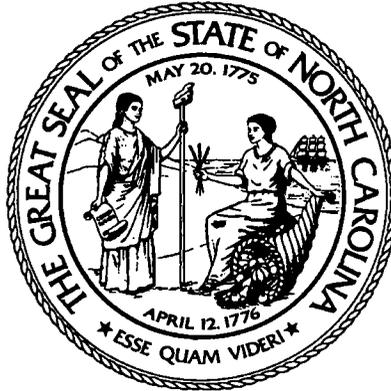


1998

**JOINT
APPROPRIATIONS -
EDUCATION
COMMITTEE**

MINUTES



**JOINT HOUSE AND SENATE APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION**

1998 SESSION

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Senator Leslie Winner
Representative Gene Arnold
Representative Robert Grady
Representative Jean Preston**

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APPROPRIATIONS/Subcommittee on Education

1997 - 98

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Senator Walton H. Dalton

Senator John A. Garwood

Senator William Purcell

**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 (AM)

MINUTES

JOINT LEGISLATIVE APPROPRIATIONS EDUCATION SUBCOMMITTEE

Tuesday, May 12, 1998

8:30 a.m.

Room 421, Legislative Office Building

The Joint Legislative Appropriations Education Subcommittee met on Tuesday, May 12, 1998, at 8:30 a.m. in Room 421 of the Legislative Office Building. Six senators were present and Representatives Arnold, Black, Davis, Grady, Insko, Moore, Preston, Shubert, Oldham, Reynolds, Rogers, Russell and Yongue were in attendance.

Senator Lee presided and called the meeting to order at 8:35 a.m. He welcomed all members and outlined the proposed agenda.

Governor's Recommended Education Budget

Members of the Fiscal Research staff highlighted the Governor's Recommended Budget for Education. (Attachment 1)

Community Colleges

Committee Counsel Charlotte Todd briefed the committee on Community Colleges and supplied comparative budgets of the Governor's Recommendation and the State Board's request. (Attachment 2) In addition, Ms. Todd presented Consensus Budget Items. (Attachment 3)

University System

Committee Counsel Jim Newlin reviewed the Supplemental Budget Request for the University System. (Attachment 4) In response to legislators' discussion, Mr. Newlin provided details for the UNC 1998-99 Expansion Budget - Current Operations. (Attachment 5)

Public Schools

Committee Counsel Jim Johnson referred to the Governor's Recommended Budget. (Attachment 1) Detailed information was made available in the State Board of Education Supplemental Budget Request for the 1998-99 Fiscal Year. (Attachment 6)

Community Colleges' Response to the Governor's Budget

President H. Martin Lancaster, North Carolina Community College System, presented the community college system's response to Governor Hunt's budget. (Attachment 7)
President Lancaster further made special note of the need for recurring funds and parity among several curricula areas.

The members of the committee discussed the budget items of the three educational divisions prior to adjournment. Committee counsel, President Lancaster and Kennon Briggs, Vice President for Business and Finance, Community Colleges, supplied additional information as appropriate.

The meeting adjourned at 10:01 a.m.

Senator Howard N. Lee
Co-Chair Presiding

Betty E. Stoddard
Clerk

Senator Leslie Winner
Co-Chair

Representative Gene Arnold
Co-Chair

Representative Robert Grady
Co-Chair

Representative Jean Preston
Co-Chair

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

May 12, 1998

Welcome

Senator Lee

Review Governor's Recommended
Education Budget:

Fiscal Research Staff

Community Colleges
UNC
Public Schools

Charlotte Todd
Jim Newlin
Jim Johnson

Community College's Response to
the Governor's Budget

President Lancaster

North Carolina

Recommended Changes
to the 1998-99 State Budget

1997-99 Biennium



James B. Hunt Jr.
Governor

1998-99 Recommended Changes
 General Fund - Continued

C. Recommended Changes to the 1998-99 Budget

Public Education

The focus of this supplemental budget is to continue to improve education for the children of North Carolina. These recommendations emphasize the continued development and implementation of The New ABCs of Public Education (accountability, basics, and local control) with increased assistance for low performing schools and continued support for measures to recruit and retain excellent teachers consistent with The Excellent Schools Act.

1998-99

1. **Revise Average Daily Membership and Longevity Funds**

Positions, textbooks, instructional equipment, and supplies allocated to the public schools are budgeted on the basis of average daily membership (ADM) of students in the classroom. Budgeted ADM was 1,226,060 for 1997-98 and 1,247,150 for 1998-99. The revised budgeted ADM for 1998-99 is 1,251,287 and is based on the higher of 1997-98 actual ADM or 1998-99 projected ADM by LEA. This recommended ADM adjustment reflects an increase of 312 private school students entering charter schools in fiscal year 1998-99 for a total of 712 based on actual data for 1997-98.

\$ 26,553,765

Number of Positions (Net - Estimated)

514.4

Receipts from the Highway Fund to be transferred to the Department of Public Instruction for the Driver Education Program are adjusted down by \$174,861 due to revised 9th grade ADM estimates.

Requirements

\$ (174,861)

Receipts

(174,861)

Appropriation

\$ -

An increase of \$9,010,274 is recommended for longevity pay for costs associated with increases in teacher salaries and the increase in the longevity rate for teachers with 25+ years of service from 2.5% to 4.5% as provided in 1997-98.

9,010,274

1998-99 Recommended Changes
General Fund - Public Education - Continued

1998-99

2. **The Excellent Schools Act**

Consistent with The Excellent Schools Act, ratified by the 1997 General Assembly, the following recommendations represent a continuing effort to attract and retain highly qualified and experienced teachers. Funding is recommended for compensation for performance bonuses as defined in the ABCs, achievement of higher standards by certified teaching personnel, and special assignments performed by certified teaching personnel. A recommended 8% funding includes: 6.5% increase in funding for the salary schedule and increased funding for longevity consistent with the higher salaries for 1998-99, increased longevity rates for teachers with 10-24 years of service, a top of the range bonus for the teacher salary schedule, additional funding for 1997-98 ABC Incentive Awards to be paid in 1998-99, expanding the mentor program to second year teachers and increasing the rate of pay for mentors, and funding for two additional required forfeited vacation days .

2a. **Adjust Teacher Salary Schedule**

Six and one half percent funding, a total of \$192,943,537, is recommended to increase the teacher salary schedule to continue to compensate certified teaching personnel for achieving higher standards, performing special assignments, and increasing the salaries for beginning teachers. The amount of increase for individual teachers will vary accordingly. All of these steps will continue to advance the goal of increasing the North Carolina average teacher salary to the national average. The latest National Education Association's (NEA) Ranking of the States for 1996-97 indicates an estimate of the national average teacher salary for 1996-97 is \$38,516. The latest estimate for the North Carolina state average teacher salary for 1996-97 is \$31,167. Preliminary estimates for the 1997-98 state average teacher salary reflect \$33,420. The increases appropriated in this session will apply to certified teachers and certified instructional support, including psychologists, social workers, counselors, librarians, and media coordinators.

\$192,943,537

2b. **Longevity for Higher (1998-99) Salaries**

Additional funding for longevity for teachers is recommended to accommodate increased requirements consistent with the increased salaries recommended for teachers for 1998-99.

3,254,624

1998-99 Recommended Changes
 General Fund - Public Education - Continued

1998-99

The Excellent Schools Act - Continued

2c. Increase Longevity Rates for Teachers

It is recommended that the longevity rate for teachers be increased to that of state employees. Longevity is awarded beginning with the tenth year of employment and is increased at the 15 and 20 year levels. Increases would be as follows:

10-14 years from 1.00% to 1.50%

15-19 years from 1.50% to 2.25%

20-24 years from 2.00% to 3.25%

\$ 12,405,561

2d. Top of the Range Bonus for Teacher Salary Schedule

Funds are recommended to provide a bonus equivalent to a step increase for employees at the top of the teacher salary schedule.

5,580,235 NR

2e. School-Based Incentive Awards under the ABCs Program

The ABCs initiative directs that each year a school must assure that the students receive a year's worth of education for a year of instruction. According to G.S. 115C-105.36, incentive awards will be given when a school either meets or exceeds the projected levels of improvement in student performance. In accordance with State Board of Education policy, incentive awards in schools that achieve higher than expected improvement may be up to \$1,500 for each teacher and certified personnel, and \$500 for each teacher assistant. In accordance with State Board of Education policy, incentive awards in schools that meet the expected improvements may be up to \$750 for each teacher and certified personnel, and \$375 for each teacher assistant. Nonrecurring funds in the amount of \$98,480,985 are recommended for 1998-99 for those awards to be earned in the 1998-99 school year and awarded in July of 1999. This amount is based on 45% of schools exceeding their goal and 30% meeting expected growth compared to 40% exceeding their goal, the basis for the estimated cost of incentives in 1997-98.

98,480,985 NR

Funds in the amount of \$17,118,003 are recommended to cover the shortfall in availability experienced in the awards earned in the 1997-98 school year and scheduled for award in July 1998. A total of \$72,400,000 was appropriated by the 1997 Session for this purpose, but costs are now estimated to reach \$89,518,003 for that period.

17,118,003 NR

The total amount recommended for incentive awards is \$115,598,988.

NR - Nonrecurring

1998-99 Recommended Changes
General Fund - Public Education - Continued

1998-99

The Excellent Schools Act - Continued

2f. **Mentor Teachers**

Nonrecurring funds in the amount of \$3.5 million were appropriated for 1997-98 to provide teachers who have never taught before with a qualified and well-trained mentor. These funds were used to compensate each mentor at the rate of \$100 per month for each month he or she serves as a mentor, for a maximum of 10 months with an additional \$100 for a mentor to serve one day prior to the beginning of school. Nonrecurring funds in the amount of \$800,000 were appropriated for 1997-98 to allow local school systems to employ teachers who have never taught before (including new lateral entry teachers) for three additional days for orientation and classroom preparation. The funds were used to compensate each teacher who has never taught before based on their daily pay rate. Recurring funds in the amount of \$9,235,124 are recommended to continue support for the existing program; plus, \$5,473,776 in recurring funds is recommended to extend the mentor program from mentors for first year teachers to mentors for first and second year teachers; and \$3,160,454 in recurring funds to increase the mentor pay rate from \$100 to \$125.

\$ 17,869,354

2g. **Extra Pay for Forfeited Vacation Days**

Funds in the amount of \$8.5 million were appropriated by the 1997 General Assembly so that local boards of education might have the option to use these funds to pay teachers for working on, and thereby forfeiting, a maximum of four annual vacation leave days per teacher, in accordance with G.S. 115C-302.1(c). Funds are recommended to pay teachers for two additional required forfeited vacation days.

4,250,000

3. **National Board for Professional Teaching Standards**

The National Board for Professional Teaching Standards (NBPTS) was established in 1987 as an independent, non-profit organization to establish high standards for teachers' knowledge and performance and for development and operation of a national voluntary system to assess and certify teachers who meet those standards. To encourage teachers to undertake this task, the General Assembly has appropriated funding to: (1) provide teachers with three days of release time during the year to attempt certification; (2) pay the certification fees of teachers attempting certification; (3) and provide teachers achieving certification with an annual bonus of 12%. Funding is recommended to continue support for the payment of certification fees and release time. There will be twelve certification categories available in 1998-99; five more than were available in 1997-98. An estimated 1,500 teachers are expected to apply in 1998-99 compared to 900 in 1997-98. There are currently 207 NBPTS certified teachers in North Carolina.

The total amount budgeted for 1998-99 for the participation fee and the paid leave, adjusted for this recommended appropriation is \$3,274,500. Funds to continue support for the 12% salary schedule differential provided to teachers achieving certification are included as part of the teacher salary schedule as per action by the 1997 General Assembly.

\$ 2,261,588 NR

4. **Assistance for At-Risk/Low Performing Schools**

Funds are recommended to be allocated to LEAs and designated for use by at-risk schools and/or schools designated as low performing .

At-risk schools are defined as follows: for elementary schools - those with more than 50% of their population scoring below Level 3 Proficiency on the required ABC Plan tests; for middle schools - those with more than 50% entering 6th graders scoring below Level 3 Proficiency on the 5th grade end-of-grade tests; for high schools - those with 50% entering 9th graders scoring below Level 3 Proficiency on the 8th grade end-of-grade tests.

NR - Nonrecurring

1998-99

Assistance for At-Risk/Low Performing Schools - Continued

To receive funds, LEAs must submit revised school improvement plans specifying use of funds and accountability measures. Plans must include leadership training and whole-staff development, including content-specific training focused on greatest area(s) of need. In addition, funds may be used for the following: reduction in class size; additional counselors or social workers; expanding student and teacher school calendars beyond current limits; hiring additional teachers to provide planning time to school staff; providing incentive pay to attract and retain teachers in at-risk and/or low performing schools; making tuition payments to colleges or community colleges for staff development; funding instructional supplies and equipment, including books; access to long distance learning for student instruction and teacher development

In addition, LEAs are encouraged to form partnerships with colleges and universities that have specific programs designed to assist at-risk schools.

The Department of Public Instruction will have responsibility for development and receipt of applications, disbursement of funds, and accountability oversight. At-risk school grants will be awarded for a three-year period; unspent funds may be carried over from one fiscal year to the next during the three-year award period.

\$ 11,136,500

5. Limited Proficiency in English

Students whose primary language is not English and who are of limited proficiency in English represent a steadily increasing percentage of North Carolina's school population and are found at all grade levels, in urban, suburban, and rural communities across the state. Federal statutes require that school systems provide an equal educational opportunity for all students, including those of limited proficiency in English. Funds are recommended to assist Local Education Agencies (LEAs) in improving services to students with limited proficiency in English.

5,000,000

1998-99 Recommended Changes
General Fund - Public Education - Continued

1998-99

6. **School Bus Replacement Funding**

The Department of Public Instruction estimates that in fiscal year 2000-2001 school bus replacement will decrease dramatically because all buses will be diesel, allowing replacement to be made on the basis of mileage rather than just the age of the vehicle. In anticipation of this impact on the school bus replacement schedule, it was recommended that \$24,199,403 of the \$46,299,403 currently budgeted in fiscal year 1998-99 be changed to a nonrecurring requirement. The \$24,199,403 in recurring funds was included in the reductions presented earlier, and the amount recommended replaces that reduction with a like amount in nonrecurring funds.

Based on a 13-year replacement cycle for school buses, 1,142 school buses are scheduled for replacement in 1998-99 at an estimated cost of \$45,500 per bus. The General Assembly reduced the budget for school bus replacement in 1997-98 by \$7,641,143 and by \$3,747,503 in 1998-99. In March 1998, the Joint Committee on Governmental Operations approved the use of \$2,866,500 for school bus purchases which partially reinstated needed funding, however additional nonrecurring funding in the amount of \$5,661,597 is required to maintain the current 13-year replacement schedule. This increase would take the total appropriation for school bus replacement from \$46,299,403 to \$51,961,000 for 1998-99.

\$ 29,861,000 NR

7. **Uniform Education Reporting System Funds - Student Information Management System (SIMS)**

Over the last 10 years, a series of systems have been put into place by the Department of Public Instruction in response to GS 115C-12(18) which charged the State Board of Education with implementing a Uniform Education Reporting System (UERS) for the collection, processing, and reporting of fiscal, personnel, and student data, by means of electronic transfer of data files from local computers to the State Computer Center through the State Communication Network. Funds in the amount of \$2,551,197 were appropriated in the 1997 Session to modify and enhance the existing UERS to support the redefined mission of the Department of Public Instruction and the data requirements of the new individual school accountability plan which is part of The ABCs initiative. Funds were used to replace software and improve system's integration.

NR - Nonrecurring

**1998-99 Recommended Changes
General Fund - Public Education - Continued**

1998-99

Uniform Education Reporting System Funds - Student Information Management System (SIMS) - Continued

Nonrecurring funds are recommended to begin replacement of the Student Information Management System (SIMS) software. This represents the initial phase of a comprehensive student information and accountability system that will incorporate all of the existing systems in addition to tracking mechanisms designed to respond to special legislative information requirements.

\$ 6,000,000 NR

8. Additional Certification Specialist Positions

It is recommended that effective September 1, 1998, teacher licensing fees be increased from \$45 to \$55 for first time in-state licenses, upgrades, additions, and renewals and from \$65 to \$85 for out-of-state applicants, lateral entry, Junior ROTC, vocational, and provisional licenses and the resulting revenues used to support 4 additional certification specialist positions. There would be no change in the \$30 fee for miscellaneous administrative changes, such as name changes. No state funds are required for this recommendation.

The license renewal process has been backlogged at least six weeks for over a year due to the volume of work. Currently there are eight certification specialists processing between 2,600 and 5,100 requests per month. Total fees budgeted for collection in 1998-99 currently are \$881,877.

Requirements	\$ 160,000
Receipts	<u>160,000</u>
Appropriation	\$ -
Number of Positions	4.0

9. School Technology Funds

Nonrecurring funds in the amount of \$10 million are recommended to continue the effort to fund systems and software for every K-12 classroom.

NR - Nonrecurring

1998-99 Recommended Changes
General Fund - Public Education - Continued

1998-99

School Technology Funds - Continued

The General Assembly first appropriated funds for school technology in 1994 with an appropriation of \$42 million nonrecurring funds to the School Technology Reserve, for learning and instructional management technology, to be spent in accordance with subsequent legislation enacted by the General Assembly after receipt of the State School Technology Plan. These funds became part of the State School Technology Trust Fund. Nonrecurring funds in the amount of \$10 million and recurring funds in the amount of \$10 million then were appropriated in the 1996 Short Session to support implementation of the local school technology plans. This \$10 million in recurring funds together with the \$20 million in nonrecurring funds appropriated in the 1997 Session resulted in a total amount of \$30 million transferred to the State School Technology Trust Fund in 1997-98. Currently, a total of \$10 million in recurring funds is budgeted for the State School Technology Fund for 1998-99. This recommendation for an additional \$10 million in nonrecurring funds would increase the total available in the Trust Fund for 1998-99 to \$20 million. This \$20 million could provide a wide area network (WAN) to every public school in North Carolina. Access would include communication among schools within an LEA, across LEAs, or to schools in other states and would allow access to on-line resources such as the Smithsonian, the Library of Congress, and the State Archives. On-line courses and staff development training also could be made available to teachers over the network. To insure that every school is part of the network system, it is recommended that this \$20 million be allocated to the LEAs according to the number of schools in that LEA, rather than on the basis of ADM.

\$ 10,000,000 NR

10. **Total Quality Education (TQE)**

Nonrecurring funds are recommended to continue support of Total Quality Education, an initiative providing training to educators in the use of Total Quality Management processes and practices. This strategy supports the main initiative of the North Carolina Business Committee for Education (NCBCE) and provides a match for private funds raised from business and industry. The funds will be appropriated to the Department of Public Instruction for distribution to local school systems. All funds will be used to support professional development activities at the school level. No funds will be used for administration of the program.

NR - Nonrecurring

1998-99 Recommended Changes
General Fund - Public Education - Continued

1998-99

Total Quality Education (TQE) - Continued

The 1995 General Assembly appropriated \$400,000 in nonrecurring funds for 1995-96 for TQE; the 1996 Session of the General Assembly appropriated \$450,000 in nonrecurring funds for 1996-97; and this appropriation was repeated for 1997-98. Currently 39 school systems participate in the program representing every geographic area of the state.

\$ 650,000 NR

11. **A+ Schools**

A+ Schools focus on improving basic skills through an interdisciplinary teaching and learning approach using such vehicles as the arts to help students achieve grade level proficiency in reading, writing, and mathematics. State funds are combined with funds from the Kenan Charitable Trust and local funds to support the A+ Schools Program. Nonrecurring funds in the amount of \$500,000 were appropriated by the 1997 General Assembly to continue the A+ School pilot project. It is recommended that this appropriation be continued for 1998-99.

500,000 NR

12. **N.C. Teaching Fellows Program**

The North Carolina Teaching Fellows Program, created by the 1986 Session of the General Assembly, is designed to identify academically talented students interested in teaching and to help those students become teachers by awarding scholarship loans of \$5,000 per year for four years of undergraduate study, repayable by teaching for four years in a North Carolina public school. It is recommended that the current annual award of \$5,000 to each recipient be increased to \$8,000 to help offset the rising costs of tuition, fees, room, and board.

The 1986 legislation authorizing the Teaching Fellows Program designated that the staff of the Public School Forum would serve as the staff for the Teaching Fellows Commission and administer the program. Authorization is recommended for the Public School Forum to spend an additional \$150,000 annually from its fund balance for administrative costs associated with the Teaching Fellows Program. Additional appropriation is not required for this portion of the recommendation.

4,800,000

NR - Nonrecurring

1998-99 Recommended Changes
 General Fund - Public Education - Continued

1998-99

13. **Communities in Schools**

Funds are recommended to support further expansion of Communities in Schools (CIS) programs and sites across the state. Communities in Schools is a nonprofit organization which addresses the multiple needs of students at greatest risk of dropping out of school. The program works with local communities to bring resources together from both the private and public sectors to address these needs. The program provides training for building CIS programs at the local level, grant writing and fund raising assistance, and help for local communities to acquire the resources necessary to deliver services to children at risk of dropping out and their families at school sites across the state.

\$ 1,000,000 NR

14. **Principals' Salary**

A total of \$296,366 is recommended to provide a 2% increase for the current principal VII pay level where the teacher count in the school is 66 to 100 and a 4% increase in salary where the teacher count in the school is 101 and over.

296,366

15. **Salary Increases - Other Public School Employees**

Funds in the amount of \$41,174,748 are recommended to provide an average annual salary increase of 4% effective July 1, 1998 for all public school employees not paid from the teacher salary schedule. This includes principals and assistant principals as well as the certified nonteaching positions in central office administration (superintendents and school administrators) and noncertified employees such as finance officers, clerical workers, teacher assistants, school nurses, custodians, bus drivers, bus mechanics, and maintenance supervisors.

41,174,748

Nonrecurring funds also are recommended for a 1% bonus for 1998-99 fiscal year.

10,293,687 NR

Total Recommended Changes for Public Education

Requirements

\$510,425,366

Receipts

(14,861)

Appropriation

\$328,694,729

181,745,498 NR

Number of Positions

518.4

NR - Nonrecurring

1998-99 Recommended Changes
 General Fund - Continued

Department of Community Colleges

1998-99

1. **Enrollment Increase**

The Department of Community Colleges estimates the system enrollment has increased by 509 Full Time Equivalent students for a total enrollment of 138,377 FTE. The increases are 169 FTE for a total of 107,684 in Curriculum, 222 FTE for a total of 17,220 in Occupational Extension, and 118 FTE for a total of 13,473 in Basic Skills programs.

Requirements

Receipts

Appropriation

\$ 1,540,017

168,576

\$ 1,371,441

2. **Technology**

Funds are recommended to improve computer technology capabilities associated with improving instructional delivery, responding to reporting requirements, developing student information systems, using state of the art software and improving instructional staff support. Items include management information staff for colleges, software procurement and maintenance, the N. C. Virtual Library (\$500,000) and state-level technical assistance for the colleges (\$346,000).

846,000

9,154,000 NR

5.0

Number of Positions

3. **New and Expanding Industry**

Nonrecurring funds are recommended for the New and Expanding Industry program as requested by the State Board of Community Colleges. This program assists companies creating new jobs in North Carolina by providing training for new employees. The program has many more requests than can currently be funded.

4,175,000 NR

NR - Nonrecurring

**1998-99 Recommended Changes
General Fund - Community Colleges - Continued**

1998-99

4. **Equipment and Books**
 Nonrecurring funds are recommended for 1998-99 to purchase educational and training equipment (\$15,000,000) and library books (\$1,950,000) at each of the 58 community colleges. This recommendation continues the nonrecurring appropriations made in 1997-98 for library books and increases the amount for equipment.

\$ 16,950,000 NR

5. **Reward Excellence in Community College Teaching**
 Nonrecurring funds are recommended for the State Board of Community Colleges for distribution to the colleges of a 2% average salary increase for teaching faculty members for state fiscal year 1998-99. This salary increase is to be given to teaching faculty who have demonstrated excellence in teaching, in accordance with State Board policies.

6,749,208 NR

6 **Salary Increase**

A 4% salary increase is recommended for all community college personnel and an additional 1% bonus is recommended for non-teaching community college personnel, effective July 1, 1998.

1% Bonus

1,505,908 NR

4% Permanent Salary Increase

19,522,048

Total Recommended Changes for Department of Community Colleges

Requirements

\$ 60,442,181

Receipts

168,576

Appropriation

\$ 21,739,489 - *Gov. Rec.*

38,534,116 NR

Number of Positions

5.0

NR - Nonrecurring

1998-99 Recommended Changes
General Fund - Continued

University of North Carolina Board of Governors

1998-99

1. **Schedule of Priorities - Current Operations**

General Statute 116-11(9) requires the Board of Governors of the University of North Carolina to "develop, prepare, and present to the Governor, Advisory Budget Commission, and the General Assembly a single, unified recommended budget for all of public senior education." Funds requested for expansion, new programs and activities, increases in enrollment, remedying deficiencies, etc. are to be itemized in priority order and any funds appropriated for the priority schedule are to be in a lump sum.

In response to the Board of Governors' 1998-99 "Schedule of Priorities," the following items are recommended:

A. Enrollment Changes

In response to the Board of Governors' 1997-99 "Schedule of Priorities," the General Assembly appropriated funds for enrollment growth (Priority line #1) in the second year of the biennium of 925 full time equivalent (FTE) students above the 1997-98 budgeted enrollment of 131,311. However based on the current year's actual enrollment, the enrollment projection for 1998-99 is revised upward by 1,100 students to 133,336 FTE. The recommended increase is to support those campuses which are experiencing enrollment growth.

In response to Legislative directives, the Board of Governors has developed a new, comprehensive funding model for determining the costs of enrollment growth in Regular Term instruction. The new model, which is more refined than the current model, is based on semester credit hours rather than full time equivalent students and takes into account cost differentials among levels of instruction and academic disciplines.

Requirements	\$ 12,901,333
Receipts	<u>(829,005)</u>
Appropriation	\$ 13,730,338

1998-99 Recommended Changes
 General Fund - UNC Board of Governors - Continued

1998-99

Schedule of Priorities - Current Operations - Continued

B. Additional Schedule of Priorities

An additional "lump sum" amount in General Fund appropriations is recommended to address priority lines 3-13 of the "Schedule of Priorities". The amount recommended includes funding for: information technology; 2% nonrecurring funds for rewarding teaching excellence; university outreach to public schools; elimination of the remaining 1% reversion requirement, with the recommendation that beginning in fiscal year 1999-2000 the funds be allocated for rewarding teaching excellence; Distinguished Professors' Endowment Trust Fund - state matching funds; interinstitutional programs; and pfiesteria research.

Requirements	\$ 42,463,394
Receipts	-
Appropriation	\$ 1,186,000

41,277,394 NR

2. North Carolina School of Science and Mathematics Residential Program Enhancement

Funds are recommended for residential program enhancements for student education, health and safety at the North Carolina School of Science and Mathematics. A teacher/lab technologist will be funded, which will allow students to use the science laboratories for independent research and cooperative projects during extended hours of operation. Also two and a half positions will be added to enhance residential programs.

Number of Positions	300,000
	3.5

3. Aid to Students Attending North Carolina Private Colleges and Universities

The program of "Aid to Students Attending Private Colleges" is composed of two pieces: the Legislative Tuition Grant (LTG) and the State Contractual Scholarship Fund (SCSF). The LTG provides a payment of \$1,450 to private institutions for each North Carolina resident student, which is credited directly to the student's account. The SCSF makes available to each institution an amount equal to \$750 for each full time North Carolina undergraduate resident student. These funds are then provided as scholarships to needy North Carolina students attending private colleges.

It is recommended that the amounts for the LTG and the SCSF each be increased by \$150 per year to \$1,600 and \$900 respectively. 7,248,986

NR - Nonrecurring

**1998-99 Recommended Changes
General Fund - UNC Board of Governors - Continued**

1998-99

4. Other Programs

Funds are recommended for the following programs: The North Carolina Global Schools Partnership; Center for Global Business Education and Research; Leadership North Carolina; and Special Olympics related expenses.

\$ 617,000 NR

5. Salary Increase

A 4% salary increase is recommended for all University personnel and an additional 1% bonus is recommended for non-teaching university personnel, effective July 1, 1998.

1% Bonus

6,409,874 NR

4% Permanent Salary Increase

53,495,302

Total for University of North Carolina Board of Governors

Requirements

\$ 123,435,889

Receipts

(829,005)

Appropriation

\$ 75,960,626

Number of Positions

48,304,268 NR

3.5

NR - Nonrecurring

COMPARISON OF GOVERNOR'S BUDGET AND STATE BOARD'S REQUEST:

	<u>Governor's Recommendation:</u>		<u>State Board's Request:</u>	
	<u>Recurring:</u>	<u>Non-recurring:</u>	<u>Recurring:</u>	<u>Non-recurring:</u>
1. Enrollment Growth- Funds an additional 169 curriculum, 222 occupational extension, and 118 literacy FTE.	\$ 1,371,441		\$ 1,371,441	
2. Occupational Continuing Education Funds- Provides additional funds for short term, skills training programs and moves toward the level of curriculum funding.	\$ -		\$ 10,129,656	
3. Technology-				
a. Management information staff and other costs		\$ 9,154,000	\$ 19,479,000	
b. N. C. Virtual Library (NC LIVE)	\$ 500,000		\$ 500,000	
c. Department staff for technical assistance	\$ 346,000		\$ 655,500	
4. Improve Instruction and Support- Funds for recruitment and retention of qualified faculty and staff. The Board wants to lower the faculty/student ratio and increase the total salary pool by 6%. The Governor has a 4% salary increase with a 2% excellence in teaching bonus and a 1% bonus for other non-teaching staff.				
a. Board's salary request:			\$ 26,412,094	
b. Governor's 4% salary recommendation	\$ 19,522,048			
c. Governor's 2% excellence in teaching bonus	\$ 6,749,208			
d. Governor's 1% other staff bonus	\$ 1,505,908			
5. Equipment, Renovations and Repair-				
a. Equipment request:		\$ 15,000,000	\$ 15,500,000	\$ 100,000,000
b. Repair and Renovations funds:	\$ -		\$ 16,500,000	
c. Books		\$ 1,950,000	\$ -	

<p>6. Business and Industry Services- Additional funds for the New and Expanding Industry program.</p>	\$ 4,175,000	\$ 4,000,000
<p>7. College Enhancements-</p> <ul style="list-style-type: none"> a. Multi-campus funding b. Center for Applied Textile Technology 	\$ - \$ -	\$ 2,185,000 \$ 452,400
<p>8. System Support-</p> <ul style="list-style-type: none"> a. Services to colleges b. Department technical support to colleges 	\$ - \$ -	\$ 1,183,885 \$ 85,237
TOTAL:	\$ 21,739,489	\$ 38,534,116 \$ 98,454,213 \$ 100,000,000

COMMUNITY COLLEGES

Consensus Budget Items 1998-99

<u>Title</u>	<u>Description</u>	<u>Estimated Cost</u>
Fund Enrollment Growth	<p>Appropriations are requested to fund enrollment growth. Budgeted enrollment for 1997-98 includes 107,515 Curriculum, 16,998 Occupational Continuing Education, and 13,355 Basic Skills FTE. Based upon fall 1997 actual and spring 1998 10% census date for Curriculum FTE; and Spring, Summer and Fall 1997 O.C.E. and Basic Skills FTE; and the application of budget stability rules, it appears enrollment growth for 1998-99 will be 169 Curriculum (107,684); 222 Occupational Continuing Education (17,220); and 118 Basic Skills (13,473) FTE.</p>	<p>\$ 1,371,441¹</p>
Occupational Continuing Education Funding	<p>To request additional funding for the planning, design, and delivery of Occupational Continuing Education courses in order to help individuals and businesses acquire new knowledge and skills. The State Board had requested that funds be used to move toward equivalent funding with Curriculum programs. These funds will increase the unit value from \$30,069 to \$39,678. The 1997-98 Curriculum unit value is \$42,201. {This request includes \$128,991 for the 222 FTE growth in Occupational Extension.}</p>	<p>\$10,129,656</p>

¹ These are revised estimates based upon data submitted by the Colleges and analyzed on March 11, 1998.

Technology

Provide funds to improve computer technology capabilities associated with: improving instructional delivery, responding to reporting requirements, developing student information systems, using state-of-the-art software and infrastructure, and improving instructional staff support in the following areas:

- a. Equipment - hardware and infrastructure
- b. Instructional Support - additional "MIS" positions for colleges
- c. Other Costs - Software procurement and maintenance
- d. N.C. Virtual Library (NC LIVE) - additional operating costs
- e. System Office Staff for Technical Assistance to Colleges

TOTAL

Improve and Enhance Instruction and Support Capabilities

To provide funds for colleges to retain and recruit qualified faculty, and the personnel who support them by providing compensation increases. Funds would be used to address compensation equity issues, and to reduce the dependency upon part-time faculty and support staff. The amount requested increases the gross salary pool by approximately 6%, but shall not be delivered as an across-the-board salary increase. Funds would be allocated by adjusting the position/budgeted FTE ratios from 1 to 16.5 at <500 FTE (was 17.8) and from 1 to 20.45 at >500 FTE (was 21.55).

TOTAL

- a. Instruction: \$17,440,230
- b. Support: 8,971,864

\$26,412,094

The amount included for technology is found under the equipment request. The amount for computer and related technology is estimated to be \$54.1 million

2

Equipment & Physical Plant Improvements

To provide funds to enable colleges to update and add equipment needed to improve instructional quality, initiate new programs, and enhance instructional delivery through equipment replacement and the renovation of facilities:

- a. Equipment: \$15,500,000
Recurring: \$15,500,000
- b. R&R \$16,500,000
 \$32,000,000

TOTAL

Business and Industry Services

To retain nonrecurring funds, appropriated for 1997-98, for programs of assistance to new and expanding industry

\$ 4,000,000

College Enhancements

To request special funding for needs which are not system wide in nature or purpose, including:

- Multi-campus funding: to fund 12 existing campuses, and add 2 campuses in 1998-99, according to an approved formula \$ 2,185,000

Center for Applied Textile Technology: provides funds for Occupational Continuing Education; and Additional Utilities

\$ 452,400
\$ 2,637,400

TOTAL

System Support

To procure additional funding on a recurring basis to enable the system office to provide requested services to colleges and operate the system office, including but not limited to: computer equipment, data processing charges, software development, law library, new industry decision support, and other office needs.

a. Services to System Colleges	a. \$ 1,183,885	
b. System Office Support to Colleges	b. \$ <u>85,237</u>	TOTAL
	\$ 1,269,122	TOTALS
		\$ 100,454,213

Business & Finance
kennon/1998-99/priority.msword
3-11-98

The North Carolina Community College System 1998-99 Capital Budget Request

The State Board of Community Colleges has determined that the following items represent the Capital Needs of the North Carolina Community College System, as presented in staff recommendations, reviewed by the State Board's Finance and Capital Needs and Legislative Committees, and distributed to the Trustees' and Presidents' Associations.

I. Equipment Request

The State Board of Community Colleges has determined that there is a backlog of approximately \$131.7 million of equipment needs systemwide. This determination was made as a result of a survey of all 59 colleges in the fall of 1997. While the State Board is requesting \$15.5 million of recurring funds in its "1998-99 Consensus Budget," the Board has determined that an infusion of funds is critical in order to meet immediate needs for equipping classrooms, shops, and labs. Additionally, the Board has determined there is a need to more equitably allocate continuing equipment appropriations, and any additional funds which may be appropriated by the General Assembly. Therefore, there is requested for fiscal year 1998-99:

A non-recurring appropriation of \$100 million to purchase needed equipment for classrooms, shops, laboratories, high cost programs, and for enhancing instructional support and administrative activities.

The staff of the Division of Business and Finance, working through the "Funding Study Advisory Committee" and MGT of America, Inc., is directed to develop a new method for allocating equipment resources. Once developed, a new allocation formula shall be presented to the State Board and, if possible, presented to the North Carolina General Assembly during the 1998 Session for approval.

II. Capital Improvement Request

The State Board has determined that funds are needed to address the construction of new facilities in the North Carolina Community College System. This determination was made as the result of a survey of all 59 campuses in the fall of 1997. The survey determined that there are approximately \$550 million of estimated needs systemwide, of which approximately \$376 million are state funds. The Board has developed a list of Capital Improvement rankings for 1998-99 (Attachment) using criteria which have been in place since 1990. The State Board has determined that a new set of criteria are needed to rank capital improvement projects, and has commissioned the staff of the Division of Business and Finance, the Presidents' Association, and MGT of America, Inc., to develop same. The new criteria should be developed and presented to the State Board in fiscal year 1998-99. Therefore, it is recommended that:

Capital Improvement funds be appropriated, to the extent possible, to complete the Attached Capital Improvement Request for 1998-99.

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
CAPITAL IMPROVEMENT REQUEST
1998-99

COLLEGE/COUNTY	PROJECT NAME	TOTAL RANKING POINTS	REQUEST WITH \$3M CAP	ACCUMULATIVE TOTAL
Graham Cty.	Renovations to Existing Facilities	79.6	97,500	97,500
Central Piedmont CC	Art Building	77.6	3,000,000	3,097,500
Wake TCC	Technology Education Building	77.5	3,000,000	6,097,500
Catawba Valley CC	Classroom/ Laboratory Building	76.9	3,000,000	9,097,500
Cape Fear CC	Phase III -Technical Center	76.0	3,000,000	12,097,500
Cabarrus Cty.	Classroom Lab Building	75.4	2,986,204	15,083,704
Fayetteville TCC	Early Childhood Center/ Classroom	75.3	3,000,000	18,083,704
Lincoln Cty.	Complete Lincoln Cty. Renovations	75.1	1,500,000	19,583,704
Transylvania Cty.	Straus School Renovation	74.6	1,316,985	20,900,689
Coastal Carolina CC	Classroom Building	73.5	3,000,000	23,900,689
Robeson CC	Classroom /Laboratory Building	72.9	1,442,012	25,342,701
Franklin Cty.	Industry Training/ Classroom Facility/ Acquisition	72.9	2,500,000	27,842,701
Pitt CC	Industrial Construction Facility	72.7	3,000,000	30,842,701
Granville Cty.	Continuing Education Center	72.5	1,000,000	31,842,701
Craven CC	Havelock Classroom Building	72.3	3,000,000	34,842,701
Watauga Cty.	Classroom, Multi-purpose Facility	70.9	3,000,000	37,842,701
College of The Albemarle	Allied Health & Wellness Center	70.6	2,377,344	40,220,045
Brunswick CC	Recreational Grounds/ Aquaculture Facility	70.5	3,000,000	43,220,045
Dare Cty.	Student Center	70.3	1,540,721	44,760,766
Central Carolina CC	Classroom Building Renovation	69.7	2,078,124	46,838,890
Edgecombe CC	Community Resource Development Center	69.4	1,962,634	48,801,524
Cleveland CC	Allied Health Building	69.2	1,263,892	50,065,416
Yadkin Cty.	Class/ Lab/ Office Building	69.2	1,500,000	51,565,416
Vance-Granville CC	Public Service/ Truck Driver Training Center	69.2	2,500,000	54,065,416
Davidson County CC	Laboratory-Industrial Training Center Renovations	69.1	3,000,000	57,065,416
Halifax CC	Business/ Industry/ Economic Dev't. Center	68.5	2,337,388	59,402,804
Western Piedmont CC	Classroom/ Training Building	68.3	3,000,000	62,402,804
Randolph CC	Emergency Services Training Center	68.0	2,396,029	64,798,833
Carteret CC	Classroom Building	68.0	2,702,861	67,501,694
Harnett Cty.	Classroom Building Renovation	67.8	250,000	67,751,694
Guilford TCC	Industrial, Construction & Engineering Tech. Ctr.	67.7	3,000,000	70,751,694
Nash CC	Business & Industry Center	67.6	1,500,000	72,251,694
McDowell TCC	Major Renovations	67.6	175,410	72,427,104
Chatham Cty.	Classroom Building Renovation	67.5	276,919	72,704,023
Alamance CC	Phase III - LRC Expansion	67.4	2,895,077	75,599,100
Mitchell CC	Classroom Buildings Renovation	67.2	2,500,000	78,099,100
Wilson TCC	Instructional Building with Renovations	67.0	1,900,000	79,999,100
Richmond CC	Classroom Building & Child Care Ctr.	67.0	2,407,553	82,406,653
Wayne CC	Classroom/ Laboratory Building	66.7	2,920,066	85,326,719
Gaston College	Rauch Science & Fine Arts Building	66.3	3,000,000	88,326,719
Stanly CC	Campus Renovations	66.1	500,000	88,826,719
Piedmont CC	Classroom Faculty Office Renovations	66.0	111,221	88,937,940
Warren Cty.	Warren Cty. Classroom Bldg./Land /Acquisition	65.8	380,000	89,317,940
Jones Cty.	Jones County Renovations	65.7	100,000	89,417,940
Mayland CC	Avery County Learning Center	65.6	750,000	90,167,940
Lenoir CC	Main Campus Building Renovations	65.3	2,000,000	92,167,940
Rowan-Cabarrus CC	Renovation & Energy Conservation Upfit	65.3	2,730,785	94,898,725
Ashe Cty.	Campus Renovations (Classrooms/Offices)	64.9	25,000	94,923,725
Forsyth TCC	Classroom/ Student Union	64.8	3,000,000	97,923,725
Southwestern CC	Classroom/ Library	64.4	2,407,791	100,331,516
Wilkes CC	Classroom Building & Renovations	64.2	2,500,000	102,831,516
Durham TCC	Office/Classroom Building Renovation	64.1	2,140,231	104,971,747
Johnston CC	Classroom/ Laboratory Building	64.1	3,000,000	107,971,747
Washington Cty.	Washington Center	63.7	500,000	108,471,747
Bertie Cty.	Complete Bertie Ctr. Renov.	63.5	250,000	108,721,747
Caldwell CC & Tl	Classroom, Laboratory, Multi-purpose Facility	61.7	3,000,000	111,721,747
Rockingham CC	Center for Lifelong Learning	61.6	3,000,000	114,721,747
Montgomery CC	Classroom Building	61.3	2,551,722	117,273,469
Sampson CC	Multipurpose Wing - Shop Addition	61.2	2,500,000	119,773,469
Beaufort County CC	Classroom/Lab/PE Complex	60.5	2,850,000	122,623,469

7-11-97
PVA/DB

(7)

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
RANKINGS FOR CAPITAL OUTLAY
FOR 1998-99

COLLEGE/COUNTY	PROJECT NAME	TOTAL RANKING POINTS	REQUEST WITH \$3M CAP	ACCUMULATIVE TOTAL
Surry CC	Lecture Hall/ Classrooms	59.7	1,300,000	123,923,469
Tri-County CC	Classroom Building & Small Business Center	59.5	650,000	124,573,469
Sandhills CC	Student-Technology Center	59.5	3,000,000	127,573,469
Bladen CC	Renovations	59.5	1,000,000	128,573,469
Davie Cty.	Classroom/ Lab/ Emergency Training Center	59.4	1,855,210	130,428,679
Asheville-Buncombe TCC	Child Care & Administrative Addition	59.3	2,700,000	133,128,679
Isothermal CC	Continuing Education Repairs	59.1	600,000	133,728,679
Roanoke-Chowan CC	Library Expansion/ Laboratory Rencovation	58.2	504,900	134,233,579
Pender Cty.	Pender Expansion	57.0	2,500,000	136,733,579
Southeastern CC	Classroom/ Auditorium Building	56.2	2,500,000	139,233,579
Haywood CC	Library & Laboratory Facilities Renovation	55.5	3,000,000	142,233,579
Anson CC	LRC	54.7	1,500,000	143,733,579
Pamlico CC	Multi-Purpose Classroom/ Office Building Addition	54.7	500,000	144,233,579
Martin CC	Continuing Ed/ Learning Center	54.1	2,643,219	146,876,798
Blue Ridge CC	Ctr. for Life Long Learning & Work Force Bldg.	51.9	3,000,000	149,876,798
Madison Cty.	Land Acquisition	50.7	225,000	150,101,798
James Sprunt CC	Multi-Purpose Meeting Facility	50.1	2,125,000	152,226,798
Greene Cty.	Parking Lot & Storage Facility	49.6	400,000	152,626,798
Union Cty.	LRC	44.5	1,500,000	154,126,798
Total			154,126,798	

8

**North Carolina Center for Applied Textile Technology
Lab and Administration Building**

Original Capital Request	\$2,349,800
1997 Appropriation	<u>(437,200)</u>
Balance	\$1,912,600
Cost Increases since original project was approved: (36 months x .4%/month)	<u>\$ 338,371</u>
Balance Needed	\$2,250,971

UNIVERSITY SYSTEM

The University of North Carolina
Supplemental Budget Request
1998 Reconvened Session

Substantial and important proposals included in the *1997-99 Budget Request of the Board of Governors of The University of North Carolina*, which were forwarded to the Governor and the General Assembly in October, 1996, were not funded by the Regular Session of the 1997 General Assembly and it is asked that those unfunded requests not be withdrawn from consideration (please see following schedules). However, the Board of Governors has recently made a comprehensive review of its 1997-99 biennial request and the actions taken on this request by the 1997 Regular Session and has identified requests for priority consideration by the 1998 Reconvened Session. Included also are several additional requests and modifications it wishes to make to the original *1997-99 Budget Request*. The purpose of this document is to identify the Board's 1998 Legislative priorities in both Current Operations and Capital Improvements.

ACADEMIC SALARY INCREASES

**Request
1998-99**

- **Academic Salary Increases**
 - 6% salary increase for all personnel exempt from the State Personnel Act (EPA)

\$54,496,078

The strength of a university and its national reputation are dependent on the strength of its faculty. A 6% salary increase fund of \$54.5 million addresses the continuing need for maintaining the competitive position of The University in the recruitment and retention of its faculty in the national marketplace.

SCHEDULE OF PRIORITIES

- **Enrollment Changes**
 - Regular Term Instruction
 - Distance Learning/Extension Degree Credit Instruction

**13,730,338
18,046,943**

In response to Legislative directives, the Board of Governors has developed a new, comprehensive funding model for determining the costs of enrollment growth in Regular Term instruction. The new model, which is more refined than the current model, is based on semester credit hours rather than full-time equivalent students and takes into account cost differentials among levels of instruction and academic disciplines, as well as other factors.

The request for Regular Term enrollment growth of \$13.7 million covers the costs associated with increases for 1998-99. The 1997 Regular Session fully funded the Board's original enrollment increase request. However, based on the current year's actual enrollment, the enrollment projection for 1998-99 is revised upward by 1,100 students and additional support is requested.

SCHEDULE OF PRIORITIES (continued)

Request
1998-99

The request for Distance Learning/Extension Degree Credit Instruction of \$18 million is also based on the new funding model. In addition to funding projected growth, the request covers base level funding for this type of instruction for the first time on a comprehensive basis and also provides appropriation support so that in-state tuition rates can be made comparable to Regular Term rates.

- **Information Technology-Computing & Telecommunications** \$19,583,866
The \$19.6 million recurring request focuses on two broad outcome areas – higher effectiveness of teaching and learning, and improvements in service and cost effectiveness. Nonrecurring appropriations of \$6 million are also requested to cover costs associated with University-wide Year 2000 Computer Compliance. (An Information Technology study is underway to assess campus infrastructure needs and a cost estimate will be developed later this spring in time for consideration by the 1998 Reconvened Session.) 6,011,056
(nonrecurring)

- **Libraries** 9,782,276
Expansion and improvements of library resources for the constituent institutions and the development of the State-wide electronic library (NC-LIVE), which will extend library access throughout the universities, the community colleges and the public libraries, are requested. Recently, the University has completed 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 priorities are consistent with the findings of that study.

- **Remove the Remaining 1% Reversion Rate Requirement** no additional
appropriation
required
The Board requested the elimination of the 2% reversion rate requirement in its original budget request. The 1997 Regular Session responded by reducing the reversion rate to 1% and enacted legislation allowing 1% to be used for information technology and libraries. It requested that the 1998 Reconvened Session allow the remaining 1% reversion to be used also for strengthening information technology and libraries. This action would increase resources by approximately \$13 million without any increase in appropriations. However, it is acknowledged that at the end of the fiscal year, total reversions to the State's General Fund would be reduced by the same amount.

SCHEDULE OF PRIORITIES (continued)

**Request
1998-99**

- **Distinguished Professors' Endowment Trust Fund - State Matching Funds**

\$5,600,000

Under this program established by the General Assembly in 1985, every \$2 in private funds raised by the constituent institutions is matched with \$1 of State funds to establish endowments of \$500 thousand or \$1 million in order to provide funds to attract and retain distinguished professors for the faculties. Over 120 professorships have been established under this program, including those fully matched and those qualifying for placement in escrow for matching over a 5-year period. Recently, the C. D. Spangler Foundation, Inc. announced a generous gift to provide matching funds related to this program of \$100 thousand to each of the 16 constituent institutions for each of the next 5 years (total potential contributions of \$8 million) provided the State continues to fund this program and matching private contributions are raised. The General Assembly appropriated \$3 million for State matching funds for this program in 1997-98. However, the matching requirements for endowed professorships already qualifying exceed the annual matching amount. Additional State matching funds of \$5.6 million are requested to cover the current backlog and to meet anticipated qualifying professorships in 1998-99.

The University of North Carolina
Schedule of Priorities Requests – Current Operations
1998-99

Line	Budget Request for Current Operations	Board of Governors' Original Request	1998-99 Amended Request	1997 Regular Session Appropriations	1998-99 Supplemental Request
1.	Enrollment Changes:				
	Regular Term	\$ 3,744,391	\$ 17,474,729	\$ 3,744,391	\$ 13,730,338
	Distance Learning/Extension Degree Credit	-	18,046,943	-	18,046,943
	Total – Enrollment Changes	3,744,391	35,521,672	3,744,391	31,777,281
2.	Funding Equity	21,000,000	21,000,000	21,000,000	-
3.	Information Technology – Computing and Telecommunications	19,583,866	19,583,866	-	19,583,866
4.	Year 2000 Computer Compliance (non-recurring)	-	6,011,056	-	6,011,056
	Libraries	11,782,276	11,782,276	2,000,000	9,782,276
5.	Rewarding Teaching Excellence	12,781,584	6,695,697	-	6,695,697
6.	University Outreach to the Public Schools	5,978,301	6,217,371	1,185,000	5,032,371
7.	New Degree Programs	3,000,000	3,125,000	2,325,000	800,000
8.	Graduate Education and Research	9,103,699	9,576,985	7,700,659	1,876,326
9.	Area Health Education Centers	4,000,000	4,000,000	2,750,000	1,250,000
10.	Administrative Support for New Processes	915,466	915,466	481,521	433,945
11.	Remove 2% Reversion Rate Requirement	2% requested	2% requested	1% approved *	1% requested
12.	Distinguished Professors Endowment Trust Fund – State Matching Funds	2,000,000	6,600,000	1,000,000	5,600,000
13.	Interinstitutional Programs	2,100,201	6,754,517	794,000	5,960,517
	TOTAL	95,989,784	137,783,906	42,980,571	94,803,335

* By a special provision, each special responsibility constituent institution is authorized to use 1% of its required reversion for nonrecurring costs of technology, including infrastructure for academic facilities on the campus; for implementation of the campus technology plan as approved by the Board of Governors; or for libraries. University-wide, this will increase funding availability for these purposes by approximately \$13 million.

The University of North Carolina
 Schedule of Priorities – Changes
 Original vs. Amended
 1998-99

Revised
 4/9/98

Schedule of Priorities:

Amended Request	137,783,906
Original Request	95,989,784
Net Increase	41,794,122

Amendment reflects the following changes:

Line 1 – Enrollment		31,777,281
Regular Term	13,730,338	
Distance Learning/Extension	18,046,943	
Total Increase – Line 1	31,777,281	
Line 3 – Information Technology		
Year 2000 Computer Compliance		6,011,056
Line 5 – Rewarding Teaching Excellence		
1% Request – Less		(6,085,887)
Line 6 – Outreach to the Public Schools		239,070
Reallocate Educational Consortia funding –		
1997 Regular Session action	(1,200,000)	
UNC School Services Matching Incentive Grants	975,000	
Additional Principal Fellows Request	340,000	
Reading Together – Funded by 1997 Session	50,000	
– Additional Request	200,000*	
Adjustments in funded expansion–1997 Session		
Teacher Education Partnerships	(99,750)	
School Leadership Academy	(25,877)	
Early Math Placement Testing	(303)	
Net Increase – Line 6	239,070	
Line 7 – New Degree Program		125,000
Line 8 – Graduate Education and Research		473,286
Recalculation of costs – 10% Overhead offset		
and Graduate Tuition Remissions		
Line 12 – Distinguished Professors – State Matching		4,600,000
Line 13 – Interinstitutional Programs		4,654,316
Institute on Aging (UNC-CH)	550,000	
Alcohol Studies Endowment Funds (UNC-CH)	500,000	
N.C. Alliance for Minority Participation (various)	1,500,000	
Manufacturing Extension Partnerships (NCSU)	900,000	
Biomedical/Biotechnology Research Institute (NCCU)	350,000	
Local Government Information Technology		
(UNC-CH, Institute of Government)	854,316*	
Total Increase – Line 13	4,654,316	
Total Net Increase		41,794,122

* Amendments approved by Board of Governors on April 9, 1998.

**THE UNIVERSITY OF NORTH CAROLINA
1998-99 Expansion Budget - Current Operations**

Budget Request Schedule of Priorities 1998-99	Board's		1997 Regular		Supplemental Request
	Original Request	Amended Request	Session Appropriation	Request	
Line 1 - Enrollment Changes	\$3,744,391	\$35,521,672	\$3,744,391	\$31,777,281	
Regular Term	3,744,391	17,474,729	3,744,391	13,730,338	
Off-Campus Degree Credit Extension	-	18,046,943	-	18,046,943	
Total	3,744,391	35,521,672	3,744,391	31,777,281	
Line 2 - Funding Equity	\$21,000,000	\$21,000,000	\$21,000,000		
Institution					
Appalachian State University	3,400,000	3,400,000	3,400,000	-	
East Carolina University	3,100,000	3,100,000	3,100,000	-	
The University of North Carolina at Charlotte	5,100,000	5,100,000	5,100,000	-	
The University of North Carolina at Greensboro	6,800,000	6,800,000	6,800,000	-	
The University of North Carolina at Wilmington	2,600,000	2,600,000	2,600,000	-	
Total	21,000,000	21,000,000	21,000,000		

THE UNIVERSITY OF NORTH CAROLINA
1998-99 Expansion Budget - Current Operations

Budget Request Schedule of Priorities 1998-99	Board's		1997 Regular Session Appropriation	Supplemental Request
	Original Request	Amended Request		
Line 3 - Information Technology - Computing and Telecommunications	\$19,583,866	\$19,583,866	*	\$19,583,866
Institution				
Appalachian State University	1,479,415	1,479,415		1,479,415
East Carolina University				
Academic Affairs	1,703,235	1,703,235		1,703,235
Health Affairs	822,635	822,635		822,635
Elizabeth City State University	391,064	391,064		391,064
Fayetteville State University	399,005	399,005		399,005
North Carolina A & T State University	910,828	910,828		910,828
North Carolina Central University	711,746	711,746		711,746
North Carolina School of the Arts	423,246	423,246		423,246
North Carolina State University	2,890,000	2,890,000		2,890,000
The University of North Carolina at Asheville	309,172	309,172		309,172
The University of North Carolina at Chapel Hill				
Academic Affairs	2,240,000	2,240,000		2,240,000
Health Affairs	1,046,437	1,046,437		1,046,437
The University of North Carolina at Charlotte	1,386,540	1,386,540		1,386,540
The University of North Carolina at Greensboro	1,274,399	1,274,399		1,274,399
The University of North Carolina at Pembroke	574,738	574,738		574,738
The University of North Carolina at Wilmington	780,678	780,678		780,678
Western Carolina University	778,532	778,532		778,532
Winston-Salem State University	469,000	469,000		469,000
UNC-General Administration	993,196	993,196		993,196
Total	19,583,866	19,583,866		19,583,866
University-wide Year 2000 Computer Compliance (non-recurring)	-	6,011,056		6,011,056
*The General Assembly made no direct appropriation for Information Technology - Computing and Telecommunications; however, the General Assembly did enact a special provision which provided for the use of one-half of the required reversions (1%) by each SRCI for the nonrecurring costs of technology, including the installation of technology infrastructure for academic facilities on the campus, the implementation by the constituent institution of its campus technology plan or for libraries.				

THE UNIVERSITY OF NORTH CAROLINA

1998-99 Expansion Budget - Current Operations

Budget Request Schedule of Priorities 1998-99	Board's Original Request	Amended Request	1997 Regular Session		Supplemental Request
			Appropriation	Request	
Line 4 - Libraries	\$11,782,276	\$11,782,276	\$2,000,000*		\$ 9,782,276
Institution					
Appalachian State University	547,700	547,700	120,702		426,998
East Carolina University					
Academic Affairs					
Health Affairs	758,882	758,882			758,882
Elizabeth City State University	430,818	430,818			430,818
Fayetteville State University	212,400	212,400	46,720		165,680
North Carolina A & T State University	263,200	263,200			263,200
North Carolina Central University	552,600	552,600	132,800		419,800
North Carolina School of the Arts	544,500	544,500			544,500
North Carolina State University	168,900	168,900			168,900
The University of North Carolina at Asheville	1,446,400	1,446,400			1,446,400
The University of North Carolina at Chapel Hill	259,900	259,900			259,900
Academic Affairs					
Health Affairs	1,840,000	1,840,000			1,840,000
The University of North Carolina at Charlotte	456,700	456,700			456,700
The University of North Carolina at Greensboro	751,100	751,100	163,680		587,420
The University of North Carolina at Pembroke	638,700	638,700	139,920		498,780
The University of North Carolina at Wilmington	211,500	211,500	74,080		137,420
Western Carolina University	414,900	414,900			414,900
Winston-Salem State University	378,000	378,000	75,600		302,400
UNC-General Administration:	223,800	223,800	46,498		177,302
Virtual Library (NC-LIVE)	1,682,276	1,682,276	1,200,000		482,276
Total	11,782,276	11,782,276	2,000,000		9,782,276

* The General Assembly also enacted a special provision which provided for the use of one-half of the required reversions (1%) by each SRCI for the nonrecurring costs of technology, including the installation of technology infrastructure for academic facilities on the campus, the implementation by the constituent institution of its campus technology plan or for libraries.

THE UNIVERSITY OF NORTH CAROLINA

1998-99 Expansion Budget – Current Operations

Budget Request Schedule of Priorities 1998-99	Board's Original Request	Amended Request	1997 Regular Session Appropriation	Supplemental Request
Institution				
Appalachian State University	826,004	428,996	-	428,996
East Carolina University				
Academic Affairs	1,142,869	600,314	-	600,314
Health Affairs	433,943	224,529	-	224,529
Elizabeth City State University	134,295	68,483	-	68,483
Fayetteville State University	258,388	132,935	-	132,935
North Carolina A & T State University	528,082	271,918	-	271,918
North Carolina Central University	364,611	197,049	-	197,049
North Carolina School of the Arts	150,250	77,343	-	77,343
North Carolina State University	2,129,236	1,137,704	-	1,137,704
The University of North Carolina at Asheville	193,299	100,356	-	100,356
The University of North Carolina at Chapel Hill				
Academic Affairs	1,769,258	929,678	-	929,678
Health Affairs	1,548,177	806,201	-	806,201
The University of North Carolina at Charlotte	974,250	513,228	-	513,228
The University of North Carolina at Greensboro	909,146	464,866	-	464,866
The University of North Carolina at Pembroke	191,588	98,072	-	98,072
The University of North Carolina at Wilmington	592,028	311,985	-	311,985
Western Carolina University	442,235	227,528	-	227,528
Winston-Salem State University	193,925	104,512	-	104,512
Total	12,781,584	6,695,697	-	6,695,697

Note: Original budget request was based on 1% of the teaching salary base for 1997-98 and an additional 1% for 1998-99. The 1997 Regular Session made no appropriation in response to the request. The supplemental request is based on 1% of teaching salaries.

THE UNIVERS. OF NORTH CAROLINA
1998-99 Expansion Budget - Current Operations

Budget Request Schedule of Priorities 1998-99	Board's Original Request	Amended Request	1997 Regular Session Appropriation	Supplemental Request
Line 6 - University Outreach to the Public Schools Program	\$ 5,978,301	\$ 6,017,371	\$ 1,185,000	\$ 4,832,371
UNC School Services Matching Incentive Grant Program	-	975,000	-	975,000
University-School Teacher Education Partnerships	1,899,750	1,800,000	1,800,000	-
School Technology Users Task Force Implementation	521,250	521,250	-	521,250
Technology Outreach	500,000	500,000	-	500,000
Master of School Administration Programs	20,500	20,500	-	20,500
Principal Fellows Program	660,000	1,000,000	240,000	760,000
Principals' Executive Program	74,362	74,362	-	74,362
School Leadership Academy	175,877	150,000	150,000	-
The North Carolina Center for the Advancement of Teaching	145,000	145,000	-	145,000
Mathematics and Science Education Network (MSEN)	212,000	212,000	-	212,000
MSEN Center at Elizabeth City State University	120,000	120,000	-	120,000
MSEN Center for Research in Mathematics & Science (CRMSE)	55,773	55,773	-	55,773
MSEN Pre-College Program Expansion	70,000	70,000	-	70,000
Early Math Placement Testing Program	145,303	145,000	145,000	-
Summer Ventures in Science and Mathematics	147,919	147,919	-	147,919
"Late-Night Learning"	530,567	530,567	-	530,567
Learning Link - North Carolina's Electronic Educational Community				
North Carolina Center for the Prevention of School Violence	120,000	120,000	-	120,000
Reading Together Program	580,000	580,000	-	580,000
Other Reductions/Redirection of Appropriations (Educational Consortia) - Action of 1997 Regular Session	-	250,000	50,000	200,000
Total	5,978,301	6,217,371	(1,200,000)	5,032,371

THE UNIVERSITY OF NORTH CAROLINA
1998-99 Expansion Budget - Current Operations

Budget Request Schedule of Priorities 1998-99	Board's Original Request	Amended Request	1997 Regular Session Appropriation	Supplemental Request
Line 7 - New Degree Programs	\$3,000,000	\$3,125,000	\$2,325,000	\$ 800,000
<i>Allocated to Board of Governors' Reserve for subsequent distribution.</i>				
Line 8 - Graduate Education and Research	\$9,103,699	\$9,576,985	\$7,700,659*	\$1,876,326
<i>* Eliminates 10% Overhead Receipts Offset to the General Fund.</i>				
Institution				
Appalachian State University	55,770	62,850	26,500	36,350
East Carolina University, Academic Affairs	154,770	155,350	119,000	36,350
Elizabeth City State University	9,560	10,500	10,500	-
Fayetteville State University	44,462	44,810	23,000	21,810
North Carolina A & T State University	265,424	280,833	237,213	43,620
North Carolina Central University	92,921	94,081	21,381	72,700
North Carolina School of the Arts	24,633	25,884	-	25,884
North Carolina State University	1,926,600	2,148,300	1,690,000	458,300
The University of North Carolina at Asheville	7,500	7,500	7,500	-
The University of North Carolina at Chapel Hill				
Academic Affairs	5,348,620	5,522,410	5,201,600	320,810
Health Affairs	341,280	366,640		366,640
The University of North Carolina at Charlotte	294,620	300,600	82,500	218,100
The University of North Carolina at Greensboro	309,724	312,172	160,000	152,172
The University of North Carolina at Pembroke	25,798	26,030	11,490	14,540
The University of North Carolina at Wilmington	123,972	132,400	59,700	72,700
Western Carolina University	56,770	57,625	21,275	36,350
Winston-Salem State University	21,275	29,000	29,000	-
Total	9,103,699	9,576,985	7,700,659	1,876,326

Note: Supplemental request for \$1,876,326 covers 222 additional out-of-state graduate assistants tuition remissions.

THE UNIVERSITIES OF NORTH CAROLINA

1998-99 Expansion Budget - Current Operations

Budget Request Schedule of Priorities 1998-99	Board's Original Request	Amended Request	1997 Regular Session Appropriation	Supplemental Request
	\$4,000,000	\$4,000,000	\$2,750,000	\$1,250,000
	\$ 915,466	\$ 915,466	\$ 481,521	\$ 433,945
Institution				
Appalachian State University	53,374	53,374		53,374
East Carolina University, Academic Affairs	53,374	53,374		53,374
Elizabeth City State University	49,168	49,168	31,677	17,491
Fayetteville State University	46,918	46,918	31,677	15,241
North Carolina A & T State University	55,776	55,776		55,776
North Carolina Central University	56,526	56,526	37,553	18,973
North Carolina School of the Arts	48,955	48,955	34,500	14,455
North Carolina State University	57,276	57,276		57,276
The University of North Carolina at Asheville	44,627	44,627	29,249	15,378
The University of North Carolina at Chapel Hill				
Academic Affairs				
The University of North Carolina at Charlotte	56,526	56,526		56,526
The University of North Carolina at Greensboro	68,168	68,168		68,168
The University of North Carolina at Pembroke	49,918	49,918		49,918
The University of North Carolina at Wilmington	46,918	46,918	31,677	15,241
Western Carolina University	57,276	57,276	37,553	19,723
Winston-Salem State University	51,124	51,124	34,437	16,687
UNC-General Administration, Operating	47,668	47,668	31,677	15,991
Additional appropriations for Board allocation in 1998-99	71,874	71,874	181,521	71,874
Total	915,466	915,466	481,521	433,945

THE UNIVERSITY OF NORTH CAROLINA
 1998-99 Expansion Budget – Current Operations

Budget Request Schedule of Priorities 1998-99	Board's Original Request	Amended Request	1997 Regular Session Appropriation	Supplemental Request
Line 11 – Remove 2% Reversion Rate Requirement	2% requested	2% requested	1% approved	1% requested
<p><i>The General Assembly enacted a special provision which provided for the use of one-half of the required reversions (1%) by each SFRCI for the nonrecurring costs of technology, including the installation of technology infrastructure for academic facilities on the campus, the implementation by the constituent institution of its campus technology plan or for libraries. One percent totals approximately \$13 million.</i></p>				
Line 12 – Distinguished Professors Endowment Trust Fund – State Matching Funds	\$2,000,000	\$6,600,000	\$1,000,000	\$5,600,000

THE UNIVERSITY OF NORTH CAROLINA
1998-99 Expansion Budget - Current Operations

Budget Request Schedule of Priorities 1998-99	Board's Original Request	Amended Request	1997 Regular Session Appropriation	Supplemental Request
	\$2,100,201	\$5,900,201	\$ 794,000	\$5,106,201
Program				
The North Carolina Arboretum	491,024	491,024	-	491,024
Water Resources Research Institute (WRRI)	100,000	100,000	-	100,000
The UNC Sea Grant College Program	82,625	82,625	-	82,625
The University of North Carolina Press	145,000	145,000	-	145,000
North Carolina Health Careers Access Program (NC-HCAP)	223,722	223,722	-	223,722
North Carolina Center for Nursing (NCCN)	71,380	71,380	-	71,380
University Council on International Programs (UCIP)	75,000	75,000	-	75,000
Summer Institute of the North Carolina School of the Arts on Roanoke Island	500,000	500,000	500,000	-
North Carolina State Education Assistance Authority (SEAA)	267,450	267,450	100,000	167,450
Board of Governors Doctoral Study Assignment Program	50,000	50,000	-	50,000
North Carolina Scholastic Media Association Program	94,000	94,000	94,000	-
Institute on Aging	-	550,000	100,000	450,000
Alcohol Studies Endowment Funds	-	500,000	-	500,000
N.C. Alliance for Minority Participation	-	1,500,000	-	1,500,000
Manufacturing Extension Partnership (NCSU)	-	900,000	-	900,000
Biomedical/Biotechnology Research Institute (NCCU)	-	350,000	-	350,000
Local Government Information Technology (UNC-CH Inst. of Gov.)	-	854,316	-	854,316
Total	2,100,201	6,754,517	794,000	5,960,517
Total - Schedule of Priorities	95,989,784	137,783,906	42,980,571	94,803,335
Less: Tuition Increase *	-	(12,162,041)	(12,067,925)	(94,116)
Net Appropriation	95,989,784	125,621,865	30,912,646	94,709,219
*By actions of 1997 Regular Session tuition rate increases:				
1997-98 - residents, 3%; nonresidents at NCSU and UNC-CH, 5% and NCSA, 3%				
1998-99 - both residents and nonresidents, 2%				

THE UNIVERSITY OF NORTH CAROLINA

1998-99 Expansion Budget – Current Operations

Agricultural Programs	Board's		Amended Request	1997 Regular Session		Supplemental Request
	Original Request			Appropriation		
Program Enhancement:	\$3,100,000		-			-
Academic Enhancement Salary Increases	-		1,396,692			1,396,692
Non-personnel Support	-		831,120			831,120
Agricultural Production and Life Sciences Industries	1,400,000		1,400,000			1,400,000
Natural Resources and the Environment	900,000		900,000			900,000
Communities and Rural Development	600,000		600,000			600,000
Pfiesteria Research	-		500,000			500,000
Water Quality Research – Neuse & Cape Fear River Basins	-		400,000			400,000
Agricultural Research	-		500,000	500,000		-
Total – Agricultural Programs	6,000,000		6,527,812	500,000		6,027,812
<p>* By special provision, NCSU may allocate \$500,000 in overhead receipts for covering academic enhancement EPA salary increases and the required reversions for the Agricultural Programs are reduced by \$500,000 for 1997-98. A Board of Governors' recommendation for a funding plan, which is due by March 15, 1998, is also directed.</p>						
<p>The 1998-99 Supplemental Budget Request includes continued funding of the academic enhancement EPA salary increases totaling \$1,396,692.</p>						

THE UNIVERS. OF NORTH CAROLINA

1998-99 Expansion Budget – Current Operations

	Board's Original Request	Amended Request	1997 Regular Session Appropriation	Supplemental Request
North Carolina School of Science and Mathematics				
Residential Program Enhancements	\$ 285,455	\$ 285,455	–	\$ 285,455
Student Leadership Development Program with Israel	111,059	111,059	–	111,059
Coordinated Growth of Outreach, Residential, and Support Services	655,020	655,020	–	655,020
Salary Plan	38,952	38,952	–	38,952
Total – N.C. School of Science and Mathematics	1,090,486	1,090,486	–	1,090,486
Total Expansion Budget–Current Operations Appropriations	103,080,270	133,240,163	31,412,646	101,827,517

THE UNIVERSITY OF NORTH CAROLINA
1998-99 Expansion Budget - Current Operations

Line	Budget Request 1998-99	1998-99 Recommended Recurring Budget	1998-99 Recommended Nonrecurring Budget	1998-99 Total Recommended Budget
Schedule of Priorities				
1.	Enrollment Changes: Regular Term	\$ 13,730,338		\$ 13,730,338
3.	Information Technology Computing and Telecommunications		18,025,000	18,025,000
5.	Rewarding Teaching Excellence		13,391,394	13,391,394
6.	University Outreach to the Public Schools			-
	UNC School Services Matching Incentive Grant Program		975,000	975,000
	NC Center for the Prevention of School Violence	580,000		580,000
	Reading Together		300,000	300,000
	Teacher Academy		500,000	500,000
11.	Remove 1% Reversion Rate	1% recommended		-
12.	Distinguished Professors Endowment Trust Fund-State Matching Funds		5,600,000	5,600,000
13.	Interinstitutional Programs			-
	Manufacturing Extension Partnership		900,000	900,000
Agricultural Programs				
	Pfiesteria Research	606,000	1,586,000	2,192,000
North Carolina School of Science and Mathematics				
	Residential Program Enhancements (3.5 positions)	300,000		300,000
Other Programs				
	NC Global Schools Partnership		90,000	90,000
	Center for Global Business Education and Research		60,000	60,000
	Special Olympics Related Expenses (NCSU & UNC-CH)		392,000	392,000
	Leadership North Carolina		75,000	75,000
Aid To Students Attending NC Private Colleges and Universities				
		7,248,986		7,248,986
Salary Increase				
	4% Permanent Salary Increase	53,495,302		53,495,302
	1% Bonus		6,409,874	6,409,874
Capital Improvements				
			40,000,000	40,000,000
Totals		\$ 75,960,626	\$ 88,304,268	\$ 164,264,894



Public Schools of North Carolina
 North Carolina Department of Public Instruction
 State Board of Education Supplemental Budget Request
 For 1998-99 Fiscal Year

Enhance Public Education Initiatives		1998-99 Budget Request	R/NR	1998-99 Certified Budget (plus LJ)
High Student Performance				
Reduce class size in grade 3 from 1 teacher and 1 teacher assistant per 26 students to 1 teacher and 1 teacher assistant per 23 students				
		30,633,392	R	238,937,648
Improve services to students with limited proficiency in English				
		10,000,000	R	-
Increase funding for children with special needs toward a goal of 2.3 times regular funding				
		25,000,000	R	330,167,103
Increase funding for academically or intellectually gifted students				
		3,738,810	R	37,235,467
Increase funding to establish a reserve for severely disabled children in group homes and LEAs				
		3,595,275	R	-
Quality Teachers, Administrators and Staff				
Provide funds for three days of extended staff development time for all teachers				
		35,834,025	R	6,947,663
Extend the months of employment for some teachers, allowing local flexibility in determining which teachers will work the extended calendar				
		35,834,025	R	1,787,991,153
Increase pay for certified substitute teachers to 75% of a beginning teacher's salary (\$75.50 per day)				
		15,776,280	R	235,472,629
Provide funding for Teacher Assistant's paygrade to move from 54 to 56 as approved by the SBE				
		5,673,238	R	305,119,765
Increase salaries for Assistant Principals				
		4,219,002	R	68,389,441
Safe & Orderly Schools				
Provide funds for statewide sports medicine program				
		500,000	NR	165,000
				<u>\$ 723,265,683</u>

Amounts are subject to change based on updated information.

R/NR = Recurring/Nonrecurring.

Public Schools of North Carolina

North Carolina Department of Public Instruction

**State Board of Education Supplemental Budget Request
For 1998-99 Fiscal Year**

	1998-99 Budget Request	R/NR	1998-99 Certified Budget (plus LI)
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Maintain Progress On Current Public Education Initiatives

Continuation of Operations

Public Schools - Fund the average daily membership annual revision (including 1997-98 incentive award)

52,772,042 R 4,686,160,962

Restore school bus replacement funding to maintain a 13 year replacement cycle

5,661,597 NR 46,299,403

Increase funding for worker's compensation claims to meet increased volume and cover administrative cost

9,000,000 R 11,369,790

DPI - Fully fund cost of State Information Processing Services (SIPS)

144,000 R 377,321

Increase teacher licensing fees to provide funds to support 4 additional certification specialist positions (Note: this request would not require state funds)

160,000 R 823,783

Charter Schools

Fund DPI administrative, program and financial operations supporting Charter Schools; Includes 5 positions for DPI & 2 two positions for the Local Government Commission

491,209 R 103,147

Revise the allocation method/formula for funding Charter Schools

20,000,000 NR

Public Schools of North Carolina

North Carolina Department of Public Instruction

**State Board of Education Supplemental Budget Request
For 1998-99 Fiscal Year**

Maintain Progress On Current Public Education Initiatives	1998-99 Budget Request	R/NR	1998-99 Certified Budget (plus LI)
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Excellent Schools Act

Increase teachers' salaries so as to achieve the national average	\$ 193,000,000	R	\$ 2,970,000,000
Provide support of pre-service for student and beginning teachers by funding a three year mentor program and three additional days of employment for orientation and classroom preparation	14,708,900	R	-
Provide funds to develop teacher evaluation instruments	1,600,000	NR	-
Pay teachers for one additional required forfeited workday	3,500,000	R	8,500,000
Pay for the National Board for Professional Teaching Standards (NBPTS) participation fee and for up to 3 days of approved paid leave for teachers participating in NBPTS program	2,261,588	R	1,012,912

ABCs

Award incentives to schools that meet growth or reach exemplary growth in student performance in 1998-99, based on 45% of schools being exemplary and 30% meeting growth expectations	99,000,000	R	-
Provide additional state resources/incentives for low-performing schools & staff	24,000,000	R	-
Begin funding replacement of Student Information Management System (SIMS)	6,000,000	R	3,018,927
Pay for advanced placement tests	2,846,195	R	-
Provide funds to score/grade tests and develop and implement new tests including: grade 3 pretest, high school comprehensive test, additional end of course tests, exit exam(s); and to fund pilot program for alternate assessment for students with disabilities	4,158,000	NR	5,394,653

Safe Schools

Provide School Resource Officers in all middle schools	10,536,768	R	-
Increase funds for allotment for At-Risk Student Services/Alternative Schools	31,621,337	R	125,358,223

School Technology Plan - fund systems and software for every K-12 classroom

	71,000,000	NR	10,000,000
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STATEMENT

I am pleased that Governor Hunt, in his budget request for the Short Session of the General Assembly, has recognized the Community College System's need for new equipment and technology, but I am very disappointed at the funding level and the non-recurring nature of his request for this critical need. Since it is my responsibility as President of the System to articulate to the Governor and the General Assembly the needs of the System, I take full responsibility for failing to make an adequate case to the Governor so that he would request a dramatic increase in funding for equipment and technology and for the support staff to appropriately and effectively use that technology.

Our System is charged with the responsibility of training North Carolina's work force for the future. We cannot train for the future on equipment of the past and without the instructional technology and support positions needed to do the job. North Carolina's very fine Community College System will not continue to enjoy its reputation as one of the nation's finest systems, and we will not be able to fulfill our promise to business and industry and the citizens who must be trained to work here with the current funding and modest increase for future funding that this request represents. Furthermore, North Carolina enjoys the robust economy it has today in large part because we have invested our State's resources in training our work force for new and expanding industries. The income taxes paid by workers with higher skills acquired from our community colleges (and thus higher salaries) are swelling our revenue collections. All of that will slowly begin to decline if we do not continue those investments in equipment, technology and instruction on our community college campuses and to make other educational investments.

The most serious concern with this request is that little of the increase is in recurring funds. Upgrading our equipment and technology is a long-range, ongoing effort that requires planning so that we spend the money wisely and with a purpose. Non-recurring, one-year money does not allow us to maximize the impact of these dollars. That is even more true of technology support personnel who cannot be hired with non-recurring money, but who are essential to appropriate and full utilization of new equipment and technology.

Our faculty and staff are the lowest paid in the entire South and forty-ninth in the country; our faculty members make less money for nine month's teaching than other professional educators. Though we appreciate the salary increase requested, our relative position in salaries is not improved and the gap will widen further.

Recently, the System was called to task for transferring funds from the instructional allocation to fund support positions and to buy equipment and technology. Unfortunately, those transfers will be necessary again if we are to provide the program of training that is expected of us. I had hoped that those support functions would be funded with recurring funds so that we might free up much needed resources to raise faculty and staff salaries. With only non-recurring funds proposed in the technology area for our colleges, presidents

and trustees will find it necessary to continue to transfer funds away from instructional salaries. The only other option is for our instructors to not get the technology support they need in their classrooms and labs and for data requests from the General Assembly, the State Budget Office and from our office to be delayed. Fortunately, the non-recurring funds requested for equipment and technology purchases will mean that less money will have to be transferred in the next fiscal year for that purpose, but salaries will still suffer.

I also wish to comment on requests made of the Governor which were not included in his budget in any amount or in any form.

In the last Session, the General Assembly wisely began a three-year process of achieving parity between occupational or continuing education funding and curriculum funding. Our curriculum programs are important because they prepare students for careers by giving them a degree, diploma or certificate in a particular discipline. However, the greatest service we give to business and industry and the people who are employed with them is to help them upgrade their skills so they can remain competitive in the work force. We train thousands of hard working people every year in computer skills which would otherwise be available only at a much greater cost to the employee or employer; one or two courses at the right time can make the difference in a person's keeping his or her job; and helping employees learn a new industrial process can make a difference in a company's ability to remain competitive. Through our continuing education courses, we can quickly and flexibly respond to these workplace needs, something that we cannot do in the more cumbersome curriculum approval process. However, with a great differential between the continuing education formula and the curriculum formula, many colleges take the route of greater reward rather than greater flexibility and migrate courses which ought to be continuing education courses into curriculum programs. If we are to serve the needs of business and industry and their employees, we must continue your initiative to achieve parity. Please put the second-year funds back in the budget for next year.

You have heard from your county commissioners, college trustees and presidents about the struggle to keep up with the demands of maintaining and retrofitting aging campuses with the limited resources counties have. Thirty-year-old buildings need new roofs and new mechanical systems; classrooms built with a blackboard, desks and nothing more must be upgraded to meet current instructional technology capabilities; and ADA compliance is beyond the financial means of many counties. The state has built more than forty percent of all community college facilities through bond issues and direct appropriations. You need to protect that investment by helping the counties maintain our campuses just as you do our university and state buildings. This is especially true when you consider that increasingly you are calling on community colleges to offer regional programs and to assist the university system in providing the first two years of university education for transferring students. As county commissioners see their colleges meeting state and

regional needs rather than local needs, they rightly expect state help with responsibilities that previously they shouldered alone. Therefore, we strongly urge that you establish a new policy of using state funds for repair and renovation purposes in our Community College System. The Governor included no funds for this purpose.

When my former colleague, Bob Etheridge, chaired the House Appropriation Committee, Harnett County wanted its own college. To his credit, Bob agreed with the State Board of Community Colleges that a multi-campus format was a more economical way to deliver the same educational services and Central Carolina Community College became the first multi-campus college. Since then, eleven more full-service campuses have been created under single administrations. This saves the cost of eleven additional presidents, multiple vice-presidents, many deans, etc. However, the Southern Association of Colleges and Schools requires that these campuses have libraries, admission counselors, financial aid staffs, academic advisors--all expenses not required by satellite teaching centers. Therefore, the state gets the savings in administrative costs, but the colleges have to eat the additional costs of student services. Four or five years ago, the State Board reacted to this unfairness by adopting a funding formula for multi-campus administrative and student service expenses. Unfortunately, it has never been funded. However, the presidents, trustees, and State Board members now unanimously endorse funding this formula, even though only a handful of colleges benefit. This is a great sign of unity and of a maturing system that can recognize that one size does not fit all and that we should do the right thing even if it does not benefit every single college in the System. Please support this important step in our maturing process by funding this formula despite the fact that the Governor did not include this in his request.

I intend to redouble my efforts to do a better job in convincing you and your colleagues in the General Assembly of the need for a fair allocation of resources that recognizes that 59 institutions, almost 25,000 employees, and most important of all, almost 800,000 students require a significant infusion of funds to bring our equipment and technology up to date and to make it adequate for the courses we teach; that rewards our faculty and staff comparably to other professional educators; that continues to move towards parity between continuing education and curriculum programs; that assists our counties with maintaining and protecting their and the state's investment in our facilities; and that helps our multi-campus schools with the higher costs necessitated with this otherwise cost-saving method of administering those colleges.

Thank you for this opportunity to respond to the Governor's request for the North Carolina Community College System.

H. Martin Lancaster, President
North Carolina Community College System

5/12/98

VISITOR REGISTRATION SHEET

Joint Education Appropriations
Name of Committee

5/12/98
Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK.

NAME

FIRM OR AGENCY AND ADDRESS

David Brown	ASBM
Maurice King	"
Sue Adams	"
Janet Pittard	"
Ed Regan	N.C. Assoc. of Co. Comm.
WD McCoy	UNC - DA
Evelyn Hawthorne	UNC - Chapel Hill
Leanne Wimer	NCSBA
Susan Markham	EGTE
Susan Harrison	WCPSS
Karen Galt	Gov.'s Office
Ashley Matlock	Intern General Assembly

VISITOR REGISTRATION SHEET

Jt. Education Appropriations
 Name of Committee

5/12/98
 Date

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FIRM OR AGENCY AND ADDRESS

Kim News	Public School
Jan Crabb	NCA SA
Courtney Barker	N.C. Close Up Davidson County
Jeremy Casey	N.C. Close Up Currituck County
Jennifer McLees	N.C. Close Up Wilson County
Dena Baysden	N.C. Close Up Onslow County
Julie Hamra	NC Close Up Pitt County
Sarah Burrell	NC: Close Up Charlotte - Mecklenburg
Alani Woolledge	NC: Close Up Johnston - Johnston
Casey Roberson	NC: Close Up Yancey County
Bethany Williams	NC Close Up Harnett County
James Harrington	NC Close Up Guilford County

VISITOR REGISTRATION SHEET

Jt. Education Appropriations
 Name of Committee

5/12/98
 Date

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FIRM OR AGENCY AND ADDRESS

<i>Suzanne Williams</i>	<i>Dept Comm College &</i>
<i>Pat T. O'Connell</i>	<i>Pres</i>
<i>Larry Morgan</i>	<i>DCC</i>
<i>John Malia</i>	<i>DCC</i>
<i>Phil Albano</i>	<i>DCC</i>
<i>Alice L. Smith</i>	<i>DCC</i>
<i>Gene D. Byers</i>	<i>"</i>
<i>Clifton B. Metcalfe</i>	<i>UNC GA</i>
<i>Jane Brotherton</i>	<i>UNC-GA / NC State Acq Program</i>
<i>Imprint Lancaster</i>	<i>DCC</i>
<i>Hal Miller</i>	<i>DCAECT</i>
<i>James Ransford</i>	<i>NCATA</i>

VISITOR REGISTRATION SHEET

Jt. Education Appropriations
Name of Committee

5/12/98
Date

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NAME

FIRM OR AGENCY AND ADDRESS

Aimee Bennington

N.C - close up Union County

Jessica Vernon

NC Close up Duplin County

Adam Jones

NC close Up (Counselor) Harnett County

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Wednesday, May 13, 1998 - 8:30am

MINUTES

The Joint Appropriations Subcommittee on Education met on Wednesday, May 13, 1998 in Room 421 of the Legislative Office Building.

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

Representative Grady called the meeting to order.

Molly Corbett Broad, President, The University of North Carolina, presented the importance and merit of the university's 1998-99 Supplemental Budget Request; Major Themes - Current Operations Appropriations. Attachment 1.

Mr. Gregory Poole, President, Gregory Poole Equipment Company and President of North Carolina Industries for Technical Education (NCITE), gave a presentation for a new trade association of heavy truck and heavy equipment related industries in North Carolina. The association was formed for the purpose of solving the service technician shortage problem in the industry. As stated, the rising level of technology in the industry has made it virtually impossible for employers to adequately train enough entry-level service technicians. Seeking approximately \$35,000 for a print material campaign to help the 13 community colleges market their technical education programs. Attachment II.

There was not enough time to address the agenda item, Complete Review of the Governor's Recommended Budget for Public Schools at this time. Will meet again tomorrow morning at 8:30am. The meeting was adjourned.

Respectfully submitted:


Representative Robert Grady, Co-Chair


Sandra B. Ellis, Committee Clerk

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

May 13, 1998

Welcome

Chair

Response to the Governor's Recommended
Budget for the University System

President Broad

Budget Request Presentation

Mr. Greg Poole

Complete Review of the Governor's
Recommended Budget for Public Schools

Jim Johnson

1

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education 5/13/98
Name of Committee Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Jane Pettan
Lue Adams

OSBM
OSBM

Ken Gray

UNC-GA

Judith Pully

UNC-GA

Roy Carroll

UNC-GA

Molly C Broad

UNC-GA

Cristen B. Steeles

UNC-GA

Ally Mann

TAP/AD

Joni Worthington

UNC-GA

Paul Brown

OSBM

Elizabeth Groverstein

OSBM

VISITOR REGISTRATION SHEET

2

Appropriations Subcommittee on Education

5/13/98

Name of Committee

Date

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FIRM OR AGENCY AND ADDRESS

Juan Harrison	WCPSS
Gene Casby	E-EBC
Karen Gark	Gov.'s Office
Tim Dowell	UCAIU
Learne Winner	NC SBA
Evelyn Hawthorne	UNC - Chapel Hill
Samuel Williams	NCETS
Hal Miller	NC ACCT
Tom Rye	NCCCS
Jack Cogut	Parker Poe Adams & Bernstein

VISITOR REGISTRATION SHEET

3

Appropriations Subcommittee on Education 5/13/98
 Name of Committee Date

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NAME	FIRM OR AGENCY AND ADDRESS
Weaver Rogen	SBE
Ann Belam	SBE
Jan Cratts	NCA SA
P. Ann Annis	Public School Forum
Dorey Hyatt	John Locke Foundation
Thad De	NCAE
Jannet Dial	NCAE
John Shaw	NC Industries for Technical Education
Greg Poole, Jr.	Gregory Poole Equipment Co.
Paul D. Jones	press
Marnie King	OSBM

Joint Appropriations Subcommittee on Education

May 13, 1998

Molly Corbett Broad – President
The University of North Carolina

1998-99 Supplemental Budget Request

Attachment 1

**The University of North Carolina
1998-99 Supplemental Budget Request
Major Themes
Current Operations Appropriations**

	Board Request	Governor's Recommendations	
		Recurring	Nonrecurring
Access			
Regular Term Enrollment Changes	\$ 13,730,338	\$ 13,730,338	-
Distance Learning/Extension Degree Credit Instruction	13,961,073*	-	-
Total - Access	27,691,411	13,730,338	-
Efficiency			
Information Technology - further development	19,583,866	-	18,025,000
Year 2000 Computer Compliance (nonrecurring)	6,011,056	-	**
Libraries	9,782,276	-	-
Remove the Remaining 1% Reversion Rate Requirement	no additional appropriation required	1% recommended***	-
Total - Efficiency	35,377,198	-	18,025,000
Competitiveness			
6% Academic Salary Increase	54,496,078		
- 4% Academic Salary Increase recurring funds		37,004,302	
- 2% Nonrecurring funds for rewarding teaching excellence in response to the request for Rewarding Teaching Excellence			13,391,394***
- 1% one-time bonus for non-teaching EPA employees			2,287,124
State Matching Funds for Distinguished Professors Endowments	5,600,000	-	5,600,000
Total - Competitiveness	60,096,078	37,004,302	21,278,518
TOTAL	123,164,687	50,734,640	39,303,518

* Reduced from original request of \$18,046,943 to \$13,961,073.

** Statewide reserve includes \$5.4 million for UNC for Year 2000 computer compliance.

***Removal of the remaining 1% Required Reversion is recommended effective with the 1998-99 fiscal year. For 1999-2000 and thereafter, a special provision is recommended whereby the 1% required reversion shall be used to fund the excellence in teaching awards at the campus level.

**The University of North Carolina
1998-99 Supplemental Budget Request
Capital Improvements**

	Board Request	Governor's Recommendations
Repairs and Renovations	\$ 70,052,700	\$ 66,700,000
Fire Safety Improvements, Student Residence Halls	64,734,400	-
1997 University-Wide Facilities Plan		
Current Capacity	357,089,200	
Future Capacity	38,696,200	
Technology Infrastructure	77,517,200*	
Program Quality	100,711,000	
Special Purpose	37,098,500	
Support Facilities	5,943,400	
Land Acquisition	15,000,000	
Special Appropriation	3,500,000	
Total - 1997 University-Wide Facilities Plan	635,555,500	40,000,000**
TOTAL	770,342,600	106,700,000

* The schedule includes an amendment for "Technology Infrastructure" to be considered by the Board of Governors at its meeting on May 15, 1998.

**The Governor recommended capital improvements appropriations of \$40 million for the University. He did not identify specific projects to be funded except for a \$500,000 project at UNC-Asheville, Renovations to Justice Gym.

ATTACHMENT II



NORTH CAROLINA INDUSTRIES
FOR TECHNICAL EDUCATION

John Shaw
Executive Director

1105 BISHOPTON WAY
KNIGHTDALE, NC 27545-8865
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PHONE 919/217-2338
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MOBILE 919/812-0661



North Carolina Industries for Technical Education

North Carolina Industries for Technical Education (N-C-I-T-E or IN-sight as we pronounce it) is a new trade association of heavy truck and heavy equipment related industries in North Carolina.

Mission Statement



The purpose of our organization is to:

- support technical education that benefits the transportation and heavy equipment industries of North Carolina;
- identify opportunities to improve the State's current system of technical education;
- work collectively to support "Centers of Excellence" dedicated to technical education; and
- inform the public about the need for and rewards of a high-quality technical education and its contribution to our State's economy.

The association was formed for the purpose of solving the service technician shortage problem in our industry. The rising level of technology in our industry has made it virtually impossible for employers to adequately train enough entry-level service technicians!



NCITE Membership **(142 Members/over 250 locations)**

Aggregates	6	H. Vehicle Parts/Service	3
Associate Members	7	Individual Members	9
Bus/Tour Companies	1	Industrial Truck Dealers	2
Contractors	25	Manufacturers	10
Engine Distributors	3	Marine Dealers	2
Farm Equipment Dealers	5	Suppliers	4
Heavy Equipment Dealers	17	Trailer Sales/Service	2
Heavy Equipment Rental	4	Transport Refrigeration	2
Heavy Truck Dealers	16	Trucking Companies	19
Heavy Truck Leasing	2	Utilities	2

Our members are small- to medium-sized companies with locations all over the State.

How is NCITE making a difference?



- Intermediary between business, education, and government
 - ◆ Enable companies to participate in School-to-Work activities that they could not or would not have done otherwise.
 - ◆ Establish liaison with the General Assembly to solicit support for technical education.

High School Programs



- Heavy Equipment And Transport Technology (HEATT) College Tech Prep Programs
 - ◆ Guilford County Schools Model
 - ◆ Charlotte-Mecklenburg (North Mecklenburg)
 - ◆ Wake County Schools Advance Placement
 - ◆ Asheville-Buncombe-Madison School Systems Advanced Placement (Fall '98)
- Youth Apprenticeships with NCITE members
- Articulate to Community College Advanced HEATT programs.

We have developed Heavy Equipment And Transport Technology (HEATT) "college tech prep" programs that include Youth Apprenticeships. They provide work-based learning experiences that help students choose a career, help employers identify and nurture future employees, and provide the income some students need to stay in school. We are trying to help young people choose a "smart career" in our industry.

Community College Programs



- NCITE Standards Include
 - ◆ Two-year Associate Degree
 - ◆ Co-op opportunity with NCITE members
 - ◆ Diversified Curriculum (Heavy Equipment & Trucks, etc.)
- Curriculum Improvement Project
 - ◆ Instructor Workshops
 - ◆ Equipment
 - ◆ Developing performance standards for graduates of community colleges.

Thirteen of the 58 community colleges in North Carolina have a Heavy Equipment And Transport Technology program. We are working with all 13 community colleges to revitalize their programs in addition to helping them recruit students. We are conducting instructor workshops and participating in a Curriculum Improvement Project (CIP) funded by the NC Community College System.

Member Investments



- NCITE members provide apprenticeship and co-op opportunities for every student who meets our standards or is recommended by their instructor.
 - ◆ Members will invest a minimum of \$18,310 per student who enrolls in our two-year college tech prep and two-year community college programs.
- Member provide engines and other heavy equipment and heavy truck components to use as training aids. They also loan complete machines and trucks for training purposes.

“Information Only”

Students who apprentice 3 hours a day for 180 days at \$6.50 per hour will earn at least \$3,510 per year.

Members will provide students who attend a two-year, advanced HEATT program at the community college with at least \$1,000 scholarships per year.

Students who co-op for 40 weeks during the two-year community college program and work 40 hours a week at \$8.00 per hour will earn at least \$12,800 during the two years.

\$\$ Value of equipment???

Marketing



- Student Recruitment Video (\$40,000)
“How Far Do You Want To Go”
- “Career Awareness” events for students, parents, counselors, and teachers
- Printed recruitment material for follow up

We have invested more than \$40,000.00 in a first class recruitment video produced by Rockett, Burkhead, Lewis, and Winslow.

We have used the video to make student presentations in high schools from Asheville to Barco, and we have mailed it to every high school in North Carolina.

We know we can't just mail this material to schools and expect counselors and teachers to recruit students for us. They're not familiar with our industry.

We are raising another \$50,000 for printed recruitment material to follow up our video.

Source of Funds



> Annual Membership Dues (142 x \$500)	\$71,000
> Foundation Contributions	\$59,000
◆ Caterpillar Foundation	
◆ John Deere Foundation	
◆ Cummins Engine Foundation	
◆ Associated Equipment Distributor Foundation	
◆ Members	
> Fundraisers	\$8,000

Our members each pay \$500 dues per year to support the operation of NCITE. We are trying to make our effort an industry-wide one.

We have received no State or Federal funds.

1998 Budget



➤ Income	\$127,000
➤ Expenditures	\$155,000
➤ Ending Balance	(\$28,000)

How Can You Help?



- Appropriate \$35,000 for a print material campaign to help the 13 community colleges market their technical education programs

JOINT APPROPRIATIONS SUBCOMMITTEE
ON EDUCATION

May 14, 1998

MINUTES

The Joint Appropriations Subcommittee on Education met on May 14, 1998, at 8:30 a.m. in Room 421 of the Legislative Office Building. Eleven of the members of the Committee attended the meeting, including the Chair, Senator Leslie Winner, who presided. Pages present were Lizzie Davis from Wake County, Laurel Cobb of Mecklenburg County, and Matt Smith from Greensboro.

Mr. Jim Johnson, Fiscal Research Division, reviewed the Governor's recommended changes to the Public Education budget. There was Committee discussion about school bus replacement funding and also considerable discussion about additional certification specialist positions. Several Committee members wanted to investigate the possibility of letting the LEA's do this at the local level. (See Attachment 1).

Ms. Joanne Norris, N.C. Teaching Fellows Program, addressed the Committee about the increase from \$5,000 to \$8,000 in scholarship loans to each recipient to help offset the rising costs of tuition, fees, room and board. (See Attachment 2).

Dr. Richard Thompson, Deputy Superintendent of the Department of Public Instruction, addressed the Committee with a response to the Governor's recommended budget for the Public Schools. (See Attachment 3).

The Committee was adjourned at 9:45 a.m.

Senator Leslie Winner, Co-Chair

Vickie Spears, Committee Clerk

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

May 14, 1998

Welcome

Complete Review of Governor's Recommended
Budget for Public Schools

Response to the Governor's Recommended
Budget for the Public Schools

Chair

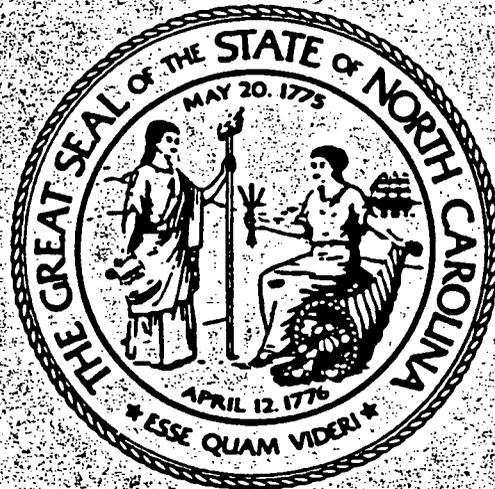
Jim Johnson

Dr. Richard Thompson

North Carolina

Recommended Changes
to the 1998-99 State Budget

1997-99 Biennium



James B. Hunt Jr.
Governor

1998-99 Recommended Changes
 General Fund - Continued

C. Recommended Changes to the 1998-99 Budget

Public Education

The focus of this supplemental budget is to continue to improve education for the children of North Carolina. These recommendations emphasize the continued development and implementation of The New ABCs of Public Education (accountability, basics, and local control) with increased assistance for low performing schools and continued support for measures to recruit and retain excellent teachers consistent with The Excellent Schools Act.

1998-99

1. **Revise Average Daily Membership and Longevity Funds**
 Positions, textbooks, instructional equipment, and supplies allocated to the public schools are budgeted on the basis of average daily membership (ADM) of students in the classroom. Budgeted ADM was 1,226,060 for 1997-98 and 1,247,150 for 1998-99. The revised budgeted ADM for 1998-99 is 1,251,287 and is based on the higher of 1997-98 actual ADM or 1998-99 projected ADM by LEA. This recommended ADM adjustment reflects an increase of 312 private school students entering charter schools in fiscal year 1998-99 for a total of 712 based on actual data for 1997-98.

\$ 26,553,765

Number of Positions (Net - Estimated)

514.4

Receipts from the Highway Fund to be transferred to the Department of Public Instruction for the Driver Education Program are adjusted down by \$174,861 due to revised 9th grade ADM estimates.

Requirements
 Receipts
 Appropriation

\$ (174,861)

(174,861)

\$ -

An increase of \$9,010,274 is recommended for longevity pay for costs associated with increases in teacher salaries and the increase in the longevity rate for teachers with 25+ years of service from 2.5% to 4.5% as provided in 1997-98.

9,010,274

1998-99 Recommended Changes
General Fund - Public Education - Continued

1998-99

2. **The Excellent Schools Act**

Consistent with The Excellent Schools Act, ratified by the 1997 General Assembly, the following recommendations represent a continuing effort to attract and retain highly qualified and experienced teachers. Funding is recommended for compensation for performance bonuses as defined in the ABCs, achievement of higher standards by certified teaching personnel, and special assignments performed by certified teaching personnel. A recommended 8% funding includes: 6.5% increase in funding for the salary schedule and increased funding for longevity consistent with the higher salaries for 1998-99, increased longevity rates for teachers with 10-24 years of service, a top of the range bonus for the teacher salary schedule, additional funding for 1997-98 ABC Incentive Awards to be paid in 1998-99, expanding the mentor program to second year teachers and increasing the rate of pay for mentors, and funding for two additional required forfeited vacation days .

2a. **Adjust Teacher Salary Schedule**

Six and one half percent funding, a total of \$192,943,537, is recommended to increase the teacher salary schedule to continue to compensate certified teaching personnel for achieving higher standards, performing special assignments, and increasing the salaries for beginning teachers. The amount of increase for individual teachers will vary accordingly. All of these steps will continue to advance the goal of increasing the North Carolina average teacher salary to the national average. The latest National Education Association's (NEA) Ranking of the States for 1996-97 indicates an estimate of the national average teacher salary for 1996-97 is \$38,516. The latest estimate for the North Carolina state average teacher salary for 1996-97 is \$31,167. Preliminary estimates for the 1997-98 state average teacher salary reflect \$33,420. The increases appropriated in this session will apply to certified teachers and certified instructional support, including psychologists, social workers, counselors, librarians, and media coordinators.

\$192,943,537

2b. **Longevity for Higher (1998-99) Salaries**

Additional funding for longevity for teachers is recommended to accommodate increased requirements consistent with the increased salaries recommended for teachers for 1998-99.

3,254,624

1998-99 Recommended Changes
General Fund - Public Education - Continued

1998-99

The Excellent Schools Act - Continued

2c. Increase Longevity Rates for Teachers

It is recommended that the longevity rate for teachers be increased to that of state employees. Longevity is awarded beginning with the tenth year of employment and is increased at the 15 and 20 year levels. Increases would be as follows:

10-14 years from 1.00% to 1.50%

15-19 years from 1.50% to 2.25%

20-24 years from 2.00% to 3.25%

\$ 12,405,561

2d. Top of the Range Bonus for Teacher Salary Schedule

Funds are recommended to provide a bonus equivalent to a step increase for employees at the top of the teacher salary schedule.

5,580,235 NR

2e. School-Based Incentive Awards under the ABCs Program

The ABCs initiative directs that each year a school must assure that the students receive a year's worth of education for a year of instruction. According to G.S. 115C-105.36, incentive awards will be given when a school either meets or exceeds the projected levels of improvement in student performance. In accordance with State Board of Education policy, incentive awards in schools that achieve higher than expected improvement may be up to \$1,500 for each teacher and certified personnel, and \$500 for each teacher assistant. In accordance with State Board of Education policy, incentive awards in schools that meet the expected improvements may be up to \$750 for each teacher and certified personnel, and \$375 for each teacher assistant. Nonrecurring funds in the amount of \$98,480,985 are recommended for 1998-99 for those awards to be earned in the 1998-99 school year and awarded in July of 1999. This amount is based on 45% of schools exceeding their goal and 30% meeting expected growth compared to 40% exceeding their goal, the basis for the estimated cost of incentives in 1997-98.

98,480,985 NR

Funds in the amount of \$17,118,003 are recommended to cover the shortfall in availability experienced in the awards earned in the 1997-98 school year and scheduled for award in July 1998. A total of \$72,400,000 was appropriated by the 1997 Session for this purpose, but costs are now estimated to reach \$89,518,003 for that period.

17,118,003 NR

The total amount recommended for incentive awards is \$115,598,988.

NR - Nonrecurring

1998-99 Recommended Changes
General Fund - Public Education - Continued

1998-99

The Excellent Schools Act - Continued

2f. **Mentor Teachers**

Nonrecurring funds in the amount of \$3.5 million were appropriated for 1997-98 to provide teachers who have never taught before with a qualified and well-trained mentor. These funds were used to compensate each mentor at the rate of \$100 per month for each month he or she serves as a mentor, for a maximum of 10 months with an additional \$100 for a mentor to serve one day prior to the beginning of school. Nonrecurring funds in the amount of \$800,000 were appropriated for 1997-98 to allow local school systems to employ teachers who have never taught before (including new lateral entry teachers) for three additional days for orientation and classroom preparation. The funds were used to compensate each teacher who has never taught before based on their daily pay rate. Recurring funds in the amount of \$9,235,124 are recommended to continue support for the existing program; plus, \$5,473,776 in recurring funds is recommended to extend the mentor program from mentors for first year teachers to mentors for first and second year teachers; and \$3,160,454 in recurring funds to increase the mentor pay rate from \$100 to \$125.

\$ 17,869,354

2g. **Extra Pay for Forfeited Vacation Days**

Funds in the amount of \$8.5 million were appropriated by the 1997 General Assembly so that local boards of education might have the option to use these funds to pay teachers for working on, and thereby forfeiting, a maximum of four annual vacation leave days per teacher, in accordance with G.S. 115C-302.1(c). Funds are recommended to pay teachers for two additional required forfeited vacation days.

4,250,000

3. **National Board for Professional Teaching Standards**

The National Board for Professional Teaching Standards (NBPTS) was established in 1987 as an independent, non-profit organization to establish high standards for teachers' knowledge and performance and for development and operation of a national voluntary system to assess and certify teachers who meet those standards. To encourage teachers to undertake this task, the General Assembly has appropriated funding to: (1) provide teachers with three days of release time during the year to attempt certification; (2) pay the certification fees of teachers attempting certification; (3) and provide teachers achieving certification with an annual bonus of 12%. Funding is recommended to continue support for the payment of certification fees and release time. There will be twelve certification categories available in 1998-99; five more than were available in 1997-98. An estimated 1,500 teachers are expected to apply in 1998-99 compared to 900 in 1997-98. There are currently 207 NBPTS certified teachers in North Carolina.

The total amount budgeted for 1998-99 for the participation fee and the paid leave, adjusted for this recommended appropriation is \$3,274,500. Funds to continue support for the 12% salary schedule differential provided to teachers achieving certification are included as part of the teacher salary schedule as per action by the 1997 General Assembly.

\$ 2,261,588 NR

4. **Assistance for At-Risk/Low Performing Schools**

Funds are recommended to be allocated to LEAs and designated for use by at-risk schools and/or schools designated as low performing .

At-risk schools are defined as follows: for elementary schools - those with more than 50% of their population scoring below Level 3 Proficiency on the required ABC Plan tests; for middle schools - those with more than 50% entering 6th graders scoring below Level 3 Proficiency on the 5th grade end-of-grade tests; for high schools - those with 50% entering 9th graders scoring below Level 3 Proficiency on the 8th grade end-of-grade tests.

NR - Nonrecurring

1998-99 Recommended Changes
General Fund - Public Education - Continued

1998-99

Assistance for At-Risk/Low Performing Schools - Continued

To receive funds, LEAs must submit revised school improvement plans specifying use of funds and accountability measures. Plans must include leadership training and whole-staff development, including content-specific training focused on greatest area(s) of need. In addition, funds may be used for the following: reduction in class size; additional counselors or social workers; expanding student and teacher school calendars beyond current limits; hiring additional teachers to provide planning time to school staff; providing incentive pay to attract and retain teachers in at-risk and/or low performing schools; making tuition payments to colleges or community colleges for staff development; funding instructional supplies and equipment, including books; access to long distance learning for student instruction and teacher development

In addition, LEAs are encouraged to form partnerships with colleges and universities that have specific programs designed to assist at-risk schools.

The Department of Public Instruction will have responsibility for development and receipt of applications, disbursement of funds, and accountability oversight. At-risk school grants will be awarded for a three-year period; unspent funds may be carried over from one fiscal year to the next during the three-year award period.

\$ 11,136,500

5. Limited Proficiency in English

Students whose primary language is not English and who are of limited proficiency in English represent a steadily increasing percentage of North Carolina's school population and are found at all grade levels, in urban, suburban, and rural communities across the state. Federal statutes require that school systems provide an equal educational opportunity for all students, including those of limited proficiency in English. Funds are recommended to assist Local Education Agencies (LEAs) in improving services to students with limited proficiency in English.

5,000,000

1998-99 Recommended Changes
General Fund - Public Education - Continued

1998-99

6. **School Bus Replacement Funding**

The Department of Public Instruction estimates that in fiscal year 2000-2001 school bus replacement will decrease dramatically because all buses will be diesel, allowing replacement to be made on the basis of mileage rather than just the age of the vehicle. In anticipation of this impact on the school bus replacement schedule, it was recommended that \$24,199,403 of the \$46,299,403 currently budgeted in fiscal year 1998-99 be changed to a nonrecurring requirement. The \$24,199,403 in recurring funds was included in the reductions presented earlier, and the amount recommended replaces that reduction with a like amount in nonrecurring funds.

Based on a 13-year replacement cycle for school buses, 1,142 school buses are scheduled for replacement in 1998-99 at an estimated cost of \$45,500 per bus. The General Assembly reduced the budget for school bus replacement in 1997-98 by \$7,641,143 and by \$3,747,503 in 1998-99. In March 1998, the Joint Committee on Governmental Operations approved the use of \$2,866,500 for school bus purchases which partially reinstated needed funding, however additional nonrecurring funding in the amount of \$5,661,597 is required to maintain the current 13-year replacement schedule. This increase would take the total appropriation for school bus replacement from \$46,299,403 to \$51,961,000 for 1998-99.

\$ 29,861,000 NR

7. **Uniform Education Reporting System Funds - Student Information Management System (SIMS)**

Over the last 10 years, a series of systems have been put into place by the Department of Public Instruction in response to GS 115C-12(18) which charged the State Board of Education with implementing a Uniform Education Reporting System (UERS) for the collection, processing, and reporting of fiscal, personnel, and student data, by means of electronic transfer of data files from local computers to the State Computer Center through the State Communication Network. Funds in the amount of \$2,551,197 were appropriated in the 1997 Session to modify and enhance the existing UERS to support the redefined mission of the Department of Public Instruction and the data requirements of the new individual school accountability plan which is part of The ABCs initiative. Funds were used to replace software and improve system's integration.

NR - Nonrecurring

1998-99 Recommended Changes
 General Fund - Public Education - Continued

1998-99

Uniform Education Reporting System Funds - Student Information Management System (SIMS) - Continued

Nonrecurring funds are recommended to begin replacement of the Student Information Management System (SIMS) software. This represents the initial phase of a comprehensive student information and accountability system that will incorporate all of the existing systems in addition to tracking mechanisms designed to respond to special legislative information requirements.

\$ 6,000,000 NR

8. Additional Certification Specialist Positions

It is recommended that effective September 1, 1998, teacher licensing fees be increased from \$45 to \$55 for first time in-state licenses, upgrades, additions, and renewals and from \$65 to \$85 for out-of-state applicants, lateral entry, Junior ROTC, vocational, and provisional licenses and the resulting revenues used to support 4 additional certification specialist positions. There would be no change in the \$30 fee for miscellaneous administrative changes, such as name changes. No state funds are required for this recommendation.

The license renewal process has been backlogged at least six weeks for over a year due to the volume of work. Currently there are eight certification specialists processing between 2,600 and 5,100 requests per month. Total fees budgeted for collection in 1998-99 currently are \$881,877.

Requirements	\$ 160,000
Receipts	<u>160,000</u>
Appropriation	\$ -
Number of Positions	4.0

9. School Technology Funds

Nonrecurring funds in the amount of \$10 million are recommended to continue the effort to fund systems and software for every K-12 classroom.

NR - Nonrecurring

1998-99 Recommended Changes
General Fund - Public Education - Continued

1998-99

School Technology Funds - Continued

The General Assembly first appropriated funds for school technology in 1994 with an appropriation of \$42 million nonrecurring funds to the School Technology Reserve, for learning and instructional management technology, to be spent in accordance with subsequent legislation enacted by the General Assembly after receipt of the State School Technology Plan. These funds became part of the State School Technology Trust Fund. Nonrecurring funds in the amount of \$10 million and recurring funds in the amount of \$10 million then were appropriated in the 1996 Short Session to support implementation of the local school technology plans. This \$10 million in recurring funds together with the \$20 million in nonrecurring funds appropriated in the 1997 Session resulted in a total amount of \$30 million transferred to the State School Technology Trust Fund in 1997-98. Currently, a total of \$10 million in recurring funds is budgeted for the State School Technology Fund for 1998-99. This recommendation for an additional \$10 million in nonrecurring funds would increase the total available in the Trust Fund for 1998-99 to \$20 million. This \$20 million could provide a wide area network (WAN) to every public school in North Carolina. Access would include communication among schools within an LEA, across LEAs, or to schools in other states and would allow access to on-line resources such as the Smithsonian, the Library of Congress, and the State Archives. On-line courses and staff development training also could be made available to teachers over the network. To insure that every school is part of the network system, it is recommended that this \$20 million be allocated to the LEAs according to the number of schools in that LEA, rather than on the basis of ADM.

\$ 10,000,000 NR

10. **Total Quality Education (TQE)**

Nonrecurring funds are recommended to continue support of Total Quality Education, an initiative providing training to educators in the use of Total Quality Management processes and practices. This strategy supports the main initiative of the North Carolina Business Committee for Education (NCBCE) and provides a match for private funds raised from business and industry. The funds will be appropriated to the Department of Public Instruction for distribution to local school systems. All funds will be used to support professional development activities at the school level. No funds will be used for administration of the program.

NR - Nonrecurring

1998-99 Recommended Changes
General Fund - Public Education - Continued

1998-99

Total Quality Education (TQE) - Continued

The 1995 General Assembly appropriated \$400,000 in nonrecurring funds for 1995-96 for TQE; the 1996 Session of the General Assembly appropriated \$450,000 in nonrecurring funds for 1996-97; and this appropriation was repeated for 1997-98. Currently 39 school systems participate in the program representing every geographic area of the state.

\$ 650,000 NR

11. A+ Schools

A+ Schools focus on improving basic skills through an interdisciplinary teaching and learning approach using such vehicles as the arts to help students achieve grade level proficiency in reading, writing, and mathematics. State funds are combined with funds from the Kenan Charitable Trust and local funds to support the A+ Schools Program. Nonrecurring funds in the amount of \$500,000 were appropriated by the 1997 General Assembly to continue the A+ School pilot project. It is recommended that this appropriation be continued for 1998-99.

500,000 NR

12. N.C. Teaching Fellows Program

The North Carolina Teaching Fellows Program, created by the 1986 Session of the General Assembly, is designed to identify academically talented students interested in teaching and to help those students become teachers by awarding scholarship loans of \$5,000 per year for four years of undergraduate study, repayable by teaching for four years in a North Carolina public school. It is recommended that the current annual award of \$5,000 to each recipient be increased to \$8,000 to help offset the rising costs of tuition, fees, room, and board.

The 1986 legislation authorizing the Teaching Fellows Program designated that the staff of the Public School Forum would serve as the staff for the Teaching Fellows Commission and administer the program. Authorization is recommended for the Public School Forum to spend an additional \$150,000 annually from its fund balance for administrative costs associated with the Teaching Fellows Program. Additional appropriation is not required for this portion of the recommendation.

4,800,000

NR - Nonrecurring

1998-99 Recommended Changes
 General Fund - Public Education - Continued

1998-99

13. **Communities in Schools**

Funds are recommended to support further expansion of Communities in Schools (CIS) programs and sites across the state. Communities in Schools is a nonprofit organization which addresses the multiple needs of students at greatest risk of dropping out of school. The program works with local communities to bring resources together from both the private and public sectors to address these needs. The program provides training for building CIS programs at the local level, grant writing and fund raising assistance, and help for local communities to acquire the resources necessary to deliver services to children at risk of dropping out and their families at school sites across the state.

\$ 1,000,000 NR

14. **Principals' Salary**

A total of \$296,366 is recommended to provide a 2% increase for the current principal VII pay level where the teacher count in the school is 66 to 100 and a 4% increase in salary where the teacher count in the school is 101 and over.

296,366

15. **Salary Increases - Other Public School Employees**

Funds in the amount of \$41,174,748 are recommended to provide an average annual salary increase of 4% effective July 1, 1998 for all public school employees not paid from the teacher salary schedule. This includes principals and assistant principals as well as the certified nonteaching positions in central office administration (superintendents and school administrators) and noncertified employees such as finance officers, clerical workers, teacher assistants, school nurses, custodians, bus drivers, bus mechanics, and maintenance supervisors.

41,174,748

Nonrecurring funds also are recommended for a 1% bonus for 1998-99 fiscal year.

10,293,687 NR

Total Recommended Changes for Public Education

Requirements

\$510,425,366

Receipts

(14,861)

Appropriation

\$328,694,729

181,745,498 NR

Number of Positions

518.4

NR - Nonrecurring

1998-99 Recommended Changes
 General Fund - Continued

Department of Community Colleges

1998-99

1. **Enrollment Increase**

The Department of Community Colleges estimates the system enrollment has increased by 509 Full Time Equivalent students for a total enrollment of 138,377 FTE. The increases are 169 FTE for a total of 107,684 in Curriculum, 222 FTE for a total of 17,220 in Occupational Extension, and 118 FTE for a total of 13,473 in Basic Skills programs.

Requirements
 Receipts
 Appropriation

\$ 1,540,017
168,576
 \$ 1,371,441

2. **Technology**

Funds are recommended to improve computer technology capabilities associated with improving instructional delivery, responding to reporting requirements, developing student information systems, using state of the art software and improving instructional staff support. Items include management information staff for colleges, software procurement and maintenance, the N. C. Virtual Library (\$500,000) and state-level technical assistance for the colleges (\$346,000).

Number of Positions

846,000
 9,154,000 NR
 5.0

3. **New and Expanding Industry**

Nonrecurring funds are recommended for the New and Expanding Industry program as requested by the State Board of Community Colleges. This program assists companies creating new jobs in North Carolina by providing training for new employees. The program has many more requests than can currently be funded.

4,175,000 NR

NR - Nonrecurring

1998-99 Recommended Changes
 General Fund - Community Colleges - Continued

1998-99

4. **Equipment and Books**

Nonrecurring funds are recommended for 1998-99 to purchase educational and training equipment (\$15,000,000) and library books (\$1,950,000) at each of the 58 community colleges. This recommendation continues the nonrecurring appropriations made in 1997-98 for library books and increases the amount for equipment.

\$ 16,950,000 NR

5. **Reward Excellence in Community College Teaching**

Nonrecurring funds are recommended for the State Board of Community Colleges for distribution to the colleges of a 2% average salary increase for teaching faculty members for state fiscal year 1998-99. This salary increase is to be given to teaching faculty who have demonstrated excellence in teaching, in accordance with State Board policies.

6,749,208 NR

Salary Increase

A 4% salary increase is recommended for all community college personnel and an additional 1% bonus is recommended for non-teaching community college personnel, effective July 1, 1998.

1% Bonus

1,505,908 NR

4% Permanent Salary Increase

19,522,048

Total Recommended Changes for Department of Community Colleges

Requirements

\$ 60,442,181

Receipts

168,576

Appropriation

\$ 21,739,489

38,534,116 NR

Number of Positions

5.0

NR - Nonrecurring

1998-99 Recommended Changes
General Fund - Continued

University of North Carolina Board of Governors

1998-99

1. **Schedule of Priorities - Current Operations**

General Statute 116-11(9) requires the Board of Governors of the University of North Carolina to "develop, prepare, and present to the Governor, Advisory Budget Commission, and the General Assembly a single, unified recommended budget for all of public senior education." Funds requested for expansion, new programs and activities, increases in enrollment, remedying deficiencies, etc. are to be itemized in priority order and any funds appropriated for the priority schedule are to be in a lump sum.

In response to the Board of Governors' 1998-99 "Schedule of Priorities," the following items are recommended:

A. Enrollment Changes

In response to the Board of Governors' 1997-99 "Schedule of Priorities," the General Assembly appropriated funds for enrollment growth (Priority line #1) in the second year of the biennium of 925 full time equivalent (FTE) students above the 1997-98 budgeted enrollment of 131,311. However based on the current year's actual enrollment, the enrollment projection for 1998-99 is revised upward by 1,100 students to 133,336 FTE. The recommended increase is to support those campuses which are experiencing enrollment growth.

In response to Legislative directives, the Board of Governors has developed a new, comprehensive funding model for determining the costs of enrollment growth in Regular Term instruction. The new model, which is more refined than the current model, is based on semester credit hours rather than full time equivalent students and takes into account cost differentials among levels of instruction and academic disciplines.

Requirements	\$ 12,901,333
Receipts	(829,005)
Appropriation	<u>\$ 13,730,338</u>

1998-99 Recommended Changes
 General Fund - UNC Board of Governors - Continued

1998-99

Schedule of Priorities - Current Operations - Continued

B. Additional Schedule of Priorities

An additional "lump sum" amount in General Fund appropriations is recommended to address priority lines 3-13 of the "Schedule of Priorities". The amount recommended includes funding for: information technology; 2% nonrecurring funds for rewarding teaching excellence; university outreach to public schools; elimination of the remaining 1% reversion requirement, with the recommendation that beginning in fiscal year 1999-2000 the funds be allocated for rewarding teaching excellence; Distinguished Professors' Endowment Trust Fund - state matching funds; interinstitutional programs; and pfiesteria research.

Requirements

\$ 42,463,394

Receipts

-

Appropriation

\$ 1,186,000

41,277,394 NR

2. North Carolina School of Science and Mathematics Residential Program Enhancement

Funds are recommended for residential program enhancements for student education, health and safety at the North Carolina School of Science and Mathematics. A teacher/lab technologist will be funded, which will allow students to use the science laboratories for independent research and cooperative projects during extended hours of operation. Also two and a half positions will be added to enhance residential programs.

Number of Positions

300,000

3.5

3. Aid to Students Attending North Carolina Private Colleges and Universities

The program of "Aid to Students Attending Private Colleges" is composed of two pieces: the Legislative Tuition Grant (LTG) and the State Contractual Scholarship Fund (SCSF). The LTG provides a payment of \$1,450 to private institutions for each North Carolina resident student, which is credited directly to the student's account. The SCSF makes available to each institution an amount equal to \$750 for each full time North Carolina undergraduate resident student. These funds are then provided as scholarships to needy North Carolina students attending private colleges.

It is recommended that the amounts for the LTG and the SCSF each be increased by \$150 per year to \$1,600 and \$900 respectively.

7,248,986

NR - Nonrecurring

**1998-99 Recommended Changes
General Fund - UNC Board of Governors - Continued**

1998-99

4. Other Programs

Funds are recommended for the following programs: The North Carolina Global Schools Partnership; Center for Global Business Education and Research; Leadership North Carolina; and Special Olympics related expenses.

\$ 617,000 NR

5. Salary Increase

A 4% salary increase is recommended for all University personnel and an additional 1% bonus is recommended for non-teaching university personnel, effective July 1, 1998.

1% Bonus

6,409,874 NR

4% Permanent Salary Increase

53,495,302

Total for University of North Carolina Board of Governors

Requirements

\$ 123,435,889

Receipts

(829,005)

Appropriation

\$ 75,960,626

Number of Positions

48,304,268 NR

3.5

NR - Nonrecurring

Profile of Applicants, Finalists, & Recipients: 1987 - 1997

Region	Applicants Average			Regional Finalists Average			Recipients Average		
	Total	Minorities	Males	Total	Minorities	Males	Total	Minorities	Males
1	114	32	25	43	10	12	28	7	8
2	240	56	51	90	21	25	57	15	17
3	288	86	59	96	29	24	57	18	15
4	230	96	49	86	35	21	56	25	15
5	337	63	74	115	18	32	70	11	20
6	255	38	50	80	9	17	49	6	12
7	190	11	45	74	4	24	46	3	14
8	171	7	42	69	3	21	43	2	13
State	1,824	388	396	653	129	175	405	85	114
Percent	100%	21%	22%	100%	20%	27%	100%	21%	28%

Region	1998 Applicants			1998 Regional Finalists			1998 Recipients		
	Total	Minorities	Males	Total	Minorities	Males	Total	Minorities	Males
1	94	12	9	36	3	8	21	3	6
2	210	54	40	81	29	17	50	25	13
3	276	80	63	101	33	19	57	23	14
4	261	115	56	97	41	24	67	35	18
5	335	64	80	128	25	28	68	16	14
6	261	27	66	109	6	15	65	5	10
7	176	6	42	76	2	18	43	1	12
8	152	9	36	63	5	10	36	4	7
State	1,765	367	392	691	144	139	407	112	94
Percent	100%	21%	22%	100%	21%	20%	100%	28%	23%

Region	1997 Applicants			1997 Regional Finalists			1997 Recipients		
	Total	Minorities	Males	Total	Minorities	Males	Total	Minorities	Males
1	99	19	18	37	5	8	24	4	7
2	228	57	50	84	26	24	55	21	15
3	307	84	66	107	39	27	62	30	19
4	223	87	46	82	35	21	49	27	13
5	380	88	103	141	20	37	82	12	19
6	282	40	47	97	10	14	56	9	8
7	178	10	34	66	4	14	40	4	7
8	168	5	37	71	3	22	39	2	16
State	1,865	390	401	685	142	167	407	109	104
Percent	100%	21%	22%	100%	21%	24%	100%	27%	26%

Region	1996 Applicants			1996 Regional Finalists			1996 Recipients		
	Total	Minorities	Males	Total	Minorities	Males	Total	Minorities	Males
1	128	48	36	47	13	10	33	11	7
2	222	56	43	73	12	19	48	11	14
3	338	108	72	103	20	18	64	18	16
4	220	96	49	81	28	18	57	25	14
5	371	62	93	120	13	33	71	11	27
6	261	58	65	88	9	24	50	7	19
7	185	18	43	74	6	23	46	6	19
8	155	7	43	64	5	18	41	4	15
State	1,880	453	444	650	106	163	410	93	131
Percent	100%	24%	24%	100%	16%	25%	100%	23%	32%

Region	1995 Applicants			1995 Regional Finalists			1995 Recipients		
	Total	Minorities	Males	Total	Minorities	Males	Total	Minorities	Males
1	110	32	16	38	9	6	24	5	5
2	226	46	52	88	18	27	55	16	23
3	283	69	64	104	24	32	66	17	22
4	217	99	49	73	30	19	51	23	17
5	370	82	91	130	23	36	82	14	27
6	244	45	57	82	9	23	49	7	19
7	189	16	44	71	6	15	42	4	10
8	184	11	48	72	2	24	45	1	13
State	1,823	400	421	658	121	182	414	87	136
Percent	100%	22%	23%	100%	18%	28%	100%	21%	33%

Region	1994 Applicants			1994 Regional Finalists			1994 Recipients		
	Total	Minorities	Males	Total	Minorities	Males	Total	Minorities	Males
1	96	18	24	35	5	13	20	2	11
2	213	54	48	101	23	32	59	13	18
3	233	60	47	99	25	25	59	18	16
4	220	91	51	91	42	28	68	33	24
5	298	57	75	116	18	35	74	8	19
6	187	24	41	71	10	20	46	7	17
7	180	7	43	74	1	20	44	1	5
8	144	9	41	62	3	20	42	3	12
State	1,571	320	370	649	127	193	412	85	122
Percent	100%	20%	24%	100%	20%	30%	100%	21%	30%

Region	1993 Applicants			1993 Regional Finalists			1993 Recipients		
	Total	Minorities	Males	Total	Minorities	Males	Total	Minorities	Males
1	121	37	30	50	13	19	33	6	14
2	276	82	60	105	37	34	68	27	24
3	272	86	58	100	35	28	58	16	10
4	232	105	50	91	43	24	56	29	15
5	301	60	58	115	15	28	62	8	16
6	268	48	55	75	9	15	43	6	10
7	164	11	52	76	6	34	43	2	16
8	177	5	44	71	2	21	40	2	11
State	1,811	434	407	683	160	203	403	96	116
Percent	100%	24%	22%	100%	23%	30%	100%	24%	29%

Region	1992 Applicants			1992 Regional Finalists			1992 Recipients		
	Total	Minorities	Males	Total	Minorities	Males	Total	Minorities	Males
1	103	33	26	34	8	10	22	6	7
2	222	60	44	98	20	20	61	14	13
3	272	95	58	107	35	29	67	25	17
4	236	111	60	91	33	28	60	26	20
5	276	42	58	107	12	30	67	11	23
6	233	32	37	67	6	11	42	6	8
7	153	5	34	83	4	25	54	3	21
8	149	11	34	61	5	15	35	3	9
State	1,644	389	351	648	123	168	408	94	118
Percent	100%	24%	21%	100%	19%	26%	100%	23%	29%

Region	1991 Applicants			1991 Regional Finalists			1991 Recipients		
	Total	Minorities	Males	Total	Minorities	Males	Total	Minorities	Males
1	124	47	35	38	9	15	23	7	8
2	270	59	64	109	22	32	70	12	23
3	273	93	56	76	23	16	32	8	4
4	231	95	45	111	41	18	58	29	12
5	324	65	52	113	22	21	71	16	17
6	249	37	42	71	8	13	42	5	7
7	198	9	52	78	5	26	55	5	17
8	175	2	39	74	0	18	49	0	10
State	1,844	407	385	670	130	159	400	82	98
Percent	100%	22%	21%	100%	19%	24%	100%	21%	25%

Region	1990 Applicants			1990 Regional Finalists			1990 Recipients		
	Total	Minorities	Males	Total	Minorities	Males	Total	Minorities	Males
1	95	31	16	41	14	9	30	9	9
2	250	50	46	102	19	26	64	13	19
3	270	87	47	95	32	17	59	16	13
4	245	97	46	91	39	17	55	22	12
5	315	49	65	112	15	32	64	11	22
6	225	39	43	62	7	13	40	6	8
7	188	10	50	76	4	26	45	2	20
8	166	4	42	71	3	25	43	1	20
State	1,754	367	355	650	133	165	400	80	123
Percent	100%	21%	20%	100%	20%	25%	100%	20%	31%

Region	1989 Applicants			1989 Regional Finalists			1989 Recipients		
	Total	Minorities	Males	Total	Minorities	Males	Total	Minorities	Males
1	120	30	27	44	15	15	26	8	7
2	283	60	61	84	25	34	56	11	19
3	352	106	68	80	37	31	45	11	12
4	257	118	50	79	45	20	51	21	13
5	423	78	82	120	32	68	79	8	24
6	317	46	58	80	18	27	55	5	11
7	221	12	54	70	3	42	40	0	13
8	224	6	53	78	4	38	49	1	14
State	2,197	456	453	635	179	275	401	65	113
Percent	100%	21%	21%	100%	28%	43%	100%	16%	28%

Region	1988 Applicants			1988 Regional Finalists			1988 Recipients		
	Total	Minorities	Males	Total	Minorities	Males	Total	Minorities	Males
1	161	46	34	52	14	13	31	10	8
2	267	55	65	78	14	22	49	10	13
3	329	96	58	85	17	21	58	11	16
4	247	84	47	76	29	20	50	17	13
5	409	73	83	104	21	26	70	12	19
6	343	38	53	78	8	10	49	5	8
7	268	15	64	74	5	24	51	2	19
8	206	9	54	70	4	15	43	2	11
State	2,230	416	458	617	112	151	401	69	107
Percent	100%	19%	21%	100%	18%	25%	100%	17%	27%

Region	1987 Applicants			1987 Regional Finalists			1987 Recipients		
	Total	Minorities	Males	Total	Minorities	Males	Total	Minorities	Males
1	118	33	27	64	8	15	48	7	11
2	213	41	43	75	7	17	49	6	12
3	247	67	53	95	26	28	61	19	19
4	174	53	37	69	15	12	46	14	9
5	241	30	47	78	4	15	51	2	11
6	184	21	34	75	3	17	49	1	13
7	182	9	33	72	2	16	48	2	12
8	150	3	37	68	0	20	48	0	16
State	1,509	257	311	596	65	140	400	51	103
Percent	100%	17%	21%	100%	11%	24%	100%	13%	26%

NC Teaching Fellows Graduates Employed By System

SYSTEM	SYSTEM NAME	# EMP	SYSTEM	SYSTEM NAME	# EMP
003	Central NC Sch. for the Deaf-Guilford	1	600	Charlotte-Mecklenburg Schools	50
006	Wright School - Durham Co.	1	610	Mitchell County Schools	2
008	Childrens Learning Ctr. - Person Co.	1	620	Montgomery County Schools	3
010	Alamance-Burlington Schools	33	630	Moore County Schools	11
020	Alexander County Schools	5	640	Nash-Rocky Mount Schools	13
040	Anson County Schools	2	650	New Hanover County Schools	23
050	Ashe County Schools	2	660	Northampton County Schools	2
060	Avery County Schools	4	670	Onslow County Schools	10
070	Beaufort County Schools	5	680	Orange County Schools	7
080	Bertie County Schools	2	681	Chapel Hill-Carrboro Schools	16
090	Bladen County Schools	6	690	Pamlico County Schools	5
100	Brunswick County Schools	8	710	Pender County Schools	6
110	Buncombe County Schools	21	720	Perquimans County Schools	1
111	Asheville City Schools	9	730	Person County Schools	5
120	Burke County Schools	23	740	Pitt County Schools	25
130	Cabarrus County Schools	20	750	Polk County Schools	2
132	Kannapolis City Schools	3	760	Randolph County Schools	12
140	Caldwell County Schools	7	761	Asheboro City Schools	1
150	Camden County Schools	5	770	Richmond County Schools	7
160	Carteret County Schools	5	780	Robeson County Schools	7
170	Caswell County Schools	3	790	Rockingham Consolidated Schools	11
180	Catawba County Schools	33	800	Rowan-Salisbury Schools	13
181	Hickory City Schools	10	810	Rutherford County Schools	6
182	Newton-Conover City Schools	2	820	Sampson County Schools	4
190	Chatham County Schools	10	921	Clinton City Schools	1
200	Cherokee County Schools	6	830	Scotland County Schools	5
209	Cherokee Reservation Schools	5	840	Stanly County Schools	3
210	Chowan County Schools	3	841	Albemarle City Schools	1
220	Clay County Schools	2	850	Stokes County Schools	3
230	Cleveland County Schools	6	860	Surry County Schools	6
231	Kings Mountain City Schools	5	862	Mount Airy City Schools	5
232	Shelby City Schools	2	870	Swain County Schools	1
240	Columbus County Schools	6	880	Transylvania County Schools	17
241	Whiteville City Schools	2	890	Tyrrell County Schools	1
250	Craven County Schools	12	900	Union County Schools	1
260	Cumberland County Schools	21	910	Vance County Schools	1
270	Currituck County Schools	1	920	Wake County Schools	118
280	Dare County Schools	1	930	Warren County Schools	1
290	Davidson County Schools	22	940	Washington County Schools	3
291	Lexington City Schools	2	950	Watauga County Schools	5
292	Thomasville City Schools	4	960	Wayne County Schools	26
300	Davie County Schools	6	970	Wilkes County Schools	15
310	Duplin County Schools	8	980	Wilson County Schools	11
320	Durham Public Schools	23	990	Yadkin County Schools	3
330	Edgecombe County Schools	16	995	Yancey County Schools	3
340	Forsyth County Schools	42			
350	Franklin County Schools	7			
360	Gaston County Schools	14			
370	Gates County Schools	4			
380	Graham County Schools	2			
390	Granville County Schools	9			
400	Greene County Schools	1			
410	Guilford County Schools	68			
420	Halifax County Schools	1			
421	Roanoke Rapids City Schools	2			
422	Weldon City Schools	1			
430	Harnett County Schools	14			
440	Haywood County Schools	14			
450	Henderson County Schools	18			
460	Hertford County Schools	1			
470	Hoke County Schools	4			
480	Hyde County Schools	2			
490	Iredell-Statesville Schools	14			
491	Mooresville Graded Schools	2			
510	Johnston County Schools	21			
530	Lee County Schools	9			
540	Lenoir County Schools	3			
550	Lincoln County Schools	9			
570	Madison County Schools	6			
580	Martin County Schools	7			
590	McDowell County Schools	3			

Total Fellows Employed 1147
as of January 15, 1998

Proposal for Increase in the North Carolina Teaching Fellows Scholarship Award to \$8,000

The average of the costs for tuition, fees, room and board, ("non-negotiables") at the twelve UNC institutions in the Teaching Fellows Program is \$5,508. (See the costs of individual campuses on the chart on the back.)

The additional costs for books, supplies, transportation, personal, and miscellaneous expenses at UNC campuses ranges from \$2,000 to \$2500 with an average of \$2420. Added to the average costs for tuition, fees, room and board of \$5,508, the average total costs for Teaching Fellows at UNC campuses is \$7,928 per year.

The Teaching Fellows Commission places up to \$300 per year in escrow for each Teaching Fellow for summer programs. Therefore, each Fellow actually receives \$4700 each year for campus costs/related expenses.

Note: The averages do not include the costs for the two private colleges, Elon and Meredith. These colleges must match the state grant of \$5,000. Both include the North Carolina Legislative Tuition Grant of \$1450 as a part of their match. In addition, both campuses have other scholarship aid for Teaching Fellows. The Fellow pays any additional costs that exceeds the state scholarship and college aid.

To Recap:

- 1) Costs per year at UNC campuses for "non-negotiables" (tuition, fees, room, board) range from a low of \$4,446 (UNC-P) to a high of \$6,680 (NCSU); an average of \$5,508.
- 2) Costs per year at UNC campuses for "other costs" (books, supplies, transportation, personal expenses) range from \$2,000 over \$2,500; an average of \$2,420.
- 3) An amount up to \$300 is placed in escrow each year for summer programs for freshmen, sophomores, and juniors which leaves \$4700 available to Fellows for "non-negotiable" costs.
- 4) A "full" Teaching Fellows Scholarship in today's dollars would be \$8,000 per year. The amount needed to bring the current \$5,000 scholarship up to the "full" amount would be \$3,000 per award.

Proposal: To increase the annual award to North Carolina Teaching Fellows from \$5,000 to \$8,000. At \$8,000 per scholarship for each cohort of 400, the state appropriation for each fiscal year would be increased from \$2,000,000 to \$3,200,000. The total appropriation for the 4 cohorts of 400 would be \$12,800,000 each year or \$25,600,000 for the biennium, beginning in 1999-2000. Governor Hunt has recommended \$4,800,000 to cover the additional costs for FY 1998-99.

Institution	In-State Tuition	Other Required Fees	Room *Double Occupancy	Board (14-15) mid-range except (e) & (f)	<u>Total</u>
ASU	\$900	\$940	\$1,740	\$1,268	\$4,848
ECU	\$900	\$932	\$1,780	\$1,900	\$5,512
NC A&T	\$900	\$722	\$2,420	\$1,335	\$5,377
NCCU	\$900	\$837	\$1,808 (b)	\$1,471	\$5,016
NCSU	\$1,428	\$842	\$1,990	\$2,420 (d)	\$6,680
UNC-A	\$752	\$1,032	\$1,816	\$1,960	\$5,560
UNC-CH	\$1,428	\$745	\$2,070	\$2,200 (d)	\$6,443
UNC-C	\$900	\$877	\$1,796	\$1,970 (d)	\$5,543
UNC-G	\$1,016	\$1,003	\$2,011	\$1,790 (d)	\$5,820
UNC-P	\$900	\$636	\$1,410	\$1,500 (d)	\$4,446
UNC-W	\$900	\$882	\$2,440	\$1,820 (d)	\$6,042
WCU	\$900	\$823 (a)	\$1,410	\$1,680 (e)	\$4,813
<u>UNC Average</u>					\$5,508
<u>Private</u>					
Elon	\$11,322	\$220	\$1,900	\$2,340 (d)	\$15,782
Meredith	\$8,490	-	\$1,890	\$1,880 (f)	\$12,260

(a) excludes book rental

(b) non-air conditioned rooms

(c) none

(d) included extra charge for declining balance meal plan

(e) 17-18 meals per week

(f) 19-21 meals per week

* Figures (1997-98) provided by Planning Division, UNC General Administration.

Proposal to Increase the Funding for the Administration of the NC Teaching Fellows Program

Administration: The 1986 legislation authorizing the Teaching Fellows Program designated that the staff of the Public School Forum would serve as the staff for the Teaching Fellows Commission and administer the program. Briefly, that includes, but is not limited to:

- 1) designing the Program.
- 2) developing the Program in collaboration with the original nine institutions and the subsequent five institutions.
- 3) designing the selection process and developing the selection materials.
- 4) coordinating the yearly selection process including the dissemination of screening materials and training of local school system personnel.
- 5) conducting the regional screening process.
- 6) designing and coordinating the summer experiences for the four classes of Teaching Fellows.
- 7) providing technical assistance to the 14 campuses.
- 8) coordinating the evaluation process of the campus programs.
- 9) monitoring the academic progress of over 1600 students and tabulating the disbursement requests for the financial awards (to the fourteen institutions).
- 10) tracking of all recipients until service or financial repayment is completed.
- 11) working with the 14 campus directors and serving as staff to the Commission.
- 12) monitoring the collections process for loans in financial repayment.

History: The Commission has just awarded scholarships to the twelfth cohort of North Carolina Teaching Fellows. Thusly, the administrative needs continue to expand tremendously. While the Teaching Fellows Program has established itself as a one-of-a-kind program of teacher recruitment and preparation in the nation, the growth trends and the impact of the Program on quality teaching require sustained and systematic program maintenance.

The program has grown from the original nine campuses and 400 Fellows in 1986-87 to the current fourteen campuses and a constant cohort of 1600 Fellows plus those in service and payback. We currently have an administrator, director, coordinator of special programs, program officer, secretary and coordinator of information services. In July 1995, due to the the rapid expansion in student files, to better manage the escalating computer services costs, we brought that operation in-house including a full-time position that was not anticipated. The staff must track all awards until repaid either in service which requires validation of teaching or financial payback which requires monitoring collections. The appropriation for administration has remained unchanged since 1993-94. As a result, salary adjustments, costs of living increases, and administrative costs have exceeded the funds available.

Proposal: Governor Hunt has recommended authorization for the Public School Forum to spend an additional \$150,000 annually from the fund balance for administrative costs associated with the Teaching Fellows Program. This does not require an additional appropriation. The current level of \$420,564 has been unchanged since 1993-94. The additional funding is requested to support additional costs of: 1) updating data processing and technology, including hardware, software, system support, and web page maintainance, and computer services personnel; 2) campus evaluations; 3) local and regional screening; 4) Commission and Directors meetings; 5) temporary staff to maintain the office systems for tracking and monitoring students; and 6) an intern position. The following information will outline the growth areas of the program.

Overview of the NC Teaching Fellows Program 1986-87 to 1997-98

<u>Acad. Year</u>	<u>Administration Appropriation</u>	<u>Fellows Enrolled</u>	<u>Class</u> *Entry	<u>Fellows Graduates</u> *Class History	<u>Total Withdrawn</u> *Class History
1986-87	\$375,000	0	'86	0	0
1987-88	\$375,000	387	'87	315	114
1988-89	\$375,000	787	'88	352	80
1989-90	\$375,000	1,155	'89	359	72
1990-91	\$363,750	1,504	'90	340	69
1991-92	\$345,564	1,566	'91	347	58
1992-93	\$345,564	1,656	'92	329	71
1993-94	\$420,564	1,661	'93	301	76
1994-95	\$420,564	1,668	'94	9	41
1995-96	\$420,564	1,643	'95	0	37
1996-97	\$420,564	1,616	'96	0	21
1997-98	\$420,564	1,569	'97	0	0
<u>TOTALS</u>		<u>1,569**</u>		<u>2,343</u>	<u>639 = 4,551+</u>
1998-99*	\$420,564*	1,569**			

*in continuation budget
 ** approximate undergraduate enrollment in academic year
 + approximate number being "tracked" at all times

Numbers to Note:

Since the Program began in 1986-87, there have been:

- * Teaching Fellows applications: 21,893
- * Teaching Fellows regional finalists: 8,516
- * Teaching Fellows Awards: 4,800
- * Teaching Fellows Graduates: 2,343 (Does not include May '98 graduates)
- * Teaching Fellows Graduates teaching in 95 counties: 1,514 (25 in low-perfor. systems)
- * Teaching Fellows Graduates completing 4-year teaching service obligation: 606
- * Teaching Fellows Graduates currently in graduate school: 112
- * Teaching Fellows Graduates achieving National Board Certification: 1
- * Teaching Fellows Graduates receiving Principal Fellows Award: 9
- * Teaching Fellows Graduates teaching after 4th year of service: 78%
- * Teaching Fellows Graduates teaching after 5th year of service: 69%
- * Teaching Fellows Graduates teaching after service payback (all years) : 73%
- * Teaching Fellows Graduation Rate: 84%

The North Carolina Teaching Fellows Program

Teaching Fellows Facts:

Since the Program began in 1986-87, there have been:

- * Teaching Fellows applications: *21,893*
- * Teaching Fellows regional finalists: *8,516*
- * Teaching Fellows Awards: *4,800*
- * Teaching Fellows Graduates: *2,343*
(Does not include May '98 graduates)
- * Teaching Fellows Graduates teaching in 95 counties: *1,514*
(25 in low-performing systems)
- * Teaching Fellows Graduates completing 4-year teaching service obligation: *606*
- * Teaching Fellows Graduates currently in graduate school this year: *112*
- * Teaching Fellows Graduates achieving National Board Certification: *1*
- * Teaching Fellows Graduates who have received Principal Fellows Award: *9*
- * Teaching Fellows Graduates who are teaching after 4th year of service: *78%*
- * Teaching Fellows Graduates who are teaching after 5th year of service: *69%*
- * Teaching Fellows Graduates who are teaching after service payback (all years) : *73%*
- * Teaching Fellows Graduation Rate: *84%*

North Carolina Teaching Fellows Discovery '98

A Focus on Entrepreneurial Schools & Partnerships

DAY 1 SUN. MAY 17

- Registration/Check in: Bragaw Residence Hall, NC State University
- Student leaders/bus facilitators meet
- Opening session
- Group pictures
- Presentation: *Charter Schools: Who, What, When, Where, Why and How*; Monty Coggins, NC TOY speaks
- Bus meetings

DAY 3 TUES. MAY 19

- School visits: Pitt, Beaufort, Jones, Wayne and Johnston Counties, Right Step Academy Charter School, and Fort Bragg Federal Schools
- Other visits: Historic Bath Visitors Center; Seymour Johnson Air Force Base; Fort Bragg Installation; Proctor & Gamble; Catalytical Pharmaceutical; Pitt Memorial Hospital; NAACO Materials
- Arrive at NCSU

DAY 4 WED. MAY 20

- School visits: Caswell, Chatham, Durham, Orange, Lee, Granville and Moore Counties, Chapel Hill/Carboro City and Samarkand Manor (Div. of Youth Services)
- Other visits: Greensboro Cultural Arts Galleries; Greensboro Historic Museum; Historic Hillside; Tour NCCU; UNC-CH; International Civil Rights Center & Museum; Nortel
- Arrive at NC A&T
- Presentation: *The Reality, Not the Rhetoric of Middle Grades*, Dr. Mark Lesperance, Middle Grades Education Faculty, UNCG

DAY 2 MON. MAY 18

- School visits: Exploris Charter School, John Baker, Jr. Charter High School, NC Museum of History and NC Natural Science Museum, Pamlico, Onslow (JobFair), Duplin and Pender Counties
- Other visits: Duplin Co. Agribusiness
- A Trip to the Atlantic Ocean
- Arrive at Camp Seafarer, Arapahoe
- Storytelling around camp fire

DAY 5 THUR. MAY 21

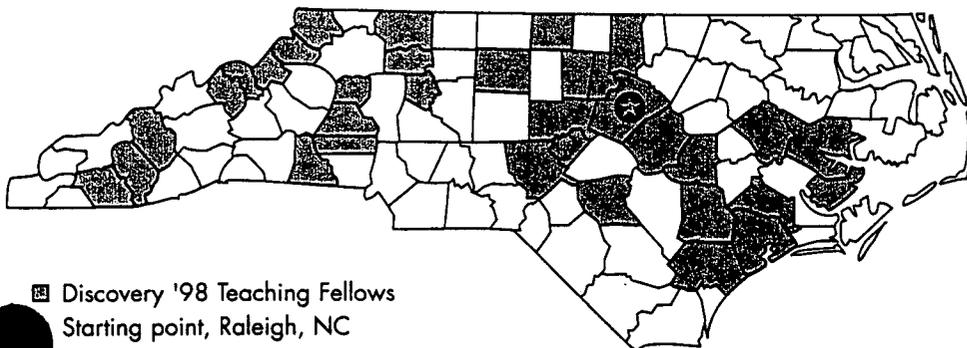
- School visits: Ashe, Surry, Yadkin, Guilford, Alexander, Catawba, Cleveland, Shelby and Lincoln Counties, Mt. Airy Schools and Hickory
- Other visits: Ashe County Cheese; Church's Nursery and Evergreens; Mayberry Tours; UNIFI, Inc; Proctor & Gamble; Crown Wood; Ingersoll Rand; Hiddenite Center; Hancock & Moore; Vermont American
- Arrive at ASU/UNCA

DAY 6 FRI. MAY 22

- School visits: Avery, Mitchell, Watauga, Yancey, Jackson and Macon Counties, Grandfather Academy Charter School, Summit Charter School and Haywood
- Other visits: Grandfather Mt.; Feldspar Mining Co.; NCCAT; Folk Art Center, Mt. Heritage Center
- Arrive at UNCA
- Campus meetings
- Roadshow '98

DAY 7 SAT. MAY 23

- Check out
- Bus meetings: Reflections & Evaluation
- Closing session
- Buses return to NCSU



Discovery '98 Teaching Fellows
Starting point, Raleigh, NC

NORTH CAROLINA
TEACHING
FELLOWS
PROGRAM

Happy Summer!

10

Teaching Fellows

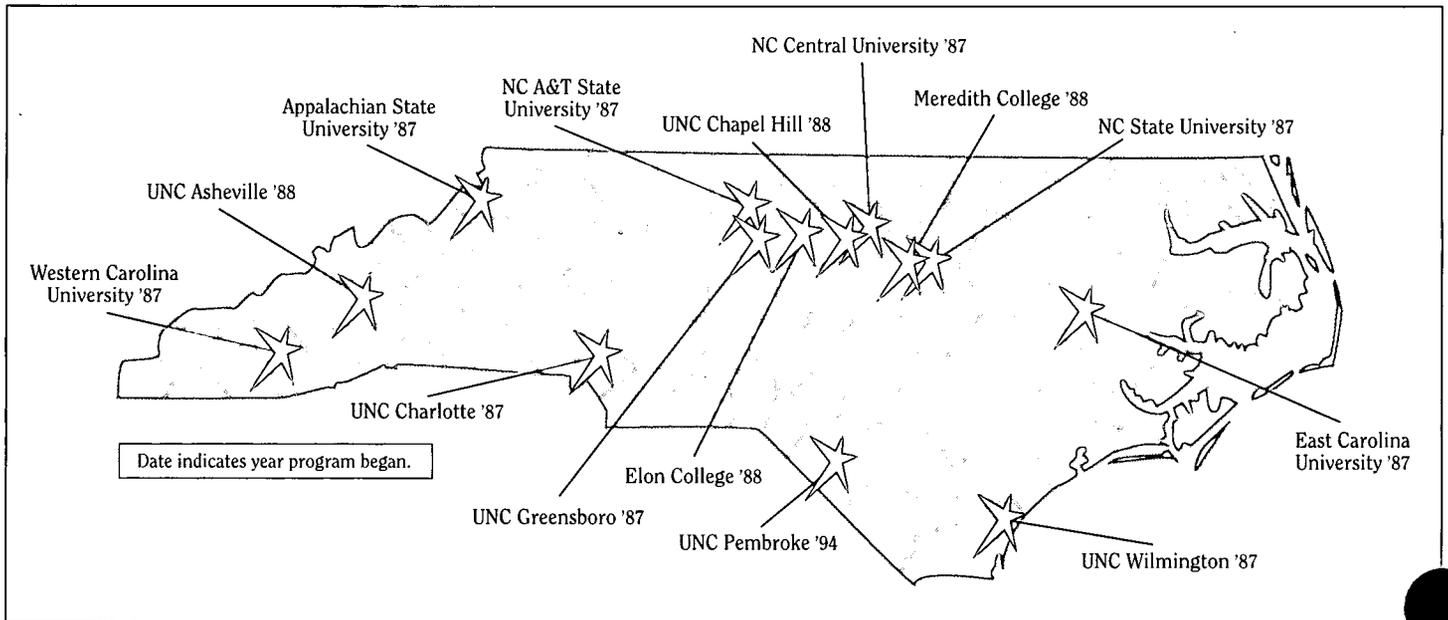


1997-98

APPLICATION & GUIDELINES

Document is to be given to applicant in its entirety.
Applicant should return pages 3-6 only.

Colleges and Universities Participating in the North Carolina Teaching Fellows Program



Key Dates for 1997-98 Applicants

1997	Oct 31	Completed application and three references submitted to the Teaching Fellows Liaison Counselor
	Nov 24	Local Interviews and writing essay completed
	Dec 31	Deadline for new SAT scores to be received in Teaching Fellows office
1998	Jan 16	Regional finalist notification (by mail)
	Jan 25, Feb 1	Optional recruitment days at specific campuses for regional finalists
	Feb 14	Regional screening interviews for regional finalists in regions 1, 2, and 3
	Feb 21	Regional screening interviews for regional finalists in regions 4, 5, and 6
	Feb 28	Regional screening interviews for regional finalists in regions 7 and 8
	Mar 7	Statewide make-up day for regional interviews for regional finalists
	Apr 8	1998 recipient notification (by mail)
	Apr 22	Deadline for award acceptance

Freshman orientation, date and site to be announced (all recipients and parents or guardians are expected to be present)

Teaching: A Career for the Future

As people look to the future of North Carolina, one profession is cited more and more as holding the key to the state's well-being. That profession is teaching. Economic, political and business leaders are realizing that an ever changing economy requires people who can "think for a living." Thinking for a living depends on the quality of the education provided by the teachers who work with North Carolina's 1.2 million young people. This recognition, combined with rapidly increasing numbers of students in schools, has dramatically heightened the demand for highly qualified teachers.

As a result of this increased demand, the North Carolina General Assembly has initiated pay raises and other program innovations to make the teaching profession more attractive. While teacher salaries historically have been lower than those paid to other college graduates, North Carolina's teacher salaries have been raised by more than 50% over the last decade. A beginning teacher in North Carolina will make \$22,150. For teachers holding a masters degree, the beginning salary will be \$23,534.

Also, the state is improving working conditions by making class sizes smaller and providing teachers with more time to plan and work with individual students. In addition, the State

Board of Education and legislative action are bringing a real opportunity for true involvement at the school level. In short, North Carolina is making a major drive to improve the salaries and conditions of teaching. There will also be new support programs for beginning teachers that include mentors, professional development, and more time for new teacher orientation.

The Demand for Teachers Is Increasing

North Carolina, with the rest of the country, has seen major shifts in the job market in recent years. Job availability in manufacturing is shrinking, small farmers are having a harder and harder time surviving, and even some "high-tech" firms have been forced to dramatically cut back the number of people they employ.

A basic question for any college student is whether there will be a job waiting after graduation from college. For students **preparing to be teachers** the answer to that question is "Yes." Additional teacher allotments have added thousands of new teachers over the past decade. Combined with the fact that North Carolina is one of the country's fastest-growing states, the job outlook for future teachers is excellent, particularly if **they are willing to relocate**.

The North Carolina Teaching Fellows Program

In order to meet the increasing demand for top quality teachers for North Carolina's public schools, the General Assembly in 1986 established the North Carolina Teaching Fellows Program. **The most ambitious teacher recruitment program in the nation, the Teaching Fellows Program provides \$5,000 per year, for a maximum of four years of college, to 400 high school seniors who agree to teach for four years in North Carolina's public schools after graduating from college.** The Program is governed by the North Carolina Teaching Fellows Commission, a group of 11 individuals which is appointed by the Governor, Senate President Pro Tempore, Speaker of the House, and State Board of Education Chair. The commission chair is appointed by the Lieutenant Governor. The Program is administered by the Public School Forum of North Carolina.

The Goals of the Program

- ✦ Provide an academically and culturally enriched preparation program that extends beyond the regular college program
- ✦ Provide opportunities and experiences that encourage the development of leaders and decision makers
- ✦ Provide opportunities for building an understanding of education's place in a greater social context
- ✦ Instill a sense of mission, service and professionalism in the Teaching Fellows
- ✦ Improve the image of teacher education candidates and programs campus-wide
- ✦ Recruit and retain greater numbers of male and minority teacher education candidates in North Carolina



Not Everyone Can Be a Teaching Fellow

The qualifications for becoming a Teaching Fellow are stringent. Applicants are screened and interviewed by committees within their school district and, then, by a regional screening committee. **Both the local and regional committees examine a number of criteria, including high school grades, writing samples, class standing, SAT scores, extra-curricular activities, references and an interview.**

The Teaching Fellows Program is succeeding in attracting many of North Carolina's brightest and best students into teaching. Since the Program began in 1987, Teaching Fellows award recipients have had SAT scores at or above the state average, while maintaining very high standards in other academic areas.

Application Selection & Process

The North Carolina Teaching Fellows Program is open to current (1997-98) North Carolina high school seniors interested in becoming **teachers** who are legal residents of North Carolina under General Statutes 116-11(7) and 116-144 and citizens of the United States. (Dependents of military personnel are eligible only if the parent/guardian has declared North Carolina as their state of residence).

Each applicant file must include:

- An application form completed by the candidate
- A high school transcript and verification of SAT/ACT scores
- A writing sample (*to be completed at a time and place designated by the Teaching Fellows School District Screening Committee chairperson*)
- Three reference forms obtained from the counselor
No other references will be considered. Students are encouraged to select persons who know them well to complete their references.

All applicants for the Teaching Fellows awards with Scholastic

Profile Composite Scores of 25 or above will be interviewed by a local committee composed of people from the applicant's community. (Superintendents may choose to interview applicants with scores below 25.) Applicants who are selected as regional finalists will be screened by a committee composed of people from the educational region in which the applicant lives. At both the local and regional levels, applicant files will be reviewed and selected candidates will be interviewed. The committees will evaluate the applicants on their application material and the quality of their interviews. All application material is confidential.

Local screening and interviews will be completed by **November 24, 1997**. Regional screening and interviews will be completed by **March 7, 1998**. Award winners will be informed of the Teaching Fellows Commission's decision by letter postmarked by **April 8, 1998**.

Applicants must apply to and be accepted by the college of their choice offering the Teaching Fellows Program.

Guidelines

Teaching Fellows award recipients will be required to maintain a **2.25 grade point average** on work attempted during the freshman year of college. By the end of the sophomore year, Teaching Fellows will be required to maintain a **cumulative grade point average of 2.5** and to meet the standards required for admission into a teacher education program. A **grade point average of 2.5** must be maintained throughout the Teaching Fellows junior and senior years. Students should obtain information about unique features and requirements of specific campus programs and majors from each campus admissions office.

Teaching Fellows **will be required to participate in designated campus activities and selected summer programs.**

Some programs will be limited in duration (1-3 weeks) and others will be designed as extended internships. Up to \$300 per year of the Teaching Fellows award may be held in escrow to defray the costs of summer programs. **Teaching Fellows will be required to participate in each summer experience unless specifically exempted by the Teaching Fellows Commission. This may delay summer school or job participation until after the completion of the summer experience.**

Teaching Fellows are required to live on campus during their freshman year and reside on site for all summer experiences. There are no exceptions to this policy. **Completed applications must be returned to the Teaching Fellows Liaison Counselor's office no later than October 31, 1997.**

Academic Year & Summer Activities

At each of the selected institutions, unique programs have been designed for the Teaching Fellows. These programs include seminars, cultural events, faculty mentor programs, local school visitations and study-abroad programs. A strong emphasis is placed on leadership development skills and activities that will give the Teaching Fellows a broad range of experiences beyond the required course work.

Each summer during their college career, Teaching Fellows participate in special activities to expand their knowledge about the role of education and to enhance their preparation as effective teachers.

- **Rising Sophomores: Discovery Trip**, an eight-day trip across the state
- **Rising Juniors: Junior Enrichment**, a choice of week-long seminars, travel opportunities or internships and **Junior Conference**, focusing on cultural diversity issues
- **Rising Seniors: Senior Orientation**, a week-long visit to a school system, and **Senior Conference**, focusing on new systems of teaching and learning

Each Teaching Fellow is required to participate in these special activities and summer programs.





APPLICATION FORM

To the Applicant: Only U.S. citizens, who are legal residents of North Carolina, are eligible. Complete this application and return with three sealed reference forms to your Teaching Fellows Liaison Counselor by **October 31, 1997.**

APPLICANT INFORMATION

Date _____

Name _____ Male Female
Last First Middle Preferred Name

Permanent Address _____
Street/Box City State Zip Code County

Current Telephone Number (____) _____ Social Security Number _____ - _____ - _____
(Application will not be processed without SS#)

Birth Date ____/____/____ Race (check one) American Indian Asian Black Hispanic White
 Multi-racial Other (specify) _____

LEGAL RESIDENCY

By my signature I, the parent/guardian of the applicant, affirm that I qualify as a **legal resident, for purpose of domicile** (own property, registered to vote, pay state income taxes, etc.) in the state of North Carolina (General Statutes 116.11 (7) and 116-144) and **the applicant is a U.S. citizen.**

If you have questions, contact your Teaching Fellows Liaison Counselor. _____
Signature of parent/guardian

SELECTION OF COLLEGE

The Teaching Fellows Program is located only on select campuses. To receive the Teaching Fellows award, students must attend one of these campuses. Listed below are participating campuses. Indicate your preference of colleges by ranking them - **circle 1 by your first choice, 2 by your second choice, and so on.** *Note: No campus may have more than 60 Fellows in each class. The following campuses have lower caps: Elon College - 25; Meredith - 25; NCSU - 30; UNC-Wilmington - 35. Make your choices carefully, and be sure to give five choices.*

	1	2	3	4	5	Applied?		1	2	3	4	5	Applied?
Appalachian State University						Yes No	UNC-Asheville						Yes No
East Carolina University						Yes No	UNC-Chapel Hill***						Yes No
Elon College*						Yes No	UNC-Charlotte						Yes No
Meredith College						Yes No	UNC-Greensboro						Yes No
NC A&T State University						Yes No	UNC-Pembroke						Yes No
NC Central University						Yes No	UNC-Wilmington						Yes No
NC State University**						Yes No	Western Carolina University						Yes No

*All Fellows must successfully complete Teacher Education and achieve licensure to teach and participate in the Studies in England semester.
 **Does not offer a degree in Elementary Education.
 ***Fellows seeking preparation for secondary education teaching (except music education) must complete an M.A.T., i.e. a fifth year program.

HIGH SCHOOL INFORMATION (Please fill in every space)

School _____ School System _____
 School Address _____
 Name of Principal _____ Telephone (____) _____
 Name of Teaching Fellows Liaison Counselor _____ Telephone (____) _____

The following must be completed and signed by your guidance counselor.

State Department of Public Instruction School Code # (see NC Education Directory) _____ - _____
(for public schools only)
 Class Rank _____ Class Size _____ Unweighted GPA (4.0 Scale) _____ Educational Region (1-8 - see list) _____
 SAT Composite _____ ACT Composite _____ (Use the SAT-ACT Concordance Table to convert scores)
 SAT Math _____ Verbal _____ Date _____ Math _____ Verbal _____ Date _____
 Math _____ Verbal _____ Date _____ Math _____ Verbal _____ Date _____

Note: List scores for each time applicant has taken the SAT. Use highest math and verbal scores to determine composite. Pre-April '95 scores must be recentered before determining composite. Use the SAT Recentering and the SAT-ACT Concordance Tables provided by the Teaching Fellows Commission.

Signature of Teaching Fellows Liaison Counselor

EMPLOYMENT

Please list any jobs you have held (*indicate whether during school year or summer*)

Employer _____	Position _____	Dates _____	Hrs/Wk _____
Employer _____	Position _____	Dates _____	Hrs/Wk _____
Employer _____	Position _____	Dates _____	Hrs/Wk _____

ATHLETICS

Please put "V" for Varsity Sports sponsored by your school in which you were awarded a letter or monogram, "P" if participated but did not receive a monogram, and "B" for participation in non-varsity sports sponsored by your school. **Note:** If you were a captain or co-captain of a varsity team, please put "C" or "CC".

	F	S	Jr.	Sr.		F	S	Jr.	Sr.
Football	___	___	___	___	Wrestling	___	___	___	___
Basketball	___	___	___	___	Soccer	___	___	___	___
Baseball	___	___	___	___	Golf	___	___	___	___
Tennis	___	___	___	___	Volleyball	___	___	___	___
Field Hockey	___	___	___	___	Softball	___	___	___	___
Swimming	___	___	___	___	Cheerleader	___	___	___	___
Lacrosse	___	___	___	___	Other (<i>specify</i>) _____	___	___	___	___
Track	___	___	___	___	_____	___	___	___	___
Cross Country	___	___	___	___	_____	___	___	___	___

HOBBIES & SPECIAL INTERESTS (*Please describe*)

HONORS & AWARDS

Academic (*list*) _____

Athletic (*list*) _____

Other (*list*) _____

MEANINGFUL ACTIVITIES In all your school/community activities, what two activities have been most meaningful to you, and why?

DESCRIBE WHY YOU WANT TO TEACH

FOR RESEARCH ONLY

The information in this box is for research only and will not be considered in the selection process.

INTENDED FIELD OF STUDY What are your preferences for the grade level and/or subject you would like to teach after graduation?

Grade Level (*check one*) Birth to Kindergarten (B-K) Elementary Education (K-6) Middle School (6-9) Secondary (9-12)

Subject Area _____

Education-related Professional Position (see page 8) _____

DESIRED LOCATION What are your preferences for the type of school system/location where you would like to teach after graduation?

Type of System (*check one*) Rural Suburban Urban **Region** (*check one*) Coast East Piedmont West

INFLUENCE What factor has most influenced your decision to pursue teaching as a career? (*check one*)

<input type="checkbox"/> Parent/guardian	<input type="checkbox"/> Job satisfaction	<input type="checkbox"/> Higher salaries	<input type="checkbox"/> Have summers off
<input type="checkbox"/> Teacher/counselor	<input type="checkbox"/> Job security	<input type="checkbox"/> Like to work with children	<input type="checkbox"/> Other (<i>specify</i>) _____
<input type="checkbox"/> Desire to help society	<input type="checkbox"/> Improved working conditions	<input type="checkbox"/> Teaching Fellows Program	_____

FOR RESEARCH ONLY

PARENT/GUARDIAN INFORMATION

This information is for research only and will not be considered in the selection process; it is being collected for a long-term research project being conducted by the North Carolina Teaching Fellows Commission. The Commission seeks to determine where there is a strong interest in the teaching profession. As Fellows join the ranks of active teachers, the Commission will follow their careers and ask for advice on how best to shape the Teaching Fellows Program in the future.

Father

Check one: Living Deceased Unknown

Full Name _____

Address _____
Street

City _____ State _____ Zip Code _____

Mother

Check one: Living Deceased Unknown

Full Name _____

Address _____
Street

City _____ State _____ Zip Code _____

Occupation (check one)

- Precision Production/Craft/Repair
- Professional/Specialty
- Technician/Related Support
- Sales
- Administrative Support/Clerical
- Military Service
- Executive/Administrative/Managerial
- Farming/Forestry/Fishing
- Machine Operator/Assembler/Inspector
- Transportation/Material Moving
- Handler/Equipment Cleaner/Helper/Laborer
- Homemaker
- Other (specify) _____

Occupation (check one)

- Precision Production/Craft/Repair
- Professional/Specialty
- Technician/Related Support
- Sales
- Administrative Support/Clerical
- Military Service
- Executive/Administrative/Managerial
- Farming/Forestry/Fishing
- Machine Operator/Assembler/Inspector
- Transportation/Material Moving
- Handler/Equipment Cleaner/Helper/Laborer
- Homemaker
- Other (specify) _____

The following information is optional.

Which description best represents the area in which you have grown up?

Type of area (check one) Rural Suburban Urban **Region (check one)** Coast East Piedmont West

What is the highest level of education completed by your **father?** (check one)

Some high school High school graduate Attended college College graduate
 Attended community/technical college Community/technical college graduate Advanced college degree

What is the highest level of education completed by your **mother?** (check one)

Some high school High school graduate Attended college College graduate
 Attended community/technical college Community/technical college graduate Advanced college degree

How many brothers and sisters do you have? 0 1 2 3 4 or more

What is the total combined income of your household?

0-\$14,999 \$15,000-\$29,999 \$30,000-\$44,999 \$45,000-\$59,999 \$60,000 or over

Is anyone in your immediate family (father, mother, brother or sister) currently an educator? Yes No

Applications must be submitted on original forms. Photocopying and/or sharing the information in the applications is expressly prohibited. All applications and supporting information are the property of the Teaching Fellows Commission and are confidential.

Frequently Asked Questions

Q: If I am selected as a Teaching Fellow, what are my obligations?

A: Enroll as a full-time student at an institution designated by the Teaching Fellows Commission for the academic year after receiving the award. There are 14 colleges designated as Teaching Fellows schools.

- Pursue studies, as a full-time student, leading to licensure to teach in North Carolina's public schools.
- Maintain a minimum 2.25 grade point average on work attempted during the freshman year. By the end of the sophomore year, Teaching Fellows will be required to have a 2.5 cumulative grade point average on work attempted and meet the requirements for admission to the teacher education program. Campuses may have different GPA requirements for admission into Teacher Education.
- Participate in special summer programs each summer and other special activities as established by the Teaching Fellows Commission and campus programs. Summer programs may vary in length from seven days to employment/internship in summer schools or with other state agencies or businesses. Up to \$300 per year of the Teaching Fellows award may be held in escrow to defray the costs of summer programs.
- If male, show evidence of registration with the military selective service.

Q: How many years do I have to repay the scholarship/loan? Can I do graduate work or begin a family and still fulfill my obligations for repayment?

A: You will have seven years after graduation from college to repay your obligation to the state of North Carolina **by teaching as a licensed full-time teacher (or school counselor, media specialist, school psychologist, social worker or speech pathologist) in a NC public school.** If you teach for four of the seven years or three years in a school system designated as low performing or warning status your debt is repaid. If you do not teach, you will begin repayment of the loan, with a 10% interest charge, payable in equal installments over a period of seven years. You do not have to begin teaching or repaying the loan immediately after graduation if you are enrolled as a full-time graduate student in related studies at an institution of higher education. If you begin teaching and leave for graduate work or to begin a family, you are obligated to begin repayment at such time as you no longer have enough years remaining to fulfill your teaching obligation. The Commission can, on request, make an exception in cases of emergency. If you withdraw from the Program, or if you are removed from the Program because you do not meet the required GPA/credit hours or are not attending required activities, your scholarship/loan repayment begins 180 days from notification, even if you are still attending college.

Q: Will I be guaranteed a job when I graduate?

A: No, but with the additional teacher allotments and the turnover of teachers in North Carolina, there will be a

strong demand for new teachers. Also, the status and quality of Teaching Fellows are such that school districts are eager to employ those who have completed the Program. Due to supply and demand, Fellows are encouraged to consider all job opportunities regardless of locale in North Carolina.

Q: What are some of the features of the Teaching Fellows Program that make it different from other scholarships or teacher education programs?

A: Teaching Fellows will be recognized on each campus as outstanding students and future teachers. Every effort will be made through a variety of training experiences to expose Teaching Fellows to the worlds of education and business. Classes, seminars, field trips, internships, conferences, and social and cultural events will be integrated into your program during the academic year and during the summer months. Many campuses will have faculty mentors or teachers from elementary and secondary schools working with Teaching Fellows on a one-to-one basis as a coach and advisor. Some campus programs include travel and study abroad.

Q: Do I have to live on campus?

A: Teaching Fellows **must** live on campus during their **freshman year** and reside on site for all summer experiences. No exceptions will be made for any reason for freshman residency. Several schools make arrangements for you to live in the same dorm with other Teaching Fellows.

Q: Does this scholarship automatically guarantee my acceptance as a student at one of the schools listed?

A: No. You must apply and be accepted by the school you wish to attend. This includes requests for housing and all other requirements of application by that particular school. We encourage applicants to apply to at least their first, second and third choice schools. *Since the Commission has set a limit of 60 Teaching Fellows per campus, you may not be able to attend your first choice school if you accept a Teaching Fellows award. School choices must be made carefully. Teaching Fellows identified as regional finalists will have an opportunity to make a final selection for their first, second, third, fourth and fifth choice schools on the day of their regional interview. These choices are final.*

Q: What would happen if I decided to transfer to another college?

A: You may remain in the Teaching Fellows Program as long as you transfer to another school participating in the Program, provided space is available in your class in the Teaching Fellows Program on that campus. There are 14 schools where the Program is currently being offered (*see list on page 9*). If you decide to transfer to a school not offering the Teaching Fellows Program, you will be required to repay any amount of the scholarship, with 10% interest, which you had received to that date. Payment would begin 180 days after notification.

College Selection

Teaching Fellows award recipients must apply to and be accepted by the college or university they wish to attend. Applicants will be notified as to which institution they have been assigned when they receive notification of having been selected for a Teaching Fellows award.* The Teaching Fellows Commission has set a limit of 60 Teaching Fellows per campus; therefore, some students may not be able to attend their first choice.

After Teaching Fellows are selected, each participating institution receives the names of all applicants who have designated it as their first choice. **If there are more than 60 applicants on the list, the college or university selects the applicants it wishes to accept into the Program at its institution.**

Note: the following schools have lower caps: Elon College - 25; Meredith - 25; NCSU - 30; UNC-Wilmington - 35.

Names of applicants who are not selected by their first choice will be forwarded to their second choice institution. If necessary, names will be forwarded to the institution of third choice, fourth choice and fifth choice.



* Rejection of the award by the recipient removes that recipient from further consideration, even if a vacancy occurs in the recipient's first choice campus.

A recipient who accepts the award at a campus other than his/her first choice may keep his/her name active for reconsideration if a vacancy occurs at the first choice campus by signing the statement of request on the acceptance form.

College Costs

Teaching Fellows award recipients receive a state grant of \$5,000 per year for four years. Up to \$300 may be escrowed each year by the Commission to fund the summer experiences. The remaining funds are transferred in semester installments to the institution in each Fellow's name.

The financial aid office at each of **the public institutions** will subtract all costs for tuition, room, board, and fees and issue a check to the Fellow for the remaining funds, if any. Fellows will be responsible for all costs which exceed the state grant of \$5,000.

The two private colleges participating in the Teaching Fellows Program must guarantee to Teaching Fellows who choose to attend them, at a minimum, an amount for costs of tuition, room, board and fees equal to the amount of the state grant of \$5,000 per year. Fellows attending private colleges will be responsible for all costs which exceed the grant and the college match.

Information regarding specific costs at each campus may be obtained from the admissions office at each institution.

Education-related Professional Positions

You may use the Teaching Fellows Award to pursue a career as a **school counselor, media specialist, school psychologist, school social worker or speech pathologist**. Each of these positions requires a master's degree, and you would be responsible for the cost of the additional year. You should check with your institution to be sure you can pursue one of these majors as a Teaching Fellow without licensure to teach.



Participating Colleges & Universities Directors

The North Carolina Teaching Fellows Program is currently offered at 14 North Carolina colleges and universities. For information about these institutions, contact your high school counselor or the Teaching Fellows Directors listed below.

Appalachian State University

Mr. Joe Murphy
301 Duncan Hall
Boone, NC 28608
(704) 262-2298
murphyjr@conrad.appstate.edu

East Carolina University

Dr. Ronny VanSant
123 Speight Building
Greenville, NC 27858-4353
(919) 328-4126
edvansan@ecuvvm.cis.ecu.edu

Elon College

Dr. F. Gerald Dillashaw
Campus Box 2165
Elon College, NC 27244-2020
(910) 584-2201
dillasha@numen.elon.edu

Meredith College

Ms. Alma Lane Lee
209 Ledford Hall
3800 Hillsborough Street
Raleigh, NC 27607-5298
(919) 829-2334
leea@meredith.edu

NC A&T State University

Dr. Josephine Luck
1601 East Market Street
Greensboro, NC 27411
(910) 334-7175
luckj@athena.ncat.edu

NC Central University

Ms. Sharon Hoard
108 Taylor Education Building
Durham, NC 27707
(919) 560-6693
blawson@wpo.nccu.edu

NC State University

Ms. Gerry Martin
College of Education and Psychology
204-A Poe Hall - Box 7801
Raleigh, NC 27695-7801
(919) 515-5519
nedpgsm@gwgate.bas.ncsu.edu

UNC-Asheville

Ms. Brenda Hopper
Department of Education
146-A Zageir Hall
Asheville, NC 28804-3299
(704) 251-6901
bhopper@unca.edu

UNC-Chapel Hill

Dr. Barbara Day
School of Education
CB #3500 Peabody Hall
Chapel Hill, NC 27599-3500
(919) 966-3291
bday1@email.unc.edu

UNC-Charlotte

Dr. Melba Spooner
College of Education
Office of the Dean
Charlotte, NC 28223
(704) 547-4707
mcspoone@email.uncc.edu

UNC-Greensboro

Ms. Toni Knight
Curry Building, Room 323
Greensboro, NC 27412
(910) 334-3408
knightt@dewey.uncg.edu

UNC-Pembroke

Dr. Irene Aiken
Department of Education
P.O. Box 1510
Pembroke, NC 28372-1510
(910) 521-6450
aiken@papa.uncp.edu

UNC-Wilmington

Dr. Karen Wetherill
601 S. College Road
Wilmington, NC 28403-3297
(910) 962-4174/(910) 962-3719
wetherillk@uncwil.edu

Western Carolina University

Ms. Carol Burton
334 Killian
Cullowhee, NC 28723
(704) 227-7056
burton@wcu.edu

NOTE

Document is
to be given to
applicant in
its entirety.



Thomas W. Lambeth, Chair

This application and supporting information are the property of the Teaching Fellows Commission and are confidential. Photocopying and/or sharing the material is expressly prohibited.

Questions about the Teaching Fellows Program and all correspondence should be directed to the Teaching Fellows Commission located at the office of the Public School Forum, which serves as the Program administrator.

Direct inquiries to:

Jo Ann Norris, Administrator

Gladys Graves, Director

Gail Daughtry, Coordinator of Special Programs

Sherry Woodruff, Program Officer

Millie Ghaderkhani, Secretary

Lara Nowell, Coordinator of Information Services

the FORUM

Public School Forum of North Carolina
3739 National Drive, Suite 210
Raleigh, NC 27612
(919) 781-6833


Public Schools of North Carolina

North Carolina Department of Public Instruction

COMPARISON OF EXPANSION BUDGET REQUESTS
 For the Fiscal Year 1998-99

ITEM	STATE BOARD of EDUCATION	GOVERNOR
EXCELLENT SCHOOLS ACT		
Teachers' Salaries	\$ 193,748,471	\$ 196,198,161 R
Mentor Program	14,708,900	17,869,354 R
Teacher Evaluation	1,600,000	
One Forfeited Vacation Day	3,500,000	
Two Forfeited Vacation Days		4,250,000 R
NBPTS	2,261,588	2,261,588 NR
ABCs		
Incentive Awards	115,598,988	115,598,988 NR
Low-Performing Schools	24,000,000	11,136,500 R
SIMS	6,000,000	6,000,000 NR
A/P Tests	2,846,195	
Testing Program	4,158,000	
HIGH STUDENT PERFORMANCE		
Reduce Class Size	30,421,732	
Limited Proficiency in English	10,000,000	5,000,000 R
Children with Special Needs	25,000,000	
Academically or Intellectually Gifted	3,738,810	
Reserve for Children with Special Needs/Group Homes	3,595,275	
SAFE SCHOOLS		
Middle School SROs	10,536,768	
At-Risk Student Services	31,621,337	
QUALITY TEACHERS, ADMINISTRATORS & STAFF		
Extend Staff Development	35,834,025	
Extended Employment	35,834,025	
Substitute Teachers	15,776,280	
Teacher Assistants	5,673,238	
Assistant Principals/Principals	4,219,002	296,366 R
SCHOOL TECHNOLOGY PLAN		
School Technology	71,000,000	10,000,000 NR
SAFE AND ORDERLY SCHOOLS		
Sports Medicine	500,000	
CONTINUATION OF OPERATIONS		
SPSF - ADM Revision	35,654,039	35,564,039 R
SPSF - School Bus	5,661,597	29,861,000 NR
SPSF - Workers' Compensation	9,000,000	
DPI - SIPS	144,000	
DPI - Licensure	160,000	160,000 R

R=Recurring, NR=Nonrecurring



COMPARISON OF EXPANSION BUDGET REQUESTS
For the Fiscal Year 1998-99

ITEM	STATE BOARD of EDUCATION	GOVERNOR
CHARTER SCHOOLS		
DPI - Administration	491,209	
SPSF - Charter School Allocation	20,000,000	
OTHER		
Increase Longevity Rate for Teachers		12,405,561 R
Top of the Range Bonus for Teachers		5,580,235 NR
Total Quality Education		650,000 NR
A+ Schools		500,000 NR
Teaching Fellows		4,800,000 R
Communities in Schools		1,000,000 NR
Other Public School Employees		51,468,435 *
Total Recommended Expansion Funding	\$ 723,283,479	\$ 510,600,227
Receipts	160,000	160,000
Appropriation	\$ 723,123,479	\$ 510,440,227

R=Recurring, NR=Nonrecurring

* \$41.2M Recurring/\$10.3M Nonrecurring

Attachment 3

PUBLIC SCHOOLS

Public Schools of North Carolina

North Carolina Department of Public Instruction

**State Board of Education Supplemental Budget Request
For 1998-99 Fiscal Year**

Maintain Progress On Current Public Education Initiatives	1998-99 Budget Request	R/NR	1998-99 Certified Budget (plus Lf)
---	------------------------	------	------------------------------------

Excellent Schools Act

Increase teachers' salaries so as to achieve the national average	\$ 193,000,000	R	\$ 2,970,000,000
Provide support of pre-service for student and beginning teachers by funding a three year mentor program and three additional days of employment for orientation and classroom preparation	14,708,900	R	-
Provide funds to develop teacher evaluation instruments	1,600,000	NR	-
Pay teachers for one additional required forfeited workday	3,500,000	R	8,500,000
Pay for the National Board for Professional Teaching Standards (NBPTS) participation fee and for up to 3 days of approved paid leave for teachers participating in NBPTS program	2,261,588	R	1,012,912

ABCs

Award incentives to schools that meet growth or reach exemplary growth in student performance in 1998-99, based on 45% of schools being exemplary and 30% meeting growth expectations	99,000,000	R	-
Provide additional state resources/incentives for low-performing schools & staff	24,000,000	R	-
Begin funding replacement of Student Information Management System (SIMS)	6,000,000	R	3,018,927
Pay for advanced placement tests	2,846,195	R	-
Provide funds to score/grade tests and develop and implement new tests including: grade 3 pretest, high school comprehensive test, additional end of course tests, exit exam(s); and to fund pilot program for alternate assessment for students with disabilities	4,158,000	NR	5,394,653

Safe Schools

Provide School Resource Officers in all middle schools	10,536,768	R	-
Increase funds for allotment for At-Risk Student Services/Alternative Schools	31,621,337	R	125,358,223

School Technology Plan - fund systems and software for every K-12 classroom

	71,000,000	NR	10,000,000
--	------------	----	------------

Public Schools of North Carolina

North Carolina Department of Public Instruction

**State Board of Education Supplemental Budget Request
For 1998-99 Fiscal Year**

	1998-99 Budget Request	R/NR	1998-99 Certified Budget (plus LI)
Maintain Progress On Current Public Education Initiatives			
Continuation of Operations			
Public Schools - Fund the average daily membership annual revision (including 1997-98 incentive award)	52,772,042	R	4,686,160,962
Restore school bus replacement funding to maintain a 13 year replacement cycle	5,661,597	NR	46,299,403
Increase funding for worker's compensation claims to meet increased volume and cover administrative cost	9,000,000	R	11,369,790
DPI - Fully fund cost of State Information Processing Services (SIPS)	144,000	R	377,321
Increase teacher licensing fees to provide funds to support 4 additional certification specialist positions (Note: this request would not require state funds)	160,000	R	823,783
Charter Schools			
Fund DPI administrative, program and financial operations supporting Charter Schools; Includes 5 positions for DPI & 2 two positions for the Local Government Commission	491,209	R	103,147
Revise the allocation method/formula for funding Charter Schools	20,000,000	NR	-



Public Schools of North Carolina

North Carolina Department of Public Instruction

**State Board of Education Supplemental Budget Request
For 1998-99 Fiscal Year**

	1998-99 Budget Request	R/N/R	1998-99 Certified Budget (plus LI)
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Enhance Public Education Initiatives

High Student Performance

Reduce class size in grade 3 from 1 teacher and 1 teacher assistant per 26 students to 1 teacher and 1 teacher assistant per 23 students

30,633,392 R 238,937,648

Improve services to students with limited proficiency in English

10,000,000 R -

Increase funding for children with special needs toward a goal of 2.3 times regular funding

25,000,000 R 330,167,103

Increase funding for academically or intellectually gifted students

3,738,810 R 37,235,467

Increase funding to establish a reserve for severely disabled children in group homes and LEAs

3,595,275 R -

Quality Teachers, Administrators and Staff

Provide funds for three days of extended staff development time for all teachers

35,834,025 R 6,947,663

Extend the months of employment for some teachers, allowing local flexibility in determining which teachers will work the extended calendar

35,834,025 R 1,787,991,153

Increase pay for certified substitute teachers to 75% of a beginning teacher's salary (\$75.50 per day) Noninstructional support funding is used for substitute teachers, clerical and custodians

15,776,280 R 235,472,629

Provide funding for Teacher Assistant's paygrade to move from 54 to 56 as approved by the SBE

5,673,238 R 305,119,765

Increase salaries for Assistant Principals

4,219,002 R 68,389,441

Safe & Orderly Schools

Provide funds for statewide sports medicine program

500,000 NR 165,000

\$ 723,265,683

Amounts are subject to change based on updated information.

R/N/R = Recurring/Nonrecurring.

VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

May 14, 1998

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Thad Davis	NCAE
Janis Ramquist	NCATA
Elizabeth Brovenstein	OSBM
Jan Cratts	NCASA
Julie Campbell	NCASA
Hal Miller	NCACCT
Leanne Kinner	NCSBA
Maurie King	OSBM
Janet Pittard	OSBM
She Adams	OSBM
Phil Price	NC DPI
Richard Thompson	NC DA
Weaver Payer	SBB

VISITOR REGISTRATION SHEET

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

May 14, 1998

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

NAME	FIRM OR AGENCY AND ADDRESS
Ann Berlin	NCDPI
John Davis	Public School For
Susan Markham	EGHS - LWSC
Jim Barkley	DPI
Susan Harrison	WCPSS
David Brown	OSBM
Doug Hayes	Coche Foundation
Karen Galt	Governor's Office

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Wednesday, May 20, 1998

MINUTES

The Joint Appropriations Subcommittee on Education met on Wednesday, May 20, 1998 at 8:30a.m. in Room 421 of the Legislative Office Building.

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

Representative Preston called the meeting to order.

Dr. Brenda Rogers, Vice President of Administration for North Carolina Community Colleges, presented the importance of North Carolina Library and Virtual Education Project, better known as NCLIVE (Attachment I).

Sandy Cooper, North Carolina State librarian, presented an overview of NCLIVE. This is a state-wide electronic library project with equal access for all of North Carolina to a range of electronic sources.

Susan Nutter, Vice Provost and Director of Libraries, addressed authentication issues; concern is vendors require addresses of every computer which will be using this system. Have come up to system and it is a "GO".

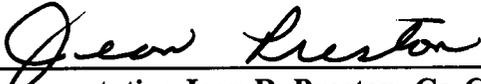
Chair recognized North Carolina State Chancellor-Designate, Mary Ann Fox and members of her staff in attendance.

Hope Williams, representing independent colleges and universities, speaking in support of NCLIVE now and for what it can mean for the future.

Beverly Gass, Dean of Learning Resources, Guilford Technical Community College spoke in support of NCLIVE which is currently available at four locations.

Time constraints prevented the committee to hear from Dr. Charles Coble. He will present at a later meeting. The meeting was adjourned.

Respectfully submitted:


Representative Jean R. Preston, Co-Chair


Sandra B. Ellis, Committee Clerk

**Joint Appropriations Subcommittee on Education/ Higher
Education**

May 20, 1998

Call to Order

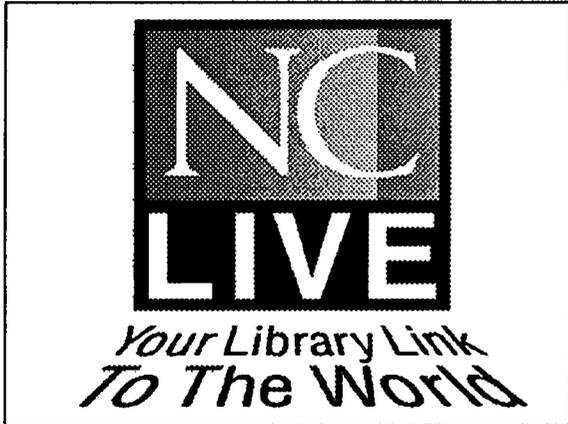
Representative Jean Preston
Co-Chair

Presentation on NC LIVE
(Statewide Electronic Library Initiative)

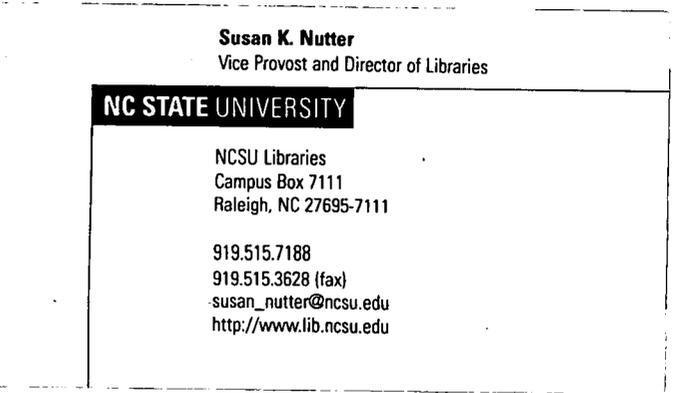
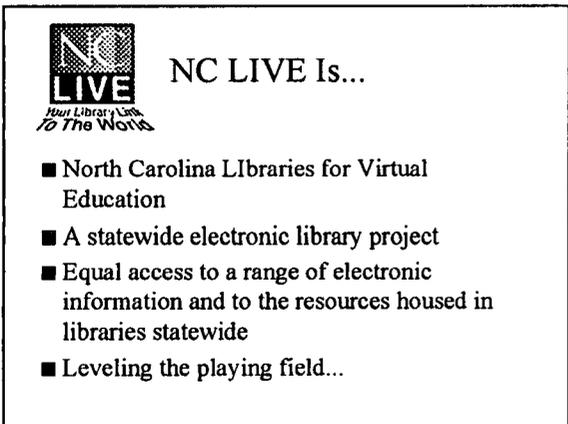
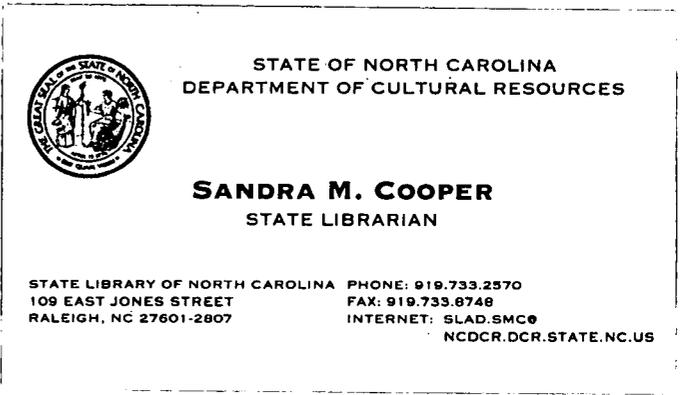
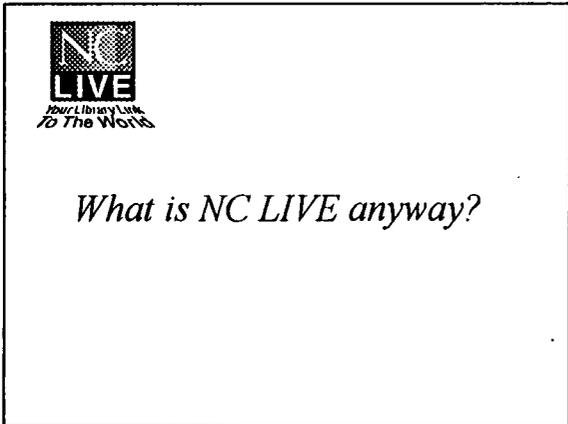
Ms. Sandy Cooper
State Librarian

UNC Request for School Services Matching
Incentive Grant Program

Dr. Charles Coble
Vice President, UNC



Dr. Brenda Rogers
VP of Administration
NC Community Colleges





A Collaborative Partnership...

186 libraries in four "Communities of Interest" (COIs) in Phase #1...

- Community College System/58 libraries
- UNC System/Libraries in 16 institutions
- State Library/75 public library systems serving all 100 counties
- NCCIHE/Libraries in 36 independent colleges and universities

Beverly Bass

336-334-4822



Governance & Planning



Steering Committee

The governing body for NC LIVE responsible for establishing policy, approving operating budgets, and setting strategic directions for NC LIVE...



Steering Committee Members

- Brenda Rogers, Vice President, Community College System
- Beverley Gass, GTCC
- Hope Williams, President, NCCIHE
- Leland Park, Davidson College
- Sandy Cooper, State Library (convener)

-more-



Steering Committee (continued)

- Jerry Thrasher, Cumberland County Public Library
- Judith Pulley, Vice-President, UNC-GA
- Susan Nutter, NC State University



Librarians Working Group (LWG)

- Responsible for implementation and action planning
- 5 Librarians from Steering Committee
- Committee Chairs
- Negotiating Team
 - Larry Alford, UNC-Chapel Hill
 - Amy Dykeman, NC State



NC LIVE Committees

- Resource Advisory Committee (RAC) -
David Paynter, New Hanover Cnty PL
- Technical Advisory Committee (TAC) -
John Ulmschneider, NC State
- Training Advisory Committee (TRAC) -
Jackie Case, Coastal Carolina CC
- Publicity Advisory Committee (PAC) -
Janet Freeman, Meredith



Budget

- Revenue from State: \$2.7 million
 - Community Colleges = \$500,000
 - UNC = \$1.2 million
 - State Library = \$1 million
- Independent Academics: raising funds privately for full participation in the first year.



Budget

- Expenditures:
- \$700,000 cost of operating server sites at NC State University and UNC-Chapel Hill and other support activities
 - \$2 million for licensing



Resource Selection

- Electronic information resources selected by 40 library directors, 10 from each COI.
- Began with a retreat in July 1997
- Agreed on principles and process
- Worked August - October to review materials and reach a consensus on priorities.
- Skilled negotiators worked through March.



Guiding Principles

- NC LIVE will mount core resources that will be available through all participating libraries
- Public libraries will take responsibility for providing public access to the resources, & vendor agreements will probably require that for remote access they be registered library users



What's the Benefit?

- Expanded resources available through all 186 libraries at a fraction of the cost that the libraries would have had to pay individually.
- The majority of the 186 libraries could not afford to purchase all these items on their own.
- Builds on strengths of COIs and their libraries.



A brief demo...



*Your Library Link
To The World*

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Tuesday, June 23, 1998

MINUTES

The Joint Appropriations Subcommittee on Education met at 8:30 a.m. on Tuesday, June 23, 1998 .

Members present were: Representatives, Arnold, Preston and Grady, Co-Chairs; Representatives Black, Davis, Oldham, Reynolds, Rogers, Shubert and Yongue. Visitors sheets are attached to these minutes.

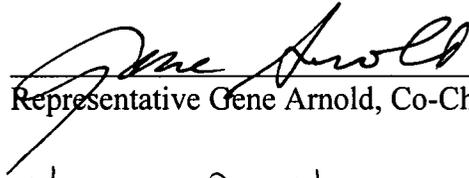
Representative Arnold presided. The meeting was called to order at 8:35 a.m. An introduction of Ann McCormick, Director of Media and Technology of Harnett County Schools, Donna Steward and Martha Hurd, Harnett County Computer Coordinators, and Dickie Smith, Harnett County Principal for the Alternative School, was made by Representative Don Davis. A long-term technology plan was presented as outlined in the handout (attached). New computers, software and training to motivate students to learn were requested.

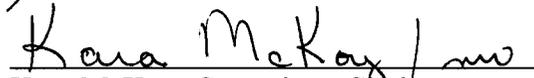
Representative Lyons Gray made a presentation for the North Carolina School of the Arts, requesting \$450,000 for additional operating support (see handouts).

A discussion followed concerning charter schools and their use of ABC's legislation. Dr. Henry Johnson, Deputy Superintendent of Public Instruction, was asked to respond to whether or not charter schools had an option to use this legislation. Dr. Johnson stated that this was optional. Representative Preston informed the committee that charter schools may not be using the same material as public schools; therefore, it would be difficult for charter schools students to take the end of the year test. Discussion followed.

There was no further business to come before the committee at this time. The meeting adjourned at 9:42 a.m.

Respectfully submitted:


Representative Gene Arnold, Co-Chair


Kara McKoy, Committee Clerk

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education Tuesday, June 23, 1998 8:30 A.M.

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

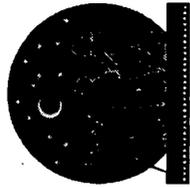
Richard (Pete) Andrews	UNC - Chapel Hill
Ann McCormick	Harnett Co. Schools
Harriet Dial	NCAE
Julian D. Smith	Principal Harnett Co. Act. Sch.
Donna Stewart	Harnett County Schools
Martha Hurd	Harnett County Schools
Hal Miller	NCACCT
David Brown	OSBM
Maurice King	OSBM
P. Nietus	SBE
NIRALI PATEL	Intern, Gov.'s Office
Janet Pittard	OSBM
<i>[Signature]</i>	<i>[Signature]</i>

Goals

1. Learning environments will offer each student easily accessible technology opportunities for critical thinking, communicating, problem-solving, creativity, local and global information access, and multisensory stimulation.
2. All students will access and use technology to improve productivity and gain the skills necessary to become self-directed, lifelong learners and contributing members of their community.
3. All teachers and administrators will be given support for using technology for both instruction and management of administrative tasks.

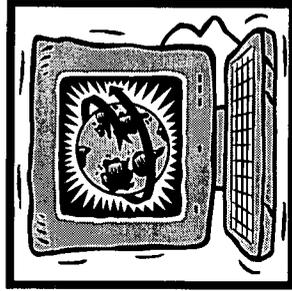
The Vision for Technology Use in the Harnett County Schools

".. to empower students and educators, by excellence in teaching and learning through technology, to become thinkers and learners who can find and process information, create both personal and collaborative meanings which in turn are used to generate products or performances that will enable them to apply the information to real life situations."



Harnett County Schools
Media & Technology Department
PO Box 1029
Lillington, NC 27546
(910) 893-8151
www.intrstar.net/~hcss

"Empower with Technology"



Technology
in the
Harnett County Schools

June 1998

Accomplishments, 1995-1998

Curriculum/Instruction

- Dramatic increase in use of technology for integrated teaching and learning
- Successful computer skills instruction as evidenced by 77.1% passing rate in 1996-1997 and improved passing rate this year

Technology Acquisition/Upgrading/Reallocation

- Multimedia computer with software & printer in every K-3 classroom
- One or more instructional computer labs with 30 multimedia computers at each school with grades 4-12 (plus others in vocational education)
- Internet workstation in every media center and computer lab
- Data projector at each school

Staff Development

- Extensive training of all K-5 teachers in using computers to teach the curriculum
- Training opportunities for all teachers in use of Internet, word processing, spreadsheets, databases and other programs

Facility Renovation

- Fiber-optic LANs installed at large middle schools, high schools and new elementary schools for video/data/audio connectivity



Media & Technology Staff

- Director
- Ann McCormick (910/814-3412)
amccormick@intrstar.net

- Computer Consultants
- Donna Stewart (910/814-3413)
dstewart@intrstar.net
 - Martha Hurd (910/814-3445)
mhurd@intrstar.net

- Computer Technicians
- Walter Clarey (910/814-3441)
wclarey@intrstar.net
 - Robert Hughes (910/814-3442)
rhughes@intrstar.net
 - Derrick Martin (910/814-3442)
dmartin@intrstar.net

- AV Technicians
- Taylor Wells (910/893-8151)
 - James Kennedy (910/893-8151)

Media & Technology Staff at each School

Objectives for 1998-2001

- Installation of school LANs (local area networks) and a district-wide WAN (wide area network) to provide worldwide communications and access to information
- Installation of second instructional computer lab at each high school
- Installation of classroom or departmental computers at middle and high schools
- Addition of second classroom computers and/or computer labs at K-3 schools
- Upgrading of hardware and software at media centers for information center use
- Establishment of policies that effect standardization to promote cost-effective and timely maintenance, repair and upgrading
- Continued training of all staff to increase use of technology for integrated teaching and learning and for administrative tasks
- Expansion of Harnett County Schools web page
- Continued teaching of computer skills to prepare students for 20th Century life and work
- Continued and additional partnerships with Campbell University, area businesses and parents
- Addition of instructional and support personnel as funding permits

Funding Sources

- State Technology Fund
- State Low Wealth Funds
- Grants, PTA, etc.

"Change for the sake of change is useless. Change for the sake of our children is priceless."

(Teaching for Excellence)

Proposal for Harnett County Alternative School Technology "Test"

I. Description

The Harnett County Schools personnel believe that computers can be used to motivate and captivate all students, including "at risk" students, and that if "at risk" students were able to work on computers for at least 20% of their time in school, we would see better test scores and improved attendance and behavior. We believe that if we had a half-time instructor and at least one computer for every four students at the Alternative School, we could test this theory and are asking the legislature to fund such a test. (Note that we currently have nine computers at the school to serve a student enrollment which varies from about 50 - 100 students.)

II. Funding

A. Requested from the Legislature for 1998-1999 School Year

Number	Item	Price including Tax	Amount
10	Computers	\$ 2,200.00	\$ 22,000.00
10	Software (including Plato Integrated Learning Package)	\$ 2,510.00	\$ 25,100.00
2	Printers	\$ 750.00	\$ 1,500.00
1	Half-time Teacher	\$ 20,000.00	\$ 20,000.00
1	Training for Staff	\$ 7,065.00	\$ 7,065.00
Sub-total - (Legislature's portion)			\$ 75,665.00

*B. *To Be Provided by Harnett County Schools from Other Funds*

Number	Item	Price including Tax	Amount
5	Computers	\$ 2,200.00	\$ 11,000.00
5	Software (including Plato Integrated Learning Package)	\$ 2,510.00	\$ 12,550.00
Sub-total (Harnett County Schools' portion)			\$ 23,550.00

TOTAL for 1998-1999 **\$ 99,215.00**

III. Evaluation

A. Harnett County Schools will report to the legislature at the end of December giving information about installation, use and tentative results.

B. Harnett County Schools will report to the legislature in June 1999 giving first year results including comparative test scores, attendance statistics and information about behavior.

C. Harnett County Schools will report to the legislature in June 2000 and 2001 including comparative test scores, attendance statistics and information about behavior.

IV. Requested from the Legislature for 1999-2000 & 2000-2001 School Years

Number	Item	Price including Tax	Amount
1	Half-time Teacher	\$ 20,000.00	\$ 20,000.00
1	Training for Staff	\$ 2,331.45	\$ 2,331.45
Sub-total - (Legislature's portion)			\$ 22,331.45

*Harnett County Schools will also pay for facility renovation to accommodate computers, will conduct additional staff development for staff, and will install and maintain hardware and software.

Harnett County Schools

*A Long-Range
Technology
Plan*

[Revision of June 1995 Document]

June 1998

UNC Development Office Funding

Campus	Total Budget	# Positions	General Fund Amount	% Gen. Fund	Budgeted Receipts	% Receipts	Does Office Include Alumni Affairs?	Does Office Solicit Funds for Foundations?	% from Donations
ASU	\$ 1,374,320	17.0	\$ 766,852	55.8%	\$ 607,468	44.2%	No	Yes	44.0%
ECU	\$ 2,332,117	27.0	\$ 1,534,584	65.8%	\$ 797,533	34.2%	No *	Yes	28.2%
ECSU	\$ 288,509	4.9	\$ 143,261	49.7%	\$ 145,248	50.3%	Yes	Yes	6.9%
FSU	\$ 179,243	3.0	\$ 97,699	54.5%	\$ 81,544	45.5%	No	Yes	0.0%
NCA&T	\$ 1,160,500	17.5	\$ 745,338	64.2%	\$ 415,162	35.8%	Yes	Yes	2.3%
NCCU	\$ 585,600	11.0	\$ 402,300	68.7%	\$ 183,300	31.3%	Yes	Yes	24.1%
NCSA	\$ 635,408	9.0	\$ 112,059	17.6%	\$ 523,349	82.4%	Yes	Yes	82.0%
NCSU	\$ 5,414,145	69.0	\$ 3,146,013	58.1%	\$ 2,268,132	41.9%	Yes	Yes	41.9%
UNC-A	\$ 291,420	4.0	\$ 201,312	69.1%	\$ 90,108	30.9%	No	Yes	30.9%
UNC-CH	\$ 10,063,092	127.0	\$ 1,393,657	13.8%	\$ 8,669,435	86.2%	No**	Yes	86.2%
UNC-C	\$ 1,223,482	21.0	\$ 846,957	69.2%	\$ 376,524	30.8%	Yes	Yes	20.2%
UNC-G	\$ 1,451,783	22.0	\$ 586,438	40.4%	\$ 865,345	59.6%	No	Yes	21.0%
UNC-Pembroke	\$ 91,369	2.0	\$ 55,041	60.2%	\$ 37,221	40.7%	No	Yes	19.4%
UNC-W	\$ 846,675	14.0	\$ 490,900	58.0%	\$ 355,775	42.0%	Yes	Yes	42.0%
WCU	\$ 765,453	12.2	\$ 446,157	58.3%	\$ 319,296	41.7%	Yes	Yes	34.5%
W-SSU	\$ 629,799	11.0	\$ 629,799	100.0%	\$ -	0.0%	Yes	Yes	0.0%
System Averages	\$ 1,708,307	23.2	\$ 724,898	56.5%	\$ 983,465	43.6%	7 No/ 9 Yes	All	30.2%
Average w/out NCSA				59.1%		41.0%			26.8%

* ECU Alumni Office Budget is broken out of this report except for Medical Alumni Affairs, although it is included in Development organizationally.

** UNC-CH includes some alumni relations at the School level in these numbers.

UNC Development Office Funding

Campus	Personnel Budget	# Positions	General Fund Amount for Personnel	Personnel % from Gen. Fund	Budgeted Receipts for Personnel	Personnel % from Receipts
ASU	\$ 793,045	17.0	\$ 749,152	94.5%	\$ 43,893	5.5%
ECU	\$ 1,291,330	27.0	\$ 1,166,488	90.3%	\$ 124,842	9.7%
ECSU	\$ 222,260	4.9	\$ 119,752	53.9%	\$ 102,508	46.1%
FSU	\$ 124,616	3.0	\$ 85,291	68.4%	\$ 39,225	31.5%
NCA&T	\$ 829,485	17.5	\$ 505,863	61.0%	\$ 323,622	39.0%
NCCU	\$ 541,269	11.0	\$ 383,369	70.8%	\$ 157,900	29.2%
NCSA	\$ 485,408	9.0	\$ 112,059	23.1%	\$ 373,349	76.9%
NCSU	\$ 2,817,273	69.0	\$ 2,687,528	95.4%	\$ 129,745	4.6%
UNC-A	\$ 165,062	4.0	\$ 165,062	100.0%	\$ -	0.0%
UNC-CH	\$ 6,692,329	127.0	\$ 1,184,184	17.7%	\$ 5,508,145	82.3%
UNC-C	\$ 905,042	21.0	\$ 776,208	85.8%	\$ 128,834	14.2%
UNC-G	\$ 953,992	22.0	\$ 487,912	51.1%	\$ 466,080	48.9%
UNC-Pembroke	\$ 59,895	2.0	\$ 39,710	66.3%	\$ 20,185	33.7%
UNC-W	\$ 649,507	14.0	\$ 457,648	70.5%	\$ 191,859	29.5%
WCU	\$ 466,203	12.2	\$ 417,674	89.6%	\$ 48,529	10.4%
W-SSU	\$ 509,627	11.0	\$ 509,627	100.0%	\$ -	0.0%
System Average				71.1%		28.8%
Average w/out NCSA				74.4%		25.6%

UNC Development Office Funding

Campus	Operations Budget	General Fund Amount for Operations	Operations % from Gen. Fund	Budgeted Receipts for Operations	Operations % from Receipts
ASU	\$ 581,275	\$ 17,700	3.0%	\$ 563,575	97.0%
ECU	\$ 1,040,787	\$ 368,096	35.4%	\$ 672,691	64.6%
ECSU	\$ 66,249	\$ 23,509	35.5%	\$ 42,740	64.5%
FSU	\$ 54,727	\$ 12,408	22.7%	\$ 42,319	77.3%
NCA&T	\$ 331,015	\$ 239,475	72.3%	\$ 91,540	27.7%
NCCU	\$ 44,331	\$ 18,931	42.7%	\$ 25,400	57.3%
NCSA	\$ 150,000	\$ -	0.0%	\$ 150,000	100.0%
NCSU	\$ 2,596,872	\$ 458,486	17.7%	\$ 2,138,386	82.3%
UNC-A	\$ 126,358	\$ 36,250	28.7%	\$ 90,108	71.3%
UNC-CH	\$ 3,370,763	\$ 209,473	6.2%	\$ 3,161,290	93.8%
UNC-C	\$ 318,440	\$ 70,750	22.2%	\$ 247,690	77.8%
UNC-G	\$ 497,791	\$ 98,526	19.8%	\$ 399,265	80.2%
UNC-Pembroke	\$ 31,474	\$ 15,331	48.7%	\$ 16,143	51.3%
UNC-W	\$ 197,168	\$ 33,252	16.9%	\$ 163,916	83.1%
WCU	\$ 299,250	\$ 28,483	9.5%	\$ 270,767	90.5%
W-SSU	\$ 120,172	\$ 120,172	100.0%	\$ -	0.0%
System Average			30.1%		69.9%
Average w/out NCSA			32.1%		67.9%

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Tuesday, July 7, 1998

MINUTES

The Joint Appropriations Subcommittee on Education met at 8:30 a.m. on Tuesday, July 7, 1998 .

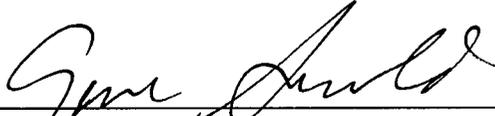
Members present were: Representatives, Arnold, Preston and Grady, Co-Chairs; Representatives Yongue and Davis. Visitors sheets are attached to these minutes.

Representative Arnold presided. The meeting was called to order at 8:35 a.m. Mike Ward, State Superintendent, introduced new Deputy State Superintendent Brad Sneed to the committee. Jim Johnson continued discussion on Senate Budget for public schools. Mr. Johnson briefly discussed each line item of the Senate Budget for public schools (see Public Education handout). Representative Arnold questioned why Low Wealth Schools are receiving half of the funds necessary to operate properly.

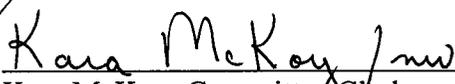
Representative Grady requested that the committee review the education special provisions of the budget and if there are any questions, another meeting would be called.

There was no further business to come before the committee at this time. The meeting adjourned at 9:35 a.m.

Respectfully submitted:



Representative Gene Arnold, Co-Chair



Kara McKoy, Committee Clerk

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education Tuesday, July 7, 1998 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Carrie Altman	Science & Technology
Jan Rungquist	NCAAA
Bill Wilson	NCAE
Harriet Deal	NCAE
David Brown	OSBM
Maurice Frij	"
Elizabeth Brovenstein	OSBM
Sue Adams	"
Janet Pittard	"
Jan Cratts	TCASA
Brad Sneider	DPI
Ann Belam	SBE

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education Tuesday, July 7, 1998 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

<i>Oliver Adams</i>	<i>Public School Zone</i>
<i>Jim Bowler</i>	<i>NC DPI</i>
<i>Philip Rice</i>	<i>"</i>
<i>Riper Nieters</i>	<i>SBE</i>
<i>NIRALI PATEL</i>	<i>Gov.'s Office</i>
<i>Lynnda McCulloch</i>	<i>Gov's office</i>
<i>Susan Harmon</i>	<i>WCPS</i>
<i>Susan Markham</i>	<i>EGHS</i>
<i>Herry Hancock</i>	<i>EGHS</i>
<i>Gene Causby</i>	<i>E-EDC</i>
<i>Tim Jowell</i>	<i>NCALCU</i>
<i>Patricia Mullen</i>	<i>Mullen Co</i>

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

New 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
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Community Colleges

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$504,200,909

Budget Changes

<p>58 Enrollment Funds additional enrollment growth in the community college system.</p>	<p>\$2,000,000</p>	<p>R</p>
<p>59 Technology 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.</p>	<p>\$9,000,000 \$1,000,000 12.00</p>	<p>R NR</p>
<p>60 Equipment and Books Provides the same level of equipment and book funds to the community college system as it received in the prior fiscal year.</p>	<p>\$9,000,000</p>	<p>NR</p>
<p>61 Equipment Reserve 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.</p>	<p>\$21,200,000</p>	<p>NR</p>
<p>62 Multi-Campus Funds 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.</p>	<p>\$1,000,000</p>	<p>R</p>
<p>63 Center for Applied Textile Technology Expands the operating budget of the Center for Applied Textile Technology.</p>	<p>\$225,000</p>	<p>R</p>
<p>64 Center for Applied Textile Technology A grant-in-aid for operations at the Center for Applied Textile Technology.</p>	<p>\$300,000</p>	<p>NR</p>
<p>65 Operations and Maintenance of Plant Funds Restores the reduction in the operations and maintenance of plant funds to Central Carolina Community College and Southwestern Community College.</p>	<p>\$313,668</p>	<p>R</p>

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.		
71 MCC Matching Scholarship Endowment Funds	\$500,000	NR
Provides matching scholarship endowment funds for Montgomery Community College Foundation, Inc.		
<hr/>		
Budget Changes	\$12,276,373	R
	\$32,500,000	NR
Total Position Changes	11.00	
Revised Total Budget	\$548,977,282	
<hr/>		

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			
Reduction due to revised requirements for principal and interest payments		(\$9,661,426)	R
		(\$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

inate Reserves Report

8 Global Trans Park Reserve

\$5,325,000 NR

Total Reserves

\$336,343,697 R

\$13,810,312 NR

PUBLIC SCHOOL FUNDING
FY1998-99

	Continuing Resolution		Senate Bill 1366	
	Items Funded From		Public Schools	
	1997 Overcollections		FY1998-99	Compensation Reserve
	FY1998-99	FY1998-99	FY1998-99	
	Nonrecurring	Recurring	Nonrecurring	Recurring
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		
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				
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.		\$12,405,561	\$3,160,454	
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.			\$5,473,776	
Other Salary Items				
Increase Principals Salaries				
Increase principals salaries by maintain the linkage to the FY1998-99 teacher salary schedule. Also provides for performance pay linked to ABC Performance and Safe School goals.		\$4,250,000		\$18,437,996
Funds for Limited Proficiency in English Students				
Provide funds to school systems with students who have limited proficiency in English.			\$5,000,000	

PUBLIC SCHOOL FUNDING
FY1998-99

	Continuing Resolution		Senate Bill 1366		
	Items Funded From		Public Schools		Compensation Reserve
	1997 Overcollections		FY1998-99	FY1998-99	FY1998-99
	Nonrecurring	Recurring	Nonrecurring	Recurring	
School Technology Funds					
Increase School Technology Funds. An additional \$4,700,000 was earmarked from 1997-98 excess reversions.	\$4,700,000		\$5,300,000		
Small School Supplemental Funding					
Provide additional fund for Small School Supplemental Funding.			\$3,000,000		
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		
A+ Schools					
Provides funds to continue the A+ Schools program.			\$500,000		
Global Curriculum Funds					
Provide funds to continue the Global Curriculum program.			\$150,000		
Total Quality Education					
Provides funds to continue and to expand the Total Quality Education program.			\$650,000		
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.					
Public Instruction					
Additional Certification Specialists					
Provide \$160,000 through receipts to increase the number of certification specialists in the Department of Public Instruction.			\$200,000		
					\$0

PUBLIC SCHOOL FUNDING
FY1998-99

	Continuing Resolution		Senate Bill 1366	
	Items Funded From		Public Schools	
	FY1998-99	Nonrecurring	FY1998-99	FY1998-99
Charter School Administration Funds				Compensation Reserve
Provide funds to the State Board of Education and the Local Government Commission to provide administrative support audit support for charter schools.		\$491,209	Nonrecurring	Recurring
Student Information System				
Funds to begin the replacement of the Student Information System (SIMS)			\$1,000,000	
Teacher Development				
Teaching Fellows Program				
Funds to increase the North Carolina Teaching Fellows scholarship from \$5,000 per year to \$6,500 per year.		\$2,400,000		
National Board for Professional Teaching Standards				
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.				
Teacher Evaluation Instruments				
Funds to the State Board of Education to develop and validate a new teacher performance appraisal instrument.			\$2,261,588	
Various Budget Adjustments				
Funding for Increases in Average Daily Membership				
Provide funding for additional increases in average daily membership in FY1998-99.		\$26,553,765		
Longevity Increases				
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				\$0
		\$9,010,274		

PUBLIC SCHOOL FUNDING
FY1998-99

	Continuing Resolution		Senate Bill 1366		
	Items Funded From		Public Schools		Compensation Reserve
	FY1998-99	Nonrecurring	FY1998-99	Nonrecurring	FY1998-99
Mentor Teachers Provide full funding for mentor teachers to first year teachers or instructional support personnel who were not previously teachers.					
Average Annual Salary Adjustment Annual adjustment in average salaries of certified personnel to reflect actual experience through December 1997.				\$9,235,124	
School Bus Purchases Purchase new school buses from nonrecurring funds. \$24,199,403 was earmarked from 1997-98 excess reversions.		\$24,199,403			
Totals: Continuing Resolution + SB1366		\$55,027,680	-\$10,370,013	\$141,758,122	\$211,381,533
Total Recurring	\$201,011,520				
Total Nonrecurring	\$196,785,802				
Total Recurring and Nonrecurring Increases	\$397,797,322				
Total Revised Public School Budget: FY1998-99	\$4,890,991,740				

Joint
HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Thursday, July 16, 1998

MINUTES

The Joint Appropriations Subcommittee on Education met at 8:30 a.m. on Thursday, July 16, 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. House pages serving the subcommittee were Rachel Fields and Holly Corringer. A visitors sheet is attached to these minutes.

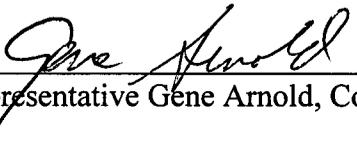
The meeting was called to order by Representative Gene Arnold.

House budget proposals for the UNC System were presented by Mr. Jim Newlin, legislative fiscal staff member. Special provisions were discussed. Questions generated discussion. The UNC presentation was completed.

House budget proposals for the Community College System was presented by Ms. Charlotte Todd, legislative fiscal staff member. This presentation was not completed.

The meeting was adjourned at 9:50 a.m. to reconvene fifteen minutes after Session today for a continuation of the discussion on House budget proposals for community colleges.

Respectfully submitted,



Representative Gene Arnold, Co-Chair



Peggy B. Murray, Committee Clerk

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education Thursday, July 16, 1998 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Hal Miller	NCACT
Leanne Kinier	NCSBA
Joanne Schwan	NCNA
Amy Jo Bain	Smith Anderson
Phyllis Wilson	NCAE
Jan Ramquist	NCATA
Harnett Dial	NCAE
Bob Dain	NOTE
Bill Wilson	NCAE
Deke Campbell	Univ. of Fla.
Ann Leventy	Univ. of Fla.
Larry Morris	NCCCS

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education

Thursday, July 16, 1998 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Tom R. Byrd	DCC
Samuel Williams	MCOS
Gene Causby	F - EBC
Elizabeth Browner	OSBM
Maurice King	"
Janet Pittard	"
Sue Adams	"
Phil Price	NC DPI
Hynd Thruen	TAP/ND
Ann Belam	SBE
Charles F. Cole	UNC General Administration
Ken Gregg	" " "

VISITOR REGISTRATION SHEET

House APPROPRIATIONS/Subcommittee on Education

Thursday, July 16, 1998 8:30 AM

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

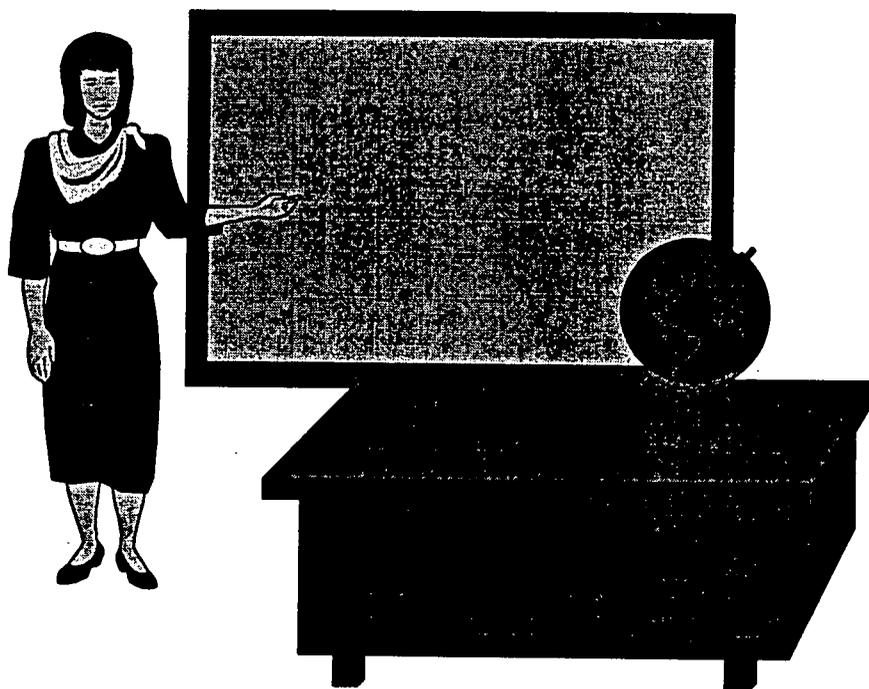
NAME

FIRM OR AGENCY AND ADDRESS

Stephen Melroy	UDO GA
Susan Harrison	WCPS
Loren Gask	Gov. 's Office
Linda K. Mullock	" "
Jan Cratts	NCAASA
Tim McDowell	NCAICL
Gerry Hancock	EGAS
Pat Drappard	SEANC
Katherine Jace	SEANC
Darrell Arnold	SEANC
Troy Green	SEANC
Lynn Wilson	SEANC

**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 R

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 \$975,000 NR
Funds for campuses to create partnerships with local school systems to extend UNC services to public schools.

32 University Outreach to the Public Schools: B.

Principal Fellows Program \$380,000 R
Increase the number of fellows in the first year class from 76 to 95.

33 University Outreach to the Public Schools: C.

Reading Together \$200,000 NR
Additional General Fund support for this pilot program at UNC-Greensboro.

34 New Degree Programs

NC State Engineering Degree in Asheville \$400,000 R
Funds for the BS in Engineering program to be offered in collaboration with UNC-Asheville.

35 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

36 Graduate Education and Research

Provide additional support for graduate teaching and \$1,000,000 R
research assistants

37 Distinguished Professors Endowment Trust Fund

Additional state matching funds for program to increase \$2,000,000 NR
endowed funding for faculty chairs.

C. Agricultural Programs

38 Agricultural Enhancement

Provide increased support for non-salary operating costs in \$0 R
the Agricultural Research and Cooperative Extension programs at NC State. Funds of \$1,400,000 will be transferred from the Reserve for Compensation Increase.

39 Pfiesteria Research

Provide operating funds to establish a Center for Applied \$600,000 R
Aquatic Ecology at NC State to facilitate research on toxic \$1,000,000 NR
microorganisms.

D. Related Educational Programs

40 Aid to Students Attending Private Colleges

Provides funding for increases in Legislative Tuition Grants \$7,248,986 R
(from \$1,450 to \$1,600 per year) and for need-based scholarship funds (from \$750 to \$900 per NC FTE per year).

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
\$504,200,909

Total Budget Approved 1997 Session

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) R

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

6 Section 9.1. (a) Effective for the 1998-99 school year,
7 the Director of the Budget may transfer from the Reserve for
8 Compensation Increase for the 1998-99 fiscal year funds necessary
9 to implement the teacher salary schedule set out in subsection
10 (b) of this section, including funds for the employer's
11 retirement and social security contributions and funds for annual
12 longevity payments at one percent (1%) of base salary for 10 to
13 14 years of State service, one and one-half percent (1.5%) of
14 base salary for 15 to 19 years of State service, two percent (2%)
15 of base salary for 20 to 24 years of State service, and four and
16 one-half percent (4.5%) of base salary for 25 or more years of
17 State service, commencing July 1, 1998, for all teachers whose
18 salaries are supported from the State's General Fund. These
19 funds shall be allocated to individuals according to rules
20 adopted by the State Board of Education and the Superintendent of
21 Public Instruction. The longevity payment shall be paid in a
22 lump sum once a year.

23 (b)(1) For the 1998-99 school year, the following
24 monthly salary schedules shall apply to
25 certified personnel of the public schools who
26 are classified as teachers. The schedule
27 contains 30 steps with each step corresponding
28 to one year of teaching experience.

29 1998-99 Monthly Salary Schedule

30 "A" Teachers

31 Years of Experience	32 "A" Teachers	33 NBPTS Certification
34 0	35 2,310	36 N/A
37 1	38 2,352	39 N/A
40 2	41 2,395	42 N/A
43 3	44 2,551	45 2,857
46 4	47 2,678	48 2,999
49 5	50 2,779	51 3,112
52 6	53 2,826	54 3,165
55 7	56 2,874	57 3,218
58 8	59 2,923	60 3,273
61 9	62 2,972	63 3,328
64 10	65 3,021	66 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

24	Years of	"G"	NBPTS
25	Experience	Teachers	Certification
26			
27	0	2,454	N/A
28	1	2,499	N/A
29	2	2,545	N/A
30	3	2,710	3,035
31	4	2,845	3,186
32	5	2,953	3,307
33	6	3,003	3,363
34	7	3,054	3,420
35	8	3,106	3,478
36	9	3,158	3,536
37	10	3,210	3,595
38	11	3,263	3,654
39	12	3,318	3,716
40	13	3,375	3,780
41	14	3,432	3,843
42	15	3,490	3,908
43	16	3,550	3,976
44	17	3,610	4,043
45	18	3,672	4,112
46	19	3,736	4,184
47	20	3,801	4,257
48	21	3,868	4,332
49	22	3,934	4,406
50	23	4,002	4,482
51	24	4,072	4,560
52	25	4,143	4,640
53	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.

13

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

6 Section 9.2. Section 8.36 of S.L. 1997-443 reads as
7 rewritten:

8 "Section 8.36. (a) Of the funds appropriated to State Aid to
9 Local School Administrative Units, the State Board of Education
10 ~~may use up to seventy-two million four hundred thousand dollars~~
11 ~~(\$72,400,000) for the 1997-98 fiscal year to shall~~ provide
12 incentive funding for schools that meet or exceed the projected
13 levels of improvement in student performance, in accordance with
14 the ABC's of Public Education Program. In accordance with State
15 Board of Education policy, incentive awards in schools that
16 achieve higher than expected improvements may be up to: (i) one
17 thousand five hundred dollars (\$1,500) for each teacher and for
18 certified personnel; and (ii) five hundred dollars (\$500.00) for
19 each teacher assistant. In accordance with State Board of
20 Education policy, incentive awards in schools that meet the
21 expected improvements may be up to: (i) seven hundred fifty
22 dollars (\$750.00) for each teacher and for certified personnel;
23 and (ii) three hundred seventy-five dollars (\$375.00) for each
24 teacher assistant.

25 (b) The State Board of Education may use funds appropriated to
26 State Aid to Local School Administrative Units for assistance
27 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

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.

18

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:

10		Assistant Principals			Principal I		
11	Step	Base	Base	Base	Base	Base	Base
12			+ 1%	+ 2%		+ 1%	+ 2%
13							
14							
15	4	\$2,873	\$2,902	\$2,930	--	--	--
16	5	2,983	3,013	3,043	--	--	--
17	6	3,033	3,063	3,094	--	--	--
18	7	3,085	3,116	3,147	--	--	--
19	8	3,137	3,168	3,200	\$3,137	\$3,168	\$3,200
20	9	3,190	3,222	3,254	3,190	3,222	3,254
21	10	3,242	3,274	3,307	3,242	3,274	3,307
22	11	3,296	3,329	3,362	3,296	3,329	3,362
23	12	3,351	3,385	3,418	3,351	3,385	3,418
24	13	3,409	3,443	3,477	3,409	3,443	3,477
25	14	3,466	3,501	3,535	3,466	3,501	3,535
26	15	3,525	3,560	3,596	3,525	3,560	3,596
27	16	3,586	3,622	3,658	3,586	3,622	3,658
28	17	3,646	3,682	3,719	3,646	3,682	3,719
29	18	3,709	3,746	3,783	3,709	3,746	3,783
30	19	3,773	3,811	3,848	3,773	3,811	3,848
31	20	3,839	3,877	3,916	3,839	3,877	3,916
32	21	3,907	3,946	3,985	3,907	3,946	3,985
33	22	3,973	4,013	4,052	3,973	4,013	4,052
34	23	4,042	4,082	4,123	4,042	4,082	4,123
35	24	4,113	4,154	4,195	4,113	4,154	4,195
36	25	4,184	4,226	4,268	4,184	4,226	4,268
37	26	4,258	4,301	4,343	4,258	4,301	4,343
38	27	4,333	4,376	4,420	4,333	4,376	4,420
39	28	4,410	4,454	4,498	4,410	4,454	4,498
40	29	4,487	4,532	4,577	4,487	4,532	4,577
41	30	4,577	4,623	4,669	4,577	4,623	4,669
42	31	4,669	4,716	4,762	4,669	4,716	4,762
43	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

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 + 1%	Base + 2%	Base	Principal VII Base + 1%	Base + 2%
30							
31							
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

17
18 Principal VIII
19 Step Base Base Base
20 + 1% + 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	\$4,343
37	19	4,333	4,376	4,420
38	20	4,410	4,454	4,498
39	21	4,487	4,532	4,577
40	22	4,577	4,623	4,669
41	23	4,669	4,716	4,762
42	24	4,762	4,810	4,857
43	25	4,857	4,906	4,954
44	26	4,954	5,004	5,053
45	27	5,053	5,104	5,154
46	28	5,154	5,206	5,257
47	29	5,257	5,310	5,362
48	30	5,362	5,416	5,469
49	31	5,469	5,524	5,578
50	32	5,578	5,634	5,690
51	33	5,689	5,746	5,803
52	34	5,803	5,861	5,919
53	35	5,920	5,979	6,038

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	Classification	Number of Teachers Supervised
13	Assistant Principal	
14	Principal I	Fewer than 11 Teachers
15	Principal II	11-21 Teachers
16	Principal III	22-32 Teachers
17	Principal IV	33-43 Teachers
18	Principal V	44-54 Teachers
19	Principal VI	55-65 Teachers
20	Principal VII	66-100 Teachers
21	Principal VIII	More than 100 Teachers

22
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

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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 the internship period of the masters program. Certification of eligible full-time interns shall be supplied to the Department of Public Instruction by the Principal's Fellow Program or a school of education where the intern participates in a full-time masters in school administration.

(26)

1 CODE NO. 98DPI-H007-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 PRINCIPAL SALARY STUDIES

6 Section 9.7. Section 8.43(d) of S.L. 1997-443 reads as
7 rewritten:

8 "(d) The State Board of Education may use up to fifty thousand
9 dollars (\$50,000) of funds appropriated by this act to State Aid
10 to Local School Administrative Units for the ~~1997-98~~ 1998-99
11 fiscal year to study principals' salaries ~~including the~~
12 including:

13 (1) The relationship of principals' salaries to the
14 salaries of teachers and other certified school
15 personnel, personnel;

16 (2) Whether the current relationship between the
17 teacher and principal salary schedules should be
18 increased to a three percent (3%) differential;

19 (3) Whether assistant principals should be given
20 additional steps for years of experience; and

(4) The appropriate relationship of principal's salary
to size of school.

The State Board of Education shall report the results of the
study to the Joint Legislative Education Oversight Committee
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.

30

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

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standardized test administered in May, 12 months prior to the third grade end-of-grade test, is more reliable than a standardized test administered at the beginning of third grade for the purpose of measuring academic growth, the State Board may change the test date for additional local school units. The State Board shall report the results of the study to the Joint Legislative Education Oversight Committee by October 15, 2000.

Baseline measurements administered in May, 12 months prior to the third grade end-of-grade test, are not public records as provided in Chapter 132 of the General Statutes."

(35)

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 "(8) Power to Make Provisions for Sick Leave and for
9 Substitute Teachers. -- The Board shall provide for
10 sick leave with pay for all public school employees
11 in accordance with the provisions of this Chapter
12 and shall promulgate rules and regulations
13 providing for necessary substitutes on account of
14 sick leave and other teacher absences.

15

16 ~~The pay for a substitute shall be fixed by the~~
17 ~~Board. The minimum pay for a substitute teacher~~
18 ~~who holds a teaching certificate shall be fifty-~~
19 ~~four and five-tenths percent (54.5%) of the daily~~
20 ~~pay rate of an entry-level teacher with an 'A'~~
21 ~~certificate. The minimum pay for a substitute~~
22 ~~teacher who does not hold a teaching certificate~~
23 ~~shall be thirty-eight and five-tenths percent~~
24 ~~(38.5%) of the daily pay rate of an entry-level~~
25 ~~teacher with an 'A' certificate. The pay for~~
26 ~~noncertified substitutes shall not exceed the pay~~
27 ~~of certified substitutes.~~

28

29 Local boards may use State funds allocated for
30 substitute teachers to hire full-time substitute
31 teachers.

32

33 If a teacher assistant acts as a substitute
34 teacher, the salary of the teacher assistant for
35 the day shall be the same as the daily salary of an
36 entry-level teacher with an 'A' certificate.

37

38 ~~The Board may provide to each local school~~
39 ~~administrative unit not exceeding one percent (1%)~~
40 ~~of the cost of instructional services for the~~
41 ~~purpose of providing substitute teachers for those~~
42 ~~on sick leave as authorized by law or by~~
43 ~~regulations of the Board, but not exceeding the~~
44 ~~provisions made for other State employees."~~

45

46 (b) If the average number of substitute teacher days
47 taken by teachers in a local school administrative unit is higher
48 than the statewide average, the local board of education shall
49 determine the reasons unit average is high and shall develop a
50 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

6 Section 9.17. (a) G.S. 115C-257 reads as rewritten:

7 "§ 115C-257. Attorney General to pay claims.

8 The Attorney General is hereby authorized to pay reasonable
9 medical expenses, not to exceed ~~six hundred dollars (\$600.00)~~,
10 three thousand dollars (\$3,000), incurred within one year from
11 the date of accident to or for each pupil who sustains bodily
12 injury or death caused by accident, while boarding, riding on, or
13 alighting from a school bus operated by any local school
14 administrative unit."

15 (b) G.S. 143-300.1 reads as rewritten:

16 "§ 143-300.1. Claims against county and city boards of education
17 for accidents involving school buses or school transportation
18 service vehicles.

19 (a) The North Carolina Industrial Commission shall have
20 jurisdiction to hear and determine tort claims against any county
21 board of education or any city board of education, which claims
22 arise as a result of any alleged mechanical defects or other
23 defects which may affect the safe operation of a public school
24 bus or school transportation service vehicle resulting from an
25 alleged negligent act of maintenance personnel or as a result of
26 any alleged negligent act or omission of the ~~driver~~ driver,
27 transportation safety assistant, or monitor of a public school
28 bus or school transportation service vehicle when:

29 (1) The salary of that driver is paid or authorized to
30 be paid from the State Public School Fund, and the
31 driver is an employee of the county or city
32 administrative unit of which that board is the
33 governing body,

34 (1a) The monitor was appointed and acting in accordance
35 with G.S. 115C-245(d),

36 (1b) The transportation safety assistant was employed
37 and acting in accordance with G.S. 115C-245(e), or

38 (2) The driver is an unpaid school bus driver trainee
39 under the supervision of an authorized employee of
40 the Department of Transportation, Division of Motor
41 Vehicles, or an authorized employee of that board
42 or a county or city administrative unit thereof,

43 and which driver was at the time of the alleged negligent act or
44 omission operating a public school bus or school transportation

37

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

38

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.

39

1 CODE NO. 98DPI-H018-S

2

3 Requested by: Representatives Arnold, Grady, Preston

4

5 EXTRA PAY FOR FORFEITED VACATION DAYS

1 Section 9.18. (a) Of the funds appropriated to State
2 Aid to Local School Administrative Units, the sum of four million
3 two hundred fifty thousand dollars (\$4,250,000) for the 1998-99
4 fiscal year shall be used by local boards of education to pay
5 teachers for working on, and thereby forfeiting, vacation days,
6 in accordance with G.S. 115C-302.1(c). The State Board of
7 Education shall make available to each local school
8 administrative unit sufficient funds to provide pay for a maximum
9 of six days for each teacher who is qualified to receive
10 additional pay for forfeited vacation days under G.S. 115C-
11 302.1(c). For the 1998-99 fiscal year, the funds allotted under
12 this subsection shall be available for days scheduled by local
13 boards and individual schools as follows: two for days scheduled
14 by the local board of education under G.S. 115C-84.2(a)(4); and
15 four for days scheduled by school principals in consultation with
16 school improvement teams under G.S. 115C-84.2(a)(5).

17 (b) G.S. 115C-84.2 reads as rewritten:

18 "§ 115C-84.2. School calendar.

19 (a) School Calendar. -- Each local board of education shall
20 adopt a school calendar consisting of 220 days all of which shall
21 fall within the fiscal year. A school calendar shall include the
22 following:

23 (1) A minimum of 180 days and 1,000 hours of
24 instruction covering at least nine calendar months.
25 The local board shall designate when the 180
26 instructional days shall occur. The number of
27 instructional hours in an instructional day may
28 vary according to local board policy and does not
29 have to be uniform among the schools in the
30 administrative unit. Local boards may approve
31 school improvement plans that include days with
32 varying amounts of instructional time. If school is
33 closed early due to inclement weather, the day and
34 the scheduled amount of instructional hours may
35 count towards the required minimum to the extent
36 allowed by State Board policy. The school calendar
37 shall include a plan for making up days and
38 instructional hours missed when schools are not
39 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

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.

43

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

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assigned a teacher who is responsible for monitoring the academic progress of the student.
(3) Of the funds appropriated in this section, the State Board of Education may use up to twenty-five thousand dollars (\$25,000) to evaluate the effectiveness of these smaller classes in improving academic performance and discipline in middle 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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make that information available to the general public.

d. The State Board of Education shall modify the Uniform Education Reporting System to provide clear, accurate, and standard information on the use of funds at the unit and school level. The plan shall provide information that will enable the General Assembly to determine State, local, and federal expenditures for personnel at the unit and school level. The plan also shall allow the tracking of expenditures for textbooks, educational supplies and equipment, capital outlay, at-risk students, and other purposes. The revised Uniform Education Reporting System shall be implemented beginning with the 1999-2000 school year."

49

1 CODE NO. 98DPI-H024-S

2

3 Requested by: Representatives Arnold, Preston

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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

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allocated for classroom materials/instructional supplies/equipment may be transferred only for the purchase of textbooks; (ii) State funds allocated for textbooks may be transferred only for the purchase of instructional supplies, instructional equipment, or other classroom materials; and (iii) State funds allocated for noninstructional support personnel may be transferred only for teacher positions.

- (3) No funds shall be transferred into the central office allotment category.
- (4) Funds allocated for children with special needs and funds allocated for driver's education shall not be transferred.
- (5) Funds allocated for classroom teachers may be transferred only for teachers of exceptional children, for teachers of at-risk students, and for authorized purposes under the textbooks allotment category and the classroom materials/instructional supplies/equipment allotment category.
- (6) Funds allocated for vocational education may be transferred only in accordance with any rules that the State Board of Education considers appropriate to ensure compliance with federal regulations.
- (7) Funds allocated for career development shall be used in accordance with Section 17.3 of Chapter 324 of the 1995 Session Laws.
- (8) Funds allocated for academically or intellectually gifted students may be used only (i) for academically or intellectually gifted students; (ii) to implement the plan developed under G.S. 115C-150.7; or (iii) in accordance with an accepted school improvement plan, for any purpose so long as that school demonstrates it is providing appropriate services to academically or intellectually gifted students assigned to that school in accordance with the local plan developed under G.S. 115C-150.7."

53

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.

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2 CODE NO. 98-RH-003
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4 Requested by: Representative Daughtry.
5

6 CHARTER SCHOOLS

7 Section . (a) G.S. 115C-238.29F(e) reads as rewritten:
8 "(e) Employees. --

- 9 (1) An employee of a charter school operated by a
10 private nonprofit corporation is not an employee of
11 the local school administrative unit in which the
12 charter school is located. An employee of a charter
13 school operated by a local school administrative
14 unit is an employee of the local school
15 administrative unit in which the charter school is
16 located. The charter school's board of directors
17 shall employ and contract with necessary teachers
18 to perform the particular service for which they
19 are employed in the school; at least seventy-five
20 percent (75%) of these teachers in grades
21 kindergarten through five, at least fifty percent
22 (50%) of these teachers in grades six through
23 eight, and at least fifty percent (50%) of these
24 teachers in grades nine through 12 shall hold
25 teacher certificates. The board also may employ
26 necessary employees who are not required to hold
27 teacher certificates to perform duties other than
28 teaching and may contract for other services. The
29 board may discharge teachers and noncertificated
30 employees.
31 (2) No local board of education shall require any
32 employee of the local school administrative unit to
33 be employed in a charter school.
34 (3) If a teacher employed by a local school
35 administrative unit makes a written request for an
36 extended leave of absence to teach at a charter
37 ~~school,~~ school operated by a private nonprofit
38 corporation, the local school administrative unit
shall grant the leave. The local school
administrative unit shall grant a leave for any
number of years requested by the teacher, shall
extend the leave for any number of years requested
by the teacher, and shall extend the leave at the
teacher's request. For the initial year of a

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charter school's operation, the local school administrative unit may require that the request for a leave or extension of leave be made up to 45 days before the teacher would otherwise have to report for duty. For subsequent years, the local school administrative unit may require that the request for a leave or extension of leave be made up to 90 days before the teacher would otherwise have to report for duty. A teacher who has career status under G.S. 115C-325 prior to receiving an extended leave of absence to teach at a charter school may return to a public school in the local school administrative unit with career status at the end of the leave of absence or upon the end of employment at the charter school if an appropriate position is available. If an appropriate position is unavailable, the teacher's name shall be placed on a list of available teachers and that teacher shall have priority on all positions for which that teacher is qualified in accordance with G.S. 115C-325(e)(2).

- (4) The employees of the charter school operated by a private nonprofit corporation shall be deemed employees of the local school administrative unit for purposes of providing certain State-funded employee benefits, including membership in the Teachers' and State Employees' Retirement System and the Teachers' and State Employees' Comprehensive Major Medical Plan. The State Board of Education provides funds to charter ~~schools,~~ schools operated by private nonprofit corporations, approves the original members of the boards of directors of the charter schools, has the authority to grant, supervise, and revoke charters, and demands full accountability from charter schools for school finances and student performance. Accordingly, it is the determination of the General Assembly that charter schools operated by private nonprofit corporations are public schools and that the employees of these charter schools are public school ~~employees and are "teachers" for purposes of membership in the North Carolina Teachers' and State Employees' Retirement System and State Employees' Comprehensive Major Medical Plan.~~

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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

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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

(59)

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.

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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

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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

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the charter, the school shall not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, gender, national origin, religion, or ancestry. The charter school may give enrollment priority to siblings of currently enrolled students who were admitted to the charter school in a previous year and to children of the school's principal, teachers, and teacher assistants. In addition, and only for its first year of operation, the charter school may give enrollment priority to children of the initial members of the charter school's board of directors, so long as (i) these children are limited to no more than ten percent (10%) of the school's total enrollment or to 20 students, whichever is less, and (ii) the charter school is not a former public or private school. ~~Within one year after the charter school begins operation,~~ The charter school shall make a good faith effort to attract and enroll students so that the population of the school shall reasonably reflect reflects the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located. The school shall be subject to any court-ordered desegregation plan in effect for the local school administrative unit."

(t) G.S. 115C-238.29G(c) reads as rewritten:

"(c) The State Board and the charter school are encouraged to make a good-faith attempt to resolve the differences that may arise between them. ~~They~~ Furthermore, the local board of the local school administrative unit in which the charter school is located and the charter school are encouraged to make a good-faith attempt to resolve any differences that may arise between them. The parties in dispute may agree to jointly select a mediator. The mediator shall act as a neutral facilitator of disclosures of factual information, statements of positions and contentions, and efforts to negotiate an agreement settling the differences. The mediator shall, at the request of either the State Board or a charter school, party, commence a mediation immediately or within a reasonable period of time. The mediation shall be held in accordance with rules and standards of conduct adopted under Chapter 7A of the General Statutes governing mediated settlement conferences but modified as appropriate and suitable to the resolution of the particular issues in disagreement.

Notwithstanding Article 33C of Chapter 143 of the General Statutes, the mediation proceedings shall be conducted in 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 (al) 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

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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

- 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 (z) (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

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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 ~~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

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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."

(79)

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

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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."

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CODE NO. 98UNC-H006-S

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.

CODE NO. 98UNC-H009-S

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."

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:

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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~~

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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.

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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

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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

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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

109

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.

112

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

1 Section 10.1. The State Board of Community Colleges
2 shall contract with an outside consultant to:

3 (1) Review the community college capital allocation
4 process and to recommend modifications to the
5 process necessary to make the process more
6 equitable; and

7 (2) Study performance budget measures and recommend
8 options for allocating community college funds on a
9 performance budgeting basis.

10 The State Board may use funds from the State Board Reserve to
11 implement this section.

12 The State Board shall report to the Joint Legislative
13 Appropriations Subcommittees on Education and the Fiscal Research
14 Division prior to February 1, 1999, on the implementation of this
15 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:

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(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:

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