.

37 (f) There shall be no State requirement that superintendents in each
38 local school unit shall receive in State-paid salary at least one percent (1%) more
39 than the highest paid principal receives in State salary in that school unit: Provided,
40 however, the additional State-paid salary a superintendent who was employed by a
41 local school administrative unit for the 1992-93 fiscal year received because of that
42 requirement shall not be reduced because of this subsection for subsequent fiscal
43 years that the superintendent is employed by that local school administrative unit so
44 long as the superintendent is entitled to at least that amount of additional State-paid
45 salary under the rules in effect for the 1992-93 fiscal year.

1 (g) Longevity pay for principals and assistant principals shall be as
2 provided for State employees.

3 (h)(1) If a principal is reassigned to a higher job classification because the
4 principal is transferred to a school within a local school administrative unit with a
5 larger number of State-allotted teachers, the principal shall be placed on the salary
6 range as if the principal had served the principal's entire career as a principal at the
7 higher job classification.

8 (2) If a principal is reassigned to a lower job classification because the
9 principal is transferred to a school within a local school
10 administrative unit with a smaller number of State-allotted
11 teachers, the principal shall be placed on the salary range as if the
12 principal had served the principal's entire career as a principal at
13 the lower job classification.

14 This subdivision applies to all transfers on or after the ratification
15 date of this act, except transfers in school systems that have been
16 created, or will be created, by merging two or more school systems.
17 Transfers in these merged systems are exempt from the provisions
18 of this subdivision for one calendar year following the date of the
19 merger.

20 (i) The State Board may authorize local boards of education to pay
21 persons for one year at the entry-level step of the assistant principal's salary range if
22 they (i) are serving as assistant principals, (ii) have completed one year of a masters
23 in school administration program, and (iii) are not certified as principals.

24 Sec. 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1634*

Short Title: Community College Expansion Funds.

(Public)

Sponsors: Representatives Reynolds, Grady, Preston, Russell, Tolson (Cosponsors); Adams, Alexander, Allen, Arnold, Baker, Beall, Berry, Bonner, Bowie, Braswell, Cansler, Carpenter, Clary, Cole, Crawford, Culpepper, Dedmon, Earle, Easterling, Fox, Gamble, Gardner, Goodwin, Hightower, Howard, H. Hunter, R. Hunter, Hurley, Jarrell, Jeffus, Justus, McAllister, McCrary, Moore, Mosley, Neely, Nye, Oldham, Owens, Ramsey, Rayfield, Rogers, Saunders, Sexton, Sherrill, Shubert, Smith, Sutton, Thompson, Warner, Warwick, Wood, and Yongue.

Referred to: Appropriations.

May 28, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE EXPANSION BUDGET FUNDS FOR THE
3 COMMUNITY COLLEGE SYSTEM.
4 The General Assembly of North Carolina enacts:
5 Section 1. The General Assembly finds that the North Carolina
6 Community College System, developed in the 1960s, has been a wise and beneficial
7 investment of the tax dollars of the citizens of this State and has significantly
8 contributed to the economic development of this State. Furthermore, the General
9 Assembly finds that the Community College System has enhanced the capabilities of
10 the State to provide for better secondary and higher education through coordination
11 with the public school systems and the colleges and universities of this State. In
12 addition, it has offered cultural opportunities and a quality of life that benefits the
13 State and its citizens and makes the State more attractive to expanding or locating
14 industries.
15 The General Assembly recognizes the need for education, training, and
16 technology as our workforce prepares to compete in a global economy. The General
17 Assembly also, however, recognizes its commitment to public education and higher



Who we are

332-K Nelson Hall • Box 8109 • North Carolina State University • Raleigh, NC • 27695-8109 • 919/515-4683

Who We Are

The Natural Resources Leadership Institute is a training program administered through the NC Cooperative Extension Service at NC State University. The Institute is the first of its kind in the country to provide a structured leadership curriculum for people who are critically involved in natural resources management and policy. Each year, the Institute brings together a group that includes government regulators, industry representatives, leaders in the environmental movement, landowners and others over a six-month period where they learn skills focused on dispute resolution and collaborative problem solving. Our goal is to train people to work together to solve environmental problems, and keep the decision making process in the meeting room and out of the courtroom. We believe that it is possible for people to work together to achieve sustainable economic development while maintaining or improving the quality of the environment.

Our Advisory Board

Stan Adams
NC Division of Forest Resources

Arle F. Culp
NC House of Representatives

John F. Ramey
US Forest Service

Susan L. Allen
Cary, NC

L.K. "Mike" Gantt
U.S. Fish and Wildlife Service

Ed Regan
NC Association of County
Commissioners

Tom Bean
NC Wildlife Federation

Bill Holman
Dept. of Environment & Natural
Resources

John Runkle
Conservation Council of NC

Robert J. Beason
International Paper Company

A. Preston Howard, Jr.
NC Division of Water Quality

Paula S. Thomas
NC League of Municipalities

Ronald M. Bost
NC Forest Landowners Association

J. C. Jessup, Jr.
Weyerhaeuser Company

Larry W. Tombaugh
NC State University

Our Accomplishments

The Institute was funded through a grant from the W.K. Kellogg Foundation in 1994. We are completing our third year of the 3-year grant. In those three years, one class has completed the 18-month program, while a second is nearing completion, and the third is in the middle of the course-work phase.

In all, 94 North Carolinians have entered the program. Our participants have come from industry (Weyerhaeuser, Georgia Pacific, Columbia-Carolina, Corning) state and federal agencies (NC Div. Water Quality, NC Div. Forest Resources, US Fish & Wildlife Service, US Forest Service, USDA, US Army Corps of Engineers), environmental organizations (Sierra Club, Coastal Federation, Clean Water Fund of NC), higher education (Univ. of Western Carolina, NC State Univ.), and others.

Even though we have been in existence only a short time, the State of North Carolina has already felt the impact of the Institute. Our participants are required to carry out a year-long practicum where they apply the skills and information gained in the classroom to situations they face at work, in their organizations, or in their communities. Through these projects, graduates of the program have worked collaboratively to solve natural resource problems.



NATURAL RESOURCES LEADERSHIP INSTITUTE

People often disagree over how our land, air, and water resources should be used and managed. Disputes arise over such issues as endangered species, private property rights, wetlands, timber management, and air and water quality. People with a stake in these issues tend to focus on their disagreements rather than building on their common interests. Policy gridlock often results as decision making moves from the meeting room to the courtroom.

Our Goal

Gridlock is not necessary. People involved in these disputes can reach mutually acceptable solutions by communicating in a more meaningful and effective way, opening the debate to include all stakeholders, and negotiating to settle disagreements. The goal of the North Carolina Natural Resources Leadership Institute is to develop leaders who can build consensus around contentious issues and move beyond conflict to find solutions. By applying the skills learned in the program, Institute graduates can become more effective in working with other people in their jobs, organizations, and communities.

Participants

The Institute trains North Carolinians who have a stake in the use and conservation of our natural resources. We encourage applicants from:

- Federal and state natural resource management agencies
- Resource-based industries and firms
- Environmental and conservation organizations
- Local government
- Private landowners and managers
- Educational institutions
- Elected office
- Professions involved in natural resource policy and development
- Community organizations
- Concerned, active citizens

The Program

The Institute is part of the North Carolina Cooperative Extension Service at North Carolina State University. NCSU faculty from the Departments of Forestry, Sociology and Anthropology, Agricultural and Resource Economics, and Extension Administration have planned and developed the curriculum, and coordinate the Institute programs. The resources and staff of the University are an integral part of the Institute. The program is structured around six three-day workshop sessions, and a year-long practicum. The Institute draws from NCSU faculty, and experts from other universities, state and federal government agencies, dispute mediation practitioners, and other natural resource professionals to lead the workshop sessions. The Institute emphasizes hands-on training techniques where participants can practice the skills presented in the classroom. Workshop topics include:

- Leadership and teamwork skills
- Communication skills
- Public policy and government
- Conflict management and interest-based negotiation
- Collaborative problem solving

1998 WORKSHOP SCHEDULE

The training consists of six three-day workshop sessions that focus on both process and content skills. Workshops are held at various locations around the state and one in Washington DC. Sessions typically begin at noon on the first day and adjourn after lunch on the third day. The 1998 workshop schedule is given below.

<u>Session 1</u>	Building Working Relationships and Communicating for Agreement I	Jan. 22-24, 1998	Aqueduct Conference Chapel Hill, NC
<u>Session 2</u>	Collaborative Problem Solving and Small Group Facilitation	Feb. 26-28, 1998	NC Baptist Assembly Caswell Beach, NC
<u>Session 3</u>	Public Policy Negotiation I and Communicating for Agreement II	March 19-21, 1998	YMCA Blue Ridge Black Mountain, NC
<u>Session 4</u>	Conflict in Public Policy and Public Policy Negotiation II	April 16-18, 1998	Summit Conference Brown Summit, NC
<u>Session 5</u>	Washington D.C. Field Trip	May 17-20, 1998	Federal Environmental Hotel Washington Washington, DC
<u>Session 6</u>	Communicating with the Media	June 18-20, 1998	Location to be announced Raleigh, NC Area
Practicum Review Session #1		Oct. 9, 1998	Raleigh, NC
Practicum Review Session #2		Feb. 12, 1999	Raleigh, NC
Graduation		June 18, 1999	

[Back to About NRLI...](#)



For example, two participants who are state employees brought a group of people together who represent forestry, wildlife conservation, landowners, and state government. Their goal was to develop a management plan for a large tract of state-owned forest that currently provides habitat for at least one endangered species. Through their efforts, a management plan was successfully negotiated that satisfied the interests of all the groups involved. The outcome is not only improved habitat for the red-cockaded woodpecker -- an endangered species, but increased income from the sale of timber and pine straw.

Another example of an ongoing practicum project is the development of a statewide habitat conservation plan for the red-cockaded woodpecker in North Carolina. Three Institute participants have teamed up to carry out this project: a biologist with the U.S. Fish and Wildlife Service, a forester with the NC Division of Forest Resources, and the environmental and communications coordinator for Georgia-Pacific's Forest Resources Eastern Region. The participants have assembled a task group of private landowners, state and federal agencies, farming organizations, environmental organizations and others to develop a plan that allows landowners more flexibility in managing lands with woodpecker habitat. The outcome will be a statewide program that protects the bird while allowing landowners to maintain income from their property.

A third example involves a major industrial plant in Forsyth County, NC that wanted to expand its production facilities. The plant, which produces and stores hazardous materials, is located within the protected area of a water supply watershed. The county development ordinance restricts industrial expansion within the protected area. Without the ability to expand, the plant would have to move its operations out of the community. A local environmental organization, the county planning department, and the county environmental affairs department staked counter positions. A NRLI graduate, acting in the interests of the county environmental affairs department, negotiated a settlement of the dispute.

These are just three examples of the projects that have been undertaken throughout the state. Independent evaluators from Cornell University reported that the Institute had "significantly increased [participants'] ability to be effective members of a team or a diverse group, to understand others' perspectives on environmental issues, to design and facilitate a collaborative process, and to listen to others effectively. Participants overwhelming[ly] agreed that Institute learning included how to be a better leader and an effective stakeholder in conflict situations, and self-insights useful in conflict situations."

How to Contact Us

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HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Thursday, July 9, 1998

MINUTES

The House Appropriations Subcommittee on Education met at 8:30 a.m. on Thursday, July 9, 1998, in Room 421 of the Legislative Office Building.

Members present were: Representatives Arnold, Grady and Preston, Co-chairs; Representatives Black, Davis, Oldham, Reynolds, Rogers, Shubert, and Yongue.

Pages were Jennifer Tuttle and Brad Thompson. A visitors sheet is attached to these minutes.

The meeting was called to order by Representative Jean Preston. The purpose of today's meeting was to hear the sponsors present bills which have been assigned to the APPROPRIATIONS/Education Subcommittee. Procedure established was that in the interest of time, only the sponsor would speak on the bill. The following bills were presented in the order given:

House Bill 1695-Special Education Group Home Funds by Representative Hurley.

House Bill 1675-ADM Changes & Special Education Funds by Representative Morris.

House Bill 1598-Cued Speech Center Funds by Representative McComas.

House Bill 1730-Bilingual Teacher Assistant Funds by Representative Warwick.

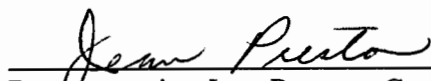
House Bill 1620-School Nurse Funds by Representative Watson.

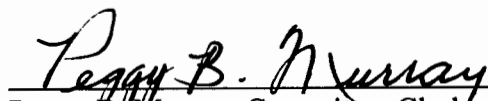
House Bill 1723-Low Performing School/Salary Funds by Representative Hardaway.

House Bill 1671-Teacher Assistant Salary Funds by Representative Moore.

This concluded presentations on House bills assigned to this subcommittee. Questions and discussion followed each presentation. In the absence of sponsors, three bills listed on the agenda were not heard. There was no further business to come before the subcommittee at this time. The meeting was adjourned.

Respectfully submitted:


Representative Jean Preston, Co-Chair


Peggy B. Murray, Committee Clerk

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

MEETING

Thursday, July 9, 1998

AGENDA

Call to Order

**Representative Preston,
Co-Chair**

Bills for Consideration:

HB 1723 Low Performing School/Salary Funds	Representative Hardaway
HB 1695 Special Education Group Home Funds	Representative Hurley
HB 1563 International Baccalaureate Funds	Representative Jeffus
HB 1598 Cued Speech Center Funds	Representative McComas
HB 1671 Teacher Assistant Salary Funds	Representative Moore
HB 1675 ADM Changes & Special Education Funds	Representative Morris
HB 1635 Roanoke-Chowan Community College Funds	Representative Rogers
HB 1730 Bilingual Teacher Assistant Funds	Representative Warwick
HB 1620 School Nurse Funds	Representative Watson
HB 1751 Lifeboat Scholarship Funds	Representative Wood

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education

Thursday, July 9, 1998 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Harriet Dial	NCAE
Suey Backer	Nc Nurses Association
Danah Brown	OSBM
Hal Miller	NCAECT
Annun Williams	NCCCS
Jim Byrns	"
Joanne Schon	NC nurses Assoc.
Maurice King	OSBM
Sue Alcorn	"
Janet Peltier	"
Elizabeth Grovenstein	"
Janis Rengue	NCAATA

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education

Thursday, July 9, 1998 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Ann Belam

SBE

Nirali Patel

Gov.'s Office

Jo Ann Morris

Public School Forum of NC

Gene Causby

$$E - EBC$$

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1695

Short Title: Special Ed. Group Home Funds.

(Public)

Sponsors: Representatives Hurley; Adams, Alexander, Bonner, Kinney,
McAllister, Morris, Tolson, Warner, and Yongue.

Referred to: Appropriations.

June 1, 1998

1 A BILL TO BE ENTITLED

2 AN ACT TO APPROPRIATE FUNDS TO REIMBURSE A HOST LOCAL
3 SCHOOL ADMINISTRATIVE UNIT FOR LOCAL FUNDS SPENT FOR THE
4 EDUCATION OF A STUDENT WHO IS RESIDING IN A GROUP OR
5 THERAPEUTIC HOME.

6 The General Assembly of North Carolina enacts:

7 Section 1. There is appropriated from the General Fund to State Aid to
8 Local School Administrative Units the sum of three million five hundred ninety-five
9 thousand two hundred seventy-five dollars (\$3,595,275) for the 1998-99 fiscal year for
10 a reserve for severely disabled children in group or therapeutic homes. These funds
11 shall be used to reimburse the local school administrative unit in which the group or
12 therapeutic home is located for the special education of children whose parents reside
13 outside of that local school administrative unit.

14 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1675

Short Title: ADM Changes & Special Ed/Funds.

(Public)

Sponsors: Representatives Morris; Hurley, Kinney, McAllister, Shubert, Warner,
and Watson.

Referred to: Appropriations.

June 1, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO ADJUST SCHOOL FUNDING FORMULAS TO REFLECT
3 CHANGES IN AVERAGE DAILY MEMBERSHIP AND TO APPROPRIATE
4 FUNDS TO REIMBURSE A HOST LOCAL SCHOOL ADMINISTRATIVE
5 UNIT FOR LOCAL FUNDS SPENT FOR THE EDUCATION OF A STUDENT
6 WHO IS RESIDING IN A GROUP OR THERAPEUTIC HOME.

7 The General Assembly of North Carolina enacts:

8 Section 1. The State Board of Education shall examine and modify as
9 necessary current measures of projecting average daily membership. The State Board
10 shall give special attention to the needs of local school administrative units that may
11 experience abrupt changes in average daily membership due to the presence of large
12 military bases, new and expanding industry, and sudden fluctuations in the
13 employment rate.

14 Section 2. There is appropriated from the General Fund to State Aid to
15 Local School Administrative Units the sum of three million five hundred ninety-five
16 thousand two hundred seventy-five dollars (\$3,595,275) for the 1998-99 fiscal year for
17 a reserve for severely disabled children in group or therapeutic homes. These funds
18 shall be used to reimburse the local school administrative unit in which the group or
19 therapeutic home is located for the special education of children whose parents reside
20 outside of that local school administrative unit.

21 Section 3. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1598

Short Title: Cued Speech Center Funds.

(Public)

Sponsors: Representative McComas.

Referred to: Appropriations.

May 28, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF PUBLIC
3 INSTRUCTION TO ENABLE THE CUED SPEECH CENTER TO PROVIDE
4 SERVICES TO HEARING IMPAIRED CHILDREN.

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 one hundred eighty-five thousand dollars
8 (\$185,000) for the 1998-99 fiscal year to be allocated to the Cued Speech Center in
9 Wake County to enable the continuation of needed services to hearing impaired
10 children. These funds shall be allocated as follows:

11	(1) Preschool services	\$ 90,000
12	(2) Transitional and resources services	<u>95,000</u>
13	Total	\$185,000.

14 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1730*

Short Title: Bilingual Teacher Assistant Funds.

(Public)

Sponsors: Representatives Warwick; H. Hunter and Tolson.

Referred to: Appropriations.

June 1, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR THE BILINGUAL TEACHER
3 ASSISTANT DEMONSTRATION PROGRAM.
4 The General Assembly of North Carolina enacts:
5 Section 1. There is appropriated from the General Fund the sum of one
6 million dollars (\$1,000,000) for the 1998-99 fiscal year for the Bilingual Teacher
7 Assistant Demonstration Project.
8 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

2

HOUSE BILL 1620*
Corrected Copy 6/2/98

Short Title: School Nurse Funds.

(Public)

Sponsors: Representatives Watson; Alexander, Earle, Jarrell, Jeffus, Mosley, and
Sexton.

Referred to: Appropriations.

May 28, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR SCHOOL NURSES.
3 The General Assembly of North Carolina enacts:
4 Section 1. (a) There is appropriated from the General Fund to State Aid
5 to Local School Administrative Units the sum of nine million dollars (\$9,000,000) for
6 the 1998-99 fiscal year for school nurses. The State Board of Education shall allocate
7 half of these funds on the basis of one position for each 1,000 students in a local
8 school administrative unit, with a minimum of one position per county. The State
9 Board of Education shall allocate the remaining half of these funds through a system
10 of competitive grants using a fifty percent (50%) to fifty percent (50%) match with
11 local monies. These competitive grant applications shall be reviewed jointly by the
12 Department of Public Instruction and the Department of Health and Human Services,
13 Division of Women's and Children's Health.
14 (b) The State Board of Education shall make these funds available to the
15 local school administrative unit only after the unit has developed a plan for the use of
16 the funds in collaboration with local health department and local health care
17 providers.
18 (c) Local school administrative units may use these funds to contract
19 with local health departments or other public or private providers for school nursing
20 services.

1 (d) All school nurses employed under this act must hold school nurse
2 certification by the American Nurses Credentialing Center of the National
3 Association of School Nurses.

4 (e) In addition, those school nurses employed by the local school districts
5 and holding certification shall be treated in all legal respects as other noninstructional
6 certified personnel under the Department of Public Instruction.

7 (f) The State Board of Education shall not grant a waiver for the use of
8 these funds pursuant to G.S. 115C-105.26(a).

9 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1723

Short Title: Low-Perf. School/Salary Increase.

(Public)

Sponsors: Representatives Hardaway; and Hall.

Referred to: Appropriations.

June 1, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO PROVIDE A SALARY INCREASE TO
3 TEACHERS IN LOW-PERFORMING SCHOOLS THAT ARE ASSIGNED
4 ASSISTANCE TEAMS.

5 The General Assembly of North Carolina enacts:

6 Section 1. (a) Effective for the 1998-99 school year, the first step of the
7 salary schedule for teachers who (i) are classified as "A" teachers, and (ii) are
8 employed in schools identified as low-performing and assigned an assistance team by
9 the State Board of Education, shall be equivalent to Step 2, corresponding to two
10 years of experience, on the salary schedule established in this section for certified
11 personnel of the public schools who are classified as "A" teachers.

12 Effective for the 1998-99 school year, the first step of the salary schedule
13 for teachers who (i) are classified as "A" teachers, (ii) have National Board for
14 Professional Teaching Standards (NBPTS) certification, and (iii) are employed in
15 schools identified as low-performing and assigned an assistance team by the State
16 Board of Education, shall be equivalent to Step 2, corresponding to two years of
17 experience, on the salary schedule established in this section for certified personnel of
18 the public schools who are classified as "A" teachers with NBPTS certification.

19 Effective for the 1998-99 school year, the first step of the salary schedule
20 for teachers who are (i) classified as "G" teachers, and (ii) employed in schools
21 identified as low-performing and assigned an assistance team by the State Board of
22 Education, shall be equivalent to Step 2, corresponding to two years of experience,
23 on the salary schedule established in this section for certified personnel of the public
24 schools who are classified as "G" teachers.

1 Effective for the 1998-99 school year, the first step of the salary schedule
2 for teachers who (i) are classified as "G" teachers, (ii) have National Board for
3 Professional Teaching Standards (NBPTS) certification, and (iii) are employed in
4 schools identified as low-performing and assigned an assistance team by the State
5 Board of Education, shall be equivalent to Step 2, corresponding to two years of
6 experience, on the salary schedule established in this section for certified personnel of
7 the public schools who are classified as "G" teachers with NBPTS certification.

8 These teachers shall be placed on the salary schedule at an appropriate
9 step based on their years of experience. They shall receive longevity payments based
10 on years of State service in the same manner as other teachers.

11 If they have certification based on academic preparation at the six-year
12 degree level, these teachers shall receive a salary supplement of one hundred twenty-
13 six dollars (\$126.00) per month in addition to the compensation provided for them on
14 the salary schedule. If they have certification based on academic preparation at the
15 doctoral degree level, these teachers shall receive a salary supplement of two
16 hundred fifty-three dollars (\$253.00) per month in addition to the compensation
17 provided for them on the salary schedule.

18 Section 2. There is appropriated from the General Fund to State Aid to
19 Local School Administrative Units the sum of four million dollars (\$4,000,000) for
20 the 1998-99 fiscal year to implement the provisions of Section 1 of this act.

21 Section 3. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1671*

Short Title: Teacher Assistant Salary Funds.

(Public)

Sponsors: Representatives Moore, Boyd-McIntyre, (Cosponsors); Adams, Baddour, Barbee, Blue, Bonner, Dedmon, Earle, Goodwin, Grady, Hensley, H. Hunter, Insko, Jarrell, Jeffus, Oldham, Preston, Russell, Saunders, Sexton, Shubert, Thompson, Wainwright, Warner, and Warwick.

Referred to: Appropriations.

June 1, 1998

- 1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOCATE FUNDS APPROPRIATED BY THE GENERAL
3 ASSEMBLY FOR TEACHER ASSISTANT SALARY INCREASES AND TO
4 MODIFY THE TERMS OF EMPLOYMENT FOR TEACHER ASSISTANTS.
5 The General Assembly of North Carolina enacts:
6 Section 1. The funds appropriated by the 1998 Regular Session of the
7 1997 General Assembly for salary increases for teacher assistants shall be allocated as
8 follows:
9 (1) First priority for the funds shall be to provide a three percent (3%)
10 increase to each teacher assistant employed for the 1998-99 school
11 year who was employed as a teacher assistant for the 1997-98
12 school year and to implement corresponding longevity increases
13 for these teacher assistants.
14 (2) Second priority shall be to provide a one-time bonus to teacher
15 assistants with at least 30 college credits. This bonus shall be paid
16 as soon as practicable after data on the level of education of
17 teacher assistants become available.
18 (3) The remainder shall be used to otherwise increase the salary of
19 teacher assistants.
20 The requirement that all teacher assistants be paid at a minimum grade of 54 shall
21 not apply to the extent that it conflicts with the provisions of this section.

1 Section 2. G.S. 115C-47(31) reads as rewritten:

2 "(31) To Determine Hours of Employment for Teacher Assistants. --
3 Local boards of education shall determine the hours of
4 employment for teacher assistants. ~~The Legislative Commission of~~
5 ~~Salary Schedules for Public School Employees shall include in its~~
6 ~~report to the General Assembly recommendations regarding hours~~
7 ~~of employment for teacher assistants and other employees. The~~
8 hours of employment shall not exceed 40 hours per week,
9 including work teacher assistants are required to perform away
10 from school, and shall include at least a 30-minute lunch break."

11 Section 3. G.S. 115C-12(16)b. reads as rewritten:

12 "b.. Salary schedules for the following public school support
13 personnel shall be adopted by the State Board of Education:
14 school finance officer, office support personnel, teacher
15 assistants, maintenance supervisors, custodial personnel, and
16 transportation personnel. The Board shall classify these
17 support positions in terms of uniform pay grades included in
18 the salary schedule of the State Personnel Commission.

19 By the end of the third payroll period of the 1995-96 fiscal
20 year, local boards of education shall place State-allotted
21 office support personnel, teacher assistants, and custodial
22 personnel on the salary schedule adopted by the State Board
23 of Education so that the average salary paid is the State-
24 allotted amount for the category. In placing employees on
25 the salary schedule, the local board shall consider the
26 education, training, and experience of each employee. It is
27 the intent of the General Assembly that a local school
28 administrative unit not fail to employ an employee who was
29 employed for the prior school year in order to implement
30 the provisions of this sub-subdivision. A local board of
31 education is in compliance with this sub-subdivision if the
32 average salary paid is at least ninety-five percent (95%) of
33 the State-allotted amount for the category at the end of the
34 third payroll period of the 1995-96 fiscal year, and at least
35 ninety-eight percent (98%) of the State-allotted amount for
36 the category at the end of the third payroll period of each
37 subsequent fiscal year. The Department of Public Instruction
38 shall provide technical assistance to local school
39 administrative units regarding the implementation of this
40 sub-subdivision.

41 Beginning with the 1998-99 school year, local boards shall
42 consider years of experience as a teacher or teacher assistant
43 in another local school administrative unit when placing a
44 teacher assistant on the salary schedule."

1

Section 4. This act becomes effective July 1, 1998.

CUED SPEECH CENTER**NARRATIVE FOR APPROPRIATION FOR PRESCHOOL, RESOURCE & TRANSITION SERVICES
FOR DEAF & HARD-OF-HEARING STUDENTS
USING CUED SPEECH & OTHER ORAL APPROACHES**

Preschool Services	\$ 90,000
Transition & Resource Services	<u>\$ 95,000</u>
TOTAL	\$185,000

INTRODUCTION

The great handicap of deafness is not the absence of hearing, but rather the impediment that the loss of hearing is to language acquisition. Cued Speech is a communication system which provide clear access to the spoken English language for the deaf and hard of hearing. Used consistently, it allows deaf children to develop language and literacy equal to or better than their hearing peers. So important are language mastery and literacy, that without them deaf people remain for the most part marginal in society, their potential severely limited. Focusing on the early years of life which are crucial to the mastery of language, the Center pursues the goals of language fluency and literacy on two tracks: Preschool and Transition/Resource Services.

PRESCHOOL SERVICES

The Cued Speech Oral Auditory Program (CSOAP) is directed to early intervention for language input during the crucial language-learning years of early childhood. Toward this end, the Center, in collaboration with the North Carolina Schools for the Deaf, works in eight programs serving approximately 75 deaf toddlers and preschoolers across the state.

In working with these very young children, the greatest single need is training--training of parents, teachers, speech-language pathologists, and audiologists. CSOAP provides three principal types of training: (1) Individual training including in-the-classroom observation and instruction; (2) personal and phone consultation and mentoring, giving counsel and assisting in problem-solving, for example; and (3) group instruction in such topics as language development, speech, audition, and behavior control.

The funds requested here are to stabilize and expand a program of services already in operation, but growing rapidly as more parents choose Cued Speech as the preferred communication modality for their very young deaf children. To be effective in meeting the needs of these children, however, early intervention, as represented by CSOAP must be truly "early." Intensive work over an extended period of time must be available for very young deaf children before the best language learning years slip away. The funds requested would accommodate the growth of and strengthen efforts already under way.

TRANSITION AND RESOURCE SERVICES

Virtually all CSOAP children go from preschools into the public schools; and the number of school systems receiving these deaf children, and served by the Center, has grown from six to 24 in less than two years. The program of Transition and Resource Services is shaped around three conditions crucial to the success of Cued-Speech-trained deaf children in mainstream classes: (1) Access to the spoken language in the classroom through a Cued Speech interpreter/transliterators; (2) Support services provided by trained professionals such as audiologists and speech therapists; (3) Classroom teachers who are prepared to receive them.

The first condition is addressed through a program of recruitment and training of transliterators/interpreters, with regularly scheduled training courses at various levels of skill held throughout the state. Condition two provides on-the-job training and mentoring, and the development of model demonstration classroom programs in various parts of the state for the support professionals serving these deaf students.. The third condition--preparing teachers in mainstream classrooms to work with deaf children--is addressed through a series of workshops focusing on such topics as deafness, language development, and speech.

SUMMARY

Support of these two important programs will permit the strengthening and growth of needed services to deaf children during the critical early years of language acquisition, and will facilitate the education of developing children in regular public school settings. The goal is to enable deaf children to reach their full potential, producing at the same time independent, tax-paying citizens who contribute to the public good.

Languages Other Than English Currently Reported in North Carolina

Abhazian	Haitian Creole	Pele-Ata
Afar	Hawaiian	Polish
Afghani/	Hebrew	Portuguese
Western Pashto	Hmong	Punjabi/ Panjabi
Afrikaans	Hindi/ Indian/ Urdu	Pushto/ Eastern Pashto
Akan	Hausa	Quechua
Albanian/Shquip	Hungarian/ Magyar	Rade
American Indian	Ibibio	Rhaeto/ Romanic
Amharic	Icelandic/ Islenzk	Romanian/ Moldavian
Arabic	Ikwerre	Russian
Armerian/ Hayeren	Ilocano	Sangho
Assamese	Indonesian	Sapo
Assyrian	Inupiak	Samoan
Azerbaijani	Italian	Sanskrit
Aymara	Jamaican Creole	Saurashtra/ Sowrashtra
Bana	Japanese	Serbo-Croatian
Bashkir	Javanese/ Bahasa Jawa	Serbian
Bassa	Kannada	Sesotho
Basque/ Euskera	Kashmiri	Shanghai/ Wu/ Chinese
Belorussian/Byelorussia	Kazakh	Shona
Bengali/Bangla	Kinyarwanda	Sindhi
Bhutani	Kirghiz/ Kyrgyz	Sinhalese
Bihari	Kirundi	Siswati/ Tekela
Bisayan/ Ilongo	Koho	Slovak
Breton	Koner	Slovene
Bulgarian	Konkani	Somali
Burmese	Korean	Spanish
Cambodian/ Khmer	Kpelle	Sri Lanka Malay
Cantonese/ Chinese	Krio	Sudanese
Catalan/ Catalonian	Kru/ Ibo / Nigerian	Swabian
Cebuano	Kurdish/ Zimany/ Kurdy	Swahili/ Kiswahili
Cheremis	Latvian/ Lettish	Swedish
Cherokee	Lingala	Tagalog/ Filipino
Chinese	Lithuanian	Taiwanese/ Chinese
Corsican	Macedonian	Tajik
Creole/ French Creole	Malagasy	Talasco
Croatian/ Hrvatski	Malay/ Bahasa Malaysia	Tarasco
Czech	Malayalam	Tamil
Danish	Maltese	Tatar
Dutch	Mandarin/ Chinese	Telugu
Edo	Mandingo	Tetela
English/ Liberian	Maori	Thai/ Laotian/ Lao/ Kam
Estonian	Marathi	Tibetan/ Bodskad
Faroese	Mayan	Tigrinya
Farsi/ Persian/ Dari	Mende	Tongan
Fijian/ Lauan	Mixteco	Tsonga
Finnish	Mongolian	Turkish
Flemish	Nauruan/ Nauru	Turkmen
French	Nepali	Twí
Frisian	Ngoni	Ukranian
Gaeilge/ Irish	Norwegian	Urhobo
Gaelic/ Scots	Occitan	Uzbek
Galician	Oromo/ Afan	Vietnamese
Georgian/ Kartuli	Ojibwa	Visayan
German	Oriya	Wandala/ Montagnard
Greek	Pampangan	Welsh
Greenlandic/ Kalaallisut	Papiamentu/ Papiamentic	Wolof
Guarani	Patois	Xhosa/ Zulu
Gujarati/ Gujarathi	Patwin	Yoruba

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Thursday, July 16, 1998 (PM)

MINUTES

The House Appropriations Subcommittee on Education met on Thursday, July 16, 1998, at afternoon following Session in Room 421 of the Legislative Office Building.

Members present were Representatives Arnold, Grady and Preston, Co-chairs; Representatives Creech, Daughtry, Davis, Oldham, Reynolds, Rogers, Shubert and Yongue.

Representative Preston called the meeting to order. Any Special Amendments would be addressed at the end of all presentations. Jim Johnson, Fiscal Research Staff, was recognized to present the Public Schools Budget and Special Revisions (Attachment I). These items are addressed in the attached document, *"House Appropriations Subcommittee On Education, July 17, 1998"*. Minor changes were noted. Questions and discussion followed this presentation.

Representative Grady moved to amend the bill on page 54, line 6, after the word "administration" and add words *"as a part-time student"*. Motion carried.

Amendments were entertained. Representative Yongue addressed page 50 and the proposal is to get with Ms. Kathrine Joyce, Legislative Affairs Specialists, SEANC, to help rewrite so it does not do any harm to anyone and correct technically. Plan to have on the floor on Monday, July 20.

Representative Rogers moved to adopt the substitute provision (Attachments II (a) and (b)). The NO's have it and the Provision was defeated.

Representative Reynolds recommended an Amendment to pages 77, 78, and 79 (Attachment III). A vote was called for on Representative Reynolds' amendment and the NO's have it. The Provision was defeated.

There were no further amendments and Representative Grady made a motion that if there were no other amendments to the Budget either in provisions or in money, that the Subcommittee report be adopted as amended and send to the Full Appropriations Committee. The Motion carried.

There was no further business to come before the committee at this time. Meeting was adjourned until Monday, July 20, at 1:00pm.

Respectfully submitted:


Representative Jean R. Preston, Co-Chair


Sandra B. Ellis, Committee Clerk

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education

Thursday, July 16, 1998

After Session

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
~~William McLaughlin~~	~~1000 GA~~
Ann Belam	SBE
Philip Price	DPI
Bill Wilson	NCAE
Janis Rongquist	NCHTA
Thad D	NCAE
John Wilson	NCAE
Bo Gent	Union Co. Public School
Grace E. Fair	Union Co. Public Schools
Jack H. Camp	UNC Charlotte
Janice Harrison	Union Co Public School
Maryellen Ware	Nurse of the Day
Ann Wilson	Nurse of the Day

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education

Thursday, July 16, 1998

After Session

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

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Lynda McCulloch	" "
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VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education

Thursday, July 16, 1998 After Session

Name of Committee

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APPROPRIATIONS/Subcommittee on Education

1997 - 98

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7-16-98

afternoon session (imimed following session)

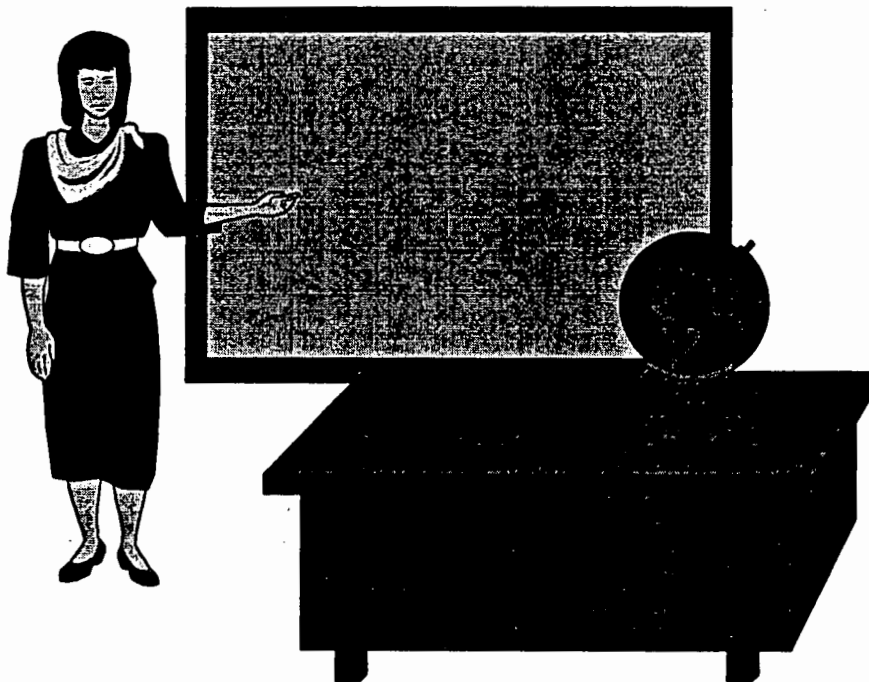
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✓ D. Yongue	3-5823 910-276-1727(H)	1305 Fax: 910-276-1727	94	Jenny Umstead

ATTACHMENT I

HOUSE APPROPRIATIONS SUBCOMMITTEE
ON
EDUCATION

July 17, 1998



Robert Grady
REP. ROBERT GRADY

Jean Preston
REP. JEAN PRESTON

Gene Arnold
REP. GENE ARNOLD

Public Education

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$4,493,194,418

Budget Changes

ABC Program

1 ABC Bonus Awards 1997-98

Provide additional funds to pay the projected ABC bonus awards for FY 1997-98. \$17,118,003 was earmarked from 1997-98 excess reversions.

\$0 NR

2 ABC Bonus Awards

Provide funds to pay the projected ABC bonus awards for FY 1998-99.

\$98,480,985 NR

3 ABC Accountability

Provide funds to the State Board of Education to pay for existing end-of-grade and end-of-course tests authorized by the Board and the General Assembly. To begin pilot test for alternative assessments for exceptional children as required by federal law.

\$2,000,000 NR

4 Assistance to Low Performing and At Risk Schools

Funds to assist low performing and at risk schools.

\$1,215,466 NR

Excellent Schools Act

5 Increase Teacher Salaries

Implement the second year of the new teacher salary schedules called for in the Excellent Schools Act. North Carolina's goal is to increase teacher salaries to the national average. \$192,943,537 in recurring funds are located in the Compensation Reserves for this purpose.

\$0 R

6 Teacher Longevity: 1998-99 Salary Increases

Appropriate funds to fund teacher longevity increases associated with the FY 1998-99 salary increases that are a part of the Excellent Schools Act.

\$3,254,624 R

7 Additional Pay for Extra Duties

Provide additional funds for teachers in low performing and at-risk schools. These funds will be used to pay for extra duties, student remediation and other teacher activities that lead to improved student performance. A portion of the nonrecurring funds may also be used for additional pay teachers who are a part of local assessment teams.

\$12,405,561 R

\$3,160,454 NR

House Subcommittee on Education

8 Extra Pay for Extra Duties to Improve Performance

Provide extra pay for teachers for extra duties that improve student performance. Duties must be related to activities that improve student performance. These activities may include Saturday Academies and after school tutoring, and for additional days of work outside of the 220 paid days in the school calendar. The State Board of Education shall allocate these funds based on average daily membership to schools that do not qualify for the additional funds for low performing and at-risk schools in Section 9.4 of this act.

\$5,473,776 NR

9 Extra Pay for Forfeited Vacation Days

Provide additional funds to pay for forfeited teacher vacation days if the teacher is required to work on an optional teacher workday, and did not have the opportunity to take vacation at another time.

\$4,250,000 R

Improving Student Performance

10 Low Wealth Supplemental Funding

Provide additional Low Wealth Supplemental funding.

\$10,000,000 R

11 Funds for Limited Proficiency in English Students

Provide funds to school systems with students who have limited proficiency in English.

\$5,000,000 NR

12 Substitute Teacher Pay

Increase substitute teacher pay.

\$1,000,000

13 A+ Schools

Provides funds to continue the A+ Schools program.

\$400,000 NR

14 Global Curriculum Funds

Provide funds to continue the Global Curriculum program.

\$150,000 NR

Public Instruction

15 Additional Certification Specialists

Provide \$160,000 through receipts to increase the number of certification specialists in the Department of Public Instruction.

\$0 R

16 Student Information System

Funds to begin the replacement of the Student Information System (SIMS)

\$2,000,000 NR

Teacher Development

17 Teacher Evaluation Instruments

Funds to the State Board of Education to develop and validate a new teacher performance appraisal instrument.

\$500,000

House Subcommittee on Education

Various Budget Adjustments

18 Funding for Increases in Average Daily Membership	\$26,553,765	R
Provide funding for additional increases in average daily membership in FY 1998-99.		
19 Longevity Increases	\$0	NR
Appropriate funds to fund teacher longevity increases associated with the FY 1997-98 salary increases that were a part of the Excellent Schools Act. \$9,010,274 was earmarked from 1997-98 excess reversions		
20 Mentor Teachers	\$9,235,124	NR
Provide full funding for mentor teachers to first year teachers or instructional support personnel who were not previously teachers.		
21 Average Annual Salary Adjustment	(\$35,525,769)	R
Annual adjustment in average salaries of certified personnel to reflect actual experience through December 1997.		
22 School Bus Purchases	(\$24,199,403)	R
Purchase new school buses from nonrecurring funds. \$24,199,403 was earmarked from 1997-98 excess reversions.		

Budget Changes	(\$2,261,222)	R
	\$127,615,805	NR

Total Position Changes

Revised Total Budget	\$4,618,549,001

	Recurring	NonRecurring
Reductions	-59,725,172	
Increases	57,463,950	127,615,805

UNC System

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$1,455,260,484

Budget Changes

A. UNC Campuses

23 Base Budget Reductions

(\$1,502,974) R

Reduce each budget code by 0.1%

24 New Facility Reserves

\$128,778 R

Adjust reserves for new buildings based on estimated completion dates.

(\$952,617) NR

25 Utilities Reductions

(\$800,938) R

Reduce utilities increases based on recent expenditures

26 Span of Control Study

(\$3,595,609) R

Board of Governors is directed to use span of control study to improve efficiency of campuses' operations.

B. Schedule of Priorities

27 Enrollment Growth

\$13,730,338 R

Provide for growth of 1,100 additional students, reduced tuition receipts because of shift to more in-state students, and to implement new formula for enrollment changes.

28 Enrollment: Distance Learning & Off-Campus Degrees

\$13,019,005 R

Provides funding for courses offered off-campus in order to increase access and to provide for increased capacity, based on projections of substantial enrollment growth.

A. Total Request \$13,636,958

B. Less Transfers from Cooperative PhD.

Programs \$(253,929)

C. Eliminate on-campus undergraduate bonus factors

\$(364,024)

D. Net Appropriation \$13,019,005

29 Information Technology

\$4,000,000 R

Funds for Computing and Technology to improve effectiveness of teaching and learning, service, and cost effectiveness

\$4,000,000 NR

30 Libraries

Improve library resources for constituent institutions.

\$2,000,000

House Subcommittee on Education

31 University Outreach to the Public Schools: A.

School Services Matching Incentive Grant Program
Funds for campuses to create partnerships with local school systems to extend UNC services to public schools.

\$975,000 NR

32 University Outreach to the Public Schools: B.

Principal Fellows Program
Increase the number of fellows in the first year class from 76 to 95.

\$380,000 R

33 University Outreach to the Public Schools: C.

Reading Together
Additional General Fund support for this pilot program at UNC-Greensboro.

\$200,000 NR

34 New Degree Programs

NC State Engineering Degree in Asheville
Funds for the BS in Engineering program to be offered in collaboration with UNC-Asheville.

\$400,000 R

35 University Outreach to the Public Schools: D

Learning Link: UNC TV Electronic Educational Community
Improvements in interactive on-line service to public schools, linking University resources of all campuses to public school teachers

\$535,500 NR

36 Graduate Education and Research

Provide additional support for graduate teaching and research assistants

\$1,000,000 R

37 Distinguished Professors Endowment Trust Fund

Additional state matching funds for program to increase endowed funding for faculty chairs.

\$2,000,000 NR

C. Agricultural Programs

38 Agricultural Enhancement

Provide increased support for non-salary operating costs in the Agricultural Research and Cooperative Extension programs at NC State. Funds of \$1,400,000 will be transferred from the Reserve for Compensation Increase.

\$0 R

39 Pfiesteria Research

Provide operating funds to establish a Center for Applied Aquatic Ecology at NC State to facilitate research on toxic microorganisms.

\$600,000 R
\$1,000,000 NR

D. Related Educational Programs

40 Aid to Students Attending Private Colleges

Provides funding for increases in Legislative Tuition Grants (from \$1,450 to \$1,600 per year) and for need-based scholarship funds (from \$750 to \$900 per NC FTE per year).

\$7,248,986 R

5

House Subcommittee on Education

E. Other Programs

41 Oyster Research

Funds for the Institute of Marine Science at UNC-CH for
study of sustainable oyster aquaculture.

\$100,000 NR

Budget Changes

\$34,607,586 R

\$9,857,883 NR

Total Position Changes

Revised Total Budget

\$1,499,725,953

	Recurring	NonRecurring
Reductions	-5,899,521	-952,617
Increases	40,507,107	10,810,500

⑥

Community Colleges

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$504,200,909

Budget Changes

42 Enrollment	\$2,000,000	R
Funds additional enrollment growth in the community college system.		
43 Technology	\$10,000,000	R
Provides colleges recurring funds for management information technology staff, recurring funds for the purchase and development of software, and recurring funds for Department staff to provide computer and construction technical assistance to colleges as well as SIPS charges and other computer related costs.		
44 Equipment and Books	\$9,000,000	NR
Provides the same level of equipment and book funds to the community college system as it received in the prior fiscal year.		
45 Equipment Reserve	\$8,000,000	NR
Creates a non-reverting equipment reserve fund to assist community colleges in meeting their backlog of equipment needs as documented in the Phase 3 Funding Study report to the State Board of Community Colleges.		
46 Center for Applied Textile Technology	\$100,000	R
Expands the operating budget of the Center for Applied Textile Technology.		
47 Public Radio Station Funds	\$10,000	R
Provides \$5,000 to each of the Community College System's two public radio stations.		
48 Prison Program Start-Up Funds- Mayland and Pamlico	\$500,000	NR
Provides funds to allow Mayland and Pamlico Community Colleges to start new prison education programs. The funds shall be divided equally between these two colleges.		
49 Reduction in Human Resources Development Program	(\$92,904)	R
Reduces the Human Resources Development (HRD) program as recommended by the Governor.		
50 Worker's Compensation Adjustment	(\$121,731)	R
Accepts the Governor's reduction in the Department's Worker Compensation budget.		

House Subcommittee on Education

51 Departmental Reductions

(\$57,660)

Reduces the Department's budget as recommended by the Governor in the warehouse rent line and vacant program assistant position.

Budget Changes	\$11,837,705	R
	\$17,500,000	NR
Total Position Changes		
Revised Total Budget	\$533,538,614	

	Recurring	NonRecurring
Reductions	-272,295	
Increases	12,110,000	17,500,000

8

HOUSE: PUBLIC SCHOOLS

CODE NO. 98DPI-H000-S

Requested by: Representatives Arnold, Grady, Preston

ALLOCATIONS FOR PUBLIC SCHOOLS

1 Section 9. (a) There is allocated from unexpended 1997-
2 98 General Fund appropriations the sum of fifty-five million
3 twenty-seven thousand six hundred eighty dollars (\$55,027,680)
4 which shall not revert and shall be used as follows:
5 (1) \$17,118,003 to fulfill the State's obligations to
6 public school employees who qualified for
7 performance bonuses for the 1997-98 school year
8 under the ABC's of Public Education Program;
9 (2) \$9,010,274 to fulfill the State's obligations to
10 public school teachers who qualified for longevity
11 payments for the 1997-98 school year;
12 (3) \$24,199,403 to permit the State Board of Education
13 to order school buses needed for the 1998-99 school
14 year; and
15 (4) \$4,700,000 for the State School Technology Fund to
16 provide additional school technology funds prior to
17 the beginning of the 1998-99 school year.
18 (b) This section becomes effective on the expiration of
19 Section 5 of S.L. 1998-23.

1 CODE NO. 98DPI-H001-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 **TEACHER SALARY SCHEDULES**

1 Section 9.1. (a) Effective for the 1998-99 school year,
2 the Director of the Budget may transfer from the Reserve for
3 Compensation Increase for the 1998-99 fiscal year funds necessary
4 to implement the teacher salary schedule set out in subsection
5 (b) of this section, including funds for the employer's
6 retirement and social security contributions and funds for annual
7 longevity payments at one percent (1%) of base salary for 10 to
8 14 years of State service, one and one-half percent (1.5%) of
9 base salary for 15 to 19 years of State service, two percent (2%)
10 of base salary for 20 to 24 years of State service, and four and
11 one-half percent (4.5%) of base salary for 25 or more years of
12 State service, commencing July 1, 1998, for all teachers whose
13 salaries are supported from the State's General Fund. These
14 funds shall be allocated to individuals according to rules
15 adopted by the State Board of Education and the Superintendent of
16 Public Instruction. The longevity payment shall be paid in a
17 lump sum once a year.

18 (b)(1) For the 1998-99 school year, the following
19 monthly salary schedules shall apply to
20 certified personnel of the public schools who
21 are classified as teachers. The schedule
22 contains 30 steps with each step corresponding
23 to one year of teaching experience.

24

25 1998-99 Monthly Salary Schedule
26 "A" Teachers

27

28 Years of	"A"	NBPTS
29 Experience	Teachers	Certification
30		
31 0	2,310	N/A
32 1	2,352	N/A
33 2	2,395	N/A
34 3	2,551	2,857
35 4	2,678	2,999
36 5	2,779	3,112
37 6	2,826	3,165
38 7	2,874	3,218
39 8	2,923	3,273
40 9	2,972	3,328
41 10	3,021	3,383

11

1	11	3,071	3,439
2	12	3,123	3,497
3	13	3,176	3,557
4	14	3,230	3,617
5	15	3,285	3,679
6	16	3,341	3,741
7	17	3,398	3,805
8	18	3,456	3,870
9	19	3,516	3,937
10	20	3,577	4,006
11	21	3,640	4,076
12	22	3,703	4,147
13	23	3,767	4,219
14	24	3,832	4,291
15	25	3,899	4,366
16	26	3,968	4,444
17	27	4,038	4,522
18	28	4,109	4,602
19	29+	4,182	4,683

1998-99 Monthly Salary Schedule
"G" Teachers

Years of Experience	"G" Teachers	NBPTS Certification
0	2,454	N/A
1	2,499	N/A
2	2,545	N/A
3	2,710	3,035
4	2,845	3,186
5	2,953	3,307
6	3,003	3,363
7	3,054	3,420
8	3,106	3,478
9	3,158	3,536
10	3,210	3,595
11	3,263	3,654
12	3,318	3,716
13	3,375	3,780
14	3,432	3,843
15	3,490	3,908
16	3,550	3,976
17	3,610	4,043
18	3,672	4,112
19	3,736	4,184
20	3,801	4,257
21	3,868	4,332
22	3,934	4,406
23	4,002	4,482
24	4,072	4,560
25	4,143	4,640
26	4,216	4,721

12

1	27	4,290	4,804
2	28	4,366	4,889
3	29+	4,443	4,976

4 (2) Certified public school teachers with certification
 5 based on academic preparation at the six-year
 6 degree level shall receive a salary supplement of
 7 one hundred twenty-six dollars (\$126.00) per month
 8 in addition to the compensation provided for
 9 certified personnel of the public schools who are
 10 classified as "G" teachers. Certified public
 11 school teachers with certification based on
 12 academic preparation at the doctoral degree level
 13 shall receive a salary supplement of two hundred
 14 fifty-three dollars (\$253.00) per month in addition
 15 to the compensation provided for certified
 16 personnel of the public schools who are classified
 17 as "G" teachers.

18 (c) Effective for the 1998-99 school year, the first
 19 step of the salary schedule for school psychologists shall be
 20 equivalent to Step 5, corresponding to five years of experience,
 21 on the salary schedule established in this section for certified
 22 personnel of the public schools who are classified as "G"
 23 teachers. Certified psychologists shall be placed on the salary
 24 schedule at an appropriate step based on their years of
 25 experience. Certified psychologists shall receive longevity
 26 payments based on years of State service in the same manner as
 27 teachers.

28 Certified psychologists with certification based on
 29 academic preparation at the six-year degree level shall receive a
 30 salary supplement of one hundred twenty-six dollars (\$126.00) per
 31 month in addition to the compensation provided for certified
 32 psychologists. Certified psychologists with certification based
 33 on academic preparation at the doctoral degree level shall
 34 receive a salary supplement of two hundred fifty-three dollars
 35 (\$253.00) per month in addition to the compensation provided for
 36 certified psychologists.

37 (d) Effective for the 1998-99 school year, speech
 38 pathologists who are certified as speech pathologists at the
 39 masters degree level and audiologists who are certified as
 40 audiologists at the masters degree level and who are employed in
 41 the public schools as speech and language specialists and
 42 audiologists shall be paid on the school psychologist salary
 43 schedule.

44 Speech pathologists and audiologists with certification
 45 based on academic preparation at the six-year degree level shall
 46 receive a salary supplement of one hundred twenty-six dollars
 47 (\$126.00) per month in addition to the compensation provided for
 48 speech pathologists and audiologists. Speech pathologists and
 49 audiologists with certification based on academic preparation at
 50 the doctoral degree level shall receive a salary supplement of
 51 two hundred fifty-three dollars (\$253.00) per month in addition
 52 to the compensation provided for speech pathologists and
 53 audiologists.

1 (e) The State Board of Education shall study the current
2 salary schedules for nurses and other allied health
3 professionals. The State Board shall report to the Joint
4 Legislative Education Oversight Committee prior to December 15,
5 1998, on the results of its study and on any recommended
6 modifications to the current salary schedules.

14

1 CODE NO. 98DPI-H002-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 FUNDS TO IMPLEMENT THE ABC'S OF PUBLIC EDUCATION PROGRAM

1 Section 9.2. Section 8.36 of S.L. 1997-443 reads as
2 rewritten:

3 "Section 8.36. (a) Of the funds appropriated to State Aid to
4 Local School Administrative Units, the State Board of Education
5 ~~may use up to seventy-two million four hundred thousand dollars~~
6 ~~(\$72,400,000) for the 1997-98 fiscal year to shall~~ provide
7 incentive funding for schools that meet or exceed the projected
8 levels of improvement in student performance, in accordance with
9 the ABC's of Public Education Program. In accordance with State
10 Board of Education policy, incentive awards in schools that
11 achieve higher than expected improvements may be up to: (i) one
12 thousand five hundred dollars (\$1,500) for each teacher and for
13 certified personnel; and (ii) five hundred dollars (\$500.00) for
14 each teacher assistant. In accordance with State Board of
15 Education policy, incentive awards in schools that meet the
16 expected improvements may be up to: (i) seven hundred fifty
17 dollars (\$750.00) for each teacher and for certified personnel;
18 and (ii) three hundred seventy-five dollars (\$375.00) for each
19 teacher assistant.

20 (b) The State Board of Education may use funds appropriated to
21 State Aid to Local School Administrative Units for assistance
22 teams to low-performing schools."

15

1 CODE NO. 98DPI-H003-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 **STATE BOARD STUDY MENTOR TEACHERS**

1 Section 9.3. (a) The State Board of Education may use
2 funds for the mentor program to evaluate the program. The State
3 Board shall report the results of its evaluation to the Joint
4 Legislative Education Oversight Committee prior to March 5, 2000.

16

1 CODE NO. 98DPI-H004-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 AID TO LOW-PERFORMING AND AT-RISK SCHOOLS

1 Section 9.4. (a) Funds appropriated for the 1998-99
2 fiscal year for aid to low-performing and at-risk schools shall
3 be used to provide services to:

4 (1) Elementary schools at which fifty percent (50%) of
5 the students are below grade level on previous
6 year's end-of-grade test, during the 1997-98 school
7 year or the 1998-99 school year;

8 (2) Middle schools at which fifty percent (50%) of the
9 students in the sixth grade were below grade level
10 on their end-of-grade fifth grade tests during the
11 1997-98 school year or the 1998-99 school year; and

12 (3) The five percent (5%) of high schools in the State
13 that have the lowest composite scores on the ABC's
14 accountability measures.

15 (b) Funds for salary-related items in the amounts of
16 twelve million four hundred five thousand five hundred sixty-one
17 dollars (\$12,405,561) in recurring funds and three million one
18 hundred sixty thousand four hundred fifty-four dollars
19 (\$3,160,454) in nonrecurring funds shall be used as follows:

20 (1) Up to fifteen percent (15%) of the nonrecurring
21 funds on a statewide basis may be used for salary
22 supplements for teachers assigned to local
23 assessment teams;

24 (2) The remainder of the funds shall be used for extra
25 pay for extra duties for teachers for such
26 activities as Saturday academies and after school
27 tutoring, for professional development, and for
28 additional days of work outside of the 220 paid
29 days in the school calendar. These days should be
30 cooperatively planned by the principal and the
31 faculty.

32 These funds shall be allocated by the State Board based on
33 additional teacher days based on average daily membership of the
34 school.

35 The Director of the Budget is encouraged to include
36 these funds in the continuation budget for the 1999-2001 fiscal
37 biennium.

38 (c) Funds for nonsalary items in the amount of one
39 million two hundred fifteen thousand four hundred sixty-six

17

1 dollars (\$1,215,466) shall be used only for staff development
2 costs, and for textbooks, instructional supplies, materials, and
3 equipment.

4 (d) The principal of a low-performing or at-risk
5 school, in consultation with the faculty and the site-based
6 management team, shall develop an initial plan for improving the
7 school. The plan shall include whole-staff training. The plan
8 shall be submitted to the local superintendent and approved by
9 the local board prior to submission to the State Board of
10 Education. The plan shall be revised annually.

11 The plan shall be reviewed and accepted or rejected by
12 the State Board of Education within 30 days after receipt of the
13 plan. The State Board may delegate to the State Superintendent
14 the responsibility for accepting or rejecting the plan.

15 The local board shall receive the money for each school
16 for which a plan is approved. The local board shall receive for
17 each school for which a plan is approved a minimum of ten
18 thousand dollars (\$10,000) from the funds in subsection (c) of
19 this section; the remainder of these funds shall be allocated on
20 the basis of average daily membership.

21 (e) The State Board of Education is encouraged to use
22 federal funds such as Goals 2000 and Comprehensive School Reform
23 Demonstration Grants to assist low-performing and at-risk
24 schools.

25 (f) Funds allocated in subsections (b) and (c) of this
26 section shall revert on August 31, 1999.

27 (g) The State Board of Education shall report to the
28 Joint Legislative Education Oversight Committee prior to December
29 15, 1998, on the plans and on the use of funds for Aid to Low-
30 Performing and At-Risk Schools.

1 CODE NO. 98DPI-H005-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 **ABC'S HIGH SCHOOL ACCOUNTABILITY MODEL**

1 Section 9.5. The State Board of Education shall continue
2 its efforts to improve the standards for determining whether high
3 schools meet or exceed their projected levels of improvement in
4 student performance in accordance with the ABC's of Public
5 Education Program. The General Assembly urges the State Board to
6 consider including in the standards (i) a measurement of
7 improvement in individual students' performance, (ii) dropout
8 rates, and (iii) a measurement of student enrollment and
9 achievement in courses required for graduation, advanced
10 placement courses, or other upper level courses.

19

1 CODE NO. 98DPI-H006-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 SCHOOL-BASED ADMINISTRATOR SALARIES

1 Section 9.6. (a) Funds appropriated to the Reserve for
2 Compensation Increase shall be used for the implementation of the
3 salary schedule for school-based administrators as provided in
4 this section. These funds shall be used for State-paid employees
5 only.

6 (b) The salary schedule for school-based administrators
7 shall apply only to principals and assistant principals. The
8 salary schedule for the 1998-99 fiscal year, commencing July 1,
9 1998, is as follows:

Step	Assistant Principals			Principal I		
	Base	Base + 1%	Base + 2%	Base	Base + 1%	Base + 2%
4	\$2,873	\$2,902	\$2,930	--	--	--
5	2,983	3,013	3,043	--	--	--
6	3,033	3,063	3,094	--	--	--
7	3,085	3,116	3,147	--	--	--
8	3,137	3,168	3,200	\$3,137	\$3,168	\$3,200
9	3,190	3,222	3,254	3,190	3,222	3,254
10	3,242	3,274	3,307	3,242	3,274	3,307
11	3,296	3,329	3,362	3,296	3,329	3,362
12	3,351	3,385	3,418	3,351	3,385	3,418
13	3,409	3,443	3,477	3,409	3,443	3,477
14	3,466	3,501	3,535	3,466	3,501	3,535
15	3,525	3,560	3,596	3,525	3,560	3,596
16	3,586	3,622	3,658	3,586	3,622	3,658
17	3,646	3,682	3,719	3,646	3,682	3,719
18	3,709	3,746	3,783	3,709	3,746	3,783
19	3,773	3,811	3,848	3,773	3,811	3,848
20	3,839	3,877	3,916	3,839	3,877	3,916
21	3,907	3,946	3,985	3,907	3,946	3,985
22	3,973	4,013	4,052	3,973	4,013	4,052
23	4,042	4,082	4,123	4,042	4,082	4,123
24	4,113	4,154	4,195	4,113	4,154	4,195
25	4,184	4,226	4,268	4,184	4,226	4,268
26	4,258	4,301	4,343	4,258	4,301	4,343
27	4,333	4,376	4,420	4,333	4,376	4,420
28	4,410	4,454	4,498	4,410	4,454	4,498
29	4,487	4,532	4,577	4,487	4,532	4,577
30	4,577	4,623	4,669	4,577	4,623	4,669
31	4,669	4,716	4,762	4,669	4,716	4,762
32	--	--	--	4,762	4,810	4,857

44

45 Principal II

Principal III

(20)

1	Step	Base	Base + 1%	Base + 2%	Base	Base + 1%	Base + 2%
2							
3							
4	4	--	--	--	--	--	--
5	5	--	--	--	--	--	--
6	6	--	--	--	--	--	--
7	7	--	--	--	--	--	--
8	8	--	--	--	--	--	--
9	9	--	--	--	--	--	--
10	10	\$3,296	\$3,329	\$3,362	--	--	--
11	11	3,351	3,385	3,418	--	--	--
12	12	3,409	3,443	3,477	\$3,466	\$3,501	\$3,535
13	13	3,466	3,501	3,535	3,525	3,560	3,596
14	14	3,525	3,560	3,596	3,586	3,622	3,658
15	15	3,586	3,622	3,658	3,646	3,682	3,719
16	16	3,646	3,682	3,719	3,709	3,746	3,783
17	17	3,709	3,746	3,783	3,773	3,811	3,848
18	18	3,773	3,811	3,848	3,839	3,877	3,916
19	19	3,839	3,877	3,916	3,907	3,946	3,985
20	20	3,907	3,946	3,985	3,973	4,013	4,052
21	21	3,973	4,013	4,052	4,042	4,082	4,123
22	22	4,042	4,082	4,123	4,113	4,154	4,195
23	23	4,113	4,154	4,195	4,184	4,226	4,268
24	24	4,184	4,226	4,268	4,258	4,301	4,343
25	25	4,258	4,301	4,343	4,333	4,376	4,420
26	26	4,333	4,376	4,420	4,410	4,454	4,498
27	27	4,410	4,454	4,498	4,487	4,532	4,577
28	28	4,487	4,532	4,577	4,577	4,623	4,669
29	29	4,577	4,623	4,669	4,669	4,716	4,762
30	30	4,669	4,716	4,762	4,762	4,810	4,857
31	31	4,762	4,810	4,857	4,857	4,906	4,954
32	32	4,857	4,906	4,954	4,954	5,004	5,053
33	33	4,954	5,004	5,053	5,053	5,104	5,154
34	34	5,053	5,104	5,154	5,154	5,206	5,257
35	35	--	--	--	5,257	5,310	5,362
36	36	--	--	--	5,362	5,416	5,469
37							
38		Principal IV			Principal V		
39	Step	Base	Base + 1%	Base + 2%	Base	Base + 1%	Base + 2%
40							
41							
42	4	--	--	--	--	--	--
43	5	--	--	--	--	--	--
44	6	--	--	--	--	--	--
45	7	--	--	--	--	--	--
46	8	--	--	--	--	--	--
47	9	--	--	--	--	--	--
48	10	--	--	--	--	--	--
49	11	--	--	--	--	--	--
50	12	--	--	--	--	--	--
51	13	\$3,586	\$3,622	\$3,658	--	--	--
52	14	3,646	3,682	3,719	\$3,709	\$3,746	\$3,783
53	15	3,709	3,746	3,783	3,773	3,811	3,848

(21)

1	16	3,773	3,811	3,848	3,839	3,877	3,916
2	17	3,839	3,877	3,916	3,907	3,946	3,985
3	18	3,907	3,946	3,985	3,973	4,013	4,052
4	19	3,973	4,013	4,052	4,042	4,082	4,123
5	20	4,042	4,082	4,123	4,113	4,154	4,195
6	21	4,113	4,154	4,195	4,184	4,226	4,268
7	22	4,184	4,226	4,268	4,258	4,301	4,343
8	23	4,258	4,301	4,343	4,333	4,376	4,420
9	24	4,333	4,376	4,420	4,410	4,454	4,498
10	25	4,410	4,454	4,498	4,487	4,532	4,577
11	26	4,487	4,532	4,577	4,577	4,623	4,669
12	27	4,577	4,623	4,669	4,669	4,716	4,762
13	28	4,669	4,716	4,762	4,762	4,810	4,857
14	29	4,762	4,810	4,857	4,857	4,906	4,954
15	30	4,857	4,906	4,954	4,954	5,004	5,053
16	31	4,954	5,004	5,053	5,053	5,104	5,154
17	32	5,053	5,104	5,154	5,154	5,206	5,257
18	33	5,154	5,206	5,257	5,257	5,310	5,362
19	34	5,257	5,310	5,362	5,362	5,416	5,469
20	35	5,362	5,416	5,469	5,469	5,524	5,578
21	36	5,469	5,524	5,578	5,578	5,634	5,690
22	37	5,578	5,634	5,690	5,689	5,746	5,803
23	38	--	--	--	5,803	5,861	5,919
24	39	--	--	--	--	--	--
25	40	--	--	--	--	--	--
26	41	--	--	--	--	--	--
27							
28							
29	Step	Base	Principal VI		Base	Principal VII	
30			Base	Base		Base	Base
31			+ 1%	+ 2%		+ 1%	+ 2%
32	4	--	--	--	--	--	--
33	5	--	--	--	--	--	--
34	6	--	--	--	--	--	--
35	7	--	--	--	--	--	--
36	8	--	--	--	--	--	--
37	9	--	--	--	--	--	--
38	10	--	--	--	--	--	--
39	11	--	--	--	--	--	--
40	12	--	--	--	--	--	--
41	13	--	--	--	--	--	--
42	14	--	--	--	--	--	--
43	15	--	--	--	--	--	--
44	16	\$3,907	\$3,946	\$3,985	--	--	--
45	17	3,973	4,013	4,052	\$4,113	\$4,154	\$4,195
46	18	4,042	4,082	4,123	4,184	4,226	4,268
47	19	4,113	4,154	4,195	4,258	4,301	4,343
48	20	4,184	4,226	4,268	4,333	4,376	4,420
49	21	4,258	4,301	4,343	4,410	4,454	4,498
50	22	4,333	4,376	4,420	4,487	4,532	4,577
51	23	4,410	4,454	4,498	4,577	4,623	4,669
52	24	4,487	4,532	4,577	4,669	4,716	4,762
53	25	4,577	4,623	4,669	4,762	4,810	4,857

(22)

1	26	4,669	4,716	4,762	4,857	4,906	4,954
2	27	4,762	4,810	4,857	4,954	5,004	5,053
3	28	4,857	4,906	4,954	5,053	5,104	5,154
4	29	4,954	5,004	5,053	5,154	5,206	5,257
5	30	5,053	5,104	5,154	5,257	5,310	5,362
6	31	5,154	5,206	5,257	5,362	5,416	5,469
7	32	5,257	5,310	5,362	5,469	5,524	5,578
8	33	5,362	5,416	5,469	5,578	5,634	5,690
9	34	5,469	5,524	5,578	5,689	5,746	5,803
10	35	5,578	5,634	5,690	5,803	5,861	5,919
11	36	5,689	5,746	5,803	5,920	5,979	6,038
12	37	5,803	5,861	5,919	6,038	6,098	6,159
13	38	5,920	5,979	6,038	6,159	6,221	6,282
14	39	6,038	6,098	6,159	6,282	6,345	6,408
15	40	6,159	6,221	6,282	6,407	6,471	6,535
16	41	--	--	--	6,536	6,601	6,667

18	Principal VIII		
19	Step	Base	Base
20			+ 1%
21			+ 2%
22	4	--	--
23	5	--	--
24	6	--	--
25	7	--	--
26	8	--	--
27	9	--	--
28	10	--	--
29	11	--	--
30	12	--	--
31	13	--	--
32	14	--	--
33	15	--	--
34	16	--	--
35	17	--	--
36	18	\$4,258	\$4,301
37	19	4,333	4,376
38	20	4,410	4,454
39	21	4,487	4,532
40	22	4,577	4,623
41	23	4,669	4,716
42	24	4,762	4,810
43	25	4,857	4,906
44	26	4,954	5,004
45	27	5,053	5,104
46	28	5,154	5,206
47	29	5,257	5,310
48	30	5,362	5,416
49	31	5,469	5,524
50	32	5,578	5,634
51	33	5,689	5,746
52	34	5,803	5,861
53	35	5,920	5,979

23

1	36	6,038	6,098	6,159
2	37	6,159	6,221	6,282
3	38	6,282	6,345	6,408
4	39	6,407	6,471	6,535
5	40	6,536	6,601	6,667
6	41	6,667	6,734	6,800

7
8 (c) The appropriate classification for placement of
9 principals and assistant principals on the salary schedule,
10 except for principals in alternative schools, shall be determined
11 in accordance with the following schedule:

12		Number of Teachers
13	Classification	Supervised
14	Assistant Principal	
15	Principal I	Fewer than 11 Teachers
16	Principal II	11-21 Teachers
17	Principal III	22-32 Teachers
18	Principal IV	33-43 Teachers
19	Principal V	44-54 Teachers
20	Principal VI	55-65 Teachers
21	Principal VII	66-100 Teachers
22	Principal VIII	More than 100 Teachers

23 The number of teachers supervised includes teachers and assistant
24 principals paid from State funds only; it does not include
25 teachers or assistant principals paid from non-State funds or the
26 principal or teacher assistants.

27 The beginning classification for principals in
28 alternative schools shall be the Principal III level. Principals
29 in alternative schools who supervise 33 or more teachers shall be
30 classified according to the number of teachers supervised.

31 (d) A principal shall be placed on the step on the
32 salary schedule that reflects total number of years of experience
33 as a certificated employee of the public schools and an
34 additional step for every three years of experience as a
35 principal.

36 (e) For the 1998-99 fiscal year, a principal or
37 assistant principal shall be placed on the appropriate step plus
38 one percent (1%) if:

- 39 (1) The employee's school met or exceeded the projected
40 levels of improvement in student performance for
41 the 1997-98 fiscal year, in accordance with the
42 ABCs of Public Education Program; or
43 (2) The local board of education found in 1997-98 that
44 the employee's school met objectively measurable
45 goals set by the local board of education for
46 maintaining a safe and orderly school.

47 The principal or assistant principal shall be placed on the
48 appropriate step plus two percent (2%) if the conditions set out
49 in both subdivisions (1) and (2) are satisfied.

50 (f) For the 1998-99 fiscal year, a principal or
51 assistant principal shall receive a lump sum payment of:

- 52 (1) One percent (1%) of his or her State-paid salary if
53 the employee's school meets or exceeds the

1 projected levels of improvement in student
2 performance for the 1998-99 fiscal year, in
3 accordance with the ABCs of Public Education
4 Program; or
5 (2) One percent (1%) of his or her State-paid salary if
6 the local board of education finds that the
7 employee's school has met the goals of the local
8 plan for maintaining a safe and orderly school.
9 The principal or assistant principal shall receive a lump-sum
10 payment of two percent (2%) if the conditions set out in both
11 subdivisions (1) and (2) are satisfied. The lump sum shall be
12 paid as determined by guidelines adopted by the State Board.
13 Placement on the salary schedule in the following year shall be
14 based upon these increases.
15 The lump sum shall be paid as determined by guidelines adopted
16 by the State Board. Placement on the salary schedule in the
17 following year shall be based upon these increases.
18 (g) Principals and assistant principals with
19 certification based on academic preparation at the six-year
20 degree level shall be paid a salary supplement of one hundred
21 twenty-six dollars (\$126.00) per month and at the doctoral degree
22 level shall be paid a salary supplement of two hundred fifty-
23 three dollars (\$253.00) per month.
24 (h) There shall be no State requirement that
25 superintendents in each local school unit shall receive in State-
26 paid salary at least one percent (1%) more than the highest paid
27 principal receives in State salary in that school unit:
28 Provided, however, the additional State-paid salary a
29 superintendent who was employed by a local school administrative
30 unit for the 1992-93 fiscal year received because of that
31 requirement shall not be reduced because of this subsection for
32 subsequent fiscal years that the superintendent is employed by
33 that local school administrative unit so long as the
34 superintendent is entitled to at least that amount of additional
35 State-paid salary under the rules in effect for the 1992-93
36 fiscal year.
37 (i) Longevity pay for principals and assistant
38 principals shall be as provided for State employees.
39 (j)(1) If a principal is reassigned to a higher job
40 classification because the principal is transferred
41 to a school within a local school administrative
42 unit with a larger number of State-allotted
43 teachers, the principal shall be placed on the
44 salary schedule as if the principal had served the
45 principal's entire career as a principal at the
46 higher job classification.
47 (2) If a principal is reassigned to a lower job
48 classification because the principal is transferred
49 to a school within a local school administrative
50 unit with a smaller number of State-allotted
51 teachers, the principal shall be placed on the
52 salary schedule as if the principal had served the

25

1 principal's entire career as a principal at the
2 lower job classification.

3 This subdivision applies to all transfers on
4 or after the effective date of this section, except
5 transfers in school systems that have been created,
6 or will be created, by merging two or more school
7 systems. Transfers in these merged systems are
8 exempt from the provisions of this subdivision for
9 one calendar year following the date of the merger.

10 (k) Participants in an approved full-time masters in
11 school administration program shall receive up to a 10-month
12 stipend at the beginning salary of an assistant principal during
13 the internship period of the masters program. Certification of
14 eligible full-time interns shall be supplied to the Department of
15 Public Instruction by the Principal's Fellow Program or a school
16 of education where the intern participates in a full-time masters
17 in school administration.

(26)

1 CODE NO. 98DPI-H007-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 PRINCIPAL SALARY STUDIES

1 Section 9.7. Section 8.43(d) of S.L. 1997-443 reads as
2 rewritten:

3 "(d) The State Board of Education may use up to fifty thousand
4 dollars (\$50,000) of funds appropriated by this act to State Aid
5 to Local School Administrative Units for the ~~1997-98~~ 1998-99
6 fiscal year to study principals' salaries ~~including the~~
7 including:

8 (1) The relationship of principals' salaries to the
9 salaries of teachers and other certified school
10 personnel- personnel;

11 (2) Whether the current relationship between the
12 teacher and principal salary schedules should be
13 increased to a three percent (3%) differential;

14 (3) Whether assistant principals should be given
15 additional steps for years of experience; and

16 (4) The appropriate relationship of principal's salary
17 to size of school.

18 The State Board of Education shall report the results of the
19 study to the Joint Legislative Education Oversight Committee
20 prior to December 15, 1998."

1 CODE NO. 98DPI-H008-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 COMMUNITIES IN SCHOOLS FUNDS/DO NOT REVERT

1 Section 9.8. Section 13(b) of S.L. 1998-23 reads as
2 rewritten:

3 "(b) This section becomes effective June 30, ~~1998~~, and
4 ~~expires when the Current Operations Appropriations and Capital~~
5 ~~Improvement Appropriations Act of 1998 becomes a law. 1998.~~"

6

(28)

1 CODE NO. 98DPI-H011-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 LITIGATION RESERVE

1 Section 9.11. (a) Section 14 of S.L. 1998-23 reads as
2 rewritten:

3 "Section 14. (a) Funds in the State Board of
4 Education's Litigation Reserve that are not expended or
5 encumbered on June 30, 1998, shall not revert on July 1, 1998,
6 but shall remain available for expenditure until ~~the Current~~
7 ~~Operations Appropriations and Capital Improvement Appropriations~~
8 ~~Act of 1998 becomes a law. June 30, 1999.~~

9 (b) Subsection (a) of this section becomes effective
10 June 30, 1998, ~~and expires when the Current Operations~~
11 ~~Appropriations and Capital Improvement Appropriations Act of 1998~~
12 ~~becomes a law. 1998."~~

13 (b) The State Board of Education may expend up to five
14 hundred thousand dollars (\$500,000) for the 1998-99 fiscal year
15 from unexpended funds for certified employees' salaries to pay
16 expenses related to pending litigation.

(29)

1 CODE NO. 98DPI-H012-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 **EXCEPTIONAL CHILDREN FUNDS**

1 Section 9.12. (a) The funds appropriated for exceptional
2 children in this act shall be allocated as follows:

3 (1) Each local school administrative unit shall receive
4 for academically gifted children the sum of seven
5 hundred forty-six dollars and ninety-five cents
6 (\$746.95) per child for four percent (4%) of the
7 1998-99 allocated average daily membership in the
8 local school administrative unit, regardless of the
9 number of children identified as academically
10 gifted in the local school administrative unit. The
11 total number of children for which funds shall be
12 allocated pursuant to this subdivision is 49,828
13 for the 1998-99 school year.

14 (2) Each local school administrative unit shall receive
15 for exceptional children other than academically
16 gifted children the sum of two thousand two hundred
17 forty-eight dollars and thirty-nine cents
18 (\$2,248.39) per child for the lesser of (i) all
19 children who are identified as exceptional children
20 other than academically gifted children or (ii)
21 twelve and five-tenths percent (12.5%) of the 1998-
22 99 allocated average daily membership in the local
23 school administrative unit. The maximum number of
24 children for which funds shall be allocated
25 pursuant to this subdivision is 147,334 for the
26 1998-99 school year.

27 The dollar amounts allocated under this subsection for
28 exceptional children shall also increase in accordance with
29 legislative salary increments for personnel who serve exceptional
30 children.

31 (b) To the extent that funds appropriated for
32 exceptional children other than academically gifted children are
33 adequate to do so, the State Board of Education may allocate the
34 excess of these funds to provide services for severely disabled
35 children in school units and in group homes.

1 CODE NO. 98DPI-H013-S

2 000-S

3

4 Requested by: Representatives Arnold, Grady, Preston

5

6 **ALTERNATIVE SCHOOLS/AT-RISK STUDENTS**

1 Section 9.13. The State Board of Education may use up to
2 two hundred thousand dollars (\$200,000) of the funds in the
3 Alternative Schools/At-Risk Student allotment for the 1998-99
4 fiscal year to implement G.S. 115C-12(24) and to conduct studies
5 of alternative schools.

(31)

1 CODE NO. 98DPI-H014-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 CHARTER SCHOOLS

1 Section 9.14. (a) G.S. 115C-238.29F(d) reads as
2 rewritten:

3 "(d) Instructional Program. --

4 (1) The school shall provide instruction each year for
5 at least 180 days.

6 (2) The school shall design its programs to at least
7 meet the student performance standards adopted by
8 the State Board of Education and the student
9 performance standards contained in the charter.

10 (3) A charter school shall ~~conduct the student~~
11 ~~assessments required for charter schools by the~~
12 ~~State Board of Education.~~ administer the tests
13 adopted by the State Board of Education under G.S.
14 115C-174.11 that are used to implement the School-
15 Based Management and Accountability Program in
16 other public schools.

17 (4) The school shall comply with policies adopted by
18 the State Board of Education for charter schools
19 relating to the education of children with special
20 needs.

21 (5) The school is subject to and shall comply with
22 Article 27 of Chapter 115C of the General Statutes,
23 except that a charter school may also exclude a
24 student from the charter school and return that
25 student to another school in the local school
26 administrative unit in accordance with the terms of
27 its charter."

28 (b) G.S. 115C-238.29G(a) reads as rewritten:

29 "(a) The State Board of Education, or a chartering entity
30 subject to the approval of the State Board of Education, may
31 terminate or not renew a charter upon any of the following
32 grounds:

33 (1) Failure to meet the requirements for student
34 performance contained in the ~~charter;~~ charter or to
35 meet the requirements for student testing contained
36 in G.S. 115C-238.29F(d)(3).

37 (2) Failure to meet generally accepted standards of
38 fiscal management;

39 (3) Violations of law;

32

1 (4) Material violation of any of the conditions,
2 standards, or procedures set forth in the charter;
3 (5) Two-thirds of the faculty and instructional support
4 personnel at the school request that the charter be
5 terminated or not renewed; or
6 (6) Other good cause identified."
7 (c) This section becomes effective July 1, 1998, and
8 applies to school years beginning with the 1998-99 school year.

(33)

1 CODE NO. 98DPI-H015-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 TESTING

1 Section 9.15. (a) Of the funds appropriated for State
2 Aid to Local School Administrative Units, the State Board of
3 Education may use up to two million dollars (\$2,000,000) for the
4 1998-99 fiscal year to:

5 (1) Cover cost increases in end-of-grade, end-of-
6 course, and other tests previously authorized by
7 the SBE and the General Assembly, that are caused
8 by increases in average daily membership;

9 (2) Reestablish high school end-of-course tests
10 previously established by the State Board of
11 Education in accordance with Section 8.27 of S.L.
12 1997-443;

13 (3) Develop new end-of-course tests required for high
14 school, in accordance with Section 8.27 of S.L.
15 1997-443; and

16 (4) Begin the development of alternative assessments
17 for children with special needs.

18 The General Assembly encourages the Director of the
19 Budget to include these funds in the continuation budget request
20 for the 1999-2000 fiscal year and subsequent fiscal years.

21 (b) G.S. 115C-174.11(c)(1) reads as rewritten:

22 "(1) The State Board of Education shall adopt a system
23 of annual testing for grades three through 12.
24 These tests shall be designed to measure progress
25 toward reading, communication skills, and
26 mathematics for grades three through eight, and
27 toward competencies designated by the State Board
28 for grades nine through 12. Notwithstanding
29 subsection (a) of this section, the State Board
30 shall develop and implement a study allowing
31 selected local school administrative units that
32 volunteer to administer a standardized test in May,
33 12 months prior to the third grade end-of-grade
34 test, in order to establish a baseline that will be
35 used to measure academic growth at the end of third
36 grade. Initially, the State Board shall select 12
37 volunteer local school administrative units that
38 are diverse in geography and size to participate in
39 the study. If the State Board determines that a

(34)

1 standardized test administered in May, 12 months
2 prior to the third grade end-of-grade test, is more
3 reliable than a standardized test administered at
4 the beginning of third grade for the purpose of
5 measuring academic growth, the State Board may
6 change the test date for additional local school
7 units. The State Board shall report the results of
8 the study to the Joint Legislative Education
9 Oversight Committee by October 15, 2000.

10 Baseline measurements administered in May, 12
11 months prior to the third grade end-of-grade test,
12 are not public records as provided in Chapter 132
13 of the General Statutes."

(35)

1 CODE NO. 98DPI-H016-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 **SUBSTITUTE TEACHERS**

6 Section 9.16. (a) G.S. 115C-12(8) reads as rewritten:

7 "(8) Power to Make Provisions for Sick Leave and for
8 Substitute Teachers. -- The Board shall provide for
9 sick leave with pay for all public school employees
10 in accordance with the provisions of this Chapter
11 and shall promulgate rules and regulations
12 providing for necessary substitutes on account of
13 sick leave and other teacher absences.

14 ~~The pay for a substitute shall be fixed by the~~
15 ~~Board. The minimum pay for a substitute teacher~~
16 ~~who holds a teaching certificate shall be fifty-~~
17 ~~four and five-tenths percent (54.5%) of the daily~~
18 ~~pay rate of an entry-level teacher with an 'A'~~
19 ~~certificate. The minimum pay for a substitute~~
20 ~~teacher who does not hold a teaching certificate~~
21 ~~shall be thirty-eight and five-tenths percent~~
22 ~~(38.5%) of the daily pay rate of an entry-level~~
23 ~~teacher with an 'A' certificate. The pay for~~
24 ~~noncertified substitutes shall not exceed the pay~~
25 ~~of certified substitutes.~~

26 Local boards may use State funds allocated for
27 substitute teachers to hire full-time substitute
28 teachers.

29 If a teacher assistant acts as a substitute
30 teacher, the salary of the teacher assistant for
31 the day shall be the same as the daily salary of an
32 entry-level teacher with an 'A' certificate.

33 ~~The Board may provide to each local school~~
34 ~~administrative unit not exceeding one percent (1%)~~
35 ~~of the cost of instructional services for the~~
36 ~~purpose of providing substitute teachers for those~~
37 ~~on sick leave as authorized by law or by~~
38 ~~regulations of the Board, but not exceeding the~~
39 ~~provisions made for other State employees."~~

40 (b) If the average number of substitute teacher days
41 taken by teachers in a local school administrative unit is higher
42 than the statewide average, the local board of education shall
43 determine the reasons unit average is high and shall develop a
44 plan for decreasing the unit average.

36

1 CODE NO. 98DPI-H017A-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 **TORT CLAIM LIABILITY/SCHOOL BUSES**

1 Section 9.17. (a) G.S. 115C-257 reads as rewritten:

2 "**§ 115C-257. Attorney General to pay claims.**

3 The Attorney General is hereby authorized to pay reasonable
4 medical expenses, not to exceed ~~six hundred dollars (\$600.00)~~,
5 three thousand dollars (\$3,000), incurred within one year from
6 the date of accident to or for each pupil who sustains bodily
7 injury or death caused by accident, while boarding, riding on, or
8 alighting from a school bus operated by any local school
9 administrative unit."

10 (b) G.S. 143-300.1 reads as rewritten:

11 "**§ 143-300.1. Claims against county and city boards of education**
12 **for accidents involving school buses or school transportation**
13 **service vehicles.**

14 (a) The North Carolina Industrial Commission shall have
15 jurisdiction to hear and determine tort claims against any county
16 board of education or any city board of education, which claims
17 arise as a result of any alleged mechanical defects or other
18 defects which may affect the safe operation of a public school
19 bus or school transportation service vehicle resulting from an
20 alleged negligent act of maintenance personnel or as a result of
21 any alleged negligent act or omission of the ~~driver~~ driver,
22 transportation safety assistant, or monitor of a public school
23 bus or school transportation service vehicle when:

24 (1) The salary of that driver is paid or authorized to
25 be paid from the State Public School Fund, and the
26 driver is an employee of the county or city
27 administrative unit of which that board is the
28 governing body,

29 (1a) The monitor was appointed and acting in accordance
30 with G.S. 115C-245(d),

31 (1b) The transportation safety assistant was employed
32 and acting in accordance with G.S. 115C-245(e), or

33 (2) The driver is an unpaid school bus driver trainee
34 under the supervision of an authorized employee of
35 the Department of Transportation, Division of Motor
36 Vehicles, or an authorized employee of that board
37 or a county or city administrative unit thereof,

38 and which driver was at the time of the alleged negligent act or
39 omission operating a public school bus or school transportation

1 service vehicle in the course of his employment by or training
2 for that administrative unit or ~~board~~ board, which monitor was
3 at the time of the alleged negligent act or omission acting as
4 such in the course of serving under G.S. 115C-245(d), or which
5 transportation safety assistant was at the time of the alleged
6 negligent act or omission acting as such in the course of serving
7 under G.S. 115C-245(e). The liability of such county or city
8 board of education, the defenses which may be asserted against
9 such claim by such board, the amount of damages which may be
10 awarded to the claimant, and the procedure for filing, hearing
11 and determining such claim, the right of appeal from such
12 determination, the effect of such appeal, and the procedure for
13 taking, hearing and determining such appeal shall be the same in
14 all respects as is provided in this Article with respect to tort
15 claims against the State Board of Education except as hereinafter
16 provided. Any claim filed against any county or city board of
17 education pursuant to this section shall state the name and
18 address of such board, the name of the employee upon whose
19 alleged negligent act or omission the claim is based, and all
20 other information required by G.S. 143-297 in the case of a claim
21 against the State Board of Education. Immediately upon the
22 docketing of a claim, the Industrial Commission shall forward one
23 copy of the plaintiff's affidavit to the superintendent of the
24 schools of the county or city administrative unit against the
25 governing board of which such claim is made, one copy of the
26 plaintiff's affidavit to the State Board of Education and one
27 copy of the plaintiff's affidavit to the office of the Attorney
28 General of North Carolina. All notices with respect to tort
29 claims against any such county or city board of education shall
30 be given to the superintendent of schools of the county or city
31 administrative unit of which such board is a governing board, to
32 the State Board of Education and also to the office of the
33 Attorney General of North Carolina.

34 (b) The Attorney General shall be charged with the duty of
35 representing the city or county board of education in connection
36 with claims asserted against them pursuant to this section where
37 the amount of the claim, in the opinion of the Attorney General,
38 is of sufficient import to require and justify such appearance.

39 (c) In the event that the Industrial Commission shall make
40 award of damages against any county or city board of education
41 pursuant to this section, the Attorney General shall draw a
42 voucher for the amount required to pay such award. The funds
43 necessary to cover vouchers written by the Attorney General for
44 claims against county and city boards of education for accidents

1 involving school buses and school transportation service vehicles
2 shall be made available from funds appropriated to the Department
3 of Public Instruction. Neither the county or city boards of
4 education, or the county or city administrative unit shall be
5 liable for the payment of any award made pursuant to the
6 provisions of this section in excess of the amount paid upon such
7 voucher by the Attorney General. Settlement and payment may be
8 made by the Attorney General as provided in G.S. 143-295.

9 (d) The Attorney General may defend any civil action which may
10 be brought against the ~~driver~~ driver, transportation safety
11 assistant, or monitor of a public school bus or school
12 transportation service vehicle or school bus maintenance mechanic
13 when such driver or mechanic is paid or authorized to be paid
14 from the State Public School ~~Fund~~ Fund, when the monitor is
15 acting in accordance with G.S. 115C-245(d), when the
16 transportation safety assistant is acting in accordance with G.S.
17 115C-245(e), or when the driver is an unpaid school bus driver
18 trainee under the supervision of an authorized employee of the
19 Department of Transportation, Division of Motor Vehicles, or an
20 authorized employee of a county or city board of education or
21 administrative unit thereof. The Attorney General may afford this
22 defense through the use of a member of his staff or, in his
23 discretion, employ private counsel. The Attorney General is
24 authorized to pay any judgment rendered in such civil action not
25 to exceed the limit provided under the Tort Claims Act. The
26 Attorney General may compromise and settle any claim covered by
27 this section to the extent that he finds the same to be valid,
28 up to the limit provided in the Tort Claims Act, provided that
29 the authority granted in this subsection shall be limited to only
30 those claims which would be within the jurisdiction of the
31 Industrial Commission under the Tort Claims Act."

32 (c) This section applies as to claims arising on or
33 after July 1, 1998.

1 CODE NO. 98DPI-H018-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 **EXTRA PAY FOR FORFEITED VACATION DAYS**

6 Section 9.18. (a) Of the funds appropriated to State
7 Aid to Local School Administrative Units, the sum of four million
8 two hundred fifty thousand dollars (\$4,250,000) for the 1998-99
9 fiscal year shall be used by local boards of education to pay
10 teachers for working on, and thereby forfeiting, vacation days,
11 in accordance with G.S. 115C-302.1(c). The State Board of
12 Education shall make available to each local school
13 administrative unit sufficient funds to provide pay for a maximum
14 of six days for each teacher who is qualified to receive
15 additional pay for forfeited vacation days under G.S. 115C-
16 302.1(c). For the 1998-99 fiscal year, the funds allotted under
17 this subsection shall be available for days scheduled by local
18 boards and individual schools as follows: two for days scheduled
19 by the local board of education under G.S. 115C-84.2(a)(4); and
20 four for days scheduled by school principals in consultation with
21 school improvement teams under G.S. 115C-84.2(a)(5).

22 (b) G.S. 115C-84.2 reads as rewritten:

23 "§ 115C-84.2. School calendar.

24 (a) School Calendar. -- Each local board of education shall
25 adopt a school calendar consisting of 220 days all of which shall
26 fall within the fiscal year. A school calendar shall include the
27 following:

28 (1) A minimum of 180 days and 1,000 hours of
29 instruction covering at least nine calendar months.
30 The local board shall designate when the 180
31 instructional days shall occur. The number of
32 instructional hours in an instructional day may
33 vary according to local board policy and does not
34 have to be uniform among the schools in the
35 administrative unit. Local boards may approve
36 school improvement plans that include days with
37 varying amounts of instructional time. If school is
38 closed early due to inclement weather, the day and
39 the scheduled amount of instructional hours may
count towards the required minimum to the extent
allowed by State Board policy. The school calendar
shall include a plan for making up days and
instructional hours missed when schools are not
opened due to inclement weather.

40

- 1 (2) A minimum of 10 annual vacation leave days.
2 (3) The same or an equivalent number of legal holidays
3 occurring within the school calendar as those
4 designated by the State Personnel Commission for
5 State employees.
6 (4) Ten days, as designated by the local board, for use
7 as teacher workdays, additional instructional days,
8 or other lawful purposes. A local board may
9 delegate to the individual schools some or all of
10 the 10 days to schedule under subdivision (5) of
11 this subsection. A local board may schedule
12 different purposes for different personnel on any
13 given day and is not required to schedule the same
14 dates for all personnel.
15 (5) The remaining days shall be scheduled by each
16 individual school by the school's principal in
17 consultation with the school improvement team. Days
18 may be scheduled for any of the purposes allowed
19 under subdivision (4) of this subsection. Days may
20 be scheduled for different purposes for different
21 personnel and there is no requirement to schedule
22 the same dates for all personnel.

23 Local boards and individual schools are encouraged to use the
24 calendar flexibility in order to meet the annual performance
25 standards set by the State Board. Local boards of education shall
26 consult with parents and the employed public school personnel in
27 the development of the school calendar.

28 Local boards and individual schools shall give teachers at
29 least 14 calendar days' notice before requiring a teacher to work
30 instead of taking vacation leave on days scheduled in accordance
31 with subdivision (4) or (5) of this subsection. A teacher may
32 elect to waive this notice requirement for one or more such days.

33 (b) Limitations. -- The following limitations apply when
34 developing the school calendar:

- 35 (1) The total number of teacher workdays for teachers
36 employed for a 10 month term shall not exceed 200
37 days.
38 (2) The calendar shall include at least ~~30~~ 42
39 consecutive days when teacher attendance is not
40 required unless: (i) the school is a year-round
41 school; or (ii) the teacher is employed for a term
42 in excess of 10 months. At the request of the
43 local board of education or of the principal of a
44 school, a teacher may elect to work on one of the

41

1 42 days when teacher attendance is not required in
2 lieu of another scheduled workday.
3 (3) School shall not be held on Sundays.
4 (4) Veteran's Day shall be a holiday for all students
5 enrolled in the public schools.
6 (c) Emergency Conditions. -- During any period of emergency in
7 any section of the State where emergency conditions make it
8 necessary, the State Board of Education may order general, and if
9 necessary, extended recesses or adjournment of the public
10 schools.
11 (d) Opening and Closing Dates. -- Local boards of education
12 shall determine the dates of opening and closing the public
13 schools under subdivision (a)(1) of this section. A local board
14 may revise the scheduled closing date if necessary in order to
15 comply with the minimum requirements for instructional days or
16 instructional time. Different opening and closing dates may be
17 fixed for schools in the same administrative unit."
18 (c) The amendments to G.S. 115C-84.2(b)(2) set out in
19 subsection (b) of this section apply to school years beginning
20 with the 1999-2000 school year.

42

1 CODE NO. 98DPI-H020-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 LIMITED ENGLISH PROFICIENCY

1 Section 9.20. (a) The State Board of Education shall
2 develop guidelines for identifying and providing services to
3 students with limited proficiency in the English language.

4 The State Board shall allocate the funds to local school
5 administrative units on the basis of the number of students they
6 serve with limited English proficiency, with a minimum of 20
7 students per unit and a maximum of ten and six-tenths percent
8 (10.6%) of the average daily membership of the unit.

9 Local school administrative units shall use funds
10 allocated to them to pay for classroom teachers, textbooks,
11 classroom materials/instructional supplies/equipment, and staff
12 development for students with limited English proficiency.

13 A county in which a local school administrative unit
14 receives funds under this section shall use the funds to
15 supplement local current expense funds and shall not supplant
16 local current expense funds.

17 (b) G.S. 115C-105.25(b)(4) reads as rewritten:

18 "(4) Funds allocated for children with special needs,
19 for students with limited English proficiency, and
20 ~~funds allocated~~ for driver's education shall not be
21 transferred."

22 (c) The State Board of Education shall review its
23 certification requirements for English as a Second Language (ESL)
24 and determine whether the requirements should be revised in order
25 to assist local school administrative units to quickly obtain
26 adequate numbers of qualified teachers. The State Board and the
27 Board of Governors of The University of North Carolina shall
28 coordinate efforts to provide ESL certification programs that are
29 geographically disbursed throughout the State. The Board of
30 Governors shall examine providing ESL certification programs
31 through distance learning methods and off-campus programs.

32 (d) The State Board of Education shall identify existing
33 or develop new programs that provide instructional personnel with
34 in-service, noncertificate training for assisting students with
35 limited English proficiency in the regular classroom. The Board
36 of Governors of The University of North Carolina and the State
37 Board of Community Colleges shall collaborate with the State
38 Board of Education in order to deliver these programs to
39 geographically diverse locations.

1 (e) The State Board of Education shall survey local
2 school administrative units to determine whether schools are able
3 to recruit and retain ESL certified teachers. The State Board
4 shall provide the results of this survey to the Joint Legislative
5 Education Oversight Committee prior to December 15, 1999.

44

1 CODE NO. 98DPI-H021-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 DRIVERS EDUCATION FUNDS DO NOT REVERT

1 Section 9.21. Section 12(b) of S.L. 1998-23 reads as
2 rewritten:

3 "(b) This section becomes effective June 30, 1998, and
4 ~~expires when the Current Operations Appropriations and Capital~~
5 ~~Improvement Appropriations Act of 1998 becomes a law, 1998."~~

6 (b) The State Board of Education may use funds
7 appropriated for drivers education for the 1998-99 fiscal year to
8 implement S.L. 1997-507.

(45)

1 CODE NO. 98DPI-H022-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 **ADDITIONAL TEACHERS FOR MIDDLE SCHOOL CHILDREN WHO ARE**
6 **ACADEMICALLY BELOW GRADE LEVEL**

1 Section 9.22. Section 8.29(c) of S.L. 1997-443 reads as
2 rewritten:

3 "(c) Of the funds appropriated to State Aid to Local School
4 Administrative Units, the sum of three million two hundred
5 thousand dollars (\$3,200,000) for the 1997-98 fiscal year and the
6 sum of three million two hundred thousand dollars (\$3,200,000)
7 for the 1998-99 fiscal year shall be used to provide additional
8 teachers for middle school children who are academically below
9 grade level. Middle school children are children in a school
10 that serves grades six, seven, and eight, and no other grades.

11 (1) The State Board of Education shall allocate these
12 teacher positions to pilot middle schools on the
13 basis of the number of students in grade six who
14 scored at proficiency Level I on the end-of-grade
15 test in mathematics, on the end-of-grade test in
16 reading, or on both, at the end of their last
17 school year. The funds shall be used in schools
18 ~~that have at least 50 such students~~ at a ratio of
19 one teacher to every 50 students. ~~No partial~~
20 ~~positions shall be allocated.~~ Positions shall be
21 rounded to the nearest one-half position.

22 (2) The purpose of these funds is to improve the
23 academic performance and the behavior of these
24 students during the first school year after
25 elementary school by placing them in classes with a
26 low student-to-teacher ratio for either all of
27 their core academic subjects or for the subject or
28 subjects in which they are below grade level. In
29 order to accomplish this purpose, local school
30 administrative units shall use (i) the teachers
31 allocated for these students pursuant to the
32 regular teacher allotment and (ii) the teachers
33 allocated for these students under this section
34 only to improve the academic performance and the
35 behavior of these students. Local boards of
36 education shall adopt rules to ensure that each
37 student for whom funds for additional teacher
38 positions are allocated under this section shall be

1 assigned a teacher who is responsible for
2 monitoring the academic progress of the student.
3 (3) Of the funds appropriated in this section, the
4 State Board of Education may use up to twenty-five
5 thousand dollars (\$25,000) to evaluate the
6 effectiveness of these smaller classes in improving
7 academic performance and discipline in middle
8 schools."

47

1 CODE NO. 98DPI-H023-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 UNIFORM EDUCATION REPORTING SYSTEMS FUNDS/BUILDING LEVEL REPORTS
6 ON SCHOOL FUNDING

1 Section 9.23. G.S. 115C-12(18) reads as rewritten:

2 (18) Duty to Develop and Implement a Uniform Education
3 Reporting System, Which Shall Include Standards and
4 Procedures for Collecting Fiscal and Personnel
5 Information.

6 a. The State Board of Education shall adopt
7 standards and procedures for local school
8 administrative units to provide timely,
9 accurate, and complete fiscal and personnel
10 information, including payroll information, on
11 all school personnel. All local school
12 administrative units shall comply with these
13 standards and procedures by the beginning of
14 the 1987-88 school year.

15 b. The State Board of Education shall develop and
16 implement a Uniform Education Reporting System
17 that shall include requirements for
18 collecting, processing, and reporting fiscal,
19 personnel, and student data, by means of
20 electronic transfer of data files from local
21 computers to the State Computer Center through
22 the State Communications Network. All local
23 school administrative units shall comply with
24 the requirements of the Uniform Education
25 Reporting System by the beginning of the 1989-
26 90 school year.

27 c. The State Board of Education shall comply with
28 the provisions of G.S. 116-11(10a) to plan and
29 implement an exchange of information between
30 the public schools and the institutions of
31 higher education in the State. The State Board
32 of Education shall require local boards of
33 education to provide to the parents of
34 children at a school all information except
35 for confidential information received about
36 that school from institutions of higher
37 education pursuant to G.S. 116-11(10a) and to

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1 make that information available to the general
2 public.
3 d. The State Board of Education shall modify the
4 Uniform Education Reporting System to provide
5 clear, accurate, and standard information on
6 the use of funds at the unit and school level.
7 The plan shall provide information that will
8 enable the General Assembly to determine
9 State, local, and federal expenditures for
10 personnel at the unit and school level. The
11 plan also shall allow the tracking of
12 expenditures for textbooks, educational
13 supplies and equipment, capital outlay, at-
14 risk students, and other purposes. The
15 revised Uniform Education Reporting System
16 shall be implemented beginning with the 1999-
17 2000 school year."

(49)

1 CODE NO. 98DPI-H024-S

2

3 Requested by: Representatives Arnold, Preston

4

5 DUES DEDUCTION FOR ACTIVE EMPLOYEES

1 Section 9.24. G.S. 143-3.3(g) is repealed.

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1 CODE NO. 98DPI-H026-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 UNIFORM EDUCATION REPORTING SYSTEM (UERS)/STUDENT INFORMATION
6 MANAGEMENT SYSTEM (SIMS) FUNDS

1 Section 9.26. (a) The State Board of Education shall use
2 funds appropriated for the Uniform Education Reporting System and
3 the Student Information Management System for the 1998-99 fiscal
4 year to begin the development of a replacement for the existing
5 Student Information System. In developing the new system, the
6 State Board shall give priority to the development of
7 applications that maintain student records, maintain ABC
8 accountability data, allow for the transfer of student records
9 between local school administrative units, and facilitate the
10 transfer of transcripts to institutions of higher education.

11 In designing the new system, the State Board shall
12 develop a model for statewide implementation that maximizes the
13 economies of scale with respect to operations, personnel, and
14 hardware. The State Board's goal shall be to develop a new
15 system that provides information to local schools, local school
16 boards, and the State Board in the most cost-efficient manner.

17 The new system shall follow guidelines established by
18 the Information Resources Management System.

19 The State Board may develop pilots of the new system.

20 (b) The State Board shall provide periodic reports to
21 the Joint Legislative Education Oversight Committee on the
22 development of the new system and shall report to the 1999
23 General Assembly on implementation of the pilot projects.

24 (c) Funds appropriated for the Uniform Education
25 Reporting System and the Student Information Management System
26 shall not revert at the end of the fiscal year but shall remain
27 available until expended on the project.

51

1 CODE NO. 98DPI-H028

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 REDUCE K-3 CLASS SIZE

1 Section @. G.S. 115C-105.25(b) reads as rewritten:

2 (b) ~~Subject to the following limitations, local~~ Local boards
3 of education may transfer and may approve transfers of funds
4 between funding allotment ~~categories:~~ categories as follows:

5 (1) ~~In accordance with a school improvement plan~~
6 ~~accepted under G.S. 115C-105.27, State funds~~
7 ~~allocated for teacher assistants may be transferred~~
8 ~~may be used only for personnel (i) to serve for one~~
9 ~~or more of the following purposes:~~

10 a. Teacher assistants who serve only students
11 only in kindergarten through third grade, or
12 (ii) to serve students primarily in
13 kindergarten through third grade when the
14 personnel are assigned to an elementary school
15 to serve the whole school. grade;

16 b. Teacher assistants who serve the entire
17 elementary school to which they are assigned
18 but primarily serve only students in
19 kindergarten through third grade; and

20 c. Certified teachers — ~~Funds allocated for~~
21 ~~teacher assistants may be transferred to~~
22 ~~reduce class size or to reduce the student-~~
23 ~~teacher ratio in kindergarten through third~~
24 ~~grade so long as the affected teacher~~
25 ~~assistant positions are not filled when the~~
26 ~~plan is amended or approved by the~~
27 ~~building-level staff entitled to vote on the~~
28 ~~plan or the affected teacher assistant~~
29 ~~positions are not expected to be filled on the~~
30 ~~date the plan is to be implemented. Any State~~
31 ~~funds appropriated for teacher assistants that~~
32 ~~were converted to certificated teachers before~~
33 ~~July 1, 1995, in accordance with Section 1 of~~
34 ~~Chapter 986 of the 1991 Session Laws, as~~
35 ~~rewritten by Chapter 103 of the 1993 Session~~
36 ~~Laws, may continue to be used for certificated~~
37 ~~teachers. grade.~~

38 (2) In accordance with a school improvement plan
39 accepted under G.S. 115C-105.27, (i) State funds

(52)

1 allocated for classroom materials/instructional
2 supplies/equipment may be transferred only for the
3 purchase of textbooks; (ii) State funds allocated
4 for textbooks may be transferred only for the
5 purchase of instructional supplies, instructional
6 equipment, or other classroom materials; and (iii)
7 State funds allocated for noninstructional support
8 personnel may be transferred only for teacher
9 positions.

10 (3) No funds shall be transferred into the central
11 office allotment category.

12 (4) Funds allocated for children with special needs and
13 funds allocated for driver's education shall not be
14 transferred.

15 (5) Funds allocated for classroom teachers may be
16 transferred only for teachers of exceptional
17 children, for teachers of at-risk students, and for
18 authorized purposes under the textbooks allotment
19 category and the classroom materials/instructional
20 supplies/equipment allotment category.

21 (6) Funds allocated for vocational education may be
22 transferred only in accordance with any rules that
23 the State Board of Education considers appropriate
24 to ensure compliance with federal regulations.

25 (7) Funds allocated for career development shall be
26 used in accordance with Section 17.3 of Chapter 324
27 of the 1995 Session Laws.

28 (8) Funds allocated for academically or intellectually
29 gifted students may be used only (i) for
30 academically or intellectually gifted students;
31 (ii) to implement the plan developed under G.S.
32 115C-150.7; or (iii) in accordance with an accepted
33 school improvement plan, for any purpose so long as
34 that school demonstrates it is providing
35 appropriate services to academically or
36 intellectually gifted students assigned to that
37 school in accordance with the local plan developed
38 under G.S. 115C-150.7."

1 CODE NO. 98DPI-H029

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 SCHOOL ADMINISTRATION INTERNS

1 Section @. During the 1998-99 fiscal year, a local
2 school administrative unit may employ a person in an assistant
3 principal position who is not certified as an assistant principal
4 if (i) the person is participating in a local school
5 administrative unit sponsored master's program in school
6 administration, (ii) the placement of the person in the School
7 Building Administration Allotment is part of the unit-sponsored
8 program and is in cooperation with an accredited masters in
9 administration program, and (iii) the person continues to
10 participate in the unit-sponsored program and successfully
11 completes the program within one year. A person meeting these
12 criteria shall be placed for no more than one year on the
13 assistant principal salary schedule as if the individual were
14 certified as a school administrator.

54

1
2 CODE NO. 98-RH-003

3
4 Requested by: Representative Daughtry.

5
6 CHARTER SCHOOLS

1 Section . (a) G.S. 115C-238.29F(e) reads as rewritten:
2 "(e) Employees. --

3 (1) An employee of a charter school operated by a
4 private nonprofit corporation is not an employee of
5 the local school administrative unit in which the
6 charter school is located. An employee of a charter
7 school operated by a local school administrative
8 unit is an employee of the local school
9 administrative unit in which the charter school is
10 located. The charter school's board of directors
11 shall employ and contract with necessary teachers
12 to perform the particular service for which they
13 are employed in the school; at least seventy-five
14 percent (75%) of these teachers in grades
15 kindergarten through five, at least fifty percent
16 (50%) of these teachers in grades six through
17 eight, and at least fifty percent (50%) of these
18 teachers in grades nine through 12 shall hold
19 teacher certificates. The board also may employ
20 necessary employees who are not required to hold
21 teacher certificates to perform duties other than
22 teaching and may contract for other services. The
23 board may discharge teachers and noncertificated
24 employees.

25 (2) No local board of education shall require any
26 employee of the local school administrative unit to
27 be employed in a charter school.

28 (3) If a teacher employed by a local school
29 administrative unit makes a written request for an
30 extended leave of absence to teach at a charter
31 ~~school,~~ school operated by a private nonprofit
32 corporation, the local school administrative unit
33 shall grant the leave. The local school
34 administrative unit shall grant a leave for any
35 number of years requested by the teacher, shall
36 extend the leave for any number of years requested
37 by the teacher, and shall extend the leave at the
38 teacher's request. For the initial year of a

55

1 charter school's operation, the local school
2 administrative unit may require that the request
3 for a leave or extension of leave be made up to 45
4 days before the teacher would otherwise have to
5 report for duty. For subsequent years, the local
6 school administrative unit may require that the
7 request for a leave or extension of leave be made
8 up to 90 days before the teacher would otherwise
9 have to report for duty. A teacher who has career
10 status under G.S. 115C-325 prior to receiving an
11 extended leave of absence to teach at a charter
12 school may return to a public school in the local
13 school administrative unit with career status at
14 the end of the leave of absence or upon the end of
15 employment at the charter school if an appropriate
16 position is available. If an appropriate position
17 is unavailable, the teacher's name shall be placed
18 on a list of available teachers and that teacher
19 shall have priority on all positions for which that
20 teacher is qualified in accordance with G.S. 115C-
21 325(e)(2).

- 22 (4) The employees of the charter school operated by a
23 private nonprofit corporation shall be deemed
24 employees of the local school administrative unit
25 for purposes of providing certain State-funded
26 employee benefits, including membership in the
27 Teachers' and State Employees' Retirement System
28 and the Teachers' and State Employees'
29 Comprehensive Major Medical Plan. The State Board
30 of Education provides funds to charter ~~schools,~~
31 schools operated by private nonprofit corporations,
32 approves the original members of the boards of
33 directors of the charter schools, has the authority
34 to grant, supervise, and revoke charters, and
35 demands full accountability from charter schools
36 for school finances and student performance.
37 Accordingly, it is the determination of the General
38 Assembly that charter schools operated by private
39 nonprofit corporations are public schools and that
40 the employees of these charter schools are public
41 school ~~employees and are "teachers" for purposes of~~
42 ~~membership in the North Carolina Teachers' and~~
43 ~~State Employees' Retirement System and State~~
44 ~~Employees' Comprehensive Major Medical Plan.~~

1 employees. Employees of a charter school operated
2 by a private nonprofit corporation whose board of
3 directors elects to become a participating employer
4 under G.S. 135-5.3 are 'teachers' for the purpose
5 of membership in the North Carolina Teachers' and
6 State Employees' Retirement System. Employees of a
7 charter school operated by a private nonprofit
8 corporation whose board of directors elects to
9 become a participating employer under G.S. 135-
10 40.3A are 'teachers' for the purpose of membership
11 in the North Carolina Teachers' and State
12 Employees' Comprehensive Major Medical Plan. In no
13 event shall anything contained in this Part require
14 the North Carolina Teachers' and State Employees'
15 Retirement System to accept employees of a private
16 employer as members or participants of the System."

17 (b) Article 1 of Chapter 135 of the General Statutes is
18 amended by adding the following new section:

19 "§ 135-5.3. Optional participation for charter schools operated
20 by private nonprofit corporations.

21 (a) The board of directors of each charter school operated by
22 a private nonprofit corporation shall elect whether to become a
23 participating employer in the Retirement System in accordance
24 with this Article. This election shall be in writing, shall be
25 made no later than September 1, 1998, and shall be filed with the
26 Retirement System and with the State Board of Education. For
27 each charter school employee who is employed on or before the
28 date the board makes the election, membership in the System is
29 effective as of the date the board makes the election. For each
30 charter school employee who is employed after the date the board
31 makes the election, membership in the System is effective as of
32 the date of that employee's entry into eligible service. This
33 subsection applies only to charter schools that received State
34 Board of Education approval under G.S. 115C-238.29D in 1997 or
35 1998.

36 (b) No later than 30 days after both parties have signed the
37 written charter under G.S. 115C-238.29E, the board of directors
38 of a charter school operated by a private nonprofit corporation
39 shall elect whether to become a participating employer in the
40 Retirement System in accordance with this Article. This election
41 shall be in writing and filed with the Retirement System and with
42 the State Board of Education and is effective for each charter
43 school employee as of the date of that employee's entry into
44 eligible service. This subsection applies to charter schools

1 that receive State Board of Education approval under G.S. 115C-
2 238.29D after 1998.

3 (c) A board's election to become a participating employer in
4 the Retirement System under this section is irrevocable and shall
5 require all eligible employees of the charter school to
6 participate.

7 (d) No retirement benefit, death benefit, or other benefit
8 payable under the Retirement System shall be paid by the State of
9 North Carolina or the Board of Trustees of the Teachers' and
10 State Employees' Retirement System with respect to any employee,
11 or with respect to any beneficiary of an employee, of a charter
12 school whose board of directors does not elect to become a
13 participating employer in the Retirement System under this
14 section.

15 (e) The board of directors of each charter school shall notify
16 each of its employees as to whether the board elected to become a
17 participating employer in the Retirement System under this
18 section. This notification shall be in writing and shall be
19 provided within 30 days of the board's election or at the time an
20 initial offer for employment is made, whichever occurs last. If
21 the board did not elect to join the Retirement System, the notice
22 shall include a statement that the employee shall have no legal
23 recourse against the board or the State for any possible credit
24 or reimbursement under the Retirement System. The employee shall
25 provide written acknowledgment of the employee's receipt of the
26 notification under this subsection."

27 (c) G.S. 135-4 is amended by adding the following new
28 subsection to read:

29 "(bb) Credit for Employment in Charter School Operated by a
30 Private Nonprofit Corporation. -- Any member may purchase
31 creditable service for any employment as an employee of a charter
32 school operated by a private nonprofit corporation whose board of
33 directors did not elect to participate in the Retirement System
34 under G.S. 135-5.3 upon completion of five years of membership
35 service after that charter school employment by making a lump-sum
36 payment into the Annuity Savings Fund. The payment by the member
37 shall be equal to the full liability of the service credits
38 calculated on the basis of the assumptions used for purposes of
39 the actuarial valuation of the Retirement System's liabilities,
40 taking into account the additional retirement allowance arising
41 on account of the additional service credits commencing at the
42 earliest age at which the member could retire with an unreduced
43 retirement allowance, as determined by the Board of Trustees upon
44 the advice of the actuary plus an administrative expense fee to

1 be determined by the Board of Trustees. Notwithstanding the
2 foregoing provisions of this subsection that provide for the
3 purchase of service credits, the terms 'full cost', 'full
4 liability', and 'full actuarial cost' include assumed annual
5 postretirement allowance increases, as determined by the Board of
6 Trustees, from the earliest age at which a member could retire on
7 an unreduced service allowance."

8 (d) G.S. 135-40.1(6) reads as rewritten:

9 "(6) Employing Unit. -- A North Carolina School System;
10 Community College; State Department, Agency or
11 Institution; Administrative Office of the Courts;
12 or Association or Examining Board whose employees
13 are eligible for membership in a State-Supported
14 Retirement System. An employing unit also shall
15 mean a charter school operated by a private
16 nonprofit corporation in accordance with Part 6A of
17 Chapter 115C of the General Statutes ~~whose~~
18 ~~employees are deemed to be public employees and~~
19 ~~members of a State-Supported Retirement System.~~
20 whose board of directors elects to ~~join~~ become a
21 participating employer in the Plan under G.S. 135-
22 40.3A."

23 (e) Part 3 of Article 3 of Chapter 135 is amended by
24 adding the following new section:

25 "§ 135-40.3A. Optional participation for charter schools
26 operated by private nonprofit corporations.

27 (a) The board of directors of each charter school operated by
28 a private nonprofit corporation shall elect whether to become a
29 participating employer in the Plan in accordance with this
30 Article. This election shall be in writing, shall be made no
31 later than September 1, 1998, and shall be filed with the
32 Executive Administrator and Board of Trustees and with the State
33 Board of Education. For each charter school employee who is
34 employed on or before the date the board makes the election,
35 membership in the Plan is effective as of the date the board
36 makes the election. For each charter school employee who is
37 employed after the date the board makes the election, membership
38 in the Plan is effective as of the date of that employee's entry
39 into eligible service. This subsection applies only to charter
40 schools that received State Board of Education approval under
41 G.S. 115C-238.29D in 1997 or 1998.

42 (b) No later than 30 days after both parties have signed the
43 written charter under G.S. 115C-238.29E, the board of directors
44 of a charter school operated by a private nonprofit corporation

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1 shall elect whether to become a participating employer in the
2 Plan in accordance with this Article. This election shall be in
3 writing and filed with the Executive Administrator, the Board of
4 Trustees, and the State Board of Education. This election is
5 effective for each charter school employee as of the date of that
6 employee's entry into eligible service. This subsection applies
7 to charter schools that receive State Board of Education approval
8 under G.S. 115C-238.29D after 1998.

9 (c) A board's election to become a participating employer in
10 the Plan under this section is irrevocable and shall require all
11 eligible employees of the charter school to participate.

12 (d) If a charter school's board of directors does not elect to
13 become a participating employer in the Plan under this section,
14 that school's employees and the dependents of those employees are
15 not eligible for any benefits under the Plan.

16 (e) The board of directors of each charter school shall notify
17 each of its employees as to whether the board elected to become a
18 participating employer in the Plan under this section. This
19 notification shall be in writing and shall be provided within 30
20 days of the board's election or at the time an initial offer for
21 employment is made, whichever occurs last. If the board did not
22 elect to become a participating employer in the Plan, the notice
23 shall include a statement that the employee shall have no legal
24 recourse against the board or the State for any possible benefit
25 under the Plan. The employee shall provide written
26 acknowledgment of the employee's receipt of the notification
27 under this subsection."

28 (f) G.S. 105-228.90(b) reads as rewritten:

29 "(b) Definitions. -- The following definitions apply in this
30 Article:

31 (1) Reserved.

32 (2) Charter school board. -- A nonprofit corporation
33 that has a charter under G.S. 115D-238.29D to
34 operate a charter school.

35 ~~(1)~~(3) City. -- A city as defined by G.S. 160A-1(2). The
36 term also includes an urban service district
37 defined by the governing board of a consolidated
38 city-county, as defined by G.S. 160B-2(1).

39 ~~(1a)~~(4) Code. -- The Internal Revenue Code as enacted as of
40 January 1, 1997, including any provisions enacted
41 as of that date which become effective either
42 before or after that date.

43 ~~(1b)~~(5) County. -- Any one of the counties listed in G.S.
44 153A-10. The term also includes a consolidated
45 city-county as defined by G.S. 160B-2(1).

46 ~~(2)~~(6) Reserved.

60

1 ~~(3)~~(7) Electronic Funds Transfer. -- A transfer of funds
2 initiated by using an electronic terminal, a
3 telephone, a computer, or magnetic tape to instruct
4 or authorize a financial institution or its agent
5 to credit or debit an account.
6 ~~(4)~~(8) Reserved.
7 ~~(5)~~(9) Person. -- An individual, a fiduciary, a firm, an
8 association, a partnership, a limited liability
9 company, a corporation, a unit of government, or
10 another group acting as a unit. The term includes
11 an officer or employee of a corporation, a member,
12 a manager, or an employee of a limited liability
13 company, and a member or employee of a partnership
14 who, as officer, employee, member, or manager, is
15 under a duty to perform an act in meeting the
16 requirements of Subchapter I, V, or VIII of this
17 Chapter or of Article 3 of Chapter 119 of the
18 General Statutes.
19 ~~(6)~~(10) Secretary. -- The Secretary of Revenue.
20 ~~(7)~~(11) Tax. -- A tax levied under Subchapter I, V, or VIII
21 of this Chapter or an inspection tax levied under
22 Article 3 of Chapter 119 of the General Statutes.
23 Unless the context clearly requires otherwise, the
24 terms "tax" and "additional tax" include penalties
25 and interest as well as the principal amount.
26 ~~(8)~~(12) Taxpayer. -- A person subject to the tax or
27 reporting requirements of Subchapter I, V, or VIII
28 of this Chapter or of Article 3 of Chapter 119 of
29 the General Statutes."
30 (g) G.S. 105-449.88 reads as rewritten:
31 "**§ 105-449.88. Exemptions from the excise tax.**
32 The excise tax on motor fuel does not apply to the following:
33 (1) Motor fuel removed, by transport truck or another
34 means of transfer outside the terminal transfer
35 system, from a terminal for export, if the supplier
36 of the motor fuel collects tax on it at the rate of
37 the motor fuel's destination state.
38 (2) Motor fuel sold to the federal government.
39 (3) Motor fuel sold to the State for its use.
40 (4) Motor fuel sold to a local board of education for
41 use in the public school system.
42 (5) Motor fuel sold to a charter school board for use
43 for charter school purposes."
44 (h) G.S. 20-84 reads as rewritten:
45 "**§ 20-84. Vehicles owned by State, municipalities or orphanages,**
46 **etc.; certain vehicles operated by the local chapters of American**
47 **National Red Cross.**
48 The Division upon proper proof being filed with it that any
49 motor vehicle for which registration is herein required is owned
50 by the State or any department thereof, or by any county,
51 township, city or town, or by any board of education, or by any
52 nonprofit corporation that has a charter under G.S. 115C-238.29D
53 to operate a charter school, or by any orphanage or civil air

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1 patrol, or incorporated emergency rescue squad, or incorporated
2 REACT ("Radio Emergency Association of Citizen Teams") Team, or
3 for any motor vehicle involved exclusively in the support of a
4 disaster relief effort, shall collect six dollars (\$6.00) for the
5 registration of such motor vehicles, but shall not collect any
6 fee for application for certificate of title in the name of the
7 State or any department thereof, or by any county, township, city
8 or town, or by any board of education or orphanage: Provided,
9 that the term "owned" shall be construed to mean that such motor
10 vehicle is the actual property of the State or some department
11 thereof or of the county, township, city or town, or of the board
12 of education, and no motor vehicle which is the property of any
13 officer or employee of any department named herein shall be
14 construed as being "owned" by such department. Provided, that the
15 above exemptions from registration fees shall also apply to any
16 church-owned bus used exclusively for transporting children and
17 parents to Sunday school and church services and for no other
18 purpose.

19 In lieu of the annual six dollars (\$6.00) registration provided
20 for in this section, the Division may for the license year 1950
21 and thereafter provide for a permanent registration of the
22 vehicles described in this section and issue permanent
23 registration plates for such vehicles. The permanent registration
24 plates issued pursuant to this paragraph shall be of a
25 distinctive color and shall bear thereon the word "permanent."
26 Such plates may be transferred as provided in G.S. 20-78 to a
27 replacement vehicle of the same classification. For the permanent
28 registration and issuance of permanent registration plates
29 provided for in this paragraph, the Division shall collect a fee
30 of six dollars (\$6.00) for each vehicle so registered and
31 licensed.

32 The provisions of this section are hereby made applicable to
33 vehicles owned by a rural fire department, agency or association.

34 The Division of Motor Vehicles shall issue to the North
35 Carolina Tuberculosis Association, Incorporated, or any local
36 chapter or association of said corporation, for a fee of six
37 dollars (\$6.00) for each plate a permanent registration plate
38 which need not be thereafter renewed for each motor vehicle in
39 the form of a mobile X-ray unit which is owned by said North
40 Carolina Tuberculosis Association, Incorporated, or any local
41 chapter or local association thereof and operated exclusively in
42 this State for the purpose of diagnosis, treatment and discovery
43 of tuberculosis. The initial six dollars (\$6.00) fee required by
44 this section and for this purpose shall be in full payment of the
45 permanent registration plates issued for such vehicle operated as
46 a mobile X-ray unit, and such plates need not thereafter be
47 renewed, and such plates may be transferred as provided in G.S.
48 20-78 to replacement vehicles to be used for the purposes above
49 described and for which the plates were originally issued.

50 The Division of Motor Vehicles shall issue to the American
51 National Red Cross, upon application of any local chapter thereof
52 and payment of a fee of six dollars (\$6.00) for each plate, a
53 permanent registration plate, which need not be thereafter

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1 renewed, for all disaster vans, bloodmobiles, handivans, and such
2 sedans and station wagons as are used for emergency or disaster
3 work, and operated by a local chapter in this State in the
4 business of the American National Red Cross. Such plates may be
5 transferred as provided in G.S. 20-78 to a replacement vehicle to
6 be used for the purposes above described and for which the plates
7 were originally issued. In the event of transfer of ownership to
8 any other person, firm or corporation, or transfer or
9 reassignment of any vehicle bearing such registration plate to
10 any chapter or association of the American National Red Cross in
11 any other state, territory or country, the registration plate
12 assigned to such vehicle shall be surrendered to the Division of
13 Motor Vehicles.

14 In lieu of all other registration requirements, the
15 Commissioner shall each year assign to the State Highway Patrol,
16 upon payment of six dollars (\$6.00) per registration plate, a
17 sufficient number of regular registration plates of the same
18 letter prefix and in numerical sequence beginning with number 100
19 to meet the requirements of the State Highway Patrol for use on
20 Division vehicles assigned to the State Highway Patrol. The
21 commander of the Patrol shall, when such plates are assigned,
22 issue to each member of the State Highway Patrol a registration
23 plate for use upon the Division vehicle assigned to him pursuant
24 to G.S. 20-190 and assign a registration plate to each Division
25 service vehicle operated by the Patrol. An index of such
26 assignments of registration plates shall be kept at each State
27 Highway Patrol radio station and a copy thereof shall be
28 furnished to the registration division of the Division.
29 Information as to the individual assignments of such registration
30 plates shall be made available to the public upon request to the
31 same extent and in the same manner as regular registration
32 information. The commander, when necessary, may reassign
33 registration plates provided that such reassignment shall be made
34 to appear upon the index required herein within 20 days after
35 such reassignment.

36 The Division of Motor Vehicles shall, upon appropriate
37 certification of financial responsibility, issue to sheltered
38 workshops recognized or approved by the Division of Vocational
39 Rehabilitation Services and to public and nonprofit agencies or
40 organizations which provide transportation for or operate
41 programs subject to and approved in accordance with standards
42 adopted by the Commission for Mental Health, Developmental
43 Disabilities, and Substance Abuse Services of the Department of
44 Health and Human Services upon application and payment of a fee
45 of six dollars (\$6.00) for each plate, a permanent registration
46 plate for vehicles registered to and operated by such agencies.
47 The initial six dollars (\$6.00) fee required by this section and
48 for this purpose shall be in full payment of the permanent
49 registration plate issued for such vehicle operated by a
50 sheltered workshop and such plates need not thereafter be
51 renewed, and such plates may be transferred as provided in G.S.
52 20-78 to a replacement vehicle to be used by the sheltered
53 workshop designated on the registration card.

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1 On and after January 1, 1972, permanent registration plates
2 used on all vehicles owned by the State of North Carolina or a
3 department thereof shall be of a distinctive color and design
4 which shall be readily distinguishable from all other permanent
5 registration plates issued pursuant to this section or G.S. 20-
6 84.1. For the purpose of carrying out the intent of this
7 paragraph, all vehicles owned by the State of North Carolina or a
8 department thereof in operation as of October 1, 1971, and
9 bearing a permanent registration shall be reregistered during the
10 months of October, November and December, 1971, and upon
11 reregistration, registration plates issued for such vehicles
12 shall be of a distinctive color and design as provided for
13 hereinabove."

14 (i) G.S. 115C-238.29B(a) reads as rewritten:

15 "(a) Any person, group of persons, ~~or nonprofit corporation~~
16 ~~corporation~~, or local board of education seeking to establish a
17 charter school may apply to establish a charter school. If ~~the an~~
18 applicant other than a local board of education seeks to convert
19 a public school to a charter school, the application shall
20 include a statement signed by a majority of the teachers and
21 instructional support personnel currently employed at the school
22 indicating that they favor the conversion and evidence that a
23 significant number of parents of children enrolled in the school
24 favor conversion. If a local board of education seeks a charter
25 for a school, the application shall include a statement that the
26 local board understands that no employee shall be required to
27 work at the charter school and no student shall be assigned to
28 the school except at the request of the student's parent or
29 guardian."

30 (j) G.S. 115C-238.29B(b)(3) reads as rewritten:

31 "(3) The governance structure of the ~~school~~ school, if
32 the applicant is not a local board of education,
33 including the names of the proposed initial members
34 of the board of directors of the nonprofit, tax-
35 exempt corporation and the process to be followed
36 by the school to ensure parental involvement."

37 (k) G.S. 115C-238.29B(b)(11) reads as rewritten:

38 "(11) The procedures by which students can be
39 excluded from the charter school and returned
40 to a public ~~school~~ school other than a
41 charter school. Notwithstanding any law to the
42 contrary, any local board may refuse to admit
43 any student who is suspended or expelled from
44 a charter school due to actions that would
45 lead to suspension or expulsion from a public
46 school under G.S. 115C-391 until the period of
47 suspension or expulsion has expired."

48 (l) G.S. 115C-238.29B(c) reads as rewritten:

49 "(c) An applicant shall submit the application to a chartering
50 entity for preliminary approval. A chartering entity may be:

51 (1) The local board of education of the local school
52 administrative unit in which the charter school

1 will be ~~located~~; located, unless the applicant is a
2 local board of education;

3 (2) The board of trustees of a constituent institution
4 of The University of North Carolina, so long as the
5 constituent institution is involved in the
6 planning, operation, or evaluation of the charter
7 school; or

8 (3) The State Board of Education.

9 Regardless of which chartering entity receives the application
10 for preliminary approval, the State Board of Education shall have
11 final approval of the charter school.

12 Notwithstanding the provisions of this subsection, if the State
13 Board of Education finds that an applicant (i) submitted an
14 application to a local board of education and received final
15 approval from the State Board of Education, but (ii) is unable to
16 find a suitable location within that local school administrative
17 unit to operate, the State Board of Education may authorize the
18 charter school to operate within an adjacent local school
19 administrative unit for one year only. The charter school cannot
20 operate for more than one year unless it reapplies, in accordance
21 with subdivision (1), (2), or (3) of this subsection, and
22 receives final approval from the State Board of Education."

23 (m) G.S. 115C-238.29B(d) is repealed.

24 (n) G.S. 115C-238.29D(b) is repealed.

25 (o) G.S. 115C-238.29E reads as rewritten:

26 "**§ 115C-238.29E. Charter school operation.**

27 (a) A charter school that is approved by the State shall be a
28 public school within the local school administrative unit in
29 which it is located. It shall be accountable to the local board
30 of education if the applicant for the charter is the local board
31 of education or if it applied for and received preliminary
32 approval from that local board for purposes of ensuring
33 compliance with applicable laws and the provisions of its
34 charter. All other charter schools shall be accountable to the
35 State Board for ensuring compliance with applicable laws and the
36 provisions of their charters, except that any of these charter
37 schools may agree to be accountable to the local board of the
38 school administrative unit in which the charter school is located
39 rather than to the State Board.

40 (b) A charter school other than a charter school for which the
41 applicant is a local board of education shall be operated by a
42 private nonprofit corporation that shall have received federal
43 tax-exempt status no later than 24 months following final
44 approval of the application. A charter school for which the
45 applicant is a local board of education shall be operated by the
46 local board of education.

47 ~~(c) A charter school shall operate under the written charter~~
48 ~~signed by the entity to which it is accountable under subsection~~
49 ~~(a) of this section and the applicant. A charter school is not~~
50 ~~required to enter into any other contract. The charter shall~~
51 ~~incorporate the information provided in the application, as~~
52 ~~modified during the charter approval process, and any terms and~~
53 ~~conditions imposed on the charter school by the State Board of~~

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1 ~~Education. No other terms may be imposed on the charter school as~~
2 ~~a condition for receipt of local funds. The State Board shall~~
3 ~~issue the written charter no later than 30 days after the date on~~
4 ~~which the State Board grants final approval for the charter. The~~
5 ~~written charter shall incorporate the information provided in the~~
6 ~~application, as modified during the charter approval process, and~~
7 ~~any terms and conditions applicable to all charter schools under~~
8 ~~the rules of the State Board. The charter school is not required~~
9 ~~to agree to any additional terms, whether requested by the State~~
10 ~~Board, the local board where the charter school is located, or~~
11 ~~the entity to which the charter school is accountable. No~~
12 ~~additional terms may be imposed on the charter school as a~~
13 ~~condition for receipt of local funds. The charter school shall~~
14 ~~operate under the written charter signed by the entity to which~~
15 ~~it is accountable and the applicant.~~

16 (d) The board of directors of the charter school operated by a
17 private nonprofit corporation shall decide matters related to the
18 operation of the school, including budgeting, curriculum, and
19 operating procedures. The local board of education shall decide
20 these matters for a charter school operated by a local board.

21 (e) A charter school's specific location The specific location
22 of a charter school operated by a private nonprofit corporation
23 shall not be prescribed or limited by a local board or other
24 authority except a zoning authority. The school may lease space
25 from a local board of education or as is otherwise lawful in the
26 local school administrative unit in which the charter school is
27 located. If a charter school leases space from a sectarian
28 organization, the charter school classes and students shall be
29 physically separated from any parochial students, and there shall
30 be no religious artifacts, symbols, iconography, or materials on
31 display in the charter school's entrance, classrooms, or
32 hallways. Furthermore, if a charter school leases space from a
33 sectarian organization, the charter school shall not use the name
34 of that organization in the name of the charter school.

35 At the request of the charter school, the local board of
36 education of the local school administrative unit in which the
37 charter school will be located shall lease or may sell any
38 available building or land to the charter school unless the board
39 demonstrates that the lease or sale is not economically or
40 practically feasible or that the local board does not have
41 adequate classroom space to meet its enrollment needs.
42 Notwithstanding any other law, a local board of education may
43 provide a school facility to a charter school free of charge;
44 however, the charter school is responsible for the maintenance of
45 and insurance for the school facility.

46 (f) Except as provided in this Part and pursuant to the
47 provisions of its charter, a charter school is exempt from
48 statutes and rules applicable to a local board of education or
49 local school administrative unit. The State Board shall not
50 adopt any rules, policies, procedures, requirements, standards,
51 terms, conditions, or regulations governing charter schools
52 unless they are authorized specifically under this Part; they are
53 applicable uniformly to all charter schools; and the Board

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1 proceeds under Chapter 150B of the General Statutes. Only those
2 rules, policies, procedures, requirements, standards, terms,
3 conditions, and regulations that are adopted by the Board shall
4 apply to charter schools and may be included in the written
5 charter and amendments to that charter. The Board may adopt
6 guidelines to assist charter schools. These guidelines are not
7 binding on charter schools and shall not be included in any
8 written charter unless the charter school agrees to the
9 inclusion."

10 (p) G.S. 115C-238.29F(b) reads as rewritten:

11 "(b) School Nonsectarian. -- A charter school shall be
12 nonsectarian in its programs, admission policies, employment
13 practices, and all other operations and shall not charge ~~tuition~~
14 ~~or~~ tuition, application fees, or admission fees. A charter school
15 shall not be affiliated with a nonpublic sectarian school or a
16 religious institution."

17 (q) G.S. 115C-238.29F(c) is amended by adding the
18 following new subdivision:

19 "(3) The civil liability for a charter school operated
20 by a local school administrative unit shall be the
21 same as for any other school operated by the unit."

22 (r) G.S. 115C-238.29F(h) reads as rewritten:

23 "(h) Transportation. -- The charter school may provide
24 transportation for students enrolled at the school. The charter
25 school shall develop a transportation plan so that transportation
26 is not a barrier to any student who resides in the local school
27 administrative unit in which the school is located. The charter
28 school is not required to provide transportation to any student
29 who lives within one and one-half miles of the school. At the
30 request of the charter school and if the local board of the local
31 school administrative unit in which the charter school is located
32 operates a school bus system, then that local board may contract
33 with the charter school to provide transportation in accordance
34 with the charter school's transportation plan to students who
35 reside in the local school administrative unit and who reside at
36 least one and one-half miles of the charter school. A local board
37 may charge the charter school a reasonable charge that is
38 sufficient to cover the cost of providing this transportation.
39 Furthermore, a local board may refuse to provide transportation
40 under this subsection if it demonstrates there is no available
41 space on buses it intends to operate during the term of the
42 contract or it would not be practically feasible to provide this
43 transportation.

44 A student who attends a charter school operated by a local
45 board of education and who resides within the local school
46 administrative unit in which the school is located has the same
47 right to school transportation as students assigned to other
48 public schools in the local school administrative unit."

49 (s) G.S. 115C-238.29F(g)(5) reads as rewritten:

50 "(5) A charter school shall not discriminate against any
51 student on the basis of ethnicity, national origin,
52 gender, or disability. Except as otherwise provided
53 by law or the mission of the school as set out in

1 the charter, the school shall not limit admission
2 to students on the basis of intellectual ability,
3 measures of achievement or aptitude, athletic
4 ability, disability, race, creed, gender, national
5 origin, religion, or ancestry. The charter school
6 may give enrollment priority to siblings of
7 currently enrolled students who were admitted to
8 the charter school in a previous year and to
9 children of the school's principal, teachers, and
10 teacher assistants. In addition, and only for its
11 first year of operation, the charter school may
12 give enrollment priority to children of the initial
13 members of the charter school's board of directors,
14 so long as (i) these children are limited to no
15 more than ten percent (10%) of the school's total
16 enrollment or to 20 students, whichever is less,
17 and (ii) the charter school is not a former public
18 or private school. ~~Within one year after the~~
19 ~~charter school begins operation,~~ The charter school
20 shall make a good faith effort to attract and
21 enroll students so that the population of the
22 school ~~shall~~ reasonably ~~reflect~~ reflects the
23 racial and ethnic composition of the general
24 population residing within the local school
25 administrative unit in which the school is located
26 or the racial and ethnic composition of the special
27 population that the school seeks to serve residing
28 within the local school administrative unit in
29 which the school is located. The school shall be
30 subject to any court-ordered desegregation plan in
31 effect for the local school administrative unit."

32 (t) G.S. 115C-238.29G(c) reads as rewritten:
33 "(c) The State Board and the charter school are encouraged to
34 make a good-faith attempt to resolve the differences that may
35 arise between them. ~~They~~ Furthermore, the local board of the
36 local school administrative unit in which the charter school is
37 located and the charter school are encouraged to make a good-
38 faith attempt to resolve any differences that may arise between
39 them. The parties in dispute may agree to jointly select a
40 mediator. The mediator shall act as a neutral facilitator of
41 disclosures of factual information, statements of positions and
42 contentions, and efforts to negotiate an agreement settling the
43 differences. The mediator shall, at the request of either ~~the~~
44 ~~State Board or a charter school, party,~~ commence a mediation
45 immediately or within a reasonable period of time. The mediation
46 shall be held in accordance with rules and standards of conduct
47 adopted under Chapter 7A of the General Statutes governing
48 mediated settlement conferences but modified as appropriate and
49 suitable to the resolution of the particular issues in
50 disagreement.

51 Notwithstanding Article 33C of Chapter 143 of the General
52 Statutes, the mediation proceedings shall be conducted in
53 private. Evidence of statements made and conduct occurring in a

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1 mediation are not subject to discovery and are inadmissible in
2 any court action. However, no evidence otherwise discoverable is
3 inadmissible merely because it is presented or discussed in a
4 mediation. The mediator shall not be compelled to testify or
5 produce evidence concerning statements made and conduct occurring
6 in a mediation in any civil proceeding for any purpose, except
7 disciplinary hearings before the State Bar or any agency
8 established to enforce standards of conduct for mediators. The
9 mediator may determine that an impasse exists and discontinue the
10 mediation at any time. The mediator shall not make any
11 recommendations or public statement of findings or conclusions.
12 ~~The State Board and the charter school parties in dispute shall~~
13 share equally the mediator's compensation and expenses. The
14 mediator's compensation shall be determined according to rules
15 adopted under Chapter 7A of the General Statutes."

16 (u) G.S. 115C-238.29H reads as rewritten:

17 "§ 115C-238.29H. State and local funds for a charter school.

18 (a) The State Board of Education shall allocate to each
19 charter school (i) an amount equal to the average per pupil
20 allocation for average daily membership from the local school
21 administrative unit allotments in which the charter school is
22 located for each child attending the charter school except for
23 the allocation for children with special needs and (ii) an
24 additional amount for each child attending the charter school who
25 is a child with special needs. In accordance with G.S. 115C-
26 238.29D(d), the State Board shall allow for annual adjustments to
27 the amount allocated to a charter school based on its enrollment
28 growth in school years subsequent to the initial year of
29 operation.

30 In the event a child with special needs leaves the charter
31 school and enrolls in a public school during the first 60 school
32 days in the school year, the charter school shall return a pro
33 rata amount of funds allocated for that child to the State Board,
34 and the State Board shall reallocate those funds to the local
35 school administrative unit in which the public school is located.
36 In the event a child with special needs enrolls in a charter
37 school during the first 60 school days in the school year, the
38 State Board shall allocate to the charter school the pro rata
39 amount of additional funds for children with special needs.

40 (a1) Funds allocated by the State Board of Education may be
41 used to enter into operational and financing leases for real
42 property or mobile classroom units for use as school facilities
43 for charter schools and may be used for payments on loans made to
44 charter schools for facilities or equipment. However, State funds
45 shall not be used to obtain any other interest in real property
46 or mobile classroom units. No indebtedness of any kind incurred
47 or created by the charter school shall constitute an indebtedness
48 of the State or its political subdivisions, and no indebtedness
49 of the charter school shall involve or be secured by the faith,
50 credit, or taxing power of the State or its political
51 ~~subdivisions~~ subdivisions, unless the charter school is operated
52 by a local board of education. Every contract or lease into which
53 a charter school enters except for contracts or leases entered

1 into by a local board of education shall include the previous
2 sentence. The school also may own land and buildings it obtains
3 through non-State sources.

4 (b) If a student attends a charter school, the local school
5 administrative unit in which the child resides shall transfer to
6 the charter school an amount equal to the per pupil local current
7 expense appropriation to the local school administrative unit for
8 the fiscal year. The per pupil local current expense
9 appropriation shall be calculated by dividing the total county
10 appropriation to the local school administrative unit's local
11 current expense fund, including appropriations funded by
12 supplemental taxes, by the unit's average daily membership for
13 the budget year as determined by and certified to the unit and
14 the board of county commissioners by the State Board. In order
15 to establish the number of children for whom these funds are to
16 be transferred, the local administrative unit may require the
17 charter school to provide electronically an invoice that
18 identifies each child for whom these funds are to be remitted,
19 that child's address, and that child's Student Information
20 Management System identification number. The local school
21 administrative unit shall not require any other information from
22 the charter school as a condition of the unit's remission of
23 these funds. If the local school administrative unit requires
24 this invoice, the unit shall provide to the charter school the
25 local current expense appropriation based on the number of
26 children in the most recent invoice. If no invoice is required,
27 the local current expense appropriation shall be based on the
28 number of children as mutually agreed upon by the local school
29 administrative unit and the charter school. The local school
30 administrative unit shall remit these funds to the charter school
31 at times that are mutually agreed upon by the unit and the
32 charter school, but if no agreement is reached, then the unit
33 shall remit these funds to the charter school no later than one
34 week after the unit receives the funds from the board of county
35 commissioners as established under G.S. 115C-437 and upon receipt
36 of an invoice, if required. The State Board may withhold money
37 used for payment of salaries for the superintendent and school
38 finance officer of any local school administrative unit if the
39 Board finds that the unit is not using its best efforts to remit
40 these funds on a timely basis.

41 (c) The board of county commissioners of the county in which
42 the charter school is located may allocate to the charter school
43 funds that may be used for capital outlay purposes."

44 (v) G.S. 115C-452 reads as rewritten:

45 "**§ 115C-452. Fines and forfeitures.**

46 The clear proceeds of all penalties and forfeitures and of all
47 fines collected in the General Court of Justice in each county
48 shall be remitted by the clerk of the superior court to the
49 county finance officer, who shall forthwith determine what
50 portion of the total is due to each local school administrative
51 unit and to each charter school in the county and remit the
52 appropriate portion of the amount to the finance officer of each
53 local school administrative ~~unit~~ unit and each charter school.

1 ~~Fines~~ The first twenty-five percent (25%) of fines and
2 forfeitures shall be apportioned according to the projected
3 average daily membership of each local school administrative unit
4 as determined by and certified to the local school administrative
5 units and the board of county commissioners by the State Board of
6 Education pursuant to G.S. 115C-430. The remainder of the fines
7 and forfeitures shall be apportioned according to the projected
8 average daily membership of each local school administrative unit
9 and each charter school as determined by and certified to the
10 local school administrative units, the charter schools, and the
11 board of county commissioners by the State Board of Education
12 pursuant to G.S. 115C-430 or G.S. 115C-238.29H(b)."

13 (w) G.S. 115C-457.3 reads as rewritten:
14 "\$ 115C-457.3. Transfer of funds to the State School Technology
15 Fund.

16 The Office of State Budget and Management shall transfer funds
17 accruing to the Civil Penalty and Forfeiture Fund to the State
18 School Technology Fund. ~~These~~ The first twenty-five percent
19 (25%) of these funds shall be allocated to local school
20 administrative units on the basis of average daily membership.
21 The remaining funds shall be allocated to local school
22 administrative units and charter schools on the basis of average
23 daily membership. Notwithstanding any other law, the funds
24 allocated to charter schools under this section shall be used for
25 school technology; however, in accordance with G.S. 115C-
26 238.29E(f), the charter school is not required to develop or
27 submit a school technology plan under Part 3A of Article 8 of
28 this Chapter."

29 (x) G.S. 150B-2(8a) reads as rewritten:

30 "(8a) 'Rule' means any agency regulation, standard,
31 or statement of general applicability that
32 implements or interprets an enactment of the
33 General Assembly or Congress or a regulation
34 adopted by a federal agency or that describes
35 the procedure or practice requirements of an
36 agency. The term includes the establishment of
37 a fee and the amendment or repeal of a prior
38 rule. The term also includes any State Board
39 of Education or Department of Public
40 Instruction rule, policy, procedure,
41 requirement, standard, term, condition, or
42 regulation that is authorized specifically
43 under Part 6A of Article 16 of Chapter 115C of
44 the General Statutes. The term does not
45 include the following:

46 a. Statements concerning only the internal
47 management of an agency or group of agencies
48 within the same principal office or department
49 enumerated in G.S. 143A-11 or 143B-6,
50 including policies and procedures manuals, if
51 the statement does not directly or
52 substantially affect the procedural or

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1 substantive rights or duties of a person not
2 employed by the agency or group of agencies.
3 b. Budgets and budget policies and procedures
4 issued by the Director of the Budget, by the
5 head of a department, as defined by G.S. 143A-
6 2 or G.S. 143B-3, by an occupational licensing
7 board, as defined by G.S. 93B-1, or by the
8 State Board of Elections.
9 c. Nonbinding interpretative statements within
10 the delegated authority of an agency that
11 merely define, interpret, or explain the
12 meaning of a statute or rule.
13 d. A form, the contents or substantive
14 requirements of which are prescribed by rule
15 or statute.
16 e. Statements of agency policy made in the
17 context of another proceeding, including:
18 1. Declaratory rulings under G.S. 150B-4.
19 2. Orders of establishing or fixing rates or
20 tariffs.
21 f. Requirements, communicated to the public by
22 the use of signs or symbols, concerning the
23 use of public roads, bridges, ferries,
24 buildings, or facilities.
25 g. Statements that set forth criteria or
26 guidelines to be used by the staff of an
27 agency in performing audits, investigations,
28 or inspections; in settling financial disputes
29 or negotiating financial arrangements; or in
30 the defense, prosecution, or settlement of
31 cases.
32 h. Scientific, architectural, or engineering
33 standards, forms, or procedures, including
34 design criteria and construction standards
35 used to construct or maintain highways,
36 bridges, or ferries.
37 i. Job classification standards, job
38 qualifications, and salaries established for
39 positions under the jurisdiction of the State
40 Personnel Commission.
41 j. Establishment of the interest rate that
42 applies to tax assessments under G.S. 105-
43 241.1 and the variable component of the excise
44 tax on motor fuel under G.S. 105-449.80."
45 (y) Article 2A of Chapter 150B of the General Statutes
46 is amended by adding the following new Part:
47 "Part 6. Rules Affecting Charter Schools.
48 "§ 150B-21.30. Procedures applicable to rules affecting charter
49 schools.
50 (a) G.S. 150B-21.2(a)(1) shall not apply to proposed rules
51 adopted by the State Board of Education if the proposed rules are
52 authorized specifically under Part 6A of Article 16 of Chapter
53 115C of the General Statutes.

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1 (b) Notwithstanding G.S. 150B-21.3(b), a permanent rule that is
2 adopted by the State Board of Education, is approved by the Rules
3 Review Commission, and is authorized specifically under Part 6A
4 of Article 16 of Chapter 115C of the General Statutes, becomes
5 effective five business days after the Commission delivers the
6 rule to the Codifier of Rules, unless the rule specifies a later
7 effective date. If the State Board of Education specifies a
8 later effective date, the rule becomes effective upon that date.
9 A permanent rule that is adopted by the State Board of Education
10 to implement Part 6A of Article 16 of Chapter 115C of the General
11 Statutes, but is not approved by the Rules Review Commission,
12 shall not become effective.

13 (c) G.S. 150B-21.4(b1) shall not apply to permanent rules the
14 State Board of Education proposes to adopt if those rules are
15 authorized specifically under Part 6A of Article 16 of Chapter
16 115C of the General Statutes.

17 (d) The rule proposed by the State Board of Education may
18 create, amend, or repeal a rule. The State Board of Education
19 shall indicate in the notice of proposed text that the rule is
20 authorized specifically under Part 6A of Article 16 of Chapter
21 115C of the General Statutes and that the State Board of
22 Education is proceeding under that authority.

23 **"§ 150B-21.31. Procedures applicable to charters.**

24 The State Board of Education shall submit to the Commission the
25 standard written charter agreement that the State Board of
26 Education approved and issued under Part 6A of Article 16 of
27 Chapter 115C of the General Statutes to charter schools that
28 received State Board approval under G.S. 115C-238.29D in 1997 or
29 1998. The State Board of Education also shall submit to the
30 Commission any modifications to that written charter agreement
31 that the State Board approves after July 1, 1998, for issuance to
32 charter schools approved in subsequent years. The Commission
33 shall review each portion of the charter and each modification to
34 that charter as if it is a rule and shall follow the procedure
35 established in Part 3 of this Article. The Commission shall
36 determine whether each portion or modification is authorized
37 specifically under Part 6A of Article 16 of Chapter 115C of the
38 General Statutes. The Commission may approve only portions and
39 modifications of the charter that are so authorized. All
40 approved portions and modifications of the charter are binding on
41 the charter school. Each portion or modification of the charter
42 that is not approved is void and shall not apply to any charter
43 school unless the charter school's board of directors agrees to
44 its applicability. The board of directors is not required to
45 agree to any portion or modification of the charter that the
46 Commission does not approve. This section shall not apply to
47 information in a charter school's application, as modified during
48 the approval process, that is incorporated in each charter
49 school's charter agreement."

50 (2) (1) The State Board of Education, in collaboration
51 with the Charter School Professional Association, shall evaluate
52 the Uniform Education Reporting System to determine whether this
53 is the best way for charter schools to report information to the

1 State Board or whether there is a mutually functional alternative
2 that could be implemented. The State Board shall report the
3 results of this evaluation and its recommendations, including any
4 proposed legislative changes, to the Joint Legislative Commission
5 on Governmental Operations by December 1, 1998.

6 (2) If, at any time, a majority of charter schools
7 present to the State Board of Education an alternative reporting
8 system that is the functional equivalent of the Uniform Education
9 Reporting System and the alternative system has been benchmarked,
10 the State Board shall consider the adoption of that system for
11 charter schools.

12 (aa) G.S. 105-164.14(c) reads as rewritten:

13 "(c) Certain Governmental Entities. -- A governmental entity
14 listed in this subsection is allowed an annual refund of sales
15 and use ~~tax~~ taxes paid by it under this Article, except under
16 G.S. 105-164.4(a)(4a) and G.S. 105-164.4(a)(4c), on direct
17 purchases of tangible personal property. Sales and use tax
18 liability indirectly incurred by a governmental entity on
19 building materials, supplies, fixtures, and equipment that become
20 a part of or annexed to any building or structure that is owned
21 or leased by the governmental entity and is being erected,
22 altered, or repaired for use by the governmental entity is
23 considered a sales or use tax liability incurred on direct
24 purchases by the governmental entity for the purpose of this
25 subsection. A request for a refund must be in writing and must
26 include any information and documentation required by the
27 Secretary. A request for a refund is due within six months after
28 the end of the governmental entity's fiscal year.

29 This subsection applies only to the following governmental
30 entities:

- 31 (1) A county.
- 32 (2) A city as defined in G.S. 160A-1.
- 33 (2a) A consolidated city-county as defined in G.S.
34 160B-2.
- 35 (2b) A local school administrative unit.
- 36 (3) A metropolitan sewerage district or a metropolitan
37 water district in this State.
- 38 (4) A water and sewer authority created under Chapter
39 162A of the General Statutes.
- 40 (5) A lake authority created by a board of county
41 commissioners pursuant to an act of the General
42 Assembly.
- 43 (6) A sanitary district.
- 44 (7) A regional solid waste management authority created
45 pursuant to G.S. 153A-421.
- 46 (8) An area mental-health, developmental disabilities,
47 and substance abuse authority, other than a single-
48 county area authority, established pursuant to
49 Article 4 of Chapter 122C of the General Statutes.
- 50 (9) A district health department.
- 51 (10) A regional council of governments created pursuant
52 to G.S. 160A-470.

1 (11) A regional planning and economic development
2 commission or a regional economic development
3 commission created pursuant to Chapter 158 of the
4 General Statutes.
5 (12) A regional planning commission created pursuant to
6 G.S. 153A-391.
7 (13) A regional sports authority created pursuant to
8 G.S. 160A-479.
9 (14) A public transportation authority created pursuant
10 to Article 25 of Chapter 160A of the General
11 Statutes.
12 (14a) A facility authority created pursuant to Part
13 4 of Article 20 of Chapter 160A of the General
14 Statutes.
15 (15) A regional public transportation authority created
16 pursuant to Article 26 of Chapter 160A of the
17 General Statutes.
18 (16) A local airport authority that was created pursuant
19 to a local act of the General Assembly and has at
20 least one of the following characteristics:
21 a. It has all of the rights of a municipality.
22 b. A local act of the General Assembly declares
23 it to be a municipality.
24 c. A local act of the General Assembly
25 specifically authorizes it to receive a refund
26 under this section.
27 (17) A joint agency created by interlocal agreement
28 pursuant to G.S. 160A-462 to operate a public
29 broadcasting television station.
30 (18) The North Carolina Low-Level Radioactive Waste
31 Management Authority created pursuant to Chapter
32 104G of the General Statutes.
33 (19) The North Carolina Hazardous Waste Management
34 Commission created pursuant to Chapter 130B of the
35 General Statutes.
36 (20) A constituent institution of The University of
37 North Carolina, but only with respect to sales and
38 use tax paid by it for tangible personal property
39 acquired by it through the expenditure of contract
40 and grant funds.
41 (21) The University of North Carolina Hospitals at
42 Chapel Hill."
43 (bb) Subsections (a)-(e) or this section become
44 effective February 1, 1998. The remainder of this section
45 becomes effective July 1, 1998. Subsection (aa) of this section
46 applies to taxes paid on or after July 1, 1998.

HOUSE SPECIAL PROVISIONS
UNIVERSITY SYSTEM

CODE NO. 98UNC-H001B-S

Requested by: Representatives Arnold, Grady, Preston

UNC INCENTIVE FUNDING

1 Section @. (a) G.S. 116-30.3 reads as rewritten:

2 "\$ 116-30.3. Reversions.

3 (a) Of the General Fund current operations appropriations
4 credit balance remaining at the end of each fiscal year in each
5 budget code of a special responsibility constituent institution,
6 except for the budget code of the Area Health Education Centers
7 of the University of North Carolina at Chapel Hill, any amount
8 greater than two percent (2%) of the General Fund appropriation
9 for that fiscal year may be carried forward by the institution to
10 the next fiscal year and may be used for one-time expenditures
11 that will not impose additional financial obligations on the
12 State. Of the General Fund current operations appropriations
13 credit balance remaining in the budget code of the Area Health
14 Education Centers of the University of North Carolina at Chapel
15 Hill, any amount greater than one percent (1%) of the General
16 Fund appropriation for that fiscal year may be carried forward in
17 that budget code to the next fiscal year and may be used for one-
18 time expenditures that will not impose additional financial
19 obligations on the State. However, the amount carried forward
20 under this section shall not exceed two and one-half percent (2
21 1/2%) of the General Fund ~~appropriation~~ appropriation, plus the
22 amount of the reversions to be retained under subsections (d) and
23 (e) of this section. The Director of the Budget, under the
24 authority set forth in G.S. 143-25, shall establish the General
25 Fund current operations credit balance remaining in each budget
26 code of each institution.

27 (b) An institution shall cease to be a special responsibility
28 constituent institution under the following circumstances:

- 29 (1) An institution, other than the Area Health
30 Education Centers of the University of North
31 Carolina, does not revert at least two percent (2%)
32 of its General Fund current operations credit
33 balance remaining in each budget code of that
34 institution, or
35 (2) The Area Health Education Centers of the University
36 of North Carolina at Chapel Hill does not revert at
37 least one percent (1%) of its General Fund current
38 operations credit balance remaining in its budget
39 code.

1 However, if the Board of Governors finds that the low reversion
2 rate is due to adverse and unforeseen conditions, the Board may
3 allow the institution to remain a special responsibility
4 constituent institution for one year to come into conformity with
5 this section. The Board may make this exception only one time
6 for any special responsibility constituent institution, and shall
7 report these exceptions to the Joint Legislative Commission on
8 Governmental Operations.

9 ~~(c) One-half of the~~ The reversions required in subsection (a)
10 and (b) of this section shall be returned to the General Fund
11 credit balance at the end of each fiscal year- year, less the
12 amounts retained by the special responsibility constituent
13 institutions under subsections (d) and (e) of this section.

14 ~~(d) For fiscal year 1997-98 and each subsequent fiscal year,~~
15 1997-98, one-half of the reversions required in subsections (a)
16 and (b) of this section shall be available to each special
17 responsibility constituent institution of The University of North
18 Carolina. Those funds shall be used by the institution at the
19 campus level for any of the following: the nonrecurring costs of
20 technology, including the installation of technology
21 infrastructure for academic facilities on the campus of the
22 special responsibility constituent institution, the
23 implementation by the constituent institution of its campus
24 technology plan as approved by the Board of Governors, or for
25 libraries. The funds shall not be used to support positions. Each
26 special responsibility constituent institution shall report
27 annually to the Board of Governors regarding how the institution
28 spent the funds made available under this section.

29 (e) For fiscal year 1998-99 and each subsequent fiscal year,
30 the reversions required in subsections (a) and (b) of this
31 section shall be available to each special responsibility
32 constituent institution of The University of North Carolina if
33 the constituent institution meets the following conditions
34 during the fiscal year 1998-99: the institution spent an amount
35 on technology equal to or greater than the total of (i) the
36 amount spent by the institution in the preceding fiscal year on
37 technology and (ii) the amount equal to or greater than one-half
38 of the reversion required in subsections (a) and (b) of this
39 section; for subsequent fiscal years, each special responsibility
40 constituent institution shall spend an amount on technology equal
41 to or greater than the amount expended on technology for the base
42 year 1998-99. Those funds made available under this subsection
43 shall be used by the institution at the campus level for any of
44 the following: the nonrecurring costs of technology, including

1 the installation of technology infrastructure for academic
2 facilities on the campus of the special responsibility
3 constituent institution, the implementation by the constituent
4 institution of its campus technology plan as approved by the
5 Board of Governors, or for libraries. The funds shall not be used
6 to support positions. Each special responsibility constituent
7 institution shall report annually to the Board of Governors
8 regarding how the institution spent the funds made available
9 under this section."

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CODE NO. 98UNC-H002-S

Requested by: Representatives Arnold, Grady, Preston

NATURAL RESOURCES LEADERSHIP INSTITUTE

1 Section 11.1. For the 1998-99 fiscal year, the
2 requirement for reversion of General Fund appropriations as
3 required by G.S. 116-30.3 for the Cooperative Extension Service
4 budget code at North Carolina State University is reduced by one
5 hundred seventy thousand dollars (\$170,000) in order to provide
6 funding for the Natural Resource Leadership Institute sponsored
7 by the Cooperative Extension Service.

8

CODE NO. 98UNC-H003-S

Requested by: Representatives Arnold, Gray, Preston

INCENTIVE SCHOLARSHIP FOR NATIVE AMERICANS

1 Section 11.2. Section 17.3(a) of Chapter 769, 1993
2 Session Laws, reads as rewritten:
3 "Sec. 17.3. (a) The Board of Governors of The University of
4 North Carolina shall establish the Incentive Scholarship Program
5 for Native Americans to provide opportunities for Native
6 Americans who are residents of North Carolina to attend
7 constituent institutions of The University of North Carolina
8 under rules adopted by the Board of Governors. Scholarships
9 awarded under the program shall carry a maximum value of three
10 thousand dollars (\$3,000) per recipient per academic year,
11 ~~reduced by any amount of need-based aid that the recipient may~~
12 ~~receive from Pell Grants, North Carolina Student Incentive~~
13 ~~Grants, Supplemental Educational Opportunity Grants, or the~~
14 ~~American Indian Student Legislative Grant Program.~~ to be awarded
15 after all other need-based grants for which the recipient is
16 eligible have been included in the student's financial aid
17 package. The maximum amount of the award shall not exceed the
18 cost of attendance budget used to calculate financial aid less
19 other need-based aid received, and in no case shall the award
20 exceed three thousand dollars (\$3,000). To be eligible for such
21 a scholarship, a student shall be a Native American, defined as
22 an individual who maintains cultural identification as a Native
23 American through membership in an Indian tribe recognized by the
24 United States or by the State of North Carolina or through other
25 tribal affiliation or community recognition."

CODE NO. 98UNC-H004-S

Requested by: Representatives Arnold, Grady, Preston

AID TO STUDENTS ATTENDING PRIVATE COLLEGES PROCEDURE

1 Section 11.3. Section 10.4 of S.L. 1997-443 reads as
2 rewritten:

3 "Section 10.4. (a) Funds appropriated in this act to the
4 Board of Governors of The University of North Carolina for aid to
5 private colleges shall be disbursed in accordance with the
6 provisions of G.S. 116-19, 116-21, and 116-22. These funds shall
7 provide up to ~~seven hundred fifty dollars (\$750.00)~~ nine hundred
8 dollars (\$900.00) per full-time equivalent North Carolina
9 undergraduate student enrolled at a private institution as of
10 October 1 each year.

11 These funds shall be placed in a separate, identifiable account
12 in each eligible institution's budget or chart of accounts. All
13 funds in this account shall be provided as scholarship funds for
14 needy North Carolina students during the fiscal year. Each
15 student awarded a scholarship from this account shall be notified
16 of the source of the funds and of the amount of the award. Funds
17 not utilized under G.S. 116-19 shall be available for the tuition
18 grant program as defined in subsection (b) of this section.

19 (b) In addition to any funds appropriated pursuant to G.S.
20 116-19 and in addition to all other financial assistance made
21 available to private educational institutions located within the
22 State, or to students attending these institutions, there is
23 granted to each full-time North Carolina undergraduate student
24 attending an approved institution as defined in G.S. 116-22, a
25 sum, not to exceed ~~one thousand four hundred fifty dollars~~
26 ~~(\$1,450)~~ one thousand six hundred dollars (\$1,600) per academic
27 year, which shall be distributed to the student as hereinafter
28 provided.

29 The tuition grants provided for in this section shall be
30 administered by the State Education Assistance Authority pursuant
31 to rules adopted by the State Education Assistance Authority not
32 inconsistent with this section. The State Education Assistance
33 Authority shall not approve any grant until it receives proper
34 certification from an approved institution that the student
35 applying for the grant is an eligible student. Upon receipt of
36 the certification, the State Education Assistance Authority shall
37 remit at such times as it shall prescribe the grant to the
38 approved institution on behalf, and to the credit, of the
39 student.

1 In the event a student on whose behalf a grant has been paid is
2 not enrolled and carrying a minimum academic load as of the tenth
3 classroom day following the beginning of the school term for
4 which the grant was paid, the institution shall refund the full
5 amount of the grant to the State Education Assistance Authority.
6 Each approved institution shall be subject to examination by the
7 State Auditor for the purpose of determining whether the
8 institution has properly certified eligibility and enrollment of
9 students and credited grants paid on the behalf of the students.

10 In the event there are not sufficient funds to provide each
11 eligible student with a full grant:

12 (1) The Board of Governors of The University of North
13 Carolina, with the approval of the Office of State
14 Budget and Management, may transfer available funds
15 to meet the needs of the programs provided by
16 subsections (a) and (b) of this section; and

17 (2) Each eligible student shall receive a pro rata
18 share of funds then available for the remainder of
19 the academic year within the fiscal period covered
20 by the current appropriation.

21 Any remaining funds shall revert to the General Fund.

22 (c) Expenditures made pursuant to this section may be used
23 only for secular educational purposes at nonprofit institutions
24 of higher learning. Expenditures made pursuant to this section
25 shall not be used for any student who:

26 (1) Is incarcerated in a State or federal correctional
27 facility for committing a Class A, B, B1, or B2
28 felony; or

29 (2) Is incarcerated in a State or federal correctional
30 facility for committing a Class C through I felony
31 and is not eligible for parole or release within 10
32 years.

33 (d) The State Education Assistance Authority shall document
34 the number of full-time equivalent North Carolina undergraduate
35 students that are enrolled in off-campus programs and the State
36 funds collected by each institution pursuant to G.S. 116-19 for
37 those students. The State Education Assistance Authority shall
38 also document the number of scholarships and the amount of the
39 scholarships that are awarded under G.S. 116-19 to students
40 enrolled in off-campus programs. An "off-campus program" is any
41 program offered for degree credit away from the institution's
42 main permanent campus.

43 The State Education Assistance Authority shall include in its
44 annual report to the Joint Legislative Education Oversight

1 Committee the information it has compiled and its findings
2 regarding this program."

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CODE NO. 98UNC-H005-S

Requested by: Representatives Arnold, Grady, Preston

UNC EQUITY FUNDS/CAPITAL FACILITIES STUDY

1 Section 11.4. Section 10.1 of S.L. 1997-443 reads as
2 rewritten:

3 "Section 10.1. (a) The funds appropriated to the Board of
4 Governors of The University of North Carolina for equity funds
5 are to address relative inequities in State operating funding
6 revealed through a study of the constituent institutions in the
7 university system. The General Assembly notes that the study
8 dealt with equity based upon current funding from State
9 appropriations and tuition for operations and did not consider
10 historical equity in funding for physical facilities or funding
11 from non-State sources. Therefore, in making this appropriation,
12 the General Assembly does not conclude that the total funding of
13 any institution, including specifically the historically black
14 universities, is adequate in light of all considerations.

15 (b) Based on findings of the Legislative Study Commission on
16 the Status of Education at The University of North Carolina, the
17 General Assembly is still concerned about perceived differences
18 in the quality of capital facilities on the different campuses,
19 which may impact the ability of some campuses to attract students
20 and faculty. Since the Board of Governors has recently completed
21 studies of equity of funding for operating costs among the
22 constituent institutions and of the Board of Governors' capital
23 improvements request process, it is timely that the question of
24 equity of facilities be addressed.

25 The Board of Governors of The University of North Carolina
26 shall study the relative equity and adequacy of the physical
27 facilities of its constituent institutions. The study shall
28 consider the condition of the facilities, whether or not
29 facilities are comparable among the campuses given the different
30 missions of the institutions, comparable adequacy of the physical
31 facilities given the size and projected growth of the school, and
32 such other factors deemed appropriate by the Board of Governors.
33 The study shall include all facilities contributing to the
34 accomplishment of the campuses' missions. First, the Board of
35 Governors shall study those facilities considered central to the
36 academic missions of the campuses that are generally supported
37 from General Fund appropriations. Secondly, the Board of
38 Governors shall study those facilities that contribute to the
39 overall missions of the campuses, including residential, dining,

1 research, and other facilities regardless of the sources of
2 funding. The Board of Governors shall consider its policies on
3 funding of self-liquidating projects and whether those policies
4 contribute to any inequities among the campuses, including the
5 overall costs to the students.

6 ~~The Board of Governors shall report to the General Assembly by~~
7 ~~January 15, 1999, with the results of its study. The report~~
8 ~~shall include recommendations to rectify any inequities or~~
9 ~~inadequacies found in the study.~~

10 (c) The Board of Governors shall contract with a private
11 consulting firm with expertise in higher education matters to
12 assess the additional capital needs of the constituent
13 institutions of The University of North Carolina. The needs
14 assessment shall project the needs for capital funding for a 10-
15 year period, and shall include a detailed plan for making funding
16 allocations based on the priorities of needs.

17 The plan shall provide a detailed capital spending plan for the
18 next 10 years to assist the General Assembly in making funding
19 decisions relating to The University of North Carolina, as the
20 State plans for major increases in enrollment in higher education
21 and prepares its citizens to compete in a global economy. The
22 plan shall include considerations of the costs and changes in
23 capital needs caused by new technologies and alternative systems
24 for delivery of higher education services.

25 The consultant shall visit each campus in The University of
26 North Carolina system to understand the needs of each campus
27 based on their assigned missions, physical needs, and plans.

28 The Board and its consultant shall provide interim progress
29 reports to the General Assembly on a periodic basis. The Board
30 of Governors shall report to the General Assembly by April 15,
31 1999, with the results of its study and plan.

32 Of the funds appropriated to the Board of Governors for fiscal
33 year 1998-99, up to two hundred fifty thousand dollars (\$250,000)
34 may be reallocated for the purposes of this section, including
35 funds that would normally revert to the General Fund at the end
36 of the fiscal year."

Requested by: Representatives Arnold, Grady, Preston

UNC DISTANCE EDUCATION

1 Section 11.7. This act provides funding to The
2 University of North Carolina Board of Governors for degree-
3 related courses provided away from the campus sites of the
4 constituent institutions of The University of North Carolina. The
5 intent of this commitment is to provide expanded opportunities
6 for higher education to more North Carolina residents, including
7 nontraditional students, and to increase the number of North
8 Carolina residents who earn post-secondary degrees.

9 These funds shall be used for the provision of off-
10 campus higher education programs, including the costs for the
11 development or adaptation of programs for this purpose, and the
12 funds may be used for the costs of providing space and services
13 at the off-campus sites.

14 Prior to approving funding for off-campus programs in
15 nursing, the Board shall consult with the central office of the
16 Area Health Education Centers (AHEC) to obtain information about
17 regional needs and priorities and to coordinate funding with AHEC
18 efforts in nursing education.

19 The Board of Governors shall track these funds
20 separately in order to provide data on the costs of providing
21 these programs, including the different costs for various methods
22 of delivery of educational programs. The Board of Governors shall
23 provide for evaluation of these off-campus programs, including
24 comparisons to the costs and quality of on-campus delivery of
25 similar programs, as well as the impact on access to higher
26 education and the educational attainment levels of North Carolina
27 residents. The Board shall provide a preliminary report to the
28 General Assembly by May 1, 2000, and subsequent evaluations,
29 including recommendations for changes, shall be made at least
30 biennially to the Joint Legislative Education Oversight
31 Committee.

CODE NO. 98UNC-H008-S

Requested by: Representatives Arnold, Grady, Preston

UNC APPLICATIONS POOL

1 Section 11.9. The Board of Governors of The University
2 of North Carolina shall create a system that provides for the
3 sharing of selected applications for admissions from North
4 Carolina residents among the constituent institutions. The intent
5 of the system shall be to increase the number of qualified North
6 Carolina high school graduates who participate in higher
7 education by providing information about applicants to other
8 schools as well as providing information to applicants about
9 alternative higher education opportunities in North Carolina. The
10 Board of Governors may cooperate with the State Board of
11 Community Colleges and with the private colleges and universities
12 in North Carolina in creating such a system.

13 The Board of Governors shall report on its progress in
14 developing such a system to the Joint Legislative Education
15 Oversight Committee by January 15, 1999.

Requested by: Representatives Arnold, Grady, Preston

PRIVATE COLLEGES/INCENTIVE FUNDS

1 Section 11.10. G.S. 116-20 reads as rewritten:
2 "\$116-20. Scholarship and contract terms; base period.
3 In order to encourage and assist private institutions to
4 educate additional numbers of North Carolinians, the Board of
5 Governors of the University of North Carolina is hereby
6 authorized to enter into contracts within the institutions under
7 the terms of which an institution receiving any funds that may be
8 appropriated pursuant to this section would agree that, during
9 any fiscal year in which such funds were received, the
10 institution would provide and administer scholarship funds for
11 needy North Carolina students in an amount at least equal to the
12 amount paid to the institution, pursuant to this section, during
13 the fiscal year. Under the terms of the contracts the Board of
14 Governors of the University of North Carolina would agree to pay
15 to the institutions, subject to the availability of funds, a
16 fixed sum of money for each North Carolina student enrolled as of
17 October 1 of any year for which appropriated funds may be
18 available, over and above the number of North Carolina students
19 enrolled in that institution as of October 1, ~~1970~~, 1997, which
20 shall be the base date for the purpose of this calculation. Funds
21 appropriated pursuant to this section shall be paid by the
22 ~~Department of Administration~~ State Education Assistance Authority
23 to an institution upon recommendation of the Board of Governors
24 of the University of North Carolina and on certification of the
25 institution showing the number of North Carolina students
26 enrolled at the institution as of October 1 of any year for which
27 funds may be appropriated over the number enrolled on the base
28 date. In the event funds are appropriated for expenditure
29 pursuant to this section and funds are also appropriated, for the
30 same fiscal year, for expenditure pursuant to G.S. 116-19,
31 students who are enrolled at an institution in excess of the
32 number enrolled on the base date may be counted under this
33 section for the purpose of calculating the amount to be paid to
34 the institution, but the same students may ~~not~~ also be counted
35 under G.S. 116-19, for the purpose of calculating payment to be
36 made under that section."

CODE NO. 98UNC-H010-S

Requested by: Representatives Arnold, Grady, Preston

SUSTAINABLE OYSTER AQUACULTURE STUDY

1 Section 11.11. (a) Of the funds appropriated in this
2 act to the Board of Governors of The University of North Carolina
3 for fiscal year 1998-99, the sum of one hundred thousand dollars
4 (\$100,000) shall be allocated to the Institute of Marine Sciences
5 at the University of North Carolina at Chapel Hill to study the
6 potential for sustainable oyster aquaculture of triploid
7 *Crassostrea sikamea* (Kumamoto), triploid *Crassostrea ariakensis*
8 (Suminoe), triploid *Crassostrea gigas* (Pacific), and triploid
9 *Ostrea edulis* (European flat). Testing shall be carried out
10 under a variety of environmental conditions, including, but not
11 limited to, the evaluation of oyster growth of each type of
12 oyster in polluted waters and the ability of each type of oyster
13 to purify polluted waters.

14 (b) The Primary Investigator or Researcher receiving
15 funding pursuant to subsection (a) of this section shall provide
16 progress reports to the Joint Legislative Commission on Seafood
17 and Aquaculture, the Environmental Review Commission, the Marine
18 Fisheries Commission, and the Fiscal Research Division on January
19 1 and July 1 of each year until the project or study is complete.
20 Upon completion of the project or study, the Primary Investigator
21 or Researcher shall provide a final report of its findings and
22 recommendations to the above entities.

23

CODE NO. 98UNC-H011C

Requested by: Representative Arnold

ESTABLISH UNC CENTER FOR SCHOOL LEADERSHIP DEVELOPMENT

1 Section @.(a) Chapter 116 of the General Statutes is
2 amended by adding a new Article to read:

3 "Article 5D

4 "Center for School Leadership Development.

5 "§ 116-74.50. Definitions.

6 As used in this Article, unless the context clearly indicates a
7 contrary intent:

- 8 (1) "Board of Governors" means the Board of Governors
9 of The University of North Carolina.
10 (2) "Board of Trustees" means the Board of Trustees of
11 the UNC Center for School Leadership Development.
12 (3) "Center" means the UNC Center for School Leadership
13 Development.
14 (4) "Director" means the executive director of the UNC
15 Center for School Leadership Development.
16 (5) "President" means the President of The University
17 of North Carolina.

18 "§ 116-74.51. UNC Center for School Leadership Development Board
19 of Trustees established; membership.

20 (a) There is established the Board of Trustees of the UNC
21 Center for School Leadership Development. The Board of Trustees
22 shall be responsible to the Board of Governors of The University
23 of North Carolina. Subject to G.S. 116-74.52, the Board of
24 Governors shall delegate to the Board of Trustees all the powers
25 and duties the Board of Governors considers necessary or
26 appropriate for the effective discharge of the functions of the
27 UNC Center for School Leadership Development.

28 (b) The Board of Trustees shall consist of 15 members appointed
29 as follows:

- 30 (1) The Chair, appointed by the the Board of Governors;
31 (2) One member of the Board of Governors appointed by
32 the Chair of the Board of Governors;
33 (3) One member of the State Board of Education
34 appointed by the Chair of the State Board of
35 Education;

- 1 (4) The Superintendent of Public Instruction, or a
2 designee;
3 (5) One Dean of a School of Education of a constituent
4 institution that offers an initial preparation
5 program for school administrators appointed by the
6 Chair of the Board of Governors after consultation
7 with the Chair of the State Board of Education;
8 (6) One professor of education administration appointed
9 by the Chair of the Board of Governors after
10 consultation with the Chair of the State Board of
11 Education;
12 (7) The President of the North Carolina Association of
13 Independent Colleges and Universities, or a
14 designee;
15 (8) One superintendent of a local school administrative
16 unit appointed by the Chair of the Board of
17 Governors after consultation with the Chair of the
18 State Board of Education;
19 (9) One public school principal appointed by the Chair
20 of the Board of Governors after consultation with
21 the Chair of the State Board of Education;
22 (10) One public school teacher appointed by the Chair of
23 the Board of Governors after consultation with the
24 Chair of the State Board of Education;
25 (11) Five at-large members appointed by the Chair of the
26 Board of Governors after consultation with the
27 Chair of the State Board of Education.

28 (c) Members appointed under subdivisions (1), (2), (3), (5),
29 and one at-large member shall serve until June 30, 2001. Members
30 appointed under subdivisions (6), (8), (9), and one at-large
31 member shall serve until June 30, 2000. The remaining at-large
32 members and the member appointed under subdivision (10) shall
33 serve until June 30, 1999. Subsequent appointments shall be for
34 three-year terms. Members may serve two consecutive three-year
35 terms.

36 "§ 116-74.52. Duties of the Board of Trustees of the UNC Center
37 for School Leadership Development.

38 (a) In addition to any powers and duties delegated to the
39 Board of Trustees by the Board of Governors, the Board of
40 Trustees shall:

1 (1) Develop, update, and monitor a long range plan for
2 coordinated professional development programs
3 offered through the Center.

4 (2) Develop and provide high quality, meaningful
5 professional development programs for professional
6 public school employees and school board members.

7 (b) The Board of Trustees shall incorporate into the long
8 range plan the recommendations made by the State Board of
9 Education under G.S. 115C-12(26). The Board of Trustees shall
10 submit the plan and any subsequent modifications and revisions to
11 the Board of Governors for approval. The Board of Trustees shall
12 provide copies of the approved plan to the State Board of
13 Education, the Joint Legislative Education Oversight Committee,
14 and the Governor.

15 (c) The professional development programs under the Center
16 shall reflect the long range plan developed by the Board of
17 Trustees. The programs also shall be aligned with State
18 education goals, shall be directed toward improving student
19 academic achievement, shall be developed collaboratively, and
20 shall be offered in geographically dispersed locations that are
21 convenient to local school administrative units.

22 "§ 116-74.53. UNC Center for School Leadership Development
23 established; programs; executive director.

24 (a) There is established the UNC Center for School Leadership
25 Development. The purpose of the Center is to provide high
26 quality, coordinated professional development programs to
27 professional public school employees and school board members.
28 The Center shall include the following professional development
29 programs and any other programs the Board of Governors determines
30 should be located within the Center:

- 31 (1) The Executive Leadership Academy.
32 (2) The North Carolina Center for the Advancement of
33 Teaching.
34 (3) The North Carolina Center for the Prevention of
35 School Violence.
36 (4) The North Carolina Mathematics and Science
37 Education Network.
38 (5) The North Carolina Teacher Academy.
39 (6) The Principal Fellows Program.
40 (7) The Principals' Executive Program.

1 (b) The Board of Governors shall appoint the executive
2 director for each professional development program located under
3 the Center. Except as otherwise provided by law, the Board of
4 Governors shall determine the scope, purpose, and mission, and
5 also may create a governing board for each professional
6 development program located under the Center. However, any
7 program governing board created under this subsection shall serve
8 in an advisory capacity to the Board of Trustees.

9 (c) The President of The University of North Carolina shall
10 appoint an executive director for the Center, subject to the
11 approval of the Board of Governors. The director shall have
12 responsibility for the professional development programs located
13 under the Center, and shall administer the long range plan on
14 behalf of the Board of Governors and the Board of Trustees."

15 (b) G.S. 116-30.01 is repealed.

16 (c) G.S. 116-74.6 reads as rewritten:

17 "\$ 116-74.6. North Carolina Center for the Advancement of
18 Teaching established; powers and duties of trustees. Teaching.

19 ~~The sums of five hundred thousand dollars (\$500,000) in fiscal~~
20 ~~year 1985-86 and two million dollars (\$2,000,000) in fiscal year~~
21 ~~1986-87 that are appropriated to the Board of Governors of The~~
22 ~~University of North Carolina in Section 2 of the 1985-87 Current~~
23 ~~Operations Appropriations Act shall be used to establish the~~
24 ~~North Carolina Center for the Advancement of Teaching at Western~~
25 ~~Carolina University in Jackson County. The Center shall operate~~
26 ~~under the general auspices of The University of North Carolina~~
27 ~~Board of Governors. It shall be the function of the North~~
28 ~~Carolina Center for the Advancement of Teaching (hereinafter~~
29 ~~called "NCCAT"), through itself or agencies with which it may~~
30 ~~contract, to provide career teachers with opportunities to study~~
31 ~~advanced topics in the sciences, arts, and humanities and to~~
32 ~~engage in informed discourse, assisted by able mentors and~~
33 ~~outstanding leaders from all walks of life; and otherwise to~~
34 ~~offer opportunity for teachers to engage in scholarly pursuits,~~
35 ~~through a center dedicated exclusively to the advancement of~~
36 ~~teaching as an art and as a profession.~~

37 The North Carolina Center for the Advancement of Teaching is
38 established under the Board of Governors of the University of
39 North Carolina. The Board of Governors shall determine the

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1 scope, purpose, and mission of the North Carolina Center for the
2 Advancement of Teaching.

3 ~~The Board of Governors of The University of North Carolina shall~~
4 ~~establish the North Carolina Center for the Advancement of~~
5 ~~Teaching Board of Trustees and shall delegate to the Board of~~
6 ~~Trustees all the powers and duties the Board of Governors~~
7 ~~considers necessary or appropriate for the effective discharge of~~
8 ~~the functions of NCCAT."~~

9 (d) G.S. 116-74.7 is repealed.

10 (e) G.S. 116-74.41(a) reads as rewritten:

11 "(a) There is established the North Carolina Principal Fellows
12 Commission. The Commission shall ~~exercise its powers and duties~~
13 ~~independently of the Board of Governors of The University of~~
14 ~~North Carolina~~ be responsible to the Board of Trustees of the
15 UNC Center for School Leadership Development. The Director of
16 the Principal Fellows Program shall staff the Commission. The
17 State Education Assistance Authority (SEAA) as created in G.S.
18 116-203 shall be responsible for implementing scholarship loan
19 agreements, monitoring, cancelling through service, collecting
20 and otherwise enforcing the agreements for the Principal Fellows
21 Program scholarship loans established in accordance with G.S.
22 116-74.42."

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CODE NO. 98UNC-H012

Requested by: Representatives Arnold, Grady, Preston

INCREASE THE NUMBER OF SCHOOL ADMINISTRATOR PROGRAMS THAT MAY BE ESTABLISHED BY UNC BOARD OF GOVERNORS

1 Section @.(a) G.S. 116-74.21(b) reads as rewritten:
2 "(b) No more than ~~eight~~ nine school administrator programs
3 shall be established under the competitive proposal program. In
4 selecting campus sites, the Board of Governors shall be sensitive
5 to the racial, cultural, and geographic diversity of the State.
6 Special priority shall be given to the following factors: (i) the
7 historical background of the institutions in training educators;
8 (ii) the ability of the sites to serve the geographic regions of
9 the State, such as, the far west, the west, the triad, the
10 piedmont, and the east; and, (iii) whether the type of roads and
11 terrain in a region make commuting difficult. A school
12 administrator program may provide for instruction at one or more
13 campus sites."
14 (b) The Board of Governors of The University of North
15 Carolina shall include the Master of School Administration
16 program at North Carolina State University in Raleigh as one of
17 the nine school administrator programs established pursuant to
18 G.S. 116-74.21.

CODE NO. 98UNC-H015D-S

Requested by: Representatives Arnold, Grady, Preston

UNC HOSPITALS/MANAGEMENT FLEXIBILITY

1 Section 11.8. (a) G.S. 116-37 reads as rewritten:
2 "§ 116-37. University of North Carolina Hospitals at Chapel
3 Hill.

4 (a) Composition. -- The Board of Governors of the University
5 of North Carolina is hereby directed to create a board of
6 directors for the University of North Carolina Hospitals at
7 Chapel Hill consisting of 12 members of which nine shall be
8 appointed by the Board of Governors. Three members ex officio of
9 said board shall be the University of North Carolina at Chapel
10 Hill Vice-Chancellor for Health Affairs, University of North
11 Carolina at Chapel Hill Vice-Chancellor for Business and Finance,
12 and the Dean of the University of North Carolina at Chapel Hill
13 Medical School, or successors to these offices under other titles
14 with similar responsibilities. Nine members shall be appointed
15 from the business and professional public-at-large, none of whom
16 shall be Governors of the University, and, thereafter, the nine
17 appointive members shall select one of their number to serve as
18 chairman. Members of this board shall include, but not be limited
19 to, persons with special competence in business management,
20 hospital administration, and medical practice not affiliated with
21 University faculty. The Governors may remove any member for
22 cause. Board members, other than ex officio members, shall each
23 receive such per diem and necessary travel and subsistence
24 expenses while engaged in the discharge of their official duties
25 as is provided by law for members of State boards and commissions
26 generally.

27 (a1) Appointment to Board. -- Each of the nine persons who, as
28 of June 30, 1989, is serving as an appointed member of the Board
29 shall be reassigned by the Governors, each to a different term,
30 ending June 30, 1989, June 30, 1990, June 30, 1991, June 30,
31 1992, June 30, 1993, June 30, 1994, June 30, 1995, June 30, 1996,
32 or June 30, 1997. After July 1, 1989, the term of office for new
33 appointments shall commence on July 1, and all members shall
34 serve for four-year terms; provided, however, that no person may
35 be appointed to (i) more than three full four-year terms in
36 succession, or (ii) a four-year term if preceded immediately by
37 12 years of service. Resignation from a term of office shall not
38 constitute a break in service for the purpose of this subsection.

1 Board member vacancies shall be filled by the Governors for the
2 remainder of the unexpired term.

3 (b) Meetings and Powers of Board. -- The board of directors
4 shall meet at least every 60 days and may hold special meetings
5 at any time and place within the State at the call of its
6 chairman. The board of directors shall make rules, regulations,
7 and policies governing the management and operation of the
8 University of North Carolina Hospitals at Chapel Hill, consistent
9 with basic State statutes and procedures, to meet the goals of
10 education, research, patient care, and community service. The
11 board's action on matters within its jurisdiction is final,
12 except that appeals may be made, in writing, to the Board of
13 Governors with a copy of the appeal to the University
14 administration. The board of directors shall elect and may remove
15 the executive director of the University of North Carolina
16 Hospitals at Chapel Hill. The board of directors may enter into
17 formal agreements with the University of North Carolina at Chapel
18 Hill, Division of Health Affairs, with respect to the provision
19 of clinical experience for students and may also enter into
20 formal agreements with the University of North Carolina at Chapel
21 Hill for the provision of maintenance and supporting services.

22 (c) Executive Director. -- The chief administrative officer of
23 the University of North Carolina Hospitals at Chapel Hill shall
24 be the executive director, who shall be appointed by the board of
25 directors to serve at its pleasure. The executive director shall
26 administer the affairs of the University of North Carolina
27 Hospitals at Chapel Hill subject to the duly adopted policies,
28 rules, and regulations of the board of directors, including the
29 appointment, promotion, demotion, and discharge of all personnel.
30 The executive director shall report to the board of directors
31 quarterly or more often as required. The executive director will
32 serve as secretary to the board of directors.

33 (d) Personnel. -- The University of North Carolina Hospitals
34 at Chapel Hill shall maintain a personnel office for personnel
35 administration. ~~Notwithstanding the provisions of Chapter 126 of~~
36 ~~the General Statutes to the contrary, the Board of Directors of~~
37 ~~the University of North Carolina Hospitals at Chapel Hill shall~~
38 ~~establish policies and rules governing the study and~~
39 ~~implementation of competitive position classification and~~
40 ~~compensation plans for registered and licensed practical nurse~~
41 ~~positions that have been approved by the Board of Directors.~~
42 ~~These plans shall provide for minimum, maximum, and intermediate~~
43 ~~rates of pay, and may include provisions for range revisions and~~
44 ~~shift premium pay and for salary adjustments to address internal~~

1 ~~inequities, job performance, and market conditions. The Office of~~
2 ~~State Personnel shall review the classification and compensation~~
3 ~~plans on an annual basis. All changes in compensation plans for~~
4 ~~these registered and licensed practical nurse positions shall be~~
5 ~~submitted to the Office of State Personnel upon implementation.~~
6 All employees of the University of North Carolina Hospitals at
7 Chapel Hill shall be deemed to be employees of the State and
8 shall be subject to all provisions of State law relevant thereto;
9 provided, however, that except as to the provisions of Articles
10 5, 6, and 7 of Chapter 126 of the General Statutes, the
11 provisions of Chapter 126 shall not apply to employees of the
12 University of North Carolina Hospitals at Chapel Hill, and the
13 policies and procedures governing the terms and conditions of
14 employment of such employees shall be adopted by the Board of
15 Directors.

16 (1) The Board of Directors shall fix or approve the
17 schedules of pay, expense allowances, and other
18 compensation and adopt position classification
19 plans for all employees of the University of North
20 Carolina Hospitals at Chapel Hill.

21 (2) The Board of Directors shall adopt or provide for
22 rules and regulations concerning, but not limited
23 to, annual leave, sick leave, special leave with
24 full pay or with partial pay supplementing workers'
25 compensation payments for employees injured in
26 accidents arising out of and in the course of
27 employment, working conditions, service awards, and
28 incentive award programs, grounds for dismissal,
29 demotion, or discipline, other personnel policies,
30 and any other measures that promote the hiring and
31 retention of capable, diligent, and effective
32 career employees. However, an employee who has
33 achieved career State employee status as defined by
34 G.S. 126-1.1 by October 31, 1998, shall not have
35 his or her compensation reduced as a result of this
36 subdivision. Further, an employee who has achieved
37 career State employee status as defined by G.S.
38 126-1.1 by October 31, 1998, shall be subject to
39 the rules regarding discipline or discharge that
40 were effective on October 31, 1998, and shall not
41 be subject to the rules regarding discipline or
42 discharge adopted after October 31, 1998.

43 (3) The Board of Directors may prescribe the office
44 hours, workdays, and holidays to be observed by the

1 various offices and departments of the University
2 of North Carolina Hospitals at Chapel Hill.

3 (4) The Board of Directors shall establish boards,
4 committees, or councils to conduct hearings upon
5 the appeal of employees who have been suspended,
6 demoted, otherwise disciplined, or discharged, to
7 hear employee grievances, or to undertake any other
8 duties relating to personnel administration that
9 the Board of Directors may direct.

10 (e) Finances. -- The University of North Carolina Hospitals at
11 Chapel Hill shall be subject to the provisions of the Executive
12 Budget Act. There shall be maintained a business and budget
13 office to administer the budget and financial affairs of the
14 University of North Carolina Hospitals at Chapel Hill. The
15 executive director, subject to the board of directors, shall be
16 responsible for all aspects of budget preparation, budget
17 execution, and expenditure reporting. Subject to the approval of
18 the Director of the Budget: All operating funds of the University
19 of North Carolina Hospitals at Chapel Hill may be budgeted and
20 disbursed through a special fund code, all receipts of the
21 University of North Carolina Hospitals at Chapel Hill may be
22 deposited directly to the special fund code; and general fund
23 appropriations for support of the University of North Carolina
24 Hospitals at Chapel Hill may be budgeted in a general fund code
25 under a single purpose, "Contribution to University of North
26 Carolina Hospitals at Chapel Hill Operations" and be transferable
27 to the special fund operating code as receipts. Prior to taking
28 any action under this subsection, the Director of the Budget may
29 consult with the Advisory Budget Commission.

30 (e1) Finances -- Patient/Hospital Benefit. -- The Executive
31 Director of the University of North Carolina Hospitals at Chapel
32 Hill or the Director's designee, may expend operating budget
33 funds, including State funds, of the University of North Carolina
34 Hospitals at Chapel Hill for the direct benefit of a patient,
35 when, in the judgment of the Executive Director or the Director's
36 designee, the expenditure of these funds would result in a
37 financial benefit to the University of North Carolina Hospitals
38 at Chapel Hill. Any such expenditures are declared to result in
39 the provision of medical services and create charges of the
40 University of North Carolina Hospitals at Chapel Hill for which
41 the hospitals may bill and pursue recovery in the same way as
42 allowed by law for recovery of other hospitals' charges for
43 services that are unpaid.

1 These expenditures shall be limited to no more than seven
2 thousand five hundred dollars (\$7,500) per patient per admission
3 and shall be restricted (i) to situations in which a patient is
4 financially unable to afford ambulance or other transportation
5 for discharge; (ii) to afford placement in an after-care facility
6 pending approval of third party entitlement benefits; (iii) to
7 assure availability of a bed in an after-care facility after
8 discharge from the hospitals; (iv) to secure equipment or other
9 medically appropriate services after discharge; (v) or to pay
10 health insurance premiums. The Executive Director or the
11 Director's designee shall reevaluate at least once a month the
12 cost-effectiveness of any continuing payment on behalf of a
13 patient.

14 To the extent that the University of North Carolina Hospitals
15 at Chapel Hill advance anticipated government entitlement
16 benefits for a patient's benefit, for which the patient later
17 receives a lump sum "backpay" award from an agency of the State,
18 whether for the current admission or subsequent admission, the
19 State agency shall withhold from this backpay an amount equal to
20 the sum advanced on the patient's behalf by the University of
21 North Carolina Hospitals at Chapel Hill, if, prior to the
22 disbursement of the backpay, the applicable State program has
23 received notice from the University of North Carolina Hospitals
24 at Chapel Hill of the advancement.

25 (f) Purchases. -- ~~The University of North Carolina Hospitals~~
26 ~~at Chapel Hill shall be subject to all provisions of Articles 3~~
27 ~~and 3A of Chapter 143 of the General Statutes relating to the~~
28 ~~Department of Administration, Purchase and Contract Division.~~
29 There shall be maintained a purchasing office to handle all
30 purchasing requirements of the University of North Carolina
31 Hospitals at Chapel Hill. The Purchase and Contract Division may
32 enter into such arrangements with the board of directors as the
33 Division may deem necessary in consideration of the special
34 requirements of the University of North Carolina Hospitals at
35 Chapel Hill for procurement of certain supplies, materials,
36 equipments and services. Notwithstanding the provisions of
37 Articles 3 and 3A of Chapter 143 of the General Statutes to the
38 contrary, the Board of Directors shall establish policies and
39 regulations governing the purchasing requirements of the
40 University of North Carolina Hospitals at Chapel Hill. These
41 policies and regulations shall provide for requests for
42 proposals, competitive bidding or purchasing by means other than
43 competitive bidding, contract negotiations and contract awards
44 for purchasing supplies, materials, equipment, and services which

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1 are necessary and appropriate to fulfill the clinical,
2 educational, research, and community service missions of the
3 University of North Carolina Hospitals at Chapel Hill. The Board
4 of Directors shall seek the advice of the Director of the
5 Purchase and Contract Division on an annual basis concerning the
6 adequacy of the University of North Carolina Hospitals at Chapel
7 Hill management staff and internal controls to administer the
8 additional authorities authorized under this section.

9 (g) Property. -- ~~The board of directors shall be responsible~~
10 ~~to the University Board of Governors for the maintenance,~~
11 ~~operation, and control of the University of North Carolina~~
12 ~~Hospitals at Chapel Hill and grounds.~~ Notwithstanding the
13 provisions of Article 6 of Chapter 146 of the General Statutes to
14 the contrary, the Board of Directors shall establish rules and
15 regulations to perform the functions otherwise prescribed for the
16 Department of Administration in acquiring or disposing of any
17 interest in real property by the University of North Carolina
18 Hospitals at Chapel Hill. These rules and regulations shall
19 include provisions for development of specifications,
20 advertisement, and negotiations with owners for acquisition by
21 purchase, gift, lease, or rental, but not by condemnation or
22 exercise of eminent domain, on behalf of the University of North
23 Carolina Hospitals at Chapel Hill. This section does not
24 authorize the Board of Directors to encumber real property. The
25 Board of Directors shall seek the advice of the State Property
26 Office on an annual basis concerning the adequacy of the
27 University of North Carolina Hospitals at Chapel Hill management
28 staff and internal controls to administer the additional
29 authorities permitted by this section. After review by the
30 Attorney General as to form and after the consummation of any
31 such acquisition, the University of North Carolina Hospitals at
32 Chapel Hill shall promptly file a report concerning the
33 acquisition or disposition with the Governor and Council of
34 State.

35 (h) Patient Information. -- The University of North Carolina
36 Hospitals at Chapel Hill shall, at the earliest possible
37 opportunity, specifically make a verbal and written request to
38 each patient to disclose the patient's Social Security number, if
39 any. If the patient does not disclose that number, the
40 University of North Carolina Hospitals at Chapel Hill shall deny
41 benefits, rights, and privileges of the University of North
42 Carolina Hospitals at Chapel Hill to the patient as soon as
43 practical, to the maximum extent permitted by federal law or
44 federal regulations. The University of North Carolina Hospitals

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1 at Chapel Hill shall make the disclosure to the patient required
2 by Section 7(b) of P.L. 93-579. This subsection is supplementary
3 to G.S. 105A-3(c).

4 (i) Property Construction. -- Notwithstanding G.S. 143-341(3)
5 and G.S. 143-135.1, the Board of Directors shall, with respect to
6 the design, construction, and renovation of buildings, utilities,
7 and other property developments of the University of North
8 Carolina Hospitals at Chapel Hill requiring the expenditure of
9 public money:

10 (1) Conduct the fee negotiations for all design
11 contracts and supervise the letting of all
12 construction and design contracts.

13 (2) Develop procedures governing the responsibilities
14 of the University of North Carolina Hospitals at
15 Chapel Hill to perform the duties of the Department
16 of Administration, the Office of State
17 Construction, and the State Building Commission
18 under G.S. 133-1.1(d), Article 8 of Chapter 143 of
19 the General Statutes, and G.S. 143-341(3).

20 (3) Develop procedures and limitations governing the
21 use of open-end design agreements.

22 (4) As appropriate, submit construction documents for
23 review and approval by the Department of Insurance
24 and the Division of Facility Services of the
25 Department of Human Resources.

26 (5) Use the standard contracts for design and
27 construction currently in use for State capital
28 improvement projects by the Office of State
29 Construction of the Department of Administration.

30 (6) Seek the advice of the Director of the Office of
31 State Construction on an annual basis concerning
32 the adequacy of the University of North Carolina
33 Hospitals at Chapel Hill management staff and
34 internal controls to administer the additional
35 authorities authorized by this section."

36 (b) G.S. 126-5 is amended by adding a new subsection to
37 read:

38 "(c8) Except as to the provisions of Articles 5, 6, and 7 of
39 this Chapter, the provisions of this Chapter shall not apply to:

40 (1) Employees of the University of North Carolina
41 Hospitals at Chapel Hill.

42 (2) Employees of the Medical Faculty Practice Plan, a
43 Division of the School of Medicine of East Carolina
44 University.

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1 (3) Employees of UNC Physicians and Associates, a
2 Division of the School of Medicine of the
3 University of North Carolina at Chapel Hill."

4 (c) G.S. 143-56 reads as rewritten:

5 "§ 143-56. Certain purchases excepted from provisions of
6 Article.

7 Unless as may otherwise be ordered by the Secretary of
8 Administration, the purchase of supplies, materials and equipment
9 through the Secretary of Administration shall be mandatory in the
10 following cases:

11 (1) Published books, manuscripts, maps, pamphlets and
12 periodicals.

13 (2) Perishable articles such as fresh vegetables, fresh
14 fish, fresh meat, eggs, and others as may be
15 classified by the Secretary of Administration.

16 Purchase through the Secretary of Administration shall not be
17 mandatory for a purchase of supplies, materials or equipment for
18 the General Assembly if the total expenditures is less than the
19 expenditure benchmark established under the provisions of G.S.
20 ~~143-53.1 or 143-53.1~~, for group purchases made by hospitals
21 through a competitive bidding purchasing program, as defined in
22 G.S. ~~143-129~~, 143-129, by the University of North Carolina
23 Hospitals at Chapel Hill pursuant to G.S. 116-37(f), by the
24 University of North Carolina at Chapel Hill on behalf of UNC
25 Physicians and Associates pursuant to G.S. 116-37.2(c), or by
26 East Carolina University on behalf of the Medical Faculty
27 Practice Plan pursuant to G.S. 116-40.6(c).

28 All purchases of the above articles made directly by the
29 departments, institutions and agencies of the State government
30 shall, whenever possible, be based on competitive bids. Whenever
31 an order is placed or contract awarded for such articles by any
32 of the departments, institutions and agencies of the State
33 government, a copy of such order or contract shall be forwarded
34 to the Secretary of Administration and a record of the
35 competitive bids upon which it was based shall be retained for
36 inspection and review."

37 (d) G.S. 146-22 reads as rewritten:

38 "§ 146-22. All acquisitions to be made by Department of
39 Administration.

40 Every acquisition of land on behalf of the State or any State
41 agency, whether by purchase, condemnation, lease, or rental,
42 shall be made by the Department of Administration and approved by
43 the Governor and Council of State; provided that if the proposed
44 acquisition is a purchase of land with an appraised value of at

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1 least twenty-five thousand dollars (\$25,000), and the
2 acquisition is for other than a transportation purpose, the
3 acquisition may only be made after consultation with the Joint
4 Legislative Commission on Governmental ~~Operations~~ Operations;
5 and provided further, that acquisitions on behalf of the
6 University of North Carolina Hospitals at Chapel Hill shall be
7 made in accordance with G.S. 116-37(g), acquisitions on behalf of
8 the UNC Physicians and Associates shall be made in accordance
9 with G.S. 116-37.2(d), and acquisitions on behalf of the Medical
10 Faculty Practice Plan made in accordance with G.S. 116-40.6(d).
11 In determining whether the appraised value is at least
12 twenty-five thousand dollars (\$25,000), the value of the property
13 in fee simple shall be used. The State may not purchase land as a
14 tenant-in-common without consultation with the Joint Legislative
15 Commission on Governmental Operations if the appraised value of
16 the property in fee simple is at least twenty-five thousand
17 dollars (\$25,000)."

18 (e) G.S. 133-1.1(d) reads as rewritten:

19 "(d) On projects on which no registered architect or engineer
20 is required pursuant to the provisions of this section, the
21 governing board or awarding authority shall require a certificate
22 of compliance with the State Building Code from the city or
23 county inspector for the specific trade or trades involved or
24 from a registered architect or engineer, except that the
25 provisions of this subsection shall not apply on projects (i)
26 wherein plans and specifications are approved by the Department
27 of Administration, Division of State Construction, and the
28 completed project is inspected by the Division of State
29 Construction and the State Electrical Inspector, (ii) that are
30 exempt from the State Building Code, or (iii) that are subject to
31 G.S. 116-31.11 and the completed project is inspected by the
32 State Electrical Inspector and by The University of North
33 Carolina or its constituent or affiliated institution, (iv)
34 that are subject to G.S. 116-37(i) and the completed project is
35 inspected by the State Electrical Inspector and by the University
36 of North Carolina Hospitals at Chapel Hill, (v) that are subject
37 to G.S. 116-37.2(e) and the completed project is inspected by the
38 State Electrical Inspector and by the University of North
39 Carolina at Chapel Hill on behalf of the UNC Physicians and
40 Associates, or (vi) that are subject to G.S. 116-40.6(e) and the
41 completed project is inspected by the State Electrical Inspector
42 and by East Carolina University on behalf of the Medical Faculty
43 Practice Plan."

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1 (f) Chapter 116 of the General Statutes is amended by
2 adding the following:

3 "§ 116-37.2. The University of North Carolina Physicians and
4 Associates.

5 (a) UNC Physicians and Associates. -- "UNC Physicians and
6 Associates," a division of the School of Medicine of the
7 University of North Carolina at Chapel Hill, operates clinical
8 programs and facilities for the purpose of providing medical care
9 to the general public and training physicians and other health
10 care professionals.

11 (b) Personnel. -- All employees of UNC Physicians and
12 Associates shall be deemed to be employees of the State and shall
13 be subject to all provisions of State law relevant thereto;
14 provided, however, that except as to the provisions of Articles
15 5, 6, and 7 of Chapter 126 of the General Statutes, the
16 provisions of Chapter 126 shall not apply to employees of UNC
17 Physicians and Associates, and the policies and procedures
18 governing the terms and conditions of employment of such
19 employees shall be adopted by the Board of Trustees of the
20 University of North Carolina at Chapel Hill; provided, that with
21 respect to such employees as may be members of the faculty of the
22 University of North Carolina at Chapel Hill, no such policies and
23 procedures may be inconsistent with policies established by, or
24 adopted pursuant to delegation from, the Board of Governors of
25 the University of North Carolina. Such policies and procedures
26 shall be implemented on behalf of UNC Physicians and Associates
27 by a personnel office maintained by the University of North
28 Carolina at Chapel Hill.

29 (1) The Board of Trustees shall fix or approve the
30 schedules of pay, expense allowances, and other
31 compensation and adopt position classification
32 plans for employees of UNC Physicians and
33 Associates.

34 (2) The Board of Trustees may adopt or provide for
35 rules and regulations concerning, but not limited
36 to, annual leave, sick leave, special leave with
37 full pay or with partial pay supplementing workers'
38 compensation payments for employees injured in
39 accidents arising out of and in the course of
40 employment, working conditions, service awards, and
41 incentive award programs, grounds for dismissal,
42 demotion, or discipline, other personnel policies,
43 and any other measures that promote the hiring and
44 retention of capable, diligent, and effective

1 career employees. However, an employee who has
2 achieved career State employee status as defined by
3 G.S. 126-1.1 by October 31, 1998, shall not have
4 his or her compensation reduced as a result of
5 this subdivision. Further, an employee who has
6 achieved career State employee status as defined by
7 G.S. 126-1.1 by October 31, 1998, shall be subject
8 to the rules regarding discipline or discharge that
9 were effective on October 31, 1998, and shall not
10 be subject to the rules regarding discipline or
11 discharge adopted after October 31, 1998.

12 (3) The Board of Trustees may prescribe the office
13 hours, workdays, and holidays to be observed by the
14 various offices and departments of UNC Physicians
15 and Associates.

16 (4) The Board of Trustees shall establish boards,
17 committees, or councils to conduct hearings upon
18 the appeal of employees who have been suspended,
19 demoted, otherwise disciplined, or discharged, to
20 hear employee grievances, or to undertake any other
21 duties relating to personnel administration that
22 the Board of Trustees may direct.

23 (c) Purchases. -- Notwithstanding the provisions of Articles 3
24 and 3A of Chapter 143 of the General Statutes to the contrary,
25 the Board of Trustees of the University of North Carolina at
26 Chapel Hill shall establish policies and regulations governing
27 the purchasing requirements of UNC Physicians and Associates.
28 These policies and regulations shall provide for requests for
29 proposals, competitive bidding or purchasing by means other than
30 competitive bidding, contract negotiations and contract awards
31 for purchasing supplies, materials, equipment, and services which
32 are necessary and appropriate to fulfill the clinical and
33 educational missions of UNC Physicians and Associates. Pursuant
34 to such policies and regulations, purchases for UNC Physicians
35 and Associates shall be effected by a purchasing office
36 maintained by the University of North Carolina at Chapel Hill.
37 The Board of Trustees shall seek the advice of the Director of
38 the Purchase and Contract Division on an annual basis concerning
39 the adequacy of the University of North Carolina at Chapel Hill
40 management staff and internal controls to administer the
41 additional authorities authorized under this section.

42 (d) Property. -- Notwithstanding the provisions of Article 6
43 of Chapter 146 of the General Statutes to the contrary, the Board
44 of Trustees shall establish rules and regulations to perform the

1 functions otherwise prescribed for the Department of
2 Administration in acquiring or disposing of any interest in real
3 property for the use of UNC Physicians and Associates. These
4 rules and regulations shall include provisions for development of
5 specifications, advertisement, and negotiations with owners for
6 acquisition by purchase, gift, lease, or rental, but not by
7 condemnation or exercise of eminent domain, on behalf of UNC
8 Physicians and Associates. This section does not authorize the
9 Board of Trustees to encumber real property. Such rules and
10 regulations shall be implemented by a property office maintained
11 by the University of North Carolina at Chapel Hill. The Board of
12 Trustees shall seek the advice of the State Property Office on an
13 annual basis concerning the adequacy of the University of North
14 Carolina at Chapel Hill management staff and internal controls to
15 administer the additional authorities permitted by this section.
16 After review by the Attorney General as to form and after the
17 consummation of any such acquisition, the University of North
18 Carolina at Chapel Hill shall promptly file, on behalf of UNC
19 Physicians and Associates, a report concerning the acquisition or
20 disposition with the Governor and Council of State.

21 (e) Property Construction. -- Notwithstanding G.S. 143-341(3)
22 and G.S. 143-135.1, the Board of Trustees shall adopt policies
23 and procedures to be implemented by the administration of the
24 University of North Carolina at Chapel Hill, with respect to the
25 design, construction, and renovation of buildings, utilities, and
26 other property developments for the use of UNC Physicians and
27 Associates, requiring the expenditure of public money for:

- 28 (1) Conducting the fee negotiations for all design
29 contracts and supervising the letting of all
30 construction and design contracts.
- 31 (2) Performing the duties of the Department of
32 Administration, the Office of State Construction,
33 and the State Building Commission under G.S. 133-
34 1.1(d), Article 8 of Chapter 143 of the General
35 Statutes, and G.S. 143-341(3).
- 36 (3) Using open-end design agreements.
- 37 (4) As appropriate, submitting construction documents
38 for review and approval by the Department of
39 Insurance and the Division of Facility Services of
40 the Department of Human Resources.
- 41 (5) Using the standard contracts for design and
42 construction currently in use for State capital
43 improvement projects by the Office of State
44 Construction of the Department of Administration.

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1 The Board of Trustees shall seek the advice of the Director of
2 the Office of State Construction on an annual basis concerning
3 the adequacy of the University of North Carolina at Chapel Hill
4 management staff and internal controls to administer the
5 additional authorities authorized by this section.

6 "§ 116-40.6. East Carolina University Medical Faculty Practice
7 Plan.

8 (a) Medical Faculty Practice Plan. -- The "Medical Faculty
9 Practice Plan," a division of the School of Medicine of East
10 Carolina University, operates clinical programs and facilities
11 for the purpose of providing medical care to the general public
12 and training physicians and other health care professionals.

13 (b) Personnel. -- Employees of the Medical Faculty Practice
14 Plan shall be deemed to be employees of the State and shall be
15 subject to all provisions of State law relevant thereto;
16 provided, however, that except as to the provisions of Articles
17 5, 6, and 7 of Chapter 126 of the General Statutes, the
18 provisions of Chapter 126 shall not apply to employees of the
19 Medical Faculty Practice Plan, and the policies and procedures
20 governing the terms and conditions of employment of such
21 employees shall be adopted by the Board of Trustees of East
22 Carolina University; provided, that with respect to such
23 employees as may be members of the faculty of East Carolina
24 University, no such policies and procedures may be inconsistent
25 with policies established by, or adopted pursuant to delegation
26 from, the Board of Governors of the University of North Carolina.
27 Such policies and procedures shall be implemented on behalf of
28 the Medical Faculty Practice Plan by a personnel office
29 maintained by East Carolina University.

30 (1) The Board of Trustees shall fix or approve the
31 schedules of pay, expense allowances, and other
32 compensation and adopt position classification
33 plans for employees of the Medical Faculty Practice
34 Plan.

35 (2) The Board of Trustees may adopt or provide for
36 rules and regulations concerning, but not limited
37 to, annual leave, sick leave, special leave with
38 full pay or with partial pay supplementing workers'
39 compensation payments for employees injured in
40 accidents arising out of and in the course of
41 employment, working conditions, service awards, and
42 incentive award programs, grounds for dismissal,
43 demotion, or discipline, other personnel policies,
44 and any other measures that promote the hiring and

1 retention of capable, diligent, and effective
2 career employees. However, an employee who has
3 achieved career State employee status as defined by
4 G.S. 126-1.1 by October 31, 1998, shall not have
5 his or her compensation reduced as a result of this
6 subdivision. Further, an employee who has achieved
7 career State employee status as defined by G.S.
8 126-1.1 by October 31, 1998, shall be subject to
9 the rules regarding discipline or discharge that
10 were effective on October 31, 1998, and shall not
11 be subject to the rules regarding discipline or
12 discharge adopted after October 31, 1998.

13 (3) The Board of Trustees may prescribe the office
14 hours, workdays, and holidays to be observed by the
15 various offices and departments of the Medical
16 Faculty Practice Plan.

17 (4) The Board of Trustees shall establish boards,
18 committees or councils to conduct hearings upon the
19 appeal of employees who have been suspended,
20 demoted, otherwise disciplined, or discharged, to
21 hear employee grievances, or to undertake any other
22 duties relating to personnel administration that
23 the Board of Trustees may direct.

24 (c) Purchases. -- Notwithstanding the provisions of Articles 3
25 and 3A of Chapter 143 of the General Statutes to the contrary,
26 the Board of Trustees of East Carolina University shall establish
27 policies and regulations governing the purchasing requirements of
28 the Medical Faculty Practice Plan. These policies and
29 regulations shall provide for requests for proposals, competitive
30 bidding or purchasing by means other than competitive bidding,
31 contract negotiations and contract awards for purchasing
32 supplies, materials, equipment, and services which are necessary
33 and appropriate to fulfill the clinical and educational missions
34 of the Medical Faculty Practice Plan. Pursuant to such policies
35 and regulations, purchases for the Medical Faculty Practice Plan
36 shall be effected by a purchasing office maintained by East
37 Carolina University. The Board of Trustees shall seek the advice
38 of the Director of the Purchase and Contract Division on an
39 annual basis concerning the adequacy of the East Carolina
40 University management staff and internal controls to administer
41 the additional authorities authorized under this section.

42 (d) Property. -- Notwithstanding the provisions of Article 6
43 of Chapter 146 of the General Statutes to the contrary, the Board
44 of Trustees shall establish rules and regulations to perform the

1 functions otherwise prescribed for the Department of
2 Administration in acquiring or disposing of any interest in real
3 property for the use of the Medical Faculty Practice Plan. These
4 rules and regulations shall include provisions for development of
5 specifications, advertisement, and negotiations with owners for
6 acquisition by purchase, gift, lease, or rental, but not by
7 condemnation or exercise of eminent domain, on behalf of the
8 Medical Faculty Practice Plan. This section does not authorize
9 the Board of Trustees to encumber real property. Such rules and
10 regulations shall be implemented by a property office maintained
11 by East Carolina University. The Board of Trustees shall seek
12 the advice of the State Property Office on an annual basis
13 concerning the adequacy of the East Carolina University
14 management staff and internal controls to administer the
15 additional authorities permitted by this section. After review
16 by the Attorney General as to form and after the consummation of
17 any such acquisition, East Carolina University shall promptly
18 file, on behalf of the Medical Faculty Practice Plan, a report
19 concerning the acquisition or disposition with the Governor and
20 Council of State.

21 (e) Property Construction. -- Notwithstanding G.S. 143-341(3)
22 and G.S. 143-135.1, the Board of Trustees shall adopt policies
23 and procedures, to be implemented by the administration of East
24 Carolina University, with respect to the design, construction,
25 and renovation of buildings, utilities, and other property
26 developments for the use of the Medical Faculty Practice Plan,
27 requiring the expenditure of public money for:

- 28 (1) Conducting the fee negotiations for all design
29 contracts and supervising the letting of all
30 construction and design contracts.
- 31 (2) Performing the duties of the Department of
32 Administration, the Office of State Construction,
33 and the State Building Commission under G.S. 133-
34 1.1(d), Article 8 of Chapter 143 of the General
35 Statutes, and G.S. 143-341(3).
- 36 (3) Using open-end design agreements.
- 37 (4) As appropriate, submitting construction documents
38 for review and approval by the Department of
39 Insurance and the Division of Facility Services of
40 the Department of Human Resources.
- 41 (5) Using the standard contracts for design and
42 construction currently in use for State capital
43 improvement projects by the Office of State
44 Construction of the Department of Administration.

///

1 The Board of Trustees shall seek the advice of the Director of
2 the Office of State Construction on an annual basis concerning
3 the adequacy of East Carolina University management staff and
4 internal controls to administer the additional authorities
5 authorized by this section."

6 (g) This section becomes effective November 1, 1998.

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HOUSE COMMUNITY COLLEGE SPECIAL PROVISIONS

1 CODE NO. 98DOCC-H002-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 DELETE SUNSET ON ONE-YEAR EXTENSION ON THE DEADLINE FOR MATCHING
6 COMMUNITY COLLEGE BOND FUNDS

1 Section 10. Section 8(b) of S.L. 1998-23 reads as
2 rewritten:

3 "(b) This section becomes effective June 30, 1998, and
4 ~~expires when the Current Operations Appropriations and Capital~~
5 ~~Improvement Appropriations Act of 1998 becomes a law. 1998."~~

114

1 CODE NO. 98DOCC-H003-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 INDEPENDENT STUDY OF CAPITAL BUDGET AND OPERATING BUDGET FUND
6 ALLOCATIONS

7 Section 10.1. The State Board of Community Colleges
8 shall contract with an outside consultant to:

9 (1) Review the community college capital allocation
10 process and to recommend modifications to the
11 process necessary to make the process more
12 equitable; and

13 (2) Study performance budget measures and recommend
14 options for allocating community college funds on a
15 performance budgeting basis.

16 The State Board may use funds from the State Board Reserve to
17 implement this section.

18 The State Board shall report to the Joint Legislative
19 Appropriations Subcommittees on Education and the Fiscal Research
20 Division prior to February 1, 1999, on the implementation of this
21 section.

115

1 CODE NO. 98DOCC-H004-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 COMMUNITY COLLEGE EQUIPMENT RESERVE FUND

1 Section 10.2. (a) G.S. 115D-31 reads as rewritten:

2 "§ 115D-31. State financial support of institutions.

3 (a) The State Board of Community Colleges shall be responsible
4 for providing, from sources available to the State Board, funds
5 to meet the financial needs of institutions, as determined by
6 policies and regulations of the State Board, for the following
7 budget items:

8 (1) Plant Fund. -- Furniture and equipment for
9 administrative and instructional purposes, library
10 books, and other items of capital outlay approved
11 by the State Board. Provided, the State Board may,
12 on an equal matching-fund basis from appropriations
13 made by the State for the purpose, grant funds to
14 individual institutions for the purchase of land,
15 construction and remodeling of institutional
16 buildings determined by the State Board to be
17 necessary for the instructional programs or
18 administration of such institutions. For the
19 purpose of determining amount of matching State
20 funds, local funds shall include expenditures made
21 prior to the enactment of this Chapter or prior to
22 an institution becoming a community college
23 pursuant to the provisions of this Chapter, when
24 such expenditures were made for the purchase of
25 land, construction, and remodeling of institutional
26 buildings subsequently determined by the State
27 Board to be necessary as herein specified, and
28 provided such local expenditures have not
29 previously been used as the basis for obtaining
30 matching State funds under the provisions of this
31 Chapter or any other laws of the State.
32 Notwithstanding the provisions of this subdivision,
33 G.S. 116-53(b), or G.S. 143-31.4, appropriations by
34 the State of North Carolina for capital or
35 permanent improvements for community colleges may
36 be matched with any prior expenditure of non-State
37 funds for capital construction or land acquisition
38 not already used for matching purposes.

39 (2) Current Operating Expenses:

116

- 1 a. General administration. -- Salaries and other
2 costs as determined by the State Board
3 necessary to carry out the functions of
4 general administration.
5 b. Instructional services. -- Salaries and other
6 costs as determined by the State Board
7 necessary to carry out the functions of
8 instructional services.
9 c. Support services. -- Salaries and other costs
10 as determined by the State Board necessary to
11 carry out the functions of support services.
12 (3) Additional Support for Regional Institutions as
13 Defined in G.S. 115D-2(4). -- Matching funds to be
14 used with local funds to meet the financial needs
15 of the regional institutions for the items set out
16 in G.S. 115D-32(a)(2)a. Amount of matching funds to
17 be provided by the State under this section shall
18 be determined as follows: The population of the
19 administrative area in which the regional
20 institution is located shall be called the 'local
21 factor,' the combined populations of all other
22 counties served by the institution shall be called
23 the 'State factor.' When the budget for the items
24 listed in G.S. 115D-32(a)(2)a has been approved
25 under the procedures set out in G.S. 115D-45, the
26 administrative area in which the regional
27 institution is located shall provide a percentage
28 to be determined by dividing the local factor by
29 the sum of the local factor and the State factor.
30 The State shall provide a percentage of the
31 necessary funds to meet this budget, the percentage
32 to be determined by dividing the State factor by
33 the sum of the local factor and the State factor.
34 If the local administrative area provides less than
35 its proportionate share, the amount of State funds
36 provided shall be reduced by the same proportion as
37 were the administrative area funds.

38 Wherever the word 'population' is used in this
39 subdivision, it shall mean the population of the
40 particular area in accordance with the latest
41 United States census.

- 42 (b) The State Board is authorized to accept, receive, use, or
43 reallocate to the institutions any federal funds or aids that
44 have been or may be appropriated by the government of the United

1 States for the encouragement and improvement of any phase of the
2 programs of the institutions.

3 (c) State funds appropriated to the State Board of Community
4 Colleges for equipment and library ~~books~~ books, except for funds
5 appropriated to the Equipment Reserve Fund, shall revert to the
6 General Fund 12 months after the close of the fiscal year for
7 which they were appropriated. Encumbered balances outstanding at
8 the end of each period shall be handled in accordance with
9 existing State budget policies. The Department shall identify to
10 the Office of State Budget and Management the funds that revert
11 at the end of the 12 months after the close of the fiscal year.

12 (d) State funds appropriated to the State Board of Community
13 Colleges for the Equipment Reserve Fund shall be allocated to
14 institutions in accordance with the equipment allocation formula
15 for the fiscal period. An institution to which these funds are
16 allocated shall spend the funds only in accordance with an
17 equipment acquisition plan developed by the institution and
18 approved by the State Board.

19 These funds shall not revert and shall remain available until
20 expended in accordance with an approved plan."

21 (b) The State Board of Community Colleges shall allocate
22 equipment funds appropriated for the 1998-99 fiscal year,
23 including funds appropriated to the Equipment Reserve Fund, in
24 accordance with the formula proposed to the General Assembly by
25 the Board at its May 1998 meeting.

118

1 CODE NO. 98DOCC-H005-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 BUDGET REALIGNMENT TO IMPLEMENT REORGANIZATION AUTHORIZED

1 Section 10.3. Notwithstanding G.S. 143-23 or any other
2 provision of law, the State Board of Community Colleges may
3 transfer funds within the budget of the Department of Community
4 Colleges to the extent necessary to implement the departmental
5 reorganization plan recommended by the President of the North
6 Carolina Community College System and adopted by the State Board.

119

1 CODE NO. 98DOCC-H006-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 CONTINUING BUDGET CONCEPT

1 Section 10.4. (a) The State Board of Community Colleges
2 shall implement the continuing budget concept for full-time
3 equivalent students (FTE) earned for the 1998-99 fiscal year as
4 follows:

5 (1) Community colleges that experience a decline in
6 enrollment shall not receive a decrease in full-
7 time equivalent student (FTE) enrollment funds
8 until their enrollment declines more than three
9 percent (3%). At that time, they shall experience
10 a decline of only the amount over three percent
11 (3%);

12 (2) Community colleges that experience an increase in
13 enrollment shall not receive an increase in full-
14 time equivalent student (FTE) enrollment funds
15 until their enrollment increases more than two
16 percent (2%). At that time, they shall experience
17 an increase of only the amount over two percent
18 (2%).

19 (b) The State Board of Community Colleges shall
20 implement the continuing budget concept for subsequent fiscal
21 years by funding (i) the average earned full-time equivalent
22 student (FTE) enrollment for the prior three fiscal years, or
23 (ii) the earned full-time equivalent student (FTE) enrollment for
24 the prior fiscal year, whichever is greater.

120

1 CODE NO. 98DOCC-H007-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 ANNUAL REVIEW ACCOUNTABILITY ENHANCED

1 Section 10.5. The General Assembly finds that the
2 current annual program review standards are not adequate to
3 ensure that programs are meeting the needs of students,
4 employers, and the general public; therefore, the State Board of
5 Community Colleges shall review the current standard to ensure a
6 higher degree of program accountability and shall establish
7 appropriate levels of performance for each measure based on sound
8 methodological practices.

9 The State Board shall make an interim report to the
10 Joint Legislative Education Oversight Committee and to the Fiscal
11 Research Division on its improved accountability measures prior
12 to November 1, 1998, and a final report prior to February 1,
13 1999.

(121)

1 CODE NO. 98DOCC-H008-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 DEVELOPMENT OF MANAGEMENT INFORMATION SYSTEM

1 Section 10.6. The State Board of Community Colleges shall
2 develop a plan for an efficient and effective technology and
3 management information system. The system shall be designed to
4 support the Community College System's planning, evaluation,
5 communication, resource management, full-time equivalent student
6 (FTE) reporting, and decision-making processes. The plan shall
7 identify the technology and management information needs of the
8 local colleges and the Department of Community Colleges, the
9 costs of meeting these needs, and the benefits of meeting them.

10 The State Board shall report to the Joint Legislative
11 Education Oversight Committee prior to February 1, 1999, on the
12 plan it develops.

127

1 CODE NO. 98DOCC-H009-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 COOPERATIVE HIGH SCHOOL EDUCATION PROGRAM ACCOUNTABILITY

1 Section 10.7. (a) It is the goal of the General
2 Assembly to increase the number of qualified high school students
3 participating in cooperative high school education programs that
4 are provided by local community colleges through cost-effective
5 programs that do not duplicate high school Advanced Placement
6 courses that are currently being offered or that could feasibly
7 be offered. These programs shall provide additional higher
8 education opportunities for qualified high school students while
9 minimizing overlapping costs to the State for public schools and
10 community colleges.

11 (b) The State Board of Community Colleges and the State
12 Board of Education shall create a joint task force to study the
13 existing policies for cooperative high school education programs
14 and to recommend changes necessary to improve the programs'
15 success and accountability. The Boards shall report their
16 findings and recommendations to the Joint Legislative Education
17 Oversight Committee and the Fiscal Research Division prior to
18 March 1, 1999.

(123)

1 CODE NO. 98DOCC-H010-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 REPORTING REQUIREMENTS

1 Section 10.8. The local institutions of the North
2 Carolina Community College System shall comply with annual
3 reporting requirements established by the State Board of
4 Community Colleges; therefore, the State Board of Community
5 Colleges shall develop an action plan to improve the timeliness
6 and accuracy of the data that are required to be reported to the
7 State Board by each institution. This plan shall include
8 withholding State funds from the institution if an institution is
9 not in compliance.

10 The plan shall be approved and implemented by October
11 30, 1998.

124

1 CODE NO. 98DOCC-H011-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 COMMUNITY COLLEGE TUITION STUDY

1 Section 10.9. The Joint Legislative Education Oversight
2 Committee shall study community college tuition in light of
3 federal "Hope Scholarships". The Committee shall report the
4 results of its study to the Appropriations Subcommittees on
5 Education of the Senate and the House of Representatives prior to
6 January 15, 1999.

125

1 CODE NO. 98DOCC-H012-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 HOSPITALITY AND TOURISM JOB TRAINING PROGRAMS

1 Section 10.10. (a) The State Board of Community Colleges
2 shall study hospitality and tourism job training programs offered
3 by the local institutions of the North Carolina Community College
4 System. The State Board of Community Colleges shall collaborate
5 with the Board of Governors of The University of North Carolina,
6 the State Board of Education, and the Department of Commerce to
7 improve articulation between institutions with regard to
8 hospitality and tourism job training programs. The efforts to
9 improve articulations shall be considered a joint venture of
10 these educational institutions that are participating members of
11 the Culinary, Hospitality, Tourism Education Alliance (CHTEA),
12 and of the Department of Commerce and the travel and tourism
13 industry.

14 (b) The State Board of Community Colleges, the State
15 Board of Education, the Board of Governors of The University of
16 North Carolina, and the Department of Commerce shall report
17 jointly to the Joint Legislative Education Oversight Committee
18 prior to April 1, 1999, on the following:

- 19 (1) An inventory of all curriculum, continuing
20 education, and job training programs offered in the
21 State that support the travel, tourism, and
22 hospitality industries;
23 (2) Recommendations for improvements to the programs
24 and a system of program accountability; and
25 (3) Recommendations on ways to improve communication
26 between the industry and the Boards and to enhance
27 efforts to promote the programs.

126

1 CODE NO. 98DOCC-H013-P

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 ROANOKE-CHOWAN COMMUNITY COLLEGE/SHELTERED WORKSHOP

1 Section 10.11. (a) Roanoke-Chowan Community College may
2 use proceeds derived from the lease of buildings associated with
3 the sheltered workshop to phase out the sheltered workshop
4 operation.

5 (b) This section shall remain in effect until the
6 closeout of the sheltered workshop has been accomplished.

127

CODE NO. 98UNC-H011D

Requested by:

ESTABLISH UNC CENTER FOR SCHOOL LEADERSHIP DEVELOPMENT

1 Section @.(a) Chapter 116 of the General Statutes is
2 amended by adding a new Article to read:

3 "Article 5D

4 "Center for School Leadership Development.

5 "§ 116-74.50. UNC Center for School Leadership Development Board
6 of directors established.

7 There is established the Board of Directors of the UNC Center
8 for School Leadership Development. The Board of Directors shall
9 be responsible to the Board of Governors of The University of
10 North Carolina. Subject to G.S. 116-74.51, the Board of
11 Governors shall delegate to the Board of Directors all the powers
12 and duties the Board of Governors considers necessary or
13 appropriate for the effective discharge of the functions of the
14 UNC Center for School Leadership Development.

15 "§ 116-74.51. Duties of the Board of Directors of the UNC Center
16 for School Leadership Development.

17 (a) In addition to any powers and duties delegated to the
18 Board of Directors by the Board of Governors, the Board of
19 Directors shall:

20 (1) Develop, update, and monitor a long range plan for
21 coordinated professional development programs
22 offered through the Center.

23 (2) Develop and provide high quality, meaningful
24 professional development programs for professional
25 public school employees and school board members.

26 (b) The Board of Directors shall incorporate into the long
27 range plan the recommendations made by the State Board of
28 Education under G.S. 115C-12(26). The Board of Directors shall
29 submit the plan and any subsequent modifications and revisions to
30 the Board of Governors for approval. The Board of Directors
31 shall provide copies of the approved plan to the State Board of
32 Education, the Joint Legislative Education Oversight Committee,
33 and the Governor.

34 (c) The professional development programs under the Center
35 shall reflect the long range plan developed by the Board of

1 Directors. The programs also shall be aligned with State
2 education goals, shall be directed toward improving student
3 academic achievement, shall be developed collaboratively, and
4 shall be offered in geographically dispersed locations that are
5 convenient to local school administrative units.

6 "§ 116-74.52. UNC Center for School Leadership Development
7 established; programs; director.

8 (a) There is established the UNC Center for School Leadership
9 Development. The purpose of the Center is to provide high
10 quality, coordinated professional development programs to
11 professional public school employees and school board members.
12 The Center shall include the following professional development
13 programs and any other programs the Board of Governors determines
14 should be located within the Center:

- 15 (1) The Executive Leadership Academy.
- 16 (2) The North Carolina Center for the Advancement of
17 Teaching.
- 18 (3) The North Carolina Center for the Prevention of
19 School Violence.
- 20 (4) The North Carolina Mathematics and Science
21 Education Network.
- 22 (5) The North Carolina Teacher Academy.
- 23 (6) The Principal Fellows Program.
- 24 (7) The Principals' Executive Program.

25 (b) Except as otherwise provided by law, the Board of
26 Governors shall determine the scope, purpose, and mission for
27 each professional development program located under the Center.
28 The Board of Governors also shall create a board of directors for
29 each professional development program located under the Center.
30 The boards of directors created under this subsection shall serve
31 in an advisory capacity to the Board of Directors for the UNC
32 Center for School Leadership Development.

33 The Board of Governors shall appoint a director for each
34 professional development program located under the Center. Each
35 board of directors created under this subsection shall provide to
36 the Board of Directors of the UNC Center for School Leadership
37 Development recommended candidates to serve as director of their
38 professional development program. The UNC Center for School
39 Leadership Development Board of Directors shall transmit these
40 recommendations to the Board of Governors. The Board of

1 Governors shall take a board of directors recommendations into
2 consideration when appointing a director for the professional
3 development program.

4 (c) The President of The University of North Carolina shall
5 appoint a director for the Center, subject to the approval of the
6 Board of Governors."

7 (b) G.S. 116-30.01 is repealed.

8 (c) G.S. 116-74.6 reads as rewritten:

9 "§ 116-74.6. North Carolina Center for the Advancement of
10 Teaching established; powers and duties of trustees. Teaching.

11 The sums of five hundred thousand dollars (\$500,000) in fiscal
12 year 1985-86 and two million dollars (\$2,000,000) in fiscal year
13 1986-87 that are appropriated to the Board of Governors of The
14 University of North Carolina in Section 2 of the 1985-87 Current
15 Operations Appropriations Act shall be used to establish the
16 North Carolina Center for the Advancement of Teaching at Western
17 Carolina University in Jackson County. The Center shall operate
18 under the general auspices of The University of North Carolina
19 Board of Governors. It shall be the function of the North
20 Carolina Center for the Advancement of Teaching (hereinafter
21 called "NCCAT"), through itself or agencies with which it may
22 contract, to provide career teachers with opportunities to study
23 advanced topics in the sciences, arts, and humanities and to
24 engage in informed discourse, assisted by able mentors and
25 outstanding leaders from all walks of life; and otherwise to
26 offer opportunity for teachers to engage in scholarly pursuits,
27 through a center dedicated exclusively to the advancement of
28 teaching as an art and as a profession.

29 The North Carolina Center for the Advancement of Teaching is
30 established under the Board of Governors of the University of
31 North Carolina. The Board of Governors shall determine the
32 scope, purpose, and mission of the North Carolina Center for the
33 Advancement of Teaching.

34 The Board of Governors of The University of North Carolina shall
35 establish the North Carolina Center for the Advancement of
36 Teaching Board of Trustees and shall delegate to the Board of
37 Trustees all the powers and duties the Board of Governors
38 considers necessary or appropriate for the effective discharge of
39 the functions of NCCAT."

40 (d) G.S. 116-74.7 is repealed.

Long
Version
P. 91

1 (e) G.S. 116-74.41(a) reads as rewritten:
2 "(a) There is established the North Carolina Principal Fellows
3 Commission. The Commission shall ~~exercise its powers and duties~~
4 ~~independently of the Board of Governors of The University of~~
5 ~~North Carolina.~~ be responsible to the Board of directors of the
6 UNC Center for School Leadership Development. The Director of
7 the Principal Fellows Program shall staff the Commission. The
8 State Education Assistance Authority (SEAA) as created in G.S.
9 116-203 shall be responsible for implementing scholarship loan
10 agreements, monitoring, cancelling through service, collecting
11 and otherwise enforcing the agreements for the Principal Fellows
12 Program scholarship loans established in accordance with G.S.
13 116-74.42."

CODE NO. 98UNC-H011E

Requested by:

ESTABLISH BOARD OF DIRECTORS FOR UNC CENTER FOR SCHOOL LEADERSHIP DEVELOPMENT

1 Section @.(a) G.S. 116-11 is amended by adding a new
2 subsection to read:

3 "(12b) The Board of Governors of The University of
4 North Carolina shall create a Board of
5 Directors for the UNC Center for School
6 Leadership Development. The Board of
7 Governors shall determine the powers and
8 duties of the Board of Directors.
9 Notwithstanding any other law, the governing
10 boards for all professional development
11 programs located under the UNC Center for
12 School Leadership Development shall serve in
13 an advisory capacity to the Board of
14 Directors."

15 (b) The Joint Legislative Education Oversight Committee
16 shall study whether additional statutory changes are needed to
17 implement the intent of this section and shall report its
18 recommendations to the 1999 General Assembly.

CODE NO. 98UNC-H001C-S

Requested by: Representative Reynolds

UNC INCENTIVE FUNDING

1 Section @. (a) G.S. 116-30.3 reads as rewritten:

2 "\$ 116-30.3. Reversions.

3 (a) Of the General Fund current operations appropriations
4 credit balance remaining at the end of each fiscal year in each
5 budget code of a special responsibility constituent institution,
6 except for the budget code of the Area Health Education Centers
7 of the University of North Carolina at Chapel Hill, any amount
8 greater than two percent (2%) of the General Fund appropriation
9 for that fiscal year may be carried forward by the institution to
10 the next fiscal year and may be used for one-time expenditures
11 that will not impose additional financial obligations on the
12 State. Of the General Fund current operations appropriations
13 credit balance remaining in the budget code of the Area Health
14 Education Centers of the University of North Carolina at Chapel
15 Hill, any amount greater than one percent (1%) of the General
16 Fund appropriation for that fiscal year may be carried forward in
17 that budget code to the next fiscal year and may be used for one-
18 time expenditures that will not impose additional financial
19 obligations on the State. However, the amount carried forward
20 under this section shall not exceed two and one-half percent (2
21 1/2%) of the General Fund ~~appropriation~~ appropriation, plus the
22 amount of the reversions to be retained under subsections (d) and
23 (e) of this section. The Director of the Budget, under the
24 authority set forth in G.S. 143-25, shall establish the General
25 Fund current operations credit balance remaining in each budget
26 code of each institution.

27 (b) An institution shall cease to be a special responsibility
28 constituent institution under the following circumstances:

- 29 (1) An institution, other than the Area Health
30 Education Centers of the University of North
31 Carolina, does not revert at least two percent (2%)
32 of its General Fund current operations credit
33 balance remaining in each budget code of that
34 institution, or
35 (2) The Area Health Education Centers of the University
36 of North Carolina at Chapel Hill does not revert at
37 least one percent (1%) of its General Fund current
38 operations credit balance remaining in its budget
39 code.

1 However, if the Board of Governors finds that the low reversion
2 rate is due to adverse and unforeseen conditions, the Board may
3 allow the institution to remain a special responsibility
4 constituent institution for one year to come into conformity with
5 this section. The Board may make this exception only one time
6 for any special responsibility constituent institution, and shall
7 report these exceptions to the Joint Legislative Commission on
8 Governmental Operations.

9 (c) ~~One-half of the~~ The reversions required in subsection (a)
10 and (b) of this section shall be returned to the General Fund
11 credit balance at the end of each fiscal ~~year-~~ year, less the
12 amounts retained by the special responsibility constituent
13 institutions or the Board of Governors under subsections (d) and
14 (e) of this section.

15 (d) For fiscal year 1997-98 and each subsequent fiscal year,
16 one-half of the reversions required in subsections (a) and (b) of
17 this section shall be available to each special responsibility
18 constituent institution of The University of North Carolina.
19 Those funds shall be used by the institution at the campus level
20 for any of the following: the nonrecurring costs of technology,
21 including the installation of technology infrastructure for
22 academic facilities on the campus of the special responsibility
23 constituent institution, the implementation by the constituent
24 institution of its campus technology plan as approved by the
25 Board of Governors, or for libraries. The funds shall not be used
26 to support positions. Each special responsibility constituent
27 institution shall report annually to the Board of Governors
28 regarding how the institution spent the funds made available
29 under this section.

30 (e) For fiscal year 1998-99 and each subsequent fiscal year,
31 one-half of the reversions required in subsections (a) and (b) of
32 this section shall be available to The Board of Governors of The
33 University of North Carolina for the nonrecurring costs of
34 technology including the installation of technology
35 infrastructure for academic facilities on the campuses of the
36 special responsibility constituent institutions according to
37 technology plans as approved by the Board of Governors. These
38 funds shall be transferred to a non-reverting technology account
39 established for this purpose on June 30 of each fiscal year. The
40 Board of Governors shall allocate these funds based on priorities
41 approved by the Board, and the Board shall report annually to the
42 Joint Legislative Education Oversight committee on the use of
43 these funds."

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Thursday, October 15, 1998

MINUTES

The House Appropriations Subcommittee on Education met on Thursday, October 15, 1998, at 8:30 a.m. in Room 421 of the Legislative Office Building.

Members present were Representatives Grady and Preston, Co-chairs; Representatives Creech, Daughtry, Davis, Reynolds, Rogers, and Yongue.

Representative Grady called the meeting to order.

The Committee met to take up SB 1125, Miscellaneous Education Changes, which has not received the Third reading. It is a bill by Senator Jennie Lucas, passed through Education Oversight Committee with an overwhelming vote on Second Reading. One amendment failed on a tie vote and the question is whether to postpone ABC Bonus Money. Some school districts said they could not do as fast as the original bill called for. Compromise arrived and all people involved in the process seem to have signed off. We are trying to get the bill finished before Short Session ends. Recognized Representative Preston to explain time delay involving ABC bonus money.

Representative Preston stated that many complaints have been received from teachers about not having bonus pay yet. Many LEA's have acted and are able to accommodate the teachers. An amendment received in the Education Policy Committee which would force the local boards to act promptly on receiving money from the Department of Public Instruction. As heard on the House floor this week, it creates a problem for LEA's to get out as quickly as bill requires. Challenge is to accommodate getting teachers paid as early as possible but allow time for finance officers to get money into the regular paycheck.

Wording has been removed to eliminate days and now states that "each local school administrative unit is encouraged to make these awards to each eligible person no later than the first regular teacher payroll following the local unit's receipt of the funds and shall make these awards to each eligible person no later than the 2nd regular teacher payroll following the local unit's receipt of the funds".

Representative Grady called for questions and there were none.

Representative Grady stated that this will take the bill back to the House floor and make this bill virtually unamendable. It is the intent to get this passed before the end of the Short Session. There has been a full day of discussion, had a lot of amendments and this takes us back to where we can put the bill on the calendar, people can vote yes or no, will sent to the Senate for concurrence and see if will have to have conference committee. Extremely time sensitive. Motion made to accept the amendment; no opposition. Bill will be engrossed and sent back to the House floor.

There was no further business to come before the committee at this time. The meeting was adjourned.

Respectfully submitted:

W. Robert Grady
Representative W. Robert Grady, Co-Chair

Sandra B. Ellis
Sandra B. Ellis, Committee Clerk

**1998 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE
The following report(s) from permanent sub committee(s) is/are presented:

By Representative(s) Arnold, Grady and Preston for the Permanent Subcommittee on Education of
the Standing Committee on APPROPRIATIONS.

☒ House Committee Substitute for
S.B. 1125
EDUCATION LAWS

☒ A BILL TO BE ENTITLED AN ACT TO AMEND VARIOUS

REPORTED TO THE STANDING COMMITTEE ON

RECOMMENDED ACTION:

- ☐ With a favorable recommendation.
- ☐ With a favorable recommendation and recommend that the bill be re-referred to the Committee on
- ☐ With a favorable recommendation, as amended.
- ☐ With a favorable recommendation, as amended, and recommend that the bill be re-referred to the Committee on
- ☐ With an unfavorable recommendation.
- ☐ With a favorable recommendation as to proposed committee substitute bill which changes the title, unfavorable as to original bill.
- ☐ With a favorable recommendation as to proposed House committee substitute bill, which changes the title, unfavorable as to Senate committee substitute bill.
- ☐ Without prejudice.
- ☐ Other recommended action: _____

WITH APPROVAL OF STANDING COMMITTEE CHAIR FOR REPORT TO BE MADE DIRECTLY
TO THE FLOOR OF THE HOUSE:

Rep. Holmes for the Standing Committee on APPROPRIATIONS.

s/ George M. Holmes

- ☐ With a favorable report.
- ☐ With a favorable report, as amended.
- ☒ With a favorable report as to House committee substitute bill (# 2), ☒ which changes the title, unfavorable as to original bill (House Committee Substitute Bill # 1).
- ☐ And having received a unanimous vote in committee, be placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

4/24/97



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1125

AMENDMENT NO. _____

(to be filled in by
Principal Clerk)

S1125-ARH-016.1

Page 1 of

Date _____, 1998

Comm. Sub. [YES]

Amends Title [YES]

Fourth Edition, as amended by Amendments 1 & 4

Representative Preston

1 moves to amend the bill, as amended by Amendments 1 & 4, on page 1,
2 line 2, by rewriting the line to read:

3 "AN ACT TO CLARIFY THAT THE PRESIDENT PRO TEMPORE OF THE SENATE
4 APPOINTS ONE COCHAIR OF THE SCHOOL TECHNOLOGY COMMISSION; TO REQUIRE
5 LOCAL SCHOOL ADMINISTRATIVE UNITS TO MAKE ABC'S AWARDS NO LATER THAN
6 THE SECOND REGULAR TEACHER PAYROLL; TO REQUIRE ABC'S AWARDS TO GO
7 ONLY FOR DIRECT AWARDS TO CERTIFIED PERSONNEL AND TEACHER
8 ASSISTANTS; TO CLARIFY THAT THE SUPERINTENDENT OR HIS DESIGNEE
9 DEVELOPS THE SCHOOL BUS ASSIGNMENT PLAN; TO EXEMPT FROM THE SCHOOL
10 ADMINISTRATOR EXAM INDIVIDUALS WHO OBTAINED OR RENEWED A SCHOOL
11 ADMINISTRATOR/SUPERVISOR CERTIFICATE DURING THE FIVE YEARS BEFORE
12 JANUARY 1, 1998; TO AUTHORIZE THE STATE BOARD OF EDUCATION TO ADOPT
13 POLICIES GOVERNING THE REQUIREMENTS FOR THE CERTIFICATION OF
14 INDIVIDUALS WHO ARE CERTIFIED IN ANOTHER STATE AS SCHOOL
15 ADMINISTRATORS; TO MOVE THE COMPETENCY TEST FROM TENTH TO NINTH
16 GRADE; TO CLARIFY THAT THE SUPERINTENDENT MAKES DECISIONS CONCERNING
17 SUSPENSION OR EXPULSION OF STUDENTS; TO CLARIFY THAT SUPERINTENDENTS
18 MUST KEEP DATA ON STUDENTS WHO ARE SUSPENDED MORE THAN 10 DAYS; TO
19 REQUIRE THE PROVISION OF REMEDIAL ASSISTANCE IN NINTH GRADE TO
20 STUDENTS WHO FAIL TO PASS THE EIGHTH GRADE END-OF-GRADE TESTS; TO
21 PROHIBIT PRINCIPALS OR THEIR DESIGNEES FROM WITHHOLDING A STUDENT
22 RECORD WHEN A STUDENT TRANSFERS TO ANOTHER SCHOOL EXCEPT IN
23 ACCORDANCE WITH FEDERAL LAW; TO AMEND THE EXCELLENT SCHOOLS ACT TO
24 CLARIFY THAT ACTION PLANS ARE REQUIRED FOR CERTIFIED EMPLOYEES IN
25 LOW-PERFORMING SCHOOLS WHEN THEY RECEIVE AN UNSATISFACTORY
26 EVALUATION RELATED TO THEIR INSTRUCTIONAL DUTIES AND TO REQUIRE
27 LOCAL BOARDS TO ADOPT POLICIES THAT REQUIRE ACTION PLANS FOR
28 CERTIFIED EMPLOYEES IN OTHER SCHOOLS WHO RECEIVE AN UNSATISFACTORY
29 EVALUATION; TO ALLOW THE INITIAL CONTRACT FOR A SCHOOL ADMINISTRATOR
30 TO BE FOR A TERM OF LESS THAN 12 MONTHS; TO DIRECT THE STATE BOARD
31 OF EDUCATION TO EVALUATE THE SAFE SCHOOLS BONUS FOR PRINCIPALS AND
32 ASSISTANT PRINCIPALS; AND TO DIRECT THE STATE BOARD OF EDUCATION AND
33 UNC BOARD OF GOVERNORS TO DEVELOP A PROPOSAL FOR A STATEWIDE LATERAL
34 ENTRY TEACHER LICENSURE PROGRAM." ;



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 1125

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 2 of

S1125-ARH-016.1

1 and further amends the bill, as amended by Amendments 1 & 4, on page
2 2, lines 29-36, by rewriting the lines to read:
3 ~~"otherwise unlawful. for awards to the personnel. Each local~~
4 school administrative unit is encouraged to make these awards to
5 each eligible person no later than the first regular teacher payroll
6 following the local unit's receipt of the funds, and shall make
7 these awards to each eligible person no later than the second
8 regular teacher payroll following the local unit's receipt of the
9 funds.'".
10

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

D

SENATE BILL 1125*

Education/Higher Education Committee Substitute Adopted 8/3/98

Third Edition Engrossed 8/4/98

House Committee Substitute Favorable 8/19/98

Proposed House Committee Substitute S1125-PCS2916

Short Title: Misc. Education Changes.

(Public)

Sponsors:

Referred to:

May 14, 1998

1 **A BILL TO BE ENTITLED**
2 **AN ACT TO CLARIFY THAT THE PRESIDENT PRO TEMPORE OF THE**
3 **SENATE APPOINTS ONE COCHAIR OF THE SCHOOL TECHNOLOGY**
4 **COMMISSION; TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS**
5 **TO MAKE ABC'S AWARDS NO LATER THAN THE SECOND REGULAR**
6 **TEACHER PAYROLL; TO REQUIRE ABC'S AWARDS TO GO ONLY FOR**
7 **DIRECT AWARDS TO CERTIFIED PERSONNEL AND TEACHER**
8 **ASSISTANTS; TO CLARIFY THAT THE SUPERINTENDENT OR HIS**
9 **DESIGNEE DEVELOPS THE SCHOOL BUS ASSIGNMENT PLAN; TO**
10 **EXEMPT FROM THE SCHOOL ADMINISTRATOR EXAM INDIVIDUALS**
11 **WHO OBTAINED OR RENEWED A SCHOOL**
12 **ADMINISTRATOR/SUPERVISOR CERTIFICATE DURING THE FIVE YEARS**
13 **BEFORE JANUARY 1, 1998; TO AUTHORIZE THE STATE BOARD OF**
14 **EDUCATION TO ADOPT POLICIES GOVERNING THE REQUIREMENTS**
15 **FOR THE CERTIFICATION OF INDIVIDUALS WHO ARE CERTIFIED IN**
16 **ANOTHER STATE AS SCHOOL ADMINISTRATORS; TO MOVE THE**
17 **COMPETENCY TEST FROM TENTH TO NINTH GRADE; TO CLARIFY**
18 **THAT THE SUPERINTENDENT MAKES DECISIONS CONCERNING**
19 **SUSPENSION OR EXPULSION OF STUDENTS; TO CLARIFY THAT**
20 **SUPERINTENDENTS MUST KEEP DATA ON STUDENTS WHO ARE**
21 **SUSPENDED MORE THAN TEN DAYS; TO REQUIRE THE PROVISION OF**

1 REMEDIAL ASSISTANCE IN NINTH GRADE TO STUDENTS WHO FAIL
2 TO PASS THE EIGHTH GRADE END-OF-GRADE TESTS; TO PROHIBIT
3 PRINCIPALS OR THEIR DESIGNEES FROM WITHHOLDING A STUDENT
4 RECORD WHEN A STUDENT TRANSFERS TO ANOTHER SCHOOL
5 EXCEPT IN ACCORDANCE WITH FEDERAL LAW; TO AMEND THE
6 EXCELLENT SCHOOLS ACT TO CLARIFY THAT ACTION PLANS ARE
7 REQUIRED FOR CERTIFIED EMPLOYEES IN LOW-PERFORMING
8 SCHOOLS WHEN THEY RECEIVE AN UNSATISFACTORY EVALUATION
9 RELATED TO THEIR INSTRUCTIONAL DUTIES AND TO REQUIRE
10 LOCAL BOARDS TO ADOPT POLICIES THAT REQUIRE ACTION PLANS
11 FOR CERTIFIED EMPLOYEES IN OTHER SCHOOLS WHO RECEIVE AN
12 UNSATISFACTORY EVALUATION; TO ALLOW THE INITIAL CONTRACT
13 FOR A SCHOOL ADMINISTRATOR TO BE FOR A TERM OF LESS THAN
14 TWELVE MONTHS; TO DIRECT THE STATE BOARD OF EDUCATION TO
15 EVALUATE THE SAFE SCHOOLS BONUS FOR PRINCIPALS AND
16 ASSISTANT PRINCIPALS; AND TO DIRECT THE STATE BOARD OF
17 EDUCATION AND UNC BOARD OF GOVERNORS TO DEVELOP A
18 PROPOSAL FOR A STATEWIDE LATERAL ENTRY TEACHER LICENSURE
19 PROGRAM.

20 The General Assembly of North Carolina enacts:

21 Section 1. G.S. 115C-102.5(b) reads as rewritten:

22 "(b) The Commission shall consist of the following 18 members:

- 23 (1) The State Superintendent of Public Instruction or a designee;
- 24 (2) One representative of The University of North Carolina, appointed
25 by the President of The University of North Carolina;
- 26 (3) One representative of the North Carolina Community College
27 System, appointed by the President of the North Carolina
28 Community College System;
- 29 (4) A person with management responsibility concerning information
30 technology related State Government functions, designated by the
31 Secretary of Commerce;
- 32 (5) Four members appointed by the Governor;
- 33 (6) Six members appointed by the President Pro Tempore of the
34 Senate two of whom shall be members of the Senate. One of these
35 six members shall be appointed by the President Pro Tempore of
36 the Senate to serve as cochair; and
- 37 (7) Six members appointed by the Speaker of the House of
38 Representatives two of whom shall be members of the House of
39 Representatives. One of these six members shall be appointed by
40 the Speaker of the House of Representatives to serve as cochair.

41 In appointing members pursuant to subdivisions (5), (6), and (7) of this subsection,
42 the appointing persons shall select individuals with technical or applied knowledge or
43 experience in learning and instructional management technologies or individuals with

1 expertise in curriculum or instruction who have successfully used learning and
2 instructional management technologies.

3 No producers, vendors, or consultants to producers or vendors of learning or
4 instructional management technologies shall serve on the Commission.

5 Members shall serve for two-year terms. Vacancies in terms of members shall be
6 filled by the appointing officer. Persons appointed to fill vacancies shall qualify in the
7 same manner as persons appointed for full terms."

8 Section 2. G.S. 115C-105.36(b) reads as rewritten:

9 "(b) The State Board shall establish a procedure to allocate the funds for these
10 awards to the local school administrative units in which the eligible schools are
11 located. Funds shall become available for expenditure July 1 of each fiscal year.
12 Funds shall remain available until November 30 of the subsequent fiscal year for
13 expenditure for:

14 (1) ~~Awards to the personnel; or~~

15 (2) ~~The purposes authorized in a plan that has been:~~

16 a. ~~Developed and voted on by the personnel in the same~~
17 ~~manner that a school improvement plan is approved under~~
18 ~~G.S. 115C-105.27;~~

19 b. ~~Approved by a majority of the personnel who vote on the~~
20 ~~plan; and~~

21 c. ~~Submitted to and approved by the local board of education.~~
22 ~~The local board shall approve this plan unless the plan involves~~
23 ~~expenditures of funds that are not for a public purpose or that are~~
24 ~~otherwise unlawful. for awards to the personnel. Each local~~
25 ~~school administrative unit is encouraged to make these awards to~~
26 ~~each eligible person no later than the first regular teacher payroll~~
27 ~~following the local unit's receipt of the funds, and shall make these~~
28 ~~awards to each eligible person no later than the second regular~~
29 ~~teacher payroll following the local unit's receipt of the funds."~~

30 Section 3. G.S. 115C-244 reads as rewritten:

31 "§ 115C-244. Assignment of pupils to school buses.

32 (a) ~~The principal of a school, to which any school bus has been assigned by the~~
33 ~~superintendent of the schools of the local school administrative unit embracing such~~
34 ~~school, shall assign to such bus or buses the pupils and employees who may be~~
35 ~~transported to and from such school upon such bus or buses. The superintendent or~~
36 ~~superintendent's designee shall assign the pupils and employees who may be~~
37 ~~transported to and from school upon the bus or buses assigned to each school and~~
38 ~~shall implement and enforce the plan developed under G.S. 115C-246. No pupil or~~
39 ~~employee shall be permitted to ride upon any school bus to which such pupil or~~
40 ~~employee has not been so assigned by the principal, superintendent or~~
41 ~~superintendent's designee, except by the express direction of the principal.~~
42 ~~superintendent or superintendent's designee.~~

43 (b) ~~In the event that the superintendent of any local school administrative unit~~
44 ~~shall assign or superintendent's designee assigns a school bus to be used in the~~

1 transportation of pupils to two or more schools, the superintendent or
2 superintendent's designee shall ~~designate the number of~~ assign the pupils to be
3 transported to and from each ~~such~~ school by ~~such~~ that bus, and the principals of the
4 respective schools shall ~~assign pupils to such buses in accordance with such~~
5 ~~designation.~~ implement and enforce this assignment of pupils.

6 (c) Any pupil enrolled in any school, or the parent or guardian of any such pupil,
7 or the person standing in loco parentis to such pupil, may apply to the principal of
8 such school for transportation of such pupil to and from such school by school bus
9 for the regularly organized school day. ~~Upon application, the principal~~ The principal
10 shall deliver the application to the superintendent or superintendent's designee, who
11 shall assign a pupil to a school bus if the pupil is entitled to school bus transportation
12 under this Article and the rules of the State Board of Education. Such assignment
13 shall be made by the ~~principal~~ superintendent or superintendent's designee so as to
14 provide for the orderly, safe and efficient transportation of pupils to such school and
15 so as to promote the orderly and efficient administration of the school and the health,
16 safety and general welfare of the pupils to be so transported. Assignments of pupils
17 and employees to school buses may be changed by the ~~principal of the school~~
18 superintendent or superintendent's designee as he may from time to time find proper
19 for the safe and efficient transportation of such pupils and employees.

20 (d) The parent or guardian of any pupil enrolled in any school, or the person
21 standing in loco parentis to any such pupil, who shall apply ~~to the principal of such~~
22 ~~school~~ under subsection (c) of this section for the transportation of such pupil to and
23 from such school by school bus, may, if such application is denied, or if such pupil is
24 assigned to a school bus not satisfactory to such parent, guardian, or person standing
25 in loco parentis to such pupil, pursuant to rules and regulations established by the
26 local board of education, apply to such board for such transportation upon a school
27 bus designated in such application, and shall be entitled to a prompt and fair hearing
28 by such board in accordance with the rules and regulations established by it. The
29 majority of such board shall be a quorum for the purpose of holding such hearing
30 and passing upon such application, and the decision of the majority of the members
31 present at such hearing shall be the decision of the board. If, at such hearing, the
32 board shall find that pupil is entitled to be transported to and from such school upon
33 the school bus designated in such application, or if the board shall find that the
34 transportation of such pupil upon such bus to and from such school will be for the
35 best interests of such pupil, will not interfere with the proper administration of such
36 school, or with the safe and efficient transportation by school bus of other pupils
37 enrolled in such school and will not endanger the health or safety of the children
38 there enrolled, the board shall direct that such child be assigned to and transported to
39 such school upon such bus.

40 (e) A decision of a local board under subsection (d) is final and, except as
41 provided in this subsection, is subject to judicial review in accordance with Article 4
42 of Chapter 150B of the General Statutes. A person seeking judicial review shall file a
43 petition in the superior court of the county where the local board made its decision.

1 (f) No employee shall be assigned to or permitted to ride upon a school bus when
2 to do so will result in the overcrowding of such bus or will prevent the assignment to
3 such bus of a pupil entitled to ride thereon, or will otherwise, in the opinion of the
4 ~~principal, superintendent or superintendent's designee~~, be detrimental to the comfort
5 or safety of the pupils assigned to such bus, or to the safe, efficient and proper
6 operation of such bus."

7 Section 4. G.S. 115C-245 reads as rewritten:

8 "**§ 115C-245. School bus drivers; monitors; safety assistants.**

9 (a) Each local board, which elects to operate a school bus transportation system,
10 shall employ the necessary drivers for such school buses. The drivers shall have all
11 qualifications prescribed by the regulations of the State Board of Education herein
12 provided for and must be at least 18 years old and have at least six months driving
13 experience as a licensed operator of a motor vehicle before employment as a regular
14 or substitute driver, but the selection and employment of each driver shall be made
15 by the local board of education, and the driver shall be the employee of such local
16 school administrative unit. Each local board of education shall assign the bus drivers
17 employed by it to the respective schools within the jurisdiction of such board, and the
18 ~~principal of each such school~~ superintendent or superintendent's designee shall assign
19 the drivers to the school buses to be driven by them. No school bus shall at any time
20 be driven or operated by any person other than the bus driver assigned by ~~such~~
21 ~~principal~~ to such bus except by the express direction of ~~such principal~~ the
22 superintendent or superintendent's designee or in accordance with rules and
23 regulations of the appropriate local board of education.

24 (b) The driver of a school bus subject to the direction of the ~~principal~~
25 superintendent or superintendent's designee shall have complete authority over and
26 responsibility for the operation of the bus and the maintaining of good order and
27 conduct upon such bus, and shall report promptly to the principal any misconduct
28 upon such bus or disregard or violation of the driver's instructions by any person
29 riding upon such bus. The principal may take such action with reference to any such
30 misconduct upon a school bus, or any violation of the instructions of the driver, as he
31 might take if such misconduct or violation had occurred upon the grounds of the
32 school.

33 (c) The driver of any school bus shall permit no person to ride upon such bus
34 except pupils or school employees assigned thereto or persons permitted by the
35 express direction of the ~~principal~~ superintendent or superintendent's designee to ride
36 thereon.

37 ~~(d) The principal of a school, to which a school bus has been assigned, may, in his~~
38 ~~discretion, appoint a monitor for any bus so assigned to such school. The~~
39 superintendent or superintendent's designee may, in his discretion, appoint a monitor
40 for any bus assigned to any school. It shall be the duty of such monitor, subject to
41 the direction of the driver of the bus, to preserve order upon the bus and do such
42 other things as may be appropriate for the safety of the pupils and employees
43 assigned to such bus while boarding such bus, alighting therefrom or being
44 transported thereon, and to require such pupils and employees to conform to the

1 rules and regulations established by the local board of education for the safety of
2 pupils and employees upon school buses. Such monitors shall be unpaid volunteers
3 who shall serve at the pleasure of the ~~principal~~ superintendent or superintendent's
4 designee.

5 (e) A local board of education may, in its discretion within funds available,
6 employ transportation safety assistants upon recommendation of the principal through
7 the superintendent. The safety assistants thus employed shall assist the bus drivers
8 with the safety, movement, management, and care of children boarding the bus,
9 leaving the bus, or being transported in it. The safety assistant should be either an
10 adult or a certified student driver who is available as a substitute bus driver."

11 Section 5. G.S. 115C-290.8 reads as rewritten:

12 "**§ 115C-290.8. Exemptions from requirements.**

13 (a) The requirements of this Article do not apply to a person who, at any time
14 during the five years preceding January 1, 1998, ~~(i) completed an administrative~~
15 ~~internship as part of an approved graduate program in school administration and~~
16 ~~obtained an active State administrator/supervisor certificate, (ii) was engaged in~~
17 ~~school administration while in possession of an active State administrator/supervisor~~
18 ~~certificate, or (iii) was employed in a North Carolina college or university as an~~
19 ~~instructor while in possession of an active State administrator/supervisor certificate~~
20 ~~and whose major responsibilities included the preparation or supervision of~~
21 ~~individuals enrolled in a public school administration program that meets the public~~
22 ~~school administrator program approval standards set by the State Board.~~ obtained or
23 renewed a State administrator/supervisor certificate.

24 (b) The State Board may adopt policies governing the requirements for the
25 certification of individuals who hold a certificate issued in any other state that
26 authorizes them to be employed as school administrators in that state. These policies
27 may exempt some or all of these individuals from the requirements of this Article.

28 (c) A person who is exempt from the requirements of this Article but applies to
29 the Standards Board under this Article shall be subject to the Article."

30 Section 6. G.S. 115C-174.21(b) reads as rewritten:

31 "(b) **Competency Testing Program.**

32 (1) The State Board of Education shall adopt tests or other
33 measurement devices which may be used to assure that graduates
34 of the public high schools and graduates of nonpublic schools
35 supervised by the State Board of Education pursuant to the
36 provisions of Part 1 of Article 39 of this Chapter possess the skills
37 and knowledge necessary to function independently and
38 successfully in assuming the responsibilities of citizenship.

39 (2) The tests shall be administered annually to all ~~tenth~~ ninth grade
40 students in the public schools. Students who fail to attain the
41 required minimum standard for graduation in the ~~tenth~~ ninth grade
42 shall be given remedial instruction and additional opportunities to
43 take the test up to and including the last month of the twelfth
44 grade. Students who fail to pass parts of the test shall be retested

on only those parts they fail. Students in the ~~tenth~~ ninth grade who are enrolled in special education programs or who have been officially designated as eligible for participation in such programs may be excluded from the testing programs.

(3) The State Board of Education may develop and validate alternate means and standards for demonstrating minimum competence. These standards, which must be more difficult than the tests adopted pursuant to subdivision (1) of this subsection, may be passed by students in lieu of the testing requirement of subdivision (2) of this subsection.

(4) Repealed by Session Laws 1996, Second Extra Session, c. 18, s. 18.14."

Section 7. G.S. 115C-391(d1) reads as rewritten:

"(d1) A local board of education or superintendent shall suspend for 365 days any student who brings a weapon, as defined in G.S. 14-269.2(b) and G.S. 14-269.2(g), onto school property. The local board of education upon recommendation by the superintendent may modify this suspension requirement on a case-by-case basis that includes, but is not limited to, the procedures established for the discipline of students with disabilities and may also provide, or contract for the provision of, educational services to any student suspended pursuant to this subsection in an alternative school setting or in another setting that provides educational and other services."

Section 8. G.S. 115C-391(d2) reads as rewritten:

"(d2) (1) ~~A local board of education shall~~ The superintendent shall, upon recommendation of the principal, remove to an alternative educational setting, as provided in subdivision (4) of this subsection, any student who is at least 13 and who physically assaults and seriously injures a teacher or other school personnel. If no appropriate alternative educational setting is available, then the ~~board shall~~ superintendent shall, upon recommendation of the principal, suspend for no less than 300 days but no more than 365 days any student who is at least 13 and who physically assaults and seriously injures a teacher or other school personnel.

(2) ~~A local board of education may~~ The superintendent may, upon recommendation of the principal, remove to an alternative educational setting any student who is at least 13 and who does one of the following:

- a. Physically assaults a teacher or other adult who is not a student.
- b. Physically assaults another student if the assault is witnessed by school personnel.
- c. Physically assaults and seriously injures another student.

1 If no appropriate alternative educational setting is available, then the ~~board may~~
2 superintendent may, upon recommendation of the principal, suspend this student for
3 up to 365 days.

4 (3) For purposes of this subsection, the conduct leading to suspension
5 or removal to an alternative educational setting must occur on
6 school property or at a school-sponsored or school-related activity
7 on or off school property. This subsection shall not apply when the
8 student who is subject to suspension or removal was acting in self-
9 defense. If a teacher is assaulted or injured and as a result a
10 student is suspended or removed to an alternative educational
11 setting under this subsection, then the student shall not be returned
12 to that teacher's classroom unless the teacher consents. If a student
13 is suspended under this subsection, the board may assign the
14 student to an alternative educational setting upon the expiration of
15 the period of suspension.

16 (4) If the ~~local board~~ superintendent removes the student to an
17 alternative educational setting, as provided in subdivision (1) of
18 this subsection, and the conduct leading to the removal occurred
19 on or before the ninetieth school day, the board shall remove the
20 student to that setting for the remainder of the current school year
21 and the first 90 school days in the following school year. If the
22 ~~board~~ superintendent chooses to remove the student to an
23 alternative educational setting, as provided in subdivision (1) of
24 this subsection, and the conduct leading to the removal occurred
25 after the ninetieth school day, the board shall remove the student
26 to that setting for the remainder of the current school year and for
27 the entire subsequent school year. Notwithstanding these
28 requirements, the ~~local board~~ superintendent may authorize a
29 shorter or longer length of time a student must remain in an
30 alternative educational setting if the ~~board~~ superintendent finds
31 this would be more appropriate based upon the recommendations
32 of the principals of the alternative school and the school to which
33 the student will return."

34 Section 9. G.S. 115C-391(e) reads as rewritten:

35 "(e) A decision of a ~~local board~~ superintendent under subsection (c), ~~(d),~~ (d1), or
36 (d2) of this section may be appealed to the local board of education. A decision of
37 the local board upon this appeal or of the local board under subsection (d) or (d1) of
38 this section is final and, except as provided in this subsection, is subject to judicial
39 review in accordance with Article 4 of Chapter 150B of the General Statutes. A
40 person seeking judicial review shall file a petition in the superior court of the county
41 where the local board made its decision."

42 Section 10. G.S. 115C-276(r) reads as rewritten:

43 "(r) To Maintain Student Discipline. -- The superintendent shall maintain student
44 discipline in accordance with Article 27 of this Chapter and shall keep data on each

1 student suspended for more than 10 days or expelled. This data shall include the
2 race, gender, and age of each student, the duration of suspension for each student,
3 whether an alternative education was considered or provided for each student, and
4 whether a student had multiple suspensions."

5 Section 11. G.S. 115C-174.21(c) reads as rewritten:

6 "(c) Annual Testing Program.

7 (1) The State Board of Education shall adopt a system of annual
8 testing for grades three through 12. These tests shall be designed to
9 measure progress toward reading, communication skills, and
10 mathematics for grades three through eight, and toward
11 competencies designated by the State Board for grades nine
12 through 12. Students who do not pass the tests adopted for eighth
13 grade shall be provided remedial instruction in the ninth grade.
14 This assistance shall be calculated to prepare the students to pass
15 the competency test administered under subsection (b) of this
16 section.

17 (2) If the State Board of Education finds that additional testing in
18 grades three through 12 is desirable to allow comparisons with
19 national indicators of student achievement, that testing shall be
20 conducted with the smallest size sample of students necessary to
21 assure valid comparisons with other states."

22 Section 12. G.S. 115C-403(b) reads as rewritten:

23 "(b) When any child transfers from one school system to another school system,
24 the receiving school shall, within 30 days of the child's enrollment, obtain the child's
25 record from the school from which the child is transferring. If the child's parent,
26 custodian, or guardian provides a copy of the child's record from the school from
27 which the child is transferring, the receiving school shall, within 30 days of the child's
28 enrollment, request written verification of the school record by contacting the school
29 or institution named on the transferring child's record. Upon receipt of a request,
30 the principal or the principal's designee of the school from which the child is
31 transferring shall not withhold the record or verification for any reason, except as is
32 authorized under the Family Educational Rights and Privacy Act. Any information
33 received indicating that the transferring child is a missing child shall be reported to
34 the North Carolina Center for Missing Persons."

35 Section 13. G.S. 115C-288 is amended by adding the following new
36 subsection:

37 "(j) To Transfer Student Records. -- The principal shall not withhold the transfer
38 of student records, except as is provided in G.S. 115C-403(b)."

39 Section 14. G.S. 115C-333(b), as created in S.L. 1998-5, reads as
40 rewritten:

41 "(b) Action Plans. --

42 (1) If a certified employee in a low-performing school receives an
43 unsatisfactory or below standard rating on any function of the
44 evaluation that is related to the employee's instructional duties, the

individual or team that conducted the evaluation shall recommend to the superintendent that: (i) the employee receive an action plan designed to improve the employee's performance; or (ii) the superintendent recommend to the local board that the employee be dismissed or demoted. The superintendent shall determine whether to develop an action plan or to recommend a dismissal proceeding. Action plans shall be developed by the person who evaluated the employee or the employee's supervisor unless the evaluation was conducted by an assistance team or an assessment team. If the evaluation was conducted by an assistance team or an assessment team, that team shall develop the action plan in collaboration with the employee's supervisor. Action plans shall be designed to be completed within 90 instructional days or before the beginning of the next school year. The State Board shall develop guidelines that include strategies to assist local boards in evaluating certified employees and developing effective action plans within the time allotted under this section. Local boards may adopt policies for the development and implementation of action plans or professional development plans for employees who do not require action plans under this section.

(2) Local boards shall adopt policies to require action plans for all certified employees who receive a below standard or unsatisfactory rating on an evaluation in the event the superintendent does not recommend dismissal, demotion, or nonrenewal."

Section 15. G.S. 115C-333(c), as created in S.L. 1998-5, reads as rewritten:

"(c) Reevaluation. -- Upon completion of an action plan under subdivision (1) of subsection (b) of this section, the superintendent, the superintendent's designee, or the assessment team shall evaluate the employee a second time. If on the second evaluation the employee receives one unsatisfactory or more than one below standard rating on any function that is related to the employee's instructional duties, the superintendent shall recommend that the employee be dismissed or demoted under G.S. 115C-325. The results of the second evaluation shall constitute substantial evidence of the employee's inadequate performance."

Section 16. G.S. 115C-287.1(b) reads as rewritten:

"(b) Local boards of education shall employ school administrators who are ineligible for career status as provided ~~by~~ in G.S. 115C-325(c)(3), upon the recommendation of the superintendent. All contracts between ~~the~~ a school administrator and ~~the~~ a local board of education shall be for two to four years, ending on June 30 of the final 12 months of the contract. In the case of an initial contract between a school administrator and a local board of education, the first year of the contract may be for a period of less than 12 months provided the contract becomes effective on or before September 1. ~~The~~ A local board of education may, with the written consent of ~~the~~ a school administrator, extend, renew, or offer a new

1 school administrator's contract at any time after the first 12 months of the contract so
2 long as the term of the new, renewed, or extended contract does not exceed four
3 years. Rolling annual contract renewals are not allowed. Nothing in this section
4 shall be construed to prohibit the filling of an administrative position on an interim
5 or temporary basis."

6 Section 17. The State Board of Education shall evaluate the provision by
7 local boards of education of lump-sum payments of one percent (1%) of the base
8 salaries of principals and assistant principals in schools the boards found to meet the
9 goals of local plans for maintaining safe and orderly schools. The Board shall
10 identify the number of principals and assistant principals who received these
11 payments, how local boards determined whether schools met local goals for
12 maintaining safe and orderly schools, and any other information that boards used to
13 select the individuals to receive these payments. The State Board shall report the
14 results of this evaluation to the Joint Legislative Education Oversight Committee by
15 December 31, 1998.

16 Section 18. The State Board of Education and the Board of Governors of
17 The University of North Carolina shall develop a proposal for a statewide lateral
18 entry teacher licensure program and shall report the proposal to the Joint Legislative
19 Education Oversight Committee prior to September 1, 1999. The proposal shall
20 include the following: (i) active recruitment of mid-career college graduates into
21 teaching; (ii) intensive summer preservice preparation prior to the initial year of
22 employment that is delivered at multiple sites throughout the State; (iii) coaching,
23 support, and continued professional preparation for initial licensure provided during
24 the initial year of employment; (iv) portfolio development and professional
25 assessment during the initial year of employment; (v) intensive second summer
26 preparation for initial licensure examination unless the individual has already taken
27 and passed the initial licensure examination; (vi) use of technology for professional
28 and instructional support to increase program accessibility and decrease distance as a
29 barrier to program completion; (vii) a program management plan; and (viii) an
30 estimated annual budget to operate the program. The proposal also shall include a
31 review of the current process for lateral entry and alternative certification, an
32 inventory and description of existing programs designed to assist individuals achieve
33 licensure through lateral entry, and a review of any reports or plans developed by the
34 State Board of Education or the Board of Governors since 1995 addressing lateral
35 entry or alternative certification. The Joint Legislative Education Oversight
36 Committee shall review the proposal and report any suggested legislation to the
37 General Assembly by May 1, 2000.

38 Section 19. G.S. 153A-158.1(e), as amended by S.L. 1998-33 and S.L.
39 1998-48, reads as rewritten:

40 "(e) Scope. -- This section applies to Alamance, Alexander, Alleghany, Ashe,
41 Avery, Bladen, Brunswick, Burke, Cabarrus, Caldwell, Camden, Carteret, Caswell,
42 Cherokee, Chowan, Columbus, Currituck, Dare, Davidson, Davie, Duplin,
43 Edgecombe, Forsyth, Franklin, Gates, Graham, Greene, Guilford, Halifax, Harnett,
44 Haywood, Hyde, Iredell, Jackson, Johnston, Jones, Lee, Lenoir, Macon, Madison,

1 Martin, Mitchell, Moore, Nash, New Hanover, Onslow, Orange, Pasquotank, Pender,
2 Perquimans, Person, Pitt, Randolph, Richmond, Rockingham, Rowan, Sampson,
3 Scotland, Stanly, Stokes, Surry, Union, Vance, Wake, Wilkes, Wilson, Watauga, and
4 Wayne Counties."

5 Section 20. This act is effective when it becomes law. Section 2 of this
6 act applies to funds awarded beginning with those awarded at the end of the 1998-99
7 school year, and any plan developed and approved under G.S. 115C-105.36(b) before
8 the effective date of this act shall not apply to those funds. Section 16 of this act
9 applies to contracts entered into on or after the effective date of this act.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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4

SENATE BILL 1125*
Education/Higher Education Committee Substitute Adopted 8/3/98
Third Edition Engrossed 8/4/98
House Committee Substitute Favorable 8/19/98

Short Title: Misc. Education Changes.

(Public)

Sponsors:

Referred to:

May 14, 1998

- 1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND VARIOUS EDUCATION LAWS.
3 The General Assembly of North Carolina enacts:
4 Section 1. G.S. 115C-102.5(b) reads as rewritten:
5 "(b) The Commission shall consist of the following 18 members:
6 (1) The State Superintendent of Public Instruction or a designee;
7 (2) One representative of The University of North Carolina, appointed
8 by the President of The University of North Carolina;
9 (3) One representative of the North Carolina Community College
10 System, appointed by the President of the North Carolina
11 Community College System;
12 (4) A person with management responsibility concerning information
13 technology related State Government functions, designated by the
14 Secretary of Commerce;
15 (5) Four members appointed by the Governor;
16 (6) Six members appointed by the President Pro Tempore of the
17 Senate two of whom shall be members of the Senate. One of these
18 six members shall be appointed by the President Pro Tempore of
19 the Senate to serve as cochair; and
20 (7) Six members appointed by the Speaker of the House of
21 Representatives two of whom shall be members of the House of

1 Representatives. One of these six members shall be appointed by
2 the Speaker of the House of Representatives to serve as cochair.

3 In appointing members pursuant to subdivisions (5), (6), and (7) of this subsection,
4 the appointing persons shall select individuals with technical or applied knowledge or
5 experience in learning and instructional management technologies or individuals with
6 expertise in curriculum or instruction who have successfully used learning and
7 instructional management technologies.

8 No producers, vendors, or consultants to producers or vendors of learning or
9 instructional management technologies shall serve on the Commission.

10 Members shall serve for two-year terms. Vacancies in terms of members shall be
11 filled by the appointing officer. Persons appointed to fill vacancies shall qualify in the
12 same manner as persons appointed for full terms."

13 Section 2. G.S. 115C-105.36(b) reads as rewritten:

14 "(b) The State Board shall establish a procedure to allocate the funds for these
15 awards to the local school administrative units in which the eligible schools are
16 located. Funds shall become available for expenditure July 1 of each fiscal year.
17 Funds shall remain available until November 30 of the subsequent fiscal year for
18 expenditure for:

19 (1) ~~Awards to the personnel; or~~

20 (2) ~~The purposes authorized in a plan that has been:~~

21 a. ~~Developed and voted on by the personnel in the same~~
22 ~~manner that a school improvement plan is approved under~~
23 ~~G.S. 115C-105.27;~~

24 b. ~~Approved by a majority of the personnel who vote on the~~
25 ~~plan; and~~

26 c. ~~Submitted to and approved by the local board of education.~~
27 ~~The local board shall approve this plan unless the plan involves~~
28 ~~expenditures of funds that are not for a public purpose or that are~~
29 ~~otherwise unlawful for awards to the personnel. Each local school~~
30 ~~administrative unit shall make these awards to each eligible person~~
31 ~~no later than that person's first regular payday following the local~~
32 ~~unit's receipt of the funds; however, if that payday is fewer than~~
33 ~~15 days following the unit's receipt of the funds, then the local~~
34 ~~school administrative unit shall make the award to that person no~~
35 ~~later than that person's second regular payday following the unit's~~
36 ~~receipt of the funds."~~

37 Section 3. G.S. 115C-244 reads as rewritten:

38 "§ 115C-244. Assignment of pupils to school buses.

39 (a) ~~The principal of a school, to which any school bus has been assigned by the~~
40 ~~superintendent of the schools of the local school administrative unit embracing such~~
41 ~~school, shall assign to such bus or buses the pupils and employees who may be~~
42 ~~transported to and from such school upon such bus or buses. The superintendent or~~
43 ~~superintendent's designee shall assign the pupils and employees who may be~~
44 ~~transported to and from school upon the bus or buses assigned to each school and~~

1 shall implement and enforce the plan developed under G.S. 115C-246. No pupil or
2 employee shall be permitted to ride upon any school bus to which such pupil or
3 employee has not been so assigned by the principal, superintendent or
4 superintendent's designee, except by the express direction of the principal,
5 superintendent or superintendent's designee.

6 (b) ~~In the event that the superintendent of any local school administrative unit~~
7 ~~shall assign or superintendent's designee assigns~~ a school bus to be used in the
8 transportation of pupils to two or more schools, the superintendent or
9 superintendent's designee shall designate the number of assign the pupils to be
10 transported to and from each ~~such~~ school by ~~such~~ that bus, and the principals of the
11 respective schools shall ~~assign pupils to such buses in accordance with such~~
12 ~~designation.~~ implement and enforce this assignment of pupils.

13 (c) Any pupil enrolled in any school, or the parent or guardian of any such pupil,
14 or the person standing in loco parentis to such pupil, may apply to the principal of
15 such school for transportation of such pupil to and from such school by school bus
16 for the regularly organized school day. ~~Upon application, the principal~~ The principal
17 shall deliver the application to the superintendent or superintendent's designee, who
18 shall assign a pupil to a school bus if the pupil is entitled to school bus transportation
19 under this Article and the rules of the State Board of Education. Such assignment
20 shall be made by the principal superintendent or superintendent's designee so as to
21 provide for the orderly, safe and efficient transportation of pupils to such school and
22 so as to promote the orderly and efficient administration of the school and the health,
23 safety and general welfare of the pupils to be so transported. Assignments of pupils
24 and employees to school buses may be changed by the principal of the school
25 superintendent or superintendent's designee as he may from time to time find proper
26 for the safe and efficient transportation of such pupils and employees.

27 (d) The parent or guardian of any pupil enrolled in any school, or the person
28 standing in loco parentis to any such pupil, who shall apply ~~to the principal of such~~
29 ~~school under subsection (c) of this section~~ for the transportation of such pupil to and
30 from such school by school bus, may, if such application is denied, or if such pupil is
31 assigned to a school bus not satisfactory to such parent, guardian, or person standing
32 in loco parentis to such pupil, pursuant to rules and regulations established by the
33 local board of education, apply to such board for such transportation upon a school
34 bus designated in such application, and shall be entitled to a prompt and fair hearing
35 by such board in accordance with the rules and regulations established by it. The
36 majority of such board shall be a quorum for the purpose of holding such hearing
37 and passing upon such application, and the decision of the majority of the members
38 present at such hearing shall be the decision of the board. If, at such hearing, the
39 board shall find that pupil is entitled to be transported to and from such school upon
40 the school bus designated in such application, or if the board shall find that the
41 transportation of such pupil upon such bus to and from such school will be for the
42 best interests of such pupil, will not interfere with the proper administration of such
43 school, or with the safe and efficient transportation by school bus of other pupils
44 enrolled in such school and will not endanger the health or safety of the children

1 there enrolled, the board shall direct that such child be assigned to and transported to
2 such school upon such bus.

3 (e) A decision of a local board under subsection (d) is final and, except as
4 provided in this subsection, is subject to judicial review in accordance with Article 4
5 of Chapter 150B of the General Statutes. A person seeking judicial review shall file a
6 petition in the superior court of the county where the local board made its decision.

7 (f) No employee shall be assigned to or permitted to ride upon a school bus when
8 to do so will result in the overcrowding of such bus or will prevent the assignment to
9 such bus of a pupil entitled to ride thereon, or will otherwise, in the opinion of the
10 ~~principal, superintendent or superintendent's designee~~, be detrimental to the comfort
11 or safety of the pupils assigned to such bus, or to the safe, efficient and proper
12 operation of such bus."

13 Section 4. G.S. 115C-245 reads as rewritten:

14 "**§ 115C-245. School bus drivers; monitors; safety assistants.**

15 (a) Each local board, which elects to operate a school bus transportation system,
16 shall employ the necessary drivers for such school buses. The drivers shall have all
17 qualifications prescribed by the regulations of the State Board of Education herein
18 provided for and must be at least 18 years old and have at least six months driving
19 experience as a licensed operator of a motor vehicle before employment as a regular
20 or substitute driver, but the selection and employment of each driver shall be made
21 by the local board of education, and the driver shall be the employee of such local
22 school administrative unit. Each local board of education shall assign the bus drivers
23 employed by it to the respective schools within the jurisdiction of such board, and the
24 ~~principal of each such school~~ superintendent or superintendent's designee shall assign
25 the drivers to the school buses to be driven by them. No school bus shall at any time
26 be driven or operated by any person other than the bus driver assigned by ~~such~~
27 ~~principal~~ to such bus except by the express direction of ~~such principal~~ the
28 superintendent or superintendent's designee or in accordance with rules and
29 regulations of the appropriate local board of education.

30 (b) The driver of a school bus subject to the direction of the ~~principal~~
31 superintendent or superintendent's designee shall have complete authority over and
32 responsibility for the operation of the bus and the maintaining of good order and
33 conduct upon such bus, and shall report promptly to the principal any misconduct
34 upon such bus or disregard or violation of the driver's instructions by any person
35 riding upon such bus. The principal may take such action with reference to any such
36 misconduct upon a school bus, or any violation of the instructions of the driver, as he
37 might take if such misconduct or violation had occurred upon the grounds of the
38 school.

39 (c) The driver of any school bus shall permit no person to ride upon such bus
40 except pupils or school employees assigned thereto or persons permitted by the
41 express direction of the ~~principal~~ superintendent or superintendent's designee to ride
42 thereon.

43 (d) ~~The principal of a school, to which a school bus has been assigned, may, in his~~
44 ~~discretion, appoint a monitor for any bus so assigned to such school. The~~

1 superintendent or superintendent's designee may, in his discretion, appoint a monitor
2 for any bus assigned to any school. It shall be the duty of such monitor, subject to
3 the direction of the driver of the bus, to preserve order upon the bus and do such
4 other things as may be appropriate for the safety of the pupils and employees
5 assigned to such bus while boarding such bus, alighting therefrom or being
6 transported thereon, and to require such pupils and employees to conform to the
7 rules and regulations established by the local board of education for the safety of
8 pupils and employees upon school buses. Such monitors shall be unpaid volunteers
9 who shall serve at the pleasure of the ~~principal~~ superintendent or superintendent's
10 designee.

11 (e) A local board of education may, in its discretion within funds available,
12 employ transportation safety assistants upon recommendation of the principal through
13 the superintendent. The safety assistants thus employed shall assist the bus drivers
14 with the safety, movement, management, and care of children boarding the bus,
15 leaving the bus, or being transported in it. The safety assistant should be either an
16 adult or a certified student driver who is available as a substitute bus driver."

17 Section 5. G.S. 115C-290.8 reads as rewritten:

18 "**§ 115C-290.8. Exemptions from requirements.**

19 (a) The requirements of this Article do not apply to a person who, at any time
20 during the five years preceding January 1, 1998, ~~(i) completed an administrative~~
21 ~~internship as part of an approved graduate program in school administration and~~
22 ~~obtained an active State administrator/supervisor certificate, (ii) was engaged in~~
23 ~~school administration while in possession of an active State administrator/supervisor~~
24 ~~certificate, or (iii) was employed in a North Carolina college or university as an~~
25 ~~instructor while in possession of an active State administrator/supervisor certificate~~
26 ~~and whose major responsibilities included the preparation or supervision of~~
27 ~~individuals enrolled in a public school administration program that meets the public~~
28 ~~school administrator program approval standards set by the State Board.~~ obtained or
29 renewed a State administrator/supervisor certificate.

30 (b) The State Board may adopt policies governing the requirements for the
31 certification of individuals who hold a certificate issued in any other state that
32 authorizes them to be employed as school administrators in that state. These policies
33 may exempt some or all of these individuals from the requirements of this Article.

34 (c) A person who is exempt from the requirements of this Article but applies to
35 the Standards Board under this Article shall be subject to the Article."

36 Section 6. G.S. 115C-174.21(b) reads as rewritten:

37 "(b) Competency Testing Program.

38 (1) The State Board of Education shall adopt tests or other
39 measurement devices which may be used to assure that graduates
40 of the public high schools and graduates of nonpublic schools
41 supervised by the State Board of Education pursuant to the
42 provisions of Part 1 of Article 39 of this Chapter possess the skills
43 and knowledge necessary to function independently and
44 successfully in assuming the responsibilities of citizenship.

- 1 (2) The tests shall be administered annually to all ~~tenth~~ ninth grade
2 students in the public schools. Students who fail to attain the
3 required minimum standard for graduation in the ~~tenth~~ ninth grade
4 shall be given remedial instruction and additional opportunities to
5 take the test up to and including the last month of the twelfth
6 grade. Students who fail to pass parts of the test shall be retested
7 on only those parts they fail. Students in the ~~tenth~~ ninth grade who
8 are enrolled in special education programs or who have been
9 officially designated as eligible for participation in such programs
10 may be excluded from the testing programs.
- 11 (3) The State Board of Education may develop and validate alternate
12 means and standards for demonstrating minimum competence.
13 These standards, which must be more difficult than the tests
14 adopted pursuant to subdivision (1) of this subsection, may be
15 passed by students in lieu of the testing requirement of subdivision
16 (2) of this subsection.
- 17 (4) Repealed by Session Laws 1996, Second Extra Session, c. 18, s.
18 18.14."

19 Section 7. G.S. 115C-391(d1) reads as rewritten:

20 "(d1) A local board of education or superintendent shall suspend for 365 days any
21 student who brings a weapon, as defined in G.S. 14-269.2(b) and G.S. 14-269.2(g),
22 onto school property. The local board of education upon recommendation by the
23 superintendent may modify this suspension requirement on a case-by-case basis that
24 includes, but is not limited to, the procedures established for the discipline of
25 students with disabilities and may also provide, or contract for the provision of,
26 educational services to any student suspended pursuant to this subsection in an
27 alternative school setting or in another setting that provides educational and other
28 services."

29 Section 8. G.S. 115C-391(d2) reads as rewritten:

- 30 "(d2) (1) ~~A local board of education shall~~ The superintendent shall, upon
31 recommendation of the principal, remove to an alternative
32 educational setting, as provided in subdivision (4) of this
33 subsection, any student who is at least 13 and who physically
34 assaults and seriously injures a teacher or other school personnel. If
35 no appropriate alternative educational setting is available, then the
36 ~~board shall~~ superintendent shall, upon recommendation of the
37 principal, suspend for no less than 300 days but no more than 365
38 days any student who is at least 13 and who physically assaults and
39 seriously injures a teacher or other school personnel.
- 40 (2) ~~A local board of education may~~ The superintendent may, upon
41 recommendation of the principal, remove to an alternative
42 educational setting any student who is at least 13 and who does
43 one of the following:

- 1 a. Physically assaults a teacher or other adult who is not a
- 2 student.
- 3 b. Physically assaults another student if the assault is witnessed
- 4 by school personnel.
- 5 c. Physically assaults and seriously injures another student.

6 If no appropriate alternative educational setting is available, then the ~~board may~~
7 superintendent may, upon recommendation of the principal, suspend this student for
8 up to 365 days.

9 (3) For purposes of this subsection, the conduct leading to suspension
10 or removal to an alternative educational setting must occur on
11 school property or at a school-sponsored or school-related activity
12 on or off school property. This subsection shall not apply when the
13 student who is subject to suspension or removal was acting in self-
14 defense. If a teacher is assaulted or injured and as a result a
15 student is suspended or removed to an alternative educational
16 setting under this subsection, then the student shall not be returned
17 to that teacher's classroom unless the teacher consents. If a student
18 is suspended under this subsection, the board may assign the
19 student to an alternative educational setting upon the expiration of
20 the period of suspension.

21 (4) If the ~~local board~~ superintendent removes the student to an
22 alternative educational setting, as provided in subdivision (1) of
23 this subsection, and the conduct leading to the removal occurred
24 on or before the ninetieth school day, the board shall remove the
25 student to that setting for the remainder of the current school year
26 and the first 90 school days in the following school year. If the
27 ~~board~~ superintendent chooses to remove the student to an
28 alternative educational setting, as provided in subdivision (1) of
29 this subsection, and the conduct leading to the removal occurred
30 after the ninetieth school day, the board shall remove the student
31 to that setting for the remainder of the current school year and for
32 the entire subsequent school year. Notwithstanding these
33 requirements, the ~~local board~~ superintendent may authorize a
34 shorter or longer length of time a student must remain in an
35 alternative educational setting if the ~~board~~ superintendent finds
36 this would be more appropriate based upon the recommendations
37 of the principals of the alternative school and the school to which
38 the student will return."

39 Section 9. G.S. 115C-391(e) reads as rewritten:

40 "(e) A decision of a ~~local board~~ superintendent under subsection (c), ~~(d)~~, (d1), or
41 (d2) of this section may be appealed to the local board of education. A decision of
42 the local board upon this appeal or of the local board under subsection (d) of this
43 section is final and, except as provided in this subsection, is subject to judicial review
44 in accordance with Article 4 of Chapter 150B of the General Statutes. A person

1 seeking judicial review shall file a petition in the superior court of the county where
2 the local board made its decision."

3 Section 10. G.S. 115C-276(r) reads as rewritten:

4 "(r) To Maintain Student Discipline. -- The superintendent shall maintain student
5 discipline in accordance with Article 27 of this Chapter and shall keep data on each
6 student suspended for more than 10 days or expelled. This data shall include the
7 race, gender, and age of each student, the duration of suspension for each student,
8 whether an alternative education was considered or provided for each student, and
9 whether a student had multiple suspensions."

10 Section 11. G.S. 115C-174.21(c) reads as rewritten:

11 "(c) Annual Testing Program.

12 (1) The State Board of Education shall adopt a system of annual
13 testing for grades three through 12. These tests shall be designed to
14 measure progress toward reading, communication skills, and
15 mathematics for grades three through eight, and toward
16 competencies designated by the State Board for grades nine
17 through 12. Students who do not pass the tests adopted for eighth
18 grade shall be provided remedial instruction in the ninth grade.
19 This assistance shall be calculated to prepare the students to pass
20 the competency test administered under subsection (b) of this
21 section.

22 (2) If the State Board of Education finds that additional testing in
23 grades three through 12 is desirable to allow comparisons with
24 national indicators of student achievement, that testing shall be
25 conducted with the smallest size sample of students necessary to
26 assure valid comparisons with other states."

27 Section 12. G.S. 115C-403(b) reads as rewritten:

28 "(b) When any child transfers from one school system to another school system,
29 the receiving school shall, within 30 days of the child's enrollment, obtain the child's
30 record from the school from which the child is transferring. If the child's parent,
31 custodian, or guardian provides a copy of the child's record from the school from
32 which the child is transferring, the receiving school shall, within 30 days of the child's
33 enrollment, request written verification of the school record by contacting the school
34 or institution named on the transferring child's record. Upon receipt of a request,
35 the principal or the principal's designee of the school from which the child is
36 transferring shall not withhold the record or verification for any reason, except as is
37 authorized under the Family Educational Rights and Privacy Act. Any information
38 received indicating that the transferring child is a missing child shall be reported to
39 the North Carolina Center for Missing Persons."

40 Section 13. G.S. 115C-288 is amended by adding the following new
41 subsection:

42 "(j) To Transfer Student Records. -- The principal shall not withhold the transfer
43 of student records, except as is provided in G.S. 115C-403(b)."

1 Section 14. G.S. 115C-333(b), as created in S.L. 1998-5, reads as
2 rewritten:

3 "(b) Action Plans. --

4 (1) If a certified employee in a low-performing school receives an
5 unsatisfactory or below standard rating on any function of the
6 evaluation that is related to the employee's instructional duties, the
7 individual or team that conducted the evaluation shall recommend
8 to the superintendent that: (i) the employee receive an action plan
9 designed to improve the employee's performance; or (ii) the
10 superintendent recommend to the local board that the employee be
11 dismissed or demoted. The superintendent shall determine
12 whether to develop an action plan or to recommend a dismissal
13 proceeding. Action plans shall be developed by the person who
14 evaluated the employee or the employee's supervisor unless the
15 evaluation was conducted by an assistance team or an assessment
16 team. If the evaluation was conducted by an assistance team or an
17 assessment team, that team shall develop the action plan in
18 collaboration with the employee's supervisor. Action plans shall
19 be designed to be completed within 90 instructional days or before
20 the beginning of the next school year. The State Board shall
21 develop guidelines that include strategies to assist local boards in
22 evaluating certified employees and developing effective action
23 plans within the time allotted under this section. Local boards
24 may adopt policies for the development and implementation of
25 action plans or professional development plans for employees who
26 do not require action plans under this section.

27 (2) Local boards shall adopt policies to require action plans for all
28 certified employees who receive a below standard or unsatisfactory
29 rating on an evaluation in the event the superintendent does not
30 recommend dismissal, demotion, or nonrenewal."

31 Section 15. G.S. 115C-333(c), as created in S.L. 1998-5, reads as
32 rewritten:

33 "(c) Reevaluation. -- Upon completion of an action plan under subdivision (1) of
34 subsection (b) of this section, the superintendent, the superintendent's designee, or
35 the assessment team shall evaluate the employee a second time. If on the second
36 evaluation the employee receives one unsatisfactory or more than one below standard
37 rating on any function that is related to the employee's instructional duties, the
38 superintendent shall recommend that the employee be dismissed or demoted under
39 G.S. 115C-325. The results of the second evaluation shall constitute substantial
40 evidence of the employee's inadequate performance."

41 Section 16. G.S. 115C-287.1(b) reads as rewritten:

42 "(b) Local boards of education shall employ school administrators who are
43 ineligible for career status as provided ~~by~~ in G.S. 115C-325(c)(3), upon the
44 recommendation of the superintendent. All contracts between ~~the~~ a school

1 administrator and ~~the~~ a local board of education shall be for two to four years,
2 ending on June 30 of the final 12 months of the contract. In the case of an initial
3 contract between a school administrator and a local board of education, the first year
4 of the contract may be for a period of less than 12 months provided the contract
5 becomes effective on or before September 1. The A local board of education may,
6 with the written consent of ~~the~~ a school administrator, extend, renew, or offer a new
7 school administrator's contract at any time after the first 12 months of the contract so
8 long as the term of the new, renewed, or extended contract does not exceed four
9 years. Rolling annual contract renewals are not allowed. Nothing in this section
10 shall be construed to prohibit the filling of an administrative position on an interim
11 or temporary basis."

12 Section 17. The State Board of Education shall evaluate the provision by
13 local boards of education of lump-sum payments of one percent (1%) of the base
14 salaries of principals and assistant principals in schools the boards found to meet the
15 goals of local plans for maintaining safe and orderly schools. The Board shall
16 identify the number of principals and assistant principals who received these
17 payments, how local boards determined whether schools met local goals for
18 maintaining safe and orderly schools, and any other information that boards used to
19 select the individuals to receive these payments. The State Board shall report the
20 results of this evaluation to the Joint Legislative Education Oversight Committee by
21 November 15, 1998.

22 Section 18. The State Board of Education and the Board of Governors of
23 The University of North Carolina shall develop a proposal for a statewide lateral
24 entry teacher licensure program and shall report the proposal to the Joint Legislative
25 Education Oversight Committee prior to December 1, 1998. The proposal shall
26 include the following: (i) active recruitment of mid-career college graduates into
27 teaching; (ii) intensive summer preservice preparation prior to the initial year of
28 employment that is delivered at multiple sites throughout the State; (iii) coaching,
29 support, and continued professional preparation for initial licensure provided during
30 the initial year of employment; (iv) portfolio development and professional
31 assessment during the initial year of employment; (v) intensive second summer
32 preparation for initial licensure examination unless the individual has already taken
33 and passed the initial licensure examination; (vi) use of technology for professional
34 and instructional support to increase program accessibility and decrease distance as a
35 barrier to program completion; (vii) a program management plan; and (viii) an
36 estimated annual budget to operate the program. The proposal also shall include a
37 review of the current process for lateral entry and alternative certification, an
38 inventory and description of existing programs designed to assist individuals achieve
39 licensure through lateral entry, and a review of any reports or plans developed by the
40 State Board of Education or the Board of Governors since 1995 addressing lateral
41 entry or alternative certification. The Joint Legislative Education Oversight
42 Committee shall review the proposal and report any suggested legislation to the
43 General Assembly by January 27, 1999.

1 Section 19. This act is effective when it becomes law. Section 2 of this
2 act applies to funds awarded beginning with those awarded at the end of the 1998-99
3 school year, and any plan developed and approved under G.S. 115C-105.36(b) before
4 the effective date of this act shall not apply to those funds. Section 16 of this act
5 applies to contracts entered into on or after that date.

HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION
Wednesday, October 28, 1998

MINUTES

The House Appropriations Subcommittee on Education met at 8:45 a.m. on Wednesday, October 28, 1998, in the House Chamber.

Members present were: Representatives Arnold, Grady and Preston, Co-chairs; Representatives Oldham and Rogers.

Representative Arnold presided. The order of business was to report all bills out of the Subcommittee. Representative Grady made a motion that all bills remaining in the Education Subcommittee receive an indefinite postponement report. Representative Rogers seconded the motion. The motion passed with a unanimous voice vote. The following bills were reported out with an indefinite postponement report:

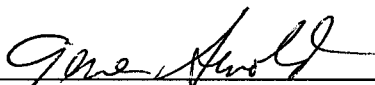
CS for HB 157 COMMUNITY COLLEGE SCHOLARSHIP PROGRAM
HB 161 MODEL TEACHER CONSORTIUM FUNDS
CS for HB 256 SCHOOL BUDGET ACCOUNTABILITY
HB 308 REPEAL SUNSET ON FICA SAVINGS USE
HB 377 SOUTHEASTERN COMMUNITY COLLEGE FUNDS
HB 381 CHARTER SCHOOL START-UP FUNDS
HB 399 ENGLISH AS A SECOND LANGUAGE FUNDS
HB 454 LOW-WEALTH SCHOOL SUPPLEMENTAL FUNDS
HB 462 NONCERTIFIED SCHOOL EMPLOYEE FUNDS
HB 479 NC A&T AGRICULTURAL RESEARCH FUNDS
CS for HB 512 SCHOOL SAFETY ACT
HB 555 SCHOOL NURSE FUNDS
HB 556 AUTISM OPERATING FUNDS
HB 679 EXPAND TECHNOLOGY IN SCHOOLS
HB 767 UNC EDUCATIONAL CONSORTIUM FUNDS
HB 822 SCHOOL RESOURCE OFFICER/TYRRELL HIGH SCHOOL
HB 864 CLASS-SIZE REDUCTION IN GRADE 3
HB 905 EXCELLENT COMMUNITY COLLEGES ACT
HB 947 MOBILE PRESCHOOL PROGRAM FUNDS
HB 961 EXPAND COMMUNITY LINK FUNDS
CS for HB 979 SUBSTITUTE TEACHER PAY RAISE
HB 1019 RIGOROUS ACADEMIC CONTROL STANDARDS
CS for HB 1089 UNC MILITARY TUITION
CS for HB 1154 SAFE SCHOOL PLANS/ACCOUNTABILITY
HB 1180 FSU/PEMBROKE TEACHER EDUCATION CONSORTIUM
HB 1183 CIVIC EDUCATION PROGRAM FUNDS
HB 1198 SAVINGS RESERVE/SCHOOL TECHNOLOGY FUND
CS for HB 1199 MONETARY INCENTIVE/ACADEMIC EXCELLENCE
HB 1212 TECHNOLOGY & TRAINING FUNDS
HB 1218 ADULT/STUDENT RATIO REDUCTIONS
HB 1262 SCHOOL UTILITY COSTS PAID BY STATE
HB 1386 EXPAND COMMUNITY LINK FUNDS
HB 1428 LEP STUDENT FUNDS
HB 1430 NATURAL RESOURCES LEADERSHIP FUNDS

APPROPRIATIONS Subcommittee on Education
Wednesday, October 28, 1998
Minutes

HB 1532 MODEL TEACHER CONSORTIUM FUNDS
HB 1548 IOG INTERN FUNDS
HB 1557 LOW-WEALTH SCHOOL FUNDS
HB 1563 INTERNATIONAL BACCALAUREATE FUNDS
HB 1598 CUED SPEECH CENTER FUNDS-3
HB 1620 SCHOOL NURSE FUNDS
HB 1634 COMMUNITY COLLEGE EXPANSION FUNDS
HB 1635 ROANOKE-CHOWAN COMMUNITY COLLEGE FUNDS
HB 1671 TEACHER ASSISTANT SALARY FUNDS
HB 1672 PRINCIPAL SALARY FUNDS
HB 1673 TEACHER EVALUATIONS/ASSESSMENT TEAMS
HB 1674 PRINCIPALS IN LOW-PERFORMANCE SCHOOLS
HB 1675 ADMINISTRATION CHANGES SPECIAL EDUCATION FUNDS
HB 1676 TEACHER COMPENSATION/EXTRA WORK DAYS
HB 1695 SPECIAL EDUCATION GROUP HOME FUNDS
HB 1723 LOW -PERFORMANCE SCHOOL/SALARY FUNDS
HB 1730 BILINGUAL TEACHER ASSISTANT FUNDS
HB 1751 LIFEBOAT SCHOLARSHIP FUNDS

There was no further business to come before the Subcommittee at this time. The meeting was adjourned.

Respectfully submitted:



Representative Gene Arnold, Co-Chair



Peggy B. Murray, Committee Clerk

**1998 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE

The following report(s) from permanent sub committee(s) is/are presented:

By Representative(s) Arnold, Grady and Preston for the Permanent Subcommittee on Education of the
Standing Committee on APPROPRIATIONS.

H.B. _____, S.B. _____, A BILL TO BE ENTITLED AN ACT
H.J.R. _____, S.J.R. _____, A JOINT RESOLUTION
H.R. _____, A HOUSE RESOLUTION

See Attached

REPORTED TO THE STANDING COMMITTEE ON

RECOMMENDED ACTION:

- ☐ With a favorable recommendation.
- ☐ With a favorable recommendation and recommend that the bill be re-referred to the Committee on _____.
- ☐ With a favorable recommendation, as amended.
- ☐ With a favorable recommendation, as amended, and recommend that the bill be re-referred to the Committee on _____.
- ☐ With an unfavorable recommendation.
- ☐ With a favorable recommendation as to proposed committee substitute bill (☐) which changes the title, unfavorable as to original bill.
- ☐ With a favorable recommendation as to proposed House committee substitute bill (☐) which changes the title, unfavorable as to Senate committee substitute bill.
- ☐ Without prejudice.
- ☐ Other recommended action _____.

WITH APPROVAL OF STANDING COMMITTEE CHAIR FOR REPORT TO BE MADE DIRECTLY TO THE FLOOR OF THE HOUSE:

Rep. *Esposito* for the Standing Committee on *Appropriations*, *Theresa A. Esposito*

- ☐ With a favorable report.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report as to committee substitute bill (# _____), (☐) which changes the title, unfavorable as to original bill (Committee Substitute Bill # _____). (and recommendation that the committee substitute bill (# _____) be re-referred to the Committee on _____.)
- ☐ And having received a unanimous vote in committee, is placed on the Consent Calendar. (PUBLIC BILLS ONLY)

4/24/97

With an indefinite postponement report.

CS for HB 157 COMMUNITY COLLEGE SCHOLARSHIP PROGRAM
HB 161 MODEL TEACHER CONSORTIUM FUNDS
CS for HB 256 SCHOOL BUDGET ACCOUNTABILITY
HB 308 REPEAL SUNSET ON FICA SAVINGS USE
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4/24/97