

2011-2012

**HOUSE
APPROPRIATIONS -
EDUCATION**

MINUTES

NORTH CAROLINA GENERAL ASSEMBLY

Appropriations Subcommittee on Education

2011-2012 SESSION



Rep. Mark Hilton
Senior Chair



Rep. Hugh Blackwell
Chair



Rep. Bryan Holloway
Chair



Rep. G. L. Pridgen
Vice-Chair



Rep. Norman W. Sanderson
Vice-Chair



Rep. Marilyn Avila



Rep. Larry Bell



Rep. John Blust



Rep. Larry Brown



Rep. Rick Glazier



Rep. Maggie Jeffus



Rep. Marvin Lucas



Rep. Marian McLawhorn



Rep. Mickey Michaux



Rep. Earline Parmon



Rep. Paul Stam

House Appropriations Subcommittee on Education

<u>MEMBER</u>		<u>ASSISTANT</u>	<u>PHONE</u>	<u>OFFICE</u>	<u>SEAT</u>
Hilton, Mark	Chair	Carol Wilson	733-5988	1227	17
Blackwell Hugh,	Chair	Committee Clerk Dixie Riehm	733-5805	541	90
Holloway Bryan,	Chair	Cara Philon	7335609	529	32
Pridgen, G. L.	Vice -Chair	Beverly Slagle	733-5821	2223	89
Sanderson, Norman	Vice-Chair	Linda Sanderson	733-5853	306 A 2	68
Avila, Marilyn		Susan Lewis	733-5530	2217	37
Bell, Larry		Carolyn Edwards	733-5863	606	71
Blust, John		Betty Childress	733-5781	1229	25
Brown, Larry		Delores Ledford	733-5607	303	26
Glazier, Rick		Carin Savel	733-5601	1021	92
Jeffus, Maggie		Barbara Hocutt	733-5191	1307	10
Lucas, Marvin		Thelma Utley	733-5775	607	72
McLawhorn, Marian		Susan Burleson	733-5757	1217	59
Michaux, Mickey		Anita Wilder	715-2528	1220	11
Parmon, Earline		Pat Christmas	733-5829	509	95
Stam, Paul		Christin Danchi	733-2962	2301	54

ATTENDANCE

House Appropriations Subcommittee on Education

(Name of Committee)

[illegible]

MINUTES
HOUSE APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION

Tuesday, April 12, 2011, 4:00 p. m.

The House Appropriations Subcommittee met in room 421 of the Legislative Office Building on Tuesday, April 12, 2011 at 4:00 p. m. Representative Mark Hilton, Co-Chair, presided over the meeting. The following House members were present: Representatives Blackwell and Holloway, Co-Chairs, Representatives Pridgen and Sanderson, Vice-Chairs, Representatives Avila, Bell, Blust, Glazier, Jeffus, Lucas, McLawhorn, Michaux, Parmon and Stam. Members of the Education Fiscal Research Division were also present. A Visitor Registration Sheet is attached and made part of these minutes.

Chairman Hilton called the meeting to order and recognized the Sergeant-at-Arms, and Pages.

Fiscal Research staff began their presentation of House Subcommittee Chairs' Budget Proposal. Staff member, Kristopher Nordstrom, reviewed the Education Summary (**Attachment #1**) and Proposed Special Provisions (**Attachment #2**) for the Public Education. Andrea Poole was recognized to explain and review the Community College and Denise Harb was recognized to explain and review the University of North Carolina portion. Discussion and questions followed.

The meeting adjourned at 5:40 p.m.

Respectfully submitted,



Representative Mark Hilton



Carol Wilson, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2011-2012 SESSION**

You are hereby notified that the Committee on **Appropriations Subcommittee on Education** will meet as follows:

DAY & DATE: Tuesday, April 12, 2011

TIME: 4:00 PM

LOCATION: 421 LOB

COMMENTS:

Respectfully,
Representative Blackwell, Chair
Representative Hilton, Chair
Representative Holloway, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **2 PM** o'clock on **April 12, 2011**.

- ☐ Principal Clerk
- ☐ Reading Clerk – House Chamber

Carol Wilson (Committee Assistant)

House Appropriations Subcommittee on Education

Agenda

Tuesday, April 12, 2011, 4:00 P.M.
Room 421, Legislative Office Building
Representative Mark Hilton, Presiding

- I. Welcome**
Representative Hilton

- II. Presentation of House Subcommittee Chairs' Budget Proposal**
Fiscal Research Division

- III. Adjourn**

House Appropriations Subcommittee on Education

Rep. Blackwell, Chair
Rep. Hilton, Chair
Rep. Holloway, Chair
Rep. Pridgen, Vice Chair
Rep. Sanderson, Vice Chair

Members: Rep. Avila, Rep. Bell, Rep. Blust, Rep. L. Brown,
Rep. Glazier, Rep. Jeffus, Rep. Lucas,
Rep. McLawhorn, Rep. Michaux, Rep. Parmon,
Rep. Stam

ATTENDANCE

House Appropriations Subcommittee on Education

(Name of Committee)

[illegible]

Attachment #1

Education Summary – House Subcommittee Chairs' Budget Proposal

FY 2011-12						
	Continuation	Governor	Governor - Continuation	House	House - Continuation	House vs Cont.
Public Schools	\$7,923,543,951	\$7,572,712,912	(350,831,039)	7,229,503,708	(694,040,243)	-8.8%
Community Colleges	\$1,102,475,214	\$1,016,629,522	(85,845,692)	991,962,860	(110,512,354)	-10.0%
UNC	\$2,887,492,464	\$2,657,835,835	(229,656,629)	2,439,931,132	(447,561,332)	-15.5%
Total	\$11,913,511,629	\$11,247,178,269	(666,333,360)	10,661,397,700	(1,252,113,929)	-10.5%

FY 2012-13						
	Continuation	Governor	Governor - Continuation	House	House - Continuation	House vs Cont.
Public Schools	\$7,923,543,951	\$7,598,568,534	(324,975,417)	7,253,185,771	(670,358,180)	-8.5%
Community Colleges	\$1,102,475,214	\$1,022,312,530	(80,162,684)	991,962,860	(110,512,354)	-10.0%
UNC	\$2,886,730,386	\$2,670,455,384	(216,275,002)	2,439,287,176	(447,443,210)	-15.5%
Total	\$11,912,749,551	\$11,291,336,448	(621,413,103)	10,684,435,807	(1,228,313,744)	-10.3%

Public Schools

		Continuation Budget		House			
		FY 2011-12	FY 2012-13	2011-12		FY 2012-13	
#	Item			R	NR	R	NR
	Technical Adjustments						
1.	ADM Adjustment			55,882,651	-	143,087,414	-
2.	Average Salary Adjustment			(21,792,273)	-	(22,040,287)	-
3.	Children w Disabilities Headcount Adjustment*	694,938,293	695,979,534	(7,000,000)	-	(7,000,000)	-
4.	ADM Fund	72,110,000	74,750,000	-	-	-	-
	Other Public School Funding Adjustments						
5.	LEA Adjustment (negative reserve)	(304,744,366)	(304,744,366)	(42,170,022)		(105,696,322)	
6.	Teacher Assistants (fund only K-1)	527,793,315	544,432,298	(258,647,482)	-	(254,193,602)	-
7.	Education Reform Studies			-	1,000,000	-	-
8.	Testing*	11,529,114	11,575,598	(2,725,029)		(2,729,677)	
9.	Dropout Prevention Grants	13,290,683	13,290,683	(13,290,683)	-	(13,290,683)	-
10.	Student Diagnostics	10,000,000	10,000,000	(10,000,000)	-	(10,000,000)	-
11.	Learn & Earn Virtual Schools	1,000,000	1,000,000	(1,000,000)	-	(1,000,000)	-
12.	Learn & Earn Online	4,875,000	4,875,000	(4,875,000)	-	(4,875,000)	-
13.	At-Risk Student Services*	251,049,088	252,372,593	(30,125,891)	-	(30,284,711)	-
14.	Noninstructional Support Personnel*	396,649,804	400,365,281	(59,497,471)	-	(60,054,792)	-
15.	Textbooks*	115,598,088	116,672,015	-	(79,000,000)	-	(79,000,000)
16.	Instructional Supplies*	91,226,790	92,085,735	-	(38,245,358)	-	(38,417,147)
17.	Academically or Intellectually Gifted*	70,667,591	71,329,653	(8,480,111)	-	(8,559,558)	-
18.	Central Office Administration*	107,570,586	107,840,586	(10,757,059)	-	(10,784,059)	-
19.	School Building Administration (principals & assistant principals)	326,604,352	328,971,112	(24,790,256)	-	(25,023,016)	-
20.	Instructional Support	458,685,560	462,989,580	(22,934,278)	-	(23,180,222)	-
21.	Limited English Proficiency*	75,055,124	81,142,256	(7,505,512)	-	(8,114,226)	-
22.	Transportation*	413,604,577	417,690,635	(20,680,229)	-	(20,884,532)	-
23.	School Bus Replacement	56,851,619	56,851,619	-	(20,000,000)	-	(20,000,000)
24.	Mentoring	9,214,190	9,214,190	(9,214,190)	-	(9,214,190)	-
25.	School Technology	10,000,000	10,000,000	(10,000,000)	-	(10,000,000)	-

Public Schools

		Continuation Budget		House			
		FY 2011-12	FY 2012-13	2011-12		FY 2012-13	
#	Item			R	NR	R	NR
26.	Staff Development*	12,565,063	12,626,995	(12,565,063)	-	(12,626,995)	-
27.	Uniform Education Reporting System (UERS)	12,360,074	12,360,074	(2,101,213)	-	(2,101,213)	-
28.	More at Four (transfer remaining funds to Div. of Child Development, DHHS)	81,122,426	81,122,426	(16,000,000)	-	(16,000,000)	-
29.	Geographically Isolated School Allotment	411,503	411,503	(411,503)	-	(411,503)	-
30.	Liability Insurance for Public School Personnel	-	-	3,700,000	-	3,700,000	-
	Pass-throughs						
31.	Communities in Schools	1,446,750	1,446,750	(144,675)	-	(144,675)	-
32.	Teacher Cadet	340,000	340,000	(34,000)	-	(34,000)	-
33.	Science Olympiad	127,500	127,500	(127,500)	-	(127,500)	-
34.	Teach for America	900,000	900,000	(90,000)	-	(90,000)	-
35.	Kids Voting	50,000	50,000	(50,000)	-	(50,000)	-
36.	NC Science, Math, & Technical Educ. Center	100,000	100,000	(100,000)	-	(100,000)	-
37.	Tarheel Challenge	767,719	767,719	(76,772)	-	(76,772)	-
	Department of Public Instruction						
38.	Curriculum	3,016,799	3,016,799	(1,119,336)	-	(1,119,336)	-
39.	Technology Services	9,198,839	9,198,839	(2,712,988)	-	(2,712,988)	-
40.	Communications	912,368	912,368	(246,586)	-	(246,586)	-
41.	District and School Transformation	7,206,325	7,206,325	(1,328,617)	-	(1,328,617)	-
42.	Accountability	1,324,713	1,324,713	(94,441)	-	(94,441)	-
43.	Instructional Technology	926,475	926,475	(93,682)	-	(93,682)	-
44.	Office of Early Learning	134,252	134,252	(134,252)	-	(134,252)	-
45.	School Planning	261,963	261,963	(261,963)	-	(261,963)	-
46.	Educator Recruitment & Development	411,886	411,886	(411,886)	-	(411,886)	-
47.	Teacher Academy	4,762,874	4,762,874	(4,762,874)	-	(4,762,874)	-
48.	NCCAT	6,102,495	6,102,495	(6,102,495)	-	(6,102,495)	-
49.	Governor's Education Cabinet	206,063	206,063	(206,063)	-	(206,063)	-
50.	NC Professional Teaching Standards Commission	235,646	235,646	(235,646)	-	(235,646)	-
51.	Residential Schools for the Deaf and Blind	32,632,108	32,632,108	(1,691,445)	-	(1,691,445)	-
52.	Connectivity	19,942,093	19,942,093	(650,000)	-	(650,000)	-

Public Schools

		Continuation Budget		House			
		FY 2011-12	FY 2012-13	2011-12		FY 2012-13	
#	Item			R	NR	R	NR
53.	Governor's School	849,588	849,588	-	-	(849,588)	-
54.	Learn and Earn Administration	139,050	139,050	(139,050)	-	(139,050)	-
Total Adjustments				\$ (557,794,885)	\$ (136,245,358)	\$ (532,941,033)	\$ (137,417,147)
Certified Budget				7,923,543,951		7,923,543,951	
Total Adjustments				(694,040,243)		(670,358,180)	
Recommended Budget				\$7,229,503,708		\$7,253,185,771	

* Includes ADM and Average Salary Adjustments not included in the Continuation Budget.

Community Colleges

#	Item	Continuation Budget		House			
		FY 2011-12	FY 2012-13	FY 2011-12		FY 2012-13	
				R	NR	R	NR
	Technical Adjustments						
1.	Enrollment Growth - Full enrollment growth, includes equipment in formula			34,140,158	-	47,699,747	-
	State Aid Adjustments						
2.	Management Flexibility Reduction	(29,000,000)	(29,000,000)	(44,095,124)		(51,761,305)	-
3.	Curriculum Tuition Increase \$10/credit hour Y1, \$12.50/credit hour Y2	(286,749,173)	(286,749,173)	(47,664,650)	-	(60,393,549)	-
4.	Continuing Education Fee Increase \$5 per course in FY 2012-13			-	-	(664,509)	-
5.	Modify Funding Formula - Eliminate Allied Health, Tech Ed, and Heavy Equipment programs special allocations and reconfigure funding formulae.	539,742,166	539,742,166	(22,670,636)	-	(22,670,636)	-
6.	Reduce Basic Skills Funding	80,483,463	80,483,463	(10,000,000)	-	(10,000,000)	-
7.	Institutional and Academic Support	461,034,336	461,034,336	(8,548,090)	-	(8,548,090)	-
8.	Customized Training	12,917,716	12,917,716	-	(7,500,000)	-	-
9.	BioNetwork	4,396,284	4,396,284	(290,228)	-	(290,228)	-
10.	NC Military Business Center	1,250,000	1,250,000	(125,000)	-	(125,000)	-
11.	Textile Center	912,509	912,509	(91,251)	-	(91,251)	-
12.	Minority Male Mentoring	900,000	900,000	(90,000)		(90,000)	-
13.	Manufacturing Solutions Center	572,116	572,116	(57,212)	-	(57,212)	-
14.	Haywood Regional High Tech Center	582,383	582,383	(582,383)	-	(582,383)	-
15.	Hickory Metro Higher Education Center – Transfer to UNC Budget	264,833	264,833	(264,833)	-	(264,833)	-
16.	FTCC Botanical Lab	264,000	264,000	(264,000)		(264,000)	-
17.	NC REAL	250,000	250,000	(250,000)	-	(250,000)	-
	System Office Adjustments						
18.	Eliminate System Office Positions - 19 pos.	213 pos.		(1,265,975)	-	(1,265,975)	-
19.	Reduce Funds for 2+2 E-learning Initiative	750,000	750,000	(97,000)	-	(97,000)	-
20.	System Office Operating Funds Reduction			(265,417)	-	(265,417)	-
21.	Shift Positions to Receipt Support (3.5 pos.)			(322,180)	-	(322,180)	-

Community Colleges

		Continuation Budget		House			
		FY 2011-12	FY 2012-13	FY 2011-12		FY 2012-13	
#	Item			R	NR	R	NR
22.	Shift GED Program to Receipt Support - 2.5 position shifted from GF, fee to be set by State Board			(208,533)	-	(208,533)	-
Total Adjustments				(103,012,354)	(7,500,000)	(110,512,354)	-
Certified Budget				1,102,475,214		1,102,475,214	
Total Adjustments				(110,512,354)		(110,512,354)	
Proposed Budget				\$991,962,860		\$991,962,860	

UNC

		Certified Budget		House			
		FY 2011-12	FY 2012-13	FY 2011-12		FY 2012-13	
#	Item			R	NR	R	NR
	Technical Adjustments						
1.	Enrollment Growth (Full funding in first year)			46,818,123	-	46,818,123	-
	Other Adjustments						
2.	Management Flexibility Reduction			(469,224,273)	-	(470,749,947)	-
3.	UNC Hospitals Subsidy	44,011,882	44,011,882	-	(44,011,882)	-	(44,011,882)
4.	Coastal Wave Energy Research	2,000,000	2,000,000	(2,000,000)	-	(2,000,000)	-
5.	Center for Public Television	11,997,888	11,997,888	(11,997,888)	10,558,141	(11,997,888)	-
6.	East Carolina Dental School	11,500,000	11,500,000	3,500,000	-	5,000,000	-
7.	Building Reserves	-	-	18,531,614	-	29,233,551	-
8.	Hickory Metro Higher Education - Transfer from Community Colleges budget	-	-	264,833	-	264,833	-
Total Adjustments				(414,107,591)	(33,453,741)	(403,431,328)	(44,011,882)
Certified Budget				2,887,492,464		2,886,730,386	
Total Adjustments				(447,561,332)		(447,443,210)	
Proposed Budget				\$2,439,931,132		\$2,439,287,176	

Financial Aid

Note: Figures represent a mix of Escheat and General Fund monies.

#	Item	House			
		2011-12		FY 2012-13	
		R	NR	R	NR
	UNC Grants				
1.	UNC Need-Based Aid - limit to 9 semesters starting in FY 2012-13.	(301,446)	-	(4,956,358)	-
2.	Eliminate Student Incentive Grants	(4,414,428)	-	(4,414,428)	-
	Community College Grant				
3.	Take accumulated fund balance, but appropriate enough funding for ongoing \$16,500,000 budget	2,518,798	(5,731,912)	2,518,798	-
	Aid to Private Colleges				
4.	Eliminate Private Medical School Aid	(1,279,000)	-	(1,279,000)	-
5.	10% reduction to remaining private school aid, including limiting recipients to 9 semesters beginning in FY 2012-13	(10,448,764)	-	(10,448,764)	-
	Scholarship-loan Program				
6.	Principal Fellows - 10% reduction in slots in FY 2012-13 (Note: Fund balance taken by Governor for FY 2010-11)	-	-	(362,000)	-
7.	Millennium Teacher - Combine with Prospective Teacher Scholarship-loan, eliminate remaining fund balance		(500,000)		
8.	Future Teachers - Eliminate remaining appropriations	(455,000)	-	(455,000)	-
	UNC Tuition Waivers				
9.	Nonresident Graduate Student Remissions	(8,640,045)	-	(8,640,045)	-
10.	Resident Tuition for Nonresident Students	(6,055,000)	-	(6,055,000)	-
11.	Academic Common Market Waiver - no new enrollees	-	-	(1,215,000)	
12.	Nonresident Teachers	(984,443)	-	(984,443)	-
13.	Special Talent Undergraduate Tuition Waivers	(529,967)	-	(529,967)	-
14.	Prospective Teachers Scholars Program	(378,230)	-	(378,230)	-
15.	Community College Tuition Waivers	(444,000)	-	(444,000)	-
Total Adjustments		(31,411,525)	(6,231,912)	(37,643,437)	-
Total Net Reduction		(37,643,437)		(37,643,437)	

House Education Subcommittee Chairs' Proposed Special Provisions

April 12, 2011

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT SPECIAL PROVISION



2011-DPI-H28A

Department of Public Instruction Appropriations Subcommittee on Education

Requested by: Representative

EDUCATION REFORM IN NORTH CAROLINA.

SECTION #.(a) It is the intent of the General Assembly that the children of North Carolina are ready to succeed when they start school, learn the appropriate foundational education in the early grades, are prepared for a career or higher education upon graduation, and have job and learning skills appropriate to the global economy.

SECTION #.(b): To implement this, the Joint Education Oversight Committee shall study the following and report to the 2012 Session of the 2011 General Assembly with a comprehensive plan, including implementation dates and schedules, to accomplish this vision.

- (1) Elementary and Secondary Education – It is a priority of the General Assembly that by the end of third grade, North Carolina children receive a foundational education in reading and mathematics upon which to build future educational achievement. Further, it is a priority that children in all grades receive quality education from high quality teachers that are ready and able to teach and that children are promoted in an educationally appropriate manner. To that end, the Committee shall study:
 - a. Teacher tenure and its relationship with student performance.
 - b. Teacher pay and its relationship with student performance, including:
 1. Salary supplements for employees with masters degrees and national board certification, and their relationship with student performance.
 2. Methods of implementing a performance pay plan for school employees.
 - c. Strategies for reducing teacher paperwork to assist teachers in spending more time with students.
 - d. Kindergarten as a transition year between pre-K and elementary education, including looking at:
 1. Kindergarten specific class size ratios.
 2. Effectiveness of teacher assistants.
 - e. Reducing teacher-student ratio to 1:15 in first through third grade. In studying this reduction, the Committee shall consider:
 1. Professional development requirements.
 2. Physical classroom constraints.
 3. Integration of the third grade literacy policy, including third grade reading specialists, including Florida's reading specialist program.
- (2) Transition from High School – It is a priority of the General Assembly that high school graduates enter the workforce or higher education fully prepared. To that end, the Committee shall study:

- a. Ways to reduce the need for remedial or developmental education in the State's higher education institutions, so that students and the State do not pay repeatedly for the same education, including:
 1. Ensuring clear, rigorous secondary school standards, such as using college assessment tests in high school, including reviewing models in Florida and California, and using college assessment tests as entrance requirements for universities.
 2. Ways to hold high schools accountable for the higher education performance of their students, including requiring funding for developmental education to come from high schools.
 3. The most cost-effective way to provide remedial education in higher education, including funding summer-term developmental courses at community colleges based on successful course completions, focusing remediation at the community colleges, and redirecting university appropriations for remedial education to the community colleges.
 - b. The most efficient and effective way to give high school students access to higher education, including:
 1. Career preparation, including the Governor's Career and College Promise recommendation
 2. College preparation, including the Governor's Career and College Promise program and existing Learn and Earn programs
 3. Revising statutes for high school students in higher education
- (3) Higher Education – It is a priority of the General Assembly that the State's higher education system produce college graduates in the most efficient and effective manner possible, to improve productivity and public accountability for performance in postsecondary education, and ultimately to increase the educational level and earning potential of the State. To that end, the Committee shall study:
- a. A revised set of accountability measures and performance standards by which to evaluate and measure student progress and student success in the North Carolina Community College System, as described in Section 8.X, including how to incorporate these measures into formula funding.
 - b. A revised method of projecting and funding UNC enrollment growth, as described in Section 9.X.
 - c. Ways to increase transparency in the university system spending and revenues
 - d. Other states' performance funding systems, including efforts in Ohio, Florida, and Washington.
 - e. Ways to increase college graduation rates, by funding based on performance.
 - f. The impact of directing more students to the community colleges for their freshman and sophomore years of a four-year degree, including requiring a certificate of transfer from the North Carolina Community College System before transferring to The University of North Carolina System.

- 1 **SECTION #(c):** In all cases, any program implemented needs to be structured so
- 2 that ongoing, evaluable performance and outcome data is available.
- 3 **SECTION #.(d):** Funds appropriated to implement this section may be used by the
- 4 Committee to hire one or more external consultants to complete these studies.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H3

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***FUNDS FOR CHILDREN WITH DISABILITIES***

10 SECTION #. The State Board of Education shall allocate additional funds for
11 children with disabilities on the basis of three thousand five hundred ninety-eight dollars and
12 fifty-five cents (\$3,598.55) per child. Each local school administrative unit shall receive funds
13 for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and
14 five-tenths percent (12.5%) of its 2011-2012 allocated average daily membership in the local
15 school administrative unit. The dollar amounts allocated under this section for children with
16 disabilities shall also adjust in accordance with legislative salary increments, retirement rate
17 adjustments, and health benefit adjustments for personnel who serve children with disabilities.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H4

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***FUNDS FOR ACADEMICALLY GIFTED CHILDREN***

11 **SECTION #.** The State Board of Education shall allocate additional funds for
12 academically or intellectually gifted children on the basis of one thousand one hundred
13 ninety-two dollars and ninety cents (\$1,192.90) per child. A local school administrative unit
14 shall receive funds for a maximum of four percent (4%) of its 2011-2012 allocated average
15 daily membership, regardless of the number of children identified as academically or
16 intellectually gifted in the unit. The dollar amounts allocated under this section for
17 academically or intellectually gifted children shall also adjust in accordance with legislative
18 salary increments, retirement rate adjustments, and health benefit adjustments for personnel
19 who serve academically or intellectually gifted children.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H5

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

USE OF SUPPLEMENTAL FUNDING IN LOW WEALTH COUNTIES

SECTION #.(a) Use of Funds for Supplemental Funding. – All funds received pursuant to this section shall be used only (i) to provide instructional positions, instructional support positions, teacher assistant positions, clerical positions, school computer technicians, instructional supplies and equipment, staff development, and textbooks and (ii) for salary supplements for instructional personnel and instructional support personnel. Local boards of education are encouraged to use at least twenty-five percent (25%) of the funds received pursuant to this section to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades 3-8 and children who are performing at Level I or II in grades 4 and 7.

SECTION #.(b) Definitions. – As used in this section:

- (1) "Anticipated county property tax revenue availability" means the county-adjusted property tax base multiplied by the effective State average tax rate.
- (2) "Anticipated total county revenue availability" means the sum of the following:
 - a. Anticipated county property tax revenue availability,
 - b. Local sales and use taxes received by the county that are levied under Chapter 1096 of the 1967 Session Laws or under Subchapter VIII of Chapter 105 of the General Statutes,
 - c. Sales tax hold harmless reimbursement received by the county under G.S. 105-521, and
 - d. Fines and forfeitures deposited in the county school fund for the most recent year for which data are available.
- (3) "Anticipated total county revenue availability per student" means the anticipated total county revenue availability for the county divided by the average daily membership of the county.
- (4) "Anticipated State average revenue availability per student" means the sum of all anticipated total county revenue availability divided by the average daily membership for the State.
- (5) "Average daily membership" means average daily membership as defined in the North Carolina Public Schools Allotment Policy Manual, adopted by the State Board of Education. If a county contains only part of a local school administrative unit, the average daily membership of that county includes all students who reside within the county and attend that local school administrative unit.
- (6) "County-adjusted property tax base" shall be computed as follows:

- a. Subtract the present-use value of agricultural land, horticultural land, and forestland in the county, as defined in G.S. 105-277.2, from the total assessed real property valuation of the county,
 - b. Adjust the resulting amount by multiplying by a weighted average of the three most recent annual sales assessment ratio studies,
 - c. Add to the resulting amount the following:
 1. Present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2,
 2. Value of property of public service companies, determined in accordance with Article 23 of Chapter 105 of the General Statutes, and
 3. Personal property value for the county.
- (7) "County-adjusted property tax base per square mile" means the county-adjusted property tax base divided by the number of square miles of land area in the county.
- (8) "County wealth as a percentage of State average wealth" shall be computed as follows:
- a. Compute the percentage that the county per capita income is of the State per capita income and weight the resulting percentage by a factor of five-tenths,
 - b. Compute the percentage that the anticipated total county revenue availability per student is of the anticipated State average revenue availability per student and weight the resulting percentage by a factor of four-tenths,
 - c. Compute the percentage that the county-adjusted property tax base per square mile is of the State-adjusted property tax base per square mile and weight the resulting percentage by a factor of one-tenth,
 - d. Add the three weighted percentages to derive the county wealth as a percentage of the State average wealth.
- (9) "Effective county tax rate" means the actual county tax rate multiplied by a weighted average of the three most recent annual sales assessment ratio studies.
- (10) "Effective State average tax rate" means the average of effective county tax rates for all counties.
- (11) "Local current expense funds" means the most recent county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.
- (12) "Per capita income" means the average for the most recent three years for which data are available of the per capita income according to the most recent report of the United States Department of Commerce, Bureau of Economic Analysis, including any reported modifications for prior years as outlined in the most recent report.
- (13) "Sales assessment ratio studies" means sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).
- (14) "State average current expense appropriations per student" means the most recent State total of county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

- 1 (15) "State average adjusted property tax base per square mile" means the sum of
2 the county-adjusted property tax bases for all counties divided by the
3 number of square miles of land area in the State.
- 4 (16) "Supplant" means to decrease local per student current expense
5 appropriations from one fiscal year to the next fiscal year.
- 6 (17) "Weighted average of the three most recent annual sales assessment ratio
7 studies" means the weighted average of the three most recent annual sales
8 assessment ratio studies in the most recent years for which county current
9 expense appropriations and adjusted property tax valuations are available. If
10 real property in a county has been revalued one year prior to the most recent
11 sales assessment ratio study, a weighted average of the two most recent sales
12 assessment ratios shall be used. If property has been revalued the year of the
13 most recent sales assessment ratio study, the sales assessment ratio for the
14 year of revaluation shall be used.

15 **SECTION #.(c) Eligibility for Funds.** – Except as provided in subsection (g) of this
16 section, the State Board of Education shall allocate these funds to local school administrative
17 units located in whole or in part in counties in which the county wealth as a percentage of the
18 State average wealth is less than one hundred percent (100%).

19 **SECTION #.(d) Allocation of Funds.** – Except as provided in subsection (f) of this
20 section, the amount received per average daily membership for a county shall be the difference
21 between the State average current expense appropriations per student and the current expense
22 appropriations per student that the county could provide given the county's wealth and an
23 average effort to fund public schools. (To derive the current expense appropriations per student
24 that the county could be able to provide given the county's wealth and an average effort to fund
25 public schools, multiply the county's wealth as a percentage of State average wealth by the
26 State average current expense appropriations per student.) The funds for the local school
27 administrative units located in whole or in part in the county shall be allocated to each local
28 school administrative unit located in whole or in part in the county based on the average daily
29 membership of the county's students in the school units. If the funds appropriated for
30 supplemental funding are not adequate to fund the formula fully, each local school
31 administrative unit shall receive a pro rata share of the funds appropriated for supplemental
32 funding.

33 **SECTION #.(e) Formula for Distribution of Supplemental Funding Pursuant to**
34 **This Section Only.** – The formula in this section is solely a basis for distribution of
35 supplemental funding for low-wealth counties and is not intended to reflect any measure of the
36 adequacy of the educational program or funding for public schools. The formula is also not
37 intended to reflect any commitment by the General Assembly to appropriate any additional
38 supplemental funds for low-wealth counties.

39 **SECTION #.(f) Minimum Effort Required.** – Counties that had effective tax rates
40 in the 1996-1997 fiscal year that were above the State average effective tax rate but that had
41 effective rates below the State average in the 1997-1998 fiscal year or thereafter shall receive
42 reduced funding under this section. This reduction in funding shall be determined by
43 subtracting the amount that the county would have received pursuant to Section 17.1(g) of
44 Chapter 507 of the 1995 Session Laws from the amount that the county would have received if
45 qualified for full funding and multiplying the difference by ten percent (10%). This method of
46 calculating reduced funding shall apply one time only. This method of calculating reduced
47 funding shall not apply in cases in which the effective tax rate fell below the statewide average
48 effective tax rate as a result of a reduction in the actual property tax rate. In these cases, the
49 minimum effort required shall be calculated in accordance with Section 17.1(g) of Chapter 507
50 of the 1995 Session Laws. If the county documents that it has increased the per student

1 appropriation to the school current expense fund in the current fiscal year, the State Board of
2 Education shall include this additional per pupil appropriation when calculating minimum
3 effort pursuant to Section 17.1(g) of Chapter 507 of the 1995 Session Laws.

4 **SECTION #.(g) Nonsupplant Requirement.** – A county in which a local school
5 administrative unit receives funds under this section shall use the funds to supplement local
6 current expense funds and shall not supplant local current expense funds. For the 2011-2013
7 fiscal biennium, the State Board of Education shall not allocate funds under this section to a
8 county found to have used these funds to supplant local per student current expense funds. The
9 State Board of Education shall make a finding that a county has used these funds to supplant
10 local current expense funds in the prior year, or the year for which the most recent data are
11 available, if the following apply:

- 12 (1) The current expense appropriation per student of the county for the current
13 year is less than ninety-five percent (95%) of the average of the local current
14 expense appropriations per student for the three prior fiscal years; and
- 15 (2) The county cannot show (i) that it has remedied the deficiency in funding or
16 (ii) that extraordinary circumstances caused the county to supplant local
17 current expense funds with funds allocated under this section. The State
18 Board of Education shall adopt rules to implement this section.

19 **SECTION #.(h) Reports.** – The State Board of Education shall report to the Joint
20 Legislative Education Oversight Committee prior to May 1, 2012, if it determines that counties
21 have supplanted funds.

22 **SECTION #.(i) Department of Revenue Reports.** – The Department of Revenue
23 shall provide to the Department of Public Instruction a preliminary report for the current fiscal
24 year of the assessed value of the property tax base for each county prior to March 1 of each
25 year and a final report prior to May 1 of each year. The reports shall include for each county the
26 annual sales assessment ratio and the taxable values of (i) total real property, (ii) the portion of
27 total real property represented by the present-use value of agricultural land, horticultural land,
28 and forestland, as defined in G.S. 105-277.2, (iii) property of public service companies
29 determined in accordance with Article 23 of Chapter 105 of the General Statutes, and (iv)
30 personal property.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

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SPECIAL PROVISION



2011-DPI-H6

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 **LITIGATION RESERVE FUNDS**

5 SECTION #. The State Board of Education may expend up to five hundred
6 thousand dollars (\$500,000) each year for the 2011-2012 and 2012-2013 fiscal years from
7 unexpended funds for certified employees' salaries to pay expenses related to litigation.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2011-DPI-H7

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS***

4 **SECTION #.(a)** Funds appropriated for the Uniform Education Reporting System
5 shall not revert at the end of the 2010-2011 fiscal year.

5 **SECTION #.(b)** This section becomes effective June 30, 2011.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H8

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***FOCUSED EDUCATION REFORM PROGRAM FUNDS DO NOT REVERT***

6 **SECTION #.(a)** Funds appropriated for the Focused Education Reform Pilot
7 Program that are unexpended and unencumbered at the end of the 2010-2011 fiscal year shall
8 not revert but shall remain available for expenditure for that purpose through the 2011-2012
9 fiscal year.

7 **SECTION #.(b)** This section becomes effective June 30, 2011.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H10

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)

SECTION 7.8.(a) Funds appropriated for disadvantaged student supplemental funding shall be used, consistent with the policies and procedures adopted by the State Board of Education, only to:

- (1) Provide instructional positions or instructional support positions and/or professional development;
- (2) Provide intensive in-school and/or after-school remediation;
- (3) Purchase diagnostic software and progress-monitoring tools; and
- (4) Provide funds for teacher bonuses and supplements. The State Board of Education shall set a maximum percentage of the funds that may be used for this purpose.

The State Board of Education may require districts receiving funding under the Disadvantaged Student Supplemental Fund to purchase the Education Value Added Assessment System in order to provide in-depth analysis of student performance and help identify strategies for improving student achievement. This data shall be used exclusively for instructional and curriculum decisions made in the best interest of children and for professional development for their teachers and administrators.

SECTION 7.8.(b) Funds appropriated to a local school administrative unit for disadvantaged student supplemental funding shall be allotted based on: (i) the local school administrative unit's eligible DSSF population and (ii) the difference between a teacher-to-student ratio of 1:21 and the following teacher-to-student ratios:

- (1) For counties with wealth greater than ninety percent (90%) of the statewide average, a ratio of 19.9.
- (2) For counties with wealth not less than eighty percent (80%) and not greater than ninety percent (90%) of the statewide average, a ratio of 1:19.4.
- (3) For counties with wealth less than eighty percent (80%) of the statewide average, a ratio of 1:19.1.
- (4) For LEAs receiving DSSF funds in 2005-2006, a ratio of 1:16. These LEAs shall receive no less than the DSSF amount allotted in 2006-2007.

For the purpose of this subsection, wealth shall be calculated under the low-wealth supplemental formula.

SECTION 7.8.(c) If a local school administrative unit's wealth increases to a level that adversely affects the unit's DSSF allotment ratio, the DSSF allotment for that unit shall be maintained at the prior year level for one additional fiscal year.

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Session 2011

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SPECIAL PROVISION



2011-DPI-H11

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

TUITION CHARGE FOR GOVERNOR'S SCHOOL

SECTION #. G.S. 115C-12(36) reads as rewritten:

"(36) Duty to Charge Tuition for the Governor's School of North Carolina. – The State Board of Education ~~shall~~ may implement a ~~five hundred dollar (\$500.00)~~ tuition charge for students attending the Governor's School of North ~~Carolina~~ Carolina to cover the costs of the School."

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SPECIAL PROVISION



2011-DPI-H12

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

SCHOOL CONNECTIVITY INITIATIVE FUNDS

SECTION #.(a) Section 7.9(b) of S.L. 2010-31 reads as rewritten:

"**SECTION 7.9.(b)** Up to three hundred fifty thousand dollars (\$350,000) of the funds for the School Connectivity Initiative may be used for ~~this and subsequent fiscal years the~~ 2010-2011 fiscal year by the Office of the Governor for education innovation and the education E-learning portal. These funds may be used to provide services to coordinate e-learning activities across all education agencies and to support the operating of the E-learning portal."

SECTION #.(b) Section 7.6(a) of S.L. 2008-107, as rewritten by Section 7.12(b) of S.L. 2009-451, reads as rewritten:

"**SECTION 7.6.(a)** Up to three hundred thousand dollars (\$300,000) may be transferred annually through June 30, ~~2013, 2011,~~ to the Friday Institute at North Carolina State University to evaluate the effectiveness of using technology and its impact on 21st Century Teaching and Learning outcomes approved by the State Board of Education. The Friday Institute shall report annually to the State Board of Education on the evaluation results."

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SPECIAL PROVISION



2011-DPI-H13

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 **TEXTBOOKS**

4 **SECTION #.** The State Board of Education shall not adopt any new textbooks
5 prior to July 1, 2013.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H14

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING

SECTION 7.4.(a) Funds for Small School Systems. – Except as provided in subsection (b) of this section, the State Board of Education shall allocate funds appropriated for small school system supplemental funding (i) to each county school administrative unit with an average daily membership of fewer than 3,175 students and (ii) to each county school administrative unit with an average daily membership from 3,175 to 4,000 students if the county in which the local school administrative unit is located has a county-adjusted property tax base per student that is below the State-adjusted property tax base per student and if the total average daily membership of all local school administrative units located within the county is from 3,175 to 4,000 students. The allocation formula shall do all of the following:

- (1) Round all fractions of positions to the next whole position.
- (2) Provide five and one-half additional regular classroom teachers in counties in which the average daily membership per square mile is greater than four, and seven additional regular classroom teachers in counties in which the average daily membership per square mile is four or fewer.
- (3) Provide additional program enhancement teachers adequate to offer the standard course of study.
- (4) Change the duty-free period allocation to one teacher assistant per 400 average daily membership.
- (5) Provide a base for the consolidated funds allotment of at least seven hundred seventeen thousand three hundred sixty dollars (\$717,360), excluding textbooks, for the 2011-2012 fiscal year and a base of seven hundred seventeen thousand three hundred sixty dollars (\$717,360) for the 2012-2013 fiscal year.
- (6) Allot vocational education funds for grade 6 as well as for grades 7-12. If funds appropriated for each fiscal year for small school system supplemental funding are not adequate to fully fund the program, the State Board of Education shall reduce the amount allocated to each county school administrative unit on a pro rata basis. This formula is solely a basis for distribution of supplemental funding for certain county school administrative units and is not intended to reflect any measure of the adequacy of the educational program or funding for public schools. The formula also is not intended to reflect any commitment by the General Assembly to appropriate any additional supplemental funds for such county administrative units.

SECTION 7.4.(b) Nonsupplant Requirement. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2011-2013 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The

1 State Board of Education shall make a finding that a county has used these funds to supplant
2 local current expense funds in the prior year, or the year for which the most recent data are
3 available, if the following apply:

- 4 (1) The current expense appropriation per student of the county for the current
5 year is less than ninety-five percent (95%) of the average of the local current
6 expense appropriations per student for the three prior fiscal years; and
- 7 (2) The county cannot show (i) that it has remedied the deficiency in funding or
8 (ii) that extraordinary circumstances caused the county to supplant local
9 current expense funds with funds allocated under this section. The State
10 Board of Education shall adopt rules to implement this section.

11 **SECTION 7.4.(c) Phase-Out Provisions.** – If a local school administrative unit
12 becomes ineligible for funding under this formula because of (i) an increase in the population
13 of the county in which the local school administrative unit is located or (ii) an increase in the
14 county-adjusted property tax base per student of the county in which the local school
15 administrative unit is located, funding for that unit shall be continued for seven years after the
16 unit becomes ineligible.

17 **SECTION 7.4.(d) Definitions.** – As used in this section, the following definitions
18 apply:

- 19 (1) "Average daily membership" means within two percent (2%) of the average
20 daily membership as defined in the North Carolina Public Schools Allotment
21 Policy Manual adopted by the State Board of Education.
- 22 (2) "County-adjusted property tax base per student" means the total assessed
23 property valuation for each county, adjusted using a weighted average of the
24 three most recent annual sales assessment ratio studies, divided by the total
25 number of students in average daily membership who reside within the
26 county.
- 27 (3) "Local current expense funds" means the most recent county current expense
28 appropriations to public schools, as reported by local boards of education in
29 the audit report filed with the Secretary of the Local Government
30 Commission pursuant to G.S. 115C-447.
- 31 (4) "Sales assessment ratio studies" means sales assessment ratio studies
32 performed by the Department of Revenue under G.S. 105-289(h).
- 33 (5) "State-adjusted property tax base per student" means the sum of all
34 county-adjusted property tax bases divided by the total number of students in
35 average daily membership who reside within the State.
- 36 (6) "Supplant" means to decrease local per student current expense
37 appropriations from one fiscal year to the next fiscal year.
- 38 (7) "Weighted average of the three most recent annual sales assessment ratio
39 studies" means the weighted average of the three most recent annual sales
40 assessment ratio studies in the most recent years for which county current
41 expense appropriations and adjusted property tax valuations are available. If
42 real property in a county has been revalued one year prior to the most recent
43 sales assessment ratio study, a weighted average of the two most recent sales
44 assessment ratios shall be used. If property has been revalued during the year
45 of the most recent sales assessment ratio study, the sales assessment ratio for
46 the year of revaluation shall be used.

47 **SECTION 7.4.(e) Reports.** – The State Board of Education shall report to the Joint
48 Legislative Education Oversight Committee prior to May 1, 2012, if it determines that counties
49 have supplanted funds.

1 **SECTION 7.4.(f)** Use of Funds. – Local boards of education are encouraged to use
2 at least twenty percent (20%) of the funds they receive pursuant to this section to improve the
3 academic performance of children who are performing at Level I or II on either reading or
4 mathematics end-of-grade tests in grades 3-8.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H16

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

ELIMINATION OF REPORTING REQUIREMENTS

SECTION #.(a) G.S. 115C-12(25) reads as rewritten:

"§ 115C-12. Powers and duties of the Board generally.

The general supervision and administration of the free public school system shall be vested in the State Board of Education. The State Board of Education shall establish policy for the system of free public schools, subject to laws enacted by the General Assembly. The powers and duties of the State Board of Education are defined as follows:

(25) Duty to Report to Joint Legislative Education Oversight Committee. – Upon the request of the Joint Legislative Education Oversight Committee, the State Board shall examine and evaluate issues, programs, policies, and fiscal information, and shall make reports to that Committee. Furthermore, beginning October 15, 1997, and annually thereafter, the State Board shall submit reports to that Committee regarding the continued implementation of Chapter 716 of the 1995 Session Laws, 1996 Regular Session. Each report shall include information regarding the composition and activity of assistance teams, schools that received incentive awards, schools identified as low-performing, ~~school improvement plans found to significantly improve student performance,~~ personnel actions taken in low-performing schools, and recommendations for additional legislation to improve student performance and increase local flexibility."

SECTION #.(b) G.S. 115C-47(38) is repealed.

SECTION #. (c) G.S. 115C-84.2(a)(1) reads as rewritten:

"(1) (See notes) A minimum of 180 days and 1,000 hours of instruction covering at least nine calendar months. The local board shall designate when the 180 instructional days shall occur. The number of instructional hours in an instructional day may vary according to local board policy and does not have to be uniform among the schools in the administrative unit. ~~Local boards may approve school improvement plans that include days with varying amounts of instructional time.~~ If school is closed early due to inclement weather, the day and the scheduled amount of instructional hours may count towards the required minimum to the extent allowed by State Board policy. The school calendar shall include a plan for making up days and instructional hours missed when schools are not opened due to inclement weather."

SECTION #. (d) G.S. 115C-84.2(a)(5) reads as rewritten:

"(5) The remaining days scheduled by the local board in consultation with each school's principal for use as teacher workdays, additional instructional days, or other lawful purposes. ~~Before consulting with the local board, each~~

principal shall work with the school improvement team to determine the days to be scheduled and the purposes for which they should be scheduled. Days may be scheduled and planned for different purposes for different personnel and there is no requirement to schedule the same dates for all personnel. In order to make up days for school closing because of inclement weather, the local board may designate any of the days in this subdivision as additional make-up days to be scheduled after the last day of student attendance."

SECTION #.(e) G.S. 115C-98(b2) reads as rewritten:

"(b2) Local boards of education may:

(1) ~~Select, may select~~ procure, and use textbooks that have not been adopted by the State Board of Education for use throughout the local school administrative unit for selected grade levels and ~~courses; and courses.~~

(2) ~~Approve school improvement plans developed under G.S. 115C-105.27 that include provisions for using textbooks that have not been adopted by the State Board of Education for selected grade levels and courses.~~

All textbook contracts made under this subsection shall include a clause granting to the local board of education the license to produce braille, large print, and audiocassette tape copies of the textbooks for use in the local school administrative unit."

SECTION #.(f) G.S. 115C-105.20(b)(5) is repealed.

SECTION #.(g) G.S. 115C-105.25 reads as rewritten:

"§ 115C-105.25. Budget flexibility.

(b) Subject to the following limitations, local boards of education may transfer and may approve transfers of funds between funding allotment categories:

(1) ~~In accordance with a school improvement plan accepted under G.S. 115C-105.27, State funds allocated for teacher assistants may be transferred only for personnel (i) to serve students only in kindergarten through third grade, or (ii) to serve students primarily in kindergarten through third grade when the personnel are assigned to an elementary school to serve the whole school. Funds allocated for teacher assistants may be transferred to reduce class size or (iii) to reduce the student-teacher ratio in kindergarten through third grade so long as the affected teacher assistant positions are not filled when the plan is amended or approved by the building-level staff entitled to vote on the plan or the affected teacher assistant positions are not expected to be filled on the date the plan is to be implemented. Filled.~~ Any State funds appropriated for teacher assistants that were converted to certificated teachers before July 1, 1995, in accordance with Section 1 of Chapter 986 of the 1991 Session Laws, as rewritten by Chapter 103 of the 1993 Session Laws, may continue to be used for certificated teachers.

(2) ~~In accordance with a school improvement plan accepted under G.S. 115C-105.27, (i) State funds allocated for classroom materials/instructional supplies/equipment may be transferred only for the purchase of textbooks; (ii) textbooks. State funds allocated for textbooks may be transferred only for the purchase of instructional supplies, instructional equipment, or other classroom materials; and (iii) materials.~~ State funds allocated for noninstructional support personnel may be transferred only for teacher positions.

- 1 (8) Funds allocated for academically or intellectually gifted students may be
2 used only ~~(i) for academically or intellectually gifted students; (ii) to~~
3 ~~implement the plan developed under G.S. 115C-150.7; or (iii) in accordance~~
4 ~~with an accepted school improvement plan, for any purpose so long as that~~
5 ~~school demonstrates it is providing appropriate services to academically or~~
6 ~~intellectually gifted students assigned to that school in accordance with the~~
7 ~~local plan developed under G.S. 115C-150.7.~~

8 ..."

9 SECTION #.(h) G.S.115C-105.26 reads as rewritten:

10 "§ 115C-105.26. Waivers of State laws, rules, or policies.

11 (a) ~~When included as part of a school improvement plan accepted under G.S.~~
12 ~~115C-105.27, local~~ Local boards of education shall submit requests for waivers of State laws,
13 rules, or policies to the State Board of Education. A request for a waiver shall (i) identify the
14 school making the request, (ii) identify the State laws, rules, or policies that inhibit the school's
15 ability to improve student performance, (iii) set out with specificity the circumstances under
16 which the waiver may be used, and (iv) explain how the requested waiver will permit the
17 school to improve student performance. Except as provided in subsection (c) of this section, the
18 State Board shall grant waivers only for the specific schools for which they are requested and
19 shall be used only under the specific circumstances for which they are requested.

20 (b) ~~When requested as part of a school improvement plan, the~~ The State Board of
21 Education may grant waivers of:

- 22 (1) State laws pertaining to class size and teacher certification; and
23 (2) State rules and policies, except those pertaining to public school State salary
24 schedules and employee benefits for school employees, the instructional
25 program that must be offered under the Basic Education Program, the system
26 of employment for public school teachers and administrators set out in G.S.
27 115C-287.1 and G.S. 115C-325, health and safety codes, compulsory
28 attendance, the minimum lengths of the school day and year, and the
29 Uniform Education Reporting System.

30 ..."

31 SECTION #.(i) G.S. 115C-105.27 is repealed.

32 SECTION #.(j) G.S. 115C-105.30 is repealed.

33 SECTION #.(k) G.S. 115C-105.31(b)(3) is repealed.

34 SECTION #.(l) G.S. 115C-105.32 is repealed.

35 SECTION #.(m) G.S. 115C-105.33 reads as rewritten:

36 "§ 115C-105.33. Safe and orderly schools.

37 A ~~school improvement team or a parent~~ organization at a school may ask the local board of
38 education to provide assistance in promoting or restoring safety and an orderly learning
39 environment at a school. ~~The school improvement team or parent~~ organization shall file a copy
40 of this request with the State Board. If the local board fails to provide adequate assistance to the
41 school, then the ~~school improvement team or parent~~ organization may ask the State Board to
42 provide an assistance team to the school.

43 The State Board may provide an assistance team, established under G.S. 115C-105.38, to a
44 school in order to promote or restore safety and an orderly learning environment at that school
45 if one of the following applies:

- 46 (1) The local board of education or superintendent requests that the State Board
47 provide an assistance team to a school and the State Board determines that
48 the school needs assistance.
49 (2) The State Board determines within 10 days after its receipt of the request for
50 assistance from a ~~school improvement team or parent~~ organization of a

1 school that the school needs assistance and that the local board has failed to
2 provide adequate assistance to that school.

3 If an assistance team is assigned to a school under this section, the team shall spend a
4 sufficient amount of time at the school to assess the problems at the school, assist school
5 personnel with resolving those problems, and work with school personnel and others to develop
6 a long-term plan for restoring and maintaining safety and an orderly learning environment at
7 the school. The assistance team also shall make recommendations to the local board of
8 education and the superintendent on actions the board and the superintendent should consider
9 taking to resolve problems at the school. These recommendations shall be in writing and are
10 public records. If an assistance team is assigned to a school under this section, the powers given
11 to the State Board and the assistance team under G.S. 115C-105.38 and G.S. 115C-105.39 shall
12 apply as if the school had been identified as low-performing under this Article."

13 **SECTION #. (n) G.S. 115C-105.37A(a) reads as rewritten:**

14 "(a) Definition of Continually Low-Performing Schools. – A continually low-performing
15 school is a school that has received State-mandated assistance and has been designated by the
16 State Board as low performing for at least two of three consecutive years. ~~If the State Board~~
17 ~~identifies a school as continually low performing:~~

18 ~~(1) The school improvement team at that school shall review its school~~
19 ~~improvement plan to ensure consistency with the plan adopted pursuant to~~
20 ~~G.S. 115C-105.38(b)(3), and~~

21 ~~(2) The plan must be reviewed and approved by the State Board of Education."~~

22 **SECTION #.(o) G.S. 115C-105.38(b)(6) reads as rewritten:**

23 "(6) Report, as appropriate, to the local board of education, the community, and
24 the State Board on the school's progress. ~~If an assistance team determines~~
25 ~~that an accepted school improvement plan developed under G.S.~~
26 ~~115C-105.27 is impeding student performance at a school, the team may~~
27 ~~recommend to the local board that it vacate the relevant portions of that plan~~
28 ~~and direct the school to revise those portions."~~

29 **SECTION #.(p) G.S. 115C-105.47(b)(13) is repealed.**

30 **SECTION #.(q) G.S. 115C-174.12(a)(3) reads as rewritten:**

31 "(3) No school shall participate in more than two field tests at any one grade level
32 during a school year ~~unless that school volunteers, through a vote of its~~
33 ~~school improvement team, to participate in an expanded number of field~~
34 ~~tests without the approval of the principal of the school."~~

35 **SECTION #. (r) G.S. 115C-238.31(a) reads as rewritten:**

36 "(a) Local school administrative units are encouraged to implement extended services
37 programs that will expand students' opportunities for educational success through high-quality,
38 integrated access to instructional programming during nonschool hours. ~~Extended services~~
39 ~~programs may be incorporated into school improvement plans developed in accordance with~~
40 ~~G.S. 115C-105.27.~~ Calendar alternatives include, but are not limited to, after-school hours,
41 before-school hours, evening school, Saturday school, summer school, and year-round school.
42 Instructional programming may include, but is not limited to, tutoring, direct instruction,
43 enrichment activities, study skills, and reinforcement projects.

44 **SECTION #.(s) G.S. 115C-288(h) reads as rewritten:**

45 "(h) ~~To Make Available School Budgets and School Improvement Plans. Budgets. –~~
46 The principal shall maintain a copy of the school's current budget and school improvement
47 plan, ~~including any amendments to the plan,~~ budget and shall allow parents of children in the
48 school and other interested persons to review and obtain such documents in accordance with
49 Chapter 132 of the General Statutes."

50 **SECTION #.(t) G.S. 115C-288(l) is repealed.**

1 **SECTION #.(u) G.S. 143B-146.6(b)(6) reads as rewritten:**

2 "(6) Report, as appropriate, to the Secretary, the State Board, and the parents on
3 the school's progress. ~~If an assistance team determines that an accepted~~
4 ~~school improvement plan developed under G.S. 143B-146.12 is impeding~~
5 ~~student performance at a school, the team may recommend to the Secretary~~
6 ~~that he vacate the relevant portions of that plan and direct the school to~~
7 ~~revise those portions.~~

8 **SECTION #.(v) G.S. 143B-146.12. is repealed.**

9 **SECTION #.(w) G.S. 115C-47(32a) reads as rewritten:**

10 "(32a) To Establish Alternative Learning Programs and Develop Policies and
11 Guidelines. – Each local board of education shall establish at least one
12 alternative learning program and shall adopt guidelines for assigning
13 students to alternative learning programs. These guidelines shall include (i) a
14 description of the programs and services to be provided, (ii) a process for
15 ensuring that an assignment is appropriate for the student and that the
16 student's parents are involved in the decision, and (iii) strategies for
17 providing alternative learning programs, when feasible and appropriate, for
18 students who are subject to long term suspension or expulsion. In developing
19 these guidelines, local boards shall consider the State Board's standards
20 developed under G.S. 115C-12(24). ~~Upon adoption of policies and~~
21 ~~guidelines under this subdivision, local boards are encouraged to incorporate~~
22 ~~them in their safe school plans developed under G.S. 115C-105.47.~~

23 The General Assembly urges local boards to adopt policies that prohibit
24 superintendents from assigning to any alternative learning program any
25 professional public school employee who has received within the last three
26 years a rating on a formal evaluation that is less than above standard.

27 Notwithstanding this subdivision, each local board shall adopt policies
28 based on the State Board's standards developed under G.S. 115C-12(24).
29 These policies shall apply to any new alternative learning program or
30 alternative school that is implemented beginning with the 2006-2007 school
31 year. Local boards of education are encouraged to apply these standards to
32 alternative learning programs and alternative schools implemented before
33 the 2006-2007 school year.

34 Local boards shall assess on a regular basis whether the unit's alternative
35 schools and alternative learning programs comply with the State Board's
36 standards developed under G.S. 115C-12(24) and whether they incorporate
37 best practices for improving student academic performance and reducing
38 disruptive behavior, are staffed with professional public school employees
39 who are well trained and provided with appropriate staff development, are
40 organized to provide coordinated services, and provide students with high
41 quality and rigorous academic instruction."

42 **SECTION #.(x) G.S. 115C-105.27(b)(2) reads as rewritten:**

43 "(2) Shall include a plan to address school safety and discipline ~~concerns in~~
44 ~~accordance with the safe school plan developed under Article 8C of this~~
45 ~~Chapter; concerns.~~

46 **SECTION #.(y) G.S. 115C-105.46 reads as rewritten:**

47 **"§ 115C-105.46. State Board of Education responsibilities.**

48 In order to implement this Article, the State Board of Education:

49 ~~(1) Shall adopt guidelines for developing local plans under G.S. 115C-105.47.~~

(2) ~~Shall provide, in cooperation with the Board of Governors of The University of North Carolina, ongoing technical assistance to the local school administrative units in the development, implementation, and evaluation of their local plans under G.S. 115C-105.47.~~

(3) ~~May require a local board of education to withhold the salary of any administrator or other employee of a local school administrative unit who delays or refuses to prepare and implement local safe school plans in accordance with G.S. 115C-105.47.~~

(4) ~~May revoke the certificate of the superintendent, pursuant to G.S. 115C-274(e), for failure to fulfill the superintendent's duties under a local safe school plan.~~

(5) Shall adopt policies that define who is an at-risk student."

SECTION #.(z) G.S. 115C-105.47 is repealed.

SECTION #.(aa) G.S. 115C-102.6C is repealed.

SECTION #.(bb) G.S. 115C-102.6D(d) is repealed.

SECTION #.(cc) G.S. 115C-102.7 reads as rewritten:

"§ 115C-102.7. Monitoring and evaluation of State and local school system technology plans; reports.

(a) The Department of Public Instruction shall monitor and evaluate the development and implementation of the State and local school system technology plans. technology plan. The evaluation shall consider the effects of technology on student learning, the effects of technology on students' workforce readiness, the effects of technology on teacher productivity, and the cost-effectiveness of the technology.

(a1) Repealed by Session Laws 1997-18, s. 15(k).

(b) Repealed by Session Laws 2009-451, s. 7.31, effective July 1, 2009.

(e) ~~The Department of Public Instruction shall randomly check local school system technology plans to ensure that local school administrative units are implementing their plans as approved. The Department shall report to the State Board of Education on which local school administrative units are not complying with their plans. The report shall include the reasons these local school administrative units are out of compliance and a recommended plan of action to support each of these local school administrative units in carrying out their plans."~~

SECTION #.(cc) G.S. 115C-150.6 and 115C-150.7 are repealed.

SECTION #.(dd) G.S. 115c-150.8 reads as rewritten:

"§ 115C-150.8. Review of Disagreements.

In the event that the parents or guardians of a child and the local school administrative unit disagree when a child is not identified as an academically or intellectually gifted student or concerning the appropriateness of services offered to the academically or intellectually gifted student, the parents and guardians and the local school administrative unit shall attempt to resolve the disagreement in accordance with local board policy. In the event that the procedure developed under G.S. 115C-150.7(b)(7) fails to resolve a disagreement, they fail to resolve the disagreement, the parent or guardian may file a petition for a contested case hearing under Article 3 of Chapter 150B of the General Statutes. The scope of review shall be limited to (i) whether the local school administrative unit improperly failed to identify the child as an academically or intellectually gifted student, or (ii) whether the local plan developed under G.S. 115C-150.7 has been implemented appropriately with regard to the child. Following the hearing, the administrative law judge shall make a decision that contains findings of fact and conclusions of law. Notwithstanding the provisions of Chapter 150B of the General Statutes, the decision of the administrative law judge becomes final, is binding on the parties, and is not subject to further review under Article 4 of Chapter 150B of the General Statutes."

1 **SECTION #.(ee)** Section 7.61(b) of S.L. 2005-76, as rewritten by Section 7.22(d)
2 of S.L. 2010-3, is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H17

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***ALLOTMENT OF PRINCIPALS***

4 **SECTION #.(a)** A school with less than 100 students in final ADM is not entitled
5 to twelve months of employment for a principal.

5 **SECTION #.(b)** This section applies only to schools created after July 1, 2011.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H18A

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

TRANSFER OF FEDERAL AGRICULTURAL EDUCATION FUNDS

SECTION #. The Agricultural Education Program in the Department of Agricultural and Extension Education at North Carolina State University shall develop the secondary agricultural education curricula. The Program shall recommend the curricula and corresponding assessment instruments to the State Board of Education, which shall adopt the curricula for inclusion in the Standard Course of Study. This curricula shall include as part of its core content the Future Farmers of America (FFA) student youth organization and the Supervised Agricultural Experience learning program.

Effective with the 2011 federal grant, the State Board of Education shall transfer a prorated share of funds from all federal Career and Technical Education funds available for State-level usage to the Agricultural Education and FFA Program housed in the Department of Agricultural and Extension at North Carolina State University. The transfer of funds shall be a percentage of the total based upon the grades 9-12 duplicated agricultural education enrollment as compared to the total career and technical education grades 9-12 duplicated enrollment. These funds shall be used to support the secondary Agricultural Education Program State-level administration, leadership, curriculum and professional development, operations, innovations and expansions, and the FFA and the Supervised Agricultural Education learning program.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H19

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***ALLOTMENT OF TEACHERS FOR GEOGRAPHICALLY ISOLATED SCHOOLS***

3 SECTION #. Section 7.26 of S.L. 2009-451 is repealed.

4

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H20

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***SCHOOL CALENDAR PILOT PROGRAM***

6 **SECTION #.** The State Board of Education shall establish a school calendar pilot program
7 in the Wilkes County Schools and the Stanly County Schools. The purpose of the pilot program
8 is to determine whether and to what extent a local school administrative unit can save money
9 during this extreme fiscal crisis by consolidating the school calendar.

10 Notwithstanding G.S. 115C-84.2(a)(1), the school calendar for the 2011-2012 calendar
11 years for the pilot school systems shall include a minimum of 180 days or 1,000 hours of
12 instruction covering at least nine calendar months. Notwithstanding G.S. 115C-84.2(d), the
13 opening date for students shall not be before August 24.

15 If the local board of education in a pilot school system adds instructional hours to
16 previously scheduled days under this section, the local school administrative unit is deemed to
17 have a minimum of 180 days of instruction and teachers employed for a 10-month term are
18 deemed to have been employed for the days being made up and shall be compensated as if they
19 had worked the days being made up.

18 The State Board of Education shall report to the Joint Legislative Education Oversight
19 Committee by March 15, 2012, on the administration of the pilot program, cost-savings
20 realized by it, and its impact on student achievement.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H21

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 **PERFORMANCE PAY MODEL PROGRAM.**

6 **SECTION #.** The State Board of Education shall establish a performance pay
7 model program. A local school administrative unit that is approved by the State Board of
8 Education as a performance pay model unit may use State funds, except for funds allotted for
9 salaries, to implement a performance pay model.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H22

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 **BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION**

9 **SECTION #.(a)** Notwithstanding G.S. 143C-6-4 or Section 7.14 of S.L. 2009-451,
10 the Department of Public Instruction may, after consultation with the Office of State Budget
11 and Management and the Fiscal Research Division, reorganize if necessary to implement the
12 budget reductions set out in this act. This consultation shall occur prior to requesting budgetary
13 and personnel changes through the budget revision process. The Department shall provide a
14 current organization chart in the consultation process. The Department shall report to the Joint
15 Legislative Commission on Governmental Operations on any reorganization.

12 **SECTION #.(b)** The Department of Public Instruction shall not increase the
13 number of State-funded positions in any Department of Public Instruction divisions identified
14 for reductions in this Act.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H23

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

LEA BUDGET ADJUSTMENT

SECTION #.(a) Within 14 days of the date this act becomes law, the State Board of Education shall notify each local school administrative unit and charter school of the amount the unit or charter school must reduce from the State General Fund appropriations. The State Board shall determine the amount of the reduction for each unit and charter school on the basis of average daily membership.

SECTION #.(b) Each unit or charter school shall report to the Department of Public Instruction on the flexibility budget reductions it has identified for the unit within 30 days of the date this act becomes law. In identifying reductions, a unit or charter school shall not reduce the allotment for classroom teachers more for the 2011-2012 school year than it was reduced for the 2010-2011 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H24

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

LEA BUDGETARY FLEXIBILITY

SECTION #. For fiscal years 2011-2012 and 2012-2013, the State Board of Education is authorized to extend its emergency rules, in accordance with G.S. 150B-21.1A, granting maximum flexibility to local school administrative units regarding the expenditure of State funds. These rules shall not be subject to the limitations on transfers of funds between funding allotment categories set out in G.S. 115C-105.25. These rules shall not permit the transfer of funds into central office administration.

SECTION #.(b) For fiscal years 2011-2012 and 2012-2013, local school administrative units shall make every effort to reduce spending whenever and wherever such budget reductions are appropriate with the goal of protecting direct classroom services. Notwithstanding G.S. 115C-301 or any other law, local school administrative units shall have the maximum flexibility to use allotted teacher positions to maximize student achievement in grades 4-12. Allocation of teachers and class size requirements in grades K-3 shall remain unchanged.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H26

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS ALLOTMENT FORMULA

SECTION #.(a) The State Board of Education shall implement an allotment formula for the North Carolina Virtual Public Schools (NCVPS) beginning with the 2011-2012 school year. In accordance with Section 7.16 of S.L. 2006-66, the allotment formula shall create a sustainable source of funding that increases commensurate with student enrollment and recognizes "the extent to which projected enrollment in e-learning courses affects funding required for other allotments that are based on ADM."

SECTION #.(b) The State Board shall use only funds provided through the North Carolina Virtual Public Schools Allotment Formula to fund NCVPS.

SECTION #.(c) The Department of Public Instruction shall take the following steps to implement the North Carolina Virtual Public Schools Allotment Formula:

- (1) Project NCVPS student enrollment by semester and year-long course types for each local school administrative unit and charter school.
- (2) Establish a per course fee for each course type.
- (3) Multiply the projected NCVPS student enrollment by semester and year-long course for each local school administrative unit and charter school type by the per course fees to determine the total NCVPS cost for each local school administrative unit and charter school.
- (4) Transfer a dollar amount equal to the local school administrative unit's or charter school's total NCVPS cost to NCVPS. For local school administrative units, funds shall be transferred from the classroom teacher allotment to NCVPS. For charter schools, the allotment of state funds will be reduced and transferred to NCVPS.

SECTION #.(d) NCVPS shall use the funds transferred to it to provide the NCVPS program at no cost to all students in North Carolina who are enrolled in North Carolina's public schools, Department of Defense schools, and schools operated by the Bureau of Indian Affairs.

SECTION #.(e) NCVPS shall provide only high school courses and shall not provide any courses in physical education.

SECTION #.(f) The State Board shall establish a separate per student fee structure for out-of-state students, private school students, and home-schooled students. For the 2011-2012 school year, NCVPS shall provide specific instructions on its website, describing the steps required for such students to enroll in NCVPS courses and all applicable fees.

Beginning with the 2012-2013 school year, NCVPS shall provide an online process by which such students can enroll in NCVPS courses online.

SECTION #.(g) The Board shall direct NCVPS to develop a plan to generate revenue from the sale of courses to out-of-state educational entities. NCVPS shall submit its plan to the Board by September 15, 2011.

SECTION #.(h) The Director of NCVPS shall continue to ensure that:

- (1) Course quality standards are established and met.

- 1 (2) All e-learning opportunities offered by State-funded entities [other than
2 charter schools] to public school students are consolidated under the North
3 Carolina Virtual Public School program, eliminating course duplication.
4 (3) All courses offered through NCVPS are aligned to the North Carolina
5 Standard Course of Study.

6 **SECTION #.(i)** Funds for the administration of NCVPS shall be capped at a
7 maximum of fifteen percent (15%) per year of the funds transferred to NCVPS.
8

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H25B

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

PERFORMANCE-BASED REDUCTIONS IN FORCE

SECTION #.(a) The State Board of Education shall adopt a Reduction in Force policy that is consistent across all local school administrative units. Under the policy, the following criteria shall apply to local school administrative units conducting any necessary reductions in force:

(1) In determining which positions shall be subject to a reduction in force, a local school administrative unit shall consider the following:

- a. Structural considerations, such as identifying positions, departments, courses, programs, operations and other areas where there are: (i) less-essential, duplicative, or excess personnel; (ii) job responsibility and/or position inefficiencies; (iii) opportunities for combined work functions; and/or (iv) decreased student or other demands for curriculum, programs, operations or other services.
- b. Organizational considerations, such as anticipated organizational needs of the school system and program/school enrollment.

(2) In determining which employees in similar positions shall be subject to a reduction in force, a local school administrative unit shall consider work performance.

The State Board of Education shall have this policy in place on or before July 15, 2011.

SECTION #.(b) G.S. 115C-325(3)(2) reads as rewritten:

"(2) Reduction in Force. – Before recommending to a board the dismissal or demotion of the career employee pursuant to G.S. 115C-325(e)(1)/, the superintendent shall give written notice to the career employee by certified mail or personal delivery of his intention to make such recommendation and shall set forth as part of his recommendation the grounds upon which he believes such dismissal or demotion is justified. The notice shall include a statement to the effect that if the career employee within 15 days after receipt of the notice requests a review, he shall be entitled to have the proposed recommendations of the superintendent reviewed by the board. Within the 15-day period after receipt of the notice, the career employee may file with the superintendent a written request for a hearing before the board within 10 days. If the career employee requests a hearing before the board, the hearing procedures provided in G.S. 115C-325(j3) shall be followed. If no request is made within the 15-day period, the superintendent may file his recommendation with the board. If, after considering the recommendation of the superintendent and the evidence adduced at the hearing if there is one, the board concludes that the grounds for the recommendation are true and substantiated by a preponderance of the evidence, the board, if it sees fit, may by resolution order such dismissal. Provisions of this section which permit a hearing by a case manager shall not

1 apply to a dismissal or demotion recommended pursuant to G.S.
2 115C-325(e)(1)l.

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

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H2

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 ***REORGANIZATION OF THE COMMUNITY COLLEGES SYSTEM OFFICE***

2 **SECTION #.(a)** Notwithstanding any other provision of law, and consistent with
3 the authority granted in G.S. 115D-3, the President of the North Carolina Community College
4 System may reorganize the System Office in accordance with recommendations and plans
5 submitted to and approved by the State Board of Community Colleges.

6 **SECTION #.(b)** This section expires June 30, 2012.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H4

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

REPEAL OBSOLETE REPORTING REQUIREMENTS

SECTION #.(a) G.S. 115D-4.1(e) reads as rewritten:

"(e) The State Board of Community Colleges shall develop appropriate criteria and standards to regulate the operation of college transfer programs. ~~The criteria and standards shall require all college transfer programs to continue to meet the accreditation standards of the Southern Association of Colleges and Schools.~~

~~The State Board of Community Colleges shall report annually to the General Assembly on compliance of the community colleges with these criteria and standards."~~

SECTION #.(b) G.S. 115D-5(j) reads as rewritten:

"(j) The State Board of Community Colleges shall use its Board Reserve Fund for feasibility studies, pilot projects, start-up of new programs, and innovative ideas. ~~The State Board shall report to the Joint Legislative Education Oversight Committee on expenditures from the State Board Reserve Fund on January 15 and June 15 each year."~~

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H5A

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

IMPLEMENT ALTERNATIVE FORMULA MODEL

SECTION #. (a) The State Board of Community Colleges shall consolidate the Health Sciences Allotment, the Technical Education Allotment, and the Special High Cost Allotment for Heavy Equipment with formula funds to support curriculum instruction.

SECTION #.(b) The State Board of Community Colleges shall allocate formula funds appropriated to support curriculum instruction and the occupational education component of continuing education through a formula that provides an instructional base allocation to all colleges and allocates remaining funds on a weighted full-time equivalent (FTE) basis. In determining the appropriate weighting, the State Board of Community Colleges shall weigh curriculum courses in high cost areas such as healthcare, technical education, and lab-based science courses more heavily than other curriculum courses. The State Board shall also weigh continuing education courses that lead to a third-party credential or certification and courses providing an industry-designed curriculum more heavily than other occupational extension courses.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H7

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

***USE OF OVERREALIZED RECEIPTS TO SUPPORT ENROLLMENT GROWTH
RESERVE RATHER THAN EQUIPMENT RESERVE***

SECTION 8.4. G.S. 115D-31(e) reads as rewritten:

"(e) If receipts for community college tuition and fees exceed the amount certified in General Fund Codes at the end of a fiscal year, the State Board of Community Colleges shall transfer the amount of receipts and fees above those budgeted to the ~~Equipment Reserve~~ Fund-Enrollment Growth Reserve. Funds in the Enrollment Growth Reserve shall not revert to the General Fund and shall remain available to the State Board until expended. The State Board may allocate funds in this reserve to colleges experiencing an enrollment increase greater than five percent (5%) of budgeted enrollment levels."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H10

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

BASIC SKILLS PLUS

SECTION #.(a) Notwithstanding any other provision of law, the State Board may authorize a local community college to use up to twenty percent (20%) of the State Literacy Funds allocated to it to provide employability skills, job-specific occupational and technical skills, and developmental education instruction to students concurrently enrolled in a community college course leading to a high school diploma or equivalent certificate.

SECTION #.(b) Notwithstanding any other provision of law, if a community college is authorized by the State Board to provide employability skills, job-specific occupational or technical skills, or developmental education instruction, to students concurrently enrolled in a community college course leading to a high school diploma or equivalent certificate, the college may waive the tuition and registration fees associated with this instruction.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H12

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 **CARRYFORWARD OF COLLEGE INFORMATION SYSTEM FUNDS**

2 **SECTION 8.1.** Of the funds appropriated to the Community Colleges System
3 Office for the 2011-2013 fiscal biennium for the College Information System, up to one million
4 two hundred fifty thousand dollars (\$1,250,000) shall not revert at the end of each fiscal year
5 but shall remain available until expended. These funds may only be used to purchase periodic
6 system upgrades.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H13

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

STATE BOARD AUTHORITY TO ESTABLISH GED TESTING FEES

SECTION #. G.S. 115D-5(s) reads as rewritten:

"(s) The State Board of Community Colleges may establish, retain and budget fees charged to students taking the General Education Development (GED) ~~test~~, including fees for retesting. Fees collected for this purpose shall be used only to (i) offset the costs of the GED test, including the cost of scoring the test, (ii) offset the costs of printing GED certificates, and (iii) meet federal and State reporting requirements related to the test."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H14

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

EQUIPMENT FUNDING

SECTION #.(a) For the 2011-13 fiscal biennium, community colleges may expend regular equipment allocations on equipment, repairs and renovations of existing facilities, and new construction. Colleges must match funds expended on new construction on an equal matching-fund basis in accordance with G.S. 115D-31,. Notwithstanding any other provision of law, community colleges are not required to match funds expended on repairs and renovations of existing facilities.

Colleges must have capital improvement projects approved by the State Board of Community Colleges and any required matching funds identified by June 30, 2013.

SECTION #.(b) Of the funds appropriated to the Community Colleges System Office for the 2011-2012 fiscal year for equipment, the State Board of Community Colleges shall allocate the sum of two hundred fifty thousand dollars (\$250,000) to Forsyth Technical Community College. These funds shall be used only for the purpose of building and equipping the Stokes County multicampus site. These funds shall not be considered for a management flexibility reduction.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H16

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

CLARIFICATION REGARDING EQUIPMENT TITLED TO STATE BOARD

SECTION #. G.S. 115D-15(a) reads as rewritten:

"(a) The board of trustees of any institution organized under this Chapter may, with the prior approval of the North Carolina Community Colleges System Office, convey a right-of-way or easement for highway construction or for utility installations or modifications. When in the opinion of the board of trustees the use of any other real property owned or held by the board of trustees is unnecessary or undesirable for the purposes of the institution, the board of trustees, subject to prior approval of the State Board of Community Colleges, may sell, exchange, or lease the property. The board of trustees may dispose of any personal property owned or held by the board of trustees without approval of the State Board of Community Colleges. Personal property titled to the State Board of Community Colleges consistent with G.S. 115D-14 and G.S. 115D-58.5 may be transferred to another community college at no cost and without the approval of the Department of Administration, Division of Surplus Property.

Article 12 of Chapter 160A of the General Statutes shall apply to the disposal or sale of any real or personal property under this subsection. Personal property also may be disposed of under procedures adopted by the North Carolina Department of Administration. The proceeds of any sale or lease shall be used for capital outlay purposes, except as provided in subsection (b) of this section."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H19

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 ***NO STATE FUNDS FOR INTERCOLLEGIATE ATHLETICS***

2 SECTION #. Article 3 of Chapter 115D of the General Statutes is amended by
3 adding a new section to read:

4 **"§ 115D-42.1. Funds for an intercollegiate athletics program.**

5 **No State funds, student tuition receipts or student aid funds shall be used to create,**
6 **support, maintain, or operate an intercollegiate athletics program at a community college."**
7

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2011-DOCC-H20

**North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education**

Requested by: Representative

1 *MANAGEMENT FLEXIBILITY REDUCTION/COMMUNITY COLLEGES*

2 SECTION #. The management flexibility reduction for the North Carolina
3 Community College System shall be allocated by the State Board of Community Colleges in a
4 manner that accounts for the unique needs of each college and provides for the equitable
5 distribution of funds to the institutions consistent with G.S. 115D-5(a). Before taking
6 reductions to instructional budgets, the community colleges shall consider reducing budgets for
7 senior and middle management personnel and for programs that have both low-enrollment and
8 low-postgraduate success. Colleges may, however, reduce funds from basic skills, curriculum,
9 and continuing education programs. Colleges shall minimize the impact on student support
10 services and on the retraining of dislocated workers. The community colleges shall also review
11 their institutional funds to determine whether there are monies available in those funds that can
12 be used to assist with operating costs before taking reductions in instructional budgets.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H22

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

COMMUNITY COLLEGE TUITION WAIVERS

SECTION #.(a) G.S. 115D-5(b) reads as rewritten:

"(b) In order to make instruction as accessible as possible to all citizens, the teaching of curricular courses and of noncurricular extension courses at convenient locations away from institution campuses as well as on campuses is authorized and shall be encouraged. A pro rata portion of the established regular tuition rate charged a full-time student shall be charged a part-time student taking any curriculum course. In lieu of any tuition charge, the State Board of Community Colleges shall establish a uniform registration fee, or a schedule of uniform registration fees, to be charged students enrolling in extension courses for which instruction is financed primarily from State funds. The State Board of Community Colleges may provide by general and uniform regulations for waiver of tuition and registration fees ~~for~~ for the following:

- (1) Persons not enrolled in elementary or secondary schools taking courses leading to a high school diploma or equivalent certificate;
- (2) ~~Training courses for~~ Courses requested for the training of personnel by the following:
 - a. ~~(i) volunteer firemen,~~ Volunteer fire departments.
 - b. ~~(ii) local fire department personnel,~~ Municipal, county, or State fire departments.
 - c. ~~(iii) volunteer rescue and lifesaving department personnel,~~ Volunteer EMS or rescue and lifesaving departments.
 - d. ~~(iv) local rescue and lifesaving department personnel,~~ Municipal, county, or State EMS or rescue and lifesaving departments.
 - e. ~~(v) Radio Emergency Associated Citizens Team (REACT) members when the REACT team is under contract to a county as an emergency response agency,~~ (vi) municipal, county, or State law enforcement officers, Municipal, county, or State law enforcement agencies.
 - f. ~~(vii) all full-time custodial employees of the Department of Correction, and The Department of Correction for the training of full time custodial employees and employees of the Department's Division of Community Corrections required to be certified under Chapter 17C of the General Statutes and the rules of the Criminal Justice and Training Standards Commission.~~
 - g. ~~(viii) employees of the Department's Division of Community Corrections and employees of the The Department of Juvenile Justice and Delinquency Prevention for the training of employees required to be certified under Chapter 17C of the General Statutes and the rules of the Criminal Justice and Training Standards Commission;~~ Commission.
- (3) Patients in State alcoholic rehabilitation centers;

- (4) Trainees enrolled in courses conducted under the Customized Training Program;
- ~~(5) Clients of sheltered workshops;~~
- ~~(6) Clients of adult developmental activity programs;~~
- ~~(7) Students in Health and Human Services Development Programs;~~
- ~~(8) Juveniles of any age committed to the Department of Juvenile Justice and Delinquency Prevention by a court of competent jurisdiction;~~
- ~~(9) Members of the North Carolina State Defense Militia as defined in G.S. 127A-5 and as administered under Article 5 of Chapter 127A of the General Statutes;~~
- (10) Elementary and secondary school employees enrolled in courses in first aid or cardiopulmonary resuscitation ~~(CPR);(CPR).~~
- (11) Up to six hours of credit instruction and one course of noncredit instruction per academic semester for senior citizens age 65 or older who are qualified as legal residents of North Carolina;
- (12) All curriculum courses taken by high school students at community colleges, including students in early college and middle college high school programs, in accordance with G.S. 115D-20(4) and this ~~section;~~section.
- (13) Human resources development courses for any individual who (i) is unemployed; (ii) has received notification of a pending layoff; (iii) is working and is eligible for the Federal Earned Income Tax Credit (FEITC); or (iv) is working and earning wages at or below two hundred percent (200%) of the federal poverty ~~guidelines;~~ and guidelines.
- ~~(14) Prison inmates.~~

The State Board of Community Colleges shall not waive tuition and registration fees for other individuals."

SECTION #.(b) G.S. 115D-5 is amended by adding a new subsection to read:

"(b1) The State Board of Community Colleges shall not waive tuition and registration fees for community college faculty or staff members. Community colleges may, however, use State or local funds to pay tuition and registration fees for one course per semester for full-time community college faculty or staff members employed for a nine-, ten-, eleven-, or twelve-month term."

SECTION #.(c) The Community Colleges System Office shall transfer funds appropriated for curriculum and continuing education instruction to the Department of Correction. The Department of Correction shall use these funds to pay tuition and fees for prisoners.

The amount transferred shall be calculated by multiplying the number of curriculum and continuing education FTE served in prisons in the 2010-2011 fiscal year by the per capita budgeted receipts for curriculum and continuing education.

This section is projected to result a reduction of up to forty-three percent (43%) reduction in the number of curriculum and continuing education courses provided to prisoners.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H23A

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

FUNDING FOR MULTICAMPUS CENTERS

SECTION #. G.S. 115D-5(o) reads as rewritten:

"(o) The General Assembly finds that additional data are needed to determine the adequacy of multicampus and off-campus center funds; therefore, multicampus colleges and colleges with off-campus centers shall report annually, beginning September 1, 2005, to the Community Colleges System Office on all expenditures by line item of funds used to support their multicampuses and off-campus centers. The Community Colleges System Office shall report on these expenditures to the Education Appropriation Subcommittees of the House of Representatives and the Senate, the Office of State Budget and Management, and the Fiscal Research Division by December 1 of each year.

All multicampus centers approved by the State Board of Community Colleges shall receive funding under the same formula. The State Board of Community Colleges shall not approve any additional multicampus centers without identified recurring sources of funding."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H25

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 **COMMUNITY COLLEGE AUDITS**

2 SECTION #. Article 4A of Chapter 115D of the General Statutes is amended by
3 adding a new section to read:

4 ""§115D-58.16. Audits.

5 (a) Each community college shall be audited a minimum of once every two years.
6 Community colleges may use State funds to contract with the State Auditor or with a certified
7 public accountant to perform the audits.

8 (b) Notwithstanding the provisions of Chapter 143D of the General Statutes, a
9 community college shall not be subject to the EAGLE program administered by the Office of
10 the State Controller unless there was a finding of internal control problems in the most recent
11 financial audit of the college."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H26

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

ENROLLMENT GROWTH

SECTION #.(a) It is the intent of the General Assembly to ensure that there is an increase in funding for community college technology and equipment when enrollment increases; therefore, the continuation budget requirements proposed by the Director of the Budget in accordance with G.S. 143C-3-5 to fund the community college enrollment growth shall include adjustments necessary to fund additional equipment FTE at the prior year's rate.

SECTION #.(b) Beginning with any adjustments to the 2011-2012 fiscal year budget, and annually thereafter, the State Board of Community Colleges' requests for funding enrollment growth shall provide a detailed description of the costs of educating community college students. This request shall be based on the current year's enrollment, listed by college and aggregated for the System as a whole.

SECTION #.(c) Enrollment requests shall include the following information for each community college:

- (1) The budgeted enrollment for the current year, divided between the categories of instruction: curriculum, continuing education, and Basic Skills.
- (2) The budgeted enrollment for the current year, divided between tiers of instruction, as set forth in Section 8.6 of this act.
- (3) The actual enrollment for the two years prior to the current year.
- (4) A 5-year enrollment projection at each community college by category and tier of instruction.
- (5) The projected requirements and anticipated tuition receipts for the growth in regular-term enrollment.
- (6) The costs per FTE in each category and tier of instruction, to include the following component parts:
 - a. Instructional costs, including faculty salaries and other costs.
 - b. Student support services and other college administrative costs.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2011-DOCC-H24B

**North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education**

Requested by: Representative

1 STUDY COMMUNITY COLLEGE PERFORMANCE MEASURES

2 SECTION #. The State Board of Community Colleges shall report to the Joint
3 Legislative Education Oversight Committee by December 31, 2011, on a revised set of
4 accountability measures and performance standards by which to evaluate and measure student
5 progress and student success, including measures of graduation rates and course completions.
6 The report shall include a plan to incorporate these revised accountability measures and
7 performance standards into regular formula funding. These revised accountability measures
8 and performance standards shall also be the basis for the allocation of performance funding, in
9 accordance with G.S. 115D-31.3(g) and (h).

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H27

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 ***LIMITATION ON COMMUNITY COLLEGE TUITION***

2 **SECTION #.** Notwithstanding G.S. 115D-5 or G.S. 115D-39, the tuition for
3 community college curriculum courses and the fees for community college continuing
4 education courses for the 2011-2013 fiscal biennium shall not exceed the amounts provided for
5 in this act.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H2

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

***CENTER FOR PUBLIC TELEVISION FUNDING CONTINGENT ON RECEIPT OF
LONG-RANGE PLAN***

SECTION #.(a) The Board of Trustees of the University of North Carolina Center for Public Television and the Board of Governors of The University of North Carolina shall develop a plan to operate the Center for Public Television without State funding.

The Board of Trustees and the Board of Governors shall submit a written report to the Education Appropriations Committees of the Senate and House of Representatives no later than March 31, 2012. The written report shall include the information listed in subsection (b) of this section.

SECTION #.(b) The report required in this section shall include the following information:

- (1) A brief description of the services provided by the Center for Public Television
- (2) Budgeted and actual revenues and expenditures from all funding sources for the 2009-2010 fiscal year, 2010-2011 fiscal year, and 2011-2012 fiscal year if available.
- (3) A detailed plan by which the Center for Public Televisions could operate without State funds by the 2014-2015 fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H4A

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

**DOCUMENTATION AND ACCOUNTABILITY FOR ENROLLMENT GROWTH
FUNDING MODEL**

SECTION #. In order to improve the accuracy and effectiveness of enrollment growth funding, the General Administration of The University of North Carolina shall modify the existing student credit hour enrollment (SCH) change funding model. Modifications shall include, but are not limited to, the following:

- (1) Simplification of the enrollment projection process through use of weighted cost factors applied to projected total growth in SCH by campus.
- (2) Justification and adjustment, if necessary, of funding factors for libraries and general institutional support.
- (3) A performance-based funding component that will do the following:
 - a. Incorporate key performance indicators including, but not limited to, retention and graduation rates.
 - b. Establish minimum outcomes necessary to receive enrollment growth funding.
 - c. Provide incentive funding for campuses that exceed target outcomes.
- (4) Methodology to account for prior years' projection errors and adjust funding accordingly.

SECTION #.(b) The General Administration of The University of North Carolina shall provide the revised enrollment projection process, revised cost factors, and resulting weighted cost per SCH to the Joint Legislative Education Oversight Committee, the Office of State Budget and Management, and the Fiscal Research Division by February 1, 2012. The Joint Legislative Education Oversight Committee is encouraged to fully examine the revised model submitted under this section and to ensure that the model aligns with the modifications directed under subsection (a) of this section.

SECTION #.(c) The Board of Governors of The University of North Carolina, with the assistance of General Administration, shall develop written policies for enrollment change funding decisions. The written policies shall address (i) procedures for developing campus enrollment projections, calculating tuition offset, and calculating funding formula elements and cost factors and (ii) criteria for granting hold harmless status. Policies and procedures shall be made available to constituent institutions, the Office of State Budget and Management, and the Fiscal Research Division by February 15, 2012.

SECTION #.(d) By March 15, 2012, the Board shall report on the accuracy of enrollment growth projections and key performance indicators pursuant to G.S. 116-11(9a) as enacted by subsection (e) of this section.

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

"(9a) The Board of Governors shall report on the accuracy of enrollment growth projections at each campus and shall establish key performance indicators meaningful to enrollment growth planning. By March 15 each year, the

Board of Governors shall submit this report to the Joint Legislative Education Oversight Committee, publish this report on its website, and make printed copies available upon request. The report shall include all of the following:

- a. Key performance indicators, including retention and graduation rates and other pertinent measures such as faculty productivity, student learning outcomes, or employee diversity.
- b. Trends in student credit hours, number of students served, number of new faculty and staff positions by area of responsibility, and other relevant data.
- c. Analysis of variance between actual fall SCH growth and anticipated SCH growth inputs to the enrollment growth planning model used to project enrollment growth requirements.
- d. Analysis of variance, by category, between actual fall student full-time equivalency (FTE) growth and anticipated student FTE growth used in the enrollment growth planning model to project changes in tuition receipts attributed to enrollment growth.
- e. Analysis of variance between actual fall student FTE growth and anticipated student FTE growth used in the FTE funding formulas to project enrollment growth requirements and tuition receipts for specialized campuses and professional schools.
- f. Planned follow-up actions where variances of greater than five percent (5%) exist between actual and projected student credit hours or student FTE."

SECTION #.(f) G.S. 116-11(9) reads as rewritten:

"(9) a. The Board of Governors shall develop, prepare and present to the Governor and the General Assembly a single, unified recommended budget for all of the constituent institutions of The University of North Carolina. The recommendations shall consist of requests in three general categories: (i) funds for the continuing operation of each constituent institution, (ii) funds for salary increases for employees exempt from the State Personnel Act and (iii) funds requested without reference to constituent institutions, itemized as to priority and covering such areas as new programs and activities, expansions of programs and activities, increases in enrollments, increases to accommodate internal shifts and categories of persons served, capital improvements, improvements in levels of operation and increases to remedy deficiencies, as well as other areas. The president may present to the General Assembly an updated estimate of tuition, fees, and other receipts by June 15 of each year to be included in the budget for the following fiscal year.

- a1. Enrollment change funding shall be based on the performance of each constituent institution and shall be contingent on the attainment of the constituent institution's target as determined by the Board of Governors. A constituent institution that fails to achieve the target shall not receive enrollment change funding.

The Board of Governors shall provide full documentation and justification of any enrollment change funding request at the time it is recommended, including hold harmless status requests. This documentation and justification shall include the most

1 recent academic year's actual enrollment numbers in the same format
2 in which the growth increase request is made. The actual enrollment
3 numbers shall be the actual student credit hours (SCH) or full-time
4 equivalencies (FTE). This documentation and justification shall also
5 include an explanation of how a constituent institution's request for
6 hold harmless status meets established criteria and a history of the
7 hold harmless requests granted to the constituent institution.

8 b. Funds for the continuing operation of each constituent institution
9 shall be appropriated directly to the institution. Funds for salary
10 increases for employees exempt from the State Personnel Act shall
11 be appropriated to the Board in a lump sum for allocation to the
12 institutions. Funds for the third category in paragraph a of this
13 subdivision shall be appropriated to the Board in a lump sum for
14 allocation to the institutions. The Board shall make allocations
15 among the institutions in accordance with the Board's schedule of
16 priorities and any specifications in the Current Operations
17 Appropriations Act. When both the Board and the Director of the
18 Budget deem it to be in the best interest of the State, funds in the
19 third category may be allocated, in whole or in part, for other items
20 within the list of priorities or for items not included in the list.
21 Provided, nothing herein shall be construed to allow the General
22 Assembly, except as to capital improvements, to refer to particular
23 constituent institutions in any specifications as to priorities in the
24 third category.

25 c. The Director of the Budget may, on recommendation of the Board,
26 authorize transfer of appropriated funds from one institution to
27 another to provide adjustments for over or under enrollment or may
28 make any other adjustments among institutions that would provide
29 for the orderly and efficient operation of the institutions.

30 d. Repealed by Session Laws 1987, c. 795, s. 27."
31

GENERAL ASSEMBLY OF NORTH CAROLINA

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DRAFT
SPECIAL PROVISION



2011-UNC-H5

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 ***FISCAL ACCOUNTABILITY AND FLEXIBILITY***

2 **SECTION #.** Notwithstanding G.S. 116-30.2, a special responsibility constituent
3 institution shall not increase the State appropriation for any program or line item reduced by
4 this Act.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H6

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

UNIVERSITY CANCER RESEARCH FUND REPORTING REQUIREMENT

SECTION #. G.S. 116-29.1 is amended by adding a new subsection to read:

"(g) Report.-- By November 1 of each year, the Cancer Research Fund Committee shall provide to the Joint Education Legislative Oversight Committee and to the Office of State Budget and Management an annual financial report which shall include the following components:

- (1) Accounting of expenditures of State funds related to strategic initiatives, development of infrastructure, and ongoing administrative functions.
- (2) Accounting of expenditures of extramural funds related to strategic initiatives, development of infrastructure, and ongoing administrative functions.
- (3) Measures of impact to the State's economy in the creation of jobs, intellectual property, and start-up companies.
- (4) Other performance measures directly related to the investment of State funds.
- (5) Accounting of any fund balances retained by the Fund, along with information about any restrictions on the use of these funds."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H7

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 **UNC BOARD OF GOVERNORS REVIEW OF FACULTY RECRUITMENT AND**
2 **RETENTION**

3 **SECTION #.** The Board of Governors of The University of North Carolina shall
4 review its current policies regarding financial incentives to retain faculty. The review shall
5 focus on the prioritization of recruitment and retention funds and the identification of key
6 metrics to measure overall program effectiveness. The Board of Governors shall report its
7 findings and recommendations for changes to the policies, if any, to the Joint Legislative
8 Education Oversight Committee, the Office of State Budget and Management, and the Fiscal
9 Research Division by April 1, 2012.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H19

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

UNC MANAGEMENT FLEXIBILITY REDUCTION

SECTION #. The management flexibility reduction for The University of North Carolina shall not be allocated by the Board of Governors to the constituent institutions and affiliated entities using an across-the-board method, but in a manner that recognizes the importance of the academic mission and differences among The University of North Carolina entities.

Before taking reductions in instructional budgets, the Board of Governors and the campuses of the constituent institutions shall consider all of the following:

- (1) Reducing State funding for centers and institutes, speaker series, and other nonacademic activities.
- (2) Faculty workload adjustments.
- (3) Restructuring of research activities.
- (4) Implementing cost-saving span of control measures.
- (5) Reducing the number of senior and middle management positions.
- (6) Eliminating low-performing, redundant, or low-enrollment programs.

The Board of Governors and the campuses of the constituent institutions also shall review the institutional trust funds and the special funds held by or on behalf of The University of North Carolina and its constituent institutions to determine whether there are monies available in those funds that can be used to assist with operating costs.

In addition, the campuses of the constituent institutions also shall require their faculty to have a teaching workload equal to the national average in their Carnegie classification.

When implementing personnel reductions, the Board of Governors and the campuses shall make every effort to abolish vacant positions first.

In allocating the management flexibility reduction, no reduction shall be made to funding for the Hickory Metro Higher Education Center, to need-based financial aid, or to aid for private colleges.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H20

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 **CAMPUS INITIATED TUITION INCREASES**

2 **SECTION #.** (a) Notwithstanding any other provision of law, no campus-initiated
3 tuition increase shall be approved by the Board of Governors of The University of North
4 Carolina or implemented for the 2011-12 or 2012-13 academic years except as provided
5 otherwise by this section.

6 **SECTION #.** (b) Any campus-initiated increases for the 2011-2012 academic year
7 that were approved by the Board of Governors of The University of North Carolina in February
8 2011 may be implemented for the 2011-2012 academic year.

GENERAL ASSEMBLY OF NORTH CAROLINA

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DRAFT
SPECIAL PROVISION



2011-UNC-H21

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

USE OF ESCHEAT FUND FOR UNC NEED-BASED FINANCIAL AID PROGRAMS

SECTION #.(a) There is appropriated from the Escheat Fund income to the Board of Governors of The University of North Carolina the sum of thirty-two million one hundred twenty-two thousand two hundred forty-two dollars (\$32,122,242) for the 2011-2012 fiscal year and the sum of thirty-two million one hundred twenty-two thousand two hundred forty-two dollars (\$32,122,242) for the 2012-2013 fiscal year to be used for need-based student financial aid.

SECTION #.(b) In addition to the appropriation in subsection (a) of this section, there is appropriated from the Escheat Fund income to the Board of Governors of The University of North Carolina the sum of ninety-five million two hundred thirty-one thousand nine hundred twelve dollars (\$95,231,912) for the 2011-2012 fiscal year to be used for need-based student financial aid.

SECTION #.(c) There is appropriated from the Escheat Fund income to the State Board of Community Colleges the sum of sixteen million five hundred thousand dollars (\$16,500,000) for the 2011-2012 fiscal year and the sum of sixteen million five hundred thousand dollars (\$16,500,000) for the 2011-2013 fiscal year to be used for community college grants.

SECTION #.(d) There is appropriated from the Escheat Fund income to the Department of Administration, Division of Veterans Affairs the sum of six million five hundred twenty thousand nine hundred sixty-four dollars (\$6,520,964) for the 2011-2012 fiscal year and the sum of six million five hundred twenty thousand nine hundred sixty-four dollars (\$6,520,964) for the 2012-2013 fiscal year to be used for need-based student financial aid.

SECTION #.(e) The funds appropriated by this section shall be allocated by the State Educational Assistance Authority (SEAA) for need-based student financial aid in accordance with G.S. 116B-7. If the interest income generated from the Escheat Fund is less than the amounts referenced in this section, the difference may be taken from the Escheat Fund principal to reach the appropriations referenced in this section; however, under no circumstances shall the Escheat Fund principal be reduced below the sum required in G.S. 116B-6(f). If any funds appropriated under this section remain uncommitted for need-based financial aid as of the end of a fiscal year, the funds shall be returned to the Escheat Fund, but only to the extent the funds exceed the amount of the Escheat Fund income for that fiscal year.

SECTION #.(f) The State Education Assistance Authority shall perform all of the administrative functions necessary to implement this program of financial aid. The SEAA shall conduct periodic evaluations of expenditures of the scholarship programs to determine if allocations are utilized to ensure access to institutions of higher learning and to meet the goals of the respective programs. SEAA may make recommendations for redistribution of funds to The University of North Carolina, Department of Administration, and the President of the

1 Community College System regarding their respective scholarship programs, who then may
2 authorize redistribution of unutilized funds for a particular fiscal year.

3 **SECTION #.(g)** The Office of State Budget and Management shall transfer the
4 cash balance of the community college grant program remaining in Budget Code 66801, Fund
5 6102 to the Escheat Fund.
6

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H27

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 **UNC NEED-BASED GRANT FUNDING SCHEDULE**

2 **SECTION #.(a)** Of the funds appropriated by this act for the 2011-2012 fiscal year
3 The University of North Carolina need-based student financial aid, the sum of eighty-nine
4 million dollars (\$89,000,000) shall not be used for expenditures in the 2011-2012 fiscal year,
5 but shall be carried forward and held in reserve by the State Education Assistance Authority.
6 The funds carried forward and held in reserve pursuant to this subsection may be allocated by
7 the State Education Assistance Authority after March 1, 2013, for need-based student financial
8 aid in accordance with G.S. 116B-7.

9 **SECTION #.(b)** Of the funds appropriated by this act for the 2012-2013 fiscal
10 year The University of North Carolina need-based student financial aid, the sum of eighty-nine
11 million dollars (\$89,000,000) shall not be used for expenditures in the 2012-2013 fiscal year,
12 but shall be carried forward and held in reserve by the State Education Assistance Authority.
13 The funds carried forward and held in reserve pursuant to this subsection may be allocated by
14 the State Education Assistance Authority after March 1, 2014, for need-based student financial
15 aid in accordance with G.S. 116B-7.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H23

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

**CONSOLIDATE ASSETS OF MILLENNIUM TEACHING SCHOLARSHIP LOAN
PROGRAM AND PROSPECTIVE TEACHERS SCHOLARSHIP LOAN FUND**

SECTION #. (a) The Millennium Teaching Scholarship Loan Program is abolished.

SECTION #. (b) All financial obligations to any student awarded a scholarship loan from the Millennium Teaching Scholarship Loan Program before July 1, 2011, shall be fulfilled with funds from the Scholarship Loan Fund for Prospective Teachers established under G.S. 116-209.33 provided the student remains eligible under the provisions of the Millennium Teaching Scholarship Loan Program. All contractual agreements between a student awarded a scholarship loan from the Millennium Teaching Scholarship Loan Program before July 1, 2011, and the State Education Assistance Authority regarding the loan remain enforceable.

SECTION #. (c) The assets and liabilities for the Millennium Teaching Scholarship Loan Program shall be transferred as follows:

- (1) Five hundred thousand dollars (\$500,000) shall be transferred to the Escheat Fund.
- (2) The remaining balance of the assets and liabilities shall be transferred to the Scholarship Loan Fund for Prospective Teachers established under G.S. 116-209.33

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H24

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

***LIMIT CERTAIN FINANCIAL AID GRANTS TO THE TRADITIONAL TIME PERIOD
REQUIRED TO EARN A BACCALAUREATE DEGREE.***

SECTION #.(a) A student shall not receive a grant from The University of North Carolina Need Based Grant Program for more than nine full academic semesters, unless the student is enrolled in a program officially designated by the Board of Governors as a five-year degree program. If a student is enrolled in such a five-year degree program, then the student shall not receive a need based grant from The University of North Carolina Need Based Grant program for more than eleven full academic semesters.

SECTION #.(b) G.S. 116-21.3(d) reads as rewritten:

"(d) ~~A legislative tuition grant authorized under G.S. 116-21.2(a) shall be reduced by twenty five percent (25%) for any individual student who has completed 140 semester credit hours or the equivalent of 140 semester credit hours. No student shall receive a legislative tuition grant under G.S. 116-21.2(a) for more than nine full academic semesters, unless the student is enrolled in a program officially designated by the institution as a five-year degree program. If a student is enrolled in such a five-year degree program, then the student shall not receive a legislative tuition grant under G.S. 116-21.2(a) for more than eleven full academic semesters.~~"

SECTION #.(c) G.S. 116-43.5(f) reads as rewritten:

"(f) ~~Reduction of Grant Amount for Certain Students.—A State grant authorized by this act shall be reduced by twenty five percent (25%) for any individual student who has completed 140 semester credit hours or the equivalent of 140 semester credit hours.~~

Limit Grant Amount To Standard Graduation Time Period.—No student shall receive a State grant under this section for more than four full academic years, unless the student is enrolled in a program officially designated by the institution as a five-year degree program. If a student is enrolled in such a five-year degree program, then the student shall not receive a State grant under this section for more than five full academic years."

SECTION #.(d) The Fiscal Research Division of the General Assembly, in cooperation with The University of North Carolina, the North Carolina Community College System, the North Carolina Independent Colleges and Universities Association, and the State Education Assistance Authority shall study how to track and document the receipt of The University of North Carolina and North Carolina Community College need-based grants, legislative tuition grants, and State grants under G.S. 116-43.5 by students who enroll in both public and private institutions of higher education while pursuing a baccalaureate or associate degree so that no student receives a combination of these grants that exceeds a cumulative total of nine full academic semesters or eleven full academic semesters as appropriate.

SECTION #.(e) Subsections (a), (b), and (c) of this section become effective for the 2012-2013 fiscal year and each subsequent fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2011-UNC-H22

**University of North Carolina and Private Instruction
Appropriations Subcommittee on Education**

Requested by: Representative

1 ACADEMIC COMMON MARKET

2 SECTION #. (a) Notwithstanding G.S. 116-43.10, the Board of Governors of The
3 University of North Carolina shall not participate in the Academic Common Market for the
4 purpose of accepting new students for the 2012-2013 academic year, and no new students shall
5 be allowed to enroll through the Academic Common Market program into The University of
6 North Carolina graduate programs for the 2012-2013 academic year.

7 SECTION #. (b) This section does not affect a student enrolled in The University
8 of North Carolina System under the Academic Common Market program prior to the 2012-
9 2013 academic year; that student may continue to pay in-state tuition as long as the student is
10 enrolled in that graduate program.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H25

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

ELIMINATE CERTAIN UNC TUITION WAIVERS FOR NONRESIDENT STUDENTS

SECTION #. (a) G.S. 116-143.6 is repealed.

SECTION #.(b) G.S. 116-143 reads as rewritten:

"(c) ~~Inasmuch as the giving of tuition and fee waivers, or especially reduced rates, represent in effect a variety of scholarship awards, the said practice is hereby prohibited except when expressly authorized by statute or by the Board of Governors of The University of North Carolina; and, furthermore, it is hereby directed and required that all budgeted funds expended for scholarships of any type must be clearly identified in budget reports. The Board of Governors of The University of North Carolina shall not authorize a reduced rate of tuition for the special talent of athletics. The practice of giving tuition and fee waivers, or especially reduced rates is prohibited.~~"

SECTION #.(c) G.S. 116-143.5 is repealed.

SECTION #.(d) The Prospective Teacher Scholars program that was begun as a pilot program in Section 9.9 of S.L. 2002-126 is abolished.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2011-UNC-H10

**University of North Carolina and Private Instruction
Appropriations Subcommittee on Education**

Requested by: Representative

- 1 ***ELIMINATE PRIVATE MEDICAL SCHOOL AID***
- 2 **SECTION #. G.S. 116-21.6 is repealed.**

House Committee Pages / Sergeants at Arms

NAME OF COMMITTEE EDUC APPROP

DATE: 4-12 Room: 421

*Name: _____

County: _____

Sponsor: _____

*Name: _____

County: _____

Sponsor: _____

*Name: _____

County: _____

Sponsor: _____

*Name: _____

County: _____

Sponsor: _____

*Name: _____

County: _____

Sponsor: _____

House Sgt-At Arms:

1. Name: Reggie Sills 4. Name: Champ Clark's
2. Name: _____ 5. Name: _____
3. Name: FRED HINE 6. Name: _____

VISITOR REGISTRATION SHEET

EDUCATION

4.12

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

John Davis	Public School Forum
Jim Dye	Ed Consultant
M. Henderson	NCEIU
Loose W. Miller	WCSBPA
Kathleen Joyce	NCAAA
Lynn Hooper	EGH
Tom Pearson	OSBM
Joyce Waller	OSBM
[Signature]	KWC
Andrew Meehan	Capstrat
Jeri Alley	BEGINNINGS

VISITOR REGISTRATION SHEET

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Eun-Schmidt	UNC-CH
David Vanderweide	Fiscal Research
DAVID REE	MANNING FULTON
Christopher Hill	NC Justice Center
Stella Torra	NCCU
Top Price	DPI
Rebecca Starland	DPI
Jennifer Haygood	NCCCS
Kennon Briggs	NCCCS
Betty Duke	UNC C
Brandy Bynum	AFC NC

VISITOR REGISTRATION SHEET

EDUC APPROP

4-12

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

John D. Bering	NCN 5P
Fay Agan	NCN 3P
Dawn Shephard Pope	Office of the Governor
Christopher Jones	OSBM
Bryan Conrad	OSBM
Dustin Harmon	TIA, Sch Nurses
Cheryl Pooner-Cahill	NC School Psych Assoc
Gene Causby	NC SCA
Lyndy Hawthorne	ETHGR
John McCall	Policy Group
Mike Sewell	NCICU

VISITOR REGISTRATION SHEET

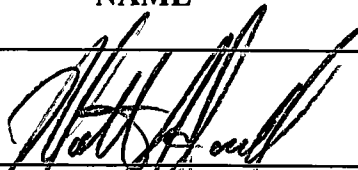
Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

	NCSBP
Lachelle Pulliam	DML Wzinwright's office
P. West	DPI
M Hill	SBE
Jackson	DPI
Leaves	unc
Arutce Watkins	unc
Chae ne Bessix	unc
Mike Torment	UNCB
Mary Lu Portfield	NIA
Philip Rogers	ECU
Ken / Jones	NCSU

VISITOR REGISTRATION SHEET

Name of Committee**Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME**FIRM OR AGENCY AND ADDRESS**[illegible]

MINUTES
HOUSE APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION

Wednesday, April 13, 2011

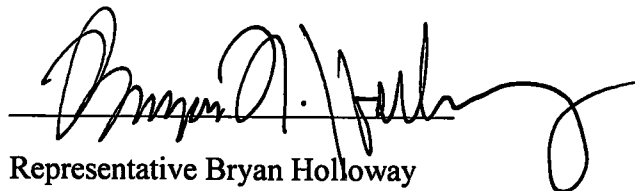
The House Appropriations Subcommittee met in room 421 of the Legislative Office Building on Wednesday, April 13, 2011 at 8:30 a. m. Representative Bryan Holloway, Co-Chair, presided over the meeting. The following House members were present: Representatives Blackwell and Hilton, Co-Chairs, Representatives Pridgen and Sanderson, Vice-Chairs, Representatives Avila, Bell, Brown, Glazier, Jeffus, Lucas, McLawhorn, Parmon and Stam. Members of the Fiscal Research Division were also present. A Visitor Registration Sheet is attached and made part of these minutes.


Chairman Holloway called the meeting to order and recognized the Sergeant-at-Arms and Pages.

Chairman Holloway recognized Brian Matteson and Kris Nordstrom, Fiscal Research staff, to present the House Chairs' recommended budget for K-12 using the handouts from yesterday, Education Summary (Attachment #1) and Proposed Special Provisions (Attachment #2). Questions and discussion followed.

The meeting adjourned at 9:40.

Respectfully submitted,


Representative Bryan Holloway


Carol Wilson, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2011-2012 SESSION**

You are hereby notified that the Committee on **Appropriations Subcommittee on Education** will meet as follows:

DAY & DATE: Wednesday, April 13, 2011

TIME: 8:30 AM

LOCATION: 421 LOB

COMMENTS:

No bills to be heard, presentations only.

Respectfully,
Representative Blackwell, Chair
Representative Hilton, Chair
Representative Holloway, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **2 PM** o'clock on **April 12, 2011**.

- ☐ Principal Clerk
- ☐ Reading Clerk – House Chamber

Carol Wilson (Committee Assistant)

House Appropriations Subcommittee on Education

Agenda

**Wednesday, April 13, 2011, 8:30 A.M.
Room 421, Legislative Office Building
Representative Bryan Holloway, Presiding**

- I. Welcome**
Representative Holloway
- II. Discussion of House Subcommittee Chairs' Budget Proposal**
- III. Adjourn**

House Appropriations Subcommittee on Education

Rep. Blackwell, Chair
Rep. Hilton, Chair
Rep. Holloway, Chair
Rep. Pridgen, Vice Chair
Rep. Sanderson, Vice Chair

Members: Rep. Avila, Rep. Bell, Rep. Blust, Rep. L. Brown,
Rep. Glazier, Rep. Jeffus, Rep. Lucas,
Rep. McLawhorn, Rep. Michaux, Rep. Parmon,
Rep. Stam

ATTENDANCE

House Appropriations Subcommittee on Education

(Name of Committee)

[illegible]

Committee Sergeants at Arms

NAME OF COMMITTEE App. Education

DATE: 4-13-2011 Room: 421

House Sgt-At Arms:

1. Name: Reggie Sills
2. Name: Champ CLARIS
3. Name: _____
4. Name: _____
5. Name: _____

Senate Sgt-At Arms:

1. Name: _____
2. Name: _____
3. Name: _____
4. Name: _____
5. Name: _____

House Committee Pages / Sergeants at Arms

NAME OF COMMITTEE _____

DATE: _____ Room: _____

*Name: Edward Blackburn

County: Cleveland

Sponsor: Thom Tillis

*Name: _____

County: _____

Sponsor: _____

*Name: _____

County: _____

Sponsor: _____

*Name: _____

County: _____

Sponsor: _____

*Name: _____

County: _____

Sponsor: _____

House Sgt-At Arms:

1. Name: _____

4. Name: _____

2. Name: _____

5. Name: _____

3. Name: _____

6. Name: _____

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

April 13, 2011

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS[illegible]

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

April 13, 2011 AM

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Timmy Duggan	NCICU
Matt Farrell	NCSBA
Gene Carthy	NCSCA
Mary Ellen Taft	NCSCA
Bryan Conrad	OSBM
Christopher Jones	OSBM
Dawn Shephard Pope	Office of the Governor
Cheryl Posner-Cahill	NC School Bych Assoc
KEVIN LEONARD	NCACC
Becki Gray	John Locke Foundation
Al Haden	NCCU

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

April 13, 2011 AM

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Elizabeth Browner	OSBM
Don Seaman	OSBM
Kellie Sleepy	JLF
Katherine W. Jaga	NCASTA
Don Harrison	TA
Jay Schalin	Pope Center
Justin Angye	Ed Consultant
J. Ann Norris	Public School Forum of NC
Dustin Burkhardt	Ref. Johnson
ANTHONY GROCO	CAROLINA JOURNAL
J. Jones	none

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

April 13, 2011

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jennifer Hypood	NCCCS
Ann McCon	SBE
Charlie Perone	UNC - GA
Anta Watkins	UNC - GA
Jinda Dukes	NCAE
Emily M. Dukes	Fayetteville State Univ.
Nayce Freeman	NCAE
Robert Wilson	SOS
Rob Thence	Comm. w/ NC, Children
Matt Wolfe	Parker Box
JAIME KING	NCEL

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

April 13, 2011

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Evin Schellkopf	UNC-CH
Karin Fitzgerald	UNC hospitals
Betty Doctor	UNC Charlotte
Susan McCracken	AGU -
Philip Rogers	ECU
Christopher Hill	NC Justice Center
Kewin Hays	NCSU
Corye Dunn	DRNC
Barry Hull	NCNG
Joyce Wallace	OSBM
Ginger Bous	UNC-GA
Jonathan Pruitt	UNC-GA

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

April 13, 2011 AM

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Eleanor Herndon	NC REAL
Paul Fogler	Infan
M Hill	NC SBE
Carolyn McKinney	NC PTSC
Philip Price	DPI
Joni Allbery	BEGINNINGS
Jackson	DPI.
Andrew Meehan	Capstrat
Math Gross	NCR
Mike Tarrant	UNCG
Jennifer Willis	NCLL

MINUTES
HOUSE APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION

Wednesday, April 13, 2011
4:00 P. M.

The House Appropriations Subcommittee met in room 421 of the Legislative Office Building on Wednesday, April 13, 2011 at 4:00 p. m. Representative Bryan Holloway, Co-Chair, presided over the meeting. The following House members were present: Representatives Blackwell and Hilton, Co-Chairs, Representatives Pridgen and Sanderson, Vice-Chairs, Representatives Avila, Bell, Brown, Glazier, Jeffus, Lucas, McLawhorn, Michaux, Parmon and Stam. Members of the Education Fiscal Research Division were also present. A Visitor Registration Sheet is attached and made part of these minutes.

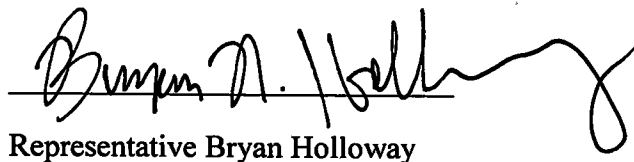
Chairman Holloway called the meeting to order and recognized the Sergeant-at-Arms and Pages.


Chairman Holloway recognized Andrea Poole and Denise Harb, Fiscal Research staff, to present the House Chairs' recommended budget for Community College and Universities using the handouts from yesterday (Attachment #1) Education Summary and Proposed Special Provisions (Attachment #2).

Discussion and questions followed.

The meeting adjourned at 5:35.

Respectfully submitted,


Representative Bryan Holloway


Carol Wilson, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2011-2012 SESSION**

You are hereby notified that the Committee on **Appropriations Subcommittee on Education** will meet as follows:

DAY & DATE: Wednesday, April 13, 2011
TIME: 4:00 PM or 15 minutes after session.
LOCATION: 421 LOB
COMMENTS:

Subcommittee Chairs' Budget Proposal on.

Respectfully,
Representative Blackwell, Chair
Representative Hilton, Chair
Representative Holloway, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **2 PM** o'clock on **April 12, 2011**.

- ☐ Principal Clerk
- ☐ Reading Clerk – House Chamber

Carol Wilson (Committee Assistant)

House Appropriations Subcommittee on Education

Agenda

**Wednesday, April 13, 2011, 4:00 P.M.
Room 421, Legislative Office Building
Representative Bryan Holloway, Presiding**

- I. Welcome**
Representative Holloway
- II. Discussion of House Subcommittee Chairs' Budget Proposal**
- III. Adjourn**

House Appropriations Subcommittee on Education

Rep. Blackwell, Chair
Rep. Hilton, Chair
Rep. Holloway, Chair
Rep. Pridgen, Vice Chair
Rep. Sanderson, Vice Chair

Members: Rep. Avila, Rep. Bell, Rep. Blust, Rep. L. Brown,
Rep. Glazier, Rep. Jeffus, Rep. Lucas,
Rep. McLawhorn, Rep. Michaux, Rep. Parmon,
Rep. Stam

ATTENDANCE

House Appropriations Subcommittee on Education

(Name of Committee)

[illegible]

Attachment #1

Education Summary – House Subcommittee Chairs' Budget Proposal

FY 2011-12						
	Continuation	Governor	Governor - Continuation	House	House - Continuation	House vs Cont.
Public Schools	\$7,923,543,951	\$7,572,712,912	(350,831,039)	7,229,503,708	(694,040,243)	-8.8%
Community Colleges	\$1,102,475,214	\$1,016,629,522	(85,845,692)	991,962,860	(110,512,354)	-10.0%
UNC	\$2,887,492,464	\$2,657,835,835	(229,656,629)	2,439,931,132	(447,561,332)	-15.5%
Total	\$11,913,511,629	\$11,247,178,269	(666,333,360)	10,661,397,700	(1,252,113,929)	-10.5%

FY 2012-13						
	Continuation	Governor	Governor - Continuation	House	House - Continuation	House vs Cont.
Public Schools	\$7,923,543,951	\$7,598,568,534	(324,975,417)	7,253,185,771	(670,358,180)	-8.5%
Community Colleges	\$1,102,475,214	\$1,022,312,530	(80,162,684)	991,962,860	(110,512,354)	-10.0%
UNC	\$2,886,730,386	\$2,670,455,384	(216,275,002)	2,439,287,176	(447,443,210)	-15.5%
Total	\$11,912,749,551	\$11,291,336,448	(621,413,103)	10,684,435,807	(1,228,313,744)	-10.3%

Public Schools

#	Item	Continuation Budget		House			
		FY 2011-12	FY 2012-13	2011-12		FY 2012-13	
				R	NR	R	NR
	Technical Adjustments						
1.	ADM Adjustment			55,882,651	-	143,087,414	-
2.	Average Salary Adjustment			(21,792,273)	-	(22,040,287)	-
3.	Children w Disabilities Headcount Adjustment*	694,938,293	695,979,534	(7,000,000)	-	(7,000,000)	-
4.	ADM Fund	72,110,000	74,750,000	-	-	-	-
	Other Public School Funding Adjustments						
5.	LEA Adjustment (negative reserve)	(304,744,366)	(304,744,366)	(42,170,022)		(105,696,322)	
6.	Teacher Assistants (fund only K-1)	527,793,315	544,432,298	(258,647,482)	-	(254,193,602)	-
7.	Education Reform Studies			-	1,000,000	-	-
8.	Testing*	11,529,114	11,575,598	(2,725,029)		(2,729,677)	
9.	Dropout Prevention Grants	13,290,683	13,290,683	(13,290,683)	-	(13,290,683)	-
10.	Student Diagnostics	10,000,000	10,000,000	(10,000,000)	-	(10,000,000)	-
11.	Learn & Earn Virtual Schools	1,000,000	1,000,000	(1,000,000)	-	(1,000,000)	-
12.	Learn & Earn Online	4,875,000	4,875,000	(4,875,000)	-	(4,875,000)	-
13.	At-Risk Student Services*	251,049,088	252,372,593	(30,125,891)	-	(30,284,711)	-
14.	Noninstructional Support Personnel*	396,649,804	400,365,281	(59,497,471)	-	(60,054,792)	-
15.	Textbooks*	115,598,088	116,672,015	-	(79,000,000)	-	(79,000,000)
16.	Instructional Supplies*	91,226,790	92,085,735	-	(38,245,358)	-	(38,417,147)
17.	Academically or Intellectually Gifted*	70,667,591	71,329,653	(8,480,111)	-	(8,559,558)	-
18.	Central Office Administration*	107,570,586	107,840,586	(10,757,059)	-	(10,784,059)	-
19.	School Building Administration (principals & assistant principals)	326,604,352	328,971,112	(24,790,256)	-	(25,023,016)	-
20.	Instructional Support	458,685,560	462,989,580	(22,934,278)	-	(23,180,222)	-
21.	Limited English Proficiency*	75,055,124	81,142,256	(7,505,512)	-	(8,114,226)	-
22.	Transportation*	413,604,577	417,690,635	(20,680,229)	-	(20,884,532)	-
23.	School Bus Replacement	56,851,619	56,851,619	-	(20,000,000)	-	(20,000,000)
24.	Mentoring	9,214,190	9,214,190	(9,214,190)	-	(9,214,190)	-
25.	School Technology	10,000,000	10,000,000	(10,000,000)	-	(10,000,000)	-

Public Schools

#	Item	Continuation Budget		House			
		FY 2011-12	FY 2012-13	2011-12		FY 2012-13	
				R	NR	R	NR
26.	Staff Development*	12,565,063	12,626,995	(12,565,063)	-	(12,626,995)	-
27.	Uniform Education Reporting System (UERS)	12,360,074	12,360,074	(2,101,213)	-	(2,101,213)	-
28.	More at Four (transfer remaining funds to Div. of Child Development, DHHS)	81,122,426	81,122,426	(16,000,000)	-	(16,000,000)	-
29.	Geographically Isolated School Allotment	411,503	411,503	(411,503)	-	(411,503)	-
30.	Liability Insurance for Public School Personnel	-	-	3,700,000	-	3,700,000	-
	Pass-throughs						
31.	Communities in Schools	1,446,750	1,446,750	(144,675)	-	(144,675)	-
32.	Teacher Cadet	340,000	340,000	(34,000)	-	(34,000)	-
33.	Science Olympiad	127,500	127,500	(127,500)	-	(127,500)	-
34.	Teach for America	900,000	900,000	(90,000)	-	(90,000)	-
35.	Kids Voting	50,000	50,000	(50,000)	-	(50,000)	-
36.	NC Science, Math, & Technical Educ. Center	100,000	100,000	(100,000)	-	(100,000)	-
37.	Tarheel ChalleNGe	767,719	767,719	(76,772)	-	(76,772)	-
	Department of Public Instruction						
38.	Curriculum	3,016,799	3,016,799	(1,119,336)	-	(1,119,336)	-
39.	Technology Services	9,198,839	9,198,839	(2,712,988)	-	(2,712,988)	-
40.	Communications	912,368	912,368	(246,586)	-	(246,586)	-
41.	District and School Transformation	7,206,325	7,206,325	(1,328,617)	-	(1,328,617)	-
42.	Accountability	1,324,713	1,324,713	(94,441)	-	(94,441)	-
43.	Instructional Technology	926,475	926,475	(93,682)	-	(93,682)	-
44.	Office of Early Learning	134,252	134,252	(134,252)	-	(134,252)	-
45.	School Planning	261,963	261,963	(261,963)	-	(261,963)	-
46.	Educator Recruitment & Development	411,886	411,886	(411,886)	-	(411,886)	-
47.	Teacher Academy	4,762,874	4,762,874	(4,762,874)	-	(4,762,874)	-
48.	NCCAT	6,102,495	6,102,495	(6,102,495)	-	(6,102,495)	-
49.	Governor's Education Cabinet	206,063	206,063	(206,063)	-	(206,063)	-
50.	NC Professional Teaching Stds Commision	235,646	235,646	(235,646)	-	(235,646)	-
51.	Residential Schools for the Deaf and Blind	32,632,108	32,632,108	(1,691,445)	-	(1,691,445)	-
52.	Connectivity	19,942,093	19,942,093	(650,000)	-	(650,000)	-

Public Schools

		Continuation Budget		House			
		FY 2011-12	FY 2012-13	2011-12		FY 2012-13	
#	Item			R	NR	R	NR
53.	Governor's School	849,588	849,588	-	-	(849,588)	-
54.	Learn and Earn Administration	139,050	139,050	(139,050)	-	(139,050)	-
Total Adjustments				\$ (557,794,885)	\$ (136,245,358)	\$ (532,941,033)	\$ (137,417,147)
Certified Budget				7,923,543,951		7,923,543,951	
Total Adjustments				(694,040,243)		(670,358,180)	
Recommended Budget				\$7,229,503,708		\$7,253,185,771	

* Includes ADM and Average Salary Adjustments not included in the Continuation Budget.

Community Colleges

		Continuation Budget		House			
		FY 2011-12	FY 2012-13	FY 2011-12		FY 2012-13	
#	Item			R	NR	R	NR
	Technical Adjustments						
1.	Enrollment Growth - Full enrollment growth, includes equipment in formula			34,140,158	-	47,699,747	-
	State Aid Adjustments						
2.	Management Flexibility Reduction	(29,000,000)	(29,000,000)	(44,095,124)		(51,761,305)	-
3.	Curriculum Tuition Increase \$10/credit hour Y1, \$12.50/credit hour Y2	(286,749,173)	(286,749,173)	(47,664,650)	-	(60,393,549)	-
4.	Continuing Education Fee Increase \$5 per course in FY 2012-13			-	-	(664,509)	-
5.	Modify Funding Formula - Eliminate Allied Health, Tech Ed, and Heavy Equipment programs special allocations and reconfigure funding formulae.	539,742,166	539,742,166	(22,670,636)	-	(22,670,636)	-
6.	Reduce Basic Skills Funding	80,483,463	80,483,463	(10,000,000)	-	(10,000,000)	
7.	Institutional and Academic Support	461,034,336	461,034,336	(8,548,090)	-	(8,548,090)	-
8.	Customized Training	12,917,716	12,917,716	-	(7,500,000)	-	-
9.	BioNetwork	4,396,284	4,396,284	(290,228)	-	(290,228)	-
10.	NC Military Business Center	1,250,000	1,250,000	(125,000)	-	(125,000)	-
11.	Textile Center	912,509	912,509	(91,251)	-	(91,251)	-
12.	Minority Male Mentoring	900,000	900,000	(90,000)		(90,000)	-
13.	Manufacturing Solutions Center	572,116	572,116	(57,212)	-	(57,212)	-
14.	Haywood Regional High Tech Center	582,383	582,383	(582,383)	-	(582,383)	-
15.	Hickory Metro Higher Education Center - Transfer to UNC Budget	264,833	264,833	(264,833)	-	(264,833)	-
16.	FTCC Botanical Lab	264,000	264,000	(264,000)		(264,000)	-
17.	NC REAL	250,000	250,000	(250,000)	-	(250,000)	-
	System Office Adjustments						
18.	Eliminate System Office Positions - 19 pos.	213 pos.		(1,265,975)	-	(1,265,975)	-
19.	Reduce Funds for 2+2 E-learning Initiative	750,000	750,000	(97,000)	-	(97,000)	-
20.	System Office Operating Funds Reduction			(265,417)	-	(265,417)	-
21.	Shift Positions to Receipt Support (3.5 pos.)			(322,180)	-	(322,180)	-

Community Colleges

		Continuation Budget		House			
		FY 2011-12	FY 2012-13	FY 2011-12		FY 2012-13	
#	Item			R	NR	R	NR
22.	Shift GED Program to Receipt Support - 2.5 position shifted from GF, fee to be set by State Board			(208,533)	-	(208,533)	-
Total Adjustments				(103,012,354)	(7,500,000)	(110,512,354)	-
Certified Budget				1,102,475,214		1,102,475,214	
Total Adjustments				(110,512,354)		(110,512,354)	
Proposed Budget				\$991,962,860		\$991,962,860	

UNC

		Certified Budget		House			
		FY 2011-12	FY 2012-13	FY 2011-12		FY 2012-13	
#	Item			R	NR	R	NR
	Technical Adjustments						
1.	Enrollment Growth (Full funding in first year)			46,818,123	-	46,818,123	-
	Other Adjustments						
2.	Management Flexibility Reduction			(469,224,273)	-	(470,749,947)	-
3.	UNC Hospitals Subsidy	44,011,882	44,011,882	-	(44,011,882)	-	(44,011,882)
4.	Coastal Wave Energy Research	2,000,000	2,000,000	(2,000,000)	-	(2,000,000)	-
5.	Center for Public Television	11,997,888	11,997,888	(11,997,888)	10,558,141	(11,997,888)	-
6.	East Carolina Dental School	11,500,000	11,500,000	3,500,000	-	5,000,000	-
7.	Building Reserves	-	-	18,531,614	-	29,233,551	-
8.	Hickory Metro Higher Education - Transfer from Community Colleges budget	-	-	264,833	-	264,833	-
Total Adjustments				(414,107,591)	(33,453,741)	(403,431,328)	(44,011,882)
Certified Budget				2,887,492,464		2,886,730,386	
Total Adjustments				(447,561,332)		(447,443,210)	
Proposed Budget				\$2,439,931,132		\$2,439,287,176	

Financial Aid

Note: Figures represent a mix of Escheat and General Fund monies.

#	Item	House			
		2011-12		FY 2012-13	
		R	NR	R	NR
	UNC Grants				
1.	UNC Need-Based Aid - limit to 9 semesters starting in FY 2012-13.	(301,446)	-	(4,956,358)	-
2.	Eliminate Student Incentive Grants	(4,414,428)	-	(4,414,428)	-
	Community College Grant				
3.	Take accumulated fund balance, but appropriate enough funding for ongoing \$16,500,000 budget	2,518,798	(5,731,912)	2,518,798	-
	Aid to Private Colleges				
4.	Eliminate Private Medical School Aid	(1,279,000)	-	(1,279,000)	-
5.	10% reduction to remaining private school aid, including limiting recipients to 9 semesters beginning in FY 2012-13	(10,448,764)	-	(10,448,764)	-
	Scholarship-loan Program				
6.	Principal Fellows - 10% reduction in slots in FY 2012-13 (Note: Fund balance taken by Governor for FY 2010-11)	-	-	(362,000)	-
7.	Millennium Teacher - Combine with Prospective Teacher Scholarship-loan, eliminate remaining fund balance		(500,000)		
8.	Future Teachers - Eliminate remaining appropriations	(455,000)	-	(455,000)	-
	UNC Tuition Waivers				
9.	Nonresident Graduate Student Remissions	(8,640,045)	-	(8,640,045)	-
10.	Resident Tuition for Nonresident Students	(6,055,000)	-	(6,055,000)	-
11.	Academic Common Market Waiver - no new enrollees	-	-	(1,215,000)	
12.	Nonresident Teachers	(984,443)	-	(984,443)	-
13.	Special Talent Undergraduate Tuition Waivers	(529,967)	-	(529,967)	-
14.	Prospective Teachers Scholars Program	(378,230)	-	(378,230)	-
15.	Community College Tuition Waivers	(444,000)	-	(444,000)	-
Total Adjustments		(31,411,525)	(6,231,912)	(37,643,437)	-
Total Net Reduction		(37,643,437)		(37,643,437)	

House Education Subcommittee Chairs' Proposed Special Provisions

April 12, 2011

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H28A

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

EDUCATION REFORM IN NORTH CAROLINA

SECTION #.(a) It is the intent of the General Assembly that the children of North Carolina are ready to succeed when they start school, learn the appropriate foundational education in the early grades, are prepared for a career or higher education upon graduation, and have job and learning skills appropriate to the global economy.

SECTION #.(b): To implement this, the Joint Education Oversight Committee shall study the following and report to the 2012 Session of the 2011 General Assembly with a comprehensive plan, including implementation dates and schedules, to accomplish this vision.

- (1) Elementary and Secondary Education – It is a priority of the General Assembly that by the end of third grade, North Carolina children receive a foundational education in reading and mathematics upon which to build future educational achievement. Further, it is a priority that children in all grades receive quality education from high quality teachers that are ready and able to teach and that children are promoted in an educationally appropriate manner. To that end, the Committee shall study:
 - a. Teacher tenure and its relationship with student performance.
 - b. Teacher pay and its relationship with student performance, including:
 1. Salary supplements for employees with masters degrees and national board certification, and their relationship with student performance.
 2. Methods of implementing a performance pay plan for school employees.
 - c. Strategies for reducing teacher paperwork to assist teachers in spending more time with students.
 - d. Kindergarten as a transition year between pre-K and elementary education, including looking at:
 1. Kindergarten specific class size ratios.
 2. Effectiveness of teacher assistants.
 - e. Reducing teacher-student ratio to 1:15 in first through third grade. In studying this reduction, the Committee shall consider:
 1. Professional development requirements.
 2. Physical classroom constraints.
 3. Integration of the third grade literacy policy, including third grade reading specialists, including Florida's reading specialist program.
- (2) Transition from High School – It is a priority of the General Assembly that high school graduates enter the workforce or higher education fully prepared. To that end, the Committee shall study:

- a. Ways to reduce the need for remedial or developmental education in the State's higher education institutions, so that students and the State do not pay repeatedly for the same education, including:
 1. Ensuring clear, rigorous secondary school standards, such as using college assessment tests in high school, including reviewing models in Florida and California, and using college assessment tests as entrance requirements for universities.
 2. Ways to hold high schools accountable for the higher education performance of their students, including requiring funding for developmental education to come from high schools.
 3. The most cost-effective way to provide remedial education in higher education, including funding summer-term developmental courses at community colleges based on successful course completions, focusing remediation at the community colleges, and redirecting university appropriations for remedial education to the community colleges.
 - b. The most efficient and effective way to give high school students access to higher education, including
 1. Career preparation, including the Governor's Career and College Promise recommendation
 2. College preparation, including the Governor's Career and College Promise program and existing Learn and Earn programs
 3. Revising statutes for high school students in higher education
- (3) Higher Education – It is a priority of the General Assembly that the State's higher education system produce college graduates in the most efficient and effective manner possible, to improve productivity and public accountability for performance in postsecondary education, and ultimately to increase the educational level and earning potential of the State. To that end, the Committee shall study:
- a. A revised set of accountability measures and performance standards by which to evaluate and measure student progress and student success in the North Carolina Community College System, as described in Section 8.X, including how to incorporate these measures into formula funding.
 - b. A revised method of projecting and funding UNC enrollment growth, as described in Section 9.X.
 - c. Ways to increase transparency in the university system spending and revenues
 - d. Other states' performance funding systems, including efforts in Ohio, Florida, and Washington.
 - e. Ways to increase college graduation rates, by funding based on performance.
 - f. The impact of directing more students to the community colleges for their freshman and sophomore years of a four-year degree, including requiring a certificate of transfer from the North Carolina Community College System before transferring to The University of North Carolina System.

1 **SECTION #(c):** In all cases, any program implemented needs to be structured so
2 that ongoing, evaluable performance and outcome data is available.
3 **SECTION #.(d):** Funds appropriated to implement this section may be used by the
4 Committee to hire one or more external consultants to complete these studies.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H3

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

FUNDS FOR CHILDREN WITH DISABILITIES

SECTION #. The State Board of Education shall allocate additional funds for children with disabilities on the basis of three thousand five hundred ninety-eight dollars and fifty-five cents (\$3,598.55) per child. Each local school administrative unit shall receive funds for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and five-tenths percent (12.5%) of its 2011-2012 allocated average daily membership in the local school administrative unit. The dollar amounts allocated under this section for children with disabilities shall also adjust in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve children with disabilities.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H4

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***FUNDS FOR ACADEMICALLY GIFTED CHILDREN***

11 **SECTION #.** The State Board of Education shall allocate additional funds for
12 academically or intellectually gifted children on the basis of one thousand one hundred
13 ninety-two dollars and ninety cents (\$1,192.90) per child. A local school administrative unit
14 shall receive funds for a maximum of four percent (4%) of its 2011-2012 allocated average
15 daily membership, regardless of the number of children identified as academically or
16 intellectually gifted in the unit. The dollar amounts allocated under this section for
17 academically or intellectually gifted children shall also adjust in accordance with legislative
18 salary increments, retirement rate adjustments, and health benefit adjustments for personnel
19 who serve academically or intellectually gifted children.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H5

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

USE OF SUPPLEMENTAL FUNDING IN LOW WEALTH COUNTIES

SECTION #.(a) Use of Funds for Supplemental Funding. – All funds received pursuant to this section shall be used only (i) to provide instructional positions, instructional support positions, teacher assistant positions, clerical positions, school computer technicians, instructional supplies and equipment, staff development, and textbooks and (ii) for salary supplements for instructional personnel and instructional support personnel. Local boards of education are encouraged to use at least twenty-five percent (25%) of the funds received pursuant to this section to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades 3-8 and children who are performing at Level I or II in grades 4 and 7.

SECTION #.(b) Definitions. – As used in this section:

- (1) "Anticipated county property tax revenue availability" means the county-adjusted property tax base multiplied by the effective State average tax rate.
- (2) "Anticipated total county revenue availability" means the sum of the following:
 - a. Anticipated county property tax revenue availability,
 - b. Local sales and use taxes received by the county that are levied under Chapter 1096 of the 1967 Session Laws or under Subchapter VIII of Chapter 105 of the General Statutes,
 - c. Sales tax hold harmless reimbursement received by the county under G.S. 105-521, and
 - d. Fines and forfeitures deposited in the county school fund for the most recent year for which data are available.
- (3) "Anticipated total county revenue availability per student" means the anticipated total county revenue availability for the county divided by the average daily membership of the county.
- (4) "Anticipated State average revenue availability per student" means the sum of all anticipated total county revenue availability divided by the average daily membership for the State.
- (5) "Average daily membership" means average daily membership as defined in the North Carolina Public Schools Allotment Policy Manual, adopted by the State Board of Education. If a county contains only part of a local school administrative unit, the average daily membership of that county includes all students who reside within the county and attend that local school administrative unit.
- (6) "County-adjusted property tax base" shall be computed as follows:

- a. Subtract the present-use value of agricultural land, horticultural land, and forestland in the county, as defined in G.S. 105-277.2, from the total assessed real property valuation of the county,
 - b. Adjust the resulting amount by multiplying by a weighted average of the three most recent annual sales assessment ratio studies,
 - c. Add to the resulting amount the following:
 1. Present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2,
 2. Value of property of public service companies, determined in accordance with Article 23 of Chapter 105 of the General Statutes, and
 3. Personal property value for the county.
- (7) "County-adjusted property tax base per square mile" means the county-adjusted property tax base divided by the number of square miles of land area in the county.
- (8) "County wealth as a percentage of State average wealth" shall be computed as follows:
- a. Compute the percentage that the county per capita income is of the State per capita income and weight the resulting percentage by a factor of five-tenths,
 - b. Compute the percentage that the anticipated total county revenue availability per student is of the anticipated State average revenue availability per student and weight the resulting percentage by a factor of four-tenths,
 - c. Compute the percentage that the county-adjusted property tax base per square mile is of the State-adjusted property tax base per square mile and weight the resulting percentage by a factor of one-tenth,
 - d. Add the three weighted percentages to derive the county wealth as a percentage of the State average wealth.
- (9) "Effective county tax rate" means the actual county tax rate multiplied by a weighted average of the three most recent annual sales assessment ratio studies.
- (10) "Effective State average tax rate" means the average of effective county tax rates for all counties.
- (11) "Local current expense funds" means the most recent county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.
- (12) "Per capita income" means the average for the most recent three years for which data are available of the per capita income according to the most recent report of the United States Department of Commerce, Bureau of Economic Analysis, including any reported modifications for prior years as outlined in the most recent report.
- (13) "Sales assessment ratio studies" means sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).
- (14) "State average current expense appropriations per student" means the most recent State total of county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

- 1 (15) "State average adjusted property tax base per square mile" means the sum of
2 the county-adjusted property tax bases for all counties divided by the
3 number of square miles of land area in the State.
- 4 (16) "Supplant" means to decrease local per student current expense
5 appropriations from one fiscal year to the next fiscal year.
- 6 (17) "Weighted average of the three most recent annual sales assessment ratio
7 studies" means the weighted average of the three most recent annual sales
8 assessment ratio studies in the most recent years for which county current
9 expense appropriations and adjusted property tax valuations are available. If
10 real property in a county has been revalued one year prior to the most recent
11 sales assessment ratio study, a weighted average of the two most recent sales
12 assessment ratios shall be used. If property has been revalued the year of the
13 most recent sales assessment ratio study, the sales assessment ratio for the
14 year of revaluation shall be used.

15 **SECTION #.(c) Eligibility for Funds.** – Except as provided in subsection (g) of this
16 section, the State Board of Education shall allocate these funds to local school administrative
17 units located in whole or in part in counties in which the county wealth as a percentage of the
18 State average wealth is less than one hundred percent (100%).

19 **SECTION #.(d) Allocation of Funds.** – Except as provided in subsection (f) of this
20 section, the amount received per average daily membership for a county shall be the difference
21 between the State average current expense appropriations per student and the current expense
22 appropriations per student that the county could provide given the county's wealth and an
23 average effort to fund public schools. (To derive the current expense appropriations per student
24 that the county could be able to provide given the county's wealth and an average effort to fund
25 public schools, multiply the county's wealth as a percentage of State average wealth by the
26 State average current expense appropriations per student.) The funds for the local school
27 administrative units located in whole or in part in the county shall be allocated to each local
28 school administrative unit located in whole or in part in the county based on the average daily
29 membership of the county's students in the school units. If the funds appropriated for
30 supplemental funding are not adequate to fund the formula fully, each local school
31 administrative unit shall receive a pro rata share of the funds appropriated for supplemental
32 funding.

33 **SECTION #.(e) Formula for Distribution of Supplemental Funding Pursuant to**
34 **This Section Only.** – The formula in this section is solely a basis for distribution of
35 supplemental funding for low-wealth counties and is not intended to reflect any measure of the
36 adequacy of the educational program or funding for public schools. The formula is also not
37 intended to reflect any commitment by the General Assembly to appropriate any additional
38 supplemental funds for low-wealth counties.

39 **SECTION #.(f) Minimum Effort Required.** – Counties that had effective tax rates
40 in the 1996-1997 fiscal year that were above the State average effective tax rate but that had
41 effective rates below the State average in the 1997-1998 fiscal year or thereafter shall receive
42 reduced funding under this section. This reduction in funding shall be determined by
43 subtracting the amount that the county would have received pursuant to Section 17.1(g) of
44 Chapter 507 of the 1995 Session Laws from the amount that the county would have received if
45 qualified for full funding and multiplying the difference by ten percent (10%). This method of
46 calculating reduced funding shall apply one time only. This method of calculating reduced
47 funding shall not apply in cases in which the effective tax rate fell below the statewide average
48 effective tax rate as a result of a reduction in the actual property tax rate. In these cases, the
49 minimum effort required shall be calculated in accordance with Section 17.1(g) of Chapter 507
50 of the 1995 Session Laws. If the county documents that it has increased the per student

1 appropriation to the school current expense fund in the current fiscal year, the State Board of
2 Education shall include this additional per pupil appropriation when calculating minimum
3 effort pursuant to Section 17.1(g) of Chapter 507 of the 1995 Session Laws.

4 **SECTION #.(g) Nonsupplant Requirement.** – A county in which a local school
5 administrative unit receives funds under this section shall use the funds to supplement local
6 current expense funds and shall not supplant local current expense funds. For the 2011-2013
7 fiscal biennium, the State Board of Education shall not allocate funds under this section to a
8 county found to have used these funds to supplant local per student current expense funds. The
9 State Board of Education shall make a finding that a county has used these funds to supplant
10 local current expense funds in the prior year, or the year for which the most recent data are
11 available, if the following apply:

- 12 (1) The current expense appropriation per student of the county for the current
13 year is less than ninety-five percent (95%) of the average of the local current
14 expense appropriations per student for the three prior fiscal years; and
- 15 (2) The county cannot show (i) that it has remedied the deficiency in funding or
16 (ii) that extraordinary circumstances caused the county to supplant local
17 current expense funds with funds allocated under this section. The State
18 Board of Education shall adopt rules to implement this section.

19 **SECTION #.(h) Reports.** – The State Board of Education shall report to the Joint
20 Legislative Education Oversight Committee prior to May 1, 2012, if it determines that counties
21 have supplanted funds.

22 **SECTION #.(i) Department of Revenue Reports.** – The Department of Revenue
23 shall provide to the Department of Public Instruction a preliminary report for the current fiscal
24 year of the assessed value of the property tax base for each county prior to March 1 of each
25 year and a final report prior to May 1 of each year. The reports shall include for each county the
26 annual sales assessment ratio and the taxable values of (i) total real property, (ii) the portion of
27 total real property represented by the present-use value of agricultural land, horticultural land,
28 and forestland, as defined in G.S. 105-277.2, (iii) property of public service companies
29 determined in accordance with Article 23 of Chapter 105 of the General Statutes, and (iv)
30 personal property.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2011-DPI-H6

**Department of Public Instruction
Appropriations Subcommittee on Education**

Requested by: Representative

2 LITIGATION RESERVE FUNDS

5 SECTION #. The State Board of Education may expend up to five hundred
6 thousand dollars (\$500,000) each year for the 2011-2012 and 2012-2013 fiscal years from
7 unexpended funds for certified employees' salaries to pay expenses related to litigation.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H7

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS***

4 **SECTION #.(a)** Funds appropriated for the Uniform Education Reporting System
5 shall not revert at the end of the 2010-2011 fiscal year.

5 **SECTION #.(b)** This section becomes effective June 30, 2011.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H8

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***FOCUSED EDUCATION REFORM PROGRAM FUNDS DO NOT REVERT***

6 **SECTION #.(a)** Funds appropriated for the Focused Education Reform Pilot
7 Program that are unexpended and unencumbered at the end of the 2010-2011 fiscal year shall
8 not revert but shall remain available for expenditure for that purpose through the 2011-2012
9 fiscal year.

7 **SECTION #.(b)** This section becomes effective June 30, 2011.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H10

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)

SECTION 7.8.(a) Funds appropriated for disadvantaged student supplemental funding shall be used, consistent with the policies and procedures adopted by the State Board of Education, only to:

- (1) Provide instructional positions or instructional support positions and/or professional development;
- (2) Provide intensive in-school and/or after-school remediation;
- (3) Purchase diagnostic software and progress-monitoring tools; and
- (4) Provide funds for teacher bonuses and supplements. The State Board of Education shall set a maximum percentage of the funds that may be used for this purpose.

The State Board of Education may require districts receiving funding under the Disadvantaged Student Supplemental Fund to purchase the Education Value Added Assessment System in order to provide in-depth analysis of student performance and help identify strategies for improving student achievement. This data shall be used exclusively for instructional and curriculum decisions made in the best interest of children and for professional development for their teachers and administrators.

SECTION 7.8.(b) Funds appropriated to a local school administrative unit for disadvantaged student supplemental funding shall be allotted based on: (i) the local school administrative unit's eligible DSSF population and (ii) the difference between a teacher-to-student ratio of 1:21 and the following teacher-to-student ratios:

- (1) For counties with wealth greater than ninety percent (90%) of the statewide average, a ratio of 19.9.
- (2) For counties with wealth not less than eighty percent (80%) and not greater than ninety percent (90%) of the statewide average, a ratio of 1:19.4.
- (3) For counties with wealth less than eighty percent (80%) of the statewide average, a ratio of 1:19.1.
- (4) For LEAs receiving DSSF funds in 2005-2006, a ratio of 1:16. These LEAs shall receive no less than the DSSF amount allotted in 2006-2007.

For the purpose of this subsection, wealth shall be calculated under the low-wealth supplemental formula.

SECTION 7.8.(c) If a local school administrative unit's wealth increases to a level that adversely affects the unit's DSSF allotment ratio, the DSSF allotment for that unit shall be maintained at the prior year level for one additional fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H11

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***TUITION CHARGE FOR GOVERNOR'S SCHOOL***

3 SECTION #. G.S. 115C-12(36) reads as rewritten:

7 "(36) Duty to Charge Tuition for the Governor's School of North Carolina. – The
8 State Board of Education ~~shall~~ may implement a ~~five hundred dollar~~
9 ~~(\$500.00)~~ tuition charge for students attending the Governor's School of
10 North ~~Carolina~~ Carolina to cover the costs of the School."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H12

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

SCHOOL CONNECTIVITY INITIATIVE FUNDS

SECTION #.(a) Section 7.9(b) of S.L. 2010-31 reads as rewritten:

"**SECTION 7.9.(b)** Up to three hundred fifty thousand dollars (\$350,000) of the funds for the School Connectivity Initiative may be used for ~~this and subsequent fiscal years the 2010-2011 fiscal year~~ by the Office of the Governor for education innovation and the education E-learning portal. These funds may be used to provide services to coordinate e-learning activities across all education agencies and to support the operating of the E-learning portal."

SECTION #.(b) Section 7.6(a) of S.L. 2008-107, as rewritten by Section 7.12(b) of S.L. 2009-451, reads as rewritten:

"**SECTION 7.6.(a)** Up to three hundred thousand dollars (\$300,000) may be transferred annually through June 30, ~~2013, 2011,~~ to the Friday Institute at North Carolina State University to evaluate the effectiveness of using technology and its impact on 21st Century Teaching and Learning outcomes approved by the State Board of Education. The Friday Institute shall report annually to the State Board of Education on the evaluation results."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H13

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 **TEXTBOOKS**

4 SECTION #. The State Board of Education shall not adopt any new textbooks
5 prior to July 1, 2013.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H14

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING

SECTION 7.4.(a) Funds for Small School Systems. – Except as provided in subsection (b) of this section, the State Board of Education shall allocate funds appropriated for small school system supplemental funding (i) to each county school administrative unit with an average daily membership of fewer than 3,175 students and (ii) to each county school administrative unit with an average daily membership from 3,175 to 4,000 students if the county in which the local school administrative unit is located has a county-adjusted property tax base per student that is below the State-adjusted property tax base per student and if the total average daily membership of all local school administrative units located within the county is from 3,175 to 4,000 students. The allocation formula shall do all of the following:

- (1) Round all fractions of positions to the next whole position.
- (2) Provide five and one-half additional regular classroom teachers in counties in which the average daily membership per square mile is greater than four, and seven additional regular classroom teachers in counties in which the average daily membership per square mile is four or fewer.
- (3) Provide additional program enhancement teachers adequate to offer the standard course of study.
- (4) Change the duty-free period allocation to one teacher assistant per 400 average daily membership.
- (5) Provide a base for the consolidated funds allotment of at least seven hundred seventeen thousand three hundred sixty dollars (\$717,360), excluding textbooks, for the 2011-2012 fiscal year and a base of seven hundred seventeen thousand three hundred sixty dollars (\$717,360) for the 2012-2013 fiscal year.
- (6) Allot vocational education funds for grade 6 as well as for grades 7-12. If funds appropriated for each fiscal year for small school system supplemental funding are not adequate to fully fund the program, the State Board of Education shall reduce the amount allocated to each county school administrative unit on a pro rata basis. This formula is solely a basis for distribution of supplemental funding for certain county school administrative units and is not intended to reflect any measure of the adequacy of the educational program or funding for public schools. The formula also is not intended to reflect any commitment by the General Assembly to appropriate any additional supplemental funds for such county administrative units.

SECTION 7.4.(b) Nonsupplant Requirement. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2011-2013 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The

1 State Board of Education shall make a finding that a county has used these funds to supplant
2 local current expense funds in the prior year, or the year for which the most recent data are
3 available, if the following apply:

- 4 (1) The current expense appropriation per student of the county for the current
5 year is less than ninety-five percent (95%) of the average of the local current
6 expense appropriations per student for the three prior fiscal years; and
- 7 (2) The county cannot show (i) that it has remedied the deficiency in funding or
8 (ii) that extraordinary circumstances caused the county to supplant local
9 current expense funds with funds allocated under this section. The State
10 Board of Education shall adopt rules to implement this section.

11 **SECTION 7.4.(c) Phase-Out Provisions.** – If a local school administrative unit
12 becomes ineligible for funding under this formula because of (i) an increase in the population
13 of the county in which the local school administrative unit is located or (ii) an increase in the
14 county-adjusted property tax base per student of the county in which the local school
15 administrative unit is located, funding for that unit shall be continued for seven years after the
16 unit becomes ineligible.

17 **SECTION 7.4.(d) Definitions.** – As used in this section, the following definitions
18 apply:

- 19 (1) "Average daily membership" means within two percent (2%) of the average
20 daily membership as defined in the North Carolina Public Schools Allotment
21 Policy Manual adopted by the State Board of Education.
- 22 (2) "County-adjusted property tax base per student" means the total assessed
23 property valuation for each county, adjusted using a weighted average of the
24 three most recent annual sales assessment ratio studies, divided by the total
25 number of students in average daily membership who reside within the
26 county.
- 27 (3) "Local current expense funds" means the most recent county current expense
28 appropriations to public schools, as reported by local boards of education in
29 the audit report filed with the Secretary of the Local Government
30 Commission pursuant to G.S. 115C-447.
- 31 (4) "Sales assessment ratio studies" means sales assessment ratio studies
32 performed by the Department of Revenue under G.S. 105-289(h).
- 33 (5) "State-adjusted property tax base per student" means the sum of all
34 county-adjusted property tax bases divided by the total number of students in
35 average daily membership who reside within the State.
- 36 (6) "Supplant" means to decrease local per student current expense
37 appropriations from one fiscal year to the next fiscal year.
- 38 (7) "Weighted average of the three most recent annual sales assessment ratio
39 studies" means the weighted average of the three most recent annual sales
40 assessment ratio studies in the most recent years for which county current
41 expense appropriations and adjusted property tax valuations are available. If
42 real property in a county has been revalued one year prior to the most recent
43 sales assessment ratio study, a weighted average of the two most recent sales
44 assessment ratios shall be used. If property has been revalued during the year
45 of the most recent sales assessment ratio study, the sales assessment ratio for
46 the year of revaluation shall be used.

47 **SECTION 7.4.(e) Reports.** – The State Board of Education shall report to the Joint
48 Legislative Education Oversight Committee prior to May 1, 2012, if it determines that counties
49 have supplanted funds.

1 **SECTION 7.4.(f)** Use of Funds. – Local boards of education are encouraged to use
2 at least twenty percent (20%) of the funds they receive pursuant to this section to improve the
3 academic performance of children who are performing at Level I or II on either reading or
4 mathematics end-of-grade tests in grades 3-8.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H16

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

ELIMINATION OF REPORTING REQUIREMENTS

SECTION #.(a) G.S. 115C-12(25) reads as rewritten:

"§ 115C-12. Powers and duties of the Board generally.

The general supervision and administration of the free public school system shall be vested in the State Board of Education. The State Board of Education shall establish policy for the system of free public schools, subject to laws enacted by the General Assembly. The powers and duties of the State Board of Education are defined as follows:

(25) Duty to Report to Joint Legislative Education Oversight Committee. – Upon the request of the Joint Legislative Education Oversight Committee, the State Board shall examine and evaluate issues, programs, policies, and fiscal information, and shall make reports to that Committee. Furthermore, beginning October 15, 1997, and annually thereafter, the State Board shall submit reports to that Committee regarding the continued implementation of Chapter 716 of the 1995 Session Laws, 1996 Regular Session. Each report shall include information regarding the composition and activity of assistance teams, schools that received incentive awards, schools identified as low-performing, ~~school improvement plans found to significantly improve student performance,~~ personnel actions taken in low-performing schools, and recommendations for additional legislation to improve student performance and increase local flexibility."

SECTION #.(b) G.S. 115C-47(38) is repealed.

SECTION #. (c) G.S. 115C-84.2(a)(1) reads as rewritten:

"(1) (See notes) A minimum of 180 days and 1,000 hours of instruction covering at least nine calendar months. The local board shall designate when the 180 instructional days shall occur. The number of instructional hours in an instructional day may vary according to local board policy and does not have to be uniform among the schools in the administrative unit. ~~Local boards may approve school improvement plans that include days with varying amounts of instructional time.~~ If school is closed early due to inclement weather, the day and the scheduled amount of instructional hours may count towards the required minimum to the extent allowed by State Board policy. The school calendar shall include a plan for making up days and instructional hours missed when schools are not opened due to inclement weather."

SECTION #. (d) G.S. 115C-84.2(a)(5) reads as rewritten:

"(5) The remaining days scheduled by the local board in consultation with each school's principal for use as teacher workdays, additional instructional days, or other lawful purposes. ~~Before consulting with the local board, each~~

principal shall work with the school improvement team to determine the days to be scheduled and the purposes for which they should be scheduled. Days may be scheduled and planned for different purposes for different personnel and there is no requirement to schedule the same dates for all personnel. In order to make up days for school closing because of inclement weather, the local board may designate any of the days in this subdivision as additional make-up days to be scheduled after the last day of student attendance."

SECTION #.(e) G.S. 115C-98(b2) reads as rewritten:

"(b2) Local boards of education may:

(1) ~~Select, may select~~ procure, and use textbooks that have not been adopted by the State Board of Education for use throughout the local school administrative unit for selected grade levels and ~~courses; and~~ courses.

(2) ~~Approve school improvement plans developed under G.S. 115C-105.27 that include provisions for using textbooks that have not been adopted by the State Board of Education for selected grade levels and courses.~~

All textbook contracts made under this subsection shall include a clause granting to the local board of education the license to produce braille, large print, and audiocassette tape copies of the textbooks for use in the local school administrative unit."

SECTION #.(f) G.S. 115C-105.20(b)(5) is repealed.

SECTION #.(g) G.S. 115C-105.25 reads as rewritten:

"§ 115C-105.25. Budget flexibility.

...
(b) Subject to the following limitations, local boards of education may transfer and may approve transfers of funds between funding allotment categories:

(1) ~~In accordance with a school improvement plan accepted under G.S. 115C-105.27, State funds allocated for teacher assistants may be transferred only for personnel (i) to serve students only in kindergarten through third grade, or (ii) to serve students primarily in kindergarten through third grade when the personnel are assigned to an elementary school to serve the whole school. Funds allocated for teacher assistants may be transferred to reduce class size or (iii) to reduce the student-teacher ratio in kindergarten through third grade so long as the affected teacher assistant positions are not filled when the plan is amended or approved by the building level staff entitled to vote on the plan or the affected teacher assistant positions are not expected to be filled on the date the plan is to be implemented. Filled.~~ Any State funds appropriated for teacher assistants that were converted to certificated teachers before July 1, 1995, in accordance with Section 1 of Chapter 986 of the 1991 Session Laws, as rewritten by Chapter 103 of the 1993 Session Laws, may continue to be used for certificated teachers.

(2) ~~In accordance with a school improvement plan accepted under G.S. 115C-105.27, (i) State funds allocated for classroom materials/instructional supplies/equipment may be transferred only for the purchase of textbooks; (ii) textbooks. State funds allocated for textbooks may be transferred only for the purchase of instructional supplies, instructional equipment, or other classroom materials; and (iii) materials.~~ State funds allocated for noninstructional support personnel may be transferred only for teacher positions.

...

- (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.~~

...

SECTION #.(h) G.S.115C-105.26 reads as rewritten:

"§ 115C-105.26. Waivers of State laws, rules, or policies.

(a) ~~When included as part of a school improvement plan accepted under G.S. 115C-105.27, local~~ Local boards of education shall submit requests for waivers of State laws, rules, or policies to the State Board of Education. A request for a waiver shall (i) identify the school making the request, (ii) identify the State laws, rules, or policies that inhibit the school's ability to improve student performance, (iii) set out with specificity the circumstances under which the waiver may be used, and (iv) explain how the requested waiver will permit the school to improve student performance. Except as provided in subsection (c) of this section, the State Board shall grant waivers only for the specific schools for which they are requested and shall be used only under the specific circumstances for which they are requested.

(b) ~~When requested as part of a school improvement plan, the~~ The State Board of Education may grant waivers of:

- (1) State laws pertaining to class size and teacher certification; and
- (2) State rules and policies, except those pertaining to public school State salary schedules and employee benefits for school employees, the instructional program that must be offered under the Basic Education Program, the system of employment for public school teachers and administrators set out in G.S. 115C-287.1 and G.S. 115C-325, health and safety codes, compulsory attendance, the minimum lengths of the school day and year, and the Uniform Education Reporting System.

...

SECTION #.(i) G.S. 115C-105.27 is repealed.

SECTION #.(j) G.S. 115C-105.30 is repealed.

SECTION #.(k) G.S. 115C-105.31(b)(3) is repealed.

SECTION #.(l) G.S. 115C-105.32 is repealed.

SECTION #.(m) G.S. 115C-105.33 reads as rewritten:

"§ 115C-105.33. Safe and orderly schools.

A ~~school improvement team or a~~ parent organization at a school may ask the local board of education to provide assistance in promoting or restoring safety and an orderly learning environment at a school. The ~~school improvement team or parent~~ organization shall file a copy of this request with the State Board. If the local board fails to provide adequate assistance to the school, then the ~~school improvement team or parent~~ organization may ask the State Board to provide an assistance team to the school.

The State Board may provide an assistance team, established under G.S. 115C-105.38, to a school in order to promote or restore safety and an orderly learning environment at that school if one of the following applies:

- (1) The local board of education or superintendent requests that the State Board provide an assistance team to a school and the State Board determines that the school needs assistance.
- (2) The State Board determines within 10 days after its receipt of the request for assistance from a ~~school improvement team or parent~~ organization of a

1 school that the school needs assistance and that the local board has failed to
2 provide adequate assistance to that school.

3 If an assistance team is assigned to a school under this section, the team shall spend a
4 sufficient amount of time at the school to assess the problems at the school, assist school
5 personnel with resolving those problems, and work with school personnel and others to develop
6 a long-term plan for restoring and maintaining safety and an orderly learning environment at
7 the school. The assistance team also shall make recommendations to the local board of
8 education and the superintendent on actions the board and the superintendent should consider
9 taking to resolve problems at the school. These recommendations shall be in writing and are
10 public records. If an assistance team is assigned to a school under this section, the powers given
11 to the State Board and the assistance team under G.S. 115C-105.38 and G.S. 115C-105.39 shall
12 apply as if the school had been identified as low-performing under this Article."

13 **SECTION #. (n) G.S. 115C-105.37A(a) reads as rewritten:**

14 "(a) Definition of Continually Low-Performing Schools. – A continually low-performing
15 school is a school that has received State-mandated assistance and has been designated by the
16 State Board as low performing for at least two of three consecutive years. ~~If the State Board~~
17 ~~identifies a school as continually low performing:~~

18 ~~(1) The school improvement team at that school shall review its school~~
19 ~~improvement plan to ensure consistency with the plan adopted pursuant to~~
20 ~~G.S. 115C-105.38(b)(3), and~~

21 ~~(2) The plan must be reviewed and approved by the State Board of Education."~~

22 **SECTION #.(o) G.S. 115C-105.38(b)(6) reads as rewritten:**

23 "(6) Report, as appropriate, to the local board of education, the community, and
24 the State Board on the school's progress. ~~If an assistance team determines~~
25 ~~that an accepted school improvement plan developed under G.S.~~
26 ~~115C-105.27 is impeding student performance at a school, the team may~~
27 ~~recommend to the local board that it vacate the relevant portions of that plan~~
28 ~~and direct the school to revise those portions."~~

29 **SECTION #.(p) G.S. 115C-105.47(b)(13) is repealed.**

30 **SECTION #.(q) G.S. 115C-174.12(a)(3) reads as rewritten:**

31 "(3) No school shall participate in more than two field tests at any one grade level
32 during a school year ~~unless that school volunteers, through a vote of its~~
33 ~~school improvement team, to participate in an expanded number of field~~
34 ~~tests without the approval of the principal of the school."~~

35 **SECTION #. (r) G.S. 115C-238.31(a) reads as rewritten:**

36 "(a) Local school administrative units are encouraged to implement extended services
37 programs that will expand students' opportunities for educational success through high-quality,
38 integrated access to instructional programming during nonschool hours. ~~Extended services~~
39 ~~programs may be incorporated into school improvement plans developed in accordance with~~
40 ~~G.S. 115C-105.27.~~ Calendar alternatives include, but are not limited to, after-school hours,
41 before-school hours, evening school, Saturday school, summer school, and year-round school.
42 Instructional programming may include, but is not limited to, tutoring, direct instruction,
43 enrichment activities, study skills, and reinforcement projects.

44 **SECTION #.(s) G.S. 115C-288(h) reads as rewritten:**

45 "(h) To Make Available School ~~Budgets and School Improvement Plans.~~ Budgets. –
46 The principal shall maintain a copy of the school's current ~~budget and school improvement~~
47 ~~plan, including any amendments to the plan,~~ budget and shall allow parents of children in the
48 school and other interested persons to review and obtain such documents in accordance with
49 Chapter 132 of the General Statutes."

50 **SECTION #.(t) G.S. 115C-288(l) is repealed.**

1 **SECTION #.(u) G.S. 143B-146.6(b)(6) reads as rewritten:**

2 "(6) Report, as appropriate, to the Secretary, the State Board, and the parents on
3 the school's progress. ~~If an assistance team determines that an accepted~~
4 ~~school improvement plan developed under G.S. 143B-146.12 is impeding~~
5 ~~student performance at a school, the team may recommend to the Secretary~~
6 ~~that he vacate the relevant portions of that plan and direct the school to~~
7 ~~revise those portions.~~

8 **SECTION #.(v) G.S. 143B-146.12. is repealed.**

9 **SECTION #.(w) G.S. 115C-47(32a) reads as rewritten:**

10 "(32a) To Establish Alternative Learning Programs and Develop Policies and
11 Guidelines. – Each local board of education shall establish at least one
12 alternative learning program and shall adopt guidelines for assigning
13 students to alternative learning programs. These guidelines shall include (i) a
14 description of the programs and services to be provided, (ii) a process for
15 ensuring that an assignment is appropriate for the student and that the
16 student's parents are involved in the decision, and (iii) strategies for
17 providing alternative learning programs, when feasible and appropriate, for
18 students who are subject to long term suspension or expulsion. In developing
19 these guidelines, local boards shall consider the State Board's standards
20 developed under G.S. 115C-12(24). ~~Upon adoption of policies and~~
21 ~~guidelines under this subdivision, local boards are encouraged to incorporate~~
22 ~~them in their safe school plans developed under G.S. 115C-105.47.~~

23 The General Assembly urges local boards to adopt policies that prohibit
24 superintendents from assigning to any alternative learning program any
25 professional public school employee who has received within the last three
26 years a rating on a formal evaluation that is less than above standard.

27 Notwithstanding this subdivision, each local board shall adopt policies
28 based on the State Board's standards developed under G.S. 115C-12(24).
29 These policies shall apply to any new alternative learning program or
30 alternative school that is implemented beginning with the 2006-2007 school
31 year. Local boards of education are encouraged to apply these standards to
32 alternative learning programs and alternative schools implemented before
33 the 2006-2007 school year.

34 Local boards shall assess on a regular basis whether the unit's alternative
35 schools and alternative learning programs comply with the State Board's
36 standards developed under G.S. 115C-12(24) and whether they incorporate
37 best practices for improving student academic performance and reducing
38 disruptive behavior, are staffed with professional public school employees
39 who are well trained and provided with appropriate staff development, are
40 organized to provide coordinated services, and provide students with high
41 quality and rigorous academic instruction."

42 **SECTION #.(x) G.S. 115C-105.27(b)(2) reads as rewritten:**

43 "(2) Shall include a plan to address school safety and discipline ~~concerns in~~
44 ~~accordance with the safe school plan developed under Article 8C of this~~
45 ~~Chapter; concerns.~~

46 **SECTION #.(y) G.S. 115C-105.46 reads as rewritten:**

47 **"§ 115C-105.46. State Board of Education responsibilities.**

48 In order to implement this Article, the State Board of Education:

49 ~~(1) Shall adopt guidelines for developing local plans under G.S. 115C-105.47.~~

(2) ~~Shall provide, in cooperation with the Board of Governors of The University of North Carolina, ongoing technical assistance to the local school administrative units in the development, implementation, and evaluation of their local plans under G.S. 115C-105.47.~~

(3) ~~May require a local board of education to withhold the salary of any administrator or other employee of a local school administrative unit who delays or refuses to prepare and implement local safe school plans in accordance with G.S. 115C-105.47.~~

(4) ~~May revoke the certificate of the superintendent, pursuant to G.S. 115C-274(e), for failure to fulfill the superintendent's duties under a local safe school plan.~~

(5) Shall adopt policies that define who is an at-risk student."

SECTION #.(z) G.S. 115C-105.47 is repealed.

SECTION #.(aa) G.S. 115C-102.6C is repealed.

SECTION #.(bb) G.S. 115C-102.6D(d) is repealed.

SECTION #.(cc) G.S. 115C-102.7 reads as rewritten:

"§ 115C-102.7. Monitoring and evaluation of State and local school system technology plans; reports.

(a) The Department of Public Instruction shall monitor and evaluate the development and implementation of the State and local school system technology plans. technology plan. The evaluation shall consider the effects of technology on student learning, the effects of technology on students' workforce readiness, the effects of technology on teacher productivity, and the cost-effectiveness of the technology.

(a1) Repealed by Session Laws 1997-18, s. 15(k).

(b) Repealed by Session Laws 2009-451, s. 7.31, effective July 1, 2009.

(c) ~~The Department of Public Instruction shall randomly check local school system technology plans to ensure that local school administrative units are implementing their plans as approved. The Department shall report to the State Board of Education on which local school administrative units are not complying with their plans. The report shall include the reasons these local school administrative units are out of compliance and a recommended plan of action to support each of these local school administrative units in carrying out their plans."~~

SECTION #.(cc) G.S. 115C-150.6 and 115C-150.7 are repealed.

SECTION #.(dd) G.S. 115c-150.8 reads as rewritten:

"§ 115C-150.8. Review of Disagreements.

In the event that the parents or guardians of a child and the local school administrative unit disagree when a child is not identified as an academically or intellectually gifted student or concerning the appropriateness of services offered to the academically or intellectually gifted student, the parents and guardians and the local school administrative unit shall attempt to resolve the disagreement in accordance with local board policy. In the event that the procedure developed under G.S. 115C-150.7(b)(7) fails to resolve a disagreement, they fail to resolve the disagreement, the parent or guardian may file a petition for a contested case hearing under Article 3 of Chapter 150B of the General Statutes. The scope of review shall be limited to (i) whether the local school administrative unit improperly failed to identify the child as an academically or intellectually gifted student, or (ii) whether the local plan developed under G.S. 115C-150.7 has been implemented appropriately with regard to the child. Following the hearing, the administrative law judge shall make a decision that contains findings of fact and conclusions of law. Notwithstanding the provisions of Chapter 150B of the General Statutes, the decision of the administrative law judge becomes final, is binding on the parties, and is not subject to further review under Article 4 of Chapter 150B of the General Statutes."

1 **SECTION #.(ee)** Section 7.61(b) of S.L. 2005-76, as rewritten by Section 7.22(d)
2 of S.L. 2010-3, is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H17

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***ALLOTMENT OF PRINCIPALS***

4 **SECTION #.(a)** A school with less than 100 students in final ADM is not entitled
5 to twelve months of employment for a principal.

5 **SECTION #.(b)** This section applies only to schools created after July 1, 2011.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H18A

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

TRANSFER OF FEDERAL AGRICULTURAL EDUCATION FUNDS

SECTION #. The Agricultural Education Program in the Department of Agricultural and Extension Education at North Carolina State University shall develop the secondary agricultural education curricula. The Program shall recommend the curricula and corresponding assessment instruments to the State Board of Education, which shall adopt the curricula for inclusion in the Standard Course of Study. This curricula shall include as part of its core content the Future Farmers of America (FFA) student youth organization and the Supervised Agricultural Experience learning program.

Effective with the 2011 federal grant, the State Board of Education shall transfer a prorated share of funds from all federal Career and Technical Education funds available for State-level usage to the Agricultural Education and FFA Program housed in the Department of Agricultural and Extension at North Carolina State University. The transfer of funds shall be a percentage of the total based upon the grades 9-12 duplicated agricultural education enrollment as compared to the total career and technical education grades 9-12 duplicated enrollment. These funds shall be used to support the secondary Agricultural Education Program State-level administration, leadership, curriculum and professional development, operations, innovations and expansions, and the FFA and the Supervised Agricultural Education learning program.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H19

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

- 2 ***ALLOTMENT OF TEACHERS FOR GEOGRAPHICALLY ISOLATED SCHOOLS***
3 **SECTION #.** Section 7.26 of S.L. 2009-451 is repealed.
4

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H20

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 ***SCHOOL CALENDAR PILOT PROGRAM***

6 **SECTION #.** The State Board of Education shall establish a school calendar pilot program
7 in the Wilkes County Schools and the Stanly County Schools. The purpose of the pilot program
8 is to determine whether and to what extent a local school administrative unit can save money
9 during this extreme fiscal crisis by consolidating the school calendar.

10 Notwithstanding G.S. 115C-84.2(a)(1), the school calendar for the 2011-2012 calendar
11 years for the pilot school systems shall include a minimum of 180 days or 1,000 hours of
12 instruction covering at least nine calendar months. Notwithstanding G.S. 115C-84.2(d), the
13 opening date for students shall not be before August 24.

15 If the local board of education in a pilot school system adds instructional hours to
16 previously scheduled days under this section, the local school administrative unit is deemed to
17 have a minimum of 180 days of instruction and teachers employed for a 10-month term are
18 deemed to have been employed for the days being made up and shall be compensated as if they
19 had worked the days being made up.

18 The State Board of Education shall report to the Joint Legislative Education Oversight
19 Committee by March 15, 2012; on the administration of the pilot program, cost-savings
20 realized by it, and its impact on student achievement.

GENERAL ASSEMBLY OF NORTH CAROLINA

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DRAFT
SPECIAL PROVISION



2011-DPI-H21

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

2 **PERFORMANCE PAY MODEL PROGRAM**

6 **SECTION #.** The State Board of Education shall establish a performance pay
7 model program. A local school administrative unit that is approved by the State Board of
8 Education as a performance pay model unit may use State funds, except for funds allotted for
9 salaries, to implement a performance pay model.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2011-DPI-H22

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION

SECTION #.(a) Notwithstanding G.S. 143C-6-4 or Section 7.14 of S.L. 2009-451, the Department of Public Instruction may, after consultation with the Office of State Budget and Management and the Fiscal Research Division, reorganize if necessary to implement the budget reductions set out in this act. This consultation shall occur prior to requesting budgetary and personnel changes through the budget revision process. The Department shall provide a current organization chart in the consultation process. The Department shall report to the Joint Legislative Commission on Governmental Operations on any reorganization.

SECTION #.(b) The Department of Public Instruction shall not increase the number of State-funded positions in any Department of Public Instruction divisions identified for reductions in this Act.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2011-DPI-H23

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

LEA BUDGET ADJUSTMENT

SECTION #.(a) Within 14 days of the date this act becomes law, the State Board of Education shall notify each local school administrative unit and charter school of the amount the unit or charter school must reduce from the State General Fund appropriations. The State Board shall determine the amount of the reduction for each unit and charter school on the basis of average daily membership.

SECTION #.(b) Each unit or charter school shall report to the Department of Public Instruction on the flexibility budget reductions it has identified for the unit within 30 days of the date this act becomes law. In identifying reductions, a unit or charter school shall not reduce the allotment for classroom teachers more for the 2011-2012 school year than it was reduced for the 2010-2011 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

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SPECIAL PROVISION



2011-DPI-H24

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

LEA BUDGETARY FLEXIBILITY

SECTION #. For fiscal years 2011-2012 and 2012-2013, the State Board of Education is authorized to extend its emergency rules, in accordance with G.S. 150B-21.1A, granting maximum flexibility to local school administrative units regarding the expenditure of State funds. These rules shall not be subject to the limitations on transfers of funds between funding allotment categories set out in G.S. 115C-105.25. These rules shall not permit the transfer of funds into central office administration.

SECTION #.(b) For fiscal years 2011-2012 and 2012-2013, local school administrative units shall make every effort to reduce spending whenever and wherever such budget reductions are appropriate with the goal of protecting direct classroom services. Notwithstanding G.S. 115C-301 or any other law, local school administrative units shall have the maximum flexibility to use allotted teacher positions to maximize student achievement in grades 4-12. Allocation of teachers and class size requirements in grades K-3 shall remain unchanged.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

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SPECIAL PROVISION



2011-DPI-H26

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS ALLOTMENT FORMULA

SECTION #.(a) The State Board of Education shall implement an allotment formula for the North Carolina Virtual Public Schools (NCVPS) beginning with the 2011-2012 school year. In accordance with Section 7.16 of S.L. 2006-66, the allotment formula shall create a sustainable source of funding that increases commensurate with student enrollment and recognizes "the extent to which projected enrollment in e-learning courses affects funding required for other allotments that are based on ADM."

SECTION #.(b) The State Board shall use only funds provided through the North Carolina Virtual Public Schools Allotment Formula to fund NCVPS.

SECTION #.(c) The Department of Public Instruction shall take the following steps to implement the North Carolina Virtual Public Schools Allotment Formula:

- (1) Project NCVPS student enrollment by semester and year-long course types for each local school administrative unit and charter school.
- (2) Establish a per course fee for each course type.
- (3) Multiply the projected NCVPS student enrollment by semester and year-long course for each local school administrative unit and charter school type by the per course fees to determine the total NCVPS cost for each local school administrative unit and charter school.
- (4) Transfer a dollar amount equal to the local school administrative unit's or charter school's total NCVPS cost to NCVPS. For local school administrative units, funds shall be transferred from the classroom teacher allotment to NCVPS. For charter schools, the allotment of state funds will be reduced and transferred to NCVPS.

SECTION #.(d) NCVPS shall use the funds transferred to it to provide the NCVPS program at no cost to all students in North Carolina who are enrolled in North Carolina's public schools, Department of Defense schools, and schools operated by the Bureau of Indian Affairs.

SECTION #.(e) NCVPS shall provide only high school courses and shall not provide any courses in physical education.

SECTION #.(f) The State Board shall establish a separate per student fee structure for out-of-state students, private school students, and home-schooled students. For the 2011-2012 school year, NCVPS shall provide specific instructions on its website, describing the steps required for such students to enroll in NCVPS courses and all applicable fees.

Beginning with the 2012-2013 school year, NCVPS shall provide an online process by which such students can enroll in NCVPS courses online.

SECTION #.(g) The Board shall direct NCVPS to develop a plan to generate revenue from the sale of courses to out-of-state educational entities. NCVPS shall submit its plan to the Board by September 15, 2011.

SECTION #.(h) The Director of NCVPS shall continue to ensure that:

- (1) Course quality standards are established and met.

- 1 (2) All e-learning opportunities offered by State-funded entities [other than
2 charter schools] to public school students are consolidated under the North
3 Carolina Virtual Public School program, eliminating course duplication.
4 (3) All courses offered through NCVPS are aligned to the North Carolina
5 Standard Course of Study.

6 **SECTION #.(i)** Funds for the administration of NCVPS shall be capped at a
7 maximum of fifteen percent (15%) per year of the funds transferred to NCVPS.
8

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2011-DPI-H25B

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

PERFORMANCE-BASED REDUCTIONS IN FORCE

SECTION #.(a) The State Board of Education shall adopt a Reduction in Force policy that is consistent across all local school administrative units. Under the policy, the following criteria shall apply to local school administrative units conducting any necessary reductions in force:

(1) In determining which positions shall be subject to a reduction in force, a local school administrative unit shall consider the following:

a. Structural considerations, such as identifying positions, departments, courses, programs, operations and other areas where there are: (i) less-essential, duplicative, or excess personnel; (ii) job responsibility and/or position inefficiencies; (iii) opportunities for combined work functions; and/or (iv) decreased student or other demands for curriculum, programs, operations or other services.

b. Organizational considerations, such as anticipated organizational needs of the school system and program/school enrollment.

(2) In determining which employees in similar positions shall be subject to a reduction in force, a local school administrative unit shall consider work performance.

The State Board of Education shall have this policy in place on or before July 15, 2011.

SECTION #.(b) G.S. 115C-325(3)(2) reads as rewritten:

"(2) Reduction in Force. – Before recommending to a board the dismissal or demotion of the career employee pursuant to G.S. 115C-325(e)(1)l., the superintendent shall give written notice to the career employee by certified mail or personal delivery of his intention to make such recommendation and shall set forth as part of his recommendation the grounds upon which he believes such dismissal or demotion is justified. The notice shall include a statement to the effect that if the career employee within 15 days after receipt of the notice requests a review, he shall be entitled to have the proposed recommendations of the superintendent reviewed by the board. Within the 15-day period after receipt of the notice, the career employee may file with the superintendent a written request for a hearing before the board within 10 days. If the career employee requests a hearing before the board, the hearing procedures provided in G.S. 115C-325(j3) shall be followed. If no request is made within the 15-day period, the superintendent may file his recommendation with the board. If, after considering the recommendation of the superintendent and the evidence adduced at the hearing if there is one, the board concludes that the grounds for the recommendation are true and substantiated by a preponderance of the evidence, the board, if it sees fit, may by resolution order such dismissal. Provisions of this section which permit a hearing by a case manager shall not

1 apply to a dismissal or demotion recommended pursuant to G.S.
2 115C-325(e)(1)l.

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

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

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SPECIAL PROVISION



2011-DOCC-H2

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 ***REORGANIZATION OF THE COMMUNITY COLLEGES SYSTEM OFFICE***

2 **SECTION #.(a)** Notwithstanding any other provision of law, and consistent with
3 the authority granted in G.S. 115D-3, the President of the North Carolina Community College
4 System may reorganize the System Office in accordance with recommendations and plans
5 submitted to and approved by the State Board of Community Colleges.

6 **SECTION #.(b)** This section expires June 30, 2012.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

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SPECIAL PROVISION



2011-DOCC-H4

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

REPEAL OBSOLETE REPORTING REQUIREMENTS

SECTION #.(a) G.S. 115D-4.1(e) reads as rewritten:

"(e) The State Board of Community Colleges shall develop appropriate criteria and standards to regulate the operation of college transfer programs. ~~The criteria and standards shall require all college transfer programs to continue to meet the accreditation standards of the Southern Association of Colleges and Schools.~~

~~The State Board of Community Colleges shall report annually to the General Assembly on compliance of the community colleges with these criteria and standards."~~

SECTION #.(b) G.S. 115D-5(j) reads as rewritten:

"(j) The State Board of Community Colleges shall use its Board Reserve Fund for feasibility studies, pilot projects, start-up of new programs, and innovative ideas. ~~The State Board shall report to the Joint Legislative Education Oversight Committee on expenditures from the State Board Reserve Fund on January 15 and June 15 each year."~~

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2011-DOCC-H5A

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

IMPLEMENT ALTERNATIVE FORMULA MODEL

SECTION #. (a) The State Board of Community Colleges shall consolidate the Health Sciences Allotment, the Technical Education Allotment, and the Special High Cost Allotment for Heavy Equipment with formula funds to support curriculum instruction.

SECTION #.(b) The State Board of Community Colleges shall allocate formula funds appropriated to support curriculum instruction and the occupational education component of continuing education through a formula that provides an instructional base allocation to all colleges and allocates remaining funds on a weighted full-time equivalent (FTE) basis. In determining the appropriate weighting, the State Board of Community Colleges shall weigh curriculum courses in high cost areas such as healthcare, technical education, and lab-based science courses more heavily than other curriculum courses. The State Board shall also weigh continuing education courses that lead to a third-party credential or certification and courses providing an industry-designed curriculum more heavily than other occupational extension courses.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2011-DOCC-H7

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

***USE OF OVERREALIZED RECEIPTS TO SUPPORT ENROLLMENT GROWTH
RESERVE RATHER THAN EQUIPMENT RESERVE***

SECTION 8.4. G.S. 115D-31(e) reads as rewritten:

"(e) If receipts for community college tuition and fees exceed the amount certified in General Fund Codes at the end of a fiscal year, the State Board of Community Colleges shall transfer the amount of receipts and fees above those budgeted to the ~~Equipment Reserve~~ Fund Enrollment Growth Reserve. Funds in the Enrollment Growth Reserve shall not revert to the General Fund and shall remain available to the State Board until expended. The State Board may allocate funds in this reserve to colleges experiencing an enrollment increase greater than five percent (5%) of budgeted enrollment levels."

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2011-DOCC-H10

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

BASIC SKILLS PLUS

SECTION #.(a) Notwithstanding any other provision of law, the State Board may authorize a local community college to use up to twenty percent (20%) of the State Literacy Funds allocated to it to provide employability skills, job-specific occupational and technical skills, and developmental education instruction to students concurrently enrolled in a community college course leading to a high school diploma or equivalent certificate.

SECTION #.(b) Notwithstanding any other provision of law, if a community college is authorized by the State Board to provide employability skills, job-specific occupational or technical skills, or developmental education instruction, to students concurrently enrolled in a community college course leading to a high school diploma or equivalent certificate, the college may waive the tuition and registration fees associated with this instruction.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

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SPECIAL PROVISION



2011-DOCC-H12

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 ***CARRYFORWARD OF COLLEGE INFORMATION SYSTEM FUNDS***

2 **SECTION 8.1.** Of the funds appropriated to the Community Colleges System
3 Office for the 2011-2013 fiscal biennium for the College Information System, up to one million
4 two hundred fifty thousand dollars (\$1,250,000) shall not revert at the end of each fiscal year
5 but shall remain available until expended. These funds may only be used to purchase periodic
6 system upgrades.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2011-DOCC-H13

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 **STATE BOARD AUTHORITY TO ESTABLISH GED TESTING FEES**

2 SECTION #. G.S. 115D-5(s) reads as rewritten:

3 "(s) The State Board of Community Colleges may establish, retain and budget fees
4 charged to students taking the General Education Development (GED) ~~test~~ test, including fees
5 for retesting. Fees collected for this purpose shall be used only to (i) offset the costs of the GED
6 test, including the cost of scoring the test, (ii) offset the costs of printing GED certificates, and
7 (iii) meet federal and State reporting requirements related to the test."

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2011-DOCC-H14

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

EQUIPMENT FUNDING

SECTION #.(a) For the 2011-13 fiscal biennium, community colleges may expend regular equipment allocations on equipment, repairs and renovations of existing facilities, and new construction. Colleges must match funds expended on new construction on an equal matching-fund basis in accordance with G.S. 115D-31,. Notwithstanding any other provision of law, community colleges are not required to match funds expended on repairs and renovations of existing facilities.

Colleges must have capital improvement projects approved by the State Board of Community Colleges and any required matching funds identified by June 30, 2013.

SECTION #.(b) Of the funds appropriated to the Community Colleges System Office for the 2011-2012 fiscal year for equipment, the State Board of Community Colleges shall allocate the sum of two hundred fifty thousand dollars (\$250,000) to Forsyth Technical Community College. These funds shall be used only for the purpose of building and equipping the Stokes County multicampus site. These funds shall not be considered for a management flexibility reduction.

GENERAL ASSEMBLY OF NORTH CAROLINA

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SPECIAL PROVISION



2011-DOCC-H16

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

CLARIFICATION REGARDING EQUIPMENT TITLED TO STATE BOARD

SECTION #. G.S. 115D-15(a) reads as rewritten:

"(a) The board of trustees of any institution organized under this Chapter may, with the prior approval of the North Carolina Community Colleges System Office, convey a right-of-way or easement for highway construction or for utility installations or modifications. When in the opinion of the board of trustees the use of any other real property owned or held by the board of trustees is unnecessary or undesirable for the purposes of the institution, the board of trustees, subject to prior approval of the State Board of Community Colleges, may sell, exchange, or lease the property. The board of trustees may dispose of any personal property owned or held by the board of trustees without approval of the State Board of Community Colleges. Personal property titled to the State Board of Community Colleges consistent with G.S. 115D-14 and G.S. 115D-58.5 may be transferred to another community college at no cost and without the approval of the Department of Administration, Division of Surplus Property.

Article 12 of Chapter 160A of the General Statutes shall apply to the disposal or sale of any real or personal property under this subsection. Personal property also may be disposed of under procedures adopted by the North Carolina Department of Administration. The proceeds of any sale or lease shall be used for capital outlay purposes, except as provided in subsection (b) of this section."

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2011-DOCC-H19

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 ***NO STATE FUNDS FOR INTERCOLLEGIATE ATHLETICS***

2 SECTION #. Article 3 of Chapter 115D of the General Statutes is amended by
3 adding a new section to read:

4 **"§ 115D-42.1. Funds for an intercollegiate athletics program.**

5 **No State funds, student tuition receipts or student aid funds shall be used to create,**
6 **support, maintain, or operate an intercollegiate athletics program at a community college."**

7

GENERAL ASSEMBLY OF NORTH CAROLINA

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2011-DOCC-H20

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

MANAGEMENT FLEXIBILITY REDUCTION/COMMUNITY COLLEGES

SECTION #. The management flexibility reduction for the North Carolina Community College System shall be allocated by the State Board of Community Colleges in a manner that accounts for the unique needs of each college and provides for the equitable distribution of funds to the institutions consistent with G.S. 115D-5(a). Before taking reductions to instructional budgets, the community colleges shall consider reducing budgets for senior and middle management personnel and for programs that have both low-enrollment and low-postgraduate success. Colleges may, however, reduce funds from basic skills, curriculum, and continuing education programs. Colleges shall minimize the impact on student support services and on the retraining of dislocated workers. The community colleges shall also review their institutional funds to determine whether there are monies available in those funds that can be used to assist with operating costs before taking reductions in instructional budgets.

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SPECIAL PROVISION



2011-DOCC-H22

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

COMMUNITY COLLEGE TUITION WAIVERS

SECTION #.(a) G.S. 115D-5(b) reads as rewritten:

"(b) In order to make instruction as accessible as possible to all citizens, the teaching of curricular courses and of noncurricular extension courses at convenient locations away from institution campuses as well as on campuses is authorized and shall be encouraged. A pro rata portion of the established regular tuition rate charged a full-time student shall be charged a part-time student taking any curriculum course. In lieu of any tuition charge, the State Board of Community Colleges shall establish a uniform registration fee, or a schedule of uniform registration fees, to be charged students enrolling in extension courses for which instruction is financed primarily from State funds. The State Board of Community Colleges may provide by general and uniform regulations for waiver of tuition and registration fees ~~for~~ for the following:

- (1) Persons not enrolled in elementary or secondary schools taking courses leading to a high school diploma or equivalent certificate;
- (2) ~~Training courses for~~ Courses requested for the training of personnel by the following:
 - a. ~~(i) volunteer firemen,~~ Volunteer fire departments.
 - b. ~~(ii) local fire department personnel,~~ Municipal, county, or State fire departments.
 - c. ~~(iii) volunteer rescue and lifesaving department personnel,~~ Volunteer EMS or rescue and lifesaving departments.
 - d. ~~(iv) local rescue and lifesaving department personnel,~~ Municipal, county, or State EMS or rescue and lifesaving departments.
 - e. ~~(v) Radio Emergency Associated Citizens Team (REACT) members when the REACT team is under contract to a county as an emergency response agency,~~ (vi) municipal, county, or State law enforcement officers, Municipal, county, or State law enforcement agencies.
 - f. ~~(vii) all full time custodial employees of the Department of Correction, and The Department of Correction for the training of full time custodial employees and employees of the Department's Division of Community Corrections required to be certified under Chapter 17C of the General Statutes and the rules of the Criminal Justice and Training Standards Commission.~~
 - g. ~~(viii) employees of the Department's Division of Community Corrections and employees of the The Department of Juvenile Justice and Delinquency Prevention~~ for the training of employees required to be certified under Chapter 17C of the General Statutes and the rules of the Criminal Justice and Training Standards Commission; Commission.
- (3) ~~Patients in State alcoholic rehabilitation centers;~~

- (4) Trainees enrolled in courses conducted under the Customized Training Program;
- (5) ~~Clients of sheltered workshops;~~
- (6) ~~Clients of adult developmental activity programs;~~
- (7) ~~Students in Health and Human Services Development Programs;~~
- (8) ~~Juveniles of any age committed to the Department of Juvenile Justice and Delinquency Prevention by a court of competent jurisdiction;~~
- (9) ~~Members of the North Carolina State Defense Militia as defined in G.S. 127A-5 and as administered under Article 5 of Chapter 127A of the General Statutes;~~
- (10) Elementary and secondary school employees enrolled in courses in first aid or cardiopulmonary resuscitation (CPR); (CPR).
- (11) Up to six hours of credit instruction and one course of noncredit instruction per academic semester for senior citizens age 65 or older who are qualified as legal residents of North Carolina;
- (12) All curriculum courses taken by high school students at community colleges, including students in early college and middle college high school programs, in accordance with G.S. 115D-20(4) and this ~~section;~~ section.
- (13) Human resources development courses for any individual who (i) is unemployed; (ii) has received notification of a pending layoff; (iii) is working and is eligible for the Federal Earned Income Tax Credit (FEITC); or (iv) is working and earning wages at or below two hundred percent (200%) of the federal poverty ~~guidelines;~~ and guidelines.
- (14) ~~Prison inmates.~~

The State Board of Community Colleges shall not waive tuition and registration fees for other individuals."

SECTION #.(b) G.S. 115D-5 is amended by adding a new subsection to read:

"(b1) The State Board of Community Colleges shall not waive tuition and registration fees for community college faculty or staff members. Community colleges may, however, use State or local funds to pay tuition and registration fees for one course per semester for full-time community college faculty or staff members employed for a nine-, ten-, eleven-, or twelve-month term."

SECTION #.(c) The Community Colleges System Office shall transfer funds appropriated for curriculum and continuing education instruction to the Department of Correction. The Department of Correction shall use these funds to pay tuition and fees for prisoners.

The amount transferred shall be calculated by multiplying the number of curriculum and continuing education FTE served in prisons in the 2010-2011 fiscal year by the per capita budgeted receipts for curriculum and continuing education.

This section is projected to result a reduction of up to forty-three percent (43%) reduction in the number of curriculum and continuing education courses provided to prisoners.

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2011-DOCC-H23A

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

FUNDING FOR MULTICAMPUS CENTERS

SECTION #. G.S. 115D-5(o) reads as rewritten:

"(o) The General Assembly finds that additional data are needed to determine the adequacy of multicampus and off-campus center funds; therefore, multicampus colleges and colleges with off-campus centers shall report annually, beginning September 1, 2005, to the Community Colleges System Office on all expenditures by line item of funds used to support their multicampuses and off-campus centers. The Community Colleges System Office shall report on these expenditures to the Education Appropriation Subcommittees of the House of Representatives and the Senate, the Office of State Budget and Management, and the Fiscal Research Division by December 1 of each year.

All multicampus centers approved by the State Board of Community Colleges shall receive funding under the same formula. The State Board of Community Colleges shall not approve any additional multicampus centers without identified recurring sources of funding."

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SPECIAL PROVISION



2011-DOCC-H25

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 **COMMUNITY COLLEGE AUDITS**

2 SECTION #. Article 4A of Chapter 115D of the General Statutes is amended by
3 adding a new section to read:

4 **§115D-58.16. Audits.**

5 (a) Each community college shall be audited a minimum of once every two years.
6 Community colleges may use State funds to contract with the State Auditor or with a certified
7 public accountant to perform the audits.

8 (b) Notwithstanding the provisions of Chapter 143D of the General Statutes, a
9 community college shall not be subject to the EAGLE program administered by the Office of
10 the State Controller unless there was a finding of internal control problems in the most recent
11 financial audit of the college."

GENERAL ASSEMBLY OF NORTH CAROLINA

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2011-DOCC-H26

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

ENROLLMENT GROWTH

SECTION #.(a) It is the intent of the General Assembly to ensure that there is an increase in funding for community college technology and equipment when enrollment increases; therefore, the continuation budget requirements proposed by the Director of the Budget in accordance with G.S. 143C-3-5 to fund the community college enrollment growth shall include adjustments necessary to fund additional equipment FTE at the prior year's rate.

SECTION #.(b) Beginning with any adjustments to the 2011-2012 fiscal year budget, and annually thereafter, the State Board of Community Colleges' requests for funding enrollment growth shall provide a detailed description of the costs of educating community college students. This request shall be based on the current year's enrollment, listed by college and aggregated for the System as a whole.

SECTION #.(c) Enrollment requests shall include the following information for each community college:

- (1) The budgeted enrollment for the current year, divided between the categories of instruction: curriculum, continuing education, and Basic Skills.
- (2) The budgeted enrollment for the current year, divided between tiers of instruction, as set forth in Section 8.6 of this act.
- (3) The actual enrollment for the two years prior to the current year.
- (4) A 5-year enrollment projection at each community college by category and tier of instruction.
- (5) The projected requirements and anticipated tuition receipts for the growth in regular-term enrollment.
- (6) The costs per FTE in each category and tier of instruction, to include the following component parts:
 - a. Instructional costs, including faculty salaries and other costs.
 - b. Student support services and other college administrative costs.

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SPECIAL PROVISION



2011-DOCC-H24B

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 ***STUDY COMMUNITY COLLEGE PERFORMANCE MEASURES***

2 **SECTION #.** The State Board of Community Colleges shall report to the Joint
3 Legislative Education Oversight Committee by December 31, 2011 on a revised set of
4 accountability measures and performance standards by which to evaluate and measure student
5 progress and student success, including measures of graduation rates and course completions.
6 The report shall include a plan to incorporate these revised accountability measures and
7 performance standards into regular formula funding. These revised accountability measures
8 and performance standards shall also be the basis for the allocation of performance funding, in
9 accordance with G.S. 115D-31.3(g) and (h).

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2011-DOCC-H27

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 ***LIMITATION ON COMMUNITY COLLEGE TUITION***

2 **SECTION #.** Notwithstanding G.S. 115D-5 or G.S. 115D-39, the tuition for
3 community college curriculum courses and the fees for community college continuing
4 education courses for the 2011-2013 fiscal biennium shall not exceed the amounts provided for
5 in this act.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H2

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

***CENTER FOR PUBLIC TELEVISION FUNDING CONTINGENT ON RECEIPT OF
LONG-RANGE PLAN***

SECTION #.(a) The Board of Trustees of the University of North Carolina Center for Public Television and the Board of Governors of The University of North Carolina shall develop a plan to operate the Center for Public Television without State funding.

The Board of Trustees and the Board of Governors shall submit a written report to the Education Appropriations Committees of the Senate and House of Representatives no later than March 31, 2012. The written report shall include the information listed in subsection (b) of this section.

SECTION #.(b) The report required in this section shall include the following information:

- (1) A brief description of the services provided by the Center for Public Television
- (2) Budgeted and actual revenues and expenditures from all funding sources for the 2009-2010 fiscal year, 2010-2011 fiscal year, and 2011-2012 fiscal year if available.
- (3) A detailed plan by which the Center for Public Televisions could operate without State funds by the 2014-2015 fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H4A

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

**DOCUMENTATION AND ACCOUNTABILITY FOR ENROLLMENT GROWTH
FUNDING MODEL**

SECTION #. In order to improve the accuracy and effectiveness of enrollment growth funding, the General Administration of The University of North Carolina shall modify the existing student credit hour enrollment (SCH) change funding model. Modifications shall include, but are not limited to, the following:

- (1) Simplification of the enrollment projection process through use of weighted cost factors applied to projected total growth in SCH by campus.
- (2) Justification and adjustment, if necessary, of funding factors for libraries and general institutional support.
- (3) A performance-based funding component that will do the following:
 - a. Incorporate key performance indicators including, but not limited to, retention and graduation rates.
 - b. Establish minimum outcomes necessary to receive enrollment growth funding.
 - c. Provide incentive funding for campuses that exceed target outcomes.
- (4) Methodology to account for prior years' projection errors and adjust funding accordingly.

SECTION #.(b) The General Administration of The University of North Carolina shall provide the revised enrollment projection process, revised cost factors, and resulting weighted cost per SCH to the Joint Legislative Education Oversight Committee, the Office of State Budget and Management, and the Fiscal Research Division by February 1, 2012. The Joint Legislative Education Oversight Committee is encouraged to fully examine the revised model submitted under this section and to ensure that the model aligns with the modifications directed under subsection (a) of this section.

SECTION #.(c) The Board of Governors of The University of North Carolina, with the assistance of General Administration, shall develop written policies for enrollment change funding decisions. The written policies shall address (i) procedures for developing campus enrollment projections, calculating tuition offset, and calculating funding formula elements and cost factors and (ii) criteria for granting hold harmless status. Policies and procedures shall be made available to constituent institutions, the Office of State Budget and Management, and the Fiscal Research Division by February 15, 2012.

SECTION #.(d) By March 15, 2012, the Board shall report on the accuracy of enrollment growth projections and key performance indicators pursuant to G.S. 116-11(9a) as enacted by subsection (e) of this section.

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

"(9a) The Board of Governors shall report on the accuracy of enrollment growth projections at each campus and shall establish key performance indicators meaningful to enrollment growth planning. By March 15 each year, the

- 1 Board of Governors shall submit this report to the Joint Legislative
2 Education Oversight Committee, publish this report on its website, and make
3 printed copies available upon request. The report shall include all of the
4 following:
5 a. Key performance indicators, including retention and graduation rates
6 and other pertinent measures such as faculty productivity, student
7 learning outcomes, or employee diversity.
8 b. Trends in student credit hours, number of students served, number of
9 new faculty and staff positions by area of responsibility, and other
10 relevant data.
11 c. Analysis of variance between actual fall SCH growth and anticipated
12 SCH growth inputs to the enrollment growth planning model used to
13 project enrollment growth requirements.
14 d. Analysis of variance, by category, between actual fall student
15 full-time equivalency (FTE) growth and anticipated student FTE
16 growth used in the enrollment growth planning model to project
17 changes in tuition receipts attributed to enrollment growth.
18 e. Analysis of variance between actual fall student FTE growth and
19 anticipated student FTE growth used in the FTE funding formulas to
20 project enrollment growth requirements and tuition receipts for
21 specialized campuses and professional schools.
22 f. Planned follow-up actions where variances of greater than five
23 percent (5%) exist between actual and projected student credit hours
24 or student FTE."

25 **SECTION #.(f) G.S. 116-11(9) reads as rewritten:**

- 26 "(9) a. The Board of Governors shall develop, prepare and present to the
27 Governor and the General Assembly a single, unified recommended
28 budget for all of the constituent institutions of The University of
29 North Carolina. The recommendations shall consist of requests in
30 three general categories: (i) funds for the continuing operation of
31 each constituent institution, (ii) funds for salary increases for
32 employees exempt from the State Personnel Act and (iii) funds
33 requested without reference to constituent institutions, itemized as to
34 priority and covering such areas as new programs and activities,
35 expansions of programs and activities, increases in enrollments,
36 increases to accommodate internal shifts and categories of persons
37 served, capital improvements, improvements in levels of operation
38 and increases to remedy deficiencies, as well as other areas. The
39 president may present to the General Assembly an updated estimate
40 of tuition, fees, and other receipts by June 15 of each year to be
41 included in the budget for the following fiscal year.
- 42 a1. Enrollment change funding shall be based on the performance of
43 each constituent institution and shall be contingent on the attainment
44 of the constituent institution's target as determined by the Board of
45 Governors. A constituent institution that fails to achieve the target
46 shall not receive enrollment change funding.
47 The Board of Governors shall provide full documentation and
48 justification of any enrollment change funding request at the time it
49 ~~is recommended.~~ recommended, including hold harmless status
50 requests. This documentation and justification shall include the most

1 recent academic year's actual enrollment numbers in the same format
2 in which the growth increase request is made. The actual enrollment
3 numbers shall be the actual student credit hours (SCH) or full-time
4 equivalencies (FTE). This documentation and justification shall also
5 include an explanation of how a constituent institution's request for
6 hold harmless status meets established criteria and a history of the
7 hold harmless requests granted to the constituent institution.

- 8 b. Funds for the continuing operation of each constituent institution
9 shall be appropriated directly to the institution. Funds for salary
10 increases for employees exempt from the State Personnel Act shall
11 be appropriated to the Board in a lump sum for allocation to the
12 institutions. Funds for the third category in paragraph a of this
13 subdivision shall be appropriated to the Board in a lump sum for
14 allocation to the institutions. The Board shall make allocations
15 among the institutions in accordance with the Board's schedule of
16 priorities and any specifications in the Current Operations
17 Appropriations Act. When both the Board and the Director of the
18 Budget deem it to be in the best interest of the State, funds in the
19 third category may be allocated, in whole or in part, for other items
20 within the list of priorities or for items not included in the list.
21 Provided, nothing herein shall be construed to allow the General
22 Assembly, except as to capital improvements, to refer to particular
23 constituent institutions in any specifications as to priorities in the
24 third category.
- 25 c. The Director of the Budget may, on recommendation of the Board,
26 authorize transfer of appropriated funds from one institution to
27 another to provide adjustments for over or under enrollment or may
28 make any other adjustments among institutions that would provide
29 for the orderly and efficient operation of the institutions.
- 30 d. Repealed by Session Laws 1987, c. 795, s. 27."
31

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H5

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 ***FISCAL ACCOUNTABILITY AND FLEXIBILITY***

2 **SECTION #.** Notwithstanding G.S. 116-30.2, a special responsibility constituent
3 institution shall not increase the State appropriation for any program or line item reduced by
4 this Act.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H6

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

UNIVERSITY CANCER RESEARCH FUND REPORTING REQUIREMENT

SECTION #. G.S. 116-29.1 is amended by adding a new subsection to read:

"(g) Report.-- By November 1 of each year, the Cancer Research Fund Committee shall provide to the Joint Education Legislative Oversight Committee and to the Office of State Budget and Management an annual financial report which shall include the following components:

- (1) Accounting of expenditures of State funds related to strategic initiatives, development of infrastructure, and ongoing administrative functions.
- (2) Accounting of expenditures of extramural funds related to strategic initiatives, development of infrastructure, and ongoing administrative functions.
- (3) Measures of impact to the State's economy in the creation of jobs, intellectual property, and start-up companies.
- (4) Other performance measures directly related to the investment of State funds.
- (5) Accounting of any fund balances retained by the Fund, along with information about any restrictions on the use of these funds."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H7

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 **UNC BOARD OF GOVERNORS REVIEW OF FACULTY RECRUITMENT AND**
2 **RETENTION**

3 **SECTION #.** The Board of Governors of The University of North Carolina shall
4 review its current policies regarding financial incentives to retain faculty. The review shall
5 focus on the prioritization of recruitment and retention funds and the identification of key
6 metrics to measure overall program effectiveness. The Board of Governors shall report its
7 findings and recommendations for changes to the policies, if any, to the Joint Legislative
8 Education Oversight Committee, the Office of State Budget and Management, and the Fiscal
9 Research Division by April 1, 2012.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H19

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

UNC MANAGEMENT FLEXIBILITY REDUCTION

SECTION #. The management flexibility reduction for The University of North Carolina shall not be allocated by the Board of Governors to the constituent institutions and affiliated entities using an across-the-board method, but in a manner that recognizes the importance of the academic mission and differences among The University of North Carolina entities.

Before taking reductions in institutional budgets, the Board of Governors and the campuses of the constituent institutions shall consider all of the following:

- (1) Reducing State funding for centers and institutes, speaker series, and other nonacademic activities.
- (2) Faculty workload adjustments.
- (3) Restructuring of research activities.
- (4) Implementing cost-saving span of control measures.
- (5) Reducing the number of senior and middle management positions.
- (6) Eliminating low-performing, redundant, or low-enrollment programs.

The Board of Governors and the campuses of the constituent institutions also shall review the institutional trust funds and the special funds held by or on behalf of The University of North Carolina and its constituent institutions to determine whether there are monies available in those funds that can be used to assist with operating costs.

In addition, the campuses of the constituent institutions also shall require their faculty to have a teaching workload equal to the national average in their Carnegie classification.

When implementing personnel reductions, the Board of Governors and the campuses shall make every effort to abolish vacant positions first.

In allocating the management flexibility reduction, no reduction shall be made to funding for the Hickory Metro Higher Education Center, to need-based financial aid, or to aid for private colleges.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H20

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 **CAMPUS INITIATED TUITION INCREASES**

2 **SECTION #.** (a) Notwithstanding any other provision of law, no campus-initiated
3 tuition increase shall be approved by the Board of Governors of The University of North
4 Carolina or implemented for the 2011-12 or 2012-13 academic years except as provided
5 otherwise by this section.

6 **SECTION #.** (b) Any campus-initiated increases for the 2011-2012 academic year
7 that were approved by the Board of Governors of The University of North Carolina in February
8 2011 may be implemented for the 2011-2012 academic year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H21

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

USE OF ESCHEAT FUND FOR UNC NEED-BASED FINANCIAL AID PROGRAMS

SECTION #.(a) There is appropriated from the Escheat Fund income to the Board of Governors of The University of North Carolina the sum of thirty-two million one hundred twenty-two thousand two hundred forty-two dollars (\$32,122,242) for the 2011-2012 fiscal year and the sum of thirty-two million one hundred twenty-two thousand two hundred forty-two dollars (\$32,122,242) for the 2012-2013 fiscal year to be used for need-based student financial aid.

SECTION #.(b) In addition to the appropriation in subsection (a) of this section, there is appropriated from the Escheat Fund income to the Board of Governors of The University of North Carolina the sum of ninety-five million two hundred thirty-one thousand nine hundred twelve dollars (\$95,231,912) for the 2011-2012 fiscal year to be used for need-based student financial aid.

SECTION #.(c) There is appropriated from the Escheat Fund income to the State Board of Community Colleges the sum of sixteen million five hundred thousand dollars (\$16,500,000) for the 2011-2012 fiscal year and the sum of sixteen million five hundred thousand dollars (\$16,500,000) for the 2011-2013 fiscal year to be used for community college grants.

SECTION #.(d) There is appropriated from the Escheat Fund income to the Department of Administration, Division of Veterans Affairs the sum of six million five hundred twenty thousand nine hundred sixty-four dollars (\$6,520,964) for the 2011-2012 fiscal year and the sum of six million five hundred twenty thousand nine hundred sixty-four dollars (\$6,520,964) for the 2012-2013 fiscal year to be used for need-based student financial aid.

SECTION #.(e) The funds appropriated by this section shall be allocated by the State Educational Assistance Authority (SEAA) for need-based student financial aid in accordance with G.S. 116B-7. If the interest income generated from the Escheat Fund is less than the amounts referenced in this section, the difference may be taken from the Escheat Fund principal to reach the appropriations referenced in this section; however, under no circumstances shall the Escheat Fund principal be reduced below the sum required in G.S. 116B-6(f). If any funds appropriated under this section remain uncommitted for need-based financial aid as of the end of a fiscal year, the funds shall be returned to the Escheat Fund, but only to the extent the funds exceed the amount of the Escheat Fund income for that fiscal year.

SECTION #.(f) The State Education Assistance Authority shall perform all of the administrative functions necessary to implement this program of financial aid. The SEAA shall conduct periodic evaluations of expenditures of the scholarship programs to determine if allocations are utilized to ensure access to institutions of higher learning and to meet the goals of the respective programs. SEAA may make recommendations for redistribution of funds to The University of North Carolina, Department of Administration, and the President of the

1 Community College System regarding their respective scholarship programs, who then may
2 authorize redistribution of unutilized funds for a particular fiscal year.
3 **SECTION #.(g)** The Office of State Budget and Management shall transfer the
4 cash balance of the community college grant program remaining in Budget Code 66801, Fund
5 6102 to the Escheat Fund.
6

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H27

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

UNC NEED-BASED GRANT FUNDING SCHEDULE

SECTION #.(a) Of the funds appropriated by this act for the 2011-2012 fiscal year The University of North Carolina need-based student financial aid, the sum of eighty-nine million dollars (\$89,000,000) shall not be used for expenditures in the 2011-2012 fiscal year, but shall be carried forward and held in reserve by the State Education Assistance Authority. The funds carried forward and held in reserve pursuant to this subsection may be allocated by the State Education Assistance Authority after March 1, 2013, for need-based student financial aid in accordance with G.S. 116B-7.

SECTION #.(b) Of the funds appropriated by this act for the 2012-2013 fiscal year The University of North Carolina need-based student financial aid, the sum of eighty-nine million dollars (\$89,000,000) shall not be used for expenditures in the 2012-2013 fiscal year, but shall be carried forward and held in reserve by the State Education Assistance Authority. The funds carried forward and held in reserve pursuant to this subsection may be allocated by the State Education Assistance Authority after March 1, 2014, for need-based student financial aid in accordance with G.S. 116B-7.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H23

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

**CONSOLIDATE ASSETS OF MILLENNIUM TEACHING SCHOLARSHIP LOAN
PROGRAM AND PROSPECTIVE TEACHERS SCHOLARSHIP LOAN FUND**

SECTION #. (a) The Millennium Teaching Scholarship Loan Program is abolished.

SECTION #. (b) All financial obligations to any student awarded a scholarship loan from the Millennium Teaching Scholarship Loan Program before July 1, 2011, shall be fulfilled with funds from the Scholarship Loan Fund for Prospective Teachers established under G.S. 116-209.33 provided the student remains eligible under the provisions of the Millennium Teaching Scholarship Loan Program. All contractual agreements between a student awarded a scholarship loan from the Millennium Teaching Scholarship Loan Program before July 1, 2011, and the State Education Assistance Authority regarding the loan remain enforceable.

SECTION #. (c) The assets and liabilities for the Millennium Teaching Scholarship Loan Program shall be transferred as follows:

- (1) Five hundred thousand dollars (\$500,000) shall be transferred to the Escheat Fund.
- (2) The remaining balance of the assets and liabilities shall be transferred to the Scholarship Loan Fund for Prospective Teachers established under G.S. 116-209.33

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H24

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

***LIMIT CERTAIN FINANCIAL AID GRANTS TO THE TRADITIONAL TIME PERIOD
REQUIRED TO EARN A BACCALAUREATE DEGREE.***

SECTION #.(a) A student shall not receive a grant from The University of North Carolina Need Based Grant Program for more than nine full academic semesters, unless the student is enrolled in a program officially designated by the Board of Governors as a five-year degree program. If a student is enrolled in such a five-year degree program, then the student shall not receive a need based grant from The University of North Carolina Need Based Grant program for more than eleven full academic semesters.

SECTION #.(b) G.S. 116-21.3(d) reads as rewritten:

"(d) ~~A legislative tuition grant authorized under G.S. 116-21.2(a) shall be reduced by twenty-five percent (25%) for any individual student who has completed 140 semester credit hours or the equivalent of 140 semester credit hours. No student shall receive a legislative tuition grant under G.S. 116-21.2(a) for more than nine full academic semesters, unless the student is enrolled in a program officially designated by the institution as a five-year degree program. If a student is enrolled in such a five-year degree program, then the student shall not receive a legislative tuition grant under G.S. 116-21.2(a) for more than eleven full academic semesters.~~"

SECTION #.(c) G.S. 116-43.5(f) reads as rewritten:

"(f) ~~Reduction of Grant Amount for Certain Students. A State grant authorized by this act shall be reduced by twenty-five percent (25%) for any individual student who has completed 140 semester credit hours or the equivalent of 140 semester credit hours.~~

Limit Grant Amount To Standard Graduation Time Period.—No student shall receive a State grant under this section for more than four full academic years, unless the student is enrolled in a program officially designated by the institution as a five-year degree program. If a student is enrolled in such a five-year degree program, then the student shall not receive a State grant under this section for more than five full academic years."

SECTION #.(d) The Fiscal Research Division of the General Assembly, in cooperation with The University of North Carolina, the North Carolina Community College System, the North Carolina Independent Colleges and Universities Association, and the State Education Assistance Authority shall study how to track and document the receipt of The University of North Carolina and North Carolina Community College need-based grants, legislative tuition grants, and State grants under G.S. 116-43.5 by students who enroll in both public and private institutions of higher education while pursuing a baccalaureate or associate degree so that no student receives a combination of these grants that exceeds a cumulative total of nine full academic semesters or eleven full academic semesters as appropriate.

SECTION #.(e) Subsections (a), (b), and (c) of this section become effective for the 2012-2013 fiscal year and each subsequent fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H22

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 **ACADEMIC COMMON MARKET**

2 **SECTION #.** (a) Notwithstanding G.S. 116-43.10, the Board of Governors of The
3 University of North Carolina shall not participate in the Academic Common Market for the
4 purpose of accepting new students for the 2012-2013 academic year, and no new students shall
5 be allowed to enroll through the Academic Common Market program into The University of
6 North Carolina graduate programs for the 2012-2013 academic year.

7 **SECTION #.** (b) This section does not affect a student enrolled in The University
8 of North Carolina System under the Academic Common Market program prior to the 2012-
9 2013 academic year; that student may continue to pay in-state tuition as long as the student is
10 enrolled in that graduate program.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H25

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

ELIMINATE CERTAIN UNC TUITION WAIVERS FOR NONRESIDENT STUDENTS

SECTION #. (a) G.S. 116-143.6 is repealed.

SECTION #.(b) G.S. 116-143 reads as rewritten:

"(c) ~~Inasmuch as the giving of tuition and fee waivers, or especially reduced rates, represent in effect a variety of scholarship awards, the said practice is hereby prohibited except when expressly authorized by statute or by the Board of Governors of The University of North Carolina; and, furthermore, it is hereby directed and required that all budgeted funds expended for scholarships of any type must be clearly identified in budget reports. The Board of Governors of The University of North Carolina shall not authorize a reduced rate of tuition for the special talent of athletics. The practice of giving tuition and fee waivers, or especially reduced rates is prohibited.~~"

SECTION #.(c) G.S. 116-143.5 is repealed.

SECTION #.(d) The Prospective Teacher Scholars program that was begun as a pilot program in Section 9.9 of S.L. 2002-126 is abolished.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2011-UNC-H10

**University of North Carolina and Private Instruction
Appropriations Subcommittee on Education**

Requested by: Representative

- 1 ***ELIMINATE PRIVATE MEDICAL SCHOOL AID***
- 2 **SECTION #. G.S. 116-21.6 is repealed.**

House Committee Pages / Sergeants at Arms

NAME OF COMMITTEE GOV C APPROP

DATE: 4-13 Room: _____

*Name: Jesse Moffitt

County: Buncombe

Sponsor: Hager

*Name: _____

County: _____

Sponsor: _____

*Name: _____

County: _____

Sponsor: _____

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House Sgt-At Arms:

1. Name: MARTHA PARRISH

4. Name: _____

2. Name: CHAMP CLARIS

5. Name: _____

3. Name: _____

6. Name: _____

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

April 13, 2011

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Katherine Pope	NCA SA
Edmund Jordan	NC REAL
Cheryl Pomeroy-Cahill	NC School Psych Assoc
Mary Ellen Tipton	NCSCA
Gene Cavichy	NCSCA
Dawn Shephard Pope	Office of the Governor
Bryan Conrad	OSBM
Christopher Jones	OSBM
Paul Seaman	OSBM
Elizabeth Brewster	OSBM
Dela Hunter	NCPTA

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

April 13, 2011

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Susan McCracken	Appalachian State Univ.
Philip Rogers	ECU
Ken Howell	NCSU
Ginger Burks	UNC - GA
Jonathan Pruitt	UNC - GA
Charlie Penne	UNC - GA
Jaime King	NCEL
Kenneth Fitzgerald	UNC

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

Name of Committee

April 13, 2011

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Gerry Hancock

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Ed Consultant

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NCCU

Oliver Nelson

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Andrew Meehan

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VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

April 13, 2011

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Erw Schulp

UNC-eth

Jennifer Haygood NCCCS

NCQS

MINUTES
HOUSE APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION

Thursday, April 14, 2011

The House Appropriations Subcommittee met in room 421 of the Legislative Office Building on Thursday, April 14, 2011 at 8:30 a. m. Representative Hugh Blackwell, Co-Chair, presided over the meeting. The following House members were present: Representatives Hilton and Holloway, Co-Chairs, Representatives Pridgen and Sanderson, Vice-Chairs, Representatives Avila, Bell, Brown, Glazier, Jeffus, Lucas, McLawhorn, Michaux, Parmon and Stam. Members of the Education Fiscal Research Division were also present. A Visitor Registration Sheet is attached and made part of these minutes.


The Chair called the meeting to order and recognized the Sergeant-at-Arms and Pages.

The Committee discussed proposed budget recommendations. The Fiscal Research staff handed out Comparison of FY 2010-11 Appropriations to House Chairs' Proposed FY 2011-12 Budget (Attachment #1), Relationship Between LEA Size and Classroom Teacher Positions Returned in 2010-11 Negative Reserve (Attachment #2), Estimated Growth in AIG and LEP (Attachment #3) and Analysis of Potential Reductions in Funding for Positions (Attachment #4).


The Chair asked the members that did not agree with the recommendations to have a specific alternate plan that would keep a balanced budget. Representative Stam gave the members an example of his recommendation for potential savings (Attachment #5). Fiscal Research took all suggestions (Attachment #6).

The meeting adjourned at 9:45.

Respectfully submitted,



Representative Hugh Blackwell



Carol Wilson, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2011-2012 SESSION**

You are hereby notified that the Committee on **Appropriations Subcommittee on Education** will meet as follows:

DAY & DATE: Thursday, April 14, 2011

TIME: 8:30 AM

LOCATION: 421 LOB

COMMENTS:

Subcommittee Chairs' Budget Proposal on.

Respectfully,
Representative Blackwell, Chair
Representative Hilton, Chair
Representative Holloway, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at
2 PM o'clock on **April 12, 2011**.

- ☐ Principal Clerk
- ☐ Reading Clerk – House Chamber

Carol Wilson (Committee Assistant)

House Appropriations Subcommittee on Education

Agenda

**Thursday, April 14, 2011, 8:30 A.M.
Room 421, Legislative Office Building
Representative Hugh Blackwell, Presiding**

- I. Welcome**
Representative Blackwell
- II. Discussion of Subcommittee Recommendations**
- III. Adjourn**

House Appropriations Subcommittee on Education

Rep. Blackwell, Chair
Rep. Hilton, Chair
Rep. Holloway, Chair
Rep. Pridgen, Vice Chair
Rep. Sanderson, Vice Chair

Members: Rep. Avila, Rep. Bell, Rep. Blust, Rep. L. Brown,
Rep. Glazier, Rep. Jeffus, Rep. Lucas,
Rep. McLawhorn, Rep. Michaux, Rep. Parmon,
Rep. Stam

ATTENDANCE

House Appropriations Subcommittee on Education

(Name of Committee)

[illegible]

House Education Appropriations Subcommittee
Comparison of FY 2010-11 Appropriations to House Chairs' Proposed FY 2011-12 Budget

Table 1. FY 2009-10 General Fund Authorization and Expenditures

	Authorization	Expenditures	Reversions	% Reverted
Public Schools	7,544,465,541	7,486,556,464	57,909,077	0.77%
Community Colleges	1,011,884,279	945,298,841	66,585,438	6.58%
UNC	2,738,558,775	2,600,397,012	138,161,763	5.05%
Total	11,294,908,595	11,032,252,317	262,656,278	2.33%

Table 2. FY 2010-11 Year-End Expenditures (STRAIGHT-LINE PROJECTED) Compared to House Chairs' Proposed FY 2011-12 General Fund Budget

	Actual Appropriation through Feb. 28, 2011	Year-end Expenditures Straight-line Projected	House Chairs' Proposed FY 2011-12 Budget	Reduction from FY 2010-11 Straight-line Projection
Public Schools	4,948,848,008	7,423,272,012	7,229,503,708	-3%
Community Colleges	584,458,670	876,688,005	991,962,860	13%
UNC	1,293,659,092	1,940,488,639	2,439,931,132	26%
Total	6,826,965,770	10,240,448,655	10,661,397,700	4%

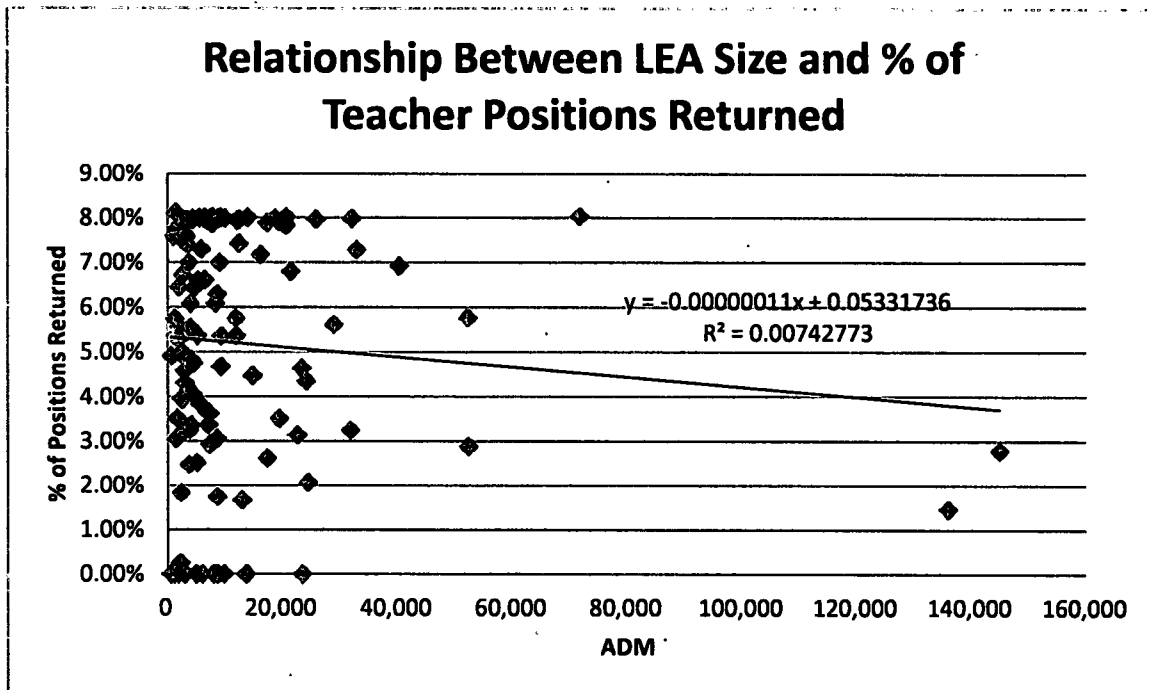
Staff Note:

Table 2 projects FY 2010-11 year-end General Fund spending based on a one-twelfth-per-month spend rate. Such a method does not account for seasonal spending trends, lags in reporting, and required year-end reversions. As such, the comparison must be interpreted with caution.

Attachment #1

Relationship Between LEA Size and Classroom Teacher Positions Returned in 2010-11
Negative Reserve

Representative Glazier asked whether there was a relationship between LEA size and the share of classroom teacher positions that LEA's returned to meet the \$305 million negative reserve in 2010-11.



Interpretation

There is virtually no relationship between LEA size and the percentage of an LEA's classroom teachers that were returned to meet the \$305 million negative reserve in 2010-11.

The R-square coefficient tells shows us the amount of variance in "% of positions returned" explained by the size of the LEA. The R-square of 0.00743 tells us that – while there is a relationship between the two variables – less than 1% of the change in positions returned can be explained by LEA size.

Teacher Positions Returned to Meet 2010-11 LEA Adjustment, by LEA

LEA	LEA's ADM	Allotted Classroom Teacher Positions	Teacher Positions Returned	% of Teacher Positions Returned
Alamance County	22,451	1,051.0	(33.00)	-3.14%
Alexander County	5,540	260.0	(20.78)	-7.99%
Alleghany County	1,508	71.0	(5.50)	-7.75%
Anson County	3,842	180.5	(10.00)	-5.54%
Ashe County	3,263	154.5	(11.72)	-7.59%
Avery County	2,230	105.5	(4.18)	-3.96%
Beaufort County	7,128	334.5	(28.50)	-7.92%
Bertie County	2,861	134.0	(10.00)	-7.46%
Bladen County	5,157	242.5	(13.00)	-5.36%
Brunswick County	12,087	567.0	(45.00)	-7.94%
Buncombe County	25,797	1,205.3	(95.98)	-7.96%
Asheville City	3,762	178.7	(5.62)	-3.28%
Burke County	13,626	633.5	0.00	0.00%
Cabarrus County	28,827	1,356.0	(78.15)	-5.82%
Kannapolis City	5,269	250.0	(16.50)	-6.60%
Caldwell County	12,857	601.0	(10.00)	-1.66%
Camden County	1,914	80.0	(4.75)	-5.28%
Carteret County	8,441	392.0	(12.00)	-3.06%
Caswell County	3,075	145.0	(11.00)	-7.59%
Catawba County	17,227	801.1	(21.00)	-2.62%
Hickory City	4,438	210.7	(10.00)	-4.75%
Newton-Conover City	2,918	139.2	(6.00)	-4.31%
Chatham County	7,795	368.5	(29.00)	-7.87%
Cherokee County	3,479	162.0	(11.97)	-7.39%
Chowan County	2,344	110.0	(5.50)	-5.00%
Clay County	1,382	65.5	(2.00)	-3.05%
Cleveland County	16,107	753.5	(54.08)	-7.18%
Columbus County	6,719	315.6	(25.20)	-7.98%
Whiteville City	2,272	109.4	(2.00)	-1.83%
Craven County	14,711	693.5	(31.00)	-4.47%
Cumberland County	52,208	2,443.5	(141.00)	-5.77%
Curruck County	3,982	186.0	(6.28)	-3.37%
Dare County	4,915	231.5	0.00	0.00%
Davidson County	20,534	961.9	(77.04)	-8.01%
Lexington City	2,995	144.2	0.00	0.00%
Thomasville City	2,472	119.0	(9.27)	-7.79%
Davie County	6,665	314.0	(25.00)	-7.96%
Duplin County	8,998	427.5	(29.90)	-6.99%
Durham Public	32,000	1,504.0	(120.00)	-7.98%
Edgecombe County	7,297	343.5	(27.37)	-7.97%
Forsyth County	52,284	2,460.0	(71.00)	-2.89%
Franklin County	8,556	403.5	(7.00)	-1.73%
Gaston County	31,697	1,481.5	(48.10)	-3.25%
Gates County	1,874	88.0	0.00	0.00%
Graham County	1,196	57.0	0.00	0.00%
Granville County	8,787	412.0	(32.90)	-7.99%
Greene County	3,327	157.0	(12.48)	-7.95%
Guilford County	71,671	3,343.0	(268.50)	-8.03%
Halifax County	3,984	186.6	(9.00)	-4.82%
Roanoke Rapids City	2,888	137.3	(6.28)	-4.57%
Weldon City	1,031	50.1	(3.80)	-7.58%
Harnett County	19,383	911.0	(72.00)	-7.90%
Haywood County	7,750	363.5	(29.07)	-8.00%
Henderson County	13,566	638.5	0.00	0.00%
Hertford County	3,124	147.5	(11.70)	-7.93%
Hoke County	7,991	380.5	0.00	0.00%
Hyde County	604	28.5	(1.40)	-4.91%
Iredell County	21,358	993.8	(67.57)	-6.80%

LEA	LEA's ADM	Allotted Classroom Teacher Positions	Teacher Positions Returned	% of Teacher Positions Returned
Mooreville City	5,546	260.7	(10.00)	-3.84%
Jackson County	3,648	173.0	(12.10)	-6.99%
Johnston County	32,838	1,552.0	(113.00)	-7.28%
Jones County	1,177	56.0	(3.00)	-5.36%
Lee County	9,759	458.5	0.00	0.00%
Lenoir County	9,222	429.5	(23.00)	-5.38%
Lincoln County	11,891	554.5	(29.72)	-5.38%
Macon County	4,382	206.0	(16.44)	-7.98%
Madison County	2,619	124.5	(4.00)	-3.21%
Martin County	3,911	185.0	(11.25)	-6.08%
McDowell County	6,382	299.5	(23.94)	-7.99%
Mecklenburg County	135,938	6,433.0	(94.00)	-1.46%
Mitchell County	2,128	100.0	(0.25)	-0.25%
Montgomery County	4,241	200.0	(15.91)	-7.96%
Moore County	12,411	579.0	(43.00)	-7.43%
Nash-Rocky Mount	17,295	811.5	(64.00)	-7.89%
New Hanover County	24,313	1,139.5	(23.50)	-2.06%
Northampton County	2,518	119.0	(9.00)	-7.56%
Onslow County	23,999	1,133.5	(49.27)	-4.35%
Orange County	7,192	336.0	(12.19)	-3.63%
Chapel Hill-Carrboro	11,834	553.5	(31.86)	-5.76%
Pamlico County	1,384	64.0	(5.19)	-8.11%
Pasquotank County	6,056	286.0	0.00	0.00%
Pender County	8,268	386.0	(23.50)	-6.09%
Perquimans County	1,762	83.5	(6.50)	-7.78%
Person County	5,076	238.5	(6.00)	-2.52%
Pitt County	23,251	1,090.5	(50.51)	-4.63%
Polk County	2,427	114.5	(4.50)	-3.93%
Randolph County	18,679	877.5	(70.08)	-7.99%
Asheboro City	4,598	217.5	(14.00)	-6.44%
Richmond County	7,695	360.5	(28.87)	-8.01%
Robeson County	23,377	1,100.0	0.00	0.00%
Rockingham County	13,875	650.5	(52.05)	-8.00%
Rowan-Salisbury	20,532	961.5	(75.28)	-7.83%
Rutherford County	9,164	428.0	(20.00)	-4.67%
Sampson County	8,576	403.7	(25.40)	-6.29%
Clinton City	3,061	146.3	(7.10)	-4.85%
Scotland County	6,430	302.5	(20.00)	-6.61%
Stanly County	9,205	431.5	(34.53)	-8.00%
Stokes County	6,997	326.0	(11.00)	-3.37%
Surry County	8,606	402.9	0.00	0.00%
Elkin City	1,184	57.1	(3.28)	-5.75%
Mount Airy City	1,608	77.0	(2.71)	-3.52%
Swain County	1,929	91.5	(5.90)	-6.45%
Transylvania County	3,650	170.5	(4.22)	-2.46%
Tyrrell County	573	28.0	0.00	0.00%
Union County	40,215	1,893.0	(131.00)	-6.92%
Vance County	7,270	341.5	(10.00)	-2.93%
Wake County	144,856	6,827.5	(190.00)	-2.78%
Warren County	2,528	119.0	(8.00)	-6.72%
Washington County	1,877	89.0	(4.95)	-5.56%
Watauga County	4,342	202.5	(8.22)	-4.06%
Wayne County	19,335	911.0	(32.00)	-3.51%
Wilkes County	9,937	487.0	(37.28)	-7.98%
Wilson County	12,469	587.5	(46.78)	-7.96%
Yadkin County	5,882	273.5	(19.96)	-7.30%
Yancey County	2,420	114.0	(9.07)	-7.96%
Total	1,434,436	67,421	(3,244)	-4.81%

Estimated Growth in AIG and LEP

Representative Glazier asked about the growth in populations of students related to the Academically or Intellectually Gifted (AIG) and Limited English Proficiency (LEP) allotments.

Academically or Intellectually Gifted

The AIG allotment is based on providing a dollar amount (\$1,192.90) for 4% of allotted ADM.

<u>Year</u>	<u>AIG ADM</u>
2010-11	59,027
2011-12	59,240
2012-13	59,795

It is important to note that the House Chairs' initial budget proposal provided funding to account for ADM increases in the AIG allotment (see: Item #1 "ADM Adjustment").

Limited English Proficiency

The LEP allotment is based off of a three-year weighted average headcount.

The budgeted amount for the 2011-12 school year is based off of actual headcounts in 2008, 2009, and 2010.

The budgeted amount for the 2012-13 school year assumes an 8.11% increase above the 2011-12 budgeted three-year weighted average headcount.

<u>Year</u>	<u>Budgeted LEP 3-yr. Headcount</u>
2010-11	113,765
2011-12	111,563
2012-13	120,611

As with the AIG allotment, it is important to note that the House Chairs' initial budget proposal provided funding to account for ADM changes in the LEP allotment (see: Item #1 "ADM Adjustment").

Analysis of Potential Reductions in Funding for Positions

Please Note: This analysis is not an estimate of the number of positions that would be expected to be eliminated as a result of the House Chairs' initial budget proposal. This analysis assumes that expenditure patterns for State-funded allotments remain consistent from prior year. This analysis does not take into consideration turnover, changes in local funding, changes in federal funding, nor does the analysis attempt to predict how LEAs might adjust their allotments to spend in other categories or to meet the LEA Adjustment.

Allotment	Proposed Cut	Percent of Allotment Spent On*					Estimated Positions				
		Teachers	Instructional Support	Teacher Assistants	Clerical	Custodial	Teachers	Instructional Support	Teacher Assistants	Clerical	Custodial
Teacher Assistants	(\$258,647,482)	0%	0%	100%	0%	0%	0	0	(8,694)	0	0
At-Risk Student Services	(\$30,125,891)	30%	9%	16%	2%	9%	(164)	(43)	(164)	(22)	(90)
Noninstructional Support Personnel	(\$59,497,471)	0%	0%	0%	24%	22%	0	0	(1)	(470)	(435)
Academically or Intellectually Gifted	(\$8,480,111)	72%	5%	0%	0%	0%	(112)	(6)	(0)	(1)	0
Instructional Support	(\$22,934,278)	0%	100%	0%	0%	0%	0	(372)	(0)	0	0
Limited English Proficiency	(\$7,505,512)	88%	0%	7%	0%	0%	(120)	0	(17)	0	0
Total							(395)	(422)	(8,877)	(493)	(525)

*Note: Does not take into account money transferred out of that allotment, and into allotments supporting positions.

Funding Only One School District per County:

Proposed Redirection of Potential Savings

The State savings for eliminating base funding allocations to all city school districts is \$11,071,255. If funds were eliminated beginning in Fiscal Year 2012-13, the subcommittee may wish to consider the following alternatives:

Incentivizing LEA Consolidation

Some smaller school districts may benefit from voluntary mergers that enable them to pool their resources and achieve some economies of scale. However, there may be some short-term costs to achieve long-term benefits. Savings from only funding one district per county may be redirected to support the transitional costs of districts pursuing a voluntary merger.

Restore Funding to UNC Hospitals Subsidy

Savings could be redirected to partially restore the proposed reduction to the UNC Hospitals Subsidy.

#	Member	Amount	From where	To where
1	Stam	\$ 11,071,255	Fund one LEA per county (second year only)	1) UNC hospital subsidy 2) Incentivize LEA consolidation
2	Parmon	Special provision	Reconsider/study move of More@Four	
3	Jeffus	\$ 235,646	UERS	NC Professional Teaching Standards Commission
4	Avila	\$ 258,143	At Risk Student Services	Communities in Schools and Teach for America (restore plus increase by 10%)
5	Bell	\$ 261,963	Low Wealth Allotment	School Planning
6	Bell	\$ 6,102,495	Low Wealth Allotment	NCCAT
7	Bell	\$ 4,762,874	Low Wealth Allotment	Teacher Academy
8	Parmon	Special provision	Reconsider move of residential schools	
9	Avila		Reconsider range of services for deaf students including services provided by CASTLE program	
10	Glazier	Special provision	Consider adding military exemption for 9-semester limitation on financial aid programs	
11	Glazier	\$ 127,500	K-12 supplies, textbooks, or At Risk allotment	Science Olympiad (fund on NR basis for one year)
12	Jeffus	\$ 100,000	?	NC Science, Math & Technical Education Center

#	Member	Amount	From where	To where
13	McLawhorn	Special provision	Give DPI flexibility on position reductions	
14	Michaux	(Variable -- do not completely eliminate funding)	Forthcoming	Dropout Prevention Grants
15	Jeffus	Special provision	Retain school improvement team reporting requirement	
16	Hilton	Special provision	Add State Board of Community Colleges to special provision regarding audits	
17	Glazier	Special provision	Clarify that audit provision include audits of CC financial aid offices	
18	Stam	Special provision	Remove special provision limiting UNC budget flexibility	
19	Lucas	Special provision	Consider exemptions to 9-semester limit for financial aid for students whose major is eliminated during their course of study	
20	Glazier	Special provision	Give UNC tuition flexibility (perhaps with NCGA authority)	
21	Michaux	\$ 10,558,141	"Reserves"	Fund Center for Public Television in FY 2012-13

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

April 14, 2011

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Martin Sheen	_____
John Martin	Policy Group
Gene Causby	NCSCA
Cheryl Posner-Cahill	NC School Psych Assoc
Mary Ellen Taft	NCSCA
Bernie Hancock	EGH
Joyce Wallace	OSBM
Paul Leamon	OSBM
Elizabeth Grovenator	OSBM
Tara Harts	J. Warner & Assoc.
Bryan Conrad	OSBM

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

April 14, 2011

Name of Committee

Date

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NAME

FIRM OR AGENCY AND ADDRESS

Christopher Jones

OSBM

Dawn Shephard Pope

Office of the Governor

TERENCE TRAIVICH - UNC

Katherine Joyce

NCSA

Jay Schalin

Pope Center

Cindy DeFoor

NCCU

Frank Ayers

Ed Consultant

Jo Ann Norris

Public Sch Forum

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education
Name of Committee

April 14, 2011
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Carolyn McKenney	NCPTSC
Emily Grimm	MWC
M Hill	NC SBE
John Proctor	DPE
Jackson	DPI
Joni Alley	BEGINNINGS
Mike Tarrant	UNCO
Janet Pross	NCHA
Kevin FitzGerald	UNC
Jen Willis	NLLG
Ken Howell	NCSU

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

April ¹⁴/₁₃, 2011

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Barry Hull	NCEM
Alexis Schmitt	NCDOT
Annaliese Dolph	NRNC
Leanne Whelan	WCSPB
Justin Burdette	Rep. Johnson
James King	NCEC
Ginger Burks	UNC-GA
Jonathan Pruitt	UNC-GA
Rose Johnson	Haywood Com. College
Levin Warner	NCTC
Kellie Stepp	OLF

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

Name of Committee

April 14, 2011

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS[illegible]

MINUTES
HOUSE APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION

Wednesday, April 20, 2011, 8:30 a. m.

The House Appropriations Subcommittee met in room 421 of the Legislative Office Building on Wednesday, April 20, 2011 at 8:30 a. m. Representative Mark Hilton, Co-Chair, presided over the meeting. The following House members were present: Representatives Blackwell and Holloway, Co-Chairs, Representatives Pridgen and Sanderson, Vice-Chairs, Representatives Avila, Bell, Blust, Brown, Glazier, Jeffus, Lucas, McLawhorn, Michaux, Parmon and Stam. Members of the Education Fiscal Research Division were also in attendance. A Visitor Registration Sheet is attached and made part of these minutes.

The Chair called the meeting to order and recognized the Sergeant-at-Arms, and Pages.

The Chair recognized Andrea Poole, Fiscal Research, to give an overview of the Rules for Subcommittee Procedure (ATTACHMENT #1). Brian Matteson went over House Subcommittee Package—Funding Comparisons (ATTACHMENT #2) Funding Comparisons Corrected (Attachment #3) and followed up with questions from Public School money report (ATTACHMENT #4). Andrea Poole went over changes to Community College and Denise Harb covered UNC. Ms. Poole presented changes from the Financial Aid in the House Special Provision Recommendations (ATTACHMENT #5) followed by questions from members.

Amendment 1: Holloway (Attachment #5). Adopted

Amendment 2: Blackwell (Attachment #6). Adopted

Amendment 3: Stam (Attachment #7). There was a division call with eight in favor and five opposed; the amendment was Adopted

Amendment 4: Stam (Attachment #8). Adopted

Amendment 5: Blackwell (Attachment #9). Adopted

The meeting adjourned at 9:50.

Respectfully submitted,



Representative Mark Hilton



Carol Wilson, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2011-2012 SESSION**

You are hereby notified that the Committee on **Appropriations Subcommittee on Education** will meet as follows:

DAY & DATE: Wednesday, April 20, 2011

TIME: 8:30 am

LOCATION: 421 LOB

COMMENTS:

Budget

Respectfully,
Representative Blackwell, Chair
Representative Hilton, Chair
Representative Holloway, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **9 AM** o'clock on **April 15, 2011**.

- ☐ Principal Clerk
- ☐ Reading Clerk – House Chamber

Carol Wilson (Committee Assistant)

House Appropriations Subcommittee on Education

Agenda

Wednesday, April 20, 2011, 8:30 A.M. and
4 P.M or 15 Minutes after House Adjournment

Room 421, Legislative Office Building
Representative Mark Hilton, Presiding

- I. Welcome**
Representative Hilton
- II. Consideration of Recommended House Budget**
- III. Adjourn**

House Appropriations Subcommittee on Education

Rep. Blackwell, Chair
Rep. Hilton, Chair
Rep. Holloway, Chair
Rep. Pridgen, Vice Chair
Rep. Sanderson, Vice Chair

Members: Rep. Avila, Rep. Bell, Rep. Blust, Rep. L. Brown,
Rep. Glazier, Rep. Jeffus, Rep. Lucas,
Rep. McLawhorn, Rep. Michaux, Rep. Parmon,
Rep. Stam

ATTENDANCE

House Appropriations Subcommittee on Education

(Name of Committee)

[illegible]

**North Carolina House of Representatives
Appropriations Committee**

RULES FOR SUBCOMMITTEE PROCEDURE

April 20, 2011

The following rules govern the eligibility of amendments to subcommittee reports:

1. Amendments must be offered by formal amendments.
2. Amendments cannot increase total spending within the draft subcommittee report.
3. Amendments can only affect appropriations within the departments, agencies, or programs within the jurisdiction of the subcommittee.
4. Amendments cannot spend reversions or include "shall not revert" or "carry forward" language.
5. Amendments cannot use nonrecurring reductions to fund recurring items.
6. Amendments cannot change substantive policy or law.
7. Amendments cannot change "management flexibility reductions" or "management flexibility reserves."
8. Amendments shall not prohibit agency or program transfers among subcommittees.
9. Amendments shall not include fees or other Finance-related matters.

Two

HOUSE SUBCOMMITTEE PACKAGE--FUNDING COMPARISONS

FY 2011-12 General Fund Appropriations (with More at Four Transfer)										
	10-11 Certified Budget	10-11 Projected Expenditures*	11-12 Continuation Budget	11-12 House Subcommittee	House - 10-11 Cert Bud	House vs 10-11 Cert Bud.	House - 10-11 Proj Exp.	House vs 10-11 Proj. Exp.	House - 11-12 Cont. Bud.	House vs 11-12 Cont.
Public Schools	\$7,085,588,912	\$7,014,733,023	\$7,923,543,951	7,164,492,057	78,903,145	1.1%	149,759,034	1.9%	(759,051,894)	-9.6%
Community Colleges	\$1,055,135,961	\$1,018,206,202	\$1,102,475,214	991,518,860	(63,617,101)	-6.0%	(26,687,342)	-2.4%	(110,956,354)	-10.1%
UNC	\$2,666,935,206	\$2,579,053,944	\$2,887,492,464	2,440,375,132	(226,560,074)	-8.5%	(138,678,812)	-4.8%	(447,117,332)	-15.5%
Total	\$10,807,660,079	\$10,611,993,169	\$11,913,511,629	10,596,386,048	(211,274,030)	-2.0%	(15,607,120)	-0.1%	(1,317,125,580)	-11.1%

* Estimates provided by OSBM and assume the following:

- 3.5% mandatory reversion for Community Colleges (\$36.9m) and UNC (\$87.9m, which excludes financial aid)
- Anticipated \$70.9 million reversion from public schools, which includes mandatory \$5.2m DPI holdback and projected \$65.6m "natural reversion" from public schools

FY 2011-12 General Fund Appropriations (adjusting for \$65.0m More at Four Transfer)										
	10-11 Certified Budget	10-11 Projected Expenditures*	11-12 Continuation Budget	11-12 House Subcommittee	House - 10-11 Cert Bud	House vs 10-11 Cert Bud.	House - 10-11 Proj Exp.	House vs 10-11 Proj. Exp.	House - 11-12 Cont. Bud.	House vs 11-12 Cont.
Public Schools**	\$7,085,588,912	\$7,014,733,023	\$7,923,543,951	7,229,503,708	143,914,796	2.0%	214,770,685	2.7%	(694,040,243)	-8.8%
Community Colleges	\$1,055,135,961	\$1,018,206,202	\$1,102,475,214	991,518,860	(63,617,101)	-6.0%	(26,687,342)	-2.4%	(110,956,354)	-10.1%
UNC	\$2,666,935,206	\$2,579,053,944	\$2,887,492,464	2,440,375,132	(226,560,074)	-8.5%	(138,678,812)	-4.8%	(447,117,332)	-15.5%
Total	\$10,807,660,079	\$10,611,993,169	\$11,913,511,629	10,596,386,048	(146,262,379)	-1.4%	49,404,531	0.5%	(1,252,113,929)	-10.5%

* Estimates provided by OSBM and assume the following:

- 3.5% mandatory reversion for Community Colleges (\$36.9m) and UNC (\$87.9m, which excludes financial aid)
- Anticipated \$70.9 million reversion from public schools, which includes mandatory \$5.2m DPI holdback and projected \$65.6m "natural reversion" from public schools

**Includes \$65,011,651 transferred to Department of Health and Human Services to operate More at Four.

Important Caveats:

- 1) FY 2010-11 amounts do not include Federal stimulus funding of \$398 million to Public Schools and \$119 million for UNC which backfilled nonrecurring State cuts.
- 2) This analysis does not account for any additional Federal Stimulus funding that is set to expire in FY 2011-12.
- 3) These amounts only include State General Fund appropriations and not other State, federal or local funding sources.
- 4) Some amount of reversions would be anticipated from 11-12 appropriations, as appropriations serve to set a ceiling on potential expenditures.

Attachment #2

HOUSE SUBCOMMITTEE PACKAGE--FUNDING COMPARISONS

CORRECTED!

FY 2011-12 General Fund Appropriations (with More at Four Transfer)										
	10-11 Certified Budget	10-11 Projected Expenditures*	11-12 Continuation Budget	11-12 House Subcommittee	House - 10-11 Cert Bud	House vs 10-11 Cert Bud.	House - 10-11 Proj Exp.	House vs 10-11 Proj. Exp.	House - 11-12 Cont. Bud.	House vs 11-12 Cont.
Public Schools	\$7,085,588,912	\$7,014,733,023	\$7,923,543,951	7,164,492,057	78,903,145	1.1%	149,759,034	1.9%	(759,051,894)	-9.6%
Community Colleges	\$1,055,135,961	\$1,018,206,202	\$1,102,475,214	991,518,860	(63,617,101)	-6.0%	(26,687,342)	-2.4%	(110,956,354)	-10.1%
UNC	\$2,666,935,206	\$2,579,053,944	\$2,887,492,464	2,440,375,132	(226,560,074)	-8.5%	(138,678,812)	-4.8%	(447,117,332)	-15.5%
Total	\$10,807,660,079	\$10,611,993,169	\$11,913,511,629	10,596,386,048	(211,274,030)	-2.0%	(15,607,120)	-0.1%	(1,317,125,580)	-11.1%

* Estimates provided by OSBM and assume the following:

- 3.5% mandatory reversion for Community Colleges (\$36.9m) and UNC (\$87.9m, which excludes financial aid)
- Anticipated \$70.9 million reversion from public schools, which includes mandatory \$5.2m DPI holdback and projected \$65.6m "natural reversion" from public schools

FY 2011-12 General Fund Appropriations (adjusting for \$65.0m More at Four Transfer)										
	10-11 Certified Budget	10-11 Projected Expenditures*	11-12 Continuation Budget	11-12 House Subcommittee	House - 10-11 Cert Bud	House vs 10-11 Cert Bud.	House - 10-11 Proj Exp.	House vs 10-11 Proj. Exp.	House - 11-12 Cont. Bud.	House vs 11-12 Cont.
Public Schools**	\$7,085,588,912	\$7,014,733,023	\$7,923,543,951	7,229,503,708	143,914,796	2.0%	214,770,685	2.7%	(694,040,243)	-8.8%
Community Colleges	\$1,055,135,961	\$1,018,206,202	\$1,102,475,214	991,518,860	(63,617,101)	-6.0%	(26,687,342)	-2.4%	(110,956,354)	-10.1%
UNC	\$2,666,935,206	\$2,579,053,944	\$2,887,492,464	2,440,375,132	(226,560,074)	-8.5%	(138,678,812)	-4.8%	(447,117,332)	-15.5%
Total	\$10,807,660,079	\$10,611,993,169	\$11,913,511,629	10,661,397,700	(146,262,379)	-1.4%	49,404,531	0.5%	(1,252,113,929)	-10.5%

* Estimates provided by OSBM and assume the following:

- 3.5% mandatory reversion for Community Colleges (\$36.9m) and UNC (\$87.9m, which excludes financial aid)
- Anticipated \$70.9 million reversion from public schools, which includes mandatory \$5.2m DPI holdback and projected \$65.6m "natural reversion" from public schools

**Includes \$65,011,651 transferred to Department of Health and Human Services to operate More at Four.

Important Caveats:

- 1) FY 2010-11 amounts do not include Federal stimulus funding of \$398 million to Public Schools and \$119 million for UNC which backfilled nonrecurring State cuts.
- 2) This analysis does not account for any additional Federal Stimulus funding that is set to expire in FY 2011-12.
- 3) These amounts only include State General Fund appropriations and not other State, federal or local funding sources.
- 4) Some amount of reversions would be anticipated from 11-12 appropriations, as appropriations serve to set a ceiling on potential expenditures.

3.44

House Appropriations Subcommittee on Education

House Budget Recommendations

April 20, 2011

Public Education

GENERAL FUND

	FY 11-12	FY 12-13
Recommended Budget	\$7,923,543,951	\$7,923,543,951

Legislative Changes

A. Technical Adjustments

1 ADM Adjustment

\$55,882,651	R	\$143,087,414	R
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Fully funds both years of average daily membership (ADM) growth for public schools, providing \$55.8 million in FY 2011-12 and \$143.1 million in FY 2012-13. This adjustment, which accounts for changes in multiple allotments, has traditionally been included in the continuation budget.

2 Average Salary Adjustment

(\$21,838,817)	R	(\$22,040,287)	R
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Adjusts several budget lines to account for the decrease in average salaries between FY 2009-10 and FY 2010-11. This adjustment has traditionally been included in the continuation budget.

3 Children With Disabilities Headcount Adjustment

(\$7,000,000)	R	(\$7,000,000)	
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Reduces the Children With Disabilities allotment by \$7.0 million in anticipation of the April headcount being less than the budgeted headcount. This adjustment is intended to reflect actual student headcount and not reduce funding per student. This adjustment will leave \$687.9 million in FY 2011-12 and \$689.0 million in FY 2012-13.

B. Other Public School Funding Adjustments

4 LEA Adjustment

(\$42,123,478)	R	(\$105,696,322)	R
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Increases the LEA Adjustment reduction by \$42.1 million in FY 2011-12 and by \$105.7 million in FY 2012-13. The State Board of Education will distribute this reduction to all LEAs and charter schools on the basis of ADM. LEAs and charters will then be responsible for identifying budget reductions in order to meet their share of the LEA Adjustment. The total LEA Adjustment will be \$346.9 million in FY 2011-12 and \$410.4 million in FY 2012-13.

5 Teacher Assistants

(\$258,647,482)	R	(\$254,193,602)	R
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Funds teacher assistants on the basis of ADM in grades K-1 only. Previously, teacher assistants were funded on the basis of ADM in grades K-3. LEAs will still have the discretion to place teacher assistants in classrooms serving grades K-3. \$269.1 million will be available in FY 2011-12, and \$290.2 million will be available in FY 2012-13 to fund teacher assistants.

6 Education Reform Studies

Provides \$1.0 million of nonrecurring funding for various studies of educational policies across all levels of education. Funding will be available to hire an outside consultant to examine various topics. Additional detail on the topics of study can be found in Section 7.X.

\$1,000,000 NR

7 Testing

Eliminates funding for four End of Course tests eliminated by S.L. 2011-8 and not required by federal law. Those tests are United States History, Civics and Economics, Algebra II, and Physical Science. The remaining testing funds are then reduced a further 10%, leaving \$8.8 million available for testing in each year of the biennium.

(\$2,725,029) R (\$2,729,677) R

8 Dropout Prevention Grants

Eliminates funding for the Dropout Prevention Grant program.

(\$13,290,683) R (\$13,290,683) R

9 Student Diagnostics

Eliminates funding for the Student Diagnostics pilot program.

(\$10,000,000) R (\$10,000,000) R

10 Learn & Earn Virtual Schools

Eliminates funding provided to four schools to provide on-line access to Learn & Earn. Students in affected schools will retain access to Learn & Earn Online courses provided through the Community College system.

(\$1,000,000) R (\$1,000,000) R

11 Learn & Earn Online

Eliminates funding for Learn & Earn Online courses provided through the UNC system. Funding remains within the Community College budget to provide Learn & Earn Online courses provided through the Community College system.

(\$4,875,000) R (\$4,875,000) R

12 At-Risk Student Services

Reduces the At-Risk Student Services allotment by 12% in each year of the biennium. The At-Risk Student Services will be funded at \$220.8 million in FY 2011-12 and at \$222.0 million in FY 2012-13.

(\$30,215,891) R (\$30,374,711) R

13 Noninstructional Support Personnel

Reduces this allotment, which supports clerical, janitorial, substitute teaching and other personnel, by 15% in both years of the biennium. \$337.1 million will remain in this allotment in FY 2011-12 and \$340.3 million will remain in FY 2012-13.

(\$59,497,471) R (\$60,054,792) R

14 Textbooks

Provides support for consumable book and classroom kits while eliminating other textbook funding on a nonrecurring basis throughout the biennium. A related provision prohibits the State Board of Education from adopting any new textbooks throughout the biennium. \$36.5 million will remain in this allotment in FY 2011-12 and \$37.6 million will remain available in FY 2012-13.

(\$79,127,500) NR (\$79,000,000) NR

15 Instructional Supplies

Reduces funding for this allotment by approximately 42%. \$53.0 million will remain in this allotment in FY 2011-12 and \$53.7 million will remain available in FY 2012-13.

(\$38,245,358) NR (\$38,417,147) NR

16 Academically or Intellectually Gifted

Reduces funding for this allotment by 12%. \$62.2 million will remain in this allotment in FY 2011-12 and \$62.8 million will remain in FY 2012-13.

(\$8,480,111) R (\$8,559,558) R

17 Central Office Administration

Reduces the allotment to LEAs for the salaries and benefits of central office staff by 10%. This staff includes, but is not limited to, superintendents, associate and assistant superintendents, finance officers, athletic trainers, and transportation directors. \$96.8 million will remain to support these local staff in FY 2011-12 and \$97.0 million will remain available in FY 2012-13.

(\$10,757,059) R (\$10,784,059) R

18 School Building Administration

Reduces the funding for assistant principal months of employment by 21% or the equivalent of 3,827 assistant principal months of employment. This reduction does not reduce any guaranteed principal positions. \$301.8 million will remain in this allotment in FY 2011-12 and \$304.0 million will remain available in FY 2012-13.

(\$24,790,256) R (\$25,023,016) R

19 Instructional Support

Reduces this allotment, which supports guidance counselors, social workers, media specialists and other miscellaneous personnel, by 5% or an equivalent reduction of 290 positions. \$435.8 million will remain in this allotment in FY 2011-12 and \$439.8 million will remain available in FY 2012-13.

(\$22,934,278) R (\$23,180,222) R

20 Limited English Proficiency

Reduces funding for the program by 10% in both years of the biennium. \$67.5 million will remain in this allotment in FY 2011-12 and \$73.0 million will remain in FY 2012-13.

(\$7,505,512) R (\$8,114,226) R

21 Transportation

Reduces funding for the allotment, which supports the salaries of transportation personnel as well as the maintenance of yellow buses, by approximately 10%. \$392.9 million will remain in this allotment in FY 2011-12 and \$396.8 million will remain available in FY 2012-13.

(\$20,680,229) R (\$20,884,532) R

22 School Bus Replacement

Reduces funding for State replacement of school buses in excess of 20 years old or 200,000 miles of service. The \$36.8 million that will remain is sufficient to support all financing payments due for previously purchased buses and to purchase approximately 700 of the 1,587 buses slated for replacement.

(\$20,000,000) NR (\$20,000,000) NR

House Subcommittee on Education

FY 11-12**FY 12-13****23 Mentoring**

(\$9,214,190) R

(\$9,214,190) R

Eliminates funding for this allotment. School districts may use State and other funding sources to provide mentoring services for beginning teachers.

24 School Technology Fund

(\$10,000,000) R

(\$10,000,000) R

Eliminates General Fund support for this purpose. An additional \$18.0 million for the Fund will remain available from the proceeds of the Civil Penalty and Forfeiture Fund.

25 Staff Development

(\$12,565,063) R

(\$12,626,995) R

Eliminates funding for this allotment. School districts may use State and other funding sources to support professional development.

26 Uniform Education Reporting System

(\$2,101,213) R

(\$2,101,213) R

Reduces funding for the Uniform Education Reporting System (UERS) and the related NC WISE system as it moves into an operations and maintenance phase. This adjustment will leave \$10.2 million in annual appropriations available for UERS operations.

27 More at Four Funding Reduction

(\$16,000,000) R

(\$16,000,000) R

Reduces More at Four General Fund support by \$16 million, or approximately 20%.

28 More at Four Transfer

(\$65,011,651) R

(\$65,011,651) R

Transfers the remaining \$65 million in General Fund appropriations to the Department of Health and Human Service's Division of Child Development (DCD) to provide a dedicated high-quality pre-K program within its Child Care Subsidy program. In addition, Section x.x of the budget bill redirects \$63 million in Lottery funding for the program to DCD. A related provision in Section 10.x of the bill details the particulars of the transfer.

29 Geographically Isolated Schools Allotment

(\$411,503) R

(\$411,503) R

Eliminates support for the additional teaching positions provided to one school district with the characteristics required under Section 7.26 of S.L. 2009-451.

30 Liability Insurance for Public School Personnel

\$3,700,000 R

\$3,700,000 R

Establishes a single State-funded liability insurance policy for all North Carolina public schools employees. The State Board of Education shall use funding provided to establish this policy with the North Carolina Department of Public Instruction serving as the master policy holder.

C. Pass-through Funds**31 Teacher Cadet**

(\$34,000) R

(\$34,000) R

Reduces State support for this program by 10%.

House Subcommittee on Education

FY 11-12

FY 12-13

32 Science Olympiad(\$127,500) R
\$127,500 NR

(\$127,500) R

Provides an additional year of nonrecurring funds for North Carolina Science Olympiad, a nonprofit organization, to sponsor tournaments and continue to support the number of schools participating in the program. It is the intent of the General Assembly that NC Science Olympiad will replace State funding with other forms of support in FY 2012-13.

33 Kids Voting

(\$50,000) R

(\$50,000) R

Eliminates State support for this program.

34 NC Science, Math and Technical Education Center

(\$100,000) R

(\$100,000) R

Eliminates State support for the North Carolina Science, Mathematics and Technology Education Center, Inc.

35 Tarheel Challenge

(\$76,772) R

(\$76,772) R

Reduces program funding by 10%, providing \$690,947 in State support that is used to match federal funds. The program is a quasi-military program for high school dropouts or expellees.

D. Department of Public Instruction**36 DPI Curriculum Division**

(\$1,119,336) R

(\$1,119,336) R

Eliminates 13.5 State-funded positions working on curriculum issues. Of these, 9.5 State-funded positions are eliminated from the Curriculum, Instruction & Technology section, and 4.0 State-funded positions are eliminated from the Career and Technology Education (CTE) section. 39.5 positions (13.86 State-funded) will remain in the Curriculum, Instruction & Technology section, while 33.0 positions (8.93 State-funded) will remain in the CTE section.

-13.50

-13.50

37 DPI Technology Services

(\$2,712,988) R

(\$2,712,988) R

Eliminates 30.0 State-funded positions from DPI's Technology Services section. 102.85 positions (70.72 State-funded) will remain in this section.

-30.00

-30.00

38 DPI Communications

(\$246,586) R

(\$246,586) R

Eliminates 4.0 State-funded positions in the Communications section. 15.0 positions (10.8 State-funded) will remain in this section.

-4.00

-4.00

39 DPI District and School Transformation

(\$1,328,617) R

(\$1,328,617) R

Eliminates 13.0 State-funded positions from the District & School Transformation section. 65.0 permanent positions (45.54 State-funded) will remain in this section. Additionally, this section has added 75.0 time-limited positions through federal Race to the Top funding.

-13.00

-13.00

40 DPI Accountability

(\$94,441) R

(\$94,441) R

Eliminates 1.0 State-funded position from the Accountability section. 26.0 positions (8.45 State-funded) will remain in this section.

-1.00

-1.00

House Subcommittee on Education

FY 11-12**FY 12-13****41 DPI Instructional Technology**

(\$93,682)

R

(\$93,682)

R

Eliminates 1.0 State-funded position from the Instructional Technology section. 9.15 positions (7.20 State-funded) will remain in this section.

-1.00

-1.00

42 Office of Early Learning

(\$134,252)

R

(\$134,252)

R

Eliminates the 1.55 State-funded positions in the Office of Early Learning. 29.45 positions are funded through federal funds or receipts. Remaining Lottery-supported positions will be subject to transfer or elimination.

-1.55

-1.55

43 DPI School Planning

(\$261,963)

R

(\$261,963)

R

Eliminates the 3.0 State-funded positions in the School Planning section. 5.0 receipt-supported positions will remain in this section.

-3.00

-3.00

44 DPI Educator Recruitment and Development

(\$411,886)

R

(\$411,886)

R

Eliminates 4.58 State-funded positions supporting statewide professional development alignment. 6.42 federally-supported positions will remain in this section.

-4.58

-4.58

45 Learn and Earn Administration

(\$139,050)

R

(\$139,050)

R

Eliminates the State-funded position at DPI supporting Learn & Earn Online.

-1.00

-1.00

46 Governor's Education Cabinet

(\$206,063)

R

(\$206,063)

R

Eliminates funding for the 2.0 positions that DPI provides to support the NC Education Cabinet housed in the Office of the Governor.

-2.00

-2.00

47 NC Professional Teaching Standards Commission

(\$235,646)

R

(\$235,646)

R

Eliminates the State funding and positions supporting the NC Professional Teaching Standards Commission.

-2.00

-2.00

48 Teacher Academy

(\$4,762,874)

R

(\$4,762,874)

R

Eliminates State funding for the Teacher Academy, a provider of professional development services for teachers.

-14.00

-14.00

49 North Carolina Center for the Advancement of Teaching (NCCAT)

(\$6,102,495)

R

(\$6,102,495)

R

Eliminates State funding for NCCAT, a provider of professional development services for teachers.

-80.25

-80.25

50 Connectivity

(\$794,675)

R

(\$794,675)

R

Eliminates the \$350,000 annual transfer from Connectivity to support the e-Learning Portal. Eliminates the \$300,000 annual transfer from Connectivity to support the evaluation of the Connectivity initiative. An additional \$144,675 is reduced from other Connectivity funding. \$19.5 million will remain to support the Connectivity initiative.

House Subcommittee on Education

FY 11-12**FY 12-13****51 Residential Schools for the Deaf and Blind**

(\$1,691,445) R

(\$1,691,445) R

Reduces funding for the residential schools for the deaf and blind by 5%. Approximately \$32.1 million will remain available to support the three residential campuses in Morganton, Raleigh, and Wilson.

52 Governor's Schools

(\$849,588) R

Eliminates State funding for the Governor's Schools. A related provision in Section 7.X provides the State Board with the discretion to make the program receipt-supported beginning with the summer 2012 program. Funding remains available to provide the program in summer 2011.

Total Legislative Changes

(\$622,806,536) R

(\$597,952,684) R

(\$136,245,358) NR

(\$137,417,147) NR

Total Position Changes

-170.88

-170.88

Revised Budget**\$7,164,492,057****\$7,188,174,120**

Community Colleges

GENERAL FUND

	FY 11-12	FY 12-13
Recommended Budget	\$1,102,475,214	\$1,102,475,214

Legislative Changes

A. Technical Adjustments

53 Enrollment Growth

\$34,140,158	R	\$47,699,747	R
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Provides funds to fully fund enrollment growth, including enrollment growth for equipment funding, in both years of the biennium.

According to the FY 2010-11 spring enrollment census, enrollment has increased by 3.3% (8,081 full-time-equivalent students or FTE) above the FY 2010-11 budgeted enrollment of 243,854. Curriculum enrollment has increased by 6,928 FTE (3.6%), continuing education enrollment has increased by 1,396 FTE (4.9%), and basic skills enrollment has decreased by 243 FTE (-1.1%). Total equipment funding for FY 2011-12 is \$5,643,030, which maintains the amount per equipment FTE at the FY 2009-10 level. Total requirements for the enrollment growth increase are \$45,058,958, of which \$10,918,800 is funded from receipts.

Estimated enrollment growth during the FY 2011-12 year is also fully funded with an additional appropriation of \$13,559,589, \$584,775 of which is for equipment. This adjustment is based on estimated enrollment growth of 1.5% (3,672 FTE). Total requirements for the enrollment growth are \$18,478,365, of which \$4,918,776 is funded from receipts.

54 Hickory Metro Higher Education Center

(\$264,833)	R	(\$264,833)	R
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Transfers categorical funding for the Hickory Metro Higher Education Center at Catawba Valley Community College to the UNC System budget.

B. State Aid Adjustments

55 Management Flexibility Reduction

(\$44,095,124)	R	(\$51,761,305)	R
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Reduces funds in the State Aid budget. As directed in Section 8.x, the State Board of Community Colleges shall distribute the flexibility reduction, accounting for the unique needs of each college. Each college reduced shall have the flexibility to adjust its budget to implement this reduction, but shall not impact those activities directly involved in retraining displaced workers. Including the \$29.0 million management flexibility reduction in the base budget, the total reduction is \$73.1 million in FY 2011-12 and \$80.8 million in FY 2012-13.

56 Curriculum Tuition

(\$47,664,650) R (\$60,393,549) R

Increases curriculum tuition by \$10 per credit hour in FY 2011-12 and an additional \$2.50 per credit hour in FY 2012-13, and makes a corresponding General Fund reduction in anticipation of increased tuition receipts.

For FY 2011-12, resident tuition will increase from \$56.50 to \$66.50 for residents and from \$248.50 to \$258.50 for nonresidents. Tuition for full-time resident students will increase by a maximum of \$320 per year, from \$1,808 to \$2,128.

For FY 2012-13, resident tuition will increase from \$66.50 to \$69 for residents and from \$258.50 to \$261 for nonresidents. Tuition for full-time resident students will increase by a maximum of an additional \$80 per year, from \$2,128 to \$2,208.

57 Continuing Education Fee

(\$664,509) R

Increases continuing education fees by \$5 per course, beginning in FY 2012-13, and takes a corresponding General Fund reduction in anticipation of increased tuition receipts. The new fees will be as follows:

Classes 1-24 hours - \$70,
Classes 25-50 hours - \$125,
Classes 51+ hours - \$180.

58 Funding Formula

(\$22,670,636) R (\$22,670,636) R

Eliminates categorical funding for Health Sciences (\$16,842,300), Technical Education (\$5,500,000), and Special High Cost Programs allotment for Heavy Equipment (\$328,336), and restructures the curriculum and continuing education funding formulas to provide weighted funding based on the type of instruction, as directed in Section 8.x.

Curriculum courses in high-cost areas such as healthcare, technical education, and lab-based science courses shall be weighted more heavily than other curriculum courses.

Continuing education courses that lead to a third-party credential or certification and courses providing an industry-designed curriculum shall be weighted more heavily than other continuing education courses.

59 Basic Skills

(\$10,000,000) R (\$10,000,000) R

Reduces funding for basic skills education by 12.4%. Total funding remaining for the program will be \$86,246,787, with \$70,483,463 in State funding and \$15,763,628 in federal funding.

60 Institutional and Academic Support

(\$8,548,090) R (\$8,548,090) R

Eliminates funding for one of the 5.5 general institutional positions in the institutional and academic support enrollment allotment funding formula for community colleges. Total funding remaining in this allotment will be \$452.5 million.

61 Customized Training

Reduces the Customized Training budget on a one-time basis. Total recurring funding for the program is \$12,457,121; however, per G.S. 115D-5.1(f2), unexpended funds for the program do not revert and are instead carried forward to the next year. After this reduction, the total amount available for expenditure in the biennium is expected to be \$31,810,340, or \$15,905,170 per year.

(\$7,500,000) NR

62 BioNetwork

Reduces funds for BioNetwork grants and centers by 6.6%. \$205,582 will be reduced from BioNetwork centers (5% reduction) and \$84,646 from grants to colleges (30% reduction). Total funding remaining for the program will be \$4,106,056.

(\$290,228) R (\$290,228) R

63 Minority Male Mentoring

Reduces funding for the Minority Male Mentoring program by 10%. Total funding remaining for the program will be \$890,000.

(\$90,000) R (\$90,000) R

64 NC Military Business Center

Reduces the categorical allotment to the NC Military Business Center at Fayetteville Technical Community College by 10%. Total funding remaining for the program will be \$1,125,000.

(\$125,000) R (\$125,000) R

65 Textile Technology Center

Reduces the categorical allotment to the Textile Technology Center at Gaston College by 10%. Total funding remaining for this program will be \$821,258.

(\$91,251) R (\$91,251) R

66 Manufacturing Solutions Center

Reduces the categorical allotment for the Manufacturing Solutions Center at Catawba Valley Community College by 10%. Total funding remaining for this program will be \$514,904.

(\$57,212) R (\$57,212) R

67 Haywood Regional High Technology Center

Eliminates the categorical allotment for the Regional High Technology Center at Haywood Community College. The college will continue to receive regular FTE formula funding for the enrollment at the Center.

(\$582,383) R (\$582,383) R

68 Botanical Laboratory

Eliminates the categorical allotment for the botanical laboratory at Fayetteville Technical Community College. The college will continue to receive regular FTE formula funding for the enrollment in the botanical program.

(\$264,000) R (\$264,000) R

69 NC REAL

Eliminates pass-through funding for NC Rural Entrepreneurship through Action Learning (NC REAL).

(\$250,000) R (\$250,000) R

C. Student Aid Adjustments**70 NC Community College Grant Program**

Reverts the existing fund balance of \$5.7 million to the Escheats Fund and increases annual appropriations by \$2.5 million for a total budget of \$16.5 million per year.

The funds for this item are shown in the Community College System - Trust - General Fund (Budget Code: 66801) section of this report.

71 Tuition Waivers

(\$444,000)	R	(\$444,000)	R
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Eliminates tuition waivers for community college faculty and staff, NC Civil Air Patrol, and individuals engaged in civil preparedness activities. Colleges are permitted to use State and local funds to pay for tuition and registration fees for one course per semester for full-time faculty and staff.

D. Community Colleges System Office Adjustments**72 System Office Positions**

(\$1,265,975)	R	(\$1,265,975)	R
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Eliminates 19 positions in the Community Colleges System Office, including 8 vacant, 2 expected-to-be-vacant, and 9 filled positions. The positions are as follows:

-19.00		-19.00	
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Executive Division - 3 vacant and 2 filled positions;

IT & Workforce Development Division - 3 vacant, 2 expected-to-be-vacant, and 4 filled positions;

Business and Finance Division - 1 vacant and 1 filled position; and

Academic and Student Services Division - 1 vacant and 2 filled positions.

73 System Office Operating Funds

(\$265,417)	R	(\$265,417)	R
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Reduces operating funds for travel, training, information technology, and other expenses.

74 2+2 E-learning Initiative

(\$97,000)	R	(\$97,000)	R
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Reduces the budget of the 2+2 E-learning initiative by 13%. Total funding remaining for the program will be \$653,000.

75 Receipt-supported Positions

(\$322,180)	R	(\$322,180)	R
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Shifts 3.5 positions from General Fund appropriations to receipts. Positions and receipt source are as follows:

-3.50		-3.50	
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Accountant (2 positions) - indirect cost receipts;

Education Program Director (1 position) - Proprietary School receipts;

Education Consultant II (.25 position) and Education Program Director II (.25 position) - federal receipts.

House Subcommittee on Education

FY 11-12**FY 12-13****76 GED Program**

(\$208,533) R

(\$208,533) R

Shifts the General Education Development (GED) program entirely to receipt support. Section 8.x permits the State Board of Community Colleges to increase the fee assessed to individuals taking the GED exam. The current fee is \$7.50.

-2.50

-2.50

The fees will be used to support the costs of administering the tests, including scoring the tests and printing the GED certificates. A total of 2.5 positions will be shifted from appropriation to receipt support, including 2 GED & Adult High School Tech positions, and one-half of the Education Program Director position.

Total Legislative Changes

(\$103,456,354) R

(\$110,956,354) R

(\$7,500,000) NR

Total Position Changes

-25.00

-25.00

Revised Budget**\$991,518,860****\$991,518,860**

NC Community College System – Trust – General

Budget Code: 66801

	FY 2011-12	FY 2012-13
Beginning Unreserved Fund Balance	\$5,919,657	\$5,919,657
Recommended Budget		
Requirements	\$26,282,132	\$26,282,132
Receipts	\$26,282,132	\$26,282,132
Positions	0.00	0.00

Legislative Changes**Requirements:**

NC Community College Grant Program	\$2,518,798 R	\$2,518,798 R
Reverts the existing fund balance of \$5.7 million to the Escheats Fund. Increases the annual appropriation from the Escheat Fund by \$2.5 million, for a total program budget of \$16.5 million per year.	(\$5,731,912) NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	\$2,518,798 R	\$2,518,798 R
	(\$5,731,912) NR	\$0 NR
	0.00	0.00

Receipts:

NC Community College Grant Program	\$2,518,798 R	\$2,518,798 R
Decreases receipts from fund balance by \$5.7 million and increases receipts from the Escheat Fund by \$2.5 million, for a total program receipts of \$16.5 million per year.	(\$5,731,912) NR	\$0 NR
Subtotal Legislative Changes	\$2,518,798 R	\$2,518,798 R
	(\$5,731,912) NR	\$0 NR

House Appropriations Subcommittee on Education

	FY 2011-12	FY 2012-13
Revised Total Requirements	\$23,069,018	\$28,800,930
Revised Total Receipts	\$23,069,018	\$28,800,930
Change in Fund Balance	\$0	\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$5,919,657	\$5,919,657

UNC System

GENERAL FUND

	FY 11-12		FY 12-13
Recommended Budget	\$2,887,492,464		\$2,886,730,386

Legislative Changes

A. Technical Adjustments

77 Enrollment Growth

\$46,818,123	R	\$46,818,123	R
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Fully funds projected enrollment growth for FY 2011-12 at the University of North Carolina. The projected enrollment increase of 1.2% equates to an additional 2,337 full-time-equivalent (FTE) students. Total requirements will increase by \$56,474,924, of which \$10,656,801 will be funded by increased tuition receipts, for a net State appropriation of \$46,818,123.

78 Hickory Metro Higher Education Center

\$264,833	R	\$264,833	R
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Transfers funds for the Hickory Metro Higher Education Center from the North Carolina Community College System budget to the budget for Appalachian State University.

B. Base Budget Adjustments

79 Management Flexibility Reduction

(\$469,224,273)	R	(\$470,749,947)	R
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Mandates a management flexibility reduction for the UNC operating budget. As directed in Section 9.x, the UNC Board of Governors shall not allocate this reduction on an across-the-board basis to constituent institutions.

80 UNC Hospitals Subsidy

(\$44,011,882)	NR	(\$44,011,882)	NR
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Eliminates for the biennium the State subsidy to UNC Hospitals.

81 Coastal Wave Energy Research

(\$2,000,000)	R	(\$2,000,000)	R
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Eliminates State funds for a consortium of constituent institutions to research, design, and construct devices to capture the energy of ocean waves.

82 Center for Public Television Continuation Review

(\$11,997,888)	R	(\$11,997,888)	R
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Eliminates recurring funding for the Center for Public Television and provides nonrecurring funds with a twelve percent reduction for FY 2011-12. Restoration of any funding in FY 2012-13 is subject to UNC-TV's development of a plan to operate without State appropriation by FY 2014-15.

\$10,558,141	NR	-116.00
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83 East Carolina School of Dentistry Operations

\$3,500,000 R \$5,000,000 R

Provides funds to the East Carolina School of Dentistry for new faculty and staff and operating costs to prepare for its first class of students, which will enroll in fall 2011, and to establish dental service learning centers throughout the State where faculty and students will serve patients.

27.00

39.00

Of the new funds appropriated, approximately \$3.4 million in FY 2011-12 and approximately \$4.5 million in FY 2012-13 will be used for salaries, wages and benefits. Total State appropriations will be \$15 million in FY 2011-12 and \$16.5 million in FY 2012-13.

84 Building Reserves

\$18,531,614 R \$29,233,551 R

Provides funds to operate new or renovated UNC buildings completed in FY 2011-12. Specifically, funds are for the housekeeping, maintenance, and security requirements for the added building square footage. The FY 2011-12 amount provides funding for a partial year; the FY 2012-13 appropriation represents the full-year cost.

282.80

282.80

C. Student Aid Adjustments**85 UNC Need-based Financial Aid Program**

\$26,420,037 R \$27,997,037 R

Shifts program funding to a higher proportion from the General Fund, due to diminishing Escheat Fund principal. In FY 2011-12, total funds available for the UNC Need-based Financial Aid program from all sources will be \$301,446 lower than the FY 2011-12 base budget. In FY 2012-13, total funds available will be \$4,956,358 lower, and students will be limited in the length of time they can receive the grant (Section 9.x). An additional \$89 million in forward-funding is provided in FY 2011-12, to increase program stability (Section 9.y).

Total funding includes:

FY 2011-12

General Fund - \$37,420,037

Escheat Fund - \$127,354,154

Lottery Fund - \$51,356,563

FY 2012-13

General Fund - \$38,997,037

Escheat Fund - \$32,122,242

Lottery Fund - \$51,356,563

Note: Section 5.x and 9.z appropriate funds from the Lottery Fund and Escheat Fund, respectively.

86 Student Incentive Grant

(\$800,827) R (\$800,827) R

Eliminates funding for the Student Incentive Grant, as federal matching funds have been eliminated. In addition to the funds shown here, \$3,613,601 in Escheat Fund program funding is also reduced, for a total reduction of \$4,414,428.

87 Nonresident Graduate Student Tuition Remissions

(\$8,640,045) R

(\$8,640,045) R

Reduces funding for nonresident graduate student tuition remissions by 20%. Total funding remaining for the program will be \$34,560,178.

88 Nonresident Tuition Waivers

(\$7,947,640) R

(\$7,947,640) R

Eliminates certain tuition waivers for nonresident students.

These waivers include:

- Nonresident students with full academic scholarships (\$6,055,000);
- Special Talent undergraduate tuition waivers (\$529,967);
- Nonresident teachers (\$984,443); and
- Nonresident Prospective Teacher Scholars program (\$378,230).

89 Academic Common Market

(\$1,215,000) R

Phases out funding for the Academic Common Market program, beginning in FY 2012-13. Based on tuition waived in FY 2009-10, it is estimated that \$726,494 will remain in program funding in FY 2012-13.

90 Legislative Tuition Grant

(\$5,826,968) R

(\$5,826,968) R

Reduces funds for the Legislative Tuition Grant (LTG) by 10%. LTG provides aid to North Carolina residents attending private colleges. The total funding remaining for this program is \$52,442,713.

91 State Contractual Scholarship Fund

(\$4,589,696) R

(\$4,589,696) R

Reduces funds for the State Contractual Scholarship Fund (SCSF) by 10%. SCSF provides aid to needy NC students attending private colleges. Total funding remaining for this program will be \$41,307,267.

92 Other Private School Aid

(\$32,100) R

(\$32,100) R

Reduces funding for grants to North Carolina resident students attending Mid Atlantic Christian University and the College at Southeastern by 10%. Total funding remaining for this program will be \$288,900.

93 Private Medical School Aid

(\$1,279,000) R

(\$1,279,000) R

Eliminates funding for the Private Medical School aid program. Students funded under this program are eligible to apply for the Board of Governors Medical School Loan program.

94 Principal Fellows

(\$362,000) R

Reduces program slots by 10% beginning in FY 2012-13. Total funding remaining for the program in FY 2012-13 will be \$3,258,000.

95 Future Teachers Scholarship-loan

(\$455,000) R

(\$455,000) R

Eliminates the remaining budget of the Future Teachers Scholarship-loan, which was abolished in 2009.

House Subcommittee on Education

FY 11-12**FY 12-13****96 Health, Science, and Mathematics Scholarship-loan**

\$1,100,000 R

\$1,100,000 R

Shifts the portion of program funding previously provided from the Escheat Fund to General Fund support. Total program funding will remain at \$1,922,779.

97 Board of Governors Medical Scholarship-loan

\$645,000 R

\$645,000 R

Shifts the portion of program funding previously provided from the Escheat Fund to General Fund support. Total program funding will remain at \$1,869,180.

98 Board of Governors Dental Scholarship-loan

\$450,239 R

\$450,239 R

Shifts the portion of program funding previously provided from the Escheat Fund to General Fund support. Total program funding will remain at \$939,160.

99 Nurse Education Scholarship-loan

\$800,000 R

\$800,000 R

Shifts the portion of program funding previously provided from the Escheat Fund to General Fund support. Total program funding will remain at \$867,756.

100 Teacher Assistant Scholarship Fund

\$600,000 R

\$600,000 R

Shifts the portion of program funding previously provided from the Escheat Fund to General Fund support. Total program funding will remain at \$814,714.

Total Legislative Changes

(\$413,663,591) R

(\$402,987,328) R

(\$33,453,741) NR

(\$44,011,882) NR

Total Position Changes

309.80

205.80

Revised Budget

\$2,440,375,132

\$2,439,731,176

Four
5

House Appropriations Subcommittee on Education

House Special Provision Recommendations

April 20, 2011

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H28B-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

EDUCATION REFORM IN NORTH CAROLINA

SECTION #.(a) It is the intent of the General Assembly that the children of North Carolina are ready to succeed when they start school, learn the appropriate foundational education in the early grades, are prepared for a career or higher education upon graduation, and have job and learning skills appropriate to the global economy.

SECTION #.(b) To implement this, the Joint Education Oversight Committee shall study the following and report to the 2012 Regular Session of the 2011 General Assembly with a comprehensive plan, including implementation dates and schedules, to accomplish this vision.

(1) Elementary and secondary education. – It is a priority of the General Assembly that by the end of third grade, North Carolina children receive a foundational education in reading and mathematics upon which to build future educational achievement. Further, it is a priority that children in all grades receive quality education from high quality teachers that are ready and able to teach and that children are promoted in an educationally appropriate manner. To that end, the Committee shall study the following:

- a. Teacher tenure and its relationship with student performance.
- b. Teacher pay and its relationship with student performance, including the following:
 1. Salary supplements for employees with master's degrees and national board certification, and their relationship with student performance.
 2. Methods of implementing a performance pay plan for school employees.
- c. Strategies for reducing teacher paperwork to assist teachers in spending more time with students.
- d. Kindergarten as a transition year between pre-K and elementary education, including the following:
 1. Kindergarten specific class size ratios.
 2. Effectiveness of teacher assistants.
- e. Reducing teacher-student ratio to 1:15 in first through third grades. In studying this reduction, the Committee shall consider the following:
 1. Professional development requirements.
 2. Physical classroom constraints.
 3. Integration of the third grade literacy policy, including third grade reading specialists, including Florida's reading specialist program.
- f. Strategies for reducing the dropout rate. In studying this, the Committee shall review dropout prevention programs implemented

- 1 across the State to determine the effectiveness of different
2 approaches.
- 3 g. The effectiveness of various diagnostic tools in improving student
4 performance.
- 5 h. The option of funding one local school administrative unit per
6 county.
- 7 (2) Transition from high school. – It is a priority of the General Assembly that
8 high school graduates enter the workforce or higher education fully
9 prepared. To that end, the Committee shall study the following:
- 10 a. Ways to reduce the need for remedial or developmental education in
11 the State's higher education institutions, so that students and the State
12 do not pay repeatedly for the same education, including the
13 following:
- 14 1. Ensuring clear, rigorous secondary school standards, such as
15 using college assessment tests in high school, including
16 reviewing models in Florida and California, and using college
17 assessment tests as entrance requirements for universities.
- 18 2. Ways to hold high schools accountable for the higher
19 education performance of their students, including requiring
20 funding for developmental education to come from high
21 schools.
- 22 3. The most cost-effective way to provide remedial education in
23 higher education, including funding summer-term
24 developmental courses at community colleges based on
25 successful course completions, focusing remediation at the
26 community colleges, and redirecting university appropriations
27 for remedial education to the community colleges.
- 28 b. The most efficient and effective way to give high school students
29 access to higher education, including the following:
- 30 1. Career preparation, including the Governor's Career and
31 College Promise recommendation.
- 32 2. College preparation, including the Governor's Career and
33 College Promise program and existing Learn and Earn
34 programs.
- 35 3. Revising statutes for high school students in higher education.
- 36 (3) Higher education. – It is a priority of the General Assembly that the State's
37 higher education system produce college graduates in the most efficient and
38 effective manner possible, to improve productivity and public accountability
39 for performance in postsecondary education, and ultimately to increase the
40 educational level and earning potential of the State. To that end, the
41 Committee shall study the following:
- 42 a. A revised set of accountability measures and performance standards
43 by which to evaluate and measure student progress and student
44 success in the North Carolina Community College System, as
45 described in Section ?, including how to incorporate these measures
46 into formula funding.
- 47 b. A revised method of projecting and funding UNC enrollment growth,
48 as described in Section ?.
- 49 c. Ways to increase transparency in the university system spending and
50 revenues.

- d. Other states' performance funding systems, including efforts in Ohio, Florida, and Washington.
- e. Ways to increase college graduation rates, by funding based on performance.
- f. The impact of directing more students to the community colleges for their freshman and sophomore years of a four-year degree, including requiring a certificate of transfer from the North Carolina Community College System before transferring to The University of North Carolina System.
- g. Faculty class loads at the constituent institutions of the North Carolina Community College System and The University of North Carolina.

SECTION #.(c) In all cases, any program implemented needs to be structured so that ongoing, evaluable performance and outcome data is available.

SECTION #.(d) Funds appropriated to implement this section may be used by the Committee to hire one or more external consultants to complete these studies.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H3-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

FUNDS FOR CHILDREN WITH DISABILITIES

SECTION #. The State Board of Education shall allocate additional funds for children with disabilities on the basis of three thousand five hundred ninety-eight dollars and fifty-five cents (\$3,598.55) per child. Each local school administrative unit shall receive funds for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and five-tenths percent (12.5%) of its 2011-2012 allocated average daily membership in the local school administrative unit. The dollar amounts allocated under this section for children with disabilities shall also adjust in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve children with disabilities.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H4-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

FUNDS FOR ACADEMICALLY GIFTED CHILDREN

SECTION #. The State Board of Education shall allocate additional funds for academically or intellectually gifted children on the basis of one thousand one hundred ninety-two dollars and ninety cents (\$1,192.90) per child. A local school administrative unit shall receive funds for a maximum of four percent (4%) of its 2011-2012 allocated average daily membership, regardless of the number of children identified as academically or intellectually gifted in the unit. The dollar amounts allocated under this section for academically or intellectually gifted children shall also adjust in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve academically or intellectually gifted children.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H5A

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

USE OF SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES

SECTION #.(a) Use of Funds for Supplemental Funding. – All funds received pursuant to this section shall be used only (i) to provide instructional positions, instructional support positions, teacher assistant positions, clerical positions, school computer technicians, instructional supplies and equipment, staff development, and textbooks and (ii) for salary supplements for instructional personnel and instructional support personnel. Local boards of education are encouraged to use at least twenty-five percent (25%) of the funds received pursuant to this section to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades 3-8 and children who are performing at Level I or II in grades 4 and 7.

SECTION #.(b) Definitions. – As used in this section the following definitions apply:

- (1) "Anticipated county property tax revenue availability" means the county-adjusted property tax base multiplied by the effective State average tax rate.
- (2) "Anticipated total county revenue availability" means the sum of the following:
 - a. Anticipated county property tax revenue availability.
 - b. Local sales and use taxes received by the county that are levied under Chapter 1096 of the 1967 Session Laws or under Subchapter VIII of Chapter 105 of the General Statutes.
 - c. Sales tax hold harmless reimbursement received by the county under G.S. 105-521.
 - d. Fines and forfeitures deposited in the county school fund for the most recent year for which data are available.
- (3) "Anticipated total county revenue availability per student" means the anticipated total county revenue availability for the county divided by the average daily membership of the county.
- (4) "Anticipated State average revenue availability per student" means the sum of all anticipated total county revenue availability divided by the average daily membership for the State.
- (5) "Average daily membership" means average daily membership as defined in the North Carolina Public Schools Allotment Policy Manual, adopted by the State Board of Education. If a county contains only part of a local school administrative unit, the average daily membership of that county includes all students who reside within the county and attend that local school administrative unit.
- (6) "County-adjusted property tax base" shall be computed as follows:

- a. Subtract the present-use value of agricultural land, horticultural land, and forestland in the county, as defined in G.S. 105-277.2, from the total assessed real property valuation of the county.
 - b. Adjust the resulting amount by multiplying by a weighted average of the three most recent annual sales assessment ratio studies.
 - c. Add to the resulting amount the following:
 1. Present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2.
 2. Value of property of public service companies, determined in accordance with Article 23 of Chapter 105 of the General Statutes.
 3. Personal property value for the county.
- (7) "County-adjusted property tax base per square mile" means the county-adjusted property tax base divided by the number of square miles of land area in the county.
- (8) "County wealth as a percentage of State average wealth" shall be computed as follows:
- a. Compute the percentage that the county per capita income is of the State per capita income and weight the resulting percentage by a factor of five-tenths.
 - b. Compute the percentage that the anticipated total county revenue availability per student is of the anticipated State average revenue availability per student and weight the resulting percentage by a factor of four-tenths.
 - c. Compute the percentage that the county-adjusted property tax base per square mile is of the State-adjusted property tax base per square mile and weight the resulting percentage by a factor of one-tenth.
 - d. Add the three weighted percentages to derive the county wealth as a percentage of the State average wealth.
- (9) "Effective county tax rate" means the actual county tax rate multiplied by a weighted average of the three most recent annual sales assessment ratio studies.
- (10) "Effective State average tax rate" means the average of effective county tax rates for all counties.
- (11) "Local current expense funds" means the most recent county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.
- (12) "Per capita income" means the average for the most recent three years for which data are available of the per capita income according to the most recent report of the United States Department of Commerce, Bureau of Economic Analysis, including any reported modifications for prior years as outlined in the most recent report.
- (13) "Sales assessment ratio studies" means sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).
- (14) "State average current expense appropriations per student" means the most recent State total of county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

- 1 (15) "State average adjusted property tax base per square mile" means the sum of
2 the county-adjusted property tax bases for all counties divided by the
3 number of square miles of land area in the State.
- 4 (16) "Supplant" means to decrease local per student current expense
5 appropriations from one fiscal year to the next fiscal year.
- 6 (17) "Weighted average of the three most recent annual sales assessment ratio
7 studies" means the weighted average of the three most recent annual sales
8 assessment ratio studies in the most recent years for which county current
9 expense appropriations and adjusted property tax valuations are available. If
10 real property in a county has been revalued one year prior to the most recent
11 sales assessment ratio study, a weighted average of the two most recent sales
12 assessment ratios shall be used. If property has been revalued the year of the
13 most recent sales assessment ratio study, the sales assessment ratio for the
14 year of revaluation shall be used.

15 **SECTION #.(c) Eligibility for Funds.** – Except as provided in subsection (g) of this
16 section, the State Board of Education shall allocate these funds to local school administrative
17 units located in whole or in part in counties in which the county wealth as a percentage of the
18 State average wealth is less than one hundred percent (100%).

19 **SECTION #.(d) Allocation of Funds.** – Except as provided in subsection (f) of this
20 section, the amount received per average daily membership for a county shall be the difference
21 between the State average current expense appropriations per student and the current expense
22 appropriations per student that the county could provide given the county's wealth and an
23 average effort to fund public schools. (To derive the current expense appropriations per student
24 that the county could be able to provide given the county's wealth and an average effort to fund
25 public schools, multiply the county's wealth as a percentage of State average wealth by the
26 State average current expense appropriations per student.) The funds for the local school
27 administrative units located in whole or in part in the county shall be allocated to each local
28 school administrative unit located in whole or in part in the county based on the average daily
29 membership of the county's students in the school units. If the funds appropriated for
30 supplemental funding are not adequate to fund the formula fully, each local school
31 administrative unit shall receive a pro rata share of the funds appropriated for supplemental
32 funding.

33 **SECTION #.(e) Formula for Distribution of Supplemental Funding Pursuant to**
34 **This Section Only.** – The formula in this section is solely a basis for distribution of
35 supplemental funding for low-wealth counties and is not intended to reflect any measure of the
36 adequacy of the educational program or funding for public schools. The formula is also not
37 intended to reflect any commitment by the General Assembly to appropriate any additional
38 supplemental funds for low-wealth counties.

39 **SECTION #.(f) Minimum Effort Required.** – Counties that had effective tax rates
40 in the 1996-1997 fiscal year that were above the State average effective tax rate but that had
41 effective rates below the State average in the 1997-1998 fiscal year or thereafter shall receive
42 reduced funding under this section. This reduction in funding shall be determined by
43 subtracting the amount that the county would have received pursuant to Section 17.1(g) of
44 Chapter 507 of the 1995 Session Laws from the amount that the county would have received if
45 qualified for full funding and multiplying the difference by ten percent (10%). This method of
46 calculating reduced funding shall apply one time only. This method of calculating reduced
47 funding shall not apply in cases in which the effective tax rate fell below the statewide average
48 effective tax rate as a result of a reduction in the actual property tax rate. In these cases, the
49 minimum effort required shall be calculated in accordance with Section 17.1(g) of Chapter 507
50 of the 1995 Session Laws. If the county documents that it has increased the per student

1 appropriation to the school current expense fund in the current fiscal year, the State Board of
2 Education shall include this additional per pupil appropriation when calculating minimum
3 effort pursuant to Section 17.1(g) of Chapter 507 of the 1995 Session Laws.

4 **SECTION #.(g) Nonsupplant Requirement.** – A county in which a local school
5 administrative unit receives funds under this section shall use the funds to supplement local
6 current expense funds and shall not supplant local current expense funds. For the 2011-2013
7 fiscal biennium, the State Board of Education shall not allocate funds under this section to a
8 county found to have used these funds to supplant local per student current expense funds. The
9 State Board of Education shall make a finding that a county has used these funds to supplant
10 local current expense funds in the prior year, or the year for which the most recent data are
11 available, if the following apply:

12 (1) The current expense appropriation per student of the county for the current
13 year is less than ninety-five percent (95%) of the average of the local current
14 expense appropriations per student for the three prior fiscal years; and

15 (2) The county cannot show (i) that it has remedied the deficiency in funding or
16 (ii) that extraordinary circumstances caused the county to supplant local
17 current expense funds with funds allocated under this section. The State
18 Board of Education shall adopt rules to implement this section.

19 **SECTION #.(h) Reports.** – The State Board of Education shall report to the Joint
20 Legislative Education Oversight Committee prior to May 1, 2012, if it determines that counties
21 have supplanted funds.

22 **SECTION #.(i) Department of Revenue Reports.** – The Department of Revenue
23 shall provide to the Department of Public Instruction a preliminary report for the current fiscal
24 year of the assessed value of the property tax base for each county prior to March 1 of each
25 year and a final report prior to May 1 of each year. The reports shall include for each county the
26 annual sales assessment ratio and the taxable values of (i) total real property, (ii) the portion of
27 total real property represented by the present-use value of agricultural land, horticultural land,
28 and forestland, as defined in G.S. 105-277.2, (iii) property of public service companies
29 determined in accordance with Article 23 of Chapter 105 of the General Statutes, and (iv)
30 personal property.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2011-DPI-H6-P

**Department of Public Instruction
Appropriations Subcommittee on Education**

Requested by: Representative

1 ***LITIGATION RESERVE FUNDS***

2 **SECTION #.** The State Board of Education may expend up to five hundred
3 thousand dollars (\$500,000) each year for the 2011-2012 and 2012-2013 fiscal years from
4 unexpended funds for certified employees' salaries to pay expenses related to litigation.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2011-DPI-H7-P

**Department of Public Instruction
Appropriations Subcommittee on Education**

Requested by: Representative

- 1 ***UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS***
- 2 **SECTION #.(a)** Funds appropriated for the Uniform Education Reporting System
- 3 shall not revert at the end of the 2010-2011 fiscal year.
- 4 **SECTION #.(b)** This section becomes effective June 30, 2011.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H8-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

- 1 ***FOCUSED EDUCATION REFORM PROGRAM FUNDS DO NOT REVERT***
- 2 **SECTION #.(a)** Funds appropriated for the Focused Education Reform Pilot
- 3 Program that are unexpended and unencumbered at the end of the 2010-2011 fiscal year shall
- 4 not revert but shall remain available for expenditure for that purpose through the 2011-2012
- 5 fiscal year.
- 6 **SECTION #.(b)** This section becomes effective June 30, 2011.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H10-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)

SECTION 7.8.(a) Funds appropriated for disadvantaged student supplemental funding shall be used, consistent with the policies and procedures adopted by the State Board of Education, only to the following:

- (1) Provide instructional positions or instructional support positions and/or professional development;
- (2) Provide intensive in-school and/or after-school remediation;
- (3) Purchase diagnostic software and progress-monitoring tools; and
- (4) Provide funds for teacher bonuses and supplements. The State Board of Education shall set a maximum percentage of the funds that may be used for this purpose.

The State Board of Education may require districts receiving funding under the Disadvantaged Student Supplemental Fund to purchase the Education Value Added Assessment System in order to provide in-depth analysis of student performance and help identify strategies for improving student achievement. This data shall be used exclusively for instructional and curriculum decisions made in the best interest of children and for professional development for their teachers and administrators.

SECTION 7.8.(b) Funds appropriated to a local school administrative unit for disadvantaged student supplemental funding shall be allotted based on (i) the local school administrative unit's eligible DSSF population and (ii) the difference between a teacher-to-student ratio of 1:21 and the following teacher-to-student ratios:

- (1) For counties with wealth greater than ninety percent (90%) of the statewide average, a ratio of 1:19.9.
- (2) For counties with wealth not less than eighty percent (80%) and not greater than ninety percent (90%) of the statewide average, a ratio of 1:19.4.
- (3) For counties with wealth less than eighty percent (80%) of the statewide average, a ratio of 1:19.1.
- (4) For LEAs receiving DSSF funds in 2005-2006, a ratio of 1:16. These LEAs shall receive no less than the DSSF amount allotted in 2006-2007.

For the purpose of this subsection, wealth shall be calculated under the low-wealth supplemental formula.

SECTION 7.8.(c) If a local school administrative unit's wealth increases to a level that adversely affects the unit's DSSF allotment ratio, the DSSF allotment for that unit shall be maintained at the prior year level for one additional fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H11-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

TUITION CHARGE FOR GOVERNOR'S SCHOOL

SECTION #. G.S. 115C-12(36) reads as rewritten:

"(36) Duty to Charge Tuition for the Governor's School of North Carolina. – The State Board of Education ~~shall~~ may implement a ~~five-hundred-dollar (\$500.00)~~ tuition charge for students attending the Governor's School of North Carolina. Carolina to cover the costs of the School."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H12-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

SCHOOL CONNECTIVITY INITIATIVE FUNDS

SECTION #.(a) Section 7.9(b) of S.L. 2010-31 reads as rewritten:

"**SECTION 7.9.(b)** Up to three hundred fifty thousand dollars (\$350,000) of the funds for the School Connectivity Initiative may be used for ~~this and subsequent fiscal years the 2010-2011 fiscal year~~ by the Office of the Governor for education innovation and the education E-learning portal. These funds may be used to provide services to coordinate e-learning activities across all education agencies and to support the operating of the E-learning portal."

SECTION #.(b) Section 7.6(a) of S.L. 2008-107, as rewritten by Section 7.12(b) of S.L. 2009-451, reads as rewritten:

"**SECTION 7.6.(a)** Up to three hundred thousand dollars (\$300,000) may be transferred annually through June 30, ~~2013, 2011,~~ to the Friday Institute at North Carolina State University to evaluate the effectiveness of using technology and its impact on 21st Century Teaching and Learning outcomes approved by the State Board of Education. The Friday Institute shall report annually to the State Board of Education on the evaluation results."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H13-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 **TEXTBOOKS**

2 **SECTION #.** The State Board of Education shall not adopt any new textbooks
3 prior to July 1, 2013.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H14A-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING

SECTION #.(a) Funds for Small School Systems. – Except as provided in subsection (b) of this section, the State Board of Education shall allocate funds appropriated for small school system supplemental funding (i) to each county school administrative unit with an average daily membership of fewer than 3,175 students and (ii) to each county school administrative unit with an average daily membership from 3,175 to 4,000 students if the county in which the local school administrative unit is located has a county-adjusted property tax base per student that is below the State-adjusted property tax base per student and if the total average daily membership of all local school administrative units located within the county is from 3,175 to 4,000 students. The allocation formula shall do all of the following:

- (1) Round all fractions of positions to the next whole position.
- (2) Provide five and one-half additional regular classroom teachers in counties in which the average daily membership per square mile is greater than four and provide seven additional regular classroom teachers in counties in which the average daily membership per square mile is four or fewer.
- (3) Provide additional program enhancement teachers adequate to offer the standard course of study.
- (4) Change the duty-free period allocation to one teacher assistant per 400 average daily membership.
- (5) Provide a base for the consolidated funds allotment of at least seven hundred seventeen thousand three hundred sixty dollars (\$717,360), excluding textbooks, for the 2011-2012 fiscal year and a base of seven hundred seventeen thousand three hundred sixty dollars (\$717,360) for the 2012-2013 fiscal year.
- (6) Allot vocational education funds for grade 6 as well as for grades 7-12. If funds appropriated for each fiscal year for small school system supplemental funding are not adequate to fully fund the program, the State Board of Education shall reduce the amount allocated to each county school administrative unit on a pro rata basis. This formula is solely a basis for distribution of supplemental funding for certain county school administrative units and is not intended to reflect any measure of the adequacy of the educational program or funding for public schools. The formula also is not intended to reflect any commitment by the General Assembly to appropriate any additional supplemental funds for such county administrative units.

SECTION #.(b) Nonsupplant Requirement. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2011-2013 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The

1 State Board of Education shall make a finding that a county has used these funds to supplant
2 local current expense funds in the prior year, or the year for which the most recent data are
3 available, if the following apply:

- 4 (1) The current expense appropriation per student of the county for the current
5 year is less than ninety-five percent (95%) of the average of the local current
6 expense appropriations per student for the three prior fiscal years; and
- 7 (2) The county cannot show (i) that it has remedied the deficiency in funding or
8 (ii) that extraordinary circumstances caused the county to supplant local
9 current expense funds with funds allocated under this section. The State
10 Board of Education shall adopt rules to implement this section.

11 **SECTION #.(c) Phase-Out Provisions.** – If a local school administrative unit
12 becomes ineligible for funding under this formula because of (i) an increase in the population
13 of the county in which the local school administrative unit is located or (ii) an increase in the
14 county-adjusted property tax base per student of the county in which the local school
15 administrative unit is located, funding for that unit shall be continued for seven years after the
16 unit becomes ineligible.

17 **SECTION #.(d) Definitions.** – As used in this section, the following definitions
18 apply:

- 19 (1) "Average daily membership" means within two percent (2%) of the average
20 daily membership as defined in the North Carolina Public Schools Allotment
21 Policy Manual adopted by the State Board of Education.
- 22 (2) "County-adjusted property tax base per student" means the total assessed
23 property valuation for each county, adjusted using a weighted average of the
24 three most recent annual sales assessment ratio studies, divided by the total
25 number of students in average daily membership who reside within the
26 county.
- 27 (3) "Local current expense funds" means the most recent county current expense
28 appropriations to public schools, as reported by local boards of education in
29 the audit report filed with the Secretary of the Local Government
30 Commission pursuant to G.S. 115C-447.
- 31 (4) "Sales assessment ratio studies" means sales assessment ratio studies
32 performed by the Department of Revenue under G.S. 105-289(h).
- 33 (5) "State-adjusted property tax base per student" means the sum of all
34 county-adjusted property tax bases divided by the total number of students in
35 average daily membership who reside within the State.
- 36 (6) "Supplant" means to decrease local per student current expense
37 appropriations from one fiscal year to the next fiscal year.
- 38 (7) "Weighted average of the three most recent annual sales assessment ratio
39 studies" means the weighted average of the three most recent annual sales
40 assessment ratio studies in the most recent years for which county current
41 expense appropriations and adjusted property tax valuations are available. If
42 real property in a county has been revalued one year prior to the most recent
43 sales assessment ratio study, a weighted average of the two most recent sales
44 assessment ratios shall be used. If property has been revalued during the year
45 of the most recent sales assessment ratio study, the sales assessment ratio for
46 the year of revaluation shall be used.

47 **SECTION #.(e) Reports.** – The State Board of Education shall report to the Joint
48 Legislative Education Oversight Committee prior to May 1, 2012, if it determines that counties
49 have supplanted funds.

- 1 **SECTION #.(f)** Use of Funds. – Local boards of education are encouraged to use
2 at least twenty percent (20%) of the funds they receive pursuant to this section to improve the
3 academic performance of children who are performing at Level I or II on either reading or
4 mathematics end-of-grade tests in grades 3-8.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H16-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

ELIMINATION OF REPORTING REQUIREMENTS

SECTION #.(a) G.S. 115C-12(25) reads as rewritten:

"§ 115C-12. Powers and duties of the Board generally.

The general supervision and administration of the free public school system shall be vested in the State Board of Education. The State Board of Education shall establish policy for the system of free public schools, subject to laws enacted by the General Assembly. The powers and duties of the State Board of Education are defined as follows:

(25) Duty to Report to Joint Legislative Education Oversight Committee. – Upon the request of the Joint Legislative Education Oversight Committee, the State Board shall examine and evaluate issues, programs, policies, and fiscal information, and shall make reports to that Committee. Furthermore, beginning October 15, 1997, and annually thereafter, the State Board shall submit reports to that Committee regarding the continued implementation of Chapter 716 of the 1995 Session Laws, 1996 Regular Session. Each report shall include information regarding the composition and activity of assistance teams, schools that received incentive awards, schools identified as low-performing, ~~school improvement plans found to significantly improve student performance,~~ personnel actions taken in low-performing schools, and recommendations for additional legislation to improve student performance and increase local flexibility."

SECTION #.(b) G.S. 115C-47(38) is repealed.

SECTION #.(c) G.S. 115C-84.2(a)(1) reads as rewritten:

"(1) (See notes) A minimum of 180 days and 1,000 hours of instruction covering at least nine calendar months. The local board shall designate when the 180 instructional days shall occur. The number of instructional hours in an instructional day may vary according to local board policy and does not have to be uniform among the schools in the administrative unit. ~~Local boards may approve school improvement plans that include days with varying amounts of instructional time.~~ If school is closed early due to inclement weather, the day and the scheduled amount of instructional hours may count towards the required minimum to the extent allowed by State Board policy. The school calendar shall include a plan for making up days and instructional hours missed when schools are not opened due to inclement weather."

SECTION #.(d) G.S. 115C-84.2(a)(5) reads as rewritten:

"(5) The remaining days scheduled by the local board in consultation with each school's principal for use as teacher workdays, additional instructional days, or other lawful purposes. ~~Before consulting with the local board, each~~

~~principal shall work with the school improvement team to determine the days to be scheduled and the purposes for which they should be scheduled. Days may be scheduled and planned for different purposes for different personnel and there is no requirement to schedule the same dates for all personnel. In order to make up days for school closing because of inclement weather, the local board may designate any of the days in this subdivision as additional make-up days to be scheduled after the last day of student attendance."~~

SECTION #.(e) G.S. 115C-98(b2) reads as rewritten:

"(b2) Local boards of education may:

- ~~(1) Select, may select, procure, and use textbooks that have not been adopted by the State Board of Education for use throughout the local school administrative unit for selected grade levels and courses; and~~
courses.
- ~~(2) Approve school improvement plans developed under G.S. 115C-105.27 that include provisions for using textbooks that have not been adopted by the State Board of Education for selected grade levels and courses.~~

All textbook contracts made under this subsection shall include a clause granting to the local board of education the license to produce braille, large print, and audiocassette tape copies of the textbooks for use in the local school administrative unit."

SECTION #.(f) G.S. 115C-105.20(b)(5) is repealed.

SECTION #.(g) G.S. 115C-105.25 reads as rewritten:

"§ 115C-105.25. Budget flexibility.

....

(b) Subject to the following limitations, local boards of education may transfer and may approve transfers of funds between funding allotment categories:

- ~~(1) In accordance with a school improvement plan accepted under G.S. 115C-105.27, State funds allocated for teacher assistants may be transferred only for personnel (i) to serve students only in kindergarten through third grade, or (ii) to serve students primarily in kindergarten through third grade when the personnel are assigned to an elementary school to serve the whole school. Funds allocated for teacher assistants may be transferred to reduce class size school, or (iii) to reduce the student-teacher ratio in kindergarten through third grade so long as the affected teacher assistant positions are not filled when the plan is amended or approved by the building level staff entitled to vote on the plan or the affected teacher assistant positions are not expected to be filled on the date the plan is to be implemented. filled. Any State funds appropriated for teacher assistants that were converted to certificated teachers before July 1, 1995, in accordance with Section 1 of Chapter 986 of the 1991 Session Laws, as rewritten by Chapter 103 of the 1993 Session Laws, may continue to be used for certificated teachers.~~
- ~~(2) In accordance with a school improvement plan accepted under G.S. 115C-105.27, (i) State funds allocated for classroom materials/instructional supplies/equipment may be transferred only for the purchase of textbooks; (ii) textbooks. State funds allocated for textbooks may be transferred only for the purchase of instructional supplies, instructional equipment, or other classroom materials; and (iii) materials. State funds allocated for noninstructional support personnel may be transferred only for teacher positions.~~

...

(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.~~ students.

...."

SECTION #.(h) G.S. 115C-105.26 reads as rewritten:

"§ 115C-105.26. Waivers of State laws, rules, or policies.

(a) ~~When included as part of a school improvement plan accepted under G.S. 115C-105.27, local~~ Local boards of education shall submit requests for waivers of State laws, rules, or policies to the State Board of Education. A request for a waiver shall (i) identify the school making the request, (ii) identify the State laws, rules, or policies that inhibit the school's ability to improve student performance, (iii) set out with specificity the circumstances under which the waiver may be used, and (iv) explain how the requested waiver will permit the school to improve student performance. Except as provided in subsection (c) of this section, the State Board shall grant waivers only for the specific schools for which they are requested and shall be used only under the specific circumstances for which they are requested.

(b) ~~When requested as part of a school improvement plan, the~~ The State Board of Education may grant waivers of:

- (1) State laws pertaining to class size and teacher certification; and
- (2) State rules and policies, except those pertaining to public school State salary schedules and employee benefits for school employees, the instructional program that must be offered under the Basic Education Program, the system of employment for public school teachers and administrators set out in G.S. 115C-287.1 and G.S. 115C-325, health and safety codes, compulsory attendance, the minimum lengths of the school day and year, and the Uniform Education Reporting System.

...."

SECTION #.(i) G.S. 115C-105.27 is repealed.

SECTION #.(j) G.S. 115C-105.30 is repealed.

SECTION #.(k) G.S. 115C-105.31(b)(3) is repealed.

SECTION #.(l) G.S. 115C-105.32 is repealed.

SECTION #.(m) G.S. 115C-105.33 reads as rewritten:

"§ 115C-105.33. Safe and orderly schools.

~~A school improvement team or a parent organization at a school may ask the local board of education to provide assistance in promoting or restoring safety and an orderly learning environment at a school. The school improvement team or parent organization shall file a copy of this request with the State Board. If the local board fails to provide adequate assistance to the school, then the school improvement team or parent organization may ask the State Board to provide an assistance team to the school.~~

The State Board may provide an assistance team, established under G.S. 115C-105.38, to a school in order to promote or restore safety and an orderly learning environment at that school if one of the following applies:

- (1) The local board of education or superintendent requests that the State Board provide an assistance team to a school and the State Board determines that the school needs assistance.
- (2) The State Board determines within 10 days after its receipt of the request for assistance from a ~~school improvement team or parent organization of a~~

1 school that the school needs assistance and that the local board has failed to
2 provide adequate assistance to that school.

3 If an assistance team is assigned to a school under this section, the team shall spend a
4 sufficient amount of time at the school to assess the problems at the school, assist school
5 personnel with resolving those problems, and work with school personnel and others to develop
6 a long-term plan for restoring and maintaining safety and an orderly learning environment at
7 the school. The assistance team also shall make recommendations to the local board of
8 education and the superintendent on actions the board and the superintendent should consider
9 taking to resolve problems at the school. These recommendations shall be in writing and are
10 public records. If an assistance team is assigned to a school under this section, the powers given
11 to the State Board and the assistance team under G.S. 115C-105.38 and G.S. 115C-105.39 shall
12 apply as if the school had been identified as low-performing under this Article."

13 **SECTION #.(n)** G.S. 115C-105.37A(a) reads as rewritten:

14 "(a) Definition of Continually Low-Performing Schools. – A continually low-performing
15 school is a school that has received State-mandated assistance and has been designated by the
16 State Board as low performing for at least two of three consecutive years. ~~If the State Board~~
17 ~~identifies a school as continually low-performing:~~

18 (1) ~~The school improvement team at that school shall review its school~~
19 ~~improvement plan to ensure consistency with the plan adopted pursuant to~~
20 ~~G.S. 115C-105.38(b)(3), and~~

21 (2) ~~The plan must be reviewed and approved by the State Board of Education."~~

22 **SECTION #.(o)** G.S. 115C-105.38(b)(6) reads as rewritten:

23 "(6) Report, as appropriate, to the local board of education, the community, and
24 the State Board on the school's progress. ~~If an assistance team determines~~
25 ~~that an accepted school improvement plan developed under~~
26 ~~G.S. 115C-105.27 is impeding student performance at a school, the team~~
27 ~~may recommend to the local board that it vacate the relevant portions of that~~
28 ~~plan and direct the school to revise those portions."~~

29 **SECTION #.(p)** G.S. 115C-105.47(b)(13) is repealed.

30 **SECTION #.(q)** G.S. 115C-174.12(a)(3) reads as rewritten:

31 "(3) No school shall participate in more than two field tests at any one grade level
32 during a school year ~~unless that school volunteers, through a vote of its~~
33 ~~school improvement team, to participate in an expanded number of field~~
34 ~~tests without the approval of the principal of the school."~~

35 **SECTION #.(r)** G.S. 115C-238.31(a) reads as rewritten:

36 "(a) Local school administrative units are encouraged to implement extended services
37 programs that will expand students' opportunities for educational success through high-quality,
38 integrated access to instructional programming during nonschool hours. ~~Extended services~~
39 ~~programs may be incorporated into school improvement plans developed in accordance with~~
40 ~~G.S. 115C-105.27.~~ Calendar alternatives include, but are not limited to, after-school hours,
41 before-school hours, evening school, Saturday school, summer school, and year-round school.
42 Instructional programming may include, but is not limited to, tutoring, direct instruction,
43 enrichment activities, study skills, and reinforcement projects."

44 **SECTION #.(s)** G.S. 115C-288(h) reads as rewritten:

45 "(h) ~~To Make Available School Budgets and School Improvement Plans. Budgets.~~ – The
46 principal shall maintain a copy of the school's current ~~budget and school improvement plan,~~
47 ~~including any amendments to the plan,~~ budget and shall allow parents of children in the school
48 and other interested persons to review and obtain such documents in accordance with Chapter
49 132 of the General Statutes."

50 **SECTION #.(t)** G.S. 115C-288(l) is repealed.

1 **SECTION #.(u) G.S. 143B-146.6(b)(6) reads as rewritten:**

2 "(6) Report, as appropriate, to the Secretary, the State Board, and the parents on
3 the school's progress. ~~If an assistance team determines that an accepted~~
4 ~~school improvement plan developed under G.S. 143B-146.12 is impeding~~
5 ~~student performance at a school, the team may recommend to the Secretary~~
6 ~~that he vacate the relevant portions of that plan and direct the school to~~
7 ~~revise those portions."~~

8 **SECTION #.(v) G.S. 143B-146.12 is repealed.**

9 **SECTION #.(w) G.S. 115C-47(32a) reads as rewritten:**

10 "(32a) To Establish Alternative Learning Programs and Develop Policies and
11 Guidelines. – Each local board of education shall establish at least one
12 alternative learning program and shall adopt guidelines for assigning
13 students to alternative learning programs. These guidelines shall include (i) a
14 description of the programs and services to be provided, (ii) a process for
15 ensuring that an assignment is appropriate for the student and that the
16 student's parents are involved in the decision, and (iii) strategies for
17 providing alternative learning programs, when feasible and appropriate, for
18 students who are subject to long term suspension or expulsion. In developing
19 these guidelines, local boards shall consider the State Board's standards
20 developed under G.S. 115C-12(24). ~~Upon adoption of policies and~~
21 ~~guidelines under this subdivision, local boards are encouraged to incorporate~~
22 ~~them in their safe school plans developed under G.S. 115C-105.47.~~

23 The General Assembly urges local boards to adopt policies that prohibit
24 superintendents from assigning to any alternative learning program any
25 professional public school employee who has received within the last three
26 years a rating on a formal evaluation that is less than above standard.

27 Notwithstanding this subdivision, each local board shall adopt policies
28 based on the State Board's standards developed under G.S. 115C-12(24).
29 These policies shall apply to any new alternative learning program or
30 alternative school that is implemented beginning with the 2006-2007 school
31 year. Local boards of education are encouraged to apply these standards to
32 alternative learning programs and alternative schools implemented before
33 the 2006-2007 school year.

34 Local boards shall assess on a regular basis whether the unit's alternative
35 schools and alternative learning programs comply with the State Board's
36 standards developed under G.S. 115C-12(24) and whether they incorporate
37 best practices for improving student academic performance and reducing
38 disruptive behavior, are staffed with professional public school employees
39 who are well trained and provided with appropriate staff development, are
40 organized to provide coordinated services, and provide students with high
41 quality and rigorous academic instruction."

42 **SECTION #.(x) G.S. 115C-105.27(b)(2) reads as rewritten:**

43 "(2) Shall include a plan to address school safety and discipline concerns in
44 ~~accordance with the safe school plan developed under Article 8C of this~~
45 ~~Chapter concerns."~~

46 **SECTION #.(y) G.S. 115C-105.46 reads as rewritten:**

47 **"§ 115C-105.46. State Board of Education responsibilities.**

48 In order to implement this Article, the State Board of Education:

49 (1) ~~Shall adopt guidelines for developing local plans under G.S. 115C-105.47.~~

(2) ~~Shall provide, in cooperation with the Board of Governors of The University of North Carolina, ongoing technical assistance to the local school administrative units in the development, implementation, and evaluation of their local plans under G.S. 115C-105.47.~~

(3) ~~May require a local board of education to withhold the salary of any administrator or other employee of a local school administrative unit who delays or refuses to prepare and implement local safe school plans in accordance with G.S. 115C-105.47.~~

(4) ~~May revoke the certificate of the superintendent, pursuant to G.S. 115C-274(e), for failure to fulfill the superintendent's duties under a local safe school plan.~~

(5) Shall adopt policies that define who is an at-risk student."

SECTION #.(z) G.S. 115C-105.47 is repealed.

SECTION #.(aa) G.S. 115C-102.6C is repealed.

SECTION #.(bb) G.S. 115C-102.6D(d) is repealed.

SECTION #.(cc) G.S. 115C-102.7 reads as rewritten:

"§ 115C-102.7. Monitoring and evaluation of State and local school system technology plans; reports.

(a) The Department of Public Instruction shall monitor and evaluate the development and implementation of the State and local school system technology plans. technology plan. The evaluation shall consider the effects of technology on student learning, the effects of technology on students' workforce readiness, the effects of technology on teacher productivity, and the cost-effectiveness of the technology.

(a1) Repealed by Session Laws 1997-18, s. 15(k).

(b) Repealed by Session Laws 2009-451, s. 7.31, effective July 1, 2009.

(c) ~~The Department of Public Instruction shall randomly check local school system technology plans to ensure that local school administrative units are implementing their plans as approved. The Department shall report to the State Board of Education on which local school administrative units are not complying with their plans. The report shall include the reasons these local school administrative units are out of compliance and a recommended plan of action to support each of these local school administrative units in carrying out their plans."~~

SECTION #.(dd) G.S. 115C-150.6 and 115C-150.7 are repealed.

SECTION #.(ee) G.S. 115C-150.8 reads as rewritten:

"§ 115C-150.8. Review of Disagreements.

In the event that the parents or guardians of a child and the local school administrative unit disagree when a child is not identified as an academically or intellectually gifted student or concerning the appropriateness of services offered to the academically or intellectually gifted student, the parents and guardians and the local school administrative unit shall attempt to resolve the disagreement in accordance with local board policy. In the event that the procedure developed under G.S. 115C-150.7(b)(7) fails to resolve a disagreement, they fail to resolve the disagreement, the parent or guardian may file a petition for a contested case hearing under Article 3 of Chapter 150B of the General Statutes. The scope of review shall be limited to (i) whether the local school administrative unit improperly failed to identify the child as an academically or intellectually gifted student, or (ii) whether the local plan developed under G.S. 115C-150.7 has been implemented appropriately with regard to the child. Following the hearing, the administrative law judge shall make a decision that contains findings of fact and conclusions of law. Notwithstanding the provisions of Chapter 150B of the General Statutes, the decision of the administrative law judge becomes final, is binding on the parties, and is not subject to further review under Article 4 of Chapter 150B of the General Statutes."

1 **SECTION #.(ff)** Section 7.61(b) of S.L. 2005-76, as rewritten by Section 7.22(d)
2 of S.L. 2010-3, is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H17-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 ***ALLOTMENT OF PRINCIPALS***

2 **SECTION #.(a)** A school with less than 100 students in final average daily
3 membership is not entitled to 12 months of employment for a principal.

4 **SECTION #.(b)** This section applies only to schools created after July 1, 2011.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H18A-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

TRANSFER OF FEDERAL AGRICULTURAL EDUCATION FUNDS

SECTION #. The Agricultural Education Program in the Department of Agricultural and Extension Education at North Carolina State University shall develop the secondary agricultural education curricula. The Program shall recommend the curricula and corresponding assessment instruments to the State Board of Education, which shall adopt the curricula for inclusion in the Standard Course of Study. This curricula shall include as part of its core content the Future Farmers of America (FFA) student youth organization and the Supervised Agricultural Experience learning program.

Effective with the 2011 federal grant, the State Board of Education shall transfer a prorated share of funds from all federal Career and Technical Education funds available for State-level usage to the Agricultural Education and FFA Program housed in the Department of Agricultural and Extension at North Carolina State University. The transfer of funds shall be a percentage of the total based upon the grades 9-12 duplicated agricultural education enrollment as compared to the total career and technical education grades 9-12 duplicated enrollment. These funds shall be used to support the secondary Agricultural Education Program State-level administration, leadership, curriculum and professional development, operations, innovations and expansions, and the FFA and the Supervised Agricultural Education learning program.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2011-DPI-H19-P

**Department of Public Instruction
Appropriations Subcommittee on Education**

Requested by: Representative

- 1 ***ALLOTMENT OF TEACHERS FOR GEOGRAPHICALLY ISOLATED SCHOOLS***
2 **SECTION #.** Section 7.26 of S.L. 2009-451 is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H20-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

SCHOOL CALENDAR PILOT PROGRAM

SECTION #. The State Board of Education shall establish a school calendar pilot program in the Wilkes County Schools and the Stanly County Schools. The purpose of the pilot program is to determine whether and to what extent a local school administrative unit can save money during this extreme fiscal crisis by consolidating the school calendar.

Notwithstanding G.S. 115C-84.2(a)(1), the school calendar for the 2011-2012 calendar years for the pilot school systems shall include a minimum of 180 days or 1,000 hours of instruction covering at least nine calendar months. Notwithstanding G.S. 115C-84.2(d), the opening date for students shall not be before August 24.

If the local board of education in a pilot school system adds instructional hours to previously scheduled days under this section, the local school administrative unit is deemed to have a minimum of 180 days of instruction, and teachers employed for a 10-month term are deemed to have been employed for the days being made up and shall be compensated as if they had worked the days being made up.

The State Board of Education shall report to the Joint Legislative Education Oversight Committee by March 15, 2012, on the administration of the pilot program, cost-savings realized by it, and its impact on student achievement.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H21-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

PERFORMANCE PAY MODEL PROGRAM

SECTION #. The State Board of Education shall establish a performance pay model program. A local school administrative unit that is approved by the State Board of Education as a performance pay model unit may use State funds, except for funds allotted for salaries, to implement a performance pay model.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H22-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION

SECTION #.(a) Notwithstanding G.S. 143C-6-4 or Section 7.14 of S.L. 2009-451, the Department of Public Instruction may, after consultation with the Office of State Budget and Management and the Fiscal Research Division, reorganize if necessary to implement the budget reductions set out in this act. This consultation shall occur prior to requesting budgetary and personnel changes through the budget revision process. The Department shall provide a current organization chart in the consultation process. The Department shall report to the Joint Legislative Commission on Governmental Operations on any reorganization.

SECTION #.(b) The Department of Public Instruction shall not increase the number of State-funded positions in any Department of Public Instruction divisions identified for reductions in this act.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H23-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

LEA BUDGET ADJUSTMENT

SECTION #.(a) Within 14 days of the date this act becomes law, the State Board of Education shall notify each local school administrative unit and charter school of the amount the unit or charter school must reduce from the State General Fund appropriations. The State Board shall determine the amount of the reduction for each unit and charter school on the basis of average daily membership.

SECTION #.(b) Each unit or charter school shall report to the Department of Public Instruction on the flexibility budget reductions it has identified for the unit within 30 days of the date this act becomes law. In identifying reductions, a unit or charter school shall not reduce the allotment for classroom teachers more for the 2011-2012 school year than it was reduced for the 2010-2011 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H24-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

LEA BUDGETARY FLEXIBILITY

SECTION #. For fiscal years 2011-2012 and 2012-2013, the State Board of Education is authorized to extend its emergency rules, in accordance with G.S. 150B-21.1A, granting maximum flexibility to local school administrative units regarding the expenditure of State funds. These rules shall not be subject to the limitations on transfers of funds between funding allotment categories set out in G.S. 115C-105.25. These rules shall not permit the transfer of funds into central office administration.

SECTION #.(b) For fiscal years 2011-2012 and 2012-2013, local school administrative units shall make every effort to reduce spending whenever and wherever such budget reductions are appropriate with the goal of protecting direct classroom services. Notwithstanding G.S. 115C-301 or any other law, local school administrative units shall have the maximum flexibility to use allotted teacher positions to maximize student achievement in grades 4-12. Allocation of teachers and class size requirements in grades K-3 shall remain unchanged.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H26-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS ALLOTMENT FORMULA

SECTION #.(a) The State Board of Education shall implement an allotment formula for the North Carolina Virtual Public Schools (NCVPS) beginning with the 2011-2012 school year. In accordance with Section 7.16 of S.L. 2006-66, the allotment formula shall create a sustainable source of funding that increases commensurate with student enrollment and recognizes "the extent to which projected enrollment in e-learning courses affects funding required for other allotments that are based on average daily membership."

SECTION #.(b) The State Board shall use only funds provided through the North Carolina Virtual Public Schools Allotment Formula to fund NCVPS.

SECTION #.(c) The Department of Public Instruction shall take the following steps to implement the North Carolina Virtual Public Schools Allotment Formula:

- (1) Project NCVPS student enrollment by semester and year-long course types for each local school administrative unit and charter school.
- (2) Establish a per course fee for each course type.
- (3) Multiply the projected NCVPS student enrollment by semester and year-long course for each local school administrative unit and charter school type by the per course fees to determine the total NCVPS cost for each local school administrative unit and charter school.
- (4) Transfer a dollar amount equal to the local school administrative unit's or charter school's total NCVPS cost to NCVPS. For local school administrative units, funds shall be transferred from the classroom teacher allotment to NCVPS. For charter schools, the allotment of State funds will be reduced and transferred to NCVPS.

SECTION #.(d) NCVPS shall use the funds transferred to it to provide the NCVPS program at no cost to all students in North Carolina who are enrolled in North Carolina's public schools, Department of Defense schools, and schools operated by the Bureau of Indian Affairs.

SECTION #.(e) NCVPS shall provide only high school courses and shall not provide any courses in physical education.

SECTION #.(f) The State Board shall establish a separate per student fee structure for out-of-state students, private school students, and home-schooled students. For the 2011-2012 school year, NCVPS shall provide specific instructions on its Web site, describing the steps required for such students to enroll in NCVPS courses and all applicable fees.

Beginning with the 2012-2013 school year, NCVPS shall provide an online process by which such students can enroll in NCVPS courses online.

SECTION #.(g) The Board shall direct NCVPS to develop a plan to generate revenue from the sale of courses to out-of-state educational entities. NCVPS shall submit its plan to the Board by September 15, 2011.

SECTION #.(h) The Director of NCVPS shall continue to ensure that:

- (1) Course quality standards are established and met.

- 1 (2) All e-learning opportunities offered by State-funded entities, other than
2 charter schools, to public school students are consolidated under the North
3 Carolina Virtual Public School program, eliminating course duplication.
4 (3) All courses offered through NCVPS are aligned to the North Carolina
5 Standard Course of Study.

6 **SECTION #.(i)** Funds for the administration of NCVPS shall be capped at a
7 maximum of fifteen percent (15%) per year of the funds transferred to NCVPS.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DPI-H25B

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

PERFORMANCE-BASED REDUCTIONS IN FORCE

SECTION #.(a) The State Board of Education shall adopt a Reduction in Force policy that is consistent across all local school administrative units. Under the policy, the following criteria shall apply to local school administrative units conducting any necessary reductions in force:

- (1) In determining which positions shall be subject to a reduction in force, a local school administrative unit shall consider the following:
 - a. Structural considerations, such as identifying positions, departments, courses, programs, operations, and other areas where there are (i) less essential, duplicative, or excess personnel; (ii) job responsibility and/or position inefficiencies; (iii) opportunities for combined work functions; and/or (iv) decreased student or other demands for curriculum, programs, operations, or other services.
 - b. Organizational considerations, such as anticipated organizational needs of the school system and program/school enrollment.
- (2) In determining which employees in similar positions shall be subject to a reduction in force, a local school administrative unit shall consider work performance.

The State Board of Education shall have this policy in place on or before July 15, 2011.

SECTION #.(b) G.S. 115C-325(e)(2) reads as rewritten:

- "(2) Reduction in Force. – Before recommending to a board the dismissal or demotion of the career employee pursuant to G.S. 115C-325(e)(1)l., the superintendent shall give written notice to the career employee by certified mail or personal delivery of his intention to make such recommendation and shall set forth as part of his recommendation the grounds upon which he believes such dismissal or demotion is justified. The notice shall include a statement to the effect that if the career employee within 15 days after receipt of the notice requests a review, he shall be entitled to have the proposed recommendations of the superintendent reviewed by the board. Within the 15-day period after receipt of the notice, the career employee may file with the superintendent a written request for a hearing before the board within 10 days. If the career employee requests a hearing before the board, the hearing procedures provided in G.S. 115C-325(j3) shall be followed. If no request is made within the 15-day period, the superintendent may file his recommendation with the board. If, after considering the recommendation of the superintendent and the evidence adduced at the hearing if there is one, the board concludes that the grounds for the recommendation are true and substantiated by a preponderance of the evidence, the board, if it sees fit, may by resolution order such dismissal.

1 Provisions of this section which permit a hearing by a case manager shall not
2 apply to a dismissal or demotion recommended pursuant to
3 G.S. 115C-325(e)(1)l.

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

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H2-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

REORGANIZATION OF THE COMMUNITY COLLEGES SYSTEM OFFICE

SECTION #.(a) Notwithstanding any other provision of law, and consistent with the authority granted in G.S. 115D-3, the President of the North Carolina Community College System may reorganize the System Office in accordance with recommendations and plans submitted to and approved by the State Board of Community Colleges.

SECTION #.(b) This section expires June 30, 2012.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H4-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

REPEAL OBSOLETE REPORTING REQUIREMENTS

SECTION #.(a) G.S. 115D-4.1(e) reads as rewritten:

"(e) The State Board of Community Colleges shall develop appropriate criteria and standards to regulate the operation of college transfer programs. ~~The criteria and standards shall require all college transfer programs to continue to meet the accreditation standards of the Southern Association of Colleges and Schools.~~

~~The State Board of Community Colleges shall report annually to the General Assembly on compliance of the community colleges with these criteria and standards."~~

SECTION #.(b) G.S. 115D-5(j) reads as rewritten:

"(j) The State Board of Community Colleges shall use its Board Reserve Fund for feasibility studies, pilot projects, start-up of new programs, and innovative ideas. ~~The State Board shall report to the Joint Legislative Education Oversight Committee on expenditures from the State Board Reserve Fund on January 15 and June 15 each year."~~

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H5A-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 ***IMPLEMENT ALTERNATIVE FORMULA MODEL***

2 **SECTION #.(a)** The State Board of Community Colleges shall consolidate the
3 Health Sciences Allotment, the Technical Education Allotment, and the Special High Cost
4 Allotment for Heavy Equipment with formula funds to support curriculum instruction.

5 **SECTION #.(b)** The State Board of Community Colleges shall allocate formula
6 funds appropriated to support curriculum instruction and the occupational education component
7 of continuing education through a formula that provides an instructional base allocation to all
8 colleges and allocates remaining funds on a weighted full-time equivalent (FTE) basis. In
9 determining the appropriate weighting, the State Board of Community Colleges shall weigh
10 curriculum courses in high-cost areas such as health care, technical education, and lab-based
11 science courses more heavily than other curriculum courses. The State Board of Community
12 Colleges shall also weigh continuing education courses that lead to a third-party credential or
13 certification and courses providing an industry-designed curriculum more heavily than other
14 occupational extension courses.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H7-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

***USE OF OVERREALIZED RECEIPTS TO SUPPORT ENROLLMENT GROWTH
RESERVE RATHER THAN EQUIPMENT RESERVE***

SECTION 8.4. G.S. 115D-31(e) reads as rewritten:

"(e) If receipts for community college tuition and fees exceed the amount certified in General Fund Codes at the end of a fiscal year, the State Board of Community Colleges shall transfer the amount of receipts and fees above those budgeted to the ~~Equipment Reserve Fund~~ Enrollment Growth Reserve. Funds in the Enrollment Growth Reserve shall not revert to the General Fund and shall remain available to the State Board until expended. The State Board may allocate funds in this reserve to colleges experiencing an enrollment increase greater than five percent (5%) of budgeted enrollment levels."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H10-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

BASIC SKILLS PLUS

SECTION #.(a) Notwithstanding any other provision of law, the State Board may authorize a local community college to use up to twenty percent (20%) of the State Literacy Funds allocated to it to provide employability skills, job-specific occupational and technical skills, and developmental education instruction to students concurrently enrolled in a community college course leading to a high school diploma or equivalent certificate.

SECTION #.(b) Notwithstanding any other provision of law, if a community college is authorized by the State Board to provide employability skills, job-specific occupational or technical skills, or developmental education instruction to students concurrently enrolled in a community college course leading to a high school diploma or equivalent certificate, the college may waive the tuition and registration fees associated with this instruction.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2011-DOCC-H12-P

**North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education**

Requested by: Representative

CARRYFORWARD OF COLLEGE INFORMATION SYSTEM FUNDS

SECTION 8.1. Of the funds appropriated to the Community Colleges System Office for the 2011-2013 fiscal biennium for the College Information System, up to one million two hundred fifty thousand dollars (\$1,250,000) shall not revert at the end of each fiscal year but shall remain available until expended. These funds may be used only to purchase periodic system upgrades.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H13-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

STATE BOARD AUTHORITY TO ESTABLISH GED TESTING FEES

SECTION #. G.S. 115D-5(s) reads as rewritten:

"(s) The State Board of Community Colleges may establish, retain and budget fees charged to students taking the General Education Development (GED) ~~test~~, including fees for retesting. Fees collected for this purpose shall be used only to (i) offset the costs of the GED test, including the cost of scoring the test, (ii) offset the costs of printing GED certificates, and (iii) meet federal and State reporting requirements related to the test."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H14-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

EQUIPMENT FUNDING

SECTION #.(a) For the 2011-2013 fiscal biennium, community colleges may expend regular equipment allocations on equipment, repairs and renovations of existing facilities, and new construction. Colleges must match funds expended on new construction on an equal matching-fund basis in accordance with G.S. 115D-31. Notwithstanding any other provision of law, community colleges are not required to match funds expended on repairs and renovations of existing facilities.

Colleges must have capital improvement projects approved by the State Board of Community Colleges and any required matching funds identified by June 30, 2013.

SECTION #.(b) Of the funds appropriated to the Community Colleges System Office for the 2011-2012 fiscal year for equipment, the State Board of Community Colleges shall allocate the sum of two hundred fifty thousand dollars (\$250,000) to Forsyth Technical Community College. These funds shall be used only for the purpose of building and equipping the Stokes County multicampus site. These funds shall not be considered for a management flexibility reduction.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H16-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

CLARIFICATION REGARDING EQUIPMENT TITLED TO STATE BOARD

SECTION #. G.S. 115D-15(a) reads as rewritten:

"(a) The board of trustees of any institution organized under this Chapter may, with the prior approval of the North Carolina Community Colleges System Office, convey a right-of-way or easement for highway construction or for utility installations or modifications. When in the opinion of the board of trustees the use of any other real property owned or held by the board of trustees is unnecessary or undesirable for the purposes of the institution, the board of trustees, subject to prior approval of the State Board of Community Colleges, may sell, exchange, or lease the property. The board of trustees may dispose of any personal property owned or held by the board of trustees without approval of the State Board of Community Colleges. Personal property titled to the State Board of Community Colleges consistent with G.S. 115D-14 and G.S. 115D-58.5 may be transferred to another community college at no cost and without the approval of the Department of Administration, Division of Surplus Property.

Article 12 of Chapter 160A of the General Statutes shall apply to the disposal or sale of any real or personal property under this subsection. Personal property also may be disposed of under procedures adopted by the North Carolina Department of Administration. The proceeds of any sale or lease shall be used for capital outlay purposes, except as provided in subsection (b) of this section."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H19-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 ***NO STATE FUNDS FOR INTERCOLLEGIATE ATHLETICS***

2 SECTION #. Article 3 of Chapter 115D of the General Statutes is amended by
3 adding a new section to read:

4 **"§ 115D-42.1. Funds for an intercollegiate athletics program.**

5 **No State funds, student tuition receipts, or student aid funds shall be used to create, support,**
6 **maintain, or operate an intercollegiate athletics program at a community college."**

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H20-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 MANAGEMENT FLEXIBILITY REDUCTION/COMMUNITY COLLEGES

2 **SECTION #.** The management flexibility reduction for the North Carolina
3 Community College System shall be allocated by the State Board of Community Colleges in a
4 manner that accounts for the unique needs of each college and provides for the equitable
5 distribution of funds to the institutions consistent with G.S. 115D-5(a). Before taking
6 reductions to instructional budgets, the community colleges shall consider reducing budgets for
7 senior and middle management personnel and for programs that have both low-enrollment and
8 low-postgraduate success. Colleges may, however, reduce funds from basic skills, curriculum,
9 and continuing education programs. Colleges shall minimize the impact on student support
10 services and on the retraining of dislocated workers. The community colleges shall also review
11 their institutional funds to determine whether there are monies available in those funds that can
12 be used to assist with operating costs before taking reductions in instructional budgets.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H22-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

COMMUNITY COLLEGE TUITION WAIVERS

SECTION #.(a) G.S. 115D-5(b) reads as rewritten:

"(b) In order to make instruction as accessible as possible to all citizens, the teaching of curricular courses and of noncurricular extension courses at convenient locations away from institution campuses as well as on campuses is authorized and shall be encouraged. A pro rata portion of the established regular tuition rate charged a full-time student shall be charged a part-time student taking any curriculum course. In lieu of any tuition charge, the State Board of Community Colleges shall establish a uniform registration fee, or a schedule of uniform registration fees, to be charged students enrolling in extension courses for which instruction is financed primarily from State funds. The State Board of Community Colleges may provide by general and uniform regulations for waiver of tuition and registration fees ~~for~~ for the following:

- (1) Persons not enrolled in elementary or secondary schools taking courses leading to a high school diploma or equivalent ~~certificate~~ certificate.
- (2) ~~Training courses for~~ Courses requested for the training of personnel by the following:

- a. ~~(i) volunteer firemen~~ Volunteer fire departments.
 - b. ~~(ii) local fire department personnel~~ Municipal, county, or State fire departments.
 - c. ~~(iii) volunteer rescue and lifesaving department personnel~~ Volunteer EMS or rescue and lifesaving departments.
 - d. ~~(iv) local rescue and lifesaving department personnel~~ Municipal, county, or State EMS or rescue and lifesaving departments.
 - e. ~~(v) Radio Emergency Associated Citizens Team (REACT) members when the REACT team is under contract to a county as an emergency response agency, (vi) municipal, county, or State law enforcement officers~~ Municipal, county, or State law enforcement agencies.
 - f. ~~(vii) all full time custodial employees of the Department of Correction, and The Department of Correction for the training of full time custodial employees and employees of the Department's Division of Community Corrections required to be certified under Chapter 17C of the General Statutes and the rules of the Criminal Justice and Training Standards Commission.~~
 - g. ~~(viii) employees of the Department's Division of Community Corrections and employees of the The Department of Juvenile Justice and Delinquency Prevention for the training of employees required to be certified under Chapter 17C of the General Statutes and the rules of the Criminal Justice and Training Standards Commission~~ Commission.
- (3) ~~Patients in State alcoholic rehabilitation centers;~~

- (4) Trainees enrolled in courses conducted under the Customized Training Program;Program.
- (5) ~~Clients of sheltered workshops;~~
- (6) ~~Clients of adult developmental activity programs;~~
- (7) ~~Students in Health and Human Services Development Programs;~~
- (8) ~~Juveniles of any age committed to the Department of Juvenile Justice and Delinquency Prevention by a court of competent jurisdiction;~~
- (9) ~~Members of the North Carolina State Defense Militia as defined in G.S. 127A-5 and as administered under Article 5 of Chapter 127A of the General Statutes;~~
- (10) Elementary and secondary school employees enrolled in courses in first aid or cardiopulmonary resuscitation ~~(CPR);(CPR).~~
- (11) Up to six hours of credit instruction and one course of noncredit instruction per academic semester for senior citizens age 65 or older who are qualified as legal residents of North Carolina;Carolina.
- (12) All curriculum courses taken by high school students at community colleges, including students in early college and middle college high school programs, in accordance with G.S. 115D-20(4) and this ~~section;~~section.
- (13) Human resources development courses for any individual who (i) is unemployed; (ii) has received notification of a pending layoff; (iii) is working and is eligible for the Federal Earned Income Tax Credit (FEITC); or (iv) is working and earning wages at or below two hundred percent (200%) of the federal poverty ~~guidelines; and~~guidelines.
- (14) ~~Prison inmates.~~

The State Board of Community Colleges shall not waive tuition and registration fees for other individuals."

SECTION #.(b) G.S. 115D-5 is amended by adding a new subsection to read:

"(b1) The State Board of Community Colleges shall not waive tuition and registration fees for community college faculty or staff members. Community colleges may, however, use State or local funds to pay tuition and registration fees for one course per semester for full-time community college faculty or staff members employed for a nine-, ten-, eleven-, or twelve-month term."

SECTION #.(c) The Community Colleges System Office shall transfer funds appropriated for curriculum and continuing education instruction to the Department of Correction. The Department of Correction shall use these funds to pay tuition and fees for prisoners.

The amount transferred shall be calculated by multiplying the number of curriculum and continuing education FTE served in prisons in the 2010-2011 fiscal year by the per capita budgeted receipts for curriculum and continuing education.

This section is projected to result in a reduction of up to forty-three percent (43%) reduction in the number of curriculum and continuing education courses provided to prisoners.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H23A-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

FUNDING FOR MULTICAMPUS CENTERS

SECTION #. G.S. 115D-5(o) reads as rewritten:

"(o) The General Assembly finds that additional data are needed to determine the adequacy of multicampus and off-campus center funds; therefore, multicampus colleges and colleges with off-campus centers shall report annually, beginning September 1, 2005, to the Community Colleges System Office on all expenditures by line item of funds used to support their multicampuses and off-campus centers. The Community Colleges System Office shall report on these expenditures to the Education Appropriation Subcommittees of the House of Representatives and the Senate, the Office of State Budget and Management, and the Fiscal Research Division by December 1 of each year.

All multicampus centers approved by the State Board of Community Colleges shall receive funding under the same formula. The State Board of Community Colleges shall not approve any additional multicampus centers without identified recurring sources of funding."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2011-DOCC-H24B-P

**North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education**

Requested by: Representative

1 *STUDY COMMUNITY COLLEGE PERFORMANCE MEASURES*

2 **SECTION #.** The State Board of Community Colleges shall report to the Joint
3 Legislative Education Oversight Committee by December 31, 2011, on a revised set of
4 accountability measures and performance standards by which to evaluate and measure student
5 progress and student success, including measures of graduation rates and course completions.
6 The report shall include a plan to incorporate these revised accountability measures and
7 performance standards into regular formula funding. These revised accountability measures
8 and performance standards shall also be the basis for the allocation of performance funding, in
9 accordance with G.S. 115D-31.3(g) and (h).

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H25C-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

COMMUNITY COLLEGE AUDITS

SECTION #. Article 4A of Chapter 115D of the General Statutes is amended by adding a new section to read:

"§ 115D-58.16. Audits.

(a) Each community college shall be audited a minimum of once every two years. Community colleges may use State funds to contract with the State Auditor or with a certified public accountant to perform the audits. The colleges shall submit the results of the audits to the State Board of Community Colleges.

The State Board of Community Colleges shall ensure that all colleges are audited in accordance with this section.

(b) Notwithstanding the provisions of Chapter 143D of the General Statutes, a community college shall not be subject to the EAGLE program administered by the Office of the State Controller unless (i) there is a finding of internal control problems in the most recent financial audit of the college or (ii) the State Board of Community Colleges determines that a college should be subject to the program."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-DOCC-H26-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

ENROLLMENT GROWTH

SECTION #.(a) It is the intent of the General Assembly to ensure that there is an increase in funding for community college technology and equipment when enrollment increases; therefore, the continuation budget requirements proposed by the Director of the Budget in accordance with G.S. 143C-3-5 to fund the community college enrollment growth shall include adjustments necessary to fund additional equipment FTE at the prior year's rate.

SECTION #.(b) Beginning with any adjustments to the 2011-2012 fiscal year budget, and annually thereafter, the State Board of Community Colleges' requests for funding enrollment growth shall provide a detailed description of the costs of educating community college students. This request shall be based on the current year's enrollment, listed by college and aggregated for the system as a whole.

SECTION #.(c) Enrollment requests shall include the following information for each community college:

- (1) The budgeted enrollment for the current year, divided between the categories of instruction: curriculum, continuing education, and Basic Skills.
- (2) The budgeted enrollment for the current year, divided between tiers of instruction, as set forth in Section ? of this act.
- (3) The actual enrollment for the two years prior to the current year.
- (4) A five-year enrollment projection at each community college by category and tier of instruction.
- (5) The projected requirements and anticipated tuition receipts for the growth in regular-term enrollment.
- (6) The costs per FTE in each category and tier of instruction, to include the following component parts:
 - a. Instructional costs, including faculty salaries and other costs.
 - b. Student support services and other college administrative costs.

GENERAL ASSEMBLY OF NORTH CAROLINA

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DRAFT
SPECIAL PROVISION



2011-DOCC-H27-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

LIMITATION ON COMMUNITY COLLEGE TUITION

SECTION #. Notwithstanding G.S. 115D-5 or G.S. 115D-39, the tuition for community college curriculum courses and the fees for community college continuing education courses for the 2011-2013 fiscal biennium shall not exceed the amounts provided for in this act.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H2

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

***CENTER FOR PUBLIC TELEVISION FUNDING CONTINGENT ON RECEIPT OF
LONG-RANGE PLAN***

SECTION #.(a) The Board of Trustees of the University of North Carolina Center for Public Television and the Board of Governors of The University of North Carolina shall develop a plan to operate the Center for Public Television without State funding.

The Board of Trustees and the Board of Governors shall submit a written report to the Education Appropriations Committees of the Senate and House of Representatives no later than March 31, 2012. The written report shall include the information listed in subsection (b) of this section.

SECTION #.(b) The report required in this section shall include the following information:

- (1) A brief description of the services provided by the Center for Public Television
- (2) Budgeted and actual revenues and expenditures from all funding sources for the 2009-2010 fiscal year, 2010-2011 fiscal year, and 2011-2012 fiscal year if available.
- (3) A detailed plan by which the Center for Public Televisions could operate without State funds by the 2014-2015 fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H4A

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

**DOCUMENTATION AND ACCOUNTABILITY FOR ENROLLMENT GROWTH
FUNDING MODEL**

SECTION #. In order to improve the accuracy and effectiveness of enrollment growth funding, the General Administration of The University of North Carolina shall modify the existing student credit hour enrollment (SCH) change funding model. Modifications shall include, but are not limited to, the following:

- (1) Simplification of the enrollment projection process through use of weighted cost factors applied to projected total growth in SCH by campus.
- (2) Justification and adjustment, if necessary, of funding factors for libraries and general institutional support.
- (3) A performance-based funding component that will do the following:
 - a. Incorporate key performance indicators including, but not limited to, retention and graduation rates.
 - b. Establish minimum outcomes necessary to receive enrollment growth funding.
 - c. Provide incentive funding for campuses that exceed target outcomes.
- (4) Methodology to account for prior years' projection errors and adjust funding accordingly.

SECTION #.(b) The General Administration of The University of North Carolina shall provide the revised enrollment projection process, revised cost factors, and resulting weighted cost per SCH to the Joint Legislative Education Oversight Committee, the Office of State Budget and Management, and the Fiscal Research Division by February 1, 2012. The Joint Legislative Education Oversight Committee is encouraged to fully examine the revised model submitted under this section and to ensure that the model aligns with the modifications directed under subsection (a) of this section.

SECTION #.(c) The Board of Governors of The University of North Carolina, with the assistance of General Administration, shall develop written policies for enrollment change funding decisions. The written policies shall address (i) procedures for developing campus enrollment projections, calculating tuition offset, and calculating funding formula elements and cost factors and (ii) criteria for granting hold harmless status. Policies and procedures shall be made available to constituent institutions, the Office of State Budget and Management, and the Fiscal Research Division by February 15, 2012.

SECTION #.(d) By March 15, 2012, the Board shall report on the accuracy of enrollment growth projections and key performance indicators pursuant to G.S. 116-11(9a) as enacted by subsection (e) of this section.

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

"(9a) The Board of Governors shall report on the accuracy of enrollment growth projections at each campus and shall establish key performance indicators meaningful to enrollment growth planning. By March 15 each year. the

1 Board of Governors shall submit this report to the Joint Legislative
2 Education Oversight Committee, publish this report on its website, and make
3 printed copies available upon request. The report shall include all of the
4 following:

- 5 a. Key performance indicators, including retention and graduation rates
6 and other pertinent measures such as faculty productivity, student
7 learning outcomes, or employee diversity.
8 b. Trends in student credit hours, number of students served, number of
9 new faculty and staff positions by area of responsibility, and other
10 relevant data.
11 c. Analysis of variance between actual fall SCH growth and anticipated
12 SCH growth inputs to the enrollment growth planning model used to
13 project enrollment growth requirements.
14 d. Analysis of variance, by category, between actual fall student
15 full-time equivalency (FTE) growth and anticipated student FTE
16 growth used in the enrollment growth planning model to project
17 changes in tuition receipts attributed to enrollment growth.
18 e. Analysis of variance between actual fall student FTE growth and
19 anticipated student FTE growth used in the FTE funding formulas to
20 project enrollment growth requirements and tuition receipts for
21 specialized campuses and professional schools.
22 f. Planned follow-up actions where variances of greater than five
23 percent (5%) exist between actual and projected student credit hours
24 or student FTE."

25 **SECTION #.(f) G.S. 116-11(9) reads as rewritten:**

26 "(9) a. The Board of Governors shall develop, prepare and present to the
27 Governor and the General Assembly a single, unified recommended
28 budget for all of the constituent institutions of The University of
29 North Carolina. The recommendations shall consist of requests in
30 three general categories: (i) funds for the continuing operation of
31 each constituent institution, (ii) funds for salary increases for
32 employees exempt from the State Personnel Act and (iii) funds
33 requested without reference to constituent institutions, itemized as to
34 priority and covering such areas as new programs and activities,
35 expansions of programs and activities, increases in enrollments,
36 increases to accommodate internal shifts and categories of persons
37 served, capital improvements, improvements in levels of operation
38 and increases to remedy deficiencies, as well as other areas. The
39 president may present to the General Assembly an updated estimate
40 of tuition, fees, and other receipts by June 15 of each year to be
41 included in the budget for the following fiscal year.

- 42 a1. Enrollment change funding shall be based on the performance of
43 each constituent institution and shall be contingent on the attainment
44 of the constituent institution's target as determined by the Board of
45 Governors. A constituent institution that fails to achieve the target
46 shall not receive enrollment change funding.

47 The Board of Governors shall provide full documentation and
48 justification of any enrollment change funding request at the time it
49 is ~~recommended~~ recommended, including hold harmless status
50 requests. This documentation and justification shall include the most

1 recent academic year's actual enrollment numbers in the same format
2 in which the growth increase request is made. The actual enrollment
3 numbers shall be the actual student credit hours (SCH) or full-time
4 equivalencies (FTE). This documentation and justification shall also
5 include an explanation of how a constituent institution's request for
6 hold harmless status meets established criteria and a history of the
7 hold harmless requests granted to the constituent institution.

8 b. Funds for the continuing operation of each constituent institution
9 shall be appropriated directly to the institution. Funds for salary
10 increases for employees exempt from the State Personnel Act shall
11 be appropriated to the Board in a lump sum for allocation to the
12 institutions. Funds for the third category in paragraph a of this
13 subdivision shall be appropriated to the Board in a lump sum for
14 allocation to the institutions. The Board shall make allocations
15 among the institutions in accordance with the Board's schedule of
16 priorities and any specifications in the Current Operations
17 Appropriations Act. When both the Board and the Director of the
18 Budget deem it to be in the best interest of the State, funds in the
19 third category may be allocated, in whole or in part, for other items
20 within the list of priorities or for items not included in the list.
21 Provided, nothing herein shall be construed to allow the General
22 Assembly, except as to capital improvements, to refer to particular
23 constituent institutions in any specifications as to priorities in the
24 third category.

25 c. The Director of the Budget may, on recommendation of the Board,
26 authorize transfer of appropriated funds from one institution to
27 another to provide adjustments for over or under enrollment or may
28 make any other adjustments among institutions that would provide
29 for the orderly and efficient operation of the institutions.

30 d. Repealed by Session Laws 1987, c. 795, s. 27."
31

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2011-UNC-H5

**University of North Carolina and Private Instruction
Appropriations Subcommittee on Education**

Requested by: Representative

1 ***FISCAL ACCOUNTABILITY AND FLEXIBILITY***

2 **SECTION #.** Notwithstanding G.S. 116-30.2, a special responsibility constituent
3 institution shall not increase the State appropriation for any program or line item reduced by
4 this Act.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H6A

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

UNIVERSITY CANCER RESEARCH FUND REPORTING REQUIREMENT ~

SECTION #. G.S. 116-29.1 is amended by adding a new subsection to read:

"(g) Report.— By November 1 of each year, the Cancer Research Fund Committee shall provide to the Joint Legislative Education Oversight Committee and to the Office of State Budget and Management an annual financial report which shall include the following components:

- (1) Accounting of expenditures of State funds related to strategic initiatives, development of infrastructure, and ongoing administrative functions.
- (2) Accounting of expenditures of extramural funds related to strategic initiatives, development of infrastructure, and ongoing administrative functions.
- (3) Measures of impact to the State's economy in the creation of jobs, intellectual property, and start-up companies.
- (4) Other performance measures directly related to the investment of State funds.
- (5) Accounting of any fund balances retained by the Fund, along with information about any restrictions on the use of these funds."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H7

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 **UNC BOARD OF GOVERNORS REVIEW OF FACULTY RECRUITMENT AND**
2 **RETENTION**

3 **SECTION #.** The Board of Governors of The University of North Carolina shall
4 review its current policies regarding financial incentives to retain faculty. The review shall
5 focus on the prioritization of recruitment and retention funds and the identification of key
6 metrics to measure overall program effectiveness. The Board of Governors shall report its
7 findings and recommendations for changes to the policies, if any, to the Joint Legislative
8 Education Oversight Committee, the Office of State Budget and Management, and the Fiscal
9 Research Division by April 1, 2012.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H19

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

UNC MANAGEMENT FLEXIBILITY REDUCTION

SECTION #. (a) The management flexibility reduction for The University of North Carolina shall not be allocated by the Board of Governors to the constituent institutions and affiliated entities using an across-the-board method, but in a manner that recognizes the importance of the academic mission and differences among The University of North Carolina entities.

Before taking reductions in instructional budgets, the Board of Governors and the campuses of the constituent institutions shall consider all of the following:

- (1) Reducing State funding for centers and institutes, speaker series, and other nonacademic activities.
- (2) Faculty workload adjustments.
- (3) Restructuring of research activities.
- (4) Implementing cost-saving span of control measures.
- (5) Reducing the number of senior and middle management positions.
- (6) Eliminating low-performing, redundant, or low-enrollment programs.

The Board of Governors and the campuses of the constituent institutions also shall review the institutional trust funds and the special funds held by or on behalf of The University of North Carolina and its constituent institutions to determine whether there are monies available in those funds that can be used to assist with operating costs.

In addition, the campuses of the constituent institutions also shall require their faculty to have a teaching workload equal to the national average in their Carnegie classification.

When implementing personnel reductions, the Board of Governors and the campuses shall make every effort to abolish vacant positions first.

SECTION #.(b) In allocating the management flexibility reduction, no reduction shall be made to funding for the Hickory Metro Higher Education Center, to need-based financial aid, or to aid for private colleges.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H20

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

CAMPUS INITIATED TUITION INCREASES

SECTION #. (a) Notwithstanding any other provision of law, no campus-initiated tuition increase shall be approved by the Board of Governors of The University of North Carolina or implemented for the 2011-12 or 2012-13 academic years except as provided otherwise by this section.

SECTION #. (b) Any campus-initiated increases for the 2011-2012 academic year that were approved by the Board of Governors of The University of North Carolina in February 2011 may be implemented for the 2011-2012 academic year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H21A

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

USE OF ESCHEAT FUND FOR NEED-BASED FINANCIAL AID PROGRAMS

SECTION #.(a) There is appropriated from the Escheat Fund income to the Board of Governors of The University of North Carolina the sum of thirty-two million one hundred twenty-two thousand two hundred forty-two dollars (\$32,122,242) for the 2011-2012 fiscal year and the sum of thirty-two million one hundred twenty-two thousand two hundred forty-two dollars (\$32,122,242) for the 2012-2013 fiscal year to be used for The University of North Carolina Need-Based Financial Aid Program.

SECTION #.(b) In addition to the appropriation in subsection (a) of this section, there is appropriated from the Escheat Fund income to the Board of Governors of The University of North Carolina the sum of ninety-five million two hundred thirty-one thousand nine hundred twelve dollars (\$95,231,912) for the 2011-2012 fiscal year to be used for The University of North Carolina Need-Based Financial Aid Program.

SECTION #.(c) There is appropriated from the Escheat Fund income to the State Board of Community Colleges the sum of sixteen million five hundred thousand dollars (\$16,500,000) for the 2011-2012 fiscal year and the sum of sixteen million five hundred thousand dollars (\$16,500,000) for the 2012-2013 fiscal year to be used for community college grants.

SECTION #.(d) There is appropriated from the Escheat Fund income to the Department of Administration, Division of Veterans Affairs the sum of six million five hundred twenty thousand nine hundred sixty-four dollars (\$6,520,964) for the 2011-2012 fiscal year and the sum of six million five hundred twenty thousand nine hundred sixty-four dollars (\$6,520,964) for the 2012-2013 fiscal year to be used for need-based student financial aid.

SECTION #.(e) The funds appropriated by this section shall be allocated by the State Educational Assistance Authority (SEAA) for need-based student financial aid in accordance with G.S. 116B-7. If the interest income generated from the Escheat Fund is less than the amounts referenced in this section, the difference may be taken from the Escheat Fund principal to reach the appropriations referenced in this section; however, under no circumstances shall the Escheat Fund principal be reduced below the sum required in G.S. 116B-6(f). If any funds appropriated under this section remain uncommitted for need-based financial aid as of the end of a fiscal year, the funds shall be returned to the Escheat Fund, but only to the extent the funds exceed the amount of the Escheat Fund income for that fiscal year.

SECTION #.(f) The State Education Assistance Authority shall perform all of the administrative functions necessary to implement this program of financial aid. The SEAA shall conduct periodic evaluations of expenditures of the scholarship programs to determine if allocations are utilized to ensure access to institutions of higher learning and to meet the goals of the respective programs. SEAA may make recommendations for redistribution of funds to The University of North Carolina, Department of Administration, and the President of the

1 Community College System regarding their respective scholarship programs, who then may
2 authorize redistribution of unutilized funds for a particular fiscal year.

3 **SECTION #.(g)** The Office of State Budget and Management shall transfer the
4 cash balance of the community college grant program remaining in Budget Code 66801, Fund
5 6102 to the Escheat Fund.
6

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H27A

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

UNC NEED-BASED FINANCIAL AID PROGRAM FUNDING SCHEDULE

SECTION #.(a) Of the funds appropriated by this act for the 2011-2012 fiscal year for The University of North Carolina Need-Based Financial Aid Program, the sum of eighty-nine million dollars (\$89,000,000) shall not be used for expenditures in the 2011-2012 fiscal year, but shall be carried forward and held in reserve by the State Education Assistance Authority. The funds carried forward and held in reserve pursuant to this subsection may be disbursed by the State Education Assistance Authority after July 1, 2012, for need-based student financial aid in the 2012-2013 academic year in accordance with G.S. 116B-7.

SECTION #.(b) Of the funds appropriated by this act for the 2012-2013 fiscal year for The University of North Carolina Need-Based Financial Aid Program, the sum of eighty-nine million dollars (\$89,000,000) shall not be used for expenditures in the 2012-2013 fiscal year, but shall be carried forward and held in reserve by the State Education Assistance Authority. The funds carried forward and held in reserve pursuant to this subsection may be disbursed by the State Education Assistance Authority after July 1, 2013, for need-based student financial aid in the 2013-2014 academic year in accordance with G.S. 116B-7.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H23A

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

**CONSOLIDATE ASSETS OF MILLENNIUM TEACHING SCHOLARSHIP LOAN
PROGRAM AND PROSPECTIVE TEACHERS SCHOLARSHIP LOAN FUND**

SECTION #. (a) Effective January 1, 2012, the Millennium Teaching Scholarship Loan Program is abolished.

SECTION #. (b) All financial obligations to any student awarded a scholarship loan from the Millennium Teaching Scholarship Loan Program before January 1, 2012, shall be fulfilled with funds from the Scholarship Loan Fund for Prospective Teachers established under G.S. 116-209.33 provided the student remains eligible under the provisions of the Millennium Teaching Scholarship Loan Program. All contractual agreements between a student awarded a scholarship loan from the Millennium Teaching Scholarship Loan Program before January 1, 2012, and the State Education Assistance Authority regarding the loan remain enforceable.

SECTION #. (c) The assets and liabilities for the Millennium Teaching Scholarship Loan Program shall be transferred as follows:

- (1) Five hundred thousand dollars (\$500,000) shall be transferred to the Escheat Fund on July 1, 2011.
- (2) The remaining balance of the assets and liabilities shall be transferred to the Scholarship Loan Fund for Prospective Teachers established under G.S. 116-209.33 on January 1, 2012.

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Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H24A

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

***LIMIT CERTAIN FINANCIAL AID GRANTS TO THE TRADITIONAL TIME PERIOD
REQUIRED TO EARN A BACCALAUREATE DEGREE.***

SECTION #.(a) Except as otherwise provided by this subsection, a student shall not receive a grant from The University of North Carolina Need Based Financial Aid Program for more than nine full-time academic semesters or its equivalent if enrolled part-time, unless the student is enrolled in a program officially designated by the Board of Governors as a five-year degree program. If a student is enrolled in such a five-year degree program, then the student shall not receive a need based grant from The University of North Carolina Need Based Financial Aid Program for more than eleven full-time academic semesters or its equivalent if enrolled part-time.

Upon application by a student, the student may receive a grant for one additional part-time or full-time academic semester as appropriate, if the student demonstrates that any of the following have substantially disrupted or interrupted the student's pursuit of a degree: (i) a military service obligation, (ii) serious medical debilitation, (iii) a short-term or long-term disability, or (iv) other extraordinary hardship. The Board of Governors shall establish the appropriate procedures to implement the additional semester extension provided by this subsection.

SECTION #.(b) G.S. 116-21.3(d) reads as rewritten:

"(d) ~~A legislative tuition grant authorized under G.S. 116-21.2(a) shall be reduced by twenty five percent (25%) for any individual student who has completed 140 semester credit hours or the equivalent of 140 semester credit hours. Except as otherwise provided by this subsection, no student shall receive a legislative tuition grant under G.S. 116-21.2(a) for more than nine full-time academic semesters or its equivalent if enrolled part-time, unless the student is enrolled in a program officially designated by the institution as a five-year degree program. If a student is enrolled in such a five-year degree program, then the student shall not receive a legislative tuition grant under G.S. 116-21.2(a) for more than eleven full-time academic semesters or its equivalent if enrolled part-time.~~

Upon application by a student, the student may receive a grant for one additional part-time or full-time academic semester as appropriate, if the student demonstrates that any of the following have substantially disrupted or interrupted the student's pursuit of a degree: (i) a military service obligation, (ii) serious medical debilitation, (iii) a short-term or long-term disability, or (iv) other extraordinary hardship. The State Education Assistance Authority shall establish the appropriate procedures to implement the additional semester extension provided by this subsection."

SECTION #.(c) G.S. 116-43.5(f) reads as rewritten:

"(f) ~~Reduction of Grant Amount for Certain Students. A State grant authorized by this act shall be reduced by twenty five percent (25%) for any individual student who has completed 140 semester credit hours or the equivalent of 140 semester credit hours.~~

1 Limit Grant Amount To Standard Graduation Time Period.—Except as otherwise
2 provided by this subsection, no student shall receive a State grant under this section for more
3 than four full academic years, unless the student is enrolled in a program officially designated
4 by the institution as a five-year degree program. If a student is enrolled in such a five-year
5 degree program, then the student shall not receive a State grant under this section for more than
6 five full academic years.

7 Upon application by a student, the student may receive a State grant under this section for
8 one additional part-time or full-time academic semester as appropriate, if the student
9 demonstrates that any of the following have substantially disrupted or interrupted the student's
10 pursuit of a degree: (i) a military service obligation, (ii) serious medical debilitation, (iii) a
11 short-term or long-term disability, or (iv) other extraordinary hardship. The State Education
12 Assistance Authority shall establish the appropriate procedures to implement the additional
13 semester extension provided by this subsection."

14 **SECTION #.(d)** The Fiscal Research Division of the General Assembly, in
15 cooperation with The University of North Carolina, the North Carolina Community College
16 System, the North Carolina Independent Colleges and Universities, Inc., and the State
17 Education Assistance Authority shall study how to track and document the receipt of The
18 University of North Carolina and North Carolina Community College need-based grants,
19 legislative tuition grants, and State grants under G.S. 116-43.5 by students who enroll in both
20 public and private institutions of higher education while pursuing a baccalaureate or associate
21 degree so that no student receives a combination of these grants that exceeds a cumulative total
22 of nine full-time academic semesters or eleven full-time academic semesters as appropriate. In
23 addition the study: (i) shall consider the need to grant a waiver to the limit imposed on receipt
24 of need-based grants, legislative tuition grants and State grants under G.S. 116-43.5 for those
25 students who encounter legitimate disruptions or interruptions of the academic pursuit of a
26 degree and (ii) shall determine the appropriate criteria and procedure for extending the
27 eligibility to receive those types of financial aid for an additional period of time. The study
28 shall also examine any potential impact on licensure programs and college completion rates.

29 The Fiscal Research Division shall report its findings and recommendations,
30 including any legislative recommendations, by March 1, 2012, to the Joint Legislative
31 Education Oversight Committee and to the Education Appropriation Subcommittees of the
32 House of Representatives and the Senate.

33 **SECTION #.(e)** Subsections (a), (b), and (c) of this section become effective for
34 the 2012-2013 academic year and each subsequent fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2011-UNC-H22

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

ACADEMIC COMMON MARKET

SECTION #. (a) Notwithstanding G.S. 116-43.10, the Board of Governors of The University of North Carolina shall not participate in the Academic Common Market for the purpose of accepting new students for the 2012-2013 academic year, and no new students shall be allowed to enroll through the Academic Common Market program into The University of North Carolina graduate programs for the 2012-2013 academic year.

SECTION #. (b) This section does not affect a student enrolled in The University of North Carolina System under the Academic Common Market program prior to the 2012-2013 academic year; that student may continue to pay in-state tuition as long as the student is enrolled in that graduate program.

GENERAL ASSEMBLY OF NORTH CAROLINA

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DRAFT
SPECIAL PROVISION



2011-UNC-H25

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

ELIMINATE CERTAIN UNC TUITION WAIVERS FOR NONRESIDENT STUDENTS

SECTION #. (a) G.S. 116-143.6 is repealed.

SECTION #. (b) G.S. 116-143 reads as rewritten:

"(c) ~~Inasmuch as the giving of tuition and fee waivers, or especially reduced rates, represent in effect a variety of scholarship awards, the said practice is hereby prohibited except when expressly authorized by statute or by the Board of Governors of The University of North Carolina; and, furthermore, it is hereby directed and required that all budgeted funds expended for scholarships of any type must be clearly identified in budget reports. The Board of Governors of The University of North Carolina shall not authorize a reduced rate of tuition for the special talent of athletics. The practice of giving tuition and fee waivers, or especially reduced rates is prohibited.~~"

SECTION #. (c) G.S. 116-143.5 is repealed.

SECTION #. (d) The Prospective Teacher Scholars program that was begun as a pilot program in Section 9.9 of S.L. 2002-126 is abolished.

GENERAL ASSEMBLY OF NORTH CAROLINA

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**DRAFT
SPECIAL PROVISION**



2011-UNC-H10

**University of North Carolina and Private Instruction
Appropriations Subcommittee on Education**

Requested by: Representative

- 1 ***ELIMINATE PRIVATE MEDICAL SCHOOL AID***
- 2 **SECTION #. G.S. 116-21.6 is repealed.**



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 1
(to be filled in by
Principal Clerk)

H200-ALE-28 [v.1]

Comm. Sub. [NO]
Amends Title [NO]
EDUC SP Report

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Date 2011

Representative Holloway

1 moves to amend the House Appropriations Subcommittee on Education Special Provision
2 Report on page 65, lines 24-26,
3 by rewriting those lines to read:

4 "SECTION #.(b) In allocating the management flexibility reduction, no reduction
5 shall be made to funding for any of the following:

- 6 (1) Hickory Metro Higher Education Center.
7 (2) Need-based Financial Aid.
8 (3) Aid to Private Colleges.
9 (4) Joint Graduate School of Nanoscience and Nanoengineering at North
10 Carolina Agricultural and Technical State University and the University of
11 North Carolina at Greensboro.
12 (5) The North Carolina Research Campus."; and

13
14 On page 50, line 12, by adding a new paragraph after the line to read:

15
16 "There shall be no reduction in funds allocated to Rowan-Cabarrus Community
17 College for the Biotechnology Training Center at the North Carolina Research Campus."
18
19
20

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED ☒

FAILED ☐

TABLED ☐



H200-ALE-28-V-1



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 2
(to be filled in by
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H200-ALE-25 [v.3]

**Comm. Sub. [NO]
Amends Title [NO]
2011-DPI-16**

Date _____, 2011

Representative Blackwell

1 moves to amend the House Appropriations Subcommittee on Education, House Budget
2 Recommendations, on page 10, item 61, by adding a new sentence at the end of the item to
3 read:

5 "Of these funds, up to \$75,000 may be used to support curriculum development, materials,
6 and training for Small Business Centers."

SIGNED

Hyd. Q. Blawie
Amendment Sponsor

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 3
(to be filled in by
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H200-ALE-27 [v.1]

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Comm. Sub. [NO]
Amends Title [NO]

Date 2011

Representative Stam

1 moves to amend the House Appropriations Subcommittee on Education, House Special
2 Provision Recommendations, on page 39, by adding a new provision after the line to read:

3
4 **TRANSFER TEACHING FELLOWS**

5 **SECTION #.(a)** The North Carolina Teaching Fellows Commission is transferred
6 from the Department of Public Instruction to the Board of Governors of The University of
7 North Carolina. This transfer shall have all the elements of a Type I transfer as defined in
8 G.S. 143A-6.

9 **SECTION #.(b)** Part 2 of Article 24C of Chapter 115C of the General Statutes,
10 G.S. 115C-363.22 through G.S. 115C-363.23A, is recodified as Article 5D of Chapter 116 of
11 the General Statutes.

12 **SECTION #.(c)** Part 2 of Article 24C of Chapter 115C of the General Statutes,
13 G.S. 115C-363.22 through G.S. 115C-363.23A, as recodified as Article 5D of Chapter 116 of
14 the General Statutes, G.S. 116-74.48 through G.S. 116-74.50, reads as rewritten:

15 "Article 5D

16 "North Carolina Teaching Fellows ~~Commission~~ Program.

17 **§116-74.48. North Carolina Teaching Fellows Commission established.**

18 There is established the North Carolina Teaching Fellows Commission. This Commission
19 shall exercise its powers and functions independently of the State Board of Education and the
20 Department of Public Instruction. ~~The Public School Forum of North Carolina, Inc., Board of~~
21 ~~Governors of The University of North Carolina~~ shall provide staff and office space to the
22 Commission. ~~Staff to the Commission are not State employees.~~

23 **§116-74.49. Membership.**

24 (a) The Commission shall consist of 11 nonlegislative members as follows:

- 25 (1) The Chairman of the State Board of Education, or his designee;
26 (2) The Lieutenant Governor, or his designee;
27 (3) Three persons appointed by the Governor;
28 (4) Three persons appointed by the General Assembly on the recommendation
29 of the President Pro Tempore of the Senate, as provided in G.S. 120-121;
30 and
31 (5) Three persons appointed by the General Assembly on the recommendation
32 of the Speaker of the House of Representatives, as provided in G.S. 120-121.



* H 2 0 0 - A L E - 2 7 - V - 1 *

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1 Terms of commission members appointed under this section expire on June 30 of the year
2 of expiration. In 1990, three members shall be appointed by the General Assembly upon the
3 recommendation of the Speaker of the House of Representatives, one for a term to expire June
4 30, 1992, one for a term to expire June 30, 1993, and one for a term to expire June 30, 1994. In
5 1990, three members shall be appointed by the General Assembly upon the recommendation of
6 the President of the Senate, one for a term to expire June 30, 1991, one for a term to expire
7 June 30, 1992, and one for a term to expire June 30, 1993. In 1990, three members shall be
8 appointed by the Governor, one for a term to expire June 30, 1992, one for a term to expire
9 June 30, 1993, and one for a term to expire June 30, 1994. Subsequent appointments are for a
10 term of four years.

11 (b) Each of the appointing entities shall seek to achieve a balanced membership
12 representing, to the maximum extent possible, the State as a whole. The Commission members
13 shall be chosen from among individuals who have demonstrated a commitment to education.

14 (c) Commission members shall be appointed for four-year terms, with the first
15 appointments to expire July 1, 1990.

16 (d) In the event a vacancy occurs for any reason, the vacancy shall be filled by
17 appointment by the entity that made the appointment, except that vacancies in appointments by
18 the General Assembly shall be filled under G.S. 120-122. The new appointee shall serve for the
19 remainder of the unexpired term.

20 (e) The Lieutenant Governor or his designee shall serve as chairman.

21 (f) Members of the Commission shall receive per diem and necessary travel and
22 subsistence expenses in accordance with Chapter 138 of the General Statutes.

23 (g) The Commission shall meet regularly at times and places the chairman deems
24 necessary.

25 **§116-74.50. Teaching Fellows Program established; administration.**

26 (a) A Teaching Fellows Program shall be administered by the North Carolina Teaching
27 Fellows Commission. The Teaching Fellows Program shall be used to provide a four-year
28 scholarship loan of six thousand five hundred dollars (\$6,500) per year to North Carolina high
29 school seniors interested in preparing to teach in the public schools of the State. The
30 Commission shall adopt very stringent standards, including minimum grade point average and
31 scholastic aptitude test scores, for awarding these scholarship loans to ensure that only the best
32 high school seniors receive them.

33 (b) The Commission shall administer the program in cooperation with teacher training
34 institutions selected by the Commission. Teaching Fellows should be exposed to a range of
35 extra-curricular activities while in college. These activities should be geared to instilling a
36 strong motivation not only to remain in teaching but to provide leadership for tomorrow's
37 schools.

38 (c) The Commission shall form regional review committees to assist it in identifying
39 the best high school seniors for the program. The Commission and the review committees shall
40 make an effort to identify and encourage minority students and students who may not otherwise
41 consider a career in teaching to enter the program.

42 (d) All scholarship loans shall be evidenced by notes made payable to the Commission
43 that shall bear interest at the rate of ten percent (10%) per year beginning September 1 after

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1 completion of the program, or immediately after termination of the scholarship loan, whichever
2 is earlier. The scholarship loan may be terminated by the recipient withdrawing from school or
3 by the recipient not meeting the standards set by the Commission.

4 (e) The Commission shall forgive the loan if, within seven years after graduation, the
5 recipient teaches for four years at a North Carolina public school or at a school operated by the
6 United States government in North Carolina. The Commission shall also forgive the loan if,
7 within seven years after graduation, the recipient teaches for three consecutive years, unless the
8 recipient takes an approved leave of absence, at a North Carolina public school in a local
9 school administrative unit that, at the time the recipient accepts employment with the unit, is a
10 low-performing school system identified in accordance with Article 6A of this Chapter or is on
11 warning status as defined by the State Board of Education. The Commission shall also forgive
12 the loan if it finds that it is impossible for the recipient to teach for four years, within seven
13 years after graduation, at a North Carolina public school or at a school operated by the United
14 States government in North Carolina, because of the death or permanent disability of the
15 recipient.

16 (f) All funds appropriated to or otherwise received by the Teaching Fellows Program
17 for scholarships, all funds received as repayment of scholarship loans, and all interest earned on
18 these funds, shall be placed in a revolving fund. This revolving fund shall be used for
19 scholarship loans granted under the Teaching Fellows Program. With the prior approval of the
20 General Assembly in the Current Operations Appropriations Act, the revolving fund may also
21 be used for campus and summer program support, and costs related to disbursement of awards
22 and collection of loan repayments.

23 ~~The Public School Forum, as administrator for the Teaching Fellows Program, The~~
24 ~~Commission~~ may use up to eight hundred ten thousand dollars (\$810,000) annually from the
25 fund balance for costs associated with administration of the Teaching Fellows Program.

26 (g) The State Education Assistance Authority is responsible for the collection of a loan
27 awarded under this section if the loan repayment is outstanding for more than 30 days."

28 **SECTION #.(d)** For the 2011-2012 fiscal year, funds not needed by the
29 Commission for costs associated with administration of the Teaching Fellows Program shall be
30 transferred to the Department of Public Instruction, School Building Administration Allotment,
31 and used to restore cuts to assistant principal funding."
32

SIGNED _____


Amendment Sponsor

SIGNED _____

Committee Chair if Senate Committee Amendment

ADOPTED _____

FAILED _____

TABLED _____



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H200-AMD-12 [v.1]

Comm. Sub. [NO]
Amends Title [NO]
EDUC SP Report

Date _____, 2011

Representative

- 1 moves to amend the House Appropriations Subcommittee on Education Special Provisions
2 Report on Page 54 (2011-DOCC-H24B), Line 3, by deleting "December 31, 2011," and
3 substituting "March 1, 2012,".

SIGNED Stan
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ☒ FAILED ☐ TABLED ☐



NORTH CAROLINA GENERAL ASSEMBLY
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H200-ALH-20 [v.5]

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Comm. Sub. [NO]
Amends Title [NO]
EDUC SP Report

Date 2011

Representative Blackwell

1 moves to amend the House Appropriations Subcommittee on Education, House Special
2 Provision Recommendations, on pages 21-27, by deleting the lines and substituting the
3 following:

4 **" ELIMINATION OF REPORTING REQUIREMENTS**

5 **SECTION #.(a) G.S. 115C-12(25) reads as rewritten:**

6 **"§ 115C-12. Powers and duties of the Board generally.**

7 The general supervision and administration of the free public school system shall be vested
8 in the State Board of Education. The State Board of Education shall establish policy for the
9 system of free public schools, subject to laws enacted by the General Assembly. The powers
10 and duties of the State Board of Education are defined as follows:

11 ...
12 (25) Duty to Report to Joint Legislative Education Oversight Committee. – Upon
13 the request of the Joint Legislative Education Oversight Committee, the
14 State Board shall examine and evaluate issues, programs, policies, and fiscal
15 information, and shall make reports to that Committee. Furthermore,
16 beginning October 15, 1997, and annually thereafter, the State Board shall
17 submit reports to that Committee regarding the continued implementation of
18 Chapter 716 of the 1995 Session Laws, 1996 Regular Session. Each report
19 shall include information regarding the composition and activity of
20 assistance teams, schools that received incentive awards, schools identified
21 as low-performing, ~~school improvement plans found to significantly~~
22 ~~improve student performance~~, personnel actions taken in low-performing
23 schools, and recommendations for additional legislation to improve student
24 performance and increase local flexibility."

25 **SECTION #.(b) G.S. 115C-47(38) is repealed.**

26 **SECTION #.(c) G.S. 115C-84.2(a)(1) reads as rewritten:**

27 "(1) (See notes) A minimum of 180 days and 1,000 hours of instruction covering
28 at least nine calendar months. The local board shall designate when the 180
29 instructional days shall occur. The number of instructional hours in an
30 instructional day may vary according to local board policy and does not have
31 to be uniform among the schools in the administrative unit. ~~Local boards~~
32 ~~may approve school improvement plans that include days with varying~~
33 ~~amounts of instructional time.~~ If school is closed early due to inclement



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1 weather, the day and the scheduled amount of instructional hours may count
2 towards the required minimum to the extent allowed by State Board policy.
3 The school calendar shall include a plan for making up days and
4 instructional hours missed when schools are not opened due to inclement
5 weather."

6 **SECTION #.(d)** G.S. 115C-84.2(a)(5) reads as rewritten:

7 "(5) The remaining days scheduled by the local board in consultation with each
8 school's principal for use as teacher workdays, additional instructional days,
9 or other lawful purposes. ~~Before consulting with the local board, each~~
10 ~~principal shall work with the school improvement team to determine the~~
11 ~~days to be scheduled and the purposes for which they should be scheduled.~~
12 Days may be scheduled and planned for different purposes for different
13 personnel and there is no requirement to schedule the same dates for all
14 personnel. In order to make up days for school closing because of inclement
15 weather, the local board may designate any of the days in this subdivision as
16 additional make-up days to be scheduled after the last day of student
17 attendance."

18 **SECTION #.(e)** G.S. 115C-98(b2) reads as rewritten:

19 "(b2) Local boards of education ~~may~~:

- 20 (1) ~~Select, may select,~~ procure, and use textbooks that have not been adopted by
21 the State Board of Education for use throughout the local school
22 administrative unit for selected grade levels and ~~courses; and courses.~~
23 (2) ~~Approve school improvement plans developed under G.S. 115C-105.27 that~~
24 ~~include provisions for using textbooks that have not been adopted by the~~
25 ~~State Board of Education for selected grade levels and courses.~~

26 All textbook contracts made under this subsection shall include a clause granting to the
27 local board of education the license to produce braille, large print, and audiocassette tape copies
28 of the textbooks for use in the local school administrative unit."

29 **SECTION #.(f)** G.S. 115C-105.20(b)(5) is repealed.

30 **SECTION #.(g)** G.S. 115C-105.25 reads as rewritten:

31 "**§ 115C-105.25. Budget flexibility.**

32 ...

33 (b) Subject to the following limitations, local boards of education may transfer and may
34 approve transfers of funds between funding allotment categories:

- 35 (1) ~~In accordance with a school improvement plan accepted under~~
36 ~~G.S. 115C-105.27, State funds allocated for teacher assistants may be~~
37 ~~transferred only for personnel (i) to serve students only in kindergarten~~
38 ~~through third grade, or (ii) to serve students primarily in kindergarten~~
39 ~~through third grade when the personnel are assigned to an elementary school~~
40 ~~to serve the whole school. Funds allocated for teacher assistants may~~
41 ~~be transferred to reduce class size or (iii) to reduce the student-teacher ratio~~
42 ~~in kindergarten through third grade so long as the affected teacher assistant~~
43 ~~positions are not filled when the plan is amended or approved by the~~

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1 ~~building level staff entitled to vote on the plan or the affected teacher~~
2 ~~assistant positions are not expected to be filled on the date the plan is to be~~
3 ~~implemented. filled.~~ Any State funds appropriated for teacher assistants that
4 were converted to certificated teachers before July 1, 1995, in accordance
5 with Section 1 of Chapter 986 of the 1991 Session Laws, as rewritten by
6 Chapter 103 of the 1993 Session Laws, may continue to be used for
7 certificated teachers.

- 8 (2) ~~In accordance with a school improvement plan accepted under~~
9 ~~G.S. 115C-105.27, (i) State funds allocated for classroom~~
10 ~~materials/instructional supplies/equipment may be transferred only for the~~
11 ~~purchase of textbooks; (ii) textbooks.~~ State funds allocated for textbooks
12 may be transferred only for the purchase of instructional supplies,
13 instructional equipment, or other classroom ~~materials; and (iii) materials.~~
14 State funds allocated for noninstructional support personnel may be
15 transferred only for teacher positions.

- 16 ...
17 (8) Funds allocated for academically or intellectually gifted students may be
18 used only (i) for academically or intellectually gifted students; (ii) to
19 implement the plan developed under G.S. 115C-150.7; or (iii) in accordance
20 with an accepted school improvement plan, for any purpose so long as that
21 school demonstrates it is providing appropriate services to academically or
22 intellectually gifted students assigned to that school in accordance with the
23 local plan developed under G.S. 115C-150.7.

24"

25 **SECTION #.(h) G.S. 115C-105.26 reads as rewritten:**

26 **"§ 115C-105.26. Waivers of State laws, rules, or policies.**

27 (a) ~~When included as part of a school improvement plan accepted under~~
28 ~~G.S. 115C-105.27, local~~ Local boards of education shall submit requests for waivers of State
29 laws, rules, or policies to the State Board of Education. A request for a waiver shall (i) identify
30 the school making the request, (ii) identify the State laws, rules, or policies that inhibit the
31 school's ability to improve student performance, (iii) set out with specificity the circumstances
32 under which the waiver may be used, and (iv) explain how the requested waiver will permit the
33 school to improve student performance. Except as provided in subsection (c) of this section, the
34 State Board shall grant waivers only for the specific schools for which they are requested and
35 shall be used only under the specific circumstances for which they are requested.

36 (b) ~~When requested as part of a school improvement plan, the~~ The State Board of
37 Education may grant waivers of:

- 38 (1) State laws pertaining to class size and teacher certification; and
39 (2) State rules and policies, except those pertaining to public school State salary
40 schedules and employee benefits for school employees, the instructional
41 program that must be offered under the Basic Education Program, the system
42 of employment for public school teachers and administrators set out in
43 G.S. 115C-287.1 and G.S. 115C-325, health and safety codes, compulsory

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attendance, the minimum lengths of the school day and year, and the Uniform Education Reporting System.

...."

SECTION #.(i) G.S. 115C-105.27 is repealed.

SECTION #.(j) G.S. 115C-105.30 is repealed.

SECTION #.(k) G.S. 115C-105.31(b)(3) is repealed.

SECTION #.(l) G.S. 115C-105.32 is repealed.

SECTION #.(m) G.S. 115C-105.33 reads as rewritten:

"§ 115C-105.33. Safe and orderly schools.

A ~~school improvement team or a~~ parent organization at a school may ask the local board of education to provide assistance in promoting or restoring safety and an orderly learning environment at a school. The ~~school improvement team or parent~~ organization shall file a copy of this request with the State Board. If the local board fails to provide adequate assistance to the school, then the ~~school improvement team or parent~~ organization may ask the State Board to provide an assistance team to the school.

The State Board may provide an assistance team, established under G.S. 115C-105.38, to a school in order to promote or restore safety and an orderly learning environment at that school if one of the following applies:

- (1) The local board of education or superintendent requests that the State Board provide an assistance team to a school and the State Board determines that the school needs assistance.
- (2) The State Board determines within 10 days after its receipt of the request for assistance from a ~~school improvement team or parent~~ organization of a school that the school needs assistance and that the local board has failed to provide adequate assistance to that school.

If an assistance team is assigned to a school under this section, the team shall spend a sufficient amount of time at the school to assess the problems at the school, assist school personnel with resolving those problems, and work with school personnel and others to develop a long-term plan for restoring and maintaining safety and an orderly learning environment at the school. The assistance team also shall make recommendations to the local board of education and the superintendent on actions the board and the superintendent should consider taking to resolve problems at the school. These recommendations shall be in writing and are public records. If an assistance team is assigned to a school under this section, the powers given to the State Board and the assistance team under G.S. 115C-105.38 and G.S. 115C-105.39 shall apply as if the school had been identified as low-performing under this Article."

SECTION #.(n) G.S. 115C-105.37A(a) reads as rewritten:

"(a) Definition of Continually Low-Performing Schools. – A continually low-performing school is a school that has received State-mandated assistance and has been designated by the State Board as low performing for at least two of three consecutive years. ~~If the State Board identifies a school as continually low performing:~~

- (1) ~~The school improvement team at that school shall review its school improvement plan to ensure consistency with the plan adopted pursuant to G.S. 115C-105.38(b)(3), and~~

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(2) ~~The plan must be reviewed and approved by the State Board of Education."~~

SECTION #.(o) G.S. 115C-105.38(b)(6) reads as rewritten:

"(6) Report, as appropriate, to the local board of education, the community, and the State Board on the school's progress. ~~If an assistance team determines that an accepted school improvement plan developed under G.S. 115C-105.27 is impeding student performance at a school, the team may recommend to the local board that it vacate the relevant portions of that plan and direct the school to revise those portions."~~

SECTION #.(p) G.S. 115C-105.47(b)(13) is repealed.

SECTION #.(q) G.S. 115C-174.12(a)(3) reads as rewritten:

"(3) No school shall participate in more than two field tests at any one grade level during a school year ~~unless that school volunteers, through a vote of its school improvement team, to participate in an expanded number of field tests without the approval of the principal of the school."~~

SECTION #.(r) G.S. 115C-238.31(a) reads as rewritten:

"(a) Local school administrative units are encouraged to implement extended services programs that will expand students' opportunities for educational success through high-quality, integrated access to instructional programming during nonschool hours. ~~Extended services programs may be incorporated into school improvement plans developed in accordance with G.S. 115C-105.27.~~ Calendar alternatives include, but are not limited to, after-school hours, before-school hours, evening school, Saturday school, summer school, and year-round school. Instructional programming may include, but is not limited to, tutoring, direct instruction, enrichment activities, study skills, and reinforcement projects."

SECTION #.(s) G.S. 115C-288(h) reads as rewritten:

"(h) ~~To Make Available School Budgets and School Improvement Plans.~~ Budgets. – The principal shall maintain a copy of the school's current ~~budget and school improvement plan, including any amendments to the plan,~~ budget and shall allow parents of children in the school and other interested persons to review and obtain such documents in accordance with Chapter 132 of the General Statutes."

SECTION #.(t) G.S. 115C-288(l) is repealed.

SECTION #.(u) G.S. 143B-146.6(b)(6) reads as rewritten:

"(6) Report, as appropriate, to the Secretary, the State Board, and the parents on the school's progress. ~~If an assistance team determines that an accepted school improvement plan developed under G.S. 143B-146.12 is impeding student performance at a school, the team may recommend to the Secretary that he vacate the relevant portions of that plan and direct the school to revise those portions."~~

SECTION #.(v) G.S. 143B-146.12 is repealed.

SECTION #.(w) G.S. 115C-47(32a) reads as rewritten:

"(32a) To Establish Alternative Learning Programs and Develop Policies and Guidelines. – Each local board of education shall establish at least one alternative learning program and shall adopt guidelines for assigning students to alternative learning programs. These guidelines shall include (i) a

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description of the programs and services to be provided, (ii) a process for ensuring that an assignment is appropriate for the student and that the student's parents are involved in the decision, and (iii) strategies for providing alternative learning programs, when feasible and appropriate, for students who are subject to long term suspension or expulsion. In developing these guidelines, local boards shall consider the State Board's standards developed under G.S. 115C-12(24). ~~Upon adoption of policies and guidelines under this subdivision, local boards are encouraged to incorporate them in their safe school plans developed under G.S. 115C-105.47.~~

The General Assembly urges local boards to adopt policies that prohibit superintendents from assigning to any alternative learning program any professional public school employee who has received within the last three years a rating on a formal evaluation that is less than above standard.

Notwithstanding this subdivision, each local board shall adopt policies based on the State Board's standards developed under G.S. 115C-12(24). These policies shall apply to any new alternative learning program or alternative school that is implemented beginning with the 2006-2007 school year. Local boards of education are encouraged to apply these standards to alternative learning programs and alternative schools implemented before the 2006-2007 school year.

Local boards shall assess on a regular basis whether the unit's alternative schools and alternative learning programs comply with the State Board's standards developed under G.S. 115C-12(24) and whether they incorporate best practices for improving student academic performance and reducing disruptive behavior, are staffed with professional public school employees who are well trained and provided with appropriate staff development, are organized to provide coordinated services, and provide students with high quality and rigorous academic instruction."

SECTION #.(x) G.S. 115C-105.27(b)(2) reads as rewritten:

"(2) Shall include a plan to address school safety and discipline ~~concerns in accordance with the safe school plan developed under Article 8C of this Chapter; concerns.~~"

SECTION #.(y) G.S. 115C-105.46 reads as rewritten:

"§ 115C-105.46. State Board of Education responsibilities.

In order to implement this Article, the State Board of Education:

- (1) ~~Shall adopt guidelines for developing local plans under G.S. 115C-105.47.~~
- (2) ~~Shall provide, in cooperation with the Board of Governors of The University of North Carolina, ongoing technical assistance to the local school administrative units in the development, implementation, and evaluation of their local plans under G.S. 115C-105.47.~~
- (3) ~~May require a local board of education to withhold the salary of any administrator or other employee of a local school administrative unit who~~

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~~delays or refuses to prepare and implement local safe school plans in accordance with G.S. 115C-105.47.~~

(4) ~~May revoke the certificate of the superintendent, pursuant to G.S. 115C-274(c), for failure to fulfill the superintendent's duties under a local safe school plan.~~

(5) Shall adopt policies that define who is an at-risk student."

SECTION #.(z) G.S. 115C-105.47 is repealed.

SECTION #.(aa) G.S. 115C-102.6C is repealed.

SECTION #.(bb) G.S. 115C-102.6D(d) is repealed.

SECTION #.(cc) G.S. 115C-102.7 reads as rewritten:

"§ 115C-102.7. Monitoring and evaluation of State and local school system technology plans; reports.

(a) The Department of Public Instruction shall monitor and evaluate the development and implementation of the State and local school system technology plans. technology plan. The evaluation shall consider the effects of technology on student learning, the effects of technology on students' workforce readiness, the effects of technology on teacher productivity, and the cost-effectiveness of the technology.

(a1) Repealed by Session Laws 1997-18, s. 15(k).

(b) Repealed by Session Laws 2009-451, s. 7.31, effective July 1, 2009.

(c) ~~The Department of Public Instruction shall randomly check local school system technology plans to ensure that local school administrative units are implementing their plans as approved. The Department shall report to the State Board of Education on which local school administrative units are not complying with their plans. The report shall include the reasons these local school administrative units are out of compliance and a recommended plan of action to support each of these local school administrative units in carrying out their plans."~~

SECTION #.(dd) Section 7.61(b) of S.L. 2005-76, as rewritten by Section 7.22(d) of S.L. 2010-31, is repealed."; and

moves to amend the House Appropriations Subcommittee on Education Special Provision Report on page 75, line 2,

By adding after that page the following new special provisions:

"TRANSFER NORTH CAROLINA ARBORETUM RESPONSIBILITIES TO WESTERN CAROLINA

SECTION #.(a) G.S. 116-242 reads as rewritten:

'§ 116-242. Administration of Arboretum; acceptance of gifts and grants.

The Arboretum shall be administered by The University of North Carolina and through the Board of Directors established in G.S. 116-243. State funds for the administration of the Arboretum shall be appropriated to The University of North Carolina ~~for the University of North Carolina at Asheville. The~~ for Western Carolina University to administer on behalf of the arboretum. The North Carolina Arboretum and The University of North Carolina may receive gifts and grants to be used for development or operation of the Arboretum."

SECTION #.(b) G.S. 116-243 reads as rewritten:

'§ 116-243. Board of directors established; appointments.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

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

H200-ALH-20 [v.5]

Page 8 of 10

1 A board of directors to govern the operation of the Arboretum is established, to be
2 appointed as follows:

- 3 (1) Two by the Governor, initially, one for a two-year term, and one for a
4 four-year term. Successors shall be appointed for four-year terms.
- 5 (2) Two by the General Assembly, in accordance with G.S. 120-121, upon the
6 recommendation of the President Pro Tempore of the Senate, initially, one
7 for a two-year term, and one for a four-year term. Successors shall be
8 appointed for four-year terms.
- 9 (3) Two by the General Assembly, in accordance with G.S. 120-121, upon the
10 recommendation of the Speaker of the House of Representatives, initially,
11 one for a two-year term, and one for a four-year term. Successors shall be
12 appointed for four-year terms.
- 13 (4) The President of The University of North Carolina or the President's
14 designee to serve ex officio.
- 15 (4a) Two by the President of The University of North Carolina. Members shall
16 be appointed for four-year terms except that the initial terms shall be as
17 provided otherwise by law.
- 18 ~~(5) The chancellors, chief executive officers, or their designees of the following~~
19 ~~institutions of higher education: North Carolina State University, Western~~
20 ~~Carolina University, The University of North Carolina at Asheville, Mars~~
21 ~~Hill College, and Warren Wilson College, to serve ex officio.~~
- 22 ~~(6) The President of Western North Carolina Arboretum, Inc., to serve ex~~
23 ~~officio.~~
- 24 (7) Six-Eight by the Board of Governors of The University of North Carolina,
25 initially, ~~three for one-year terms, and three for three-year terms.~~ Successors
26 shall be appointed for four-year terms. One shall be an active grower of
27 nursery stock, and one other shall represent the State's garden
28 clubs. Members shall be appointed for four year terms except that the initial
29 terms shall be as otherwise provided by law.
- 30 (8) The executive director of the Arboretum ~~and the Executive Vice President of~~
31 ~~Western North Carolina Development Association shall serve ex officio as~~
32 ~~nonvoting members of the board of directors.~~ a nonvoting member of the
33 Board of Directors.
- 34 (9) The President of The North Carolina Arboretum Society, Inc., to serve ex
35 officio.

36 All appointed members may serve two full four-year terms following the initial
37 appointment and then may not be reappointed until they have been absent for at least one year.
38 Members serve until their successors have been appointed. Appointees to fill vacancies serve
39 for the remainder of the unexpired term. Vacancies in appointments made by the General
40 Assembly shall be filled in accordance with G.S. 120-122. Initial terms begin ~~July 1, 1986~~ July
41 1, 2011.

42 ~~The chairman of the board of directors~~ Chair of the Board of Directors shall be elected
43 biennially by majority vote of the directors.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

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

H200-ALH-20 [v.5]

Page 9 of 10

1 The ~~executive director~~ Executive Director of the Arboretum shall report to the ~~board of~~
2 ~~directors~~ President of The University of North Carolina or the President's designee and to the
3 Board of Directors.

4 **SECTION #. (c)** G.S. 116-244 reads as rewritten:

5 **'§ 116-244. Duties of board of directors.**

6 The ~~board of directors~~ Board of Directors of the Arboretum has the following duties and
7 responsibilities:

- 8 (1) Development of the policies and procedures concerning the use of the land
9 and facilities being developed as part of the Western North Carolina
10 Arboretum, Inc.;
- 11 (2) Approval of plans for any buildings to be constructed on the facility;
- 12 (3) Maintenance and upkeep of buildings and all properties;
- 13 (4) Approval of permanent appointments to the staff of the Arboretum;
- 14 (5) Recommendations to the General Administration of candidates for ~~executive~~
15 ~~director~~ Executive Director of the Arboretum;
- 16 (6) Recommendations to the General Administration for necessary termination
17 of the ~~executive director~~ Executive Director or other personnel of the
18 Arboretum;
- 19 (7) Ensurance of appropriate liaison between the Arboretum and the U. S. Forest
20 Service, the National Park Service, the Western North Carolina Arboretum,
21 Inc., The North Carolina Arboretum Society, Inc., Bent Creek Institute, Inc.,
22 Centers for Environmental and Climatic Interaction, Inc., NOAA
23 Cooperative Institute for Climate and Satellites and other scientific and
24 economic development agencies and organizations of interest to and
25 involved in the work at the Arboretum;
- 26 (8) Development of various policies and directives, including the duties of the
27 ~~executive director~~, Executive Director to be prepared jointly by the members
28 of the ~~board of directors and the executive director~~, Board of Directors and
29 the Executive Director;
- 30 (9) Approval of annual expenditures and budget requests to be submitted to ~~the~~
31 ~~Board of Governors~~, The University of North Carolina General
32 Administration.

33 The ~~board of directors~~ Board of Directors shall meet at least twice a year, and more
34 frequently on the call of the ~~chairman~~ Chair or at the request of at least 10 members of the
35 ~~board~~ Board. Meetings shall be held at the Arboretum, ~~the University of North Carolina at~~
36 ~~Asheville, or Western Carolina University~~, any campus of a constituent institution of The
37 University of North Carolina, or at other public locations in support of the Arboretum mission
38 and purposes.

39 **SECTION #. (d)** Effective July 1, 2011, the President of The University of North
40 Carolina shall appoint one member pursuant to G.S. 116-243(4a) as enacted by subsection (b)
41 of this Section to serve an initial term of two years to end July 1, 2013, and one member to
42 serve an initial term of four years to end July 1, 2015; successors shall be appointed to four
43 year terms as provided by G.S. 116-243. Effective July 1, 2011, the Board of Governors of The

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

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

H200-ALH-20 [v.5]

Page 10 of 10

1 University of North Carolina shall appoint one of the new members to be added to Board of
2 Directors pursuant to G.S. 116-243(7) as amended by subsection (b) of this Section to serve an
3 initial term of two years to end July 1, 2013, and the other new member to be added to serve an
4 initial term of four years to end July 1, 2015; successors shall be appointed to four year terms
5 as provided by G.S. 116-243."

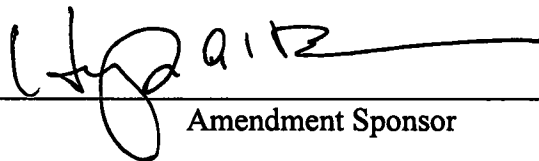
6
7 **"SPECIAL RESPONSIBILITY CONSTITUENT INSTITUTION/ANNUAL AUDIT BY**
8 **CERTIFIED PUBLIC ACCOUNTANT**

9 SECTION #. Article 1 of Chapter 116 of the General Statutes is amended by
10 adding a new section to read:

11 **'§ 116-30.8. Special responsibility constituent institutions: annual audit by certified public**
12 **accountant.**

13 Each special responsibility constituent institution shall be audited annually by a certified
14 public accountant. The Chancellor of the special responsibility constituent institution, with the
15 approval of the Board of Trustees of the institution, shall contract with a certified public
16 accountant to perform the annual audit. The audit shall be provided to the Chancellor and
17 Board of Trustees of the special responsibility institution, the Board of Governors of The
18 University of North Carolina, and the State Auditor. The audit shall also be included in the
19 State's Comprehensive Annual Financial Report (CAFR). The special responsibility constituent
20 institution may use State funds to contract with a certified public accountant to perform the
21 audit."
22
23
24
25
26
27

SIGNED



Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 1
(to be filled in by
Principal Clerk)

Page 1 of 1

H200-ALE-28 [v.1]

**Comm. Sub. [NO]
Amends Title [NO]
EDUC SP Report**

Date _____, 2011

Representative Holloway

**moves to amend the House Appropriations Subcommittee on Education Special Provision Report on page 65, lines 24-26,
by rewriting those lines to read:**

"SECTION #.(b) In allocating the management flexibility reduction, no reduction shall be made to funding for any of the following:

- (1) Hickory Metro Higher Education Center.
- (2) Need-based Financial Aid.
- (3) Aid to Private Colleges.
- (4) Joint Graduate School of Nanoscience and Nanoengineering at North Carolina Agricultural and Technical State University and the University of North Carolina at Greensboro.
- (5) The North Carolina Research Campus."; and

On page 50, line 12, by adding a new paragraph after the line to read:

"There shall be no reduction in funds allocated to Rowan-Cabarrus Community College for the Biotechnology Training Center at the North Carolina Research Campus."

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

TABLED





NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 2
(to be filled in by
Principal Clerk)

H200-ALE-25 [v.3]

Page 1 of 1

Comm. Sub. [NO].
Amends Title [NO]
2011-DPI-16

Date 2011

Representative Blackwell

1 moves to amend the House Appropriations Subcommittee on Education, House Budget
2 Recommendations, on page 10, item 61, by adding a new sentence at the end of the item to
3 read:

4
5 "Of these funds, up to \$75,000 may be used to support curriculum development, materials,
6 and training for Small Business Centers."
7

SIGNED

H. Q. Blackwell
Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



* H 2 0 0 - A L E - 2 5 - V - 3 *

House Committee Pages / Sergeants at Arms

NAME OF COMMITTEE EDUC. APPROP

DATE: 4/20 Room: 4/21

*Name: David Qja

County: Cumberland

Sponsor: Diane Parfitt

*Name: Cameron Martin

County: Wake

Sponsor: Thom Tillis

*Name: _____

County: _____

Sponsor: _____

*Name: _____

County: _____

Sponsor: _____

*Name: _____

County: _____

Sponsor: _____

House Sgt-At Arms:

1. Name: _____

4. Name: _____

2. Name: _____

5. Name: _____

3. Name: _____

6. Name: _____

Committee Sergeants at Arms

NAME OF COMMITTEE App. Education

DATE: 4-20-2011 Room: 421

House Sgt-At Arms:

1. Name: Reggie Sills

2. Name: Champ Clark

3. Name: _____

4. Name: _____

5. Name: _____

Senate Sgt-At Arms:

1. Name: _____

2. Name: _____

3. Name: _____

4. Name: _____

5. Name: _____

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education
Name of Committee

April 20, 2011 AM
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Tim McInerney	NCICU
Emily Doyle	NCPAPA
Jay Schalin	Pope Center
Cheryl Posner-Cahill	NC School Psych Assoc
Dawn S. Pope	Office of the Governor
M Hill	NC SBE
Lynn Hooper	EGH
Elizabeth Brewster	OSBM
Jay E. Cobb	OSBM
Tom Seaman	OSBM
Bryan Conrad	OSBM

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

April 20, 2011 AM

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
<i>[Signature]</i>	TA
<i>Lathane Joyce</i>	NCAST
<i>M. H. H. H.</i>	NCCIU
<i>Chine Franklin</i>	NCAT
<i>Jim Ayn</i>	EL Consultant
<i>John Norris</i>	PSF
<i>Harry Hobbs</i>	STATE
<i>John A. H. H.</i>	Perity Group
<i>Gene Causby</i>	NC 504
<i>Carolyn McKinney</i>	NC PRSC
<i>John Perkins</i>	Perkins Law

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

April 20, 2011 AM

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Paul Fogelson	HTC
Joni Alby	BEGINNINGS
Meredith Swindell	The Policy Group
Lesley Cates	UNC
Ann McCall	SBE
Phil Price	DPI
Mike Tanant	UNCG
Marge Forman	NCAE
Will Stronach	Capstrat
Kevin Fitzgerald	VNC
Erin Schuddeppel	UNC-CH

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education
Name of Committee

April 20, 2011 AM
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kevin Howell	NCSU - Go Pack! Go Tri. Heels!
Emily Grimm	MWC
Matt Howell	NCSBA
Hinda Banda	NCAE
Mitchell Lewis	UNC-TV
Jennifer Wilks	NCCCS
Timothy Hyatt	NCEC
Gowtha Prith	UNC - GA
Larry Deane	DRNC
OPR	UNC - GA
Lyons Gray	UNC - GA

VISITOR REGISTRATION SHEET

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME**FIRM OR AGENCY AND ADDRESS**

Ant. Wolkow

UNC 654

Clinton F. Melick

all well

[Handwritten signature]

NS

Eleanor Henderson

INCREASE

Leone Nimia

WCSBA

Phil Raper

$$F_{CU}$$

MINUTES
HOUSE APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION

Thursday, April 21, 2011, 8:30 a. m.

The House Appropriations Subcommittee met in room 421 of the Legislative Office Building on Thursday, April 21, 2011 at 8:30 a. m. Representative Bryan Holloway, Co-Chair, presided over the meeting. The following House members were present: Representatives Blackwell and Hilton, Co-Chairs, Representatives Pridgen and Sanderson, Vice-Chairs, Representatives Avila, Bell, Blust, Brown, Glazier, Jeffus, Lucas, McLawhorn, Michaux, Parmon and Stam. Members of the Education Fiscal Research Division were also in attendance. A Visitor Registration Sheet is attached and made part of these minutes.

Chairman Holloway called the meeting to order and recognized the Sergeant-at- Arms and pages.

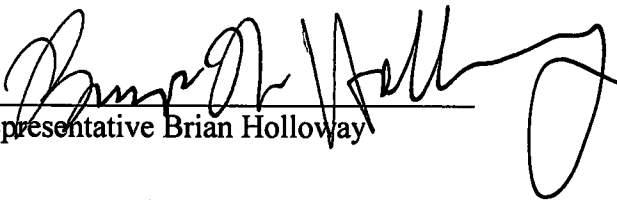
- Amendment 1: Blackwell (Attachment #1). Adopted
- Amendment 2: Blackwell (Attachment #2). Adopted
- Amendment 3: Stam (Attachment # 3). Tabled
- Amendment 4: Holloway (Attachment #4). Adopted
- Amendment 5: Blust (Attachment #5). Tabled
- Amendment 6: McLawhorn (Attachment # 6). Adopted
- Amendment 7: Holloway (Attachment #7). Adopted
- Amendment 8: Blackwell (Attachment # 8). Adopted
- Amendment 9: Holloway (Attachment #9). Adopted
- Amendment 10: Parmon (Attachment #10). Adopted
- Amendment 11: Glazier (Attachment # 11). Adopted
- Amendment 12: Glazier (Attachment #12). Adopted
- Amendment 13: Glazier (Attachment #13). Failed
- Amendment 14: Avila (Attachment #14). Withdrawn
- Amendment 15: Stam (Attachment #15). Failed
- Amendment 16: Glazier (Attachment #16). Withdrawn
- Amendment 17: Lucas (Attachment #17). Adopted
- Amendment 18: Glazier (Attachment #18). Tabled
- Amendment 19: Glazier (Attachment #19). Adopted
- Amendment 20: Glazier (Attachment #20). Failed
- Amendment 21: Blackwell (Attachment #21). Adopted
- Amendment 22: Jeffus (Attachment #22). Adopted
- Amendment 23: Glazier (Attachment #23). Adopted
- Amendment 24: Parmon (Attachment #24). Tabled
- Amendment 25: Jeffus (Attachment #25). Tabled
- Amendment 26: Jeffus (Attachment #26). Failed
- Amendment 27: Blust (Attachment #27). Adopted

Amendment 28: Blackwell (Attachment #28). Adopted
Amendment 29: Glazier (Attachment #29). Adopted
Amendment 30: Jeffus (Attachment #30). Failed
Amendment 31: Blackwell (Attachment #31). Adopted
Amendment 32: Avila (Attachment #32). Adopted

Representative Stam moved to adopt the House Appropriations Subcommittee on Education Reports on Special Provisions and Budget Recommendations as amended and to engross those changes, and further moves to give legislative staff authority to make technical and conforming changes. Roll Call nine in favor and seven oppose; the motion carries.

The meeting adjourned at 11:50 a. m.

Respectfully submitted,


Representative Brian Holloway


Carol Wilson, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2011-2012 SESSION**

You are hereby notified that the Committee on **Appropriations Subcommittee on Education** will meet as follows:

DAY & DATE: Thursday, April 21, 2011

TIME: 8:30 am

LOCATION: 421 LOB

COMMENTS:

Budget

Respectfully,
Representative Blackwell, Chair
Representative Hilton, Chair
Representative Holloway, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **10 AM** o'clock on **April 15, 2011**.

- ☐ Principal Clerk
- ☐ Reading Clerk – House Chamber

Carol Wilson (Committee Assistant)

House Appropriations Subcommittee on Education

Agenda

Thursday, April 21, 2011, 8:30 A.M.

**Room 421, Legislative Office Building
Representative Bryan Holloway, Presiding**

- I. Welcome**
Representative Holloway
- II. Consideration of Recommended House Budget**
- III. Adjourn**

House Appropriations Subcommittee on Education

Rep. Blackwell, Chair
Rep. Hilton, Chair
Rep. Holloway, Chair
Rep. Pridgen, Vice Chair
Rep. Sanderson, Vice Chair

Members: Rep. Avila, Rep. Bell, Rep. Blust, Rep. L. Brown,
Rep. Glazier, Rep. Jeffus, Rep. Lucas,
Rep. McLawhorn, Rep. Michaux, Rep. Parmon,
Rep. Stam

ATTENDANCE

House Appropriations Subcommittee on Education

(Name of Committee)

[illegible]



13



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 2
(to be filled in by
Principal Clerk)

H200-ALH-14 [v.2]

Page 1 of 1

Comm. Sub. [NO]
Amends Title [NO]
Educ SP Report

Date , 2011

Representative Blackwell

1 moves to amend the House Appropriations Subcommittee on Education Special Provision
2 Report on page 65, line 26,
3 by adding at the end of that line the following:
4 "SECTION #.(c) In allocating the management flexibility reduction, State funds
5 for agricultural research stations operated by The University of North Carolina shall not be
6 reduced in either fiscal year of the biennium by more than ten percent (10%) from the
7 Governor's Recommended Continuation Budget for the 2011-2013 fiscal biennium."
8
9
10
11

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* H 2 0 0 - A L H - 1 4 - V - 2 *





NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 5
(to be filled in by
Principal Clerk)

H200-ALE-45 [v.1]

Page 1 of 1

Comm. Sub. [NO]
Amends Title [NO]

Date _____, 2011

Representative Blust

moves to amend the House Appropriations Subcommittee on Education, House Special Provision Recommendations, on page 39, by adding after the page the following new special provision:

"65% OF SCHOOL FUNDING MUST BE USED FOR CLASSROOM INSTRUCTION

SECTION #.(a) Article 30 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-408.1. Duty to ensure that sixty-five percent of State funds for the operations of the public schools are used for classroom instruction.

Notwithstanding any other provision of law, the State Board of Education shall modify its allotment formulas, modify its rules regarding the expenditure of State funds, and transfer funds, as necessary, to ensure that each local administrative unit spends on classroom instruction at least sixty-five percent (65%) of the State funding it receives for the operations of the public schools. The State Board of Education shall adopt rules to implement this section. Classroom instruction spending includes, but is not limited to, the salaries and benefits for teachers, teacher assistants, and media specialists; instructional supplies and equipment; school building utility costs; school building maintenance costs; textbook and supplemental book costs; and physical education supplies and equipment."

SECTION #.(b) This section applies to expenditures for school years beginning with the 2012-2013 school year."

SIGNED Jim M. Rhee
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED ☒





NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

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

7

Page 1 of 1

H200-AMH-34 [v.3]

Comm. Sub. [NO]
Amends Title [NO]
2011-DPI-H19

Date _____, 2011

Representative Holloway

1 moves to amend the Special Provision package of the Education Subcommittee Report on page
2 30, by rewriting Special Provision 2011-DPI-H19 to read:

3 "PHASEOUT OF ALLOTMENT OF TEACHERS FOR GEOGRAPHICALLY
4 ISOLATED SCHOOLS

5 **SECTION #.(a).** Section 7.26 of S.L. 2009-451 is repealed.

6 **SECTION #.(b).** For the 2011-2012 fiscal year, the State Board of Education shall
7 modify its policy on the allotment of additional classroom teachers to a school containing
8 grades K-12 and located in a local school administrative unit in which the average daily
9 membership is less than 1.5 per square mile in order to allot four additional teachers to the
10 geographically isolated school."; and

12 moves to amend the Budget Recommendations of the Education Subcommittee Report on page
13 F2, Item 14, by rewriting the appropriation for 2011-2012 to read: "**(\$79,346,968) NR**";

15 and on page F4, Item 29, by rewriting the appropriation for 2011-2012 to read: "(\$192,035) R";
16 and by rewriting the description of that item to read: "Phases out support for the additional
17 teaching positions provided to one school district with the characteristics required under
18 Section 7.26 of S.L. 2009-451, as amended."

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

TABLED



* H 2 0 0 - A M H - 3 6 - V - 3 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 8
(to be filled in by
Principal Clerk)

H200-ALE-38 [v.1]

Page 1 of 2

Comm. Sub. [NO]
Amends Title [NO]

Date _____, 2011

Representative Blackwell

moves to amend the House Appropriations Subcommittee on Education, House Special Provision Recommendations, on page 3, lines 28-35, by deleting the lines and substituting the following:

"b. The most efficient and effective way to provide opportunities for high school students to access higher education, including the following:

1. Models of specific instructional pathways to higher education, including the following:

- a. A Career Technical Education Pathway (CTE), leading to a certificate or diploma aligned with one or more high school Tech Prep Career Clusters.
- b. A College Transfer Pathway leading to a college transfer certificate requiring successful completion of eight college transfer course, including English and Mathematics.
- c. A school-specific pathway, including Learn and Earn schools and other Cooperative and Innovative High Schools approved under Article 16, Part 9 of Chapter 115C of the General Statutes.
- d. Other pathways, including the Governor's Proposed Career and College Promise Program.



* H 2 0 0 - A L E - 3 8 - V - 1 *

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

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

H200-ALE-38 [v.1]

Page 2 of 2

1
2
3
4
5

2. Revising statutes for high school students in higher education."

SIGNED



Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

☒

FAILED

TABLED

AMENDMENT NO. 10
(to be filled in by
Principal Clerk)

Date _____, 2011

* H 2 0 0 - A L H - 3 2 - V - 1 *



AMENDMENT NO. 11
(to be filled in by
Principal Clerk)

Page 1 of 1

H200-AMH-37 [v.1]

Comm. Sub. [NO]
Amends Title [NO]
House Education Approps.

Date _____, 2011

Representative Glazier

1 moves to amend the House Appropriations Subcommittee on Education, House Budget
2 Recommendations, on pages F5 and F6 by eliminating items 36 through 44;
3
4 and on page F5, by creating a new item between items 35 and 45 to read:
5 **"DPI Management Flexibility Reduction** \$6,403,751 (R) \$6,403,751 (R)
6 **Enables the Department to identify staffing and operating efficiencies."**
7

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

TABLED



4514



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 12
(to be filled in by
Principal Clerk)

H200-ALE-34 [v.2]


Page 1 of 1

Comm. Sub. [NO]
Amends Title [NO]

Date _____, 2011

Representative Glazier

- 1 moves to amend the House Appropriations Subcommittee on Education, House Special
2 Provision Recommendations, on page 34, line 9, by deleting the sentence that begins on line 9.
3

SIGNED 
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ✓ FAILED _____ TABLED _____



* H 2 0 0 - A L E - 3 4 - V - 2 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 13
(to be filled in by
Principal Clerk)

H200-ALH-26 [v.3]

Page 1 of 1

Comm. Sub. [NO]
Amends Title [NO]
Educ Money Report

Date 2011

Representative Glazier

1 moves to amend the House Appropriations Subcommittee on Education Budget
2 Recommendations on page F-15, by deleting Item 87; and
3 by adding a new item on that page to read as follows:
4

5 "87a Tuition Increase (\$8,640,045)R (\$8,640,045)R
6 Increases annual tuition for undergraduate
7 and graduate resident and nonresident
8 students by an amount equal to 0.8%
9 of 2010-2011 academic year tuition rates
10 at all constituent institutions.";
11

12 And by adjusting the appropriate totals accordingly.
13
14

SIGNED 
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED ✓ TABLED _____



* H 2 0 0 - A L H - 2 6 - V - 3 *



AMENDMENT NO. 14
(to be filled in by
Principal Clerk)

Page.1 of 1

H200-ALE-46 [v.1]

Comm. Sub. [NO]
Amends Title [NO]

Date _____, 2011

Representative Avila

moves to amend the House Appropriations Subcommittee on Education, House Budget Recommendations, on page F2, item 12, by increasing the cut for each year by \$1,500,000 in recurring funds; and

on page F2, item 11, by reducing the cut for each year by \$1,500,000 in recurring funds.

Maile W. Amila
Amendment Sponsor

Committee Chair if Senate Committee Amendment

TABLED



Avila

***Enrollment Data includes 2007-2008, 2008-2009, 2009-2010 and Spring 2011 school years**

First Name	Last Name	County	Enrollment	Total			
Hugh	Blackwell	Burke	58	58			
Mark	Hilton	Catawba	475	475			
Bryan	Holloway	Rockingham	53	115			
		Stokes	62				
G.L.	Pridgen	Hoke	11	475			
		Robeson	184				
		Scotland	280				
Norman	Sanderson	Craven	45	79			
		Pamlico	34				
Marilyn	Avila	Wake	253	253			
Larry	Bell	Sampson	245	430			
		Wayne	185				
John	Blust	Guilford	440	440			
Larry	Brown	Davidson	70	454			
		Forsyth	384				
Rick	Glazier	Cumberland	91	91			
Maggie	Jeffus	Guilford	440	440			
Marvin	Lucas	Cumberland	91	91			
Marian	McLawhorn	Pitt	28	28			
Mickey	Michaux	Durham	109	109			
Earline	Parmon	Forsyth	384	384			
Paul	Stam	Wake	253	253			

*Enrollment Data includes 2007-2008, 2008-2009, 2009-2010 and Spring 2011 school years

20



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 15
(to be filled in by
Principal Clerk)

Page 1 of 1

H200-ALH-21 [v.3]

Comm. Sub. [NO]
Amends Title [NO]
EDUC SP Report

Date 2011

Representative Stam

1 moves to amend the House Appropriations Subcommittee on Education Special Provisions
2 Report on page 62, by rewriting that special provision to read:

3 **"FISCAL ACCOUNTABILITY AND FLEXIBILITY**

4 **SECTION #.(a)** Notwithstanding G.S. 116-30.2, a special responsibility
5 constituent institution shall not increase the State appropriation for any program or line item
6 reduced by this Act.

7 **SECTION #. (b)** Subsection (a) of this section does not apply to the subsidy for
8 UNC Hospitals."

9
10
11
12
13
SIGNED *Stam*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED ✓ TABLED _____



* H 2 0 0 - A L H - 2 1 - V - 3 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 16
(to be filled in by
Principal Clerk)

H200-ALH-27 [v.2]

Page 1 of 1

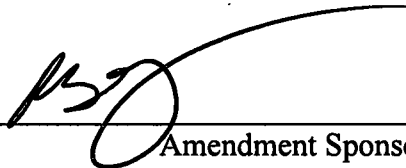
Comm. Sub. [NO]
Amends Title [NO]
EDUC SP Report

Date 2011

Representative Glazier

- 1 moves to amend the House Appropriations Subcommittee on Education Special Provision
2 Report on page 66 by deleting the provision on that page.
3
4

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

TABLED



* H 2 0 0 - A L H - 2 7 - V - 2 *



AMENDMENT NO. 17
(to be filled in by
Principal Clerk)

H200-AMH-35 [v.1]

Date _____, 2011

Representative Lucas

1 moves to amend the House Appropriations Subcommittee on Education, House Budget
2 Recommendations, on page F2, item 14, by increasing the cut for each year by \$5,000,000 in
3 recurring funds;
4
5 and on page F3, item 18, by decreasing the cut for each year by \$5,000,000 in recurring funds.
6

Martin Lucas
Amendment Sponsor

Committee Chair if Senate Committee Amendment



TABLED





21



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 20
(to be filled in by
Principal Clerk)

H200-ALE-44 [v.1]

Page 1 of 1

Comm. Sub. [NO]
Amends Title [NO]

Date _____, 2011

Representative Glazier

- 1 moves to amend the House Appropriations Subcommittee on Education, House Budget
2 Recommendations, on page F2, item 14, by increasing the cut for each year by \$2,000,000 in
3 recurring funds; and
4
5 on page F6, item 49, by reducing the cut for each year by \$2,000,000 in recurring funds.
6
7

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

✓

TABLED



* H 2 0 0 - A L E - 4 4 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 21
(to be filled in by
Principal Clerk)

H200-AMH-33 [v.4]

Page 1 of 2

Comm. Sub. [NO]
Amends Title [NO]
House Educ. SP Package

Date , 2011

Representative Blackwell

1 moves to amend the Special Provision package of the Education Subcommittee Report on page
2 39 by inserting the following after that page:

3
4 **"RESIDENTIAL SCHOOLS**

5 **SECTION #.(a).** Notwithstanding any other provision of this act, the Department
6 of Public Instruction shall not close the Governor Morehead School for the Blind, the Eastern
7 North Carolina School for the Deaf, or the North Carolina School for the Deaf (the "residential
8 schools") nor consolidate all operations of any of the residential schools on the campus of
9 another residential school until an enactment of the General Assembly instructs the Department
10 to do so.

11 **SECTION #.(b).** The Department of Public Instruction shall ensure that the
12 residential and instructional schedules for the residential schools that were in effect before
13 February 8, 2010 shall remain in effect unless the General Assembly approves a material
14 change to the instructional week. Residential students shall have the opportunity to arrive at
15 their respective schools on the evening of the day before commencement of academic
16 instruction for the week. The Department shall also maintain summer school programming at
17 the residential schools in substantially the same manner as in prior years and shall not make no
18 material changes to summer school programming without the approval of the General
19 Assembly.

20 **SECTION #.(c).** The Department of Public Instruction may create a principal
21 position at each residential school not currently assigned a principal position from funds
22 appropriated in this act for the residential schools.

23 **SECTION #.(d).** The position of superintendent for the residential schools within
24 the Department of Public Instruction is eliminated. The Department shall designate one of the
25 directors of the residential schools to serve as the superintendent for the residential schools. Of
26 funds previously appropriated to the Department for the position of superintendent for the
27 residential schools, the sum of \$20,000 shall be used to supplement the salary of the director
28 who also serves as superintendent of residential schools. The remaining funds shall be used to
29 offset other reductions to the residential schools made in this act."

30
31 and moves to amend the Budget Recommendations of the Education Subcommittee Report on
32 page F7, Item 51, by rewriting the appropriations to read:
33



* H 2 0 0 - A M H - 3 3 - V - 4 *

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200


AMENDMENT NO. 21
(to be filled in by
Principal Clerk)

H200-AMH-33 [v.4]

Page 2 of 2

1 " 2011-12 2012-13
2 (1,554,181) R (1,554,181)"
3 and on page F7, by adding a new item 53 to read:
4 "53 **Eliminate Superintendent of Residential Schools for the Deaf and Blind**
5 2011-12 2012-13
6 (137,264) (137,264)
7 -1 -1
8 Eliminates State funding for the superintendent of residential schools position within DPI. A
9 related provision in Section 7.X uses these funds to designate one school director as the
10 superintendent of residential schools and supplement the salary of that position and remaining
11 funds to offset other cuts."
12

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 22
(to be filled in by
Principal Clerk)

Page 1 of 2

H200-ALH-28 [v.1]

Comm. Sub. [NO]
Amends Title [NO]
EDUC SP Report

Date 2011

*Continuation
Review*

Representative Jeffus

1 moves to amend the House Appropriations Subcommittee on Education Special Provision
2 Report on page 58, lines 1-18 by rewriting those lines to read:

3 **"CENTER FOR PUBLIC TELEVISION CONTINUATION REVIEW**

4 **SECTION #.(a)** A continuation review of the Center for Public Television shall
5 be prepared jointly by The University of North Carolina General Administration and The
6 University of North Carolina Center for Public Television. The review shall be submitted to the
7 House of Representatives and Senate Appropriations Subcommittees on Education no later than
8 March 31, 2012. The written report shall include the information listed in subsection (b) of this
9 section.

10 **SECTION #.(b)** The continuation review required by this section shall include all
11 of the following information:

- 12 (1) A description of the services provided by the Center for Public Television
13 and its mission, goals, and objectives.
- 14 (2) The program's statutory objectives and the problem or need addressed.
- 15 (3) The extent to which the program's objectives have been achieved.
- 16 (4) The program's functions or programs performed without specific statutory
17 authority.
- 18 (5) The program's performance measures and the process by which the
19 performance measures determine efficiency and effectiveness.
- 20 (6) Recommendations for statutory, budgetary, or administrative changes
21 needed to improve efficiency and effectiveness of services delivered to the
22 public.
- 23 (7) The consequences of discontinuing funding.
- 24 (8) Recommendations for improving services or reducing costs or duplication.
- 25 (9) The identification of policy issues that should be brought to the attention of
26 the General Assembly.
- 27 (10) Any other information necessary to fully support the General Assembly's
28 Continuation Review Program along with any information included in
29 instructions from the Fiscal Research Division.
- 30
- 31
- 32
- 33



* H 2 0 0 - A L H - 2 8 - V - 1 *

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

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

H200-ALH-28 [v.1]

Page 2 of 2

1
2
3

SIGNED 
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ✓ FAILED _____ TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 23
(to be filled in by
Principal Clerk)

H200-AMH-40 [v.1]

Page 1 of 1

Comm. Sub. [NO]
Amends Title [NO]
House Ed. Approps. Report

Date 2011

Representative Glazier

- 1 moves to amend the House Appropriations Subcommittee on Education, House Budget
2 Recommendations, on page F2, item 14, by increasing the cut for each year by \$1,000,000 in
3 recurring funds; and
4
5 on page F6, item 49, by reducing the cut for each year by \$1,000,000 in recurring funds.
6
7

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



* H 2 0 0 - A M H - 4 0 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 24
(to be filled in by
Principal Clerk)

Page 1 of 1

H200-ALE-42 [v.1]

Comm. Sub. [NO]
Amends Title [NO]

Date _____, 2011

Representative Parmon

moves to amend the House Appropriations Subcommittee on Education, House Budget Recommendations, on page F3, item 15, by increasing the cut for each year by \$411,886 in recurring funds; and

on amendment AMH-5, by decreasing the DPI Management Flexibility Reduction by \$411,886 for each year.

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

TABLED

out of order





NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 25
(to be filled in by
Principal Clerk)

H200-ALE-36 [v.1]

Page 1 of 1

Comm. Sub. [NO]
Amends Title [NO]

Date _____, 2011

Representative Jeffus

1 moves to amend the House Appropriations Subcommittee on Education, House Budget
2 Recommendations, on page F4, item 30, by reducing the amount for each year by \$1,000,000 in
3 recurring funds; and
4
5 on page F6, item 48, by reducing the cut for each year by \$1,000,000 in recurring funds.
6
7

SIGNED

Maggio Jeffus
Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

TABLED

✓



* H 2 0 0 - A L E - 3 6 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

*NC Prof. Teaching
Standards Comm.*

AMENDMENT NO. 26
(to be filled in by
Principal Clerk)

H200-ALE-35 [v.3]

Page 1 of 1

Comm. Sub. [NO]
Amends Title [NO]

Date 2011

Representative Jeffus

1 moves to amend the House Appropriations Subcommittee on Education, House Budget
2 Recommendations, on page F4, item 26, by increasing the cut for each year by \$235,646 in
3 recurring funds; and

4
5 on page F6, item 47, by deleting the item.
6
7

SIGNED

Maggie Jeffus
Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

☒

TABLED



* H 2 0 0 - A L E - 3 5 - V - 3 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 27
(to be filled in by
Principal Clerk)

H200-ALH-33 [v.3]

Page 1 of 1

Comm. Sub. [NO]
Amends Title [NO]
EDUC SP Report

Date 2011

Representative Blust

1 moves to amend the House Appropriations Subcommittee on Education, House Special
2 Provision Recommendations, on page 39, by adding after the page the following new special
3 provision:
4

5 **"65% OF SCHOOL FUNDING MUST BE USED FOR CLASSROOM INSTRUCTION**

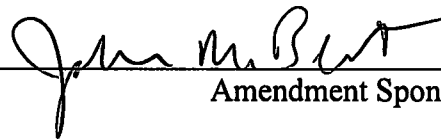
6 **SECTION #.(a)** Article 30 of Chapter 115C of the General Statutes is amended by
7 adding a new section to read:

8 **"§ 115C-408.1. Duty to ensure that sixty-five percent of State funds for the operations of**
9 **the public schools are used for classroom instruction.**

10 Notwithstanding any other provision of law, the State Board of Education shall modify its
11 allotment formulas, modify its rules regarding the expenditure of State funds, and transfer
12 funds, as necessary, to ensure that each local administrative unit spends on classroom
13 instruction at least sixty-five percent (65%) of the State funding it receives for the operations of
14 the public schools. The State Board of Education shall adopt rules utilizing the existing purpose
15 codes that are associated with instructional expenditures to implement this section. "

16 **SECTION #.(b)** This section applies to expenditures for school years beginning
17 with the 2012-2013 school year."
18

SIGNED



Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



* H 2 0 0 - A L H - 3 3 - V - 3 *

Request #2008

Prepared by Frank Cernik on 4/18/2011

Q:\SBS\INFOANALYSIS\Expenditures\Instructional Expenditures\InstructionalLEA_RPT5_FY2010.mdb

Q:\SBS\INFOANALYSIS\Expenditures\Instructional Expenditures\InstructionalExpenditures_FY2010.xlsx

Purpose Code Included in Instructional Expenditures:

FY	PP	Purp	Purpose Description	State	Federal	Local	Total
2010	13	5110	Regular Curricular Services	4,140,060,005.15	190,484,964.79	630,963,444.96	4,961,508,414.90
2010	13	5120	CTE Curricular Services	362,795,440.63	21,960,915.65	25,547,781.43	410,304,137.71
2010	13	5210	Children w/Disab Curricular Serv	639,108,415.67	317,558,562.38	82,161,127.28	1,038,828,105.33
2010	13	5220	CTE Children w/Disab Curric	17,231,230.37	586,549.06	2,967,583.49	20,785,362.92
2010	13	5230	Pre-K Children w/Disab Curric	20,803,499.47	18,177,589.78	6,175,031.77	45,156,121.02
2010	13	5240	Speech & Language Path Serv	88,147,227.86	16,843,667.81	13,462,978.79	118,453,874.46
2010	13	5250	Audiology Services	1,522,895.92	1,420,998.83	821,592.07	3,765,486.82
2010	13	5260	Acad/Intell Gifted Curric Serv	76,513,948.50	101,358.11	9,889,053.34	86,504,359.95
2010	13	5270	Limited English Proficiency Services	91,113,458.16	10,835,688.03	11,820,962.11	113,770,108.30
2010	13	5310	Alternative Instruct Svcs K-12	85,563,430.31	8,665,900.80	11,899,102.67	106,128,433.78
2010	13	5320	Attendance & Social Work Svcs	47,996,836.30	6,344,816.40	13,084,667.71	67,426,320.41
2010	13	5330	Remedial & Suppl K-12 Svcs	80,906,994.07	323,181,328.16	19,345,873.54	423,434,195.77
2010	13	5340	Pre-K Readiness/Rem & Suppl	35,275,508.05	52,344,924.81	46,438,428.17	134,058,861.03
2010	13	5350	Extended Day/Year Instr Svcs	10,712,530.46	36,051,012.17	5,783,774.29	52,547,316.92
2010	13	5810	Educational Media Services	141,637,811.30	4,631,311.06	32,614,201.26	178,883,323.62
2010	13	5820	Student Accounting	16,203,127.23	18,747,273.91	18,655,333.02	53,605,734.16
2010	13	5830	Guidance Services	222,391,761.89	8,035,088.05	37,487,726.54	267,914,576.48
2010	13	5840	Health Support Services	48,874,824.94	8,100,251.72	18,858,576.55	75,833,653.21
2010	13	5850	Safety & Security Support Svcs	36,805,998.88	576,438.48	8,546,707.54	45,929,144.90
2010	13	5860	Instructional Technology Svcs	19,550,279.68	12,059,186.40	10,593,133.47	42,202,599.55
2010	13	5870	Staff Development Unallocated	2,327,649.63	35,386,421.83	4,011,841.44	41,725,912.90
				6,185,542,874.47	1,092,094,248.23	1,011,128,921.44	8,288,766,044.14



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 28
(to be filled in by
Principal Clerk)

H200-AMH-39 [v.1]

Page 1 of 1

Comm. Sub. [NO]
Amends Title [NO]
House Ed. Approps. Report

Date 2011

Representative Blackwell

1 moves to amend the House Appropriations Subcommittee on Education, House Budget
2 Recommendations, on page F1, item 4 by rewriting the language to read:

3
4 **"LEA Adjustment**

5 Increases the LEA Adjustment reduction by \$42.1 million in FY 2011-12 and by \$105.7 million in FY
6 2012-13. The State Board of Education will distribute this reduction to all LEAs and charter schools on
7 the basis of ADM. LEAs and charters will then be responsible for identifying budget reductions in order
8 to meet their share of the LEA Adjustment. LEAs are expected to utilize federal EduJobs availability to
9 minimize reducing position allotments. The total LEA Adjustment will be \$346.9 million in FY 2011-12
10 and \$410.4 million in FY 2012-13."
11

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



* H 2 0 0 - A M H - 3 9 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO.

(to be filled in by
Principal Clerk)

Page 1 of 1

H200-ALE-33 [v.4]

Comm. Sub. [NO]
Amends Title [NO]

Date _____, 2011

Representative Glazier

1 moves to amend the House Appropriations Subcommittee on Education, House Budget
2 Recommendations, on page F2, item 14, by increasing the cut for each year by \$2,000,000 in
3 recurring funds; and

4
5 on page F3, item 16, by reducing the cut for each year by \$2,000,000 in recurring funds.

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

TABLED





NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 30
(to be filled in by
Principal Clerk)

H200-AMH-41 [v.1]

Page 1 of 1

Comm. Sub. [NO]
Amends Title [NO]
House Ed. Approps. Report

Date 2011

Representative Jeffus

- 1 moves to amend the House Appropriations Subcommittee on Education, House Budget
2 Recommendations, on page F3, item 15, by increasing the cut for each year by \$1,000,000 in
3 recurring funds; and
4
5 on page F6, item 48, by reducing the cut for each year by \$1,000,000 in recurring funds.
6
7

SIGNED

Maggie Jeffus
Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED

☒

TABLED



* H 2 0 0 - A M H - 4 1 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 31
(to be filled in by
Principal Clerk)

Page 1 of 2

H200-ALE-47 [v.1]

Comm. Sub. [NO]
Amends Title [NO]
House Ed. Approps. Report

Date _____, 2011

Representative Blackwell

moves to amend Amendment # 3 on the House Appropriations Subcommittee on Education, House Special Provision Recommendations, on page 1, line 4 through page 3, line 31, by rewriting the lines to read:

"TEACHING FELLOWS ADMINISTRATIVE REDUCTION

SECTION #. G.S. 115C-363.23A reads as rewritten:
'§115C-363.23A. Teaching Fellows Program established; administration.

(f) All funds appropriated to or otherwise received by the Teaching Fellows Program for scholarships, all funds received as repayment of scholarship loans, and all interest earned on these funds, shall be placed in a revolving fund. This revolving fund shall be used for scholarship loans granted under the Teaching Fellows Program. With the prior approval of the General Assembly in the Current Operations Appropriations Act, the revolving fund may also be used for campus and summer program support, and costs related to disbursement of awards and collection of loan repayments.

The Public School Forum, as administrator for the Teaching Fellows Program, may use up to ~~eight hundred ten thousand dollars (\$810,000)~~ six hundred thousand dollars (\$600,000) annually from the fund balance for costs associated with administration of the Teaching Fellows Program.

and moves to amend the House Appropriations Subcommittee on Education, House Budget Recommendations, on page F3, item 18, by reducing the cut by \$210,000 recurring for each year;




NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

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

H200-ALE-47 [v.1]

Page 2 of 2

1
2 and on page F5, by adding a new item after item 35 to read:
3 **"Teaching Fellows Fund** (\$210,000) (R) (\$210,000) (R)
4 Reduces the General Fund appropriation for the
5 Teaching Fellows Fund. This reduction reflects
6 a decrease in funds available for administrative
7 costs associated with the Teaching Fellows Program.
8 There shall be no decrease in funds available for
9 scholarships."
10

SIGNED 
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ✓ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

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

H200-ALE-47 [v.1]

Page 2 of 2

1
2 and on page F5, by adding a new item after item 35 to read:
3 **"Teaching Fellows Fund** (\$210,000) (R) (\$210,000) (R)
4 Reduces the General Fund appropriation for the
5 Teaching Fellows Fund. This reduction reflects
6 a decrease in funds available for administrative
7 costs associated with the Teaching Fellows Program.
8 There shall be no decrease in funds available for
9 scholarships."
10

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 200

AMENDMENT NO. 32
(to be filled in by
Principal Clerk)

Page 1 of 1

H200-AMH-42 [v.1]

**Comm. Sub. [NO]
Amends Title [NO]
First Edition**

Date _____, 2011

Representative Avila

1 moves to amend Amendment # 12 on the House Appropriations Subcommittee on Education,
2 House Special Provision Recommendations, on page 1, lines 17 through 20, by rewriting the
3 lines to read:

4 **"c. A school-specific pathway, including Learn and Earn schools,**
5 **the iSchool of the University of North Carolina at**
6 **Greensboro, and other Cooperative and Innovative High**
7 **Schools approved under Article 16, Part 9 of Chapter 115C of**
8 **the General Statutes."**

SIGNED

Mantzer W. Anila
Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



House Committee Pages / Sergeants at Arms

NAME OF COMMITTEE _____

DATE: _____ Room: _____

*Name: Yopnia Potcpalov

County: Wake

Sponsor: Paul Stam

*Name: William CARTER

County: WAKE

Sponsor: ROSS

*Name: _____

County: _____

Sponsor: _____

*Name: _____

County: _____

Sponsor: _____

*Name: _____

County: _____

Sponsor: _____

House Sgt-At Arms:

1. Name: _____

4. Name: _____

2. Name: _____

5. Name: _____

3. Name: _____

6. Name: _____

Committee Sergeants at Arms

NAME OF COMMITTEE

App. Education

DATE:

4-21-2011

Room:

421

House Sgt-At Arms:

1. Name:

Beegie Sills

2. Name:

Champ Claris

3. Name:

4. Name:

5. Name:

Senate Sgt-At Arms:

1. Name:

2. Name:

3. Name:

4. Name:

5. Name:

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education
Name of Committee

April 20, 2011 ~~PM~~ AM
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Joshua Pruitt	UNG-GA
Jennifer Haygood	NCEAS
Mitchell Lewis	UNC-TV
Christopher Hill	NC Justice Center
Philip Rogers	ECU
Kevin Howell	NC SU
Erin Schuettpoly	UNC-CH
Mike Yarrant	UNCB
Kevin Fitzgerald	UNC

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

April 20, 2011 ~~3:30~~ Am

Name of Committee

Date

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NAME	FIRM OR AGENCY AND ADDRESS
Paul Foylana	Infom
Caroleen McKenney	NCPTSC
Jamie Albury	BEGINNINGS
Ann McGill	SBE
Dubna Bacon	Schools for Policy & Planning
Corye Dunn	DRNC
M Hill	NC SBE
Emily Grimm	MWC
Charles Pearce	UNC-GA
Philip Price	DPT
Meredith Swindell	Policy Group
Lesley Cates	unc

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

Name of Committee

April 20, 2011 ~~2:30~~ Am

Date

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NAME**FIRM OR AGENCY AND ADDRESS**

Lawn S. Pope

Office of the Governor

Ashley Perkinson

Peckham Law Firm

Debra Horton

NCPTA

Emily Doyle

NCPAPA

Katherine Joya

NCA 5A

Ren Bryan

NCTA

VISITOR REGISTRATION SHEET

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS[illegible]

House Appropriations Subcommittee on Education

<u>MEMBER</u>		<u>ASSISTANT</u>	<u>PHONE</u>	<u>OFFICE</u>	<u>SEAT</u>
Hilton, Mark	Chair	Carol Wilson Committee Clerk	733-5988	1227	17
Blackwell Hugh,	Chair	Dixie Riehm	733-5805	541	90
Holloway Bryan,	Chair	Cara Philon	733-5609	529	32
Pridgen, G. L.	Vice -Chair	Beverly Slagle	733-5821	2223	89
Sanderson, Norman	Vice-Chair	Linda Sanderson	733-5853	306 A 2	68
Bell, Larry		Carolyn Edwards	733-5863	606	71
Blust, John		Betty Childress	733-5781	1229	25
Brawley, Bill		Ann Stancil	733-5800	1313	78
Brown, Larry		Delores Ledford	733-5607	303	26
Glazier, Rick		Carin Savel	733-5601	1021	92
Jeffus, Maggie		Barbara Hocutt	733-5191	1307	10
Lucas, Marvin		Thelma Utley	733-5775	607	72
McLawhorn, Marian		Susan Burleson	733-5757	1217	59
Michaux, Mickey		Anita Wilder	715-2528	1220	11
Parmon, Earline		Pat Christmas	733-5829	509	95
Pittman, Larry		Tammy Pittman	715-2009	1321	18
Stam, Paul		Christin Danchi	733-2962	2301	54
Staff:			733-4910	619	
Andrea Poole					
Brian Matteson					
Denise Harb					
Kris Nordstrom					

NORTH CAROLINA GENERAL ASSEMBLY
Appropriations Subcommittee on Education
2011-2012 SESSION



Rep. Mark Hilton
Senior Chair



Rep. Hugh Blackwell
Chair



Rep. Bryan Holloway
Chair



Rep. G. L. Pridgen
Vice-Chair



Rep. Norman W. Sanderson
Vice-Chair



Rep. Larry Bell



Rep. John Blust



Rep. Bill Brawley



Rep. Larry Brown



Rep. Rick Glazier



Rep. Maggie Jeffus



Rep. Marvin Lucas



Rep. Marian McLawhorn



Rep. Mickey Michaux



Rep. Earline Parmon



Rep. Larry Pitman



Rep. Paul Stam

ATTENDANCE

House Appropriations Subcommittee on Education

2011 – 2012 SESSION

[illegible]

MINUTES
HOUSE APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION

Tuesday, April 24, 2012

The House Appropriations Subcommittee met Tuesday, April 24, 2012 in room 421 of the Legislative Office Building at 1:00 p. m. Representative Mark Hilton presided over the meeting. The following House members were present: Representatives Blackwell and Holloway, Co-Chairs, Representatives Pridgen and Sanderson, Vice-Chairs, Representatives Bell, Brawley, Glazier, Jeffus, Lucas and Stam. A visitor registration sheet is attached and made part of these minutes.

The Chair welcomed everyone and recognized the Sargent at Arms, Pages, and the newest member to the committee, Representative Bill Brawley. Representative Avila transferred from our committee to Health and Human Services.

The Chair recognized Denise Barb from Fiscal Research Division for an explanation of the Continuation Review Process. She reminded the members of different options for funding UNC-TV. They considered eliminating funding, reducing funding and also talked about requiring UNC-TV to become self sufficient after a certain number of years. Ultimately, UNC-TV was placed on a continuation review; the recurring funding for the program is eliminated and non recurring funding is given for one year. During that year the program is required to conduct a self study to explain or justify if the state should consider funding the program. The General Assembly has done continuation review for about five years and some programs have been refunded, some have been partially refunded and some have been eliminated. Total budget at the beginning of last session was twelve million dollars to UNC-TV. You reduced the total budget by 12% to make the nonrecurring funds 10.6 million dollars. Full Chairs placed funding for UNC-TV in reserve should the committee chose to reinstate some or all of the funding.

The Chair recognized Tom Howe, Director and General Manager from UNC Public Television to present a summary of UNC-TV Continuation Review (Attachment #1 and #2). He began by introducing UNC staff and the Board of Trustees who were present. Mr. Howe's presentation included UNC-TV facts, services, and capabilities (Attachment #1). He introduced Charles Perusse, Vice President for Finance to speak concerning finances, saving and efficiencies (Attachment #1). He introduced Shannon Vickery, Director of Programing, to speak concerning the impact of UNC-TV's original productions (Attachment #1). Mr. Howe concluded by going over the important impact of their children's programs and services.

Following the presentations, there were questions and discussion.

The meeting adjourned at 1:45 p. m.

Respectfully submitted,


Representative Mark K. Hilton


Carol D. Wilson, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
2011-2012 SESSION**

You are hereby notified that the Committee on Appropriations Subcommittee on Education will meet as follows:

DAY & DATE: Tuesday, April 24, 2012

TIME: 1:00 PM

LOCATION: 421 LOB

COMMENTS:

Respectfully,
Representative Blackwell, Chair
Representative Hilton, Chair
Representative Holloway, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 1 PM o'clock on **April 17, 2011**.

- ☐ Principal Clerk
- ☐ Reading Clerk – House Chamber

Carol Wilson (Committee Assistant)

House Appropriations Subcommittee on Education

Agenda

Tuesday, April 24, 2012, 1:00 P.M.
Room 421, Legislative Office Building
Representative Mark Hilton, Presiding

- I. Welcome**
Representative Hilton
- II. Explanation of Continuation Review Process**
Denise Harb, Fiscal Research Division
- III. Presentation of UNC-TV Continuation Review**
University of North Carolina, General Administration
UNC-TV
- IV. Adjourn**

House Appropriations Subcommittee on Education

Rep. Blackwell, Chair
Rep. Hilton, Chair
Rep. Holloway, Chair
Rep. Pridgen, Vice Chair
Rep. Sanderson, Vice Chair

Members: Rep. Bell, Rep. Blust, Rep. Brawley, Rep. L.
Brown, Rep. Glazier, Rep. Jeffus, Rep. Lucas,
Rep. McLawhorn, Rep. Michaux, Rep. Parmon,
Rep. Stam

ATTENDANCE

Appropriations Subcommittee on Education

2012 SESSION

[illegible]



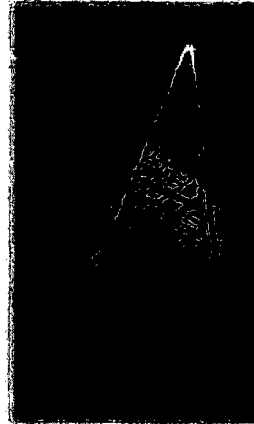
Television Viewership

- Average household watches 8 hours a day
- Adult women watch 5.5 hours a day
- Adult men watch nearly 5 hours daily
- Children between the ages of 2-17 watch 3.5 hours each day



UNC-TV Facts

- 4.2 million people watch UNC-TV weekly
- 79% of North Carolina's children ages 2-12 watch or have watched UNC-TV's programs for children
- Children and parents watch more than 39 million viewer-hours of UNC-TV's preschool and K-6 programs annually
- More than 75,000 households support UNC-TV
- Almost 78% of those responding to a November 2011 Elon University poll indicated that it was "important" or "very important" that there is public television service in North Carolina



Mission



UNC-TV's unique programs and public media services provide people of all ages with enriching, life-changing television

Wide Variety of Programs & Services



Masterpiece MYSTERY!



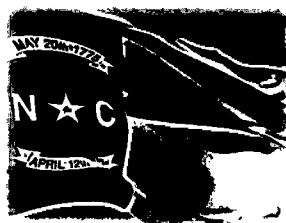
Sesame Street



Downton Abbey

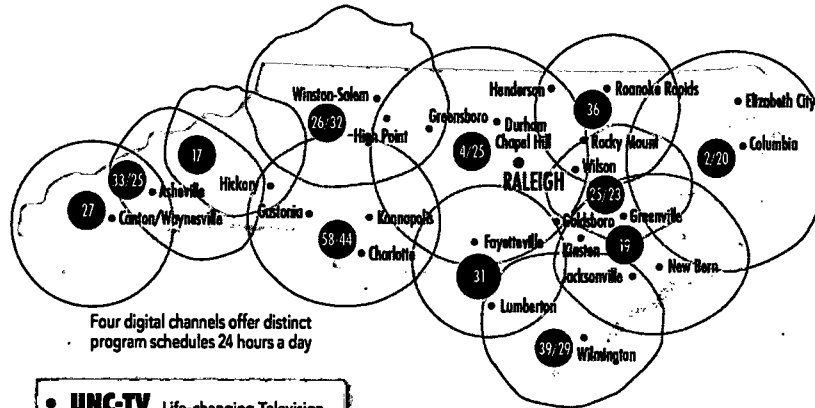
UNC-TV provides...

- Educational opportunities for children and adults
- Professional development for educators



- In-depth public policy information
- Understanding of the state's history and culture
- UNC-TV's content is provided to all North Carolinians without subscriber charge

UNC-TV SIGNAL COVERAGE



Four digital channels offer distinct program schedules 24 hours a day

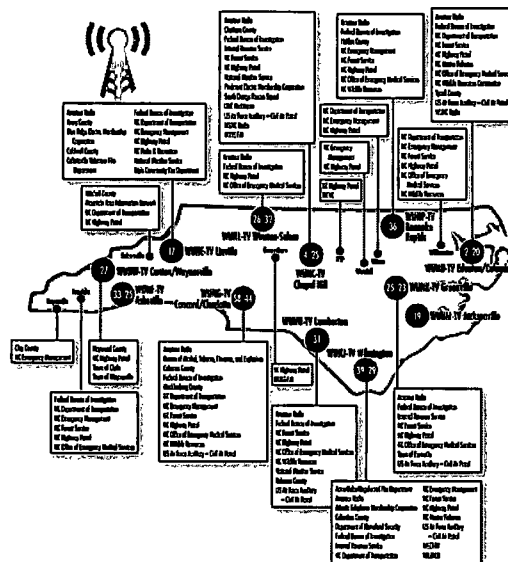
- **UNC-TV** Life-changing Television
- **UNC-KD** The Kids Channel
- **UNC-EX** The Explorer Channel
- **UNC-MX** Eclectic Mix (digital cable only)

WUNF-TV 33/25 Asheville	WUNC-TV 25/23 Greenville	WUNP-TV 36 Roanoke Rapids
WUNC-TV 4/25 Chapel Hill	WUNM-TV 19 Jacksonville	WUNJ-TV 39/29 Wilmington
WUNG-TV 58/44 Concord/Charlotte	WUNE-TV 17 Linville	WUNL-TV 26/32 Winston-Salem
WUND-TV 2/20 Edenton/Columbia	WUNU-TV 31 Lumberton	WUNW-TV 27 Canton/Waynesville

SHARED SERVICES BY TRANSMISSION SITE

UNC-TV Provides Critical Emergency Responder Resources

In a statewide or national crisis, UNC-TV is the only communications vehicle with the capacity to reach every North Carolina citizen and provide information to other communications outlets. As has been the case with countless hurricanes and other disasters, state leaders have used UNC-TV to communicate emergency information to North Carolinians.



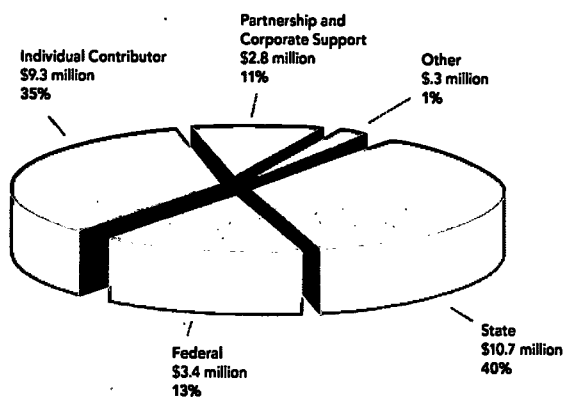
Assets



UNC TV FINANCIAL INFORMATION

Funding Resources FY2012

Total: \$26.5 million



UNCOTV FINANCIAL INFORMATION

Program Resources FY2012

Total: \$26.5 million

Broadcast/Engineering/Facilities/IT
Production/Programming
Communications
\$21.2 million
80%

Development
\$3.3 million
12%

Administration
\$2.0 million
8%



Personnel Count	
Broadcast/Engineering/Facilities/IT Production/Programming Communications	} 132
Development	
Administration	
	20
	16

Private Support

- 40% funding from the state—\$1.10 per North Carolina citizen per year.
- 75% of funding from private sources generated through the following methods of giving:
 - Direct mail, telemarketing, online, on-air drives and spots
 - One-on-one cultivation and events
 - Vehicle donations
 - Corporate matching gifts





FY2008-FY2012 STATE BUDGET REDUCTIONS

	FY2008	FY2009	FY2010	FY2011	FY2012
Total Budget	\$27.5M	\$28.1M	\$27.7M	\$26.5M	\$26.5M
Percent State Funding of Total Budget	48.7%	48%	46%	45%	40%
Percent Permanent Reduction	1.70%	0.5%	9%	7.30%	12%
Permanent Reductions	\$239,952	\$82,996	\$1,253,050	\$920,396	\$1,439,747
	\$239,952	\$82,996	\$1,253,050	\$920,396	\$1,439,747

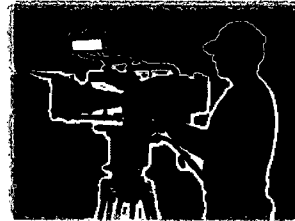
Savings & Efficiencies

- Participation in President Bowles' PACE initiative
- 48 fewer positions
- Postponement/reduction in equipment purchases/capital outlay
- Deferred maintenance on statewide physical plant



Impact

- Original production hours down from 440 hours in FY09 to 357 hours in FY11
- Content for **North Carolina Now** is 50% repeat
- Several productions eliminated
- Reduction in election and legislative coverage



Societal Impact of UNC-TV's Original Productions

- Original Programming
 - The most important source of information about North Carolina for North Carolinians
 - Documents and celebrates North Carolina



Societal Impact of UNC-TV's Original Productions

- Coverage of state government and policy making
 - Has covered the legislature since 1984



- **North Carolina Now Legislative Week in Review** covers important bills and issues when the legislature is in session

Societal Impact of UNC-TV's Original Productions

- Economic Development Support
 - UNC-TV productions contribute to the state's economic development by:
 - Helping to attract new business to rural areas
 - Spurring tourism
 - Enhancing local efforts to build economic development clusters
 - Raising the interest of potential investors in N.C. businesses
 - Linking viewers with information about local products



Societal Impact of UNC-TV's Original Productions

- Archiving North Carolina History

- **Biographical Conversations** documents the lives of individuals who have achieved national and international stature and also had a defining impact on this state, such as

- John Hope Franklin
- Jesse Helms
- Hugh McColl
- Mary Semans



Partnerships



NORTH
CAROLINA
**MUSEUM
of
NATURAL
SCIENCES**



NORTH CAROLINA
DEPARTMENT OF
CULTURAL
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www.ncculture.com

north
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Our State



Carolina Ballet
Robert Weiss, Artistic Director

north carolina
visitnc.com 1-800-VISIT NC

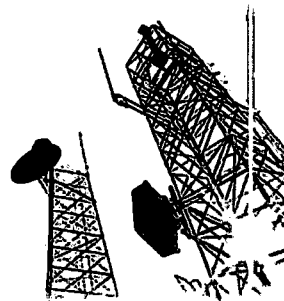
Societal Impact of Children's Programs & Services

- 40% of UNC-TV's broadcast programs are dedicated to helping young North Carolinians enter school ready to learn
- 79% of North Carolina's children watch UNC-TV
- Children and parents watch more than 39 million viewer-hours annually of UNC-TV's preschool and K-6 programs
- Research has documented the effectiveness of PBS children's programs



Program Performance

- Nielsen Ratings
 - Over 4.2 million viewers weekly.
- Nov. 2011 Independent Poll by Elon University
 - 87% of those polled watch UNC-TV
- Customer Satisfaction Survey
 - 97% indicated that it is "important" or "very important" that public television be available in North Carolina



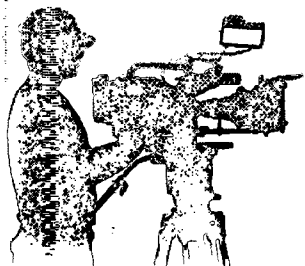
Conclusion

- The state's ongoing investment allows UNC-TV to provide:
 - A safe haven for children
 - The benefits of children's programming
 - A critical communications asset for the state
 - Open access to public television programs and services
 - More than 350 hours of original productions about North Carolina annually
 - PBS programs to all North Carolinians

LIFE-CHANGING TELEVISION

UNC  **TV**

www.unctv.org

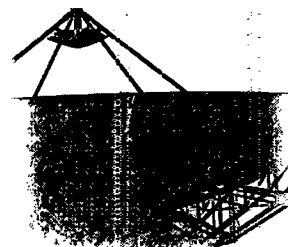


UNC TV

CONTINUATION REVIEW

FINAL REPORT

March 31, 2012



UNC@TV
CONTINUATION REVIEW
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CONTINUATION REVIEW EXECUTIVE SUMMARY

OVERVIEW

UNC-TV provides educational opportunities for children and adults, professional development for educators, in-depth public policy information, and an understanding of the state's history and culture. UNC-TV is a vital, cost-effective partner in the state's ongoing effort to ensure that young children, particularly the disadvantaged, have meaningful opportunities to be successful in school and throughout life. More than 57 years ago, the North Carolina General Assembly envisioned a statewide broadcast network that would allow open access to public television programs by all North Carolinians. The broadcast signal would reach citizens that other signals did not reach. Today UNC-TV is carried by every cable system in North Carolina and by both satellite providers. Additionally, its sophisticated transmission facilities reach everyone in the state who does not subscribe to cable or satellite. The single station that existed in 1955 has grown to be a complex network of 12 digital transmitters and 25 digital translators,¹ ensuring that virtually every North Carolinian with a television set is able to view public television.

The staff at UNC-TV has used this Continuation Review as an opportunity to assess the quality, appropriateness, and efficiency of its operations. The review has confirmed that UNC-TV's model of one centrally managed organization providing statewide access is the most efficient operation to serve its 4.2 million viewers. UNC-TV will continue to make operations more efficient and to effectively leverage the state's investment in its public television network.

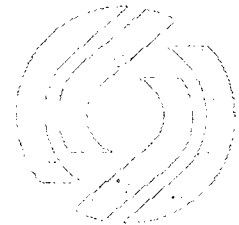
VISION, MISSION, AND GOALS

UNC-TV's operations are guided by a five-year Strategic Plan updated annually by UNC-TV's Board of Trustees and staff. The plan sets forth the organization's mission, vision, and guiding principles and is consistent with North Carolina's statutory objectives for the network. The Strategic Plan balances public needs, FCC regulations, statutory obligations, PBS requirements, and programming decisions and provides a guide for the expenditure of resources.

PROGRAMS AND SERVICES

Specifically, UNC-TV serves North Carolina's citizens by providing:

- Programs for children—40 percent of UNC-TV's broadcast programs are dedicated to helping young North Carolinians enter school ready to learn. Children and parents watch more than 39 million viewer-hours of UNC-TV's preschool and K-6 programs annually.² Research demonstrates that children who watch PBS educational programming on UNC-TV enter school



¹ Low-power transmitters that receive television programming from a main transmitter and translate it to a new channel for rebroadcast.

² The Nielsen Company

better prepared to learn, compared to children who do not watch public television.³

- Emergency preparedness and communications—critical tower space at almost all of UNC-TV's 61 locations and airtime are available to assist local, state, and federal emergency service and disaster recovery teams.
- More than 350 hours of original productions annually for and about North Carolina and its citizens—programs such as **North Carolina Now**, **North Carolina Weekend**, **Our State**, **Exploring North Carolina**, and **Biographical Conversations**.
- PBS programs and services for all North Carolinians.
- Four digital services: UNC-TV in high definition; UNC-KD, a 24-hour channel for children; UNC-EX, the Explorer Channel; and UNC-MX, a cable-only channel with educational programs for viewers of all ages. More than 4.2 million viewers watch UNC-TV at least once a week.⁴
- Information related to government and policy making through programs like **Washington Week** and **North Carolina Now Legislative Week in Review**.
- Adult college credit telecourses in partnership with the North Carolina Community College System. Adult learners have the opportunity to study for their GED or to take English language courses via television to improve their language skills.
- UNC-TV LearningMedia, an online repository of more than 20,000 learning objects and tools available at no cost to all North Carolina teachers and educators in private and public schools, as well as to parents who homeschool their children.
- Professional development courses for teachers, through both workshops and online materials from trusted sources, further enrich North Carolina's classrooms.
- Educational outreach services to teachers, parents, child care providers, and children.



RESOURCES

Since its inception UNC-TV has focused on bringing North Carolina commercial-free television that meets the highest standards of quality. The critical state funds provided by the General Assembly are leveraged to obtain federal funds and private funds. In FY12 individual and corporate giving total \$12.4 million and make up the largest portion of the operating budget—47 percent. State funds are the second largest component (\$10.7 million—40 percent), followed by federal funds (\$3.4 million—13 percent). While overall philanthropic giving has declined due to the recession, UNC-TV maintains the largest membership of any nonprofit in North Carolina with more than 75,000 member households providing financial support.

CONCLUSION

UNC-TV adds value to the citizens of North Carolina, from those in urban areas to those in the most remote regions of the state who would not otherwise receive public television. The federal broadcast licenses held by the UNC Board of Governors for UNC-TV have significant value and, if not used, will revert to the FCC and be awarded to other noncommercial broadcasters. The use of UNC-TV's towers and facilities across the state by emergency management and other public safety organizations throughout North Carolina is a critically important service. The state's investment in UNC-TV is used to leverage non-state dollars needed to ensure effective operations. North Carolinians benefit in many ways from UNC-TV's broadcasts and services, and with deep respect and a commitment to expend funds wisely, it is requested that the General Assembly continue to provide the critical support for these important benefits.

³ Fisch, Shalom M. and Truglio, Rosemarie T. (Eds). (2001). *"G" is for Growing: Thirty Years of Research on Children and Sesame Street*. Mahwah, NJ: Lawrence Erlbaum Associates.

⁴ The Nielsen Company

2a. CURRENT ENVIRONMENT

A description of the services provided and the mission, goals, and objectives

BACKGROUND

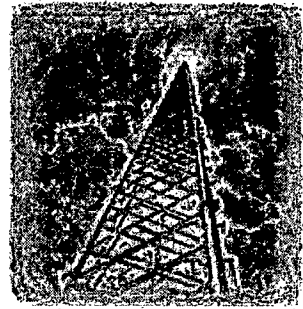
UNC-TV began in 1955 with one transmitter in Chatham County and one studio in Chapel Hill. In 1963 the state of North Carolina appropriated \$1.5 million to originate the network, and in 1979 the North Carolina General Assembly passed N.C.G.S. § 116-37.1, creating the UNC Center for Public Television under the UNC Board of Governors. Over time UNC-TV has become the statewide network envisioned by the North Carolina General Assembly in 1963, with 12 transmitters and 25 translators⁵ that blanket the state with an open-access broadcast signal to virtually every North Carolinian with a television set. UNC-TV now provides three over-the-air digital channels—UNC-TV in HD (high definition), UNC-KD (the 24-hour channel for children), and UNC-EX (the 24-hour Explorer Channel)—to the entire state. UNC-TV is the primary vehicle used to broadcast PBS programming to North Carolina. UNC-TV's broadcast content is provided without any subscriber charge, making its programs available to adults and children at all income levels. All three channels are also available to cable subscribers. An additional cable channel, UNC-MX (an educational program service for viewers of all ages), is available to more than 1.2 million Time Warner digital cable subscribers. Satellite television subscribers have access to the UNC-TV and UNC-EX channels. Cable and satellite providers do not pay UNC-TV for the rights to carry its channels. Noncommercial stations are prohibited by law from negotiating compensation agreements with cable and satellite operators.

UNC-TV offers a wide variety of programs, from educational children's programs to drama, science, public affairs, history, how-to, travel, performance programs, and original North Carolina productions.

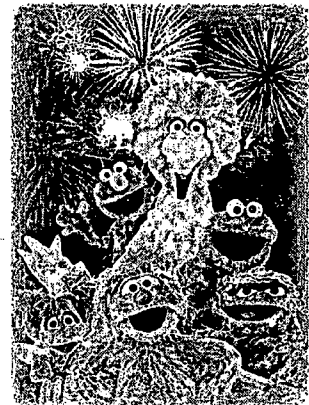
MISSION, GOALS, AND OBJECTIVES

UNC-TV's operations are guided by a five-year Strategic Plan, developed by the UNC-TV Board of Trustees and staff to carry out the network's statutory mandate. The plan sets forth the organization's mission, vision, and guiding principles and is updated annually. The Strategic Plan balances public needs, Federal Communications Commission (FCC) regulations, statutory obligations, Public Broadcasting Service (PBS) requirements, and programming decisions and provides a guide for the expenditure of resources.

See Appendix for the entire Strategic Plan.



UNC-TV offers a wide variety of programs, from educational children's programs to drama, science, public affairs, history, how-to, travel, performance programs, and original North Carolina productions.



Sesame Street



Downton Abbey

⁵ Low-power transmitters that receive television programming from a main transmitter and translate it to a new channel for rebroadcast.

UNC-TV'S MISSION

UNC-TV's mission is as follows:

Television has the power to change lives. Public television has the responsibility to change lives for the better: a child far from urban resources is inspired to become a scientist, a high school dropout earns a GED, a home-bound senior citizen remains connected to the world of arts and culture, the family of an Alzheimer's patient finds strength and support. UNC-TV's unique programs and public media services provide people of all ages with enriching, life-changing television.

UNC-TV'S VISION

UNC-TV's vision is as follows:

UNC-TV's digital technology enhances our ability to share knowledge that enriches the mind and creativity that inspires the spirit. We will enable North Carolinians to learn from original content that is distinct, essential, and culturally diverse. We will be a catalyst to effect change and address the critical needs of North Carolinians by uniting with partners to solve educational and social problems. We will thereby make a difference in people's lives and improve the quality of life in our state. The power of these partnerships will create better-informed, better-educated, and more prosperous people. Our unique, easily accessible programs and public media services will be used and treasured by citizens, educational institutions, public service organizations, and state government for helping them achieve their goals. Our realized vision will demonstrate that through UNC-TV, knowledge translates into economic, social, cultural, and historical value.

GUIDING PRINCIPLES

UNC-TV's guiding principles serve as the foundation for all decisions made within the organization:

- *Credibility and integrity provide the foundation for our services. Our programming is based on principles of editorial integrity to guarantee objectivity, fair and balanced presentation of issues, and consistent excellence.*
- *We manage funds and resources entrusted to us wisely and efficiently.*
- *We conduct our business with the highest level of customer service and respect for our viewers, supporters, boards, and one another.*
- *We are a public service organization responsible to the citizens of North Carolina, rather than to specific organizations and individuals. We strive to be inclusive of the diverse culture of North Carolina's citizenry in everything we do.*
- *We strictly adhere to the professional ethics stated in UNC-TV's "Fund-raising*



Standards and Practices," which includes a statement of UNC-TV's Donor Bill of Rights.

- *We are committed to providing universally available television service.*
- *We are dedicated to providing a safe haven for children through UNC-KD and through UNC-TV.*

GOALS AND OBJECTIVES

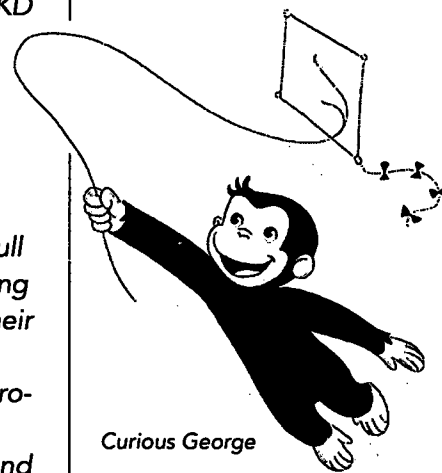
UNC-TV's goals and objectives, as outlined in its Strategic Plan, are:

- **Services**
 - *We will create and acquire programs and services that realize the full potential of television to enrich the lives of North Carolinians, enabling them to become more informed, involved citizens and improving their well-being.*
 - *We will be the most important source of information about North Carolina for North Carolinians.*
 - *We will be the leading source of quality children's programming and program services for North Carolinians.*
 - *We will use television and other technologies to expand access and increase services to education.*
- **Technologies**
 - *We will use appropriate, state-of-the-art technologies to make our programs and services widely accessible to the people and educational institutions of North Carolina.*
- **Awareness and Support**
 - *We will solidify and expand public awareness and financial support by effectively communicating the value of our services and persuading viewers, corporations, foundations, and state government to support us.*
- **Partnerships and Collaborations**
 - *We will enhance existing and build new collaborations with educational, cultural, public service, governmental, environmental, science, and business partners to improve and increase services and ensure continuing support.*

PROGRAMS AND SERVICES

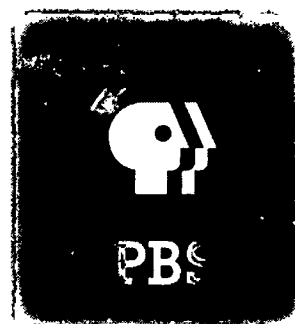
UNC-TV serves North Carolina's citizens by providing:

- **Programs for children**—40 percent of UNC-TV's broadcast programs are dedicated to helping young North Carolinians enter school ready to learn. This percentage includes UNC-KD, a 24-hour channel dedicated exclusively to children's programs.
- **Emergency preparedness and communications**—critical tower space at almost all of UNC-TV's 61 locations and airtime are available to assist emergency service and disaster recovery teams from local, state, and federal agencies.

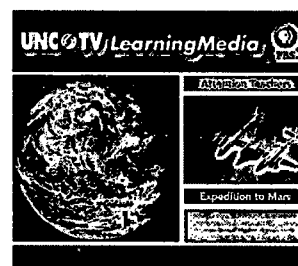


Curious George

Programs for children—40 percent of UNC-TV's broadcast programs are dedicated to helping young North Carolinians enter school ready to learn. This percentage includes UNC-KD, a 24-hour channel dedicated exclusively to children's programs.



- More than 350 hours of original productions annually for and about North Carolina and its citizens—programs such as **North Carolina Now**, **North Carolina Weekend**, **Our State**, **Exploring North Carolina**, and **Biographical Conversations**.
- PBS programs and services for all North Carolinians.
- Four digital services: UNC-TV in high definition; UNC-KD, a 24-hour channel for children; UNC-EX, the Explorer Channel; and UNC-MX, a cable-only channel with educational programs for viewers of all ages. More than 4.2 million viewers watch UNC-TV at least once a week.
- Information related to government and policy making through programs like **Washington Week** and **North Carolina Now Legislative Week in Review**.
- Adult college credit telecourses in partnership with the North Carolina Community College System. Adult learners have the opportunity to study for their GED or to take English language courses via television to improve their language skills.
- UNC-TV LearningMedia, an online repository of more than 20,000 learning objects and tools available at no cost to all North Carolina teachers and educators in private and public schools, as well as to parents who homeschool their children.
- Professional development courses for teachers, through both workshops and online materials from trusted sources, further enrich North Carolina's classrooms.
- Educational outreach services to teachers, parents, child care providers, and children.



2b. CURRENT ENVIRONMENT

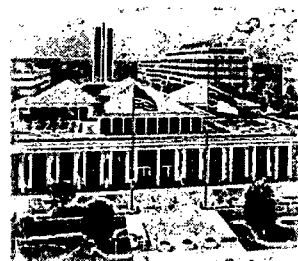
Statutory objectives

When the North Carolina General Assembly authorized and directed the UNC Board of Governors to establish UNC-TV in 1979, the General Assembly identified in N.C.G.S. § 116-37.1 the functions to be carried out:

- *"To provide research, development, and production of noncommercial educational television programming and program materials"*

Based upon this statutory direction, a major part of UNC-TV's focus has been in researching, developing, and producing noncommercial educational television programs. These programs are for and about North Carolina and its citizens and are programs that are not available through any other broadcast channel, cable, or satellite.

These programs are developed in accordance with UNC-TV's Strategic Plan, which states:



Our local production efforts will focus on North Carolina people, arts, culture, education, politics, environmental issues, the economy, economic development, recreation, health, business, and community leadership.

Each year the content of UNC-TV's original productions is analyzed against the needs of the state's citizens and the direction provided by the Strategic Plan.

In 1991 UNC-TV provided 196 hours of original productions about North Carolina, including coverage of the North Carolina General Assembly. Original production hours reached a high of 444.5 hours in FY05, but as a result of reduced financial support, UNC-TV produced 357 hours of original programming in FY11. UNC-TV's strategic planning for original productions is directly impacted by the availability of funding, and the number of hours produced annually is adjusted accordingly.

- *"To provide distribution of noncommercial television programming through the broadcast facilities licensed to the University of North Carolina"*

UNC-TV provides 26,280 hours of noncommercial programming a year to all North Carolinians over its three digital broadcast channels and 35,040 hours via four channels of digital cable to more than 1.2 million subscribers of Time Warner Cable. UNC-TV also provides three digital services through other cable providers in the state, as well as two digital services through satellite providers.

- *"To enhance the uses of television for public purposes"*

UNC-TV has many ways of enhancing the uses of television for public purposes. In addition to broadcasting programs with educationally rich and informational content, UNC-TV provides emergency information as needed. Programs broadcast by UNC-TV provide educational services and services for children, the hearing impaired, and adult learners. By making programs created for broadcast available online and through other media platforms, UNC-TV extends the value of its programs far beyond their broadcast date.

OVERSIGHT

The oversight of UNC-TV is clearly delineated by N.C.G.S. § 116-37.1. The UNC Board of Governors holds the FCC licenses and is the governing body of UNC-TV; however, the statute states:

The Center shall have a board of trustees, to be named "the Board of Trustees of the University of North Carolina Center for Public Television."

“

We are so proud of our partnership with UNC-TV and North Carolina Weekend.... The response...is overwhelmingly positive.

—Lynn Minges
Assistant Secretary for
Tourism, Marketing,
and Global Branding
North Carolina
Department of
Commerce

”



PBS
NEWS
HOUR

MASTERPIECE.

Clifford
THE BIG RED DOG



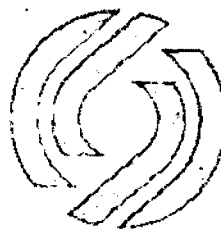
The Board of Governors is hereby authorized and directed to establish the Board of Trustees of the Center and to delegate to the Board of Trustees such powers and duties as the Board of Governors deems necessary or appropriate for the effective discharge of the functions of the Center; provided, that the Board of Governors shall not be deemed by the provisions of this section to have the authority to delegate any responsibility it may have as licensee of the broadcast facilities of the University of North Carolina.

The Board of Trustees of the University of North Carolina Center for Public Television shall be composed of the following members: 11 persons appointed by the Board of Governors; four persons appointed by the Governor; two members appointed by the General Assembly, one upon the recommendation of the Speaker of the House of Representatives, and one upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121; and ex officio, the Secretary of the Department of Cultural Resources, the Secretary of the Department of Health and Human Services, the Superintendent of Public Instruction, the President of the Community College System, and the President of the University of North Carolina....In making appointments to the Board of Trustees the appointing authorities shall give consideration to promoting diversity among the membership, to the end that, in meeting the responsibilities delegated to it, the Board of Trustees will reflect and be responsive to the diverse needs, interests, and concerns of the citizens of North Carolina.

The chief administrative officer of the Center shall be a Director, who shall be elected by the Board of Governors upon recommendation of the President and who shall be responsible to the President.

Because the Federal Communications Commission (FCC) mandates that the owners of the broadcast licenses must govern the licensee, UNC-TV's Board of Trustees cannot govern the network. The University of North Carolina Board of Governors holds the licenses of UNC-TV and thus governs the network. However, the Board of Trustees does serve as UNC-TV's community advisory board and can, if deemed necessary, advise the president and the Board of Governors if UNC-TV is not serving the citizens of North Carolina within the parameters of its mission.⁶

The statutory relationship with the University of North Carolina has enhanced UNC-TV's capacity to deliver high-quality public broadcasting to North Carolina. Through its original productions in partnership with UNC campuses, UNC-TV is able to bring important educational content into viewers' homes statewide and provide a powerful extension of the University's outreach work. UNC-TV often brings viewers the speakers, panel discussions,



⁶ UNC Policy Manual 1200.1

and performances from campuses throughout the state. This programming makes events happening on the campuses more accessible to all North Carolinians. Further, UNC-TV is able to leverage UNC General Administration to enhance its ability to operate more efficiently and effectively.

Together, the University and UNC-TV have a powerful partnership in support of educating all North Carolinians.

2c. CURRENT ENVIRONMENT

The functions, activities, or programs performed without specific statutory authority

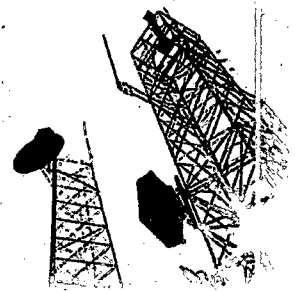
In addition to those responsibilities clearly delineated by statute, UNC-TV performs functions that contribute to meeting the statutory obligations or provide additional value for North Carolinians. These functions include: shared services, tower space and emergency communications, development, and communications and marketing.

SHARED SERVICES/TOWER SPACE AND EMERGENCY COMMUNICATIONS

UNC-TV provides space on its towers and facilities located at its 61 sites throughout the state to Emergency Management Service (EMS) providers, the State Highway Patrol, Emergency Alert Systems, the SBI, and other organizations charged with ensuring public safety. UNC-TV offers tower space, maintains the facility, and provides electricity and an emergency generator for these important partners. UNC-TV provides this service because it is considered vital by these organizations and critical to the well-being of North Carolina's citizens.

The map on page 10 lists the organizations that share towers, equipment, and facilities at UNC-TV's transmission sites. UNC-TV is also fully and deeply integrated with state, county, and town communication services at almost all its sites by providing land, buildings, tower space, emergency power, operation and maintenance of the towers, and electronic technical facilities. Without UNC-TV, the emergency communications infrastructure in North Carolina would have to be completely reconfigured.

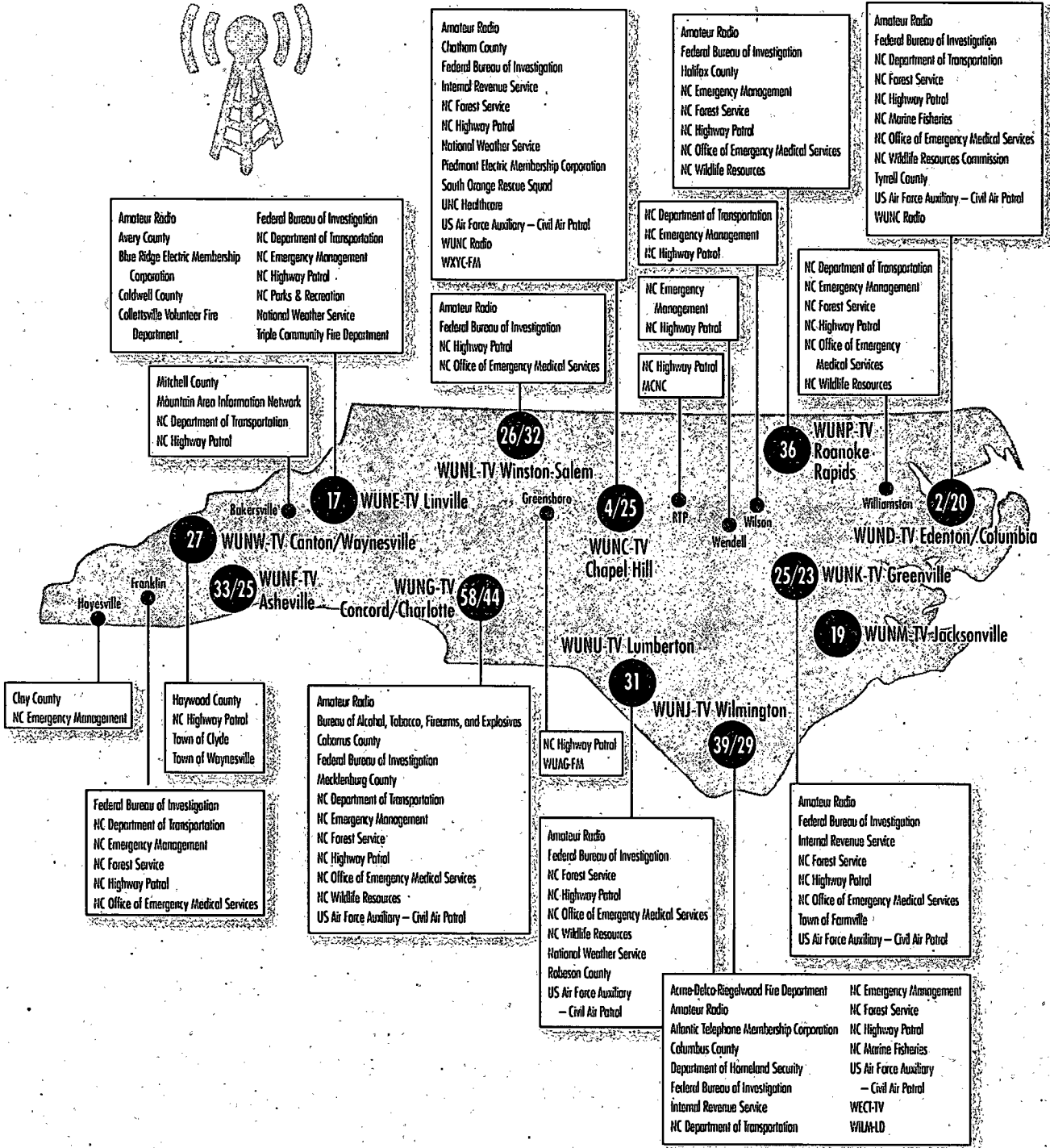
In the event of a statewide or national crisis, UNC-TV is a critical communications vehicle with the capacity to reach every North Carolina citizen simultaneously and provide information to other communications outlets. During hurricanes and other natural disasters, state leaders have used UNC-TV to communicate vital emergency information to North Carolinians.



In the event of a statewide or national crisis, UNC-TV is a critical communications vehicle with the capacity to reach every North Carolina citizen simultaneously and provide information to other communications outlets.

SHARED SERVICES BY TRANSMISSION SITE

UNC-TV Provides Critical Emergency Responder Resources



DEVELOPMENT

As UNC-TV has matured as an organization, it has sought to increase its private fund-raising efforts and generate supplemental non-state funding for operations. Initially state appropriations provided in excess of 90 percent of all operating dollars; in FY12 only 40 percent of UNC-TV's funding is provided by the state—just over \$1.10 per North Carolina citizen each year. Privately raised funds account for 47 percent of operating dollars; the remaining 13 percent of UNC-TV's income comes from the federal government. Approximately 75,000 households contribute to UNC-TV each year.

Over the past three years, UNC-TV has strategically broadened its approach to fund-raising by:

- Increasing the number of on-air fund-raising days to acquire new donors.
- Approaching former donors who have not contributed in the current year to redevelop their interest in providing financial support.
- Increasing the cultivation of major donors (\$1,000+).

Other initiatives designed to increase private fund-raising include:

- A *Patrons Circle* giving group was developed and implemented as an ongoing campaign to encourage contributions between \$250 and \$999 annually. This effort has allowed for improved stewardship and cultivation of an expanded group of UNC-TV viewers, and in the last fiscal year, the number of *Patrons Circle* members increased from 5,500 to more than 6,600.
- In FY11 the *Sustaining Circle* program was reviewed and revamped to increase the number of donors giving a minimum of \$10 on an ongoing monthly, quarterly, or annual basis. On-air spots, mail inserts, and promotion in UNC-TV's monthly program magazine have helped support this initiative. Donors making new sustaining gifts to UNC-TV increased by 1,000.
- UNC-TV has increased its efforts to generate planned gifts through the use of on-air appeals and targeted direct mail efforts. While the results of these efforts may not be realized for years to come, there has been an increase in requests for planned giving materials and growth in the number of members included in UNC-TV's *Legacy Society*.
- Web site revenue has increased 141 percent over the past five fiscal years. Use of electronic communications to educate, steward, and solicit donations, as well as the use of social media, has helped to promote awareness of and support for UNC-TV. Additionally, UNC-TV has implemented the use of e-acknowledgement/confirmation of pledges made during on-air campaigns.



Web site revenue has increased 141 percent over the past five fiscal years.

- With the addition of the digital program services UNC-KD, UNC-EX, and cable-only UNC-MX, UNC-TV has revised the corporate underwriting opportunities to include recognition on its other services. UNC-TV has also expanded corporate support opportunities to include online underwriting.
- UNC-TV has increased the number of preview screenings and events. These opportunities help UNC-TV connect with viewers and donors throughout its service area, which can be challenging in a state the size of North Carolina.

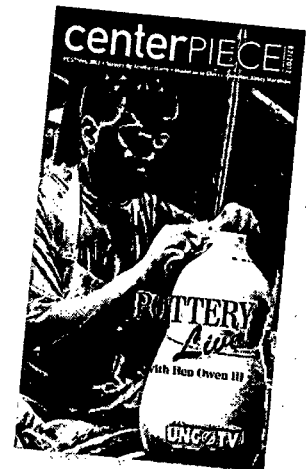
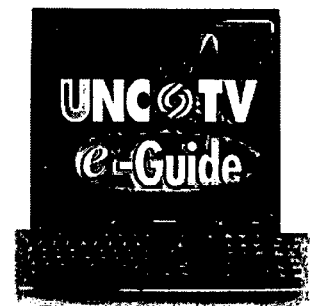
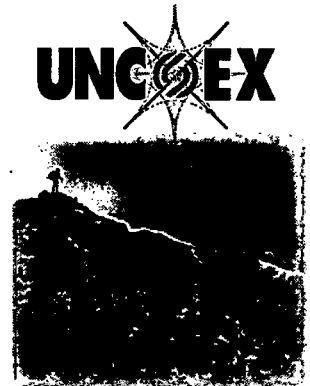
All of these initiatives have allowed UNC-TV to maintain its revenue raised from private sources in an economy that has seen a downturn in philanthropic giving.

COMMUNICATIONS AND MARKETING

UNC-TV employs a wide variety of communication techniques to increase awareness among North Carolinians of its programs and services, to encourage viewers to support UNC-TV, and to bring other nonbroadcast services directly to the state's citizens. These techniques include the design of publications, such as the development and production of *CenterPiece*, the monthly program guide sent to all UNC-TV members; involvement with certain outreach events, such as UNC-TV's exhibit at the North Carolina State Fair; the creation and production of a variety of online services—the UNC-TV Web site, the UNC-TV electronic newsletter, and UNC-TV's social networking sites; UNC-TV media and public relations activities; UNC-TV's broadcast graphic design services; and related marketing and communication services.

PUBLICATIONS

UNC-TV produces 12 issues per year of *CenterPiece* magazine, a program guide distributed to the approximately 65,000 financial supporters of UNC-TV who contribute at least \$35 per year. (There are many members who give UNC-TV below \$35 per year, and they do not receive *CenterPiece*.) The guide includes the schedule, feature articles about upcoming programs, information about volunteer opportunities and outreach activities, and other institutional information about UNC-TV. *CenterPiece* is a donor cultivation tool and is paid for by donor contributions.



OUTREACH AND SPECIAL EVENTS

Communications and Marketing staff members organize and assist with various outreach activities at UNC-TV, including developing the annual exhibit at the North Carolina State Fair, producing materials for use by the UNC-TV Outreach staff at its training and other educational functions, creating materials for use by the UNC-TV Kids Club, and writing or giving speeches for presentation to civic organizations.

ONLINE SERVICES

UNC-TV's Web site (unctv.org) includes video content seen on UNC-TV and PBS, opportunities to donate to UNC-TV, activities for children, and a wealth of educational content for use by educators and students through the UNC-TV LearningMedia section of the site. The site averages 50,000 to 60,000 visits a month. UNC-TV also has a presence in a variety of social media, including Facebook (6,752 friends), Twitter (2,814 followers), and YouTube (18,000 views per month), and produces an electronic newsletter, called the e-Guide, that is e-mailed to approximately 60,000 subscribers twice each month.

MEDIA RELATIONS

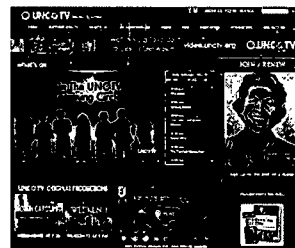
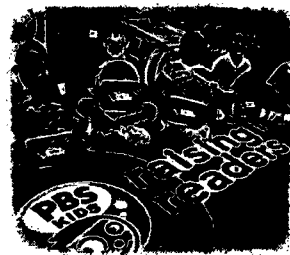
Communications and Marketing staff members respond to inquiries from the news media, promote coverage of UNC-TV programs and services by the news media, arrange or participate in promotional partnerships with outside organizations, and assist with the organization of special public events, such as political debates that are held in the UNC-TV studios and broadcast statewide.

2d. CURRENT ENVIRONMENT

Resource allocation

In FY12 the budget for all of UNC-TV's activities totals \$26.5 million. Of that amount, 40 percent is provided by the state of North Carolina; the remainder is derived from the federal government and from private fund-raising efforts. Within UNC-TV's budget, state funds finance the maintenance and operation of the extensive physical plant, including funds for insurance and utilities. State funds also finance closed captioning, information technology, technical operations, and a majority of the budget needed for repairs, supplies, and travel.

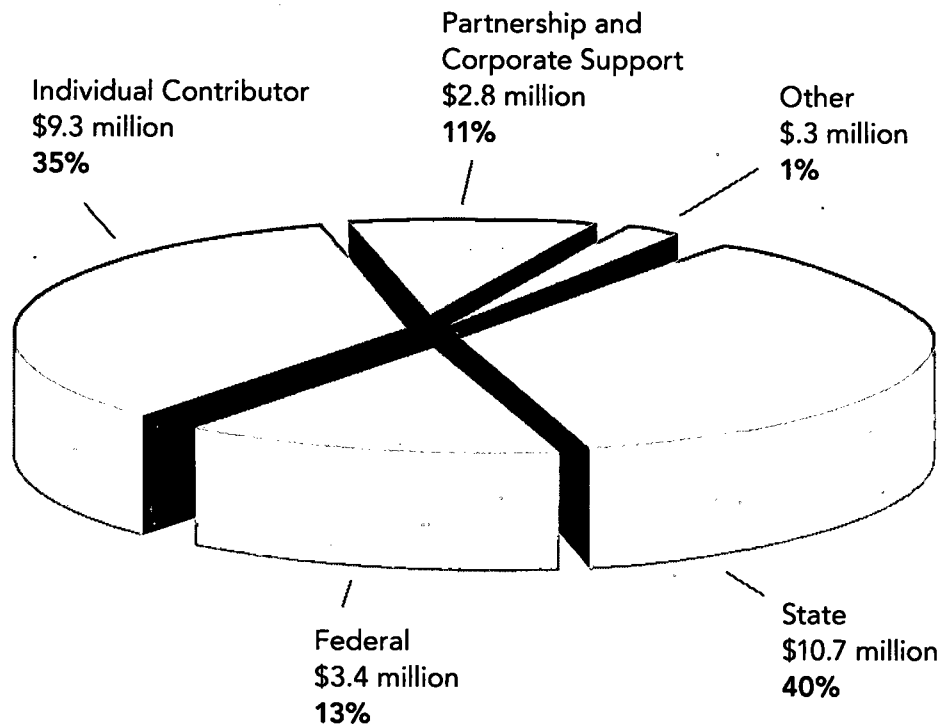
UNC-TV has leveraged state appropriations over the years to increase both federal funding and private giving. Without the state investment, UNC-TV's ability to leverage federal and private dollars would be greatly diminished. The following chart shows the percentage of funds provided from each funding source.



UNC-TV FINANCIAL INFORMATION

Funding Resources FY2012

TOTAL: \$26.5 MILLION



Within the \$26.5 million budgeted for FY12, \$12 million (47 percent) provides for salaries and benefits of both permanent and contract employees. Within the non-personnel budget, \$1.2 million is needed to pay the utility bills for operating UNC-TV facilities and broadcast services and \$4.2 million is required to pay for national services provided by the Public Broadcasting Service (PBS). These services include:

- PBS children's programs—**Sesame Street**, **Curious George**, **Super WHY!**, and **WordGirl**, to name a few—and services benefit all North Carolina children, and those who watch enter school better prepared to learn.
- PBS prime-time programs such as **NOVA**, **NATURE**, **Masterpiece**, **FRONTLINE**, **AMERICAN EXPERIENCE**, and **Antiques Roadshow**.
- UNC-TV LearningMedia—powered by PBS, available at no cost to every educator in North Carolina, providing more than 20,000 interactive learning objects from trusted sources such as PBS, the Library of Congress, and the National Archives to enhance teaching in the classroom or at home.



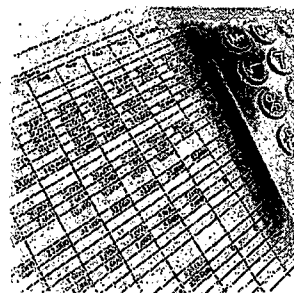
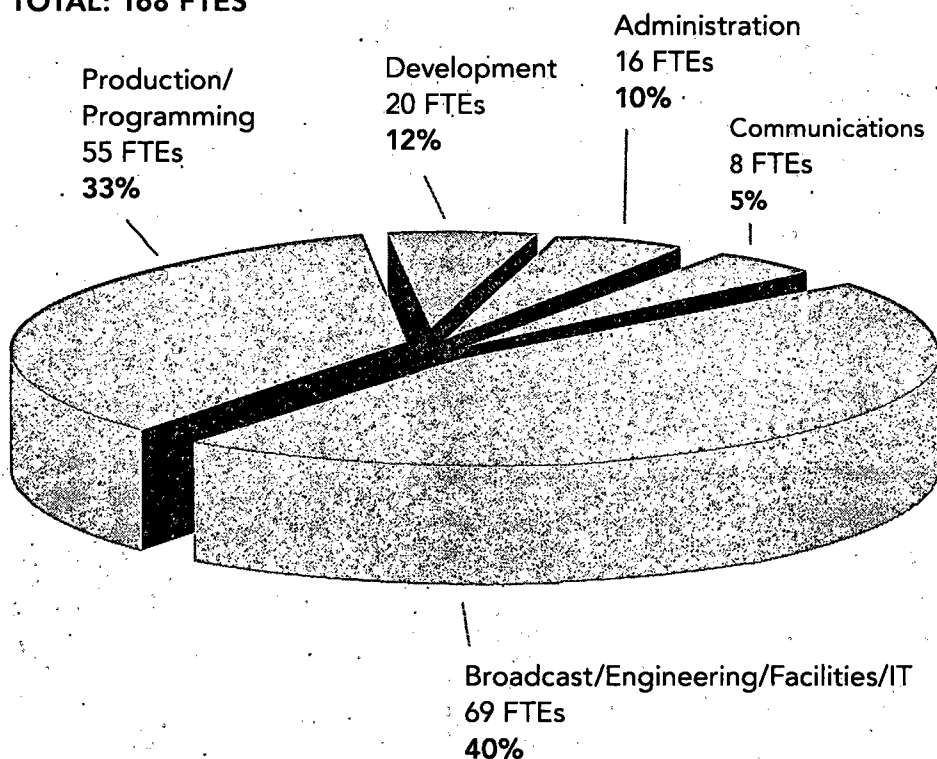
- PBS TeacherLine—professional development courses for teachers.
- PBS fund-raising programs—programs that enhance UNC-TV's ability to raise private funds.
- A nationwide distribution system.
- Online services.

The following chart shows the allocation of full-time equivalent personnel among the operating divisions. Seventy-three percent of employees are directly involved in providing production, programming, or broadcast services to North Carolinians. For each employee in development, approximately \$605,000 is raised through viewer and corporate contributions.

UNC-TV FINANCIAL INFORMATION

Personnel Resources FY2012

TOTAL: 168 FTEs



Seventy-three percent of employees are directly involved in providing production, programming, or broadcast services to North Carolinians.

In 2007-08 UNC-TV's budget supported 216 full-time employees (FTEs). The current budget supports 168, a reduction of 22 percent. This reduction in employees is the result of lower state appropriations and static private funding.

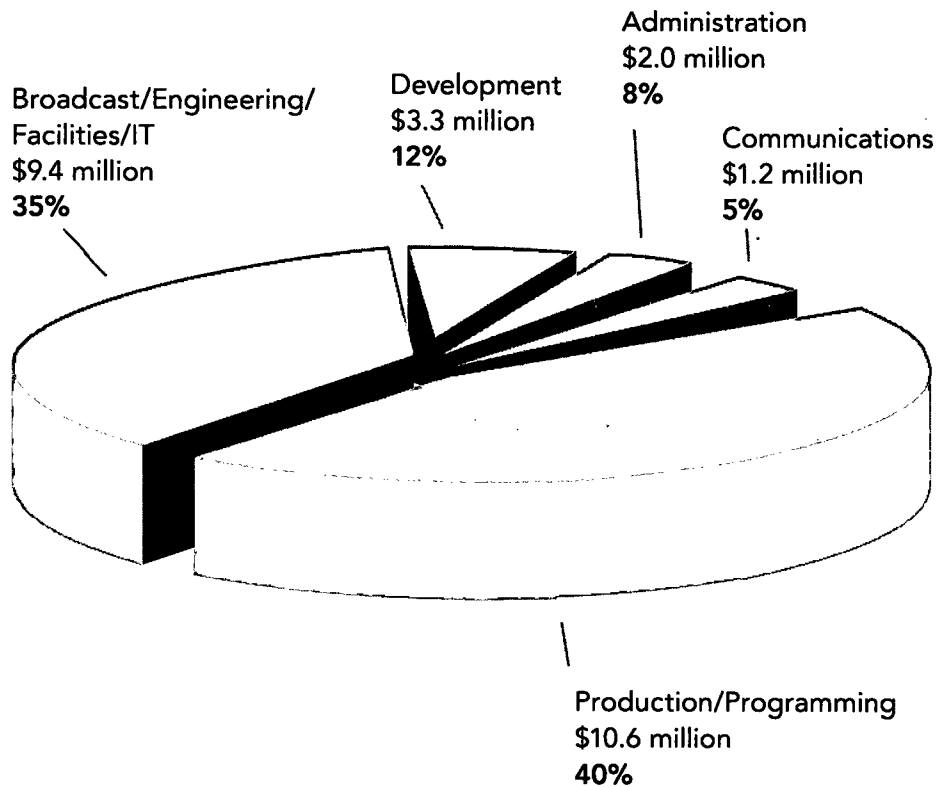
The following chart shows UNC-TV's budget distribution by function. Seventy-five percent of the budget supports broadcast and programming activities. Only 8 percent of the budget supports administration.



UNC-TV FINANCIAL INFORMATION

Program Resources FY2012

TOTAL: \$26.5 MILLION



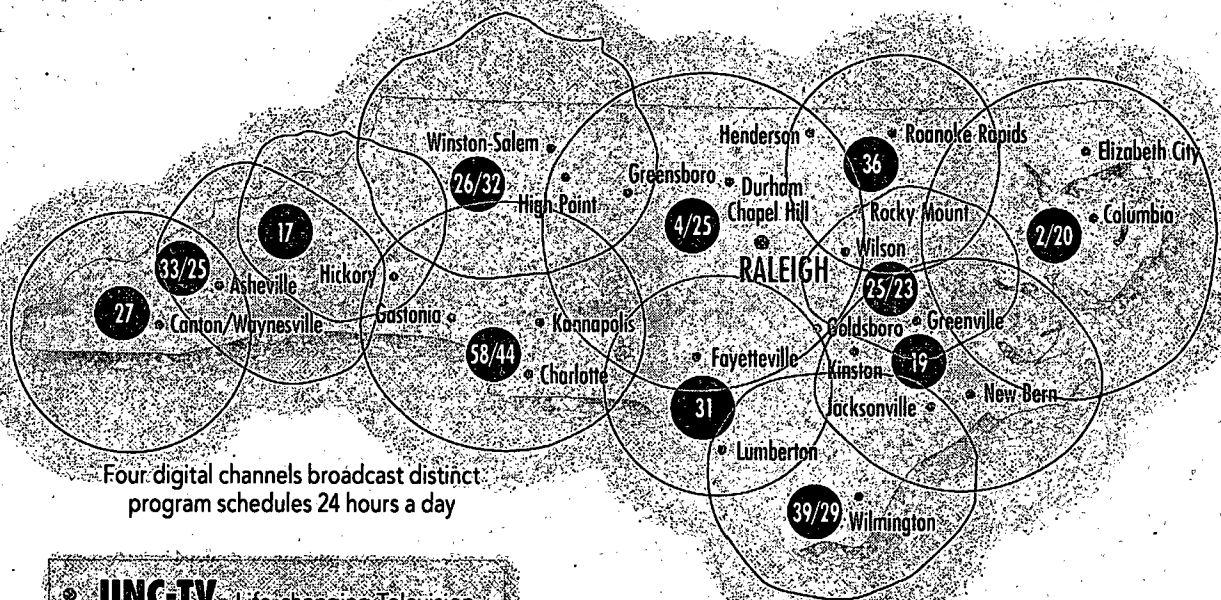
ASSETS

The physical assets of UNC-TV include 12 full-power transmitters, 25 translators (low-power transmitters), a 1,100-mile microwave interconnect system, a state-of-the-art television production facility, a legislative studio, a high-definition remote production truck, and a satellite uplink truck. The North Carolina General Assembly provided the original funding for the construction of UNC-TV's facilities and, in 2000, provided \$65 million through the Higher Education Improvement Bonds to ensure that UNC-TV met the FCC requirements for conversion from analog to digital broadcasting. UNC-TV has a physical presence at 61 locations around North Carolina. In the last 30 years, the state has invested more than \$99 million in capital funding.



UNC-TV's coverage map:

UNC-TV SIGNAL COVERAGE



- **UNC-TV** Life-changing Television
- **UNC-KD** The Kids Channel
- **UNC-EX** The Explorer Channel
- **UNC-MX** Eclectic Mix (digital cable only)

WUNF-TV 33/25 Asheville	WUNK-TV 25/23 Greenville	WUNP-TV 36 Roanoke Rapids
WUNC-TV 4/25 Chapel Hill	WUNM-TV 19 Jacksonville	WUNJ-TV 39/29 Wilmington
WUNG-TV 58/44 Concord/Charlotte	WUNE-TV 17 Linville	WUNL-TV 26/32 Winston-Salem
WUND-TV 2/20 Edenton/Columbia	WUNU-TV 31 Lumberton	WUNW-TV 27 Canton/Waynesville

3a. PROGRAM PERFORMANCE

Performance measures and data

To measure its success in meeting its statutory objectives, UNC-TV uses viewership data, independent viewer satisfaction surveys at the local and national levels, research-based findings of literacy impact, external funding support metrics, and other measures. Some independent external sources of information and their findings are reported below.

The Nielsen Company, a global marketing and advertising research company:

- Over 4.2 million viewers watch UNC-TV at least once weekly.
- Children and parents watch more than 39 million viewer-hours of UNC-TV's preschool and K-6 programs annually.

In a November 2011 independent poll conducted by Elon University:

- 77.7 percent of those responding indicated that it was either "important" or "very important" that there is public television service in North Carolina.
- 68.1 percent stated that UNC-TV's news and public affairs programs are "trustworthy" or "very trustworthy."
- 86.5 percent of those polled watch UNC-TV.

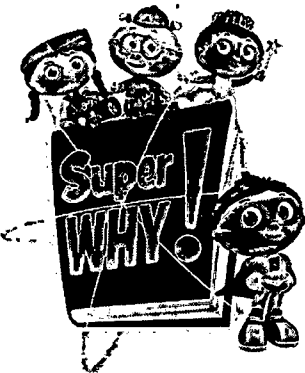
In January 2012 Professor Mileah Kromer of Elon University developed and subsequently analyzed the results of an online survey that UNC-TV offered to visitors of its Web site. The purpose of the survey was to gauge the level of customer satisfaction with UNC-TV and its programs. A total of 2,670 members and users of UNC-TV from across the state completed the survey and evaluated UNC-TV's programs and services. Some of the findings included:

- 95.8 percent of those who responded indicated that it was either "important" or "very important" that public television programs for children be available in North Carolina.
- 77.5 percent indicated they were "satisfied" or "very satisfied" with the children's programming available on UNC-TV.
- 96.8 percent indicated that it was either "important" or "very important" that public television be available in North Carolina.

Additional measures of UNC-TV's performance are listed below.

1. Seventy-nine percent of all preschool children and children ages two to eleven watch children's programs on PBS.⁷ Research verifies that these children enter school better prepared to learn and that the positive benefits of watching public television remain with them throughout

⁷ Nielsen NPower, 9/20/10-9/18/11



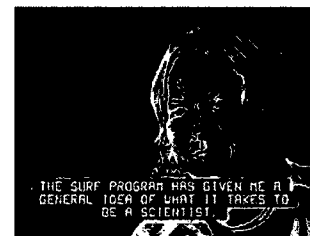
Children and parents watch more than 39 million viewer-hours of UNC-TV's preschool and K-6 programs annually.

their academic careers. One study of teens who had watched the PBS program **Sesame Street** as preschoolers found that “adolescents who were frequent viewers at age five had better grades in high school, read more books for pleasure, had higher levels of achievement and motivation, and expressed less aggressive attitudes” than children who had not been frequent viewers.⁸

2. UNC-TV’s original productions, such as **North Carolina People with William Friday**, **Folkways**, **North Carolina Now**, and **North Carolina Now Legislative Week in Review**, are—and have historically been—well-watched. The longevity of many of UNC-TV’s original series is an indication that North Carolinians use their statewide public television network not only for its strong PBS programs but for programs about North Carolina.
3. UNC-TV’s original productions are supported by corporate partners who, over the past ten years, have invested \$5,664,241 in 606.1 hours of special programs for North Carolinians.
4. Over the past 16 years, UNC-TV has leveraged state funding to secure infrastructure grants amounting to \$6,867,952 from the federally funded Corporation for Public Broadcasting (5 grants) and the National Telecommunications and Information Administration through the Public Telecommunications Facilities Program (PTFP—11 grants). There are more than 350 public broadcasting organizations that vie for these grants whenever they are offered.
5. UNC-TV has provided closed captioning on all of its original productions and has broadcast closed-captioned programs on its services since January 1, 2006. Part of UNC-TV’s mission is to make public television accessible to all. Closed captioning helps fulfill that mission by reaching hearing-impaired viewers. Providing closed captioning was an unfunded federal mandate. UNC-TV received \$500,000 from the North Carolina General Assembly to meet this mandate.
6. Since 2006 UNC-TV’s Outreach team, with the help of volunteer trainers and partners, has conducted 553 workshops and community events attended by more than 206,341 adults and children.



*North Carolina Now
Legislative Week in Review*



⁸ Fisch, Shalom M. and Truglio, Rosemarie T. (Eds). (2001). *“G” is for Growing: Thirty Years of Research on Children and Sesame Street*. Mahwah, NJ: Lawrence Erlbaum Associates.

7. For the most recent two state and national elections, UNC-TV has provided a nonpartisan online voters guide in conjunction with the North Carolina Center for Voter Education. Each online guide was accessed by more than 80,000 visitors.⁹
8. UNC-TV's educational services are used regularly by teachers, caregivers, and parents. UNC-TV LearningMedia—a digital media platform launched in August 2011—offers 20,000 classroom-ready, high-quality learning objects aligned with Common Core and national curriculum standards. More than 1,550 North Carolina teachers are users of UNC-TV LearningMedia, with more registering every day. UNC-TV LearningMedia is offered at no cost to users and is available to all teachers, educators, and homeschool educators in North Carolina.



3b. PROGRAM PERFORMANCE

Achievement of objectives

UNC-TV is meeting the statutory objectives established in N.C.G.S. § 116-37.1. The leadership of UNC-TV believes that the objectives outlined in the statutes are truly meaningful and add value to the lives of North Carolinians, and this belief is echoed by 78 percent of those participating in the Elon University poll who indicated that it was either "important" or "very important" that there is public television service in North Carolina.

4. LINK BETWEEN FUNDING/RESOURCES AND STATEWIDE/SOCIETAL IMPACT

Each day UNC-TV's resources are dedicated to improving the quality of life for North Carolinians, ranging from preparing children to succeed in school, to helping small and often struggling companies and communities to communicate to a statewide market. By using its existing funding/resources in an efficient, effective manner, UNC-TV makes a strong statewide societal impact on any North Carolinian who uses its services.

Specific societal impacts follow.



Sesame Street

⁹ Google Analytics

4a. LINK BETWEEN FUNDING/RESOURCES AND STATEWIDE/SOCIETAL IMPACT

The statewide/societal impact of UNC-TV's children's programs and services



UNC-TV's strongest and most important societal impact is on North Carolina's children. Research shows that through its children's programs, UNC-TV helps educate our state's youngest citizens and helps prepare them to enter school ready to learn. North Carolina's children are better prepared to learn because 67 percent of them watch UNC-TV.¹⁰

It has been well documented that educational television is a cost-effective, research-proven, and popular choice for families, particularly for low-income households. Research compiled by the Nielsen Company indicates that children from low-income homes are more likely than their middle-class peers to watch PBS television programs and consider the children's programming as enjoyable as commercial television.¹¹

The reality is that most children entering kindergarten lacking basic early literacy skills do not catch up to their peers in subsequent years. In fact, the National Adult Literacy Survey found that children who have not already developed some basic literacy practices when they enter school are three to four times more likely to drop out.¹²

According to the most recent Grunwald Survey of educational media, parents and pre-K educators value PBS children's programs, Web sites, and materials far more than resources from commercial broadcasters or any other provider.¹³ According to the same study, parents feel confident in encouraging their children to watch PBS KIDS programs. Parents who do not have the time or skills to help their children learn basic literacy skills trust PBS to be their partners in providing their children with valuable content.



Nearly half of America's children are not prepared to succeed when they enter kindergarten according to data compiled by PBS. PBS programs are particularly effective in engaging disadvantaged children. Recent experimental studies found that when PBS video, online, and print materials were combined with teacher training, lesson planning, and classroom instruction, children from low-income backgrounds were able to make such rapid growth in reading that they closed the achievement gap with middle-class children.

¹⁰ The Nielsen Company and Fisch, Shalom M., and Truglio, Rosemarie T. (Eds). (2001). "G" is for Growing: Thirty Years of Research on Children and Sesame Street. Mahwah, NJ: Lawrence Erlbaum Associates.

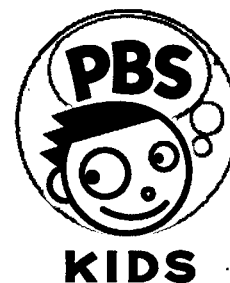
¹¹ Nielsen Television Index. (2008-2009). PBS weekly come for 2008-2009 broadcast season.

¹² National Assessment of Adult Literacy. (1993). *National adult literacy survey*. Washington, DC.

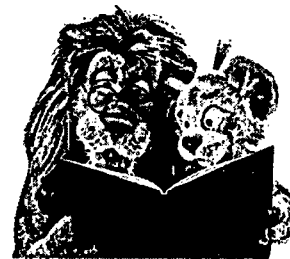
¹³ Grunwald Associates, LLC. (2010). *Seventh annual PBS survey of education media and technology*. New York: Author.

- A 2009 study examined the effect of a PBS media-rich curriculum on almost 400 low-income children and their teachers in 80 preschool classrooms. The study found that preschoolers who participated outscored a control group of their peers on all tested measures of early literacy. Furthermore, children who started out at the lowest literacy skills gained the most.¹⁴
- According to a University of Michigan study, children in a Detroit Head Start program were able to catch up entirely with middle-income control groups on standardized reading assessments when they were taught from a curriculum combining multimedia materials adapted from **Sesame Street** with print materials, lesson plans, and teacher training.¹⁵
- A 2000 study done by the University of Pennsylvania looked at the effects of a classroom curriculum that combined **Between the Lions** video with related print resources, lesson plans, and training/mentoring for teachers. The study found that participating teachers became significantly more likely to teach reading using proven instructional strategies and that students posted significant literacy gains.¹⁶
- In 2008-09 the University of Pennsylvania conducted a larger study in 24 preschool classrooms in Mississippi. Students made up to 300 percent gains on measures of basic literacy, far outpacing a control group of students. In just 30 weeks, low-income children had closed the achievement gap with middle-class children.¹⁷

For more than four decades, researchers have documented the benefits that children accrue by watching PBS children's educational programming. Not only do children profit in the short term by acquiring needed literacy, social, and mathematical skills, but research indicates that the programs produce a lasting impact on their behavior and academic success.



Not only do children profit in the short term by acquiring needed literacy, social, and mathematical skills, but research indicates that the programs produce a lasting impact on their behavior and academic success.



Between the Lions

¹⁴ Pasnik, S., Penuel, W. R., Bates, L., Townsend, E., Gallagher, L. P., and Llorente, C. (2010, May). *A media-rich curriculum for improving early literacy outcomes of low-income children: Evaluation results for the Ready To Learn Initiative*. Symposium presentation at the Annual Meeting of the American Educational Research Association, Denver, CO.

¹⁵ Neuman, S. B., Newman, E. H., and Dwyer, J. (2010). *Educational effects of an embedded multimedia vocabulary intervention for economically disadvantaged pre-K children: a randomized trial*. A report prepared for the Corporation for Public Broadcasting, Ann Arbor, MI: University of Michigan.

¹⁶ Wainwright, D. K., and Linebarger, D. L. (2007). *Evaluation of Between the Lions season 6: Characters and cutaways, the impact on appeal and story comprehension*. Philadelphia, PA: Annenberg School for Communication, University of Pennsylvania; Linebarger, D. L. (2006). *The Between the Lions American Indian Literacy Initiative Research Component: Report prepared for the United States Department of Education*. Philadelphia, PA: Annenberg School for Communication, University of Pennsylvania.

¹⁷ Linebarger, D. L. (2010). *Between the Lions Mississippi literacy initiative: 2008-2009 review*. A report prepared for the Corporation for Public Broadcasting. Philadelphia, PA: Annenberg School for Communication, University of Pennsylvania.

UNC-TV'S DIRECT OUTREACH TO CHILDREN, EDUCATORS, AND PARENTS IN NORTH CAROLINA

For the children of North Carolina, UNC-TV provides far more than its broadcasts of PBS children's programming. In 1992 the General Assembly appropriated funding for a UNC-TV-led pilot project called **Sesame Street** Preschool Education Program (SS PEP).¹⁸ The project was well-received by North Carolinians and prompted UNC-TV to develop similar outreach activities around **Mister Rogers' Neighborhood**. In 1999 UNC-TV won a national award from both PBS and the Corporation for Public Broadcasting (CPB) for having the most comprehensive children's outreach program in the United States. In 2002 UNC-TV's outreach program was again selected by both PBS and CPB as a model of program effectiveness that other public television stations should emulate. In 2006 UNC-TV was awarded a grant from PBS to establish centers of excellence in strategic areas across the state that used PBS programming, combined with strategic outreach efforts, to raise parental involvement in children's education and boost children's early literacy skills. An independent evaluation found that UNC-TV's project substantially increased parents' skill in working with their children and expanded the amount of time they spent reading and doing literacy-enhancing activities with them. In addition, students spent more time reading and their early literacy skills improved.

UNC-TV reaches young children where they spend their time and provides tools to support the adults—parents, teachers, librarians, and day care providers—who most influence their learning. Outreach services particularly target families who are the most in need—those that have one or more of these characteristics: low literacy, physical or emotional disabilities, non-English speaking, and rural. UNC-TV joins forces with similar nonprofits like the North Carolina Association for the Education of Young Children (NCAEYC), the North Carolina Community College System, Communities in Schools, Family Child Care Associations, the Military and Veterans Resource Coalition, North Carolina Child Care Resource and Referral, North Carolina Cooperative Extension/4-H, North Carolina Partnership for Children, the State Library of North Carolina, Marbles Kids Museum, the North Carolina Museum of Natural Sciences, day care providers, teachers, parents, and guardians to enhance and supplement their work in meaningful and significant ways.



UNC-TV reaches young children where they spend their time and provides tools to support the adults—parents, teachers, librarians, and day care providers—who most influence their learning.

UNC-TV AWARDS

- 1999—national award from both PBS and the Corporation for Public Broadcasting (CPB) for having the most comprehensive children's outreach program in the United States
- 2002—outreach program was again selected by both PBS and CPB as a model of program effectiveness that other public television stations should emulate
- 2006—awarded grant from PBS to establish centers of excellence in strategic areas across the state that used PBS programming, combined with strategic outreach efforts, to raise parental involvement in children's education and boost children's early literacy skills

The services you provide are truly making a difference....

—Jessica Moss
Executive Director
KidSenses Children's
Museum
Rutherfordton, NC

¹⁸ SS PEP is an educational enrichment program for three- to five-year-olds that makes learning a fun and challenging adventure by using the educational goals of the Sesame Street show, children's books, and developmentally appropriate activities. This program seeks to: (1) stimulate children's natural curiosity, (2) help children learn about the world around them, (3) provide opportunities for children to develop to their full potential, (4) foster a love of reading, (5) boost positive self-esteem, (6) enhance children's language and literacy skills, and (7) develop an appreciation of human diversity.

UNC-TV's activities span a broad spectrum, but highlights include:

Offering quality professional development for educators

UNC-TV is an "exempt professional development agency" recognized by the North Carolina Division of Child Development for providing contact hour credits (CHCs) for standards-based workshops for child care providers and teachers. UNC-TV has awarded 3,138 contact hour credits to these educators over the last two years. The North Carolina Division of Child Development also recognizes UNC-TV as a provider of Continuing Education Unit Credits (CEUs) for prekindergarten and early elementary teachers. UNC-TV has awarded 67 continuing education credits to teachers over the past year.

UNC-TV is invited to present annually at conferences, including the National Association for the Education of Young Children (NAEYC), the North Carolina Association for the Education of Young Children (NCAEYC), Smart Start, Head Start, and the ASK Conference—Advancing Skills and Knowledge for Child Development Professionals. In 2010-11 UNC-TV's Educational Outreach staff, along with contracted trainers, conducted 27 workshops, educating 1,140 adults and impacting 10,962 children. The staff also participated in 101 additional outreach events that attracted 51,257 children.

On a quarterly basis UNC-TV partners with four community colleges: Wake Technical Community College, Durham Technical Community College, Johnston Community College, and Alamance Community College. UNC-TV works with teachers at these community colleges to help them incorporate PBS resources into their classroom instruction for early childhood education students.

Hosting events for preschoolers entering kindergarten

UNC-TV, in conjunction with several school systems and other partners like Marbles Museum, has created highly successful "Kickoff to Kindergarten" events where young children can register for school, practice boarding a real school bus, sample tasty options for healthy snacks and lunches, get a library card, and take home goody bags filled with school supplies. School officials speak with parents about the importance of immunizations and other aspects of getting a child ready for school. Last year alone more than 3,000 parents and children benefited from these events.

Conducting workshops that address important childhood health issues

UNC-TV has worked with partner agencies to tackle important childhood health issues. One example is the partnership UNC-TV has with Pitt County Memorial Hospital, the North Carolina Nurses Association, and asthma coalition groups in Cleveland, Wake, Cumberland, Craven, Lenoir, and Greene



Thank you for a wonderful and powerful workshop... I am grateful to have received more resources to utilize for classroom instruction....

—Eboni Williams
Classroom Teacher
Hoke County Schools



BY THE NUMBERS

- UNC-TV has awarded 3,138 CHCs over two years.
- UNC-TV has awarded 67 CEUs to teachers in the past year.
- UNC-TV conducted 27 workshops at conferences, educating 1,140 adults and impacting 10,962 children in the past year.
- UNC-TV created "Kickoff to Kindergarten," attended by more than 3,000 parents and children last year.
- UNC-TV participated in 101 outreach events that attracted 51,257 children last year.



Counties to sponsor workshops that provide materials for doctors and nurses to use in educating families and children about childhood asthma. The materials are based on the PBS program **Arthur**. Other workshops teach child care providers and parents about issues such as nutrition, the importance of movement, and childhood hunger.

Supporting children's literacy skills

UNC-TV works with public libraries, educators, and children's authors to sponsor a yearly writers contest. Some of North Carolina's winners have gone on to win national prizes. In cooperation with the State Library of North Carolina, UNC-TV has provided supplemental resources to libraries, as well as scheduled workshops for Mr. McFeely from **Mister Rogers' Neighborhood**, to talk with parents and children across the state. UNC-TV also hosts summer reading camps, reading buddies programs, literacy parties, and storytelling events throughout North Carolina.

Assisting Latino families

UNC-TV partners with organizations like Migrant Head Start and La Fiesta del Pueblo to distribute much-needed educational materials written in Spanish to Spanish-speaking families.

Providing STEM resources and training

PBS offers 11 series on science, technology, engineering, and math. UNC-TV offers a variety of workshops to parents and educators to help them cultivate and increase students' abilities in those areas.

Aiding military families

UNC-TV is collaborating with the North Carolina Department of Public Instruction and the Military and Veterans Resource Coalition to distribute PBS resources, such as the **Sesame Street** booklets called *When Families Grieve*, and to offer workshops and community events that provide fun yet educational events for military personnel and their children.

Throughout North Carolina, teachers and other caregivers know that they can find high-quality, research-based educational tools and materials from UNC-TV. These tools and materials, which are appealing to children, are grounded in research and are closely aligned with state and professional academic standards.

UNC-TV is an important partner in the state's ongoing effort to ensure that young children, particularly the disadvantaged, have meaningful opportunities to be successful in school and throughout life.



Throughout North Carolina, teachers and other caregivers know that they can find high-quality, research-based educational tools and materials from UNC-TV.

4b. LINK BETWEEN FUNDING/RESOURCES AND STATEWIDE/SOCIETAL IMPACT

The statewide/societal impact of UNC-TV's original programming

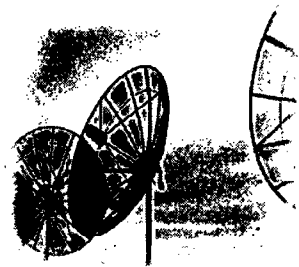
In addition to the social and educational impact of its children's programming, UNC-TV produces programs that are educational, informational, life-changing, entertaining, and inspiring for people of all ages. It is the only television entity in the state that can disseminate information and content to all North Carolinians simultaneously. UNC-TV's original productions are the means through which all North Carolinians can receive an in-depth understanding of what is happening at the North Carolina General Assembly, hear directly from state leaders, and gain further insight into the state's history, culture, and heritage.

UNC-TV's original productions document and celebrate North Carolina. The programs are a visual chronicle of North Carolina and a reflection of the state and its people. These productions showcase the state's cultural treasures, explore its natural history and beauty, examine important issues, and interview interesting residents and experts. By watching UNC-TV's original productions, viewers are better able to understand the issues facing their community and state, receive information that is objective and unbiased, and become connected to the important conversations happening across the state.

In creating a wide variety of original productions, UNC-TV is able to share a diversity of content with viewers. Just as one community or county does not represent the whole of North Carolina, one program or series cannot tell the state's entire story. It takes a large number and variety of original programs to explain this complex and diverse state and its people. Since 1985 UNC-TV has produced and distributed 728 original programs and series in the program genres of documentary, how-to, performance, public affairs, special projects, education, government and policy, and athletics. All of these programs and series reflect the rich tapestry of a growing and ever-changing state.

COVERAGE OF STATE GOVERNMENT AND POLICY MAKING

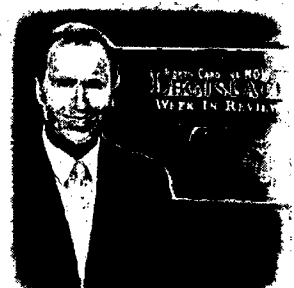
Legislative coverage has long been a staple of UNC-TV's public affairs programming. Since 1984 UNC-TV has dedicated significant resources to covering each session of the General Assembly by sending a production unit consisting of a reporter, engineer, producer, and videographer to cover the legislative sessions in Raleigh. Through programs such as **Stateline**, **Ask the Governor**, **Ask the Legislative Leadership**, **Legislative Report**, and other



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[E]xcellent shows are produced right here...by UNC-TV, and [they] have an international quality to the production indistinguishable from shows done in New York or Los Angeles or beyond....

—Dr. Lawrence Wheeler
Director
North Carolina
Museum of Art

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North Carolina Now
Legislative Week in Review

special coverage such as the Governor's State of the State address, UNC-TV has given North Carolinians regular reports on the activities at the General Assembly. In 1995 UNC-TV created **Legislative Week in Review** to provide comprehensive coverage of the most important bills and issues that come before the state House and Senate. In 2011 **Legislative Week in Review** combined forces with **North Carolina Now** to produce **North Carolina Now Legislative Week in Review**. On Friday nights at 7:30 p.m. during the session, the program takes viewers inside committee rooms and into the hallways of the legislature to understand the business of the General Assembly. Each program features a wrap-up of the week's activities, in-depth looks at pending legislation, interviews with lawmakers, and an analysis of the week's events provided by members of the Capital Press Corps.

UNC-TV is proud of its coverage of legislative affairs. In the past 25 years, more than 320 programs have focused on the work of the General Assembly. Today this coverage is also offered online, providing viewers with even greater access to state lawmakers and the legislative process.

ECONOMIC DEVELOPMENT SUPPORT

UNC-TV is a partner in supporting local community efforts to build economic capacity and to support nonprofit organizations by providing coverage of these efforts in its original productions.

North Carolina Now, North Carolina Weekend, Our State, Black Issues Forum, and other programs have featured stories and individuals that inform viewers of the state's businesses, industries, and educational, cultural, and historical offerings. Corporations, nonprofit organizations, educational institutions, cultural institutions, the hospitality industry—these and other entities benefit from UNC-TV's statewide reach with information about their organizations, their missions, and their goods and services. UNC-TV provides a critical service to these groups because nonprofits and emerging businesses typically do not have the resources needed to reach a statewide audience. By creating awareness of North Carolina's business, cultural, educational, recreational, and historical climate, UNC-TV contributes to building North Carolina's economy.

This is why, since 2002, many North Carolina educational and cultural institutions have made significant investments to partner with UNC-TV. Ten years ago UNC-TV launched an ambitious partnership initiative, which resulted in bringing in \$5.6 million to pay for new projects that generated more than 600 hours of life-changing television for its viewers. These partnerships al-



low UNC-TV to:

- Increase original content that is unique, distinctive, and valuable.
- Increase the number of programs and services UNC-TV develops for and about North Carolina.
- Assist in solving social and educational problems, make a difference in people's lives, and improve the quality of life in the state.
- Assist other public service organizations in achieving their goals.

The positive responses from UNC-TV's partners speak volumes:

“

We are so proud of our partnership with UNC-TV and North Carolina Weekend. This programming has helped to tell the story of wonderful people and places to discover (and visit) all across our great state. The response we continue to receive from viewers and from our in-state tourism partners is overwhelmingly positive. [May 13, 2010]

We continue to hear positive comments about UNC-TV's North Carolina Weekend. Moreover, we are proud of the way it showcases important sites and attractions all across our great state. [May 24, 2010]

—Lynn Minges
Assistant Secretary for Tourism, Marketing,
and Global Branding
North Carolina Department of Commerce

I am convinced that without the support of UNC-TV and the exposure it gave we would have been much diminished in our reach to the public.

Without question, the support of UNC-TV translates into numbers, into audience, into memberships, into revenue.

These excellent shows are produced right here in North Carolina by UNC-TV, and I think have an international quality to the production indistinguishable from shows done in New York or Los Angeles or beyond.

These are so important to sustaining the museum, and UNC-TV is an invaluable partner. [September 2009]

—Dr. Lawrence Wheeler
Director, North Carolina Museum of Art
[referencing the value of the seven partnership
programs with UNC-TV on important exhibitions]

”



North Carolina Weekend





The partnership with UNC-TV helps us fulfill our mission to educate people about their environment by helping us have a broader impact, going into everyone's home in North Carolina, into homes and states neighboring North Carolina.

*There isn't another partnership like the partnership the North Carolina Museum of Natural Sciences has with UNC-TV. **Exploring North Carolina** is a seven-year TV series that has been enabled by this partnership. And it's fabulous. And I would suggest people need to do more of this.*
[February 2010]

—Dr. Betsy Bennett
Director, North Carolina Museum of Natural Sciences

It's been a wonderful partnership because we get to perform for many more people than we would reach just on the stage alone.

UNC-TV is the only outlet for culture and the arts in today's world. Public television provides a service that no other network or TV station provides.

So the fact that we have UNC-TV is a blessing because that's the only place you can find this kind of programming today. [March 2010]

—Robert Weiss
Artistic Director, Carolina Ballet



Exploring North Carolina



Carolina Ballet

UNC-TV's original productions contribute positively to the state's economic development by:

- Promoting emerging and lesser-funded nonprofit organizations and businesses. **North Carolina Now** newsmaker interviews with members of the Senior Helpers, Triad Stage, the North Carolina Shakespeare Festival, and North Carolina Prevention Partners provided an opportunity for these organizations to reach viewers across the state.
- Helping to attract new business to rural areas. North Carolina's Northeast Commission reported new interest in the region following the broadcast of several *North Carolina Rising* reports on **North Carolina Now**.
- Sharing helpful business advice with small businesses. Feedback from Avoca, a botanical extraction company located in Merry Hill, following the broadcast of a *North Carolina Rising* story on **North Carolina Now**, stressed the importance of sharing the stories of small business as concrete examples of success.

- Spurring tourism. The Alamance County Arts Council reported attendance of 1,000 visitors after the **North Carolina Weekend** broadcast of a story about its "Beyond the Frame" exhibition. Most of these visitors had attended as a result of seeing the **North Carolina Weekend** story.
- Generating additional business for well-established North Carolina businesses. Meadow Mills, Inc., Sunburst Trout Company, and EnergyX-change reported an increase in business activity following the broadcast of *North Carolina Rising* stories on **North Carolina Now**.
- Replacing negative images of rural North Carolina with positive images. Mitchell County economic developers provided feedback that *North Carolina Rising* feature stories showcased the creativity and ingenuity found in rural areas of the state.
- Enhancing local efforts to build economic development clusters. UNC-TV has produced four **Triad CEO Forum** programs since 2003 looking at the continuing development of specific economic development clusters, such as logistics and biotechnology, that are transforming the Triad region's economy.
- Providing useful employee training materials and recruitment tools. The Bent Creek Germplasm Repository at the North Carolina Arboretum and PRC Industries are using *North Carolina Rising* stories as part of their employee and volunteer training programs.
- Linking people to one another and to community assets. North Carolina Department of Cultural Resources Secretary Linda Carlisle provided feedback that a **North Carolina Now** interview connected the state's residents with the department's Second Saturday program and the rich resources at state historic and cultural sites.
- Referring North Carolinians to additional resources on the Internet. UNC-TV's Web site (unctv.org) connects North Carolinians to a variety of Web sites, such as the Division of Travel and Tourism's site to provide more information on the features shown on **North Carolina Weekend**.
- Raising the interest of potential investors in North Carolina's communities and companies. Medicago, Inc., reported calls from potential investors following the broadcast of a *North Carolina Rising* feature about the company on **North Carolina Now**.
- Raising the visibility and awareness of important regional efforts. Wake Forest economic developers reported an increase in attendance and



“

I just wanted to express my appreciation and that of the Alamance County Arts Council for the wonderful piece on the Beyond the Frame exhibition....

”

—Janet Andrews
Alamance County
Arts Council



economic activity around one of its arts initiatives, Art After Hours, following a report about the event on **North Carolina Weekend**.

- Linking public television viewers with information about North Carolina products. **North Carolina Now** devoted an entire program to the state's sweet potato industry. The program featured interviews with North Carolina sweet potato producers and information about Yamco, Inc., and Ham Produce Company in Snow Hill and the products they produce.
- Utilizing the power of media to tell stories that resonate with modern consumers. Business owner Marilyn Cox reported a "shot in the arm" in regard to sales of her North Carolina-made insect repellent following the broadcast of a **North Carolina Now** feature story on this environmentally friendly business.
- Fostering pride among company employees and the community. PRC Industries reported positive feedback from the community following the broadcast of a **North Carolina Rising** feature on **North Carolina Now**.
- Sparking additional media coverage. WLOS-TV in Asheville covered the EnergyXchange after seeing a **North Carolina Rising** feature about the organization on **North Carolina Now**.

UNC-TV ARCHIVES NORTH CAROLINA HISTORY

North Carolina is a state rich in history and tradition. UNC-TV's programs capture every aspect of life in North Carolina: political, educational, cultural, recreational, historical, and musical. These programs are preserved for the future in UNC-TV's library and represent a powerful archive of the state. An important example of such programming is UNC-TV's **Biographical Conversations** series. North Carolina has produced artists, writers, politicians, and athletes who have achieved national and international stature—but who also had a defining impact on this state. UNC-TV records the personalities, insights, and successes of these extraordinary North Carolinians—Jesse Helms, John Hope Franklin, Mary Semans, and Hugh McColl, to name a few—through extensive interviews and the use of vintage and contemporary photographs, permanently documenting the lives of these individuals. **Biographical Conversations** is an ongoing original production of UNC-TV and is funded by a private grant from the A. J. Fletcher Foundation.

UNC-TV records approximately ten hours of interviews with each individual featured in the series and then edits the interviews into three one-hour programs. Since its inception in 1998, the **Biographical Conversations** series

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I am so grateful for your providing a venue to tell the much broader story of the department and its impact. As we are all a part of the state's creative economy, it is wonderful to have UNC-TV as a partner and collaborator.

—Linda A. Carlisle
Secretary
North Carolina
Department of
Cultural Resources

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Jesse Helms



John Hope Franklin

has recorded more than 228 hours of interviews with 19 guests and produced 51 hours of television programming. All of the unedited interview tapes are available to historians, scholars, and others to utilize now and in the future creating a valuable archive. Seven of the guests featured in this series have died in recent years, making these interviews an important legacy of their life and work.

UNC-TV is able to have this statewide/societal impact because of its existing funding/resources.

5a. PROGRAM JUSTIFICATION

Rationale for recommended funding level

UNC-TV provides broadcast and outreach services because of the financial support from the North Carolina General Assembly. State funding leverages federal funding, and together they generate critical private financial support from viewers and corporate donors. The domino effect of diminished state, federal, and private support would make it impossible for UNC-TV to provide service statewide.

5b. PROGRAM JUSTIFICATION

Consequences of discontinuing or reducing program funding

As indicated in the previous section, the state's appropriation to UNC-TV is lynchpin funding. If state funding is reduced, UNC-TV's staff, using the Strategic Plan, will determine operational reductions. UNC-TV will focus on its highest priorities, including making every effort possible to continue the broadcast of PBS programs.

ELIMINATION OF STATE FUNDING

If state funding is eliminated, the associated reductions in federal funding and contributor funding will require the closure of the statewide network. The state will lose access to valuable spectrum and will need to dispose of the physical plant and transmission facilities. Alternative infrastructure for the state's emergency communications capability will need to be identified and funded.

UNC-TV's primary source of federal funding is the Community Service Grant (CSG). Awarded by the Corporation for Public Broadcasting and determined by formula, the current annual award is \$3.4 million. A loss of state funding will result in a reduction of \$1.2 million in CSG funding to UNC-TV.



UNC-TV provides broadcast and outreach services because of the financial support from the North Carolina General Assembly. State funding leverages federal funding, and together they generate critical private financial support from viewers and corporate donors. The domino effect of diminished state, federal, and private support would make it impossible for UNC-TV to provide service statewide.

Assuming that viewer contributions and corporate support remain constant, the combined state and federal reductions (\$12 million) would leave \$14 million available for UNC-TV to pay the PBS dues (\$4.2 million) and maintain its 12 transmitters, 25 translators (low-power transmitters), and 1,100-mile microwave system, remaining infrastructure, facilities and engineering expenses (\$6.7 million). Development (\$2.3 million), administration (\$1.5 million), communications and marketing (\$1.2 million), information technology (\$1.5 million), facilities (\$.5 million), and programming and educational services (\$1.7 million) expenses total \$8.7 million. Without state funding, UNC-TV has \$14 million to cover \$19.6 million of expenses, excluding original production, in order to maintain its current level of service in North Carolina.

In this scenario, UNC-TV must eliminate the production of original programs due to lack of resources and capacity. Without original programming, UNC-TV's ability to leverage private support is severely compromised, thereby making any assumption of status quo viewer and corporate contributions unrealistic. The net result is that the current statewide public television network that is UNC-TV could not continue.

REDUCTION IN STATE FUNDING

In contemplating the consequences of reduced state funding, the leadership of UNC-TV has investigated several alternatives.

1. Shut down the transmission¹⁸ system for eight hours a day.

By broadcasting 16 rather than 24 hours a day, UNC-TV would slightly reduce utility expenses. If UNC-TV broadcast for less than 24 hours a day, cable and satellite providers would still be required to carry the signal through the federally mandated "must-carry" rules. However, there are no "must-carry" rules for secondary services. Cable and satellite providers would not be required to carry UNC-KD, UNC-EX, and UNC-MX; because these services would no longer be 24-hour services, they would most likely be discontinued. In addition, modern transmission equipment is designed to operate 24 hours a day. Turning the transmission system on and off each day would offset any power savings because of the increased wear and tear on the equipment and the resulting increased maintenance costs.

“

[W]e rely on UNC-TV's continued efforts to provide us with high-quality over-the-air programming, and very much hope that you will continue to do so.

—Steven C. McRae
Attorney
Graham, N.C.

”



¹⁸ The transmission system includes transmitters, translators (low-power transmitters that translate the broadcast signal from the transmitter to other translators), and the microwave system.

2. Discontinue UNC-KD, UNC-EX, and UNC-MX.

Eliminating UNC-KD, UNC-EX, and UNC-MX would save approximately \$90,000 annually in program and personnel costs. Content for these three services are program repeats or programs that UNC-TV obtained the rights to when purchasing other programs for the UNC-TV service. UNC-TV is stretching program dollars by using these otherwise unused programs on UNC-KD, UNC-EX, and UNC-MX. The digital conversion created the opportunity to offer three additional channels at no additional engineering or technical costs. UNC-KD, UNC-EX, and UNC-MX increase viewership and donors—UNC-EX alone generates close to \$100,000 in private contributions. The loss of contributions from viewers of the three additional services would exceed the savings from shutting them down.

3. Shut down individual transmitters.

Shutting down a transmitter site will result in a loss of service for viewers in the impacted region getting their signal off-air, by cable, or by satellite. Many cable systems receive UNC-TV directly from the broadcast signal provided by the transmitter or the translators and microwave fed by the transmitter. Additionally, cable and satellite companies carry only television stations broadcasting in the area.

The Federal Aviation Administration requires towers to be continually lit, thus necessitating basic power and tower maintenance. Further, the microwave systems at each site must also operate continually because of their integration with the State Highway Patrol and other emergency responder communication systems. Emergency power backup, HVAC, the building, and access roads must also be maintained because of the remaining users at the sites.

4. Eliminate UNC-TV's state support for original productions.

UNC-TV currently spends \$5.2 million on original productions. Of this amount, \$1.3 million is appropriated by the state. That budget breaks down into the following funding categories:



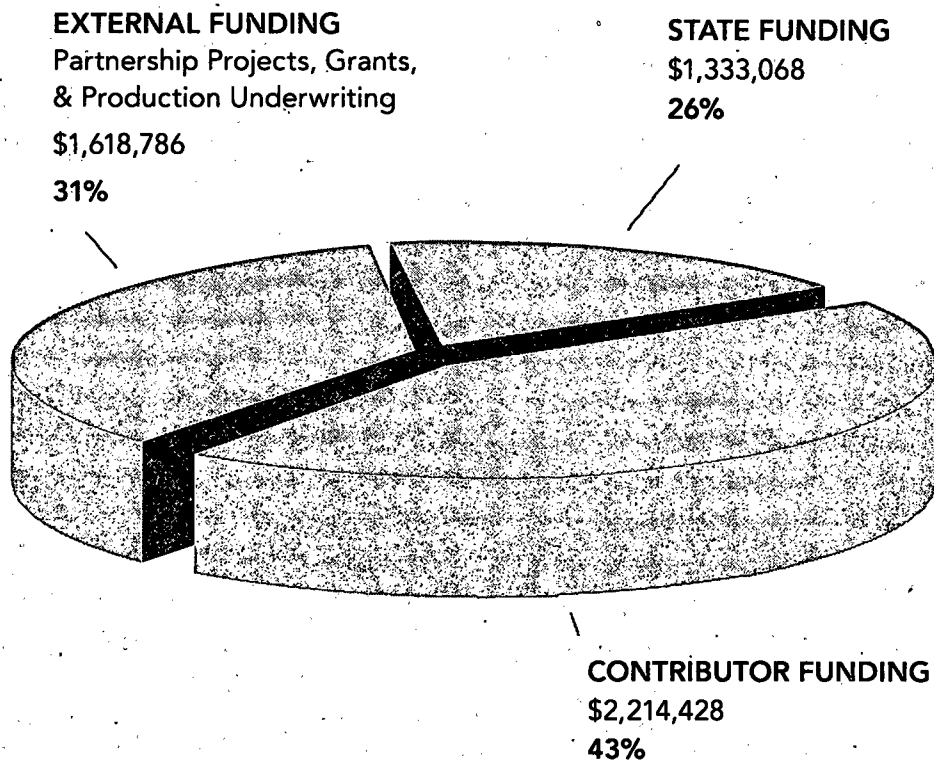
Masterpiece MYSTERY!
Agatha Christie's Miss Marple



Rick Steves' Europe

UNC-TV PRODUCTION & TECHNICAL OPERATIONS

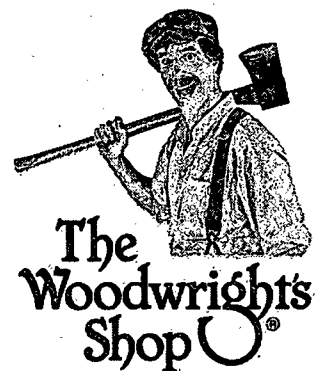
Funding Sources FY2012



State funding pays for the salaries and benefits of 16 full-time staff members, as well as the following operating expenses:

- \$186,471 for closed-captioning expenses for all of UNC-TV's original productions. Closed captioning is mandated by the FCC for all of UNC-TV's broadcast programs.
- Motor vehicle management and insurance.

Each dollar provided by the state is leveraged to bring in \$2.88 in external funding through partnership projects, grants, production underwriting, and contributor funding. This external funding would be lost without the state appropriation. The combined state and private funding results in programs for North Carolinians about North Carolina that enable the organization to raise funds from contributors.



SUMMARY

The North Carolina General Assembly made the decision in the 1970s to construct one entity to provide public television programs and services to the entire state at a far lower cost than having individual community stations. This state network model is efficient—one headquarters with one staff to provide public television to all of North Carolina. Other states, such as Texas, may have as many as—or even more than—ten community public television stations, each with a costly and redundant infrastructure, perhaps providing public television to their community efficiently—but almost certainly to their state, inefficiently.

It is impossible and unwise now for North Carolina to turn to the community station model and still serve the entire state with public television programs and services. Rural areas could not support this community station model, and they are arguably the population areas that need and benefit the most from public television. In establishing UNC-TV, the General Assembly invested in an infrastructure that provides to all North Carolinians high-quality television programs, emergency services, educational services, and programs that help preschool children enter school ready to learn.

Without public television, North Carolina's children would lose the most. PBS children's programs would be unavailable to most of North Carolina's preschool children, especially in rural areas where they help to ensure educational equity. Not having access to public television would put all of North Carolina's children at a significant disadvantage to children in other states who do have access to the substantial benefits of public television.

6a. RECOMMENDATIONS TO IMPROVE EFFICIENCY AND EFFECTIVENESS

Recommendations for improving services

As detailed below, UNC-TV is an efficient organization, partially resulting from the absorption of past state funding reductions while trying to maintain a public television presence in North Carolina. UNC-TV has worked to maintain its core services in this current economic environment.

66

Thank you, UNC-TV for all you've done for me. You have helped me be the very best that I can be....

—Gabe Turner
Former Winner
PBS KIDS GO!
Writers Contest

99



Without public television, North Carolina's children would lose the most.

6b. RECOMMENDATIONS TO IMPROVE EFFICIENCY AND EFFECTIVENESS

Recommendations for reducing costs or duplication

EFFICIENCY

Throughout the history of UNC-TV, its board, management, and staff have worked diligently to be as efficient as possible and to use the funds entrusted to it by state and federal governments, individuals, corporations, and foundations wisely, carefully, and effectively. Over the past 19 years, the management team has worked to ensure that the network is cost-effective. Between 1999 and 2008, despite a loss of state funding and static private fund-raising, UNC-TV maintained its level of service to the state by finding operational efficiencies throughout the organization. Great efficiency was accomplished through tight financial management, self-imposed and state-imposed hiring freezes, and a strict needs analysis for any position that became vacant. With each budget reduction, UNC-TV has made the necessary cuts to protect its core services in a manner that has allowed it to continue to maintain its PBS membership and to deliver a public television signal to the entire state.

BEFORE 2007-08

In 2006 UNC-TV participated in the University of North Carolina system-wide President's Advisory Commission on Efficiency and Effectiveness (PACE), an initiative of President Erskine Bowles to seek guidance from business leaders and others on how to make operations less bureaucratic and more businesslike. As part of this initiative, UNC-TV eliminated 13 full-time vacant positions. The savings from the elimination of these positions, along with the achievement of other efficiencies, resulted in a reallocation of \$1,117,272 to finance new productions focused on North Carolina and to meet the increased costs of purchasing PBS programs.

FY08

At the beginning of FY08, it became apparent that UNC-TV could no longer reduce costs and create efficiencies exclusively through not filling positions as they became vacant—the "low-hanging fruit" was gone and vacancies were occurring in positions essential to UNC-TV's operations. To address the need to reduce budgets while maintaining operations, the leadership of UNC-TV created two task forces: one to evaluate operational efficiency (Operational Efficiency Task Force) and another to evaluate staffing efficiency (Staffing Efficiency Task Force).



The recommendations of the Operational Efficiency Task Force included items such as:

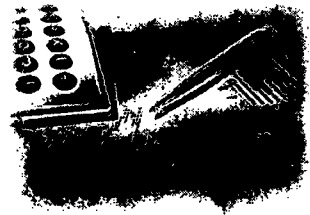
- Streamlining procurement to reduce the cost of purchasing routine and low-cost items.
- Implementing, in conjunction with UNC General Administration, a mobile communications allowance plan to reduce the purchase of phones and associated maintenance costs.
- Eliminating the use of private employment agencies and exclusively using the Office of State Personnel's Temporary Solutions.
- Consolidating desktop printers to send printing to larger, more cost-efficient group printers.
- Consolidating copiers and fax machines.
- Increasing the use of leased vehicles.
- Reducing costs associated with the production of *CenterPiece*, UNC-TV's monthly program guide.

The focus of the Staffing Efficiency Task Force was to determine whether there were redundancies in staffing within the organization. As a result, UNC-TV abolished 15 positions (five vacated positions and ten filled positions) and was able to reallocate the funds from those positions to meet higher-priority needs.

FY09–FY11

Each time a position was vacated, the management staff at UNC-TV determined whether to fill the position in its current form or to redeploy funds to better meet operational needs. This ongoing focus on efficiency has served the organization well as the economy has reduced funds available and budgets have been further reduced by the General Assembly. For UNC-TV, the loss of state funding from FY09 to FY11 resulted in:

- Fewer original productions. Original production hours dropped from more than 440 hours in FY09 to 357 hours in FY11.
- **North Carolina Now** airs new programs with more repeat segments Monday through Thursday. Its Friday program consists of all repeat material.
- Reduction in the number of contract personnel used in original production, except in instances where there is an outside partnership or underwriter funding.



- Elimination of series and/or specials due to reassigning Production staff to work on projects previously staffed by contract personnel:
 - **North Carolina Visions**, a project that showcased the work of independent filmmakers throughout the state.
 - **North Carolina Tax Break**, a yearly program that connected viewers with tax experts who could provide answers to their tax questions before the filing deadline occurred.
 - **Education Forum**, a quarterly program that featured resources and topics of interest to educators around the state.
- Diminished ability to respond to timely subject matter on **North Carolina Now**.
- Reconfiguration of the 60-minute program **Legislative Week in Review** into a 30-minute program, **North Carolina Now Legislative Week in Review**.
- Reduction in election coverage.

FY12

In FY12 UNC-TV received a 12 percent permanent reduction of state funds. This brought the total reduction of state funds over the last three years to \$3.6 million. In UNC-TV's budget, 85 percent is dedicated to operating the facilities to deliver PBS programs, paying the PBS dues, and raising funds to purchase the PBS programs.

Budget cuts have inevitably impacted personnel: there are 48 fewer positions at UNC-TV than there were six years ago.

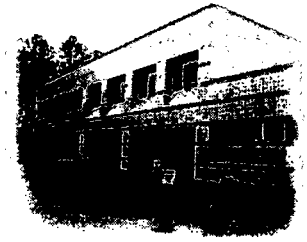
To quantify the impact of this latest budget cut of 12 percent, UNC-TV is:

- Reducing its Engineering Department personnel by three positions.
- Cross training other staff members.
- Decreasing the Accounting staff by one employee by assigning job responsibilities to existing staff.
- Reducing Production staff, resulting once again in less staff to deal with timely subject matter and more repeat content.
- Eliminating budgeted overtime for employees subject to the Fair Labor Standards Act by allowing compensatory time in lieu of paid time.
- Reclassifying 11 state-funded positions to non-state one-time unexpended carryover funds.
- Reducing equipment purchases/capital outlay.
- Delaying the replacement of equipment beyond life expectancy.
- Extending replacement schedules to maximum performance levels while ultimately affecting the high performance required to maintain UNC-TV's 12 transmitter sites across North Carolina.



As recently as the current fiscal year, UNC President Tom Ross asked his internal audit staff to review the relationship between UNC General Administration and UNC-TV to determine ways to make operations more efficient for both entities, as well as to recommend further operating efficiencies for consideration by UNC-TV management. Among the findings, the following recommendations were adopted:

- Exploring opportunities for joint housekeeping contracts with the North Carolina State Education Assistance Authority, an entity of the University physically located near UNC-TV.
- Sharing resources with nearby related organizations when practical.
- Consolidating with UNC General Administration's IT Department any duplicative IT functions where practicable and increasing cooperative effort between organizations.
- Utilizing an improved budget entry process.
- Reducing unneeded forms and capitalizing on electronic interfaces in the accounts payable process.
- Sharing a single fixed assets person with UNC General Administration.



EFFECTIVENESS

This Continuation Review parallels UNC-TV's goal to continually assess its effectiveness and brings an even sharper focus to the process in the current year. Each year UNC-TV's leadership and Board of Trustees review and update the Strategic Plan. To ensure the organization is effectively serving the public good, the update includes the following areas:

1. A stakeholder needs assessment, as well as an analysis and utilization of the needs assessment.
2. The evaluation of the appropriate mix of UNC-TV's original programming versus programming from PBS and other sources.
3. The value of public broadcasting in the new media age and relevance of public television in the current media environment.
4. UNC-TV's role in educating North Carolinians: preschool, K-12, GED, postsecondary, continuing, and life-enrichment education.
5. UNC-TV's service to rural and underserved communities.
6. UNC-TV's role in economic development.
7. Opportunities for additional revenue generation.
8. Broadcasting integrity and government funding.

6c. RECOMMENDATIONS TO IMPROVE EFFICIENCY AND EFFECTIVENESS

Recommendations for statutory, budgetary, or administrative changes needed to improve efficiency and effectiveness

Current statutory authority provides the ability to continue to streamline and focus resources consistent with the Strategic Plan. However, UNC-TV recommends the following to restructure the composition of UNC-TV's Board of Trustees.

The UNC-TV Board of Trustees structure should change: add three Board of Governors-appointed individuals and alter the language for ex officio members, removing one from the by-laws.

Rationale

UNC-TV's Board of Trustees is first and foremost a community advisory board, and second, a fund-raising board. The board currently consists of four members appointed by the Governor, one member appointed by the President Pro Tempore of the North Carolina Senate, one member appointed by the Speaker of the North Carolina House of Representatives, 11 members appointed by the UNC Board of Governors, and five ex officio members (the Superintendent of the North Carolina Department of Public Instruction, the Secretary of the North Carolina Department of Cultural Resources, the Secretary of the North Carolina Department of Health and Human Services, the President of the North Carolina Community College System, and the President of the University of North Carolina). Ex officio members offer wise counsel and help create partnerships with UNC-TV; however, they do not fund-raise for the organization. Of the five ex officio members, the connection with the Department of Health and Human Services is the least clear. UNC-TV recommends that the Secretary for Health and Human Services no longer be an ex officio member of UNC-TV's Board of Trustees and that three additional members be appointed by the UNC Board of Governors to provide greater geographic representation and strengthen UNC-TV's private fund-raising efforts.

UNC-TV
BOARD
of
TRUSTEES

7a. EXTERNAL FACTORS

Policy issues for consideration by the General Assembly

Throughout this report UNC-TV has demonstrated its value to the citizens of North Carolina, from those in urban areas to those in the remote regions of the state who would not receive public broadcasting service otherwise. Children who watch UNC-TV enter school more prepared to learn, and

adults who watch UNC-TV are better informed on issues both within and outside of North Carolina. Without UNC-TV, the digitized history of North Carolina's legislative decisions and the lives of important citizens would not exist. The licenses held by the UNC Board of Governors have significant value and, if not used, will be reverted to the FCC and awarded to other entities. The use of UNC-TV towers and facilities by emergency management and other entities throughout North Carolina would no longer be possible.

The central policy question resulting from this review for the General Assembly's consideration is: *Does the state of North Carolina value public broadcasting as a state-sponsored network of educational service to its citizenry?*

7b. EXTERNAL FACTORS

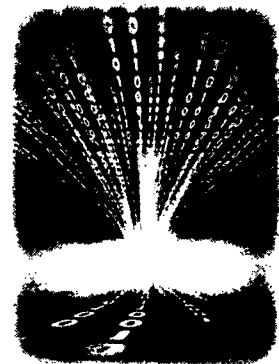
Other relevant information

UNC-TV has successfully converted to digital broadcast technology, and all opportunities for use of this technology have yet to be realized. In an unfunded mandate, the federal government assigned digital spectrum to all broadcasters (including public broadcasters like UNC-TV) and ordered the FCC to recover all analog spectrum. The conversion process for UNC-TV took more than a decade and was accomplished thoughtfully and methodically. The facilities now available are among the best anywhere. A summary of the steps taken in the digital conversion follows:

- In 1998, utilizing \$1.1 million in state appropriations for planning the conversion, UNC-TV developed a plan that was thorough, would meet the federal mandate, would allow for technology to mature and improve before being purchased, and would maximize the resources required for the conversion to ensure that the resources were spent to provide the best value for the state.
- With the approval of the 2000 Higher Education Improvement Bonds that provided the funding needed for the transition, UNC-TV began the bidding and construction process for the transmission system to comply as quickly as possible with the FCC mandate.
- In order to expedite construction, UNC-TV sought and received permission from the North Carolina State Building Commission to use a single prime contractor for building modifications at multiple sites.
- UNC-TV also sought and received permission from the North Carolina Division of Purchase and Contract that allowed for an expedited process for bidding and acquiring digital equipment.



Does the state of North Carolina value public broadcasting as a state-sponsored network of educational service to its citizenry?

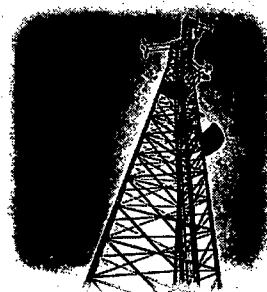


- Necessary tower construction, building modifications, and installation of transmitters and microwave equipment were completed on time to meet the 2003 deadline.
- UNC-TV then moved to the next phase of the transition to digital broadcasting: the construction of a program origination system that allowed for acquisition, storage, and playback of digital programming. This phase was completed in 2004.
- In 2005 UNC-TV began the process of building a digital television production facility, which was operational one year later.
- By delaying this phase of the project until the transmission facilities were completed, UNC-TV was able to take advantage of significant improvements in production technology while the cost of that technology was declining. In 2008 the FCC addressed the conversion of digital translators.
 - With careful planning, UNC-TV not only had the funds required to convert its original 23 translators but also added two new translators to areas not well served by the new full-power digital transmitters.
- In 2009 the FCC announced a June 2009 deadline for the final shutoff of analog broadcasting. (Since 2003 UNC-TV had been broadcasting in both analog and digital formats.)
- The final phase of the project was to procure a high-definition mobile production truck that could travel throughout the state. In 2010 UNC-TV began the design and bidding process for such a vehicle. Because UNC-TV had waited until the end of the project to commission the mobile production truck, there were significant savings due to the lower cost of the equipment.
- UNC-TV leveraged the funding provided by the state for the digital conversion and procured nine federal matching grants totaling more than \$6.6 million, as well as securing almost \$3 million from other partners.
- UNC-TV completed this project on time and under budget.
- UNC-TV has realized \$1 million in energy savings, helping the network comply with the state mandate to cut energy expenses.

PUBLIC BROADCASTING SERVICE (PBS) DUES INCREASE

PBS is a private, nonprofit corporation, founded in 1969, whose members are America's public television stations—over 170 noncommercial, educational licensees that operate more than 350 PBS member stations and serve all 50 states, Puerto Rico, U.S. Virgin Islands, Guam, and American Samoa.

There are certain obligations that bind PBS member organizations. A public television station has two membership options—to be a full-service station



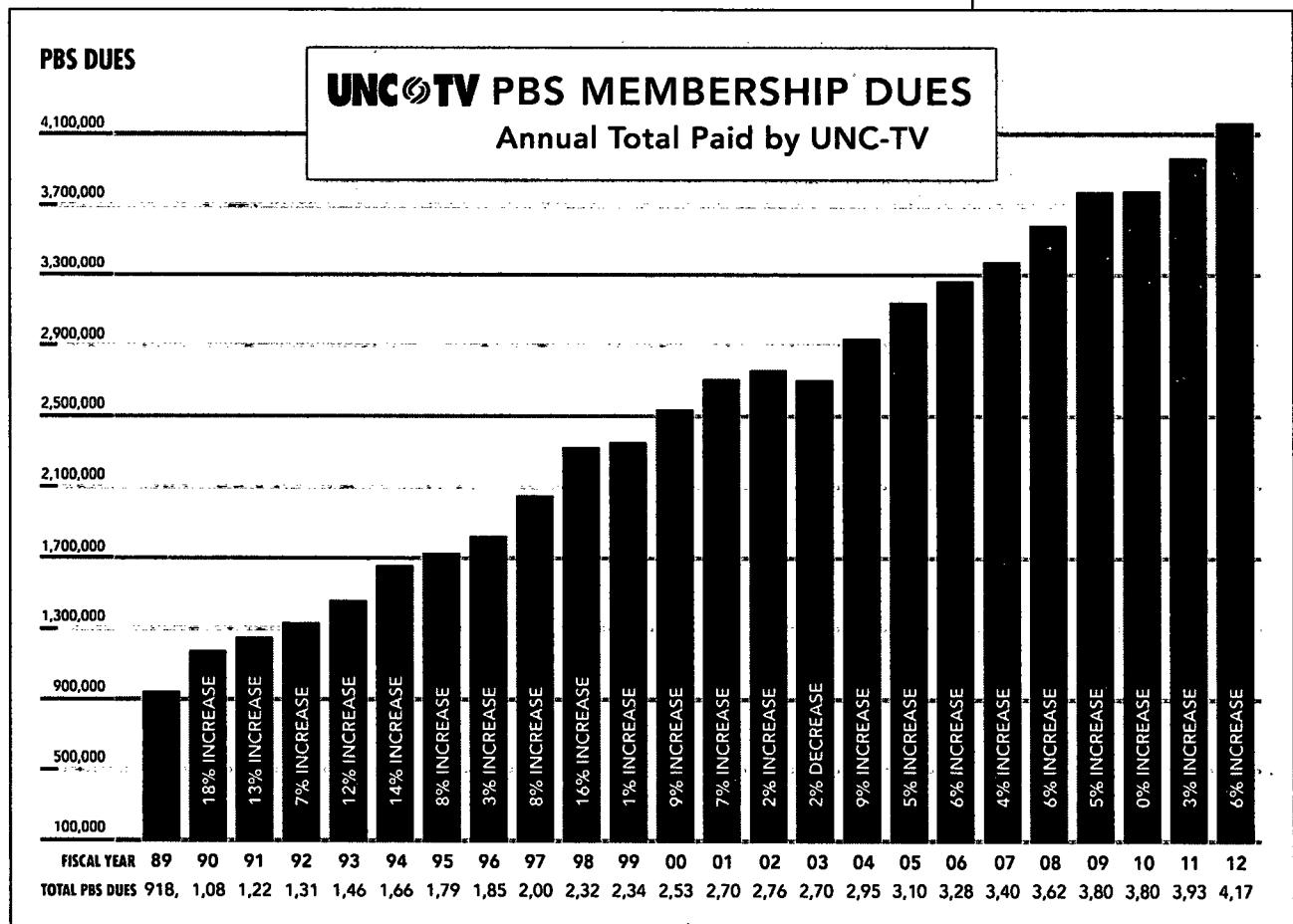
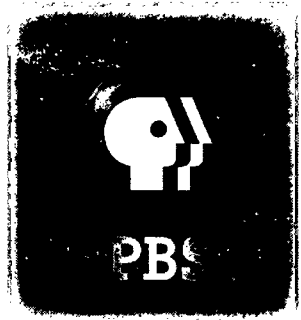
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• UNC-TV completed this project on time and under budget.

• UNC-TV has realized \$1 million in energy savings, helping the network comply with the state mandate to cut energy expenses.

or a Program Differentiation Plan (PDP) station. Member stations are not offered the option of individually selecting specific services offered by PBS: a member station pays for all of them or, if PDP, a small percentage of them. UNC-TV, as the primary source of PBS programs for all of North Carolina, must pay for all PBS services.

As the chart below demonstrates, PBS dues paid by UNC-TV have risen dramatically over the last two decades.



In 1989 UNC-TV paid less than \$1 million for PBS services; in 2012 UNC-TV pays PBS more than \$4 million. Regardless of reductions in federal, state, or private funding, UNC-TV's PBS dues, with the exception of one year, have increased, requiring a larger portion of the available funding each year. The dues increases are not negotiable. The consistent increase in PBS dues places a burden on UNC-TV's private fund-raising to pay for each year's dues increases and prevents UNC-TV from using private funds to create services more specific to the needs of the state.

FEDERAL FUNDING ENVIRONMENT

Like state funding, federal funding is critical to the viability of public television. The federal contribution to public television and radio amounts to \$1.35 per American per year and, in a model public-private partnership, PBS takes each of these dollars and raises six additional dollars. As demonstrated below, federal funding support for public broadcasting is an important source of support for UNC-TV.

\$ TOTAL

\$5 MIL

UNC-TV CPB GRANT FUNDS

20-Year History • FY1993 - FY2012

includes CSG, DSG, Interconnect, and PTFP

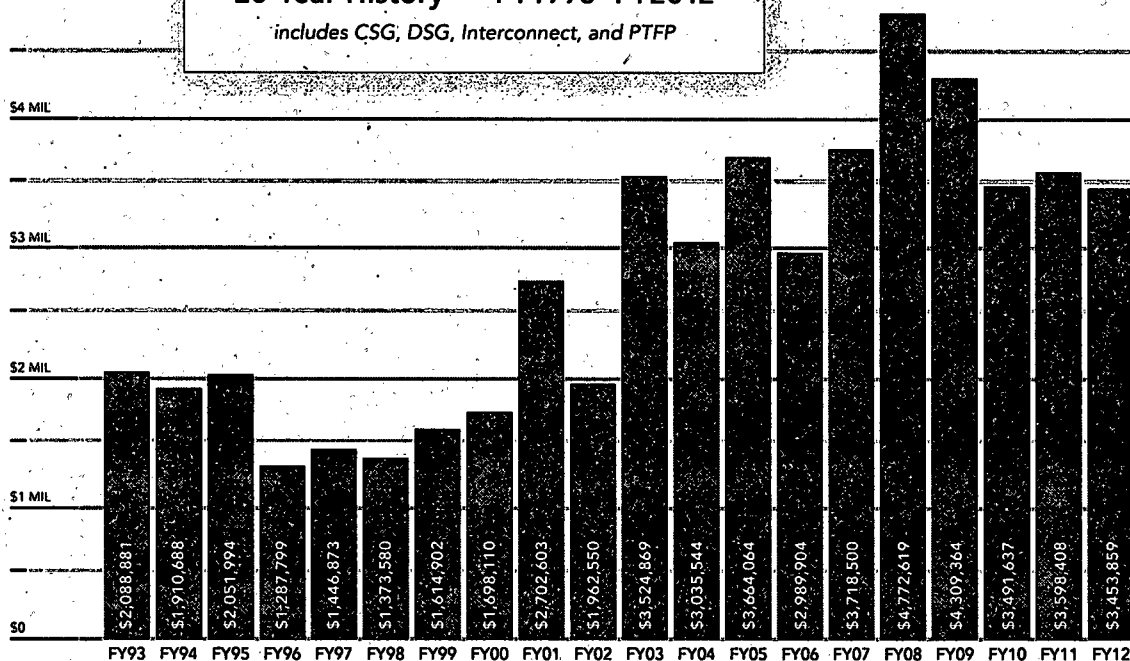
\$4 MIL

\$3 MIL

\$2 MIL

\$1 MIL

\$0



ACRONYM KEY: CPB: Corporation for Public Broadcasting, CSG: Community Service Grant, DSG: Distance Service Grant, PTFP: Public Telecommunications Facilities Program

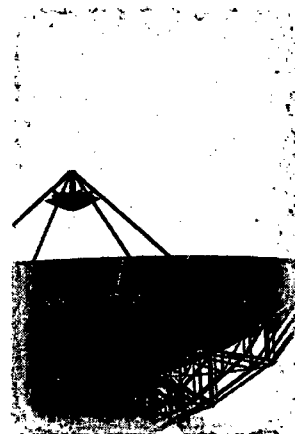
THE PRIVATE PHILANTHROPIC ENVIRONMENT

Each year the Center on Philanthropy at Indiana University publishes an annual report from the Giving USA Foundation, providing an overview of the general state of charitable giving by individuals, corporations, and foundations in the United States. In its recently issued report of the results for 2010, the foundation found that overall philanthropic giving increased modestly after steep declines in 2008 and 2009, which it attributed to the serious economic recession coinciding with those periods. In total, individuals, corporations, and foundations donated \$290.89 billion to charity in 2010. It is important to note, however, that much of the increase was driven by contributions to international relief organizations assisting with natural disasters. Contributions to international organizations increased 18.6 percent in 2010.

Despite an overall increase of 2.1 percent (adjusted for inflation) in 2010, however, charitable giving was still down 11 percent from 2007 levels. In fact, charitable giving fell more during the recent recession than in any previous recession, dropping a combined 13 percent in 2008 and 2009. As a result, cumulative private support for nonprofit organizations is more than \$10 billion below the amount forecast prior to the economic downturn.

THE NEW MEDIA ENVIRONMENT

The media environment has changed dramatically since UNC-TV was created. In 1955 television content was distributed through four broadcast services: ABC, CBS, NBC, and public television. In 2012 viewers can choose from several hundred channels of content through cable or satellite subscriptions, the Internet, or mobile applications. Viewers no longer have to wait for their favorite program to air at a certain time on a certain day. Today content is delivered through on-demand channels, using smart phones, tablets, computers, digital video recorders (DVRs), and Internet services such as Hulu, NetFlix, amazon.com, and YouTube. Americans today have more ways to watch television whenever, however, and wherever they choose. Yet with all these different ways to access content, television viewership increased 22 minutes per month from 2010-11, reinforcing the ongoing viability of television.²¹



²¹ The Nielsen Company: The Cross-Platform Report, Q1, 2011

According to the Nielsen Company, consumer demand for media continues to grow. New and enhanced technologies fuel the demand for video content. The average American watched 34 hours and 39 minutes of television per week in the fourth quarter of 2010. Internet video streaming is now officially mainstream, according to Nielsen, with 48 percent of viewers watching some video online, but television remains the great American pastime. Monthly time spent watching traditional television in the second quarter of 2011 climbed 1.9 percent to 146 hours and 20 minutes, a year-over-year increase of 2 hours and 43 minutes of monthly viewing. By contrast, time spent watching video on the Internet was 4 hours and 26 minutes per month on average, up 15 percent from a year ago—just 3 percent of the time parked in front of the television. Americans also spend more than four times watching time-shifted television—on DVRs and video on demand—than watching online video. Live television continues to be far and away how people access television.²² This new media environment is a major factor in UNC-TV's pursuit of excellence and relevance.



Public television remains a reliable, high-quality, cost-effective source of content.

THE COMMERCIAL BROADCASTING ENVIRONMENT

Some argue that the increase in the sources of content in both new and old media makes public broadcasting less relevant. However, public television remains a reliable, high-quality, cost-effective source of content. It is true that over the last 57 years cable services that mirrored the offerings of public television proliferated, causing many to question the need for public television. Services such as Arts and Entertainment (A&E), Bravo, the Discovery Channel, Discovery Kids, the History Channel, the Learning Channel (TLC), Home and Garden TV (HGTV), Nickelodeon, and the Travel Channel initially began by taking from the public television model—arts, drama, history, biography, how-to programs (gardening, travel, interior decorating, woodworking, home building, and cooking), science, children's programs, history, and performance. However, these services have evolved into reality television, something very different than public television. Programs offered by cable services have their place—but they cannot take the place of the programs offered by UNC-TV and public television.

²² The Nielsen Company: The Cross-Platform Report, Q2,2011

CONCLUSION

Because of the state's ongoing investment in its statewide public television network, UNC-TV provides a wide variety of important services to the people of North Carolina:

- ***A safe haven for children***—only UNC-TV offers educational programs for children 24/7 on UNC-KD, and seven hours daily during the week and five hours over the weekend on UNC-TV. These programs are available to virtually every North Carolina child in a house with a television set.
- ***The benefits of children's programming***—research has proved that children who watch public television children's programs like **Sesame Street**, **Curious George**, **Between the Lions**, and **Super WHY!** enter school better prepared to learn and that these children do better throughout their academic careers compared to children who do not watch public television children's programs.
- ***A critical communications asset for the state and a resource for emergency communications***—no other single communications entity, neither radio nor television, has the ability to reach the entire state simultaneously in the face of a disaster or state of emergency.
- ***Open access to public television programs and services for the entire state*** through three digital services: UNC-TV in HD, UNC-KD, and UNC-EX.
- ***More than 357 hours of original productions about North Carolina annually***, including **North Carolina Now**, and its comprehensive coverage of the legislature with **North Carolina Now Legislative Week in Review**, and **North Carolina's WWII Experience**.
- ***PBS programs to all North Carolinians***—such as **NOVA**, **FRONTLINE**, **Masterpiece**, **NATURE**, and **Great Performances**, and works by Ken Burns, such as **THE CIVIL WAR**, **BASEBALL**, and **THE NATIONAL PARKS**.
- ***A multi-platform content provider***—through its Web site (unctv.org), UNC-TV provides content for adults, children, teachers, and caregivers 24/7.



- ***An educational services provider*** for teachers and caregivers:
 - o PBS TeacherLine—online professional development courses for teachers.
 - o UNC-TV LearningMedia—a repository of learning objects from PBS and other trusted sources such as the Library of Congress and the National Archives. UNC-TV LearningMedia has more than 20,000 objects and is made available at no cost to all teachers, educators, and homeschool educators in North Carolina.
- ***12 transmitters and 25 translators and their physical plant statewide*** watched by more than 4.2 million people weekly with a reach of 13.6 million.
- ***12 television station licenses and 25 translator licenses.***

Without the state appropriation, North Carolinians will no longer have access statewide to the services of UNC-TV and the significant investments that the state has made in the assets of UNC-TV will not be utilized to advantage its citizens.

TELEVISION THAT CHANGES LIVES





CONTINUATION REVIEW

FINAL REPORT

APPENDIX



**UNIVERSITY OF NORTH CAROLINA
CENTER FOR PUBLIC TELEVISION**

STRATEGIC PLAN

March 2011

Overview

Summary of Goals

Strategic Goals, Strategies, and Tactics



UNIVERSITY OF NORTH CAROLINA CENTER FOR PUBLIC TELEVISION

Overview March 2011

Background

WUNC-TV, the first station in what is now the 12-station statewide public television network known as UNC-TV, went on the air in Chapel Hill on January 8, 1955. Founded by a small group of visionary leaders from the University of North Carolina and the private sector, it was the tenth noncommercial “educational television” station in the country. From this modest beginning, a dynamic and robust public television service has developed, bringing national programming from PBS and a variety of other sources and nearly 370 hours a year of original productions to all 100 counties of the state. On September 25, 2008, UNC-TV completed the necessary changes to allow the network to broadcast as a high-definition program service. The configuration broadcasts the UNC-TV program schedule 24 hours a day in a high-definition format, up-converting standard-definition programs as necessary. There are also two 24-hour-a-day standard-definition program services: UNC-KD (children’s programming) and UNC-EX (exploration-themed programming). The UNC-MX channel is a cable-only program service, providing a mix of programming for adults, from public affairs to how-to and more.

Thus, UNC-TV currently broadcasts three full-time digital program channels. Specifically, UNC-KD is a children’s service for preschoolers and young school-age children; UNC-EX is a service devoted to viewers who seek the adventure of discovering new ideas, new places, and new activities; and UNC-TV is our public television service in high definition. Thanks to the passage of the Higher Education Improvement Bonds referendum in 2000, today UNC-TV has the cutting-edge digital technology in place to serve North Carolina for another 50 years of “enriching, life-changing television.”

UNC-TV Overview

The first of the five ongoing annual goals outlined in UNC-TV’s Strategic Plan states, in part, that we “will create and acquire programs and services that realize the full potential of television to enrich the lives of North Carolinians.” The primary challenges facing UNC-TV today are to secure the financial resources necessary to acquire and develop enough strong content to bring the service potential of its new digital infrastructure to full fruition. We must utilize traditional methods of delivering television service (i.e., over-the-air broadcast, cable, and satellite) and nontraditional ways of delivering service (i.e., online, on-demand video, and podcasting). These formats allow consumers to determine when, where, and how they wish to receive content.

UNC-TV must aggressively focus on developing all of its sources of funding—federal and state government, corporations and foundations, and private individuals—in order to fully use the power of the television medium to educate children and adults, engage North Carolinians in governmental and civic affairs, provide culturally enriching programming, serve underserved members of society, and provide the state with the means to communicate important public safety information to all the citizens of North Carolina through a single source. By fulfilling its mission of public service, UNC-TV also gives the University of North Carolina another important tool to accomplish its own mission of discovering, creating, transmitting, and applying knowledge to address the needs of individuals and society.

Strategic Planning Process

Each year UNC-TV actively engages its staff and management in reviewing and updating the organization's strategic plan. The process begins in October when employees submit their ideas and suggestions through departmental meetings. In November the senior management team holds a strategic planning retreat to review the plan, evaluate the proposals, and decide upon any revisions to the strategies and tactics. During this process management also consults with the Long-Range Planning Committee of the UNC-TV Board of Trustees. Once final revisions are completed, the revised plan is presented to the entire Board of Trustees for review and comment, and the plan is typically finalized during the first quarter of the new year. Most years the planning process involves balancing new opportunities for service and the continuation of existing services with the limitations imposed by the availability of funding.

Funding

UNC-TV's budget for FY2010-11 is \$26.5 million. Here are the most current figures for the sources of funding, by percentage:

- 45% - North Carolina General Assembly
- 33% - Individual Contributions
- 13% - Federal Grants
- 8% - Corporate and Foundation Underwriting and Grants
- 1% - Interest and Miscellaneous Income

Measurable Results for FY2010

- UNC-TV launched two new alternative services for adults; UNC-EX and UNC-MX. UNC-EX—The Explorer Channel—exists to bring viewers the world with the best in travel, culture, science, nature, history, and outdoor adventure programming. UNC-MX provides an eclectic mix of programming for adults, from public affairs, performance, how-to, and more. UNC-EX and UNC-MX premiered on November 1, 2009.
- UNC-TV is watched each week by approximately four million viewers in North Carolina, Virginia, South Carolina, Tennessee, and Georgia.
- UNC-TV raised \$9,934,475 from individuals, corporations, and foundations, as well as through partnerships with state agencies and with cultural and

educational institutions. This was 93 percent of our \$10,635,000 goal in another year marked by a struggling economy.

- UNC-TV and its partners produced 369.2 hours of original programming for and about North Carolina.
- At the 24th Annual Midsouth Regional Emmy Awards competition, UNC-TV original productions and our production partners received 11 nominations and took home an Emmy for **Coming Out ~ Coming In: Faith, Identity and Belonging** in the Documentary/Topical category. UNC-TV also received the Spectrum of Democracy Award from the North Carolina Center for Voter Education for its 2008 election coverage and ongoing public affairs coverage.
- UNC-TV distributed 75.5 hours of original programming nationally through PBS (Public Broadcasting Service), APT (American Public Television), and NETA (National Educational Telecommunications Association).
- More than 800 teachers enrolled in courses from UNC-TV's online teacher professional development service, PBS TeacherLine. In our fifth year of offering PBS TeacherLine, 106 of 115 school districts in North Carolina have agreed to award CEU (continuing education) credits for PBS TeacherLine courses.
- UNC-TV Outreach staff conducted four major community outreach projects around national programs and series. The projects included Hop Into a National Park, a project designed to bring more minority and disadvantaged youths into North Carolina's national parks and which attracted 3,584 adults and children; 12 **SUPER WHY** events, impacting 8,546 adults and children; **THE TENTH INNING** events, impacting approximately 14,000 visitors to minor league ballparks in North Carolina; and "Mr. McFeely's Speedy NC Delivery, a partnership of UNC-TV, state libraries, and schools for 13 events, impacting over 1,100 children and adults.
- UNC-TV's distance learning partnership with the North Carolina Community College System in FY10 provided on-air and online programs that were one way more than 13,000 adults could obtain their GEDs and 25,000 individuals could benefit from our English for Speakers of Other Languages (ESOL) programs.
- PBS selected UNC-TV to participate in the Beta research for the new PBS Digital Learning Library. During this fiscal year, 31 teachers in grades 6 through 12, primarily teaching STEM content, participated in the research project.
- Working in conjunction with PBS, UNC-TV implemented the first phase of the COVE video player on the UNC-TV Web site. This makes it possible for users to play entire episodes of major PBS programs online from the UNC-TV Web site.
- The Studio Engineering Department completed its video server replacement project. UNC-TV received an NTIA-PTFP grant in the amount of \$353,699 to replace aging video server systems. UNC-TV also received a CPB Digital Distribution Fund grant in the amount of \$479,373, and the two grants were enough to almost fully fund this project. The new systems will facilitate the expanded high-definition UNC-TV service and ensure continued operations.



UNIVERSITY OF NORTH CAROLINA CENTER FOR PUBLIC TELEVISION

Summary of Goals March 2011

MISSION

Television has the power to change lives. Public television has the responsibility to change lives for the better: a child far from urban resources is inspired to become a scientist, a high school dropout earns a GED, a homebound senior citizen remains connected to the world of arts and culture, the family of an Alzheimer's patient finds strength and support. UNC-TV's unique programs and public media services provide people of all ages with enriching, life-changing television.

VISION

UNC-TV's digital technology enhances our ability to share knowledge that enriches the mind and creativity that inspires the spirit. We will enable North Carolinians to learn from original content that is distinct, essential, and culturally diverse. We will be a catalyst to effect change and address the critical needs of North Carolinians by uniting with partners to solve educational and social problems. We will thereby make a difference in people's lives and improve the quality of life in our state. The power of these partnerships will create better-informed, better-educated, and more prosperous people. Our unique, easily accessible programs and public media services will be used and treasured by citizens, educational institutions, public service organizations, and state government for helping them achieve their goals. Our realized vision will demonstrate that through UNC-TV, knowledge translates into economic, social, cultural, and historical value.

GUIDING PRINCIPLES

1. Credibility and integrity provide the foundation for our services. Our programming is based on principles of editorial integrity to guarantee objectivity, fair and balanced presentation of issues, and consistent excellence.
2. We manage funds and resources entrusted to us wisely and efficiently.
3. We conduct our business with the highest level of customer service and respect for our viewers, supporters, boards, and one another.
4. We are a public service responsible to the citizens of North Carolina, rather than to specific organizations and individuals. We strive to be inclusive of the diverse culture of North Carolina's citizenry in everything we do.

5. We strictly adhere to the professional ethics stated in UNC-TV's "Fund-raising Standards and Practices," which includes a statement of UNC-TV's Donor Bill of Rights.
6. We are committed to providing universally available television service.
7. We are dedicated to providing a safe haven for children through UNC-KD and through UNC-TV.
8. We are committed to creating a work environment that values our employees and recognizes their need for work-life balance.

Ongoing Annual Goals

- I. **Services:** We will create and acquire programs and services that realize the full potential of television to enrich the lives of North Carolinians, enabling them to become more informed, involved citizens and improving their well-being. We will be the most important source of information about North Carolina for North Carolinians. We will be the leading source of quality children's programming and program services for North Carolinians. We will use television and other technologies to expand access and increase services to education.
- II. **Technologies:** We will use appropriate, state-of-the-art technologies to make our programs and services widely accessible to the people and educational institutions of North Carolina.
- III. **Awareness and Support:** We will solidify and expand public awareness and financial support by effectively communicating the value of our services and persuading viewers, corporations, foundations, and state government to support us.
- IV. **Workplace:** We will enhance our high-performance, team-oriented workplace to foster ownership, commitment, and trust through change that encourages and supports the contributions of each employee in accomplishing our mission.
- V. **Partnerships and Collaborations:** We will enhance existing and build new collaborations with educational, cultural, public service, governmental, environmental, science, and business partners to improve and increase services and ensure continuing support.

GOAL I. SERVICES

1. We will create and acquire programs and services that realize the full potential of television to enrich the lives of North Carolinians, enabling them to become more informed, involved citizens and improving their well-being.

Strategies

1. We will design our digital channels and services to maximize service, value, and revenue, to continue to increase our partnerships, and to develop content partners who can bring ready-to-use content that meets UNC-TV's broadcast and Web standards.
2. We will continue to maximize efficiency in the generation of and access to original content.
3. We will show courage and willingness to take risks by increasing the utilization of program options and by declining to broadcast programs that do not meet our viewers' needs.

2. We will be the most important source of information about North Carolina for North Carolinians.

Strategies

1. Our local production efforts will focus on North Carolina people, culture, education, politics, environmental issues, the economy, economic development, recreation, health, business, and community leadership. We will identify at least one major issue each year that will be the principal focus of our original production efforts.
2. We will develop projects that reflect North Carolina's excellence and are intended for local, regional, national, and/or international distribution.
3. We will continue to evolve into a multi-platform provider of enriching experiences through online forums, print, community screenings, and events, as well as television, and thereby provide service, not just programs.
4. Community engagement will focus on issues important to North Carolinians of all ages.
5. We will transform the UNC-TV Web site into a regular destination for visitors seeking information about North Carolina, not only about UNC-TV, just as they come to our air seeking information.

6. We will be an active participant in the changing public media 2.0 environment that allows access to media through portable digital devices by providing content to consumers in formats that allow them to determine when, where, and how they will use the services we provide.
7. In the event, however, that federal funding for public broadcasting is eliminated, UNC-TV will need to reduce services by \$3 million through the following actions: a) production of **North Carolina Now** and **North Carolina Now Legislative Week in Review** will cease; b) *CenterPiece* will be online only; and c) Engineering, IT, Outreach, Administration, and management staff will be reduced.

3. We will be the leading source of quality children's programming and services for North Carolinians.

Strategies

1. Services to children will remain our most important priority.

4. We will use television and other technologies to expand access and increase services to education.

Strategies

1. Our education initiatives will maximize service to students, educators, and adult learners, will continue to increase our partnerships, and will contribute to our mission of making a positive difference in the lives of North Carolinians.

GOAL II. TECHNOLOGIES

We will use appropriate, state-of-the-art technologies to make our programs and services widely accessible to the people and educational institutions of North Carolina.

Strategies

1. We will maintain and improve our transmission and distribution systems to provide service to current viewers and increase/improve service areas.
2. We will maintain and improve our production processes, program origination facilities, and other technical systems to:
 - serve all North Carolinians with programs and services produced with state-of-the-art and advanced technologies.
 - enhance presentation techniques.
 - improve efficiency of UNC-TV internal staff and project support.
3. We will use existing and emerging technologies to fully exploit our assets and capacity to make our services available to all North Carolinians, including those who have special needs.
4. We will aggressively pursue tactics that delay equipment and software obsolescence in order to lower maintenance and replacement costs and to ensure flexible adaptation to changing technology.
5. We will protect our spectrum to ensure maximum digital service to North Carolina.

GOAL III. AWARENESS AND SUPPORT

We will solidify and expand public awareness and financial support by effectively communicating the value of our services and persuading viewers, corporations, foundations, and state government to support us.

Strategies

1. We will work with the UNC-TV Board of Trustees and the board of the UNC-TV Foundation to implement an advocacy plan to maintain or improve the current state funding levels.
2. We will seek new and better ways to signal the value of sustained and increased state investment in our programs and services to citizens, the General Assembly, and the Governor.
3. We will continue to develop better ways to respond quickly, correctly, and completely to inquiries and concerns, both external and internal.
4. We will continue to seek new and better ways to:
 - attract new individual contributors and retain existing contributors, taking into account the unique financial situation in the state and country.
 - cultivate and strengthen partnerships with North Carolina's businesses and foundations.
 - grow online so that it increases membership, underwriting, and state income.
5. We will explore new ways to increase funding for UNC-TV's operations and services.
6. We will maintain a process that develops budgets and identifies revenue sources at the inception of new programs and services and coordinates prioritization of projects through the use of cross-functional planning teams for production support, program scheduling, development support, and online, promotional, and outreach priorities.
7. We will:
 - communicate to our Board of Trustees members the importance of representing their community to us and us to their community.
 - continue to communicate to those who make appointments to our Board of Trustees the importance of a diverse board, with the hope that they will help us maintain diversity.
 - continue our orientation efforts for new members to the Board of Trustees.

8. We will embrace a culture of philanthropy and efficiency that demonstrates respect for, consideration of, and interest in every potential donor of UNC-TV. We will:
- provide all constituents with a consistent, informed message, enabling them to form a clear understanding of what UNC-TV is and how it brings value to their lives.
 - ensure that all staff members, volunteers, and our Board of Trustees are well informed and understand UNC-TV's core values and principles, as reflected in our strategic plan and in our mission and vision statements.
 - ensure that these individuals are able to articulate the importance of UNC-TV's public and private fund-raising structure.

GOAL IV. WORKPLACE

We will enhance our high-performance, team-oriented workplace to foster ownership, commitment, and trust through change that encourages and supports the contributions of each employee in accomplishing our mission.

Strategies

1. We will reorganize and restructure to reduce expense, and we will develop a culture that embraces, supports, and focuses on change within the parameters created by UNC General Administration because of the current economic environment:
 - in our efforts to maintain a consistent level of service and to identify operational efficiencies throughout the organization.
 - in how we think about the uses of content for multiple purposes and users.
 - in how we look beyond our traditional broadcast delivery medium to achieve our mission.
 - in the production and acquisition models appropriate for the limited resources available to serve the fragmented audience created by the multichannel environment in general and UNC-TV multicasting in particular.
 - in the assessment of how new technologies fit into our overall mission, workflow analysis, and strategic migration of work responsibilities.
 - in the assessment of how using volunteers in all areas of the organization can increase our capacity without increasing expense.
2. We will continue to maximize our organizational efficiency to support the changing and continuing needs of UNC-TV.
3. We will develop the awareness of emerging technologies for applicable electronic media.
4. We will foster an organization that works as a team through shared values of and commitment to UNC-TV's mission.
5. We will create an environment that encourages leadership and knowledge transfer at all levels.
6. We will develop nonmonetary rewards to staff providing leadership and support in developing new models for service, and we will encourage and recognize organizational, team, and individual successes.
7. We will be good stewards of UNC-TV's resources by encouraging thoughtfulness, attention to security, and efficiency and by respecting our own and others' intellectual property.
8. We will continue to provide workspace needs for UNC-TV.

9. We will take a pervasive and pragmatic view of computer security to foster telework and flexible work.
10. We will work to equalize compensation among UNC-TV employees and their peers within the industry, in as much as allowed by career banding and the current economy will allow.
11. We will engage in an aggressive program of cross training in order to increase efficiency.
12. We will develop a safety and security plan.
13. We will practice sound internal controls over fiscal and monetary assets supported by comprehensive written policies and procedures.

GOAL V. PARTNERSHIPS AND COLLABORATIONS

We will enhance existing and build new collaborations with educational, cultural, public service, governmental, environmental, science, and business partners to improve and increase services and ensure continuing support.

Strategies

1. We will communicate our vision of UNC-TV's services in a way that reinforces their value to future partners.
2. We will continue to focus our efforts on collaborations with the University of North Carolina and the North Carolina Community College System and on partnerships with other state agencies, nonprofit organizations, corporations, and foundations. We will be both a leader and a supporter in developing alliances for collaboration.
3. We will help North Carolina's educational institutions communicate that a more effective education system translates knowledge into economic value.
4. We will help to solve social and educational problems, make a difference in people's lives, and improve the quality of life in our state.



UNIVERSITY OF NORTH CAROLINA CENTER FOR PUBLIC TELEVISION

Strategic Goals, Strategies, and Tactics March 2011

MISSION

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GOAL I. SERVICES

1. We will create and acquire programs and services that realize the full potential of television to enrich the lives of North Carolinians, enabling them to become more informed, involved citizens and improving their well-being.

Strategies

1. We will design our digital channels and services to maximize service, value, and revenue, to continue to increase our partnerships, and to develop content partners who can bring ready-to-use content that meets UNC-TV's broadcast and Web standards.

Funded activities

- Create a video that demonstrates the value of UNC-TV's partnerships in order to increase understanding of and interest in partnering with UNC-TV.

Timeline: spring 2011

Funding: existing operating funds

Measurable Results: an approved video for use in recruiting partnerships

- Continue to work with existing partnership organizations to create new original production content for broadcast and online. These organizations include: Duke University; Nasher Museum of Art; Museum of the New South; N.C. Museum of Art; N.C. Research Campus, Kannapolis, N.C.; Department of Cultural Resources; N.C. Museum of Natural Sciences; N.C. Museum of History; North Carolina Symphony; N.C. Department of Agriculture; Golden LEAF Foundation; N.C. Department of Insurance; Brevard Music Festival; and Eastern Music Festival.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: two new partnership projects developed per year

- Develop a plan to cultivate partnerships that will deliver ready-to-use content for broadcast and the Web (example: "The World at Large").

Timeline: ongoing

Funding: existing operating funds

Measurable Results: the cultivation and development of one new content partnership per year

- Emphasize the goals and accomplishment of strategies as stated in **Goal V. Partnerships and Collaborations** in all production activities.

Timeline: March 2011 – February 2012

Funding: assuming stable operating budgets, no additional cash costs associated with this tactic

Measurable Results: ongoing evaluations to ensure continuing productive and mutually beneficial partnerships between UNC-TV and its production partners

- Continue developing and launch a 24/7 audio program service for distribution through the UNC-TV Web site.

Timeline: March 2011 – February 2012

Funding: existing operating funds

Measurable Results: audio service is created, unless rights issues prohibit

2. We will continue to maximize efficiency in the generation of and access to original content.

Funded activities

- Production Efficiencies

- (a) Conduct internal critiques and evaluations of projects. Use bimonthly producers meeting to facilitate critiques and evaluations.

Timeline: March 2011 – February 2012

Funding: assuming stable operating budgets, no additional cash costs associated with this tactic

Measurable Results: critiques provide a forum for feedback and discussion of best practices of UNC-TV productions, create greater efficiencies in future productions, and define enhanced quality for future productions; continued development of meaningful meeting content increases and enhances staff participation

- (b) Continue to refine the procedures and system for tracking, reporting, and evaluating production costs on projects and efficiencies of production teams.

Timeline: March 2011 – February 2012

Funding: assuming stable operating budgets, no additional cash costs associated with this tactic

Measurable Results: ScheduALL used as a tool to track and report

- (c) Conduct Technical Operations staff review meetings to allow peer and supervisor feedback on productions.

Timeline: ongoing

Funding: assuming stable operating budgets, no additional cash costs associated with this tactic

Measurable Results: monthly or quarterly meetings held to improve workflow, communication, and best practices for Technical Operations work

- (d) Identify point persons for troubleshooting and problem solving for various production equipment and systems.

Timeline: March 2011 – February 2012

Funding: assuming stable operating budgets, no additional cast cost associated with this tactic

Measurable Results: by working interdepartmentally, contact list developed to document point persons, post on Wiki, and distribute to staff

- (e) Hold joint Technical Operations/Production meetings to allow peer and supervisor feedback.

Timeline: ongoing

Funding: assuming stable operating budgets, no additional cast cost associated with this tactic

Measurable Results: quarterly meetings will improve workflow and communication

Funded activities

- Develop a sustainable plan to archive original production assets, utilize those assets on multiple distribution platforms, and continue postproduction efforts to archive original productions. Working with Wilson Library (UNC-CH) and American Archive, achieve the following:

- Develop a workflow to catalogue UNC-TV's assets
- Develop a catalogue of what needs to be archived
- Prioritize the assets that need to be archived by transferring legacy media to digital tape formats
- Begin archiving process

SHORT-TERM

Timeline: March 2011 – February 2012

Funding: annual operating budget; potential American Archive grant

Measurable Results: creation of a complete catalogue of one-inch assets in Protrack; written plan on how to catalogue the rest of UNC-TV's assets; prioritization of what has been catalogued

Timeline: ongoing

Funding: annual operating budget

Measurable Results: 16 hours of legacy archive media transferred each month from analog legacy media to digital tape

LONG-TERM

Timeline: five years

Funding: annual operating budget; potential American Archive grant

Measurable Results: a complete catalogue of UNC-TV's assets and a fully developed prioritization list for archiving

- Captioning
 - (a) Continue to caption all original productions broadcast by UNC-TV, as mandated by the FCC. We will continue to outsource real-time and non-real-time captioning services.

Timeline: ongoing

Funding: annual operating budget

Measurable Results: captioning of all original productions

3. We will show courage and willingness to take risks by increasing the utilization of program options and by declining to broadcast programs that do not meet our viewers' needs.

Funded activities

- Research, plan, and schedule UNC-TV's program services on an ongoing monthly basis to meet this goal.

Timeline: July 2011 – June 2012

Funding: existing operating funds

Measurable Results: actions taken will be discussed and decided as they happen

2. We will be the most important source of information about North Carolina for North Carolinians.

Strategies

1. Our local production efforts will focus on North Carolina people, culture; education, politics, environmental issues, the economy, economic development, recreation, health, business, and community leadership. We will identify at least one major issue each year that will be the principal focus of our original production efforts.

Funded activities

- Implement "The Arts in North Carolina" initiative across all productions and platforms as the focus for 2011-12.

Timeline: March 2011 – February 2012

Funding: existing and new partnerships

Measurable Results: viewer awareness of initiative.

- Continue to produce and broadcast **North Carolina Now**, an internally funded television magazine series airing weeknights, which positions UNC-TV as the most valuable source of information for our viewers about the state in which they live.

Timeline: March 2011 – February 2012

Funding: an expansion budget request of the General Assembly is included in the approved budget priorities from the UNC Board of Governors

Measurable Results: completion of up to 232 30-minute episodes of **North Carolina Now** and **North Carolina Now** specials as determined

- Produce 25 or more hours of internally funded public affairs series and special programs that address the varied needs and interests of North Carolinians.

Timeline: June 2011 – June 2012

Funding: an expansion budget request of the General Assembly is included in the approved budget priorities from the UNC Board of Governors

Measurable Results: completion and broadcast of **North Carolina Now Legislative Week in Review** (up to 22/30), **Black Issues Forum** (up to 26/30), and other public affairs specials

- Produce 35 or more hours of additional internally funded series or special programs that address the varied needs and interests of North Carolinians.

Timeline: June 2011 – June 2012

Funding: covered by operating budget; will seek underwriting to help lessen UNC-TV's investment

Measurable Results: completion and broadcast of **North Carolina Bookwatch** (up to 26/30), **Almanac Gardener** (up to 20/30), **Carolina Outdoor Journal** (15/30)

- Produce 65 or more hours of externally funded series or special programs that address the varied needs and interests of North Carolinians.

Timeline: June 2011 – June 2012

Funding: depends on renewal of current underwriters or replacement underwriters to cover cash costs (**North Carolina People** – minimum \$55,000, will seek up to \$74,000; **The Woodwright's**

Shop – minimum \$125,000, will seek up to \$134,000; **North Carolina Weekend** – minimum \$100,000; **Our State** – minimum \$175,000)
Measurable Results: completion and broadcast of **North Carolina People with William Friday** (up to 52/30), **The Woodwright's Shop** (13/30), **North Carolina Weekend** (up to 52/30), and **Our State** (up to 8/30)

- Continue production of the **Biographical Conversations** series.

Timeline: March 2011 – June 2012

Funding: \$250,000 in funding has been obtained from the A. J. Fletcher Foundation

Measurable Results: select and produce programs with five subjects by December 31, 2011, to fulfill current grant

- Complete partnership with Stamats Communications to utilize the grants from GlaxoSmithKline and BlueCross BlueShield to complete production of **North Carolina—An American Portrait**.

Timeline: March 2010 – June 30, 2011

Funding: will use remaining underwriter funding

Measurable Results: completion of the production of **North Carolina—An American Portrait** (1/30)

- Produce the Healthy Kids, Healthy Lives series for **North Carolina Now**. This will be a series of five feature stories each fiscal year for five years. **North Carolina Now** will also produce a series of 30-minute specials from this content.

Timeline: March 2011 – June 2013

Funding: a \$25,000 gift has been made to produce this coverage

Measurable Results: viewers statewide will have a better understanding of the importance of giving kids a healthy start to their lives and educations

- Convene regular weekly meetings of the Editorial Board.

Timeline: ongoing

Funding: assuming stable operating budgets, no additional cash costs associated with this tactic

Measurable Results: identify new programs and services, evaluate internal and external proposals, and assess the need for the development and production of original programs and related services. Make assignments for the development of project proposals, budgets, and timelines. Distribute information regularly to staff about decisions made by the Editorial Board.

Unfunded activities

- Focus attention on the state's changing economy and its economic development efforts by implementing the second phase of the **North Carolina Rising** project.

Timeline: March 2011 – December 2011

Funding: grant funding

Measurable Results: completion and broadcast of 24 **North Carolina Now** feature stories and two one-hour **North Carolina Rising** specials

- Work with the North Carolina Symphony, Carolina Performing Arts, Brevard Music Festival, Eastern Music Festival, and others to explore the possibility of producing more live musical performances.

Timeline: March 2011 – February 2012

Funding: will require production partner and/or underwriter

Measurable Results: meetings initiated with each organization to determine the current feasibility for the development and execution of plans for up to three live performance specials per year for up to three years (3/60)

- Begin the **NC Mentors** project when funding is secured.

Timeline: one year after funding is received

Funding: will require \$75,000 covered by foundations, federal grants, underwriters, or production partners

Measurable Results: secure a funding source for the production of the **NC Mentors** (13/30) series

- Develop and produce new programs designed for on-air pledge to help UNC-TV achieve its fund-raising goals and to continue pledge programs already in production.

Timeline: March 2011 – February 2012

Funding: will require cash costs not covered by internal funding by foundations, federal grants, underwriters, or production partners

Measurable Results: completion and broadcast of pledge programming (3/60)

2. We will develop projects that reflect North Carolina's excellence and are intended for local, regional, national, and/or international distribution.

Funded activities

- Distribute series through PBS.

Timeline: June 2011 – June 2012

Funding: corporate underwriter

Measurable Results: distribution of **The Woodwright's Shop XXXI** (13/30) series

- Distribute series through APT and NETA.

Timeline: June 2011 – June 2012

Funding: production partner

Measurable Results: distribution of **Song of the Mountains** (24/60) and **Growing a Greener World** (26/30)

3. We will continue to evolve into a multi-platform provider of enriching experiences through online forums, print, community screenings, and events, as well as television, and thereby provide service, not just programs.

Funded activities

- Use existing meetings, all-staff meetings, and e-mails to identify areas of the Web that UNC-TV should explore to increase its online presence.

Timeline: March 2011 – February 2012

Funding: existing overhead; any cash costs would need to be covered by an underwriter or other outside funder

Measurable Results: more opportunities for viewers to interact with UNC-TV in new ways; UNC-TV content available where people are spending time online

- Seek ways to diversify UNC-TV's online appearances using brands such as My Space, Facebook, and Twitter.

Timeline: ongoing

Funding: existing overhead; any cash costs would need to be covered by an underwriter or other outside funder

Measurable Results: more opportunities for viewers to interact with UNC-TV in new ways; UNC-TV content available where people are spending time online

- Develop new revenue streams through the Web.

Timeline: ongoing

Funding: new revenue streams and online underwriters

Measurable Results: more opportunities online for e-commerce and for viewers to financially support UNC-TV in new ways

- Continue to provide additional online resources and materials to supplement the broadcast program.

Timeline: ongoing

Funding: assuming stable operating budgets, no additional cash costs associated with this tactic

Measurable Results: development of a production workflow document that outlines the expectations and processes for providing additional information and resources on the Web

- Continue to make progress online through workflow realignment, technology efficiencies, and the creation of a Web site task force to increase the delivery of content to the Web site.

Timeline: ongoing

Funding: assuming stable operating budgets, no additional cash costs associated with this tactic

Measurable Results: increase by 5 percent the amount of program content on the Web site

- Continue to assess customer use of Web site content and new technologies, monitor best practices from other public television stations, and refine plans and funding options for taking content to new media outlets, including program services, Web site, podcasting, and video on demand (VOD).

Timeline: monthly

Funding: assuming stable operating budgets, no additional cash costs associated with this tactic

Measurable Results: obtain information and best practices to refine plans and funding options for taking more original content to new media outlets

- Evaluate options and develop plans for changes in content and distribution of our program services.

Timeline: ongoing

Funding: assuming stable operating budgets, no additional cash costs associated with this tactic

Measurable Results: more of our content is available in more places

- Provide program content to other organizations for outreach and/or educational activities on DVD.

Timeline: ongoing

Funding: fee-for-service activity; assuming stable operating budgets, no additional cash costs associated with this tactic

Measurable Results: track programs and the distribution of their content post-broadcast through appropriate databases and licensing agreements

- Maintain 24/7 television programming 365 days a year on all broadcast transmission services, thereby maximizing the use of available bandwidth to deliver content to our audience.

Timeline: ongoing

Funding: will be funded from the FY11/12 budget

Measurable Results: monthly program schedules published each month for each schedule, and results measured by viewer feedback and audience ratings

4. Community engagement will focus on issues important to North Carolinians of all ages.

Funded activities

- Research other public television organizations and develop a model to better incorporate community engagement in our services.

Timeline: one year

Funding: existing operating budget

Measurable Results: a model for community engagement

- Deliver a series of presentations at meetings and conferences to provide information about UNC-TV's digital education services to education professionals.

Timeline: March 2011 – February 2012

Funding: existing operating funds

Measurable Results: at least four educational institutions use UNC-TV digital education services

- Offer at least 25 community events that provide learning experiences for North Carolina parents, families, and child care workers.

Timeline: March 2011 – February 2012

Funding: from a variety of grant sources and through cost recovery

Measurable Results: at least 10,000 participants learn information about helping children become ready to learn, ready for school, and/or physically fit

- Continue to work with existing partners such as NCaeyc (North Carolina Association for the Education of Young Children), Marbles Kids Museum, and other groups that share our mission of serving North Carolina families with resources that help children become ready to learn and ready for school.

Timeline: March 2011 – February 2012

Funding: existing operating funds and seek other funding sources

Measurable Results: workshops and educational activities offered that will reach diverse audiences

- Strengthen partnerships with the public school system, early childhood agencies, libraries, reading associations, 4-H, North Carolina State University, and other universities and community colleges to collaborate on shared missions and visions.

Timeline: March 2011 – February 2012

Funding: existing operating funds and seek other funding sources

Measurable Results: workshops conducted at local and national conferences

- Working with partners such as national parks and museums, conduct outreach and community engagement projects that provide educational opportunities to North Carolinians around national programs dealing with a broad range of topics.

Timeline: March 2011 – February 2012

Funding: grant funding

Measurable Results: to be determined by the individual grants received

- Continue to conduct, evaluate, and move all outreach activities toward sustainability through strategies that will include: conducting assessments to ensure our activities meet demonstrated needs; developing a rate card for all services to recover fees for trainers, materials, food, and

travel; continuing to seek grants to underwrite services to those who cannot pay full price; and exploring the sale of outreach materials on our Web site.

Timeline: March 2011 – February 2012

Funding: existing operating funds

Measurable Results: methods are identified to continue moving outreach activities to sustainable funding

- Partner with veterans organizations to participate in community events such as Wellness for Warriors.

Timeline: March 2011 – February 2012

Funding: grants and existing funding

Measurable Results: participation in at least two veterans events

5. We will transform the UNC-TV Web site into a regular destination for visitors seeking information about North Carolina, not only about UNC-TV, just as they come to our air seeking information.

Funded activities

- Develop content for the Web site that will focus on information of general public interest about North Carolina, and establish baseline user numbers.

Timeline: ongoing, beginning with the launch of the redesigned Web site

Funding: existing operating funds

Measurable Results: visits to this content will increase by 10 percent per year, especially if the new content is actively promoted on the air

6. We will be an active participant in the changing public media 2.0 environment that allows access to media through portable digital devices by providing content to consumers in formats that allow them to determine when, where, and how they will use the services we provide.

Funded activities

- Identify UNC-TV original productions for which we have the rights to distribute to our viewers in alternative formats, such as podcasting, and other on-demand services as technology allows and market conditions require, giving our users more choices to access our content. The Communications Division will work collaboratively with the IT, Production, and Programming Divisions in achieving the goal.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: when it becomes possible to feed programming directly from the servers in the NOC to the Web, programming will be available immediately. Additional programs will be added as rights for use in these formats are established

7. In the event, however, that federal funding for public broadcasting is eliminated, UNC-TV will need to reduce services by \$3 million through the following actions: a) production of **North Carolina Now** and **North Carolina Now Legislative Week in Review** will cease; b) *CenterPiece* will be online only; and c) Engineering, IT, Outreach, Administration, and management staff will be reduced.

3. We will be the leading source of quality children's programming and services for North Carolinians.

Strategies

1. Services to children will remain our most important priority.

Funded activities

- Provide 8,760 hours of quality children's programming each year on UNC-KD, our 24/7 digital children's channel, and additional UNC-TV broadcast hours to help children learn the skills they will need in school and in life.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: at least 100,000 children benefit in learning school skills and life skills

- Offer children's activities/public television character appearances (i.e., Read-a-roo, Elmo, Clifford the Big Red Dog) at the 2011 Mountain State Fair and the 2011 North Carolina State Fair, if funding is maintained for a UNC-TV presence at both fairs in fall 2011.

Timeline: March 2011 – February 2012

Funding: will be based on costs for last year

Measurable Results: children's activities and characters will attract at least 5,000 families to UNC-TV fair exhibits

- Continue offering the PBS Kids GO! Writers Contest in North Carolina for summer 2011.

Timeline: March 2011 – February 2012

Funding: existing operating funds and project underwriting

Measurable Results: at least one funding source is identified and approached for funding; contest is held; teachers are recruited as contest judges

- Provide appearances of UNC-TV's Read-a-roo character at schools and events, as funding and staff time permit, and charge for this service to help cover expenses.

Timeline: March 2011 – December 2012

Funding: funds received from participating schools

Measurable Results: Outreach staff will include Read-a-roo in events when it does not conflict with other scheduled workshops and activities

- Continue to inform and educate the education community about UNC-TV's digital and program services in print, online, and through conferences and workshops.

Timeline: March 2011 – February 2012

Funding: existing operating funds

Measurable Results: at least 5,000 educators will receive information about UNC-TV's digital and program services each year

- Provide station tours and literacy parties at UNC-TV for school groups.

Timeline: March 2011 – February 2012

Funding: grants and payments from schools

Measurable Results: at least four station tour/literacy parties conducted

- Create educational online and mobile games featuring Read-a-roo.

Timeline: March 2011 – February 2012

Funding: grants

Measurable Results: at least one online or mobile game created and launched

- Conduct joint Just For Kids and Kids Club activities and work with the Development staff to increase access to donation opportunities at station events.

Timeline: March 2011 – February 2012

Funding: existing operating funds and grant funds

Measurable Results: availability of donation opportunities at most station events

4. We will use television and other technologies to expand access and increase services to education.

Strategies

1. Our education initiatives will maximize service to students, educators, and adult learners; will continue to increase our partnerships; and will contribute to our mission of making a positive difference in the lives of North Carolinians.

- Through NC e-Learning for Educators, partner with LEARN NC, N.C. Department of Public Instruction, The Friday Institute for Educational Innovation, N.C. Virtual Public School, and N.C. Principals and Assistant Principals Association to create online professional development courses for North Carolina teachers that are aligned to the North Carolina Professional Teaching Standards.

Timeline: March 2011 – February 2012

Funding: grant funding

Measurable Results: video content produced for online courses

- Offer 21 hours of adult college credit telecourses and GED high school equivalency programming through broadcast each week of the school year, partnering with the North Carolina Distance Learning Consortium and the North Carolina Community College System to increase educational access to more than 5,000 telecourse students and 13,000 GED students each year.

Timeline: July 2011 – June 2012

Funding: existing operating funds

Measurable Results: telecourse enrollments of more than 5,000 students for the fiscal year and GED enrollments of more than 13,000 students for the fiscal year

- Offer GED Connections through Web streaming on our Web site, partnering with the N.C. Distance Learning Consortium to increase access to the series for GED students.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: GED enrollments of more than 13,000 students for the fiscal year

- Offer PBS TeacherLine online courses and Teachers' Domain online science courses as valuable options for teacher professional development courses in North Carolina.

Timeline: March 2011 – February 2012

Funding: existing operating funds and grant funding, if available

Measurable Results: more than 100 North Carolina teachers will obtain credit by taking PBS TeacherLine and Teachers' Domain courses

- Conduct at least 25 workshops for parents, child caregivers, teachers, and education partners to foster the utilization of UNC-TV's children's programming as a helpful service in preparing North Carolina's children to start school ready to learn.

Timeline: March 2011 – December 2012

Funding: foundation support

Measurable Results: at least 750 participants come to the workshops and complete follow-up surveys of knowledge gained

- Collaborate with educational partners to secure continuing education credits for workshops and other educational services.

Timeline: March 2011 – February 2012

Funding: existing operating funds

Measurable Results: plan for securing credit created and credit pursued

Unfunded activities

- Offer the UNC-TV Digital Learning Library to provide high-quality media learning objects, including videos, images, interactives, audios, and documents for use in North Carolina classrooms.

Timeline: ongoing from September 2011

Funding: NCDPI/Local Education Agency support

Measurable Results: funding achieved to offer the service

GOAL II. TECHNOLOGIES

We will use appropriate, state-of-the-art technologies to make our programs and services widely accessible to the people and educational institutions of North Carolina.

Strategies

1. We will maintain and improve our transmission and distribution systems to provide service to current viewers and increase/improve service areas.

Funded activities

- Improve ease of reception of all UNC-TV broadcast services by developing agreements and partnerships with additional cable companies and DBS systems for carriage of digital programs and services.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: documented negotiation attempts with one or more remaining distributors related to digital carriage of UNC-TV

- Attempt to obtain direct connection to feasible broadcast television service providers to increase the number of potential services available and reliability of those services. Provide ongoing advice and technical assistance to such providers in order to improve UNC-TV reception. We will attempt to negotiate agreements with major MCOs such as Time Warner, Cox, and Charter.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: all requests for technical assistance received appropriate response; documented attempts to negotiate agreements

- To the extent practical, provide one-on-one customer service to address specific viewer cable, antenna, satellite, and related reception issues.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: documentation of customer service response in CRM system; captioning manager is the point person for customer captioning issues

- Support production efforts to supply statewide communication services in the event of a declared state emergency. Coordinate with engineers and others in Emergency Management Services to ensure interoperability with their systems prior to and smooth technical coordination during an emergency.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: coordination and planning activities have occurred in conjunction with production emergency planning activities

2. We will maintain and improve our production processes, program origination facilities, and other technical systems to:
- serve all North Carolinians with programs and services produced with state-of-the-art and advanced technologies.
 - enhance presentation techniques.
 - improve efficiency of UNC-TV internal staff and project support.

Funded activities

- Develop a set plan for Studio B that repurposes everything except **The Woodwright's Shop** set. This includes repainting and refurbishing the sets for **Black Issues Forum** and **North Carolina Now**.

Timeline: October 2009 – February 2012

Funding: staff time and talent where possible and existing operating funds

Measurable Results: plans developed and implemented by UNC-TV's broadcast design manager to the extent that funding is identified

- Create a plan for Mobile hand-held for when compression technology makes it feasible to implement.

Timeline: two years

Funding: existing operating funds

Measurable Results: plan created

- Implement file-based workflows.

Timeline: two years

Funding: existing operating funds

Measurable Results: additional file-based workflows created

- Develop universal ability to remotely or locally monitor and control all UNC-TV systems appropriately.

Timeline: four years

Funding: existing operating funds

Measurable Results: appropriate remote monitoring of transmitter, NOC, IT, and facilities systems completed

- Improve workflows to reduce NOC workload.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: additional business processes automated

- Implement efficient use of storage management system to allow archiving of finished program content after completion.

Timeline: one year

Funding: existing operating funds

Measurable Results: production files integrated into existing storage management system

- Professional Development – provide basic system training for new technical staff; provide ongoing in-service and advanced training for current staff on existing and new systems as the budget permits; provide training for new technologies and software to existing staff.

Timeline: ongoing

Funding: assuming stable operating budgets, no additional cash costs associated with this tactic

Measurable Results: staff members trained and competent to operate and support equipment they are assigned to maintain

- Provide technical support for staff telecommuting. Support Virtual Private Network (VPN) and explore new related technologies among existing laptop users and home computer users.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: access to file servers and selected internal applications available remotely by users of UNC-TV laptops; appropriate application and data access available from home computers

3. We will use existing and emerging technologies to fully exploit our assets and capacity to make our services available to all North Carolinians, including those who have special needs.

Funded activities

- Implement captioning on Web-based video services.

Timeline: ongoing

Funding: existing closed-captioning funds

Measurable Results: where selected streaming/podcast formats permit, any captioned video selected for Web cast will maintain its captioning in some useful form to be available through that medium

4. We will aggressively pursue tactics that delay equipment and software obsolescence in order to lower maintenance and replacement costs and to ensure flexible adaptation to changing technology.

Funded activities

- Identify, test, and implement open-source systems wherever possible.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: viable options rolled out for use

- Standardize equipment orders to a greater extent, even to the impairment of limited functionality, in order to make a pool of replacement parts available in later years.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: fewer single-item system purchases; all desktops and PC laptops ordered in one purchase; usable parts salvaged from all machines before surplus

- Merge production and distribution workflows to the maximum extent possible using existing technology for multiple purposes and minimizing staff time between origination and distribution.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: reduced number of production/distribution processes and increased number of distribution mechanisms in use

- While engaging in equipment life-cycling and acquisition, assess the technical need for the equipment and changes in the environment.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: equipment selections can be justified by environmental factors

5. We will protect our spectrum to ensure maximum digital service to North Carolina.

Funded activities

- Develop a plan to maintain existing spectrum and to increase spectrum for mobile technology.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: maintain spectrum or increase spectrum

GOAL III. AWARENESS AND SUPPORT

We will solidify and expand public awareness and financial support by effectively communicating the value of our services and persuading viewers, corporations, foundations, and state government to support us.

Strategies

1. We will work with the UNC-TV Board of Trustees and the board of the UNC-TV Foundation to implement an advocacy plan to maintain or improve the current state funding levels.

Funded activities

- Review the advocacy plan for the new legislative session, set up appointments for board members to meet with key members of the North Carolina General Assembly, and prepare documents for distribution that outline our case for maintaining or improving current state funding levels.

Timeline: January 2011 – approval of state budget

Funding: existing operating funds

Measurable Results: state funding remains stable or increases

2. We will seek new and better ways to signal the value of sustained and increased state investment in our programs and services to citizens, the General Assembly, and the Governor.

Funded activities

- Conduct an ongoing communications initiative designed to educate citizens, government officials, educators, and other stakeholders about the multitude of ways UNC-TV advances education and economic opportunity, enhances North Carolina's quality of life, and contributes to the general welfare and safety of the state. This effort will include, but is not limited to, UNC-TV's ongoing use of on-air promotional spots, advertising messages, exhibits, press releases and contacts, Web sites, newsletters and flyers, correspondence, public speeches, special events, signage, publications, and other collateral material.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: at a minimum, there should be no measurable loss of membership, contributor financial support, or state appropriations if citizens and state leaders are fully aware of UNC-TV's value to North Carolina. Outstanding success in this effort would result in measurable increases in membership and both private and public sources of financial support to UNC-TV.

- Use our broadcast time to recognize supporters.

Timeline: ongoing

Funding: no additional funding required

Measurable Results: supporters are recognized with on-air promos

- Utilize special events and outreach activities to partner with as many state agencies as possible to raise the awareness of decision makers as to the value of UNC-TV.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: increase the number of state agency partnerships and the frequency of partnerships with existing agencies where shared service to North Carolinians is recognized through increased funding and statewide awareness

3. We will continue to develop better ways to respond quickly, correctly, and completely to inquiries and concerns, both external and internal.

Funded activities

- Within the Member/Viewer Services work unit, provide superior service with a focus on providing timely solutions to problems communicated to UNC-TV through phone calls, letters, and e-mails.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: respond to all phone calls within the same day, all e-mails within 24 hours, and all letters within a week, in keeping with PBS Best Practices standards; receive no more than one valid complaint per month from external clients for failure to meet their expectations for acceptable customer service. The Member/Viewer Services work unit will also achieve its annual goal for revenue generation as determined by the Development Division.

4. We will continue to seek new and better ways to:
--attract new individual contributors and retain existing contributors, taking into account the unique financial situation in the state and country.

Funded activities

- Identify, cultivate, and track self-identifying prospects through attendance at events and through online communication, including e-mails, calls, and letters to UNC-TV. Conduct targeted promotion to key groups and organizations to encourage financial contributions to UNC-TV.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: increase in the number of members in UNC-TV and the number of major donors

- Plan and implement campaigns to increase and strengthen private and public financial support that takes into account changes in the value our viewers place in the PBS National Programming Service.

Individual Giving

- In FY11 and FY12 maintain and increase, if possible, individual giving, including major donor revenue, by an overall average of 3 percent each year through on-air, mail, e-solicitations, and telemarketing fund-raising totaling: \$7,800,000 in FY11; \$8,034,000 in FY12; \$8,275,020 in FY13; \$8,523,270 in FY14; and \$8,778,968 in FY15.

Timeline: cited above

Budget: no additional funding required

Measurable Results: meet or exceed cited goal

- Maintain and increase, if possible, FY11 and FY12 membership numbers of individual giving members by an average of 2 percent totaling: 77,098 in FY11 and 78,639 in FY12.

Timeline: cited above

Budget: no additional funding required

Measurable Results: meet or exceed cited goal

- Enhance the efficacy of UNC-TV's online membership cultivation and promotion efforts by actively seeking opportunities to expand current e-mail databases; by capturing the e-mail addresses of new members, viewers who contact Customer Care, viewers who contact UNC-TV's Web site, and viewers who contact UNC-TV during pledge drives; and by carefully evaluating other sources of e-mail addresses that may be available from outside vendors. We will seek opportunities to engage current recipients of the UNC-TV e-Guide, social media, and other online communications through regular communications about topics of interest to these members and subscribers in order to retain them as members and interested viewers.

Timeline: ongoing

Budget: existing operating funds; some additional funding required

Measurable Results: increase current e-mail address database total by 3 percent per year

- Maintain and seek opportunities through the Thank-You Gift site on UNC-TV's Web site to convert viewers into members.

Timeline: ongoing

Budget: no additional funding required

Measurable Results: increase in membership through the Web

- Enhance and maintain the Sustainer Circle program to increase the number of members and revenue to provide for a stable, predictable, and sustained flow of revenue for UNC-TV long-term through check EFT and credit card installment gifts.

Timeline: July 2010 – June 2011

Budget: no additional funding required

Measurable Results: increase in the number of sustaining members by 5 percent

- UNC-TV Kids Club – Maintain on-air and Web site weekly birthday name roll for members of the UNC-TV Kids Club to promote support and awareness. In addition, mail birthday postcards.

Timeline: ongoing

Budget: no additional funding required

Measurable Results: Kids Club birthdays are on the air and on the Web site

- Contributor Services – Call new contributors within one month of first gift to say thank-you. Technique designed to connect with and increase the number of new members renewing in the next year.

Timeline: ongoing

Budget: no additional funding required

Measurable Results: record of calls made and increased renewal rate

- Maintain and enhance a mid-level giving program that will serve to upgrade member contributions to the level of \$250 to \$999, thereby increasing overall annual giving revenue and providing prospects for the major gifts program.

Timeline: ongoing

Budget: from operating budget as possible, but additional funding will be required to cover new staff, cultivation mailings, and marketing of this program

Measurable Results: increase in the number of gifts between \$250 and \$999 and then upgrade to major donors

- Review matching gift companies, and execute a strategic marketing plan to recruit new companies as the economy strengthens.

Timeline: January 2011 – December 2011

Budget: no additional funding required

Measurable Results: meet or exceed cited goal

- Research, study, and apply strategies to realize more net profit from on-air pledge drives, and examine viewer trends to forecast and plan for a "new pledge product" that meets the changing needs of the organization and continues generating new contributors and renewed support.

Timeline: ongoing

Budget: no additional funding required

Measurable Results: increased net revenue

- Maintain a regular program of electronic membership renewals using Web-based technology for lapsing members for whom we have valid e-mail addresses.

Timeline: three times each month

Funding: existing operating funds

Measurable Results: retain 2 percent of members receiving renewal notices

Major and Planned Gifts

- Increase major gifts revenue to 5 percent of total individual gifts by upgrading mid-level donors, recapturing lapsed donors, and developing a plan to target potential donors.

Timeline: ongoing

Budget: additional funding required to hire a major gifts officer

Measurable Results: meet or exceed monetary goal

- Maintain and increase, if possible, the current level of major donors through an increased number of cultivation events to renew current donors and increase the number of new donors solicited.

Timeline: FY11

Budget: additional funding required to hire a major gifts officer and to cover funding for the events; funds will be required to cover postage for mailings sent to upgrade mid-level donors each quarter (estimated \$148); existing operating funds

Measurable Results: increase in the number of major donors

- Increase overall revenue through the development of major giving opportunities from UNC-TV's annual operating budget. This will be accomplished by increasing the number of major gifts and the average major gift amount.

Timeline: ongoing

Budget: some funding may be required for proposal paper

Measurable Results: increase in the number of major donors and gift amounts

- Develop relationships with top third of major donors and prospects through identifying donors/prospects with greatest potential, and develop relationships based on research and personal calls.

Timeline: ongoing

Budget: existing operating funds; additional funding may be required to cover an increased number of cultivation events

Measurable Results: develop increased revenue from 150 major donors

- Develop and implement a Leadership Gift Initiative.

Timeline: begin by January 2011

Budget: TBA

Measurable Results: Leadership Gift Initiative implemented

- Continue promotion of UNC-TV's Charitable Gift Annuity (CGA) with new on-air spots.

Timeline: ongoing

Budget: no additional funding required

Measurable Results: produce three new CGAs

Volunteer Services

- Reinstate and maintain an annual volunteer appreciation event.

Timeline: ongoing

Budget: in-kind donations/volunteer budgeted expense \$5,000

Measurable Results: volunteers honored for their service to UNC-TV

Communications

- Produce 12 issues of the *CenterPiece* program guide magazine annually, plus one stand-alone copy of an annual report per year. Develop an online alternative to members who prefer a Web-based version of *CenterPiece*, thus reducing printing and postage expenses. Also attempt to develop a method of incorporating the monthly program schedules for UNC-EX and UNC-KD in the guide, if the approved schedules can be completed and approved in time to fit within the *CenterPiece* production schedule.

Timeline: monthly

Funding: \$395,000 a year for printing and postage (existing operating funds)

Measurable Results: deliver each issue on time by the first of the month to all current UNC-TV members; achieve the annual fund-raising goal from coupon responses as determined by the Development Division; contribute to achieving the Development Division's member retention rate with no loss of total UNC-TV membership from the previous year

- Produce three episodes per year of **Ask UNC-TV**, a live program seeking feedback from viewers regarding their questions about UNC-TV. Incorporate social media such as Facebook and Twitter by soliciting and using viewer questions submitted through these venues.

Timeline: three times a year

Funding: \$1,000 (existing operating funds)

Measurable Results: respond to questions from 1,200 viewers over the course of the year

- Redesign, enhance, and maintain the UNC-TV Web site. This site will be used to market UNC-TV and its programs, products, and services to online users and to provide video-on-demand service to interested users.

Timeline: ongoing

Funding: labor for two dedicated staff members (approximately \$90,000); existing operating funds

Measurable Results: attract site visits from at least 500,000 individuals during the year as determined by site measurement software; attract underwriting support from at least two corporate sponsors during the coming year

- o Work with PBS to implement Project Merlin.

Timeline: one year

Funding: no additional funding required

Measurable Results: users of pbs.org will be switched immediately to unctv.org

- o Produce and distribute a subscription-only UNC-TV e-newsletter 24 times a year to promote programming and to signal value to members/supporters.

Timeline: twice each month

Funding: \$8,000 per year for software and service (existing operating funds)

Measurable Results: reach at least 60,000 subscribers who desire to receive information about UNC-TV programs, services, and membership benefits

- o Maintain a visible outreach presence with a full exhibit at the North Carolina State Fair in Raleigh. The budget will be evaluated to determine the feasibility of restoring our participation in the Mountain State Fair in Fletcher in September.

Timeline: Mountain State Fair (September); North Carolina State Fair (October)

Funding: \$37,370 a year (existing operating funds if available)

Measurable Results: attract a combined total number of visitors to our exhibits of 50,000; seek collaborative partnerships for each fair exhibit; collaborate again with Marbles Kids Museum at the North Carolina State Fair

- o Maintain an active and highly visible print advertising program based on in-kind services trades with magazine and newspaper publishers in North Carolina.

Timeline: ongoing

Funding: no additional costs beyond labor and minimal postage (existing operating funds)

Measurable Results: place prominent advertising in ten publications for a period of 12 months in each. Publications will have a combined circulation of at least 200,000 readers, and the total in-kind value of these trades will be at least \$250,000.

- o Maintain an active speakers bureau to identify and secure public speaking opportunities for UNC-TV personnel to increase public outreach.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: conduct print and on-air promotion of speakers bureau, and schedule at least 40 speaking opportunities for UNC-TV personnel during the year

- o Provide paid advertising support for on-air pledge drives to promote increased support for UNC-TV on public radio stations in six major markets and on the North Carolina News Network.

Timeline: February/March, December, and other determined drive periods

Funding: \$100,000 (existing operating funds)

Measurable Results: reach an audience of at least 400,000 prospects with promotional messages in support of UNC-TV pledge drives

- o Provide proactive media relations, and provide various writing and graphic design services as requested by internal clients in support of all UNC-TV divisions and operations.

Timeline: ongoing

Funding: no additional funding required beyond labor costs (existing operating funds)

Measurable Results: experience no more than two negative articles specifically about UNC-TV during the year; miss zero client deadlines for writing and design services; have no more than one writing or design project during the year that fails to meet client needs and expectations

- o Develop a formal organizational approach that acknowledges the increasing importance of interactive media—including social media—to the UNC-TV audience. Establishment of the position of interactive media producer to lead an interdepartmental collaboration will enable the coordination of on-air and online content, maximizing UNC-TV's ability to reach different audience segments through their preferred form of media. Such an initiative would also advance the effort to blend UNC-TV's on-air and online brand. Elements of this activity would include the creation of a new special planning Wiki, accessible to all departments, for enhancing interdepartmental planning and training opportunities to provide more staff with skills that will allow them to fully participate in the development of multi-platform content.

Timeline: December 2011

Funding: existing operating funds

Measurable Results: the production and placement of more multi-platform content

--cultivate and strengthen partnerships with North Carolina's businesses and foundations.

Funded activities

Corporate and Foundation Support

- Maintain and increase, if possible, total corporate and foundation support by an overall average of 2 percent each year through broadcast underwriting, local production funding, outreach/grant awards, miscellaneous project funding, joint agreements, and trade agreements totaling: \$2,125,000 in FY11; \$2,167,500 in FY12; \$2,210,850 in FY13; \$2,255,067 in FY14; and \$2,300,168 in FY15.

Timeline: cited above

Funding: existing operating funds

Measurable Results: meet or exceed cited goal

Corporate Support

- Continue working with major gifts unit to maximize our influence at UNC-TV cultivation events; work more strategically to invite prospects.

Timeline: ongoing

Funding: no specific budget; this will be incorporated into ongoing activities

Measurable Results: increase number of in-person contacts by 10 percent

- Continue working with corporate sponsors, networking partners, production partners, and corporate prospects to maximize our influence at other cultivation opportunities, such as Chamber networking events, CEO Summits, conferences, and meetings

Timeline: ongoing

Funding: trade and in-kind

Measurable Results: increase number of in-person contacts by 10 percent

- Review project lists and strategize on potential partners. Market the programs to potential partners.

Timeline: ongoing
Funding: existing operating funds
Measurable Results: increased underwriter funding

Foundation Support

- Call or write foundations that have a high likelihood of providing support for UNC-TV.

Timeline: ongoing
Funding: existing operating funds
Measurable Results: at least five requests will be sent each year to foundations that have not supported UNC-TV in the previous fiscal year

- Increase support help by adding an intern to assist with the paperwork load, research, and grant writing.

Timeline: ongoing
Funding: additional funding needed
Measurable Results: position filled

- Identify foundations that are likely to give to UNC-TV and their particular interests. Work with Production/Outreach Division to match existing needs with funders' interests.

Timeline: ongoing
Funding: existing operating funds
Measurable Results: increase foundation commitments by two percent each year

- Continue working with major gifts unit to identify donors who also sit on foundation boards, and work collaboratively to increase their giving.

Timeline: ongoing
Funding: existing operating funds
Measurable Results: two additional proposals submitted per year

- Continue inviting foundation prospects, as well as current foundation donors, to major gift and/or UNC-TV cultivation events.

Timeline: ongoing
Funding: existing operating funds
Measurable Results: two new foundation heads will be invited to each UNC-TV event

--grow online so that it increases membership, underwriting, and state income.

Funded activities

- Promote the Web on the air, using graphics within original productions to enhance use of the Web.

Timeline: ongoing as schedule permits
Funding: no funding beyond normal operating costs
Measurable results: online user growth of at least 10 percent per year

- Given the explosive growth of social media in our society, continue to aggressively develop and promote UNC-TV's presence on Facebook, Twitter, YouTube, Flickr, and other social media. Actively engage a rapidly growing and committed audience with UNC-TV multi-platform content. Leverage social networks as reporting, publishing, promotional, fund-raising, educational, and community-building tools.

Timeline: ongoing

Funding: existing operating budget

Measurable results: 5,000 Facebook followers and 2,000 Twitter followers reached by the end of FY11

5. We will explore new ways to increase funding for UNC-TV's operations and services.

- Develop more fully the audience and fund-raising potential of UNC-EX, UNC-KD, UNC-MX (all services).

Timeline: January 2011 – December 2011

Funding: existing operating budget

Measurable Results: increased revenue

- Hold brainstorming sessions within each department so that staff can identify areas that could be covered with in-kind contributions.

Timeline: ongoing

Funding: existing operating funds

Measurable results: increase level of in-kind services provided to UNC-TV

- Continue to sell the Web to underwriters.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: increased underwriter funding

- Reassess our rate card for underwriting, taking into account new distribution streams.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: increased underwriter funding

- Review capital campaign documents for new ongoing series to be modeled after **North Carolina Weekend, Our State, and Exploring North Carolina** to increase UNC-TV revenue.

Timeline: April 2011 – March 2012

Funding: existing operating funds

Measurable Results: increased underwriter funding

- Work toward trying to convince rating agencies to provide accurate viewership measurement.

Timeline: two years

Funding: existing operating funds

Measurable Results: accurate viewership data is consistently available

- Through UNC-TV's On-Air Committee, review current strategies and develop new strategies to increase viewer awareness of the importance of individual support.

Timeline: ongoing

Funding: existing operating funds; grants as necessary

Measurable Results: increased viewer awareness of the importance of individual support

6. We will maintain a process that develops budgets and identifies revenue sources at the inception of new programs and services and coordinates prioritization of projects through the use of cross-functional planning teams for production support, program scheduling, development support, and online, promotional, and outreach priorities.

Funded activities

- Convene regular meetings of the UNC-TV Editorial Board

Timeline: March 2011 – February 2012

Funding: new projects will require corporate underwriting, foundation support, federal grants, a production partner, or additional internal funds to cover cash costs

Measurable Results:

- Identify new programs and services monthly and assign revenue sources to them whenever possible
- Emphasize identifying and working with production partners to develop, fund, and deliver new programming at lower costs to UNC-TV
- Discuss coordination of production, programming, development, and promotional efforts
- Identify possible funding sources for local productions
- Determine whether programs or other opportunities can be developed into marketing projects that include outreach opportunities, interactive TV applications, merchandising opportunities, and distribution streams
- Coordinate production, programming, development, promotional, and outreach priorities

7. We will:

- communicate to our Board of Trustees members the importance of representing their community to us and us to their community.

Funded activities

- Continue to provide members of our Board of Trustees with accurate and timely information pertinent to opportunities offered by UNC-TV, as well as issues facing UNC-TV, in an effort to enhance our trustees' ability to communicate effectively with constituents in the areas in which our trustees live.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: the Board of Trustees is knowledgeable about UNC-TV and therefore comfortable advocating on behalf of UNC-TV

- Secure 100 percent financial participation and increase the amount of gifts from the Board of Trustees and foundation board.

Timeline: ongoing

Budget: no additional funding required

Measurable Results: increase in revenue and participation

- continue to communicate to those who make appointments to our Board of Trustees the importance of a diverse board, with the hope that they will help us maintain diversity.

- Continue to identify and recommend appropriate nominees for the board.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: Board of Trustees is diverse in all areas

--continue our orientation efforts for new members to the Board of Trustees.

- Provide for each new board member an orientation session at UNC-TV that will include a tour of the facility and a meeting with the director and general manager, as well as top managers who will explain their areas of responsibility.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: each new board member fully understands the mission, vision, and guiding principles of UNC-TV

8. We will embrace a culture of philanthropy and efficiency that demonstrates respect for, consideration of, and interest in every potential donor of UNC-TV. We will:

--provide all constituents with a consistent, informed message, enabling them to form a clear understanding of what UNC-TV is and how it brings value to their lives.

Funded activities

- Commit to Management Council staff greeting all major UNC-TV guests and becoming more externally focused. This will allow for the opportunity to build stronger relationships with donors, prospects, and partners.

Timeline: March 2011 – July 2012

Funding: existing operating funds

Measurable Results: increased community contacts, major donors, and partnerships

--ensure that all staff members, volunteers, and our Board of Trustees are well informed and understand UNC-TV's core values and principles, as reflected in our strategic plan and in our mission and vision statements.

Funded activities

- Teach through organized communication with UNC-TV staff and other key constituents the value of our programs and services. Conduct interactive information sessions regarding our public/private revenue goals and the ways that UNC-TV meets the critical needs of North Carolinians and worth of support.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: constituents are able to understand, articulate, and encourage support for UNC-TV's programs and services

- Communicate the culture of philanthropy in staff meetings and performance evaluations.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: increased awareness of UNC-TV funding needs and potential with staff

--ensure that these individuals are able to articulate the importance of UNC-TV's public and private fund-raising structure.

Funded activities

- Form a task force to develop and identify ways to extend the knowledge of and commitment to a culture of philanthropy throughout the entire network, supporting boards, key partners, and constituents. This will include a presentation by a PBS professional on the culture of philanthropy.

Timeline: March 2011 – July 2012

Funding: existing operating funds

Measurable Results: increased community contacts, major donors, and partnerships

GOAL IV. WORKPLACE

We will enhance our high-performance, team-oriented workplace to foster ownership, commitment, and trust through change that encourages and supports the contributions of each employee in accomplishing our mission.

Strategies

1. We will reorganize and restructure to reduce expense, and we will develop a culture that embraces, supports, and focuses on change within the parameters created by UNC General Administration because of the current economic environment:

--in our efforts to maintain a consistent level of service and to identify operational efficiencies throughout the organization.

Funded activities

- Continue to monitor staff efficiency by examining our flexibility of banded positions and the impact on the organization of a future reduction in force.

Timeline: ongoing

Funding: no additional funding necessary at this time

Measurable Results: adjustments made as needed

- Offer cross training at a more aggressive level to employees; list jobs that are available and determine which staff members would be interested in learning how to do those jobs; have employees work across departments, within parameters defined by the state.

Timeline: ongoing

Funding: no additional funding necessary at this time

Measurable Results: a better-trained and more diversified workforce; cross-training implemented in Web encoding, studio production, and media operations.

- Benchmark ourselves against other public television organizations.

Timeline: ongoing

Funding: no additional funding necessary at this time

Measurable Results: implement best practices identified in other public television organizations

--in how we think about the uses of content for multiple purposes and users.

Funded activities

- Through the Editorial Board, Project Implementation Team, and other project teams, continue to assess the needs and opportunities for providing content in a variety of ways using UNC-TV distribution outlets including broadcast, podcast, print, and outreach services.

Timeline: ongoing

Funding: additional funding, if any, will be provided by a production partner, project underwriter, or granting institutions

Measurable Results: the content for multiple purposes and users will be considered in the annual evaluation of all ongoing original productions and the development of each new project initiative

--in how we look beyond our traditional broadcast delivery medium to achieve our mission.

Funded activities

- Move beyond traditional broadcasting to achieve our mission by increasing the amount of original local productions made available through online delivery mechanisms, such as podcasting and on-demand video streaming. Develop a plan to create appropriate content specifically for online mediums.

Timeline: ongoing

Funding: no additional funding necessary at this time

Measurable Results: numerical increase over time in the number of monthly Web visitors accessing these services

--in the production and acquisition models appropriate for the limited resources available to serve the fragmented audience created by the multichannel environment in general and UNC-TV multicasting in particular.

Funded activities

- Encourage staff to keep the number of potential end users at the forefront of all decisions relating to the investment of staff time, facilities, and funds in the development, implementation, and/or acquisition of all projects or content.

Timeline: ongoing

Funding: additional funding, if any, will be provided by a production partner, project underwriter, or granting institutions

Measurable Results: the appropriate balance between resource allocation and the benefits derived by end users is consistently applied to all UNC-TV projects

--in the assessment of how new technologies fit into our overall mission, workflow analysis, and strategic migration of work responsibilities.

Funded activities

- Encourage management and staff to make the utilization of new technologies a primary focus as they develop plans for new projects, as well as the continuation of existing projects, and to assess and manage the impact of new technologies on workflow and job responsibilities.

Timeline: March 2011 – February 2012

Funding: assuming stable operating funds, no additional funding is required

Measurable Results: the appropriate balance between resource allocation and the benefits derived by new technologies is consistently applied to all UNC-TV projects

--in the assessment of how using volunteers in all areas of the organization can increase our capacity without increasing expense.

Funded activities

- Assess how specialized volunteers performing more high-level professional tasks can increase our capacity to provide services; implement plan being developed by task force.

Timeline: March 2011 – February 2012

Funding: ongoing operational budget

Measurable Results: task force formed to begin implementation

2. We will continue to maximize our organizational efficiency to support the changing and continuing needs of UNC-TV.

Funded activities

- Continue business process review and improvement.

Timeline: quarterly review of a selected business process (i.e., cash receipts)

Funding: current personnel resources

Measurable Results: streamlining of processes and improvement in written documentation

- Conduct a job study.

Timeline: two years

Funding: existing operating funds

Measurable Results: revised job descriptions

3. We will develop the awareness of emerging technologies for applicable electronic media.

Funded activities

- Position UNC-TV to show technology leadership on a national level in order to guide standards development, acquire grant funding, and influence application development by software companies. Support participation by individual staff on the PBS Enterprise Technology Advisory Committee, TeamApproach Station Committee, and others appointed to similar committees.

Timeline: ongoing

Funding: no internal funds required

Measurable Results: UNC-TV maintains membership on these committees; all meetings and conference calls attended

4. We will foster an organization that works as a team through shared values of and commitment to UNC-TV's mission.

Funded activities

- Continue to encourage participation in professional and community awards programs.

Timeline: ongoing

Funding: provide in-kind support to staff members wanting to enter professional and community awards programs

Measurable Results: entries submitted by individual staff members to the Midsouth Regional Emmys, NETA Awards, AP Awards, PGMS Green Star Awards, and other similar competitions

- Continue to promote the UNC-TV Intranet and Wiki Web sites for use as internal communications resources.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: increase in Intranet user traffic of 15 percent

- Work in conjunction with Human Resources unit to hold quarterly all-staff meetings to promote internal communication and dialogue, staff recognition, and staff involvement in ongoing UNC-TV business issues.

Timeline: quarterly

Funding: maintained in Human Resources unit

Measurable Results: average attendance at staff meetings of at least 125

- Enhance the staff-orientation program to include a formalized presentation of security procedures, payroll sign-up, and property responsibility.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: new staff trained on security procedures, payroll, and property responsibility during employee orientation

- Continue UNC-TV's commitment to remaining an employer of choice by attracting and retaining the best staff with appropriate flexible schedules, job sharing, retiree involvement, telework, child/elder care resources information, and work from home. Define and refine internal policies covering these statuses with an eye to universal computing.

Timeline: two years

Funding: existing operating funds

Measurable Results: policies in place

- Establish procedures to promote employee resources developed by the UNC General Administration Human Resources Division for UNC-TV staff through an effective communication link from the UNC-TV Human Resources facilitators.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: employee access and utilization employee services tools

- Use open and interactive division, task force, and quarterly all-staff meetings as communication tools.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: staff awareness

- Encourage the full participation of a diverse staff through effective leadership, team building, staff sensitivity, information sharing, and professional development.

Timeline: ongoing

Funding: no predetermined cost; however, external training costs may be incurred

Measurable Results: trained staff, fully engaged in the teamwork approach

- Continue effort of the UNC-TV Staff Council, an 11-member committee. Responsibilities will include establishing and researching methods through the UNC Chapel Hill Employee Forum operation to foster employee communication and workplace satisfaction.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: staff participation in workplace development

- Continue to implement the CenterLights staff recognition awards programs. Reintroduce the CenterStar program, and encourage participation by staff.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: increased staff participation in the nomination and selection of award winners and recognition of employee teamwork

- Assist interested employees in finding opportunities for volunteer service consistent with University of North Carolina personnel policies.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: staff participation in community involvement activities

- Respond to the dynamics of North Carolina's citizenry and of the marketplace by continually evaluating UNC-TV's staffing allocation.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: effective and efficient organizational design and structure that facilitates optimum utilization of staff and resources

- Provide an ongoing structured management and diversity training program to enhance recruitment and selection, compliance reports, job descriptions, work plans and evaluations, workers compensation, and workplace harassment. The program will relate to the programs already available through the Office of State Personnel and UNC Chapel Hill.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: managers equipped with the necessary tools to facilitate a more efficient and effective employment process via PeopleAdmin; compliance with FCC requirements and employment law; the creation of accurate and functional job descriptions and work plans; evaluations consistent with the guidelines of the Performance Management Program (PMP); expeditious processing of Worker's Compensation paperwork; and the establishment of a harassment-free work environment

- Use student internships, work-study programs, cooperative agreements, and grants to help prepare a diverse group of talented people for work in public television.

Timeline: ongoing

Funding: no cash costs associated with this tactic; university credit only

Measurable Results: students better prepared to enter the communications/broadcasting profession

- Provide ongoing supervisory training for all levels of management.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: establish a regular training schedule for management training

- Promote continuous development of Administration staff to increase skills and knowledge by providing a minimum of one annual class/workshop for each employee.

Timeline: annually as part of individual work plans

Funding: existing Administration budget for education

Measurable Results: results of attendance; Performance Management Program (PMP) evaluations

- Foster a positive team-oriented work environment.

Timeline: ongoing

Funding: maintain current budget level for training and professional development

Measurable Results: review results of annual training and products of team projects

- Evaluate and refine existing internal workflow mechanisms such as e-mail, conferences, video conferencing, voice-mail, file servers, Intranet site, chat applications, cell phones, and others to increase efficiency of interdepartmental communication.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: one or more training sessions provided to assist with e-mail management techniques; file server cleanup announcements made two or more times; suggestions solicited from staff on ways to streamline and improve communication

Unfunded activities

- Create a universal understanding and commitment to excellent internal and external customer service through investing in professional motivational speakers to conduct interactive workshops at UNC-TV.

Timeline: annually

Funding: existing operating funds or a corporate sponsor

Measurable Results: improved staff morale and cooperative spirit

5. We will create an environment that encourages leadership and knowledge transfer at all levels.

Funded activities

- Provide managers and supervisors with the tools, through training, that will help them motivate employees toward forward progress that may enhance the work product.

Timeline: ongoing

Funding: HR training budget/division budgets where funds exist

Measurable Results: supervisors and managers provided with training via UNC General Administration and/or the Office of State Personnel

- Reenergize the CenterStar program to encourage employees to recognize the achievements of their coworkers. Provide professional development opportunities.

Timeline: ongoing

Funding: no funding necessary

Measurable Results: improved employee morale and highly skilled and knowledgeable employees

- Utilize the CenterLights awards program to recognize the achievements of employees and groups of employees.

Timeline: quarterly

Funding: \$100 award per person or group

Measurable Results: improved employee morale and deserving recognition of employee(s) contributions in the workplace

6. We will develop nonmonetary rewards to staff providing leadership and support in developing new models for service, and we will encourage and recognize organizational, team, and individual successes.

Funded activities

- Brainstorm ways to reward staff without spending more.

Timeline: one year

Funding: no funding necessary

Measurable Results: more ways to reward staff

7. We will be good stewards of UNC-TV's resources by encouraging thoughtfulness, attention to security, and efficiency and by respecting our own and others' intellectual property.

Funded activities

- Ensure that all employees adhere to UNC-TV's obligation to financial integrity. Ensure that each employee actively participates in all institutional requirements related to employee safety, building and property security, and data/information security. Work with appropriate departments to ensure staff accountability as related to intellectual property.

Timeline: ongoing

Funding: no funding necessary

Measurable Results: all departments operate within budget; "security" included as a dimension in all employee work plans; full compliance with all policies pertaining to intellectual property

8. We will provide workspace needs for UNC-TV.

Funded activities

- Provide ergonomic workspace accommodations for employees.

Timeline: March 2011 – February 2015

Funding: continuation of furniture funds in Facilities budget

Measurable Results: workspace made available for UNC-TV employees as required

9. We will take a pervasive and pragmatic view of computer security to foster telework and flexible work.

Funded activities

- Maintain compliance with security requirements set out in the UNC security assessment and Purchasing Card Industry standards, while facilitating flexible work arrangements.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: final report to Management Council regarding compliance with PCI standards and findings from the security assessment

10. We will work to equalize compensation among UNC-TV employees and their peers within the industry, in as much as career banding and the current economy will allow.

Unfunded activities

- Initiate personnel actions to implement Career Banding.

Timeline: ongoing

Funding: dependent on current economy

Measurable Results: employees compensated based on what is allowed by career banding

11. We will engage in an aggressive program of cross training in order to increase efficiency.

Funded activities

- Implement individualized job training and cross training based on job function.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: training policy and procedures applicable to UNC-TV implemented

12. We will develop a safety and security plan.

Funded activities

- In conjunction with internal staff and outside contractor(s), develop a safety and security plan.

Timeline: two years, in collaboration with UNC-GA

Funding: in-kind and existing funds

Measurable Results: safety and security plan completed

13. We will practice sound internal controls over fiscal and monetary assets supported by comprehensive written policies and procedures.

Unfunded activities

- Review accounting and purchasing policies and procedures and update as appropriate to continue to tighten processes to assure sound oversight of assets. This review will be annual to reinforce updating of processes and incorporate business changes as they occur.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: organized and easily accessible manual of accounting policies in soft and hard copy that can be used by a new employee as a learning tool and by current staff as a reference

GOAL V. PARTNERSHIPS AND COLLABORATIONS

We will enhance existing and build new collaborations with educational, cultural, public service, governmental, environmental, science, and business partners to improve and increase services and ensure continuing support.

Strategies

1. We will communicate our vision of UNC-TV's services in a way that reinforces their value to future partners.

Funded activities

- Form a task force to develop a detailed list of at least 20 potential UNC-TV partners. List may include organizations such as N.C.'s major medical centers; Duke University School of the Environment; UNC Chapel Hill—Carolina Performing Arts, PlayMakers; N.C. Community College System; Mint Museum; Cameron Museum of Art; N.C. Arts Council; N.C. Department of Crime Control and Public Safety; Blumenthal Performing Arts Center; Charlotte Symphony, National Humanities Center; and N.C. Biotechnology Center.

Timeline: March 2011 – February 2012

Funding: existing operating funds

Measurable Results: development of a detailed list of potential partners within three months and one new major partnership developed each year

- Using lists developed by staff and boards, assign organizations to key UNC-TV staff for cultivation.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: new partnerships

2. We will continue to focus our efforts on collaborations with the University of North Carolina and the North Carolina Community College System and on partnerships with other state agencies, nonprofit organizations, corporations, and foundations. We will be both a leader and a supporter in developing alliances for collaboration.

Funded activities

- Continue to tap the intellectual resources of UNC faculty, staff, and alumni to address global, political, social, scientific, and economic issues with the potential to enhance North Carolina's global competitiveness for the following UNC-TV local productions:

Biographical Conversations
Black Issues Forum
Focus On...
Legislative Week in Review
North Carolina Bookwatch

North Carolina Now
North Carolina People
North Carolina Weekend
Our State

Timeline: ongoing

Funding: within existing budget

Measurable Results: UNC experts utilized in original productions; updated list of University guests appearing on UNC-TV local productions maintained

- Work with North Carolina educational and cultural institutions to develop new partnerships.

Timeline: ongoing

Funding: existing operating funds

Measurable Results: two new collaborations each year (example: GEAR UP)

3. We will help North Carolina's educational institutions communicate that a more effective education system translates knowledge into economic value.

Funded activities

- Continue to support various University/campus priorities and initiatives by matching them with appropriate UNC-TV resources.

Timeline: ongoing

Funding: within existing budget

Measurable Results: at least six Board of Governors meetings attended; create internal buy-in and arrange for UNC-TV staff support on agreed-upon partnership efforts

4. We will help to solve social and educational problems, make a difference in people's lives, and improve the quality of life in our state.

Funded activities

- Continue work through ongoing original productions and special programs as developed by the Editorial Board.

Timeline: March 2011 – February 2012

Funding: project budgets for ongoing series and new funding for special programs obtained from outside sources in advance of production

Measurable Results: evaluation from projects

Committee Sergeants at Arms

NAME OF COMMITTEE Approp Sub Com. Education

DATE: 4/24/12 Room: 421

House Sgt-At Arms:

1. Name: Doug Harniss
2. Name: Bill Buss
3. Name: Bob Ross
4. Name: _____
5. Name: _____

Senate Sgt-At Arms:

1. Name: _____
2. Name: _____
3. Name: _____
4. Name: _____
5. Name: _____

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

4-24-2012

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Christopher Hill

NC Justice Center

Brenna Birch

NC Budget & Tax Center

Elizabeth Houston

OSBM

Tom Seaman

OSBM

Jim King

NCEI

Jim Halley

NCCA / NCR

W. McDaniel

NCICU

Franklyn

Ed Consultant

Jim Stegall

Bryan Conrad

OSBM

Christopher Jones

OSBM

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

4-24-2012

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Cheryl Posner-Cahill	NC School Psych Assoc
Debbie Parkinson	Parkinson Law Firm
Gene Causby	NCSCA
Ray Presnell	NC RSP
Lu-Anne C. Brown	CSS
Robb Teer	UNC-TV
BOB ORR	UNC-TV Trustees
Ashley Thrift	UNC-TV Board
George Fleming	UNC-TV Board
Charlie Perine	UK GA
Shannon Vickery	UNC-TV

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

4-24-2012

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Kimrey Rhinehardt	UNC-GA
Lester Gales	UNC-GA
Marky Gales	UNC-TV
Gail Zimmerman	UNC-T
Bo Heath	Meguire Woods
Wendy Kelly	Policy Group
Annaliese Dolph	DRNC
Matt Farrell	NCSBA
Katherine Gape	NCAAA
Bill O'Donnell	PEFNC
Marge Freeman	NCAE

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

4-24-2012

Name of Committee**Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME**FIRM OR AGENCY AND ADDRESS**

DAVID RICE

MANNING FULTON

Ample

SBE

JOSE MANNARO

GPM 5-15220C

Susanna Davis

Gov office

Andrew Neehar

CapStart

MINUTES
HOUSE APPROPRIATION
SUBCOMMITTEE ON EDUCATION

Thursday, May 17, 2012

The House Appropriation Subcommittee on Education met in Room 421 of the Legislative Office Building on Thursday, May 17, 2012 at 9:00 am. Representative Bryan Holloway presided over the meeting. The following House members were present: Representatives Hilton and Holloway, Co-Chairs, Representatives Pridgen and Sanderson, Vice-Chairs, Representatives Bell, Blust, Brawley, Glazier, Jeffus, Lucas, McLawhorn, Michaux, Parmon, Pittman and Stam. A visitor registration sheet is attached and made part of these minutes.

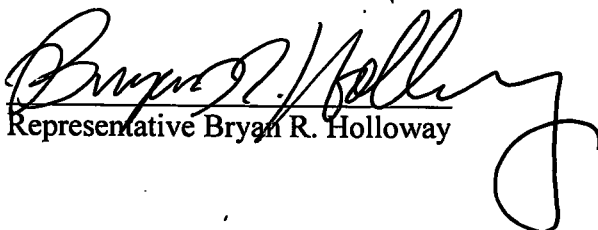
The Chair called the meeting to order and recognized the Sergeant at Arms and Pages who attended and assisted with meeting. He also recognized the newest member of the committee, Representative Larry Pittman.

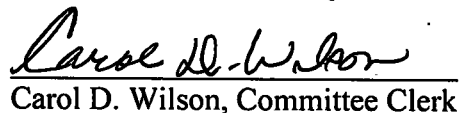
The Chair announced that the meeting was to discuss the budget process and tentative schedule. Today the committee will go over the hearing target and some options (members have received the Governor's budget and Recommended Special Provisions for 2012-2013 (Attachment #1). He challenged members to think about how and what they want to do if availability comes our way. He asked members to get their ideas to staff over the weekend so they can have discussion next Tuesday. If new dollars come in, tell us where you want them to go. The Chairs requested that members not move money from Universities to K-12 or K-12 to Communities Colleges.

The Chair recognized **Brian Matteson** from Fiscal Research Division to present an overview of the Spending Target (Attachment #2) and Guidance (Attachment #3). **Andrea Poole and Denise Harb** presented the Agencies Special Provision Requests (Attachment #4). **Kris Nordstrom** presented Additional Technical/Clarifying Special Provision Options for Public Schools and **Andrea Poole** reviewed the Community Colleges and UNC System (Attachment #5). Following each presentation there were questions and discussion.

The Chair requested that members submit questions and ideas to committee next week for further consideration. The meeting adjourned at 9:55 a. m.

Respectfully Submitted,


Representative Bryan R. Holloway


Carol D. Wilson, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
2011-2012 SESSION**

You are hereby notified that the Committee on **Appropriations Subcommittee on Education** will meet as follows:

DAY & DATE: Thursday, May 17, 2012

TIME: 9:00 AM

LOCATION: 421 LOB

COMMENTS:

Respectfully,
Representative Blackwell, Chair
Representative Hilton, Chair
Representative Holloway, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **9 AM** o'clock on **May 16, 2011**.

- ☐ Principal Clerk
- ☐ Reading Clerk – House Chamber

Carol Wilson (Committee Assistant)

House Appropriations Subcommittee on Education

Agenda

Thursday, May 17, 2012, 9:00 A.M.
Room 421, Legislative Office Building
Representative Bryan Holloway, Presiding

- I. Welcome**
Representative Holloway

- II. Discussion of FY 2012-13 Budget Options**
FRD Staff

House Appropriations Subcommittee on Education

Rep. Blackwell, Chair
Rep. Hilton, Chair
Rep. Holloway, Chair
Rep. Pridgen, Vice Chair
Rep. Sanderson, Vice Chair

Members: Rep. Bell, Rep. Blust, Rep. Brawley,
Rep. L. Brown, Rep. Glazier, Rep. Jeffus,
Rep. Lucas, Rep. McLawhorn, Rep. Michaux,
Rep. Parmon, Rep. Pittman, Rep. Stam

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Governor's
Recommended Special
Provisions
for FY 2012-13

452 **PART VII. PUBLIC SCHOOLS**

453
454 **RESTORE LEA BUDGET FLEXIBILITY REDUCTION**

455 **SECTION 7.1. (a)** Section 7.20. of Session law 2011-145 is repealed.

456 **SECTION 7.1. (b)** This becomes effective July 1, 2012.

457
458 **LEA BUDGETARY FLEXIBILITY**

459 **SECTION 7.2.** Section 7.21. of Session Law 2011-145 reads as rewritten:

460 **"SECTION 7.21.(a)** For fiscal years ~~2011-2012 and 2012-2013~~, the State Board of
461 Education ~~shall revise is authorized to extend~~ its emergency rules, in accordance with G.S.
462 150B-21.1A, granting ~~maximum~~ limited flexibility to local school administrative units regarding
463 the expenditure of State funds. These rules shall not be subject to the limitations on transfers of
464 funds between funding allotment categories set out in G.S. 115C-105.25. However, these rules
465 shall not permit the following transfers:

466 (1) The transfer of funds into central office administration.

467 (2) The transfer of funds from the classroom teachers allotment to any allotment other
468 than teacher assistants allotment.

469 (3) The transfer of funds from the teacher assistants allotment to any allotment other
470 than the classroom teachers allotment.

471 **SECTION 7.21. (b)** For fiscal years ~~2011-2012 and 2012-2013~~, local school
472 administrative units shall make every effort to ~~reduce spending whenever and wherever such~~
473 ~~budget reductions are appropriate~~, manage spending with the goal of protecting direct classroom
474 services such as teacher assistants and classroom teachers. Class size requirements in grades K-3
475 shall remain unchanged. For fiscal year 2012-13, local school administrative units shall comply
476 with G.S 115C-301 regarding class size restrictions in grades 4-12.

477 **SECTION 7.21.(c)** The restored LEA flexibility reduction shall be used to maintain
478 school-based personnel positions currently supported with the federal funds authorized under the
479 Keep Our Educators Working Act; Title I of Public Law 111-226.

480 **SECTION 7.21 (d)** No later than 30 days of the date this act becomes law, each local
481 school administrative unit shall report to the State Board of Education, Office of State Budget
482 and Management, and the Department of Public Instruction documenting the methods used to
483 protect classroom-based personnel. This report shall include the number of classroom-based
484 personnel retained as required by subsection 7.21. (c)."

485
486 **TESTING AND ASSESSMENT PROGRAM**

487 **SECTION 7.3.(a)** G.S. 115C-174.11 reads as rewritten:

488 **"§ 115C-174.11. Components of the testing and assessment program.**

489 (a) Diagnostic Assessment Instruments for ~~First and Second~~ Grades K-5. – The State
490 Board of Education shall adopt and provide to the local school administrative units
491 developmentally appropriate individualized diagnostic assessment instruments consistent with
492 the Basic Education Program for grades K-5 ~~for first and second grades, rather than standardized~~
493 ~~tests. The goal of the diagnostic assessments for grades K-5 is to ensure that all students are~~
494 grade-level proficient in pre-reading/reading skills by the conclusion of the school year. Local
495 ~~school administrative units may use these assessment instruments provided to them by the State~~
496 ~~Board for first and second grade students, and shall not use standardized tests except as required~~
497 ~~as a condition of receiving federal grants.~~

498 (b) Repealed by Session Laws 2009-451, s. 7.20(c), effective July 1, 2009.

499 (c) Annual Testing Program.

500 (1) The State Board of Education shall adopt the tests for grades three through 12

that are required by federal law or as a condition of a federal grant. These tests shall be designed to measure progress toward reading, communication skills, and mathematics for grades three through eight, and toward competencies for grades nine through 12. Students who do not pass the tests adopted for eighth grade shall be provided remedial instruction in the ninth grade.

(2) If the State Board of Education finds that additional testing in grades three through 12 is desirable to allow comparisons with national indicators of student achievement, that testing shall be conducted with the smallest size sample of students necessary to assure valid comparisons with other states.

(3) The State Board of Education shall continue to participate in the development of the Common Core State Standards in conjunction with the consortium of other states, review all national assessments developed by both multistate consortia, and implement the assessments that the State Board deems most appropriate to assess student achievement on the Common Core State Standards.

(4) To the extent funds are made available, the State Board shall plan for and require the administration of the ACT test for all students in the eleventh grade unless the student has already taken a comparable test and scored at or above a level set by the State Board.

(d) Except as provided in subsection (c) of this section, the State Board of Education shall not require the public schools to administer any standardized tests except for those required by federal law or as a condition of a federal grant.

The State Board of Education shall adopt and provide to local school administrative units all tests required by federal law or as a condition of a federal grant."

SECTION 7.3.(b) G.S. 115C-174.20 reads as rewritten:

"Part 4. Student Diagnostic ~~Tests~~ Assessments.

"§ 115C-174.22. Tools for student learning.

To the extent funds are made available for this purpose, the State Board shall plan for and require the administration of diagnostic ~~tests~~ assessments in the eighth and tenth grades that align to the ACT test in order to help diagnose student learning and provide for students an indication of whether they are on track to be remediation-free at a community college or university.

The State Board of Education shall ensure ongoing support to school personnel to provide appropriate grade level instructional interventions based on individual student diagnostic assessment results for students in grades K-12."

SECTION 7.3. (c) This section applies beginning with 2012-2013 school year.

CAREER AND COLLEGE PROMISE SHALL INCLUDE APPRENTICESHIP OPPORTUNITIES FOR HIGH SCHOOL STUDENTS

SECTION 7.4. (a) The State Board of Education and NC Community College System shall incorporate apprenticeship opportunities for high school students as a component of the Career Technical Pathway in the Career and College Promise Initiative.

SECTION 7.4. (b) The two parties shall complete this incorporation no later than November 1, 2012, so that students will have the opportunity to participate in apprenticeships beginning with spring semester registration in the 2013-14 school year.

NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS

SECTION 7.5. Section 7.22 of Session Law 2011-145 reads as rewritten:

"SECTION 7.22.(a) The North Carolina Virtual Public School (NCVPS) program shall report to the State Board of Education and shall maintain an administrative office at the

Department of Public Instruction.

SECTION 7.22.(b) The Director of NCVPS shall ensure that students residing in rural and low-wealth county local school administrative units have access to e-learning course offerings in order to expand available instructional opportunities. E-learning instructional opportunities shall include courses required as part of the standard course of study for high school graduation and AP offerings not otherwise available.

SECTION 7.22.(c) Section 7.4 of S.L. 2010-31 is repealed.

SECTION 7.22.(d) The State Board of Education shall take the following steps to implement an allotment formula for NCVPS beginning with the 2011-2012 school year:

(1) Project NCVPS student enrollment by semester and year-long course types for each local school administrative unit and charter school.

(2) Establish a per course teacher payment structure for the instructional costs of NCVPS. In establishing this payment structure, the Board shall consider the following:

a. The payment structure is based on a total compensation analysis to ensure NCVPS teacher pay has parity with similar programs. The total compensation analysis shall take into account salaries, benefits, and work effort to ensure valid comparisons between occupations.

b. The effects any change in NCVPS teacher payments may have on the attraction and retention of NCVPS teachers.

(3) Develop a per student fee structure for in-State students that is based on the per course teacher pay structure. The fee structure for in-State students shall ensure that the projected cost for local school administrative units and charter schools equals the projected instructional cost for NCVPS courses.

4) Multiply the per course fees for in-State students by the projected enrollment by course type to determine the total instructional cost for each local school administrative unit and charter school.

(5) Transfer a dollar amount equal to seventy-five percent (75%) of the local school administrative unit's or charter school's projected instructional cost from the classroom teacher allotment to NCVPS.

(6) No later than February 21 of each year, calculate the actual instructional cost for each local school administrative unit and charter school based upon actual NCVPS enrollment as of that date.

(7) Subtract the amount transferred pursuant to subdivision (5) of this subsection from the actual instructional cost for each unit or charter school and transfer the remaining dollar amount owed, up to a maximum of one hundred percent (100%) of the projected cost.

(8) Develop and implement a policy regarding returning funds to local school administrative units and charter schools in cases where the amount transferred pursuant to subdivision (5) of this subsection exceeds the actual instructional costs. NCVPS shall use funds transferred to it to provide the NCVPS program at no cost to all students in North Carolina who are enrolled in North Carolina's public schools, Department of Defense schools, and schools operated by the Bureau of Indian Affairs.

SECTION 7.22.(e) In establishing the fee structure and payment structure for NCVPS, the State Board shall consider recommendations from the eLearning Commission and the NCVPS Advisory Board.

SECTION 7.22.(f) The State Board shall establish a separate per student tuition for out-of-state students, home-schooled students, and private school students, which shall be adjusted upward from the in-State student fee structure by an amount determined appropriate by the State

Board.

SECTION 7.22.(g) The Board shall direct NCVPS to develop a plan to generate revenue from the sale of courses to out-of-state educational entities. Revenue generated by NCVPS shall be used to offset instructional costs to local school administrative units and charter schools. NCVPS shall submit its plan to the Board by September 15, 2011.

SECTION 7.22.(h) Beginning in 2011, the Director of NCVPS shall submit an annual report on NCVPS to the State Board of Education no later than December 1 of each year. The report shall use data from the previous fiscal year and shall include statistics on actual versus projected costs to local school administrative units and charter schools, student enrollment, virtual teacher salaries, and measures of academic achievement.

The Director of NCVPS shall continue to ensure the following:

(1) Course quality standards are established and met.

(2) All e-learning opportunities other than virtual charter schools offered by State-funded entities to public school students are consolidated under the NCVPS program, eliminating course duplication.

(3) All courses offered through NCVPS are aligned to the North Carolina Standard Course of Study.

SECTION 7.22.(i) The State Board of Education shall reduce each local school administrative unit's or charter school's classroom teacher allotment, or other allotment, as determined by the State Board of Education, on the basis of ADM in grades 6-12 to provide the sum of two million eight hundred sixty-six thousand nine hundred twenty-three dollars (\$2,866,923) for the State-level operations and administration of NCVPS for the 2011-2012 fiscal year. The allotment reduction for State-level operations and administration shall continue in future fiscal years and be adjusted annually based upon the percentage growth in NCVPS enrollment, ensuring the expansion of services due to increased virtual student enrollment.

SECTION 7.22.(j) For fiscal year 2011-2012, the State Board of Education shall reduce each local school administrative unit's or charter school's classroom teacher allotment, or other allotment, as determined by the State Board of Education, on the basis of ADM in grades 6-12 to provide the sum of two million dollars (\$2,000,000) in order to create an NCVPS enrollment reserve. The NCVPS enrollment reserve shall be used to cover the NCVPS instructional costs of local school administrative units or charter schools with enrollments exceeding projected NCVPS enrollment.

Beginning in fiscal year 2012-2013, and annually thereafter, the State Board of Education shall reduce each local school administrative unit's or charter school's classroom teacher allotment, or other allotment, as determined by the State Board of Education, on the basis of ADM in grades 6-12 an amount that is the difference between two million dollars (\$2,000,000) and the balance of the NCVPS enrollment reserve.

Amounts available in the NCVPS enrollment reserve shall not revert.

~~**SECTION 7.22.(k)** The State Board shall use only funds provided through the North Carolina Virtual Public Schools Allotment Formula and the NCVPS enrollment reserve as set forth in this section to fund instructional costs of NCVPS.~~

SECTION 7.22.(l) G.S. 66-58(c) is amended by adding a new subdivision to read:

"(c) The provisions of subsection (a) shall not prohibit:

(20) The sale by the State Board of Education of NCVPS courses to home schools, private schools, and out-of-state educational entities."

RESTORE NORTH CAROLINA TEACHING FELLOWS COMMISSION

SECTION 7.6. Effective July 1, 2012 Section 1.38. of Session Law 2011-266 is repealed.

648
649 **TEACHING FELLOWS ADMINISTRATIVE EXPENDITURES**

650 **SECTION 7.7.** G.S. 115C-363.23A.(f) reads as rewritten:

651 **"§115C-363.23A. Teaching Fellows Program established; administration.**

652 ...
653 (f) All funds appropriated to or otherwise received by the Teaching Fellows Program for
654 scholarships, all funds received as repayment of scholarship loans, and all interest earned on
655 these funds, shall be placed in a revolving loan fund. This revolving loan funds shall be used for
656 scholarship loans granted under the current Teaching Fellows Program. With prior approval of
657 the General Assembly in the Current Operations Appropriations Act, the revolving fund may
658 also be used for campus and summer program support, and costs related to disbursement of
659 awards and collection of loan repayments. The Public School Forum, as administrator for the
660 Teaching Fellows Program, may use up to eight hundred ten thousand dollars (\$810,000) ~~six~~
661 ~~hundred thousand dollars (\$600,000)~~ annually from the fund balance for costs associated with the
662 administration of the Teaching Fellows Program."

663
664 **RESIDENTIAL SCHOOLS**

665 **SECTION 7.8. (a)** Notwithstanding G.S. 146-30, the Department of Public Instruction
666 shall retain all proceeds generated from the rental of building space on the Governor Morehead
667 School campus.

668 **SECTION 7.8.(b)** The Department of Public Instruction shall use all receipts generated
669 from these leases for the purpose of staffing and operating the North Carolina School for the
670 Deaf, the Eastern North Carolina School for the Deaf, and the Governor Morehead School.
671 Receipts from this source shall not be used to support administrative functions within the
672 Department.

673
674 **TEACHER SALARY PAYMENTS**

675 **SECTION 7.9.(a)** Section 5. of Session Law 2011-379 is repealed.

676 **SECTION 7.9.(b)** This section is effective June 30, 2012.

677
678 **FUNDS FOR CHILDREN WITH DISABILITIES**

679 **SECTION 7.10.** The State Board of Education shall allocate additional funds for
680 children with disabilities on the basis of three thousand seven hundred nine dollars (\$3,709.00)
681 per child. Each local school administrative unit shall receive funds for the lesser of (i) all
682 children who are identified as children with disabilities or (ii) twelve and five-tenths percent
683 (12.5%) of the 2012-2013 allocated average daily membership in the local school administrative
684 unit. The dollar amounts allocated under this section for children with disabilities shall also
685 adjust in accordance with legislative salary increments, retirement rate adjustments, and health
686 benefit adjustments for personnel who serve children with disabilities.

687
688 **FUNDS FOR ACADEMICALLY GIFTED CHILDREN**

689 **SECTION 7.11.** The State Board of Education shall allocate additional funds for
690 academically or intellectually gifted children on the basis of one thousand two hundred twenty-
691 three dollars and ninety-nine cents (\$1,223.99) per child. A local school administrative unit shall
692 receive funds for a maximum of four percent (4%) of its 2012-2013 allocated average daily
693 membership, regardless of the number of children identified as academically or intellectually
694 gifted in the unit. The dollar amounts allocated under this section for academically or
695 intellectually gifted children shall also adjust in accordance with legislative salary increments,

retirement rate adjustments, and health benefit adjustments for personnel who serve academically or intellectually gifted children.

UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS

SECTION 7.12. (a) Funds appropriated for the Uniform Education Reporting System shall not revert at the end of the 2011-2012 fiscal year.

SECTION 7.12. (b) This section becomes effective June 30, 2012.

SCHOOL CAPITAL SUPPORT

SECTION 7.13. G.S. 115C-546.2 reads as rewritten:

"§ 115C-546.2. Allocations from the Fund; uses; expenditures; reversion to General Fund; matching requirements.

(a) ~~Of t~~The monies credited to the Fund by the Secretary of Revenue pursuant to G.S. 115C-546.1(b), ~~the State Board of Education may allocate up to one million dollars (\$1,000,000) each year to the Department of Public Instruction. These funds shall be used by the Plant Operation Section of the School Support Division to assist each local school administrative unit with effective energy and environmental management, effective water management, hazardous material management, clean air quality, and engineering support for safe, effective environmental practices. The remainder of the monies in the Fund shall be allocated to the~~ counties on a per average daily membership basis according to the average daily membership for the budget year as determined and certified by the State Board of Education. Interest earned on funds allocated to each county shall be allocated to that county.

The Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee by April 15 of each year on the effectiveness of the program in accomplishing its purpose and on any other information requested by the Committee.

(b) Counties shall use monies in the Fund for capital outlay projects including the planning, construction, reconstruction, enlargement, improvement, repair, or renovation of public school buildings and for the purchase of land for public school buildings; for equipment to implement a local school technology plan that is approved pursuant to G.S. 115C-102.6C; or for both. Monies used to implement a local school technology plan shall be transferred to the State School Technology Fund and allocated by that Fund to the local school administrative unit for equipment.

As used in this section, "public school buildings" only includes facilities for individual schools that are used for instructional and related purposes and does not include centralized administration, maintenance, or other facilities.

In the event a county finds that it does not need all or part of the funds allocated to it for capital outlay projects including the planning, construction, reconstruction, enlargement, improvement, repair, or renovation of public school buildings, for the purchase of land for public school buildings, or for equipment to implement a local school technology plan, the unneeded funds allocated to that county may be used to retire any indebtedness incurred by the county for public school facilities.

In the event a county finds that its public school building needs and its school technology needs can be met in a more timely fashion through the allocation of financial resources previously allocated for purposes other than school building needs or school technology needs and not restricted for use in meeting public school building needs or school technology needs, the county commissioners may, with the concurrence of the affected local Board of Education, use those financial resources to meet school building needs and school technology needs and may allocate the funds it receives under this Article for purposes other than school building needs or school technology needs to the extent that financial resources were redirected from such

purposes. The concurrence described herein shall be secured in advance of the allocation of the previously unrestricted financial resources and shall be on a form prescribed by the Local Government Commission.

(c) Monies in the Fund allocated for capital projects shall be matched on the basis of one dollar of local funds for every three dollars of State funds. Monies in the Fund transferred to the State Technology Fund do not require a local match.

Revenue received from local sales and use taxes that is restricted for public school capital outlay purposes pursuant to G.S. 105-502 or G.S. 105-487 may be used to meet the local matching requirement. Funds expended by a county after July 1, 1986, for land acquisition, engineering fees, architectural fees, or other directly related costs for a public school building capital project that was not completed prior to July 1, 1987, may be used to meet the local match requirement.

(d) Of the Monies transferred into the Fund in accordance with Chapter 18C of the General Statutes, the State Board of Education may allocate up to one million five hundred thousand dollars (\$1,500,000) to the Department of Public Instruction. These funds shall be used by the Plant Operation and School Planning Sections of the School Support Division to assist each local school administrative unit with effective energy and environmental management, effective water management, hazardous material management, clean air quality, engineering support for safe, effective environmental practices, evaluation of facility needs, construction site analysis, planning and design technical assistance, and authorization of state funding for school construction. The remainder shall be allocated for capital projects for school construction projects as follows:

- (1) A sum equal to sixty-five percent (65%) of those monies transferred in accordance with G.S. 18C-164 shall be allocated on a per average daily membership basis according to the average daily membership for the budget year as determined and certified by the State Board of Education.
- (2) A sum equal to thirty-five percent (35%) of those monies transferred in accordance with G.S. 18C-164 shall be allocated to those local school administrative units located in whole or part in counties in which the effective county tax rate as a percentage of the State average effective tax rate is greater than one hundred percent (100%), with the following definitions applying to this subdivision:
 - a. "Effective county tax rate" means the actual county rate for the previous fiscal year, including any countywide supplemental taxes levied for the benefit of public schools, multiplied by a three-year weighted average of the most recent annual sales assessment ratio studies.
 - b. "State average effective tax rate" means the average effective county tax rates for all counties.
 - c. "Sales assessment ratio studies" means sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).
- (3) No county shall have to provide matching funds required under subsection (c) of this section.
- (4) A county may use monies in this Fund to pay for school construction projects in local school administrative units and to retire indebtedness incurred for school construction projects.
- (5) A county may not use monies in this Fund to pay for school technology needs."

794 **LOCAL PLANS**

795 **SECTION 7.14.** G.S. 115C-150.7(d) reads as rewritten:

796 **"§G.S. 115C-150.7. Local Plans.**

797 (d) ~~A plan shall remain in effect for no more than three years;~~ The local board of
798 education shall review the plan at least every three years; however, the local board may amend
799 the plan as often as it considers necessary or appropriate. Any changes to a plan shall be
800 submitted to the State Board of Education for its review and comments. The local board shall
801 consider the State Board's comments before it implements the changes."

802
803 **COOPERATIVE INNOVATIVE HIGH SCHOOL REPORTING**

804 **SECTION 7.15.(a)** Section 7.19(d) of Session Law 2007-323 is repealed.

805 **SECTION 7.15.(b)** Section 7.21. of Session Law 2007-323 is repealed.

806 **SECTION 7.15.(c)** G.S 115C-238.55 reads as rewritten:

807 **"§ 115C-238.55. Evaluation of programs.**

808 The State Board of Education and the governing Boards shall evaluate the success of students
809 in programs approved under this Part. Success shall be measured by high school retention rates,
810 high school completion rates, high school dropout rates, certification and associate degree
811 completion, admission to four-year institutions, postgraduation employment in career or
812 study-related fields, and employer satisfaction of employees who participated in and graduated
813 from the programs. It shall also include (i) an accounting of how funds and personnel resources
814 were utilized and their impact on student achievement, retention, and employability; and (ii)
815 recommendations for improvement of the program. The Boards shall jointly report by January
816 15 of each year to the Joint Legislative Education Oversight Committee on the evaluation of
817 these programs"

818
819 **REPEAL OBSOLETE REPORTS**

820 **SECTION 7.16.(a)** G.S. 115C-276.(t) is repealed.

821 **SECTION 7.16.(b)** Section 7.5.(c) and Section 7.5.(g) of Session Law 2010-31 are
822 repealed.

823 **SECTION 7.16.(c)** Section 7.19 (c) of Session Law 2010-31 is repealed.

824 **SECTION 7.16.(d)** G.S. 115C-12.(26) is repealed.

825
826 **DIGITAL RESOURCES FOR K-12**

827 **SECTION 7.17.(a)** The State Board of Education shall develop a plan to implement
828 the recommendations of Digital Education Resources for K-12 Education Report developed by
829 the eLearning Commission and reported to the State Board of Education in January 2012. The
830 report includes North Carolina transitioning to digital resources as the primary form of
831 educational materials, in place of traditional textbooks and printed supplemental materials, in K-
832 12 schools no later than June 30, 2016.

833 **SECTION 7.17.(b)** The plan shall include:

- 834 (1) Strategies for the Local Education Agencies (LEAs) to transition funding and
835 resources from traditional textbooks to digital media;
836 (2) A priority for curriculum and materials for the national Common Core State
837 Standards for mathematics and English language arts which have been adopted by
838 North Carolina, 45 other states, and the District of Columbia;
839 (3) A timeline for adopting and purchasing mathematics and English language
840 arts textbooks that aligns with the timeline for the adoption of the Common Core
841 State Standards and assessments, since there is a national effort underway to

- 842 develop high-quality digital resources aligned with the Common Core State
843 Standards that will replace traditional textbooks;
- 844 (4) Participation in multi-state consortia to develop high quality, open education
845 digital resources aligned with the Common Core State Standards for efficiency in
846 budget and quality of resources;
- 847 (5) Guidelines and policies for technology requirements for K-12 digital
848 education resources including:
- 849 a. Minimal specifications for the devices to be used by students to access
850 digital resources.
 - 851 b. Cost-effective collaborative purchasing of devices for students that
852 support the use of digital resources, building upon the work of the NC K-
853 12 Cloud Computing Collaborative Purchasing working group.
 - 854 c. A state level process for the review and approval of digital education
855 resources to ensure that high quality resources are used in North Carolina
856 schools.
- 857
- 858 (6) Support for the development, by North Carolina colleges, schools, and
859 organizations, of open education digital resources to meet specific North Carolina
860 needs; and
- 861 (7) Development of a plan to prepare teachers to make effective use of digital
862 resources and devices to support teaching and learning.

863 **SECTION 7.17.(c)** The plan shall be submitted to the Joint Education Oversight
864 Committee and the Office of the Governor by March 15, 2013.

865 **ADOPTION OF COMMON CORE STATE STANDARDS**

866 **SECTION 7.18.** North Carolina along with 45 other states and the District of Columbia
867 have voluntarily committed to adopting the K-12 Common Core State Standards to help ensure
868 that high school students graduate prepared to succeed in college and in a modern workforce.
869 These standards and the supporting assessments ensure that North Carolina is using national
870 standards to measure our students' progress. The State Board of Education has adopted the
871 Mathematics and English Language Arts standards and shall continue to adopt the other
872 curriculum area national standards developed in collaboration with the other states, as they
873 become available.

874 **INVESTING IN INNOVATION GRANT**

875 **SECTION 7.19.(a)** The federal Investing in Innovation Fund Grant: Validating Early
876 College Strategies for Traditional Comprehensive High Schools awarded to the North Carolina
877 New Schools Project for 2012-2017, requires students to enroll in a community college course in
878 the 10th grade. Notwithstanding any other provision of law, specified local school administrative
879 units may offer one community college course to participating sophomore (10th grade) students.
880 Participating local school administrative units are Alleghany, Beaufort, Hertford, Jones, Madison,
881 Richmond, Rutherford, Sampson, Surry, Wilkes and Yancey County Schools.

882 **SECTION 7.19.(b)** Grant funds shall be used to pay for all costs incurred by the local
883 school administrative units and the community college partners to implement the grant, including
884 community college FTE. Community Colleges shall not earn budget FTE for student course
885 enrollments supported with this grant.

SECTION 7.19.(c) Research for the project shall address the effects of Early College strategies in preparing students for Career and College Promise. The North Carolina New Schools Project shall report on the implementation of the grant to the State Board of Education, State Board of Community Colleges, Office of the Governor, and the Joint Education Oversight Committee no later than March 15, 2013 and annually thereafter until the end of the grant period.

PART VIII. COMMUNITY COLLEGES

REPORT ON CURRENT AND FUTURE EFFORTS REGARDING DEVELOPMENTAL EDUCATION

SECTION 8.1.(a) The North Carolina Community College System shall report, no later than March 1, 2013, to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management on its developmental education offerings. This report shall include, but is not limited to, developmental math and science courses, Basic Skills Plus, and other remedial coursework.

SECTION 8.1.(b) This report shall include the following:

- (1) Number of students enrolled in developmental education for the last four years (beginning with fiscal year 2008-09).
- (2) The costs of developmental education, in total and by program.
- (3) The types, number, and costs of diagnostic assessments taken by students prior to being placed in a developmental course.
- (4) The impact of developmental education on a student's success in subsequent educational pursuits, including the time taken to earn an associate's degree.
- (5) Cooperative efforts with high schools and the NC Department of Public Instruction to identify or reduce a student's need for developmental education prior to earning a high school diploma.
- (6) Recent changes and proposed reforms to developmental education in the North Carolina Community College System.

REPEAL OBSOLETE REPORTS

SECTION 8.2.(a) G.S. 116D-3(c) is repealed.

SECTION 8.2.(b) Session Law 1999-237, Section 9.11(e) is repealed.

SECTION 8.2.(c) Session Law 2007-484, Section 35 reads as rewritten:

"Section 5. This act is effective when it becomes law. Section 1 of this act applies to provisional teaching certificated issues on or after that date. ~~Section 2, 3 and~~ Section 4 of this act expires July 1, 2011."

FINANCIAL AID PROGRAM ADMINISTRATIVE COSTS

SECTION 8.3. G.S. 115D-40.1 reads as rewritten:

"(c) Administration of Program. – The State Board shall adopt rules and policies for the disbursement of the financial assistance provided in subsections (a) and (b) of this section. Degree, diploma, and certificate students must complete a Free Application for Federal Student Aid (FAFSA) to be eligible for financial assistance. The State Board may contract with the State Education Assistance Authority for administration of these financial assistance funds. These funds shall not revert at the end of each fiscal year but shall remain available until expended for need-based financial assistance. The interest earned on the funds provided in subsections (a) and (b) of this section may be used to support the costs of administering the Community College

Grant Program. If these interest earnings are not adequate to support the administrative costs, up to one percent of funds provided in subsection (a) of this section may be used to support the costs of administering the Community College grant program.

PART IX: UNIVERSITIES

RESIDENT TUITION FOR MILITARY VETERANS AND THEIR DEPENDENTS

SECTION 9.1. G.S.116-143.3 is amended by adding a new subsection to read:

“(c1) Military veterans honorably discharged on or after July 1, 2011 shall be considered in-state residents for tuition purposes provided they were last assigned to a permanent duty station in North Carolina. Any dependent relative of an eligible veteran shall also be considered a resident for tuition purposes. To continue being classified a North Carolina resident, a participating veteran or dependent relative must provide proof of establishing residency in North Carolina within twelve months of initial enrollment.”

NORTH CAROLINA TEACHER INSTITUTE ON TEACHER TRAINING AND PROFESSIONAL DEVELOPMENT

SECTION 9.2.(a). The North Carolina Teacher Institute on Teacher Training and Professional Development is created at the Friday Institute for Education Innovation at North Carolina State University. The purpose of the Institute is to establish a statewide network of online and in-person high-quality, comprehensive professional development for teachers so they will have the knowledge and skills necessary to use 21st century tools and resources to teach 21st century content skills. This network shall ensure that teachers are integrally involved in the development and delivery of professional development.

SECTION 9.2.(b). The Institute shall be advised by the North Carolina Teacher Institute Advisory Council. The Governor shall appoint the members of the Council. The Council will be established as follows:

- (1) The Council shall be composed of up to twenty-five members appointed by the Governor. Members shall be active classroom teachers serving in a North Carolina public school. Members should represent diverse demographic and geographic regions of the state, grade levels, and subject areas.
- (2) The Governor’s Teacher Advisor or designee shall serve as the Chair of the Council. The Council shall select a Vice-Chair from its membership.
- (3) The Council shall include the North Carolina Teacher of the Year as a voting member. The Teacher of the Year will serve as a liaison between the Council and the State Board of Education.
- (4) The Executive Director of the Friday Institute and the Dean of the NC State University College of Education shall also serve as members of the Council.
- (5) The Council also may include as voting members the president or designee of state affiliates to the following National Teacher Organizations: the North Carolina Association of Educators and the American Federation of Teachers – North Carolina.
- (6) The State Superintendent of Education, or his or her designee, will serve on the Council.
- (7) Council members shall serve terms of two years and may be reappointed to successive terms. Council members serve at the pleasure of the Governor.

SECTION 9.2.(c). The Chief Administrative Officer of the Institute shall be appointed by the Executive Director of the Friday Institute in consultation with the North Carolina Teacher Institute Advisory Council and the Governor.

985 **SECTION 9.2.(d).** The Teacher Institute shall develop an implementation plan for
986 blended (online and in-person) professional development that includes, but is not limited to, the
987 following:

988 (1) Ensures fiscal efficiency, local implementation, and sustainability at the local level
989 including:

- 990 a. Conduct needs assessments to ensure that professional development programs
991 directly address local education agency (LEA), school, and teacher needs;
- 992 b. Build resources centrally, build human capacity throughout the state, and
993 implement professional development locally and regionally;
- 994 c. Take full advantage of economies of scale, by effective and efficient
995 centralization of services, while planning to support local, regional, and central
996 capacity building for sustainability;
- 997 d. Consider the needs of different types of districts, ranging from large urban to
998 small rural as well as other types of multi-district collaborations;
- 999 e. Develop models of professional development based on researched best practices
1000 that have shown to be effective, include resources to test new and emerging
1001 approaches, with evaluations of their effectiveness;
- 1002 f. Leverage the expertise, resources, and connections to a multi-state collaborative
1003 available through the eLearning for Educators Collaborative, the Southern
1004 Regional Education Board, and other networks; and
- 1005 g. Leverage the expertise and resources of the multiple groups within North Carolina
1006 that already provide professional development in Science, Technology,
1007 Engineering, and Mathematics (STEM) areas.

1008 (2) Utilizes the resources developed by the state investments made by the NC Teacher
1009 Academy including:

- 1010 a. Staff development programs and resources in continuous school improvement,
1011 mathematics and elementary science curriculum, differentiated instruction and
1012 learning, instructional technology, and literacy;
- 1013 b. Cadres or networks of professionally staff development trainers located
1014 strategically across the state in the eight Education Regions; and
- 1015 c. Academies for school-level teams that provide customized professional
1016 development based on the instructional needs of the school.

1017 (3) Develops On-line Professional Development (OPD) resources including:

- 1018 a. Design in modular, modifiable forms, consistent with technical and design
1019 standards, so materials can be adapted for other purposes;
- 1020 b. Coordinate with Colleges of Education (CEDs) so that the OPD resources are
1021 used there also, and that resources from the CEDs are adapted for professional
1022 development in the LEAs;
- 1023 c. Use the pedagogy and the tools participants need to learn as part of the online
1024 experience;
- 1025 d. Provide for use of mobile devices, tablets, and other technologies to provide
1026 increased access and flexibility for participants;
- 1027 e. Consider different types of online interactions including cohort-based facilitated
1028 workshops to engage educators in learning content and teaching strategies and on-
1029 demand professional development accessible by individuals as needed to support
1030 day-to-day teaching and learning; and
- 1031 f. Design online resources so they can be easily updated, revised, repurposed, and
1032 moved to different emerging technologies.

SECTION 9.2.(e). Reporting Requirements. The Friday Institute shall report on its plan to the State Board of Education, the Joint Education Oversight Committee, and the Office of the Governor by March 15, 2013.

CHANGE REPORT DATE ON PROGRESS OF NORTH CAROLINA GRADUATES ENTERING PRIMARY CARE CENTERS

SECTION 9.3. G.S. 143-613(d) reads as rewritten:

“(d) The progress of the private and State-operated medical schools and State-operated health professional schools towards increasing the number and proportion of graduates entering primary care shall be monitored annually by the Board of Governors of The University of North Carolina. Monitoring data shall include (i) the entry of State-supported graduates into primary care residencies and clinical training programs, and (ii) the specialty practices by a physician and each midlevel provider who were State-supported graduates as of a date five years after graduation. The Board of Governors shall certify data on graduates, their residencies and clinical training programs, and subsequent careers by ~~October 1~~November 15 of each calendar year, ~~beginning in October of 1995,~~ to the Fiscal Research Division of the Legislative Services ~~OfficeOffice,~~ to the Office of State Budget and Management, and to the Joint Legislative Education Oversight Committee.”

PERMANENT TRANSFER OF FUNDING FOR MILITARY ONE-STOP & BRAC OUTREACH

SECTION 9.4. The Military One-Stop & BRAC Outreach program is transferred from Fayetteville State University to the University of North Carolina General Administration by a Type I transfer as defined in G.S. 143A-6, with all the elements of such a transfer. The program transfer shall include the sum of two hundred fifty one thousand five hundred dollars (\$251,500).

CENTER FOR DESIGN INNOVATION DIGITAL TECHNOLOGIES PILOT

SECTION 9.5.(a) The Center for Design Innovation shall use funds appropriated in this Act to establish a pilot program in digital technologies, in cooperation with the UNC School of the Arts, Winston-Salem State University, Forsyth Technical Community College, and high schools located in Forsyth County. Once this course of study has been developed, it shall be submitted for consideration as a career pathway in Career and College Promise.

SECTION 9.5.(b) The University of North Carolina shall report on this pilot, no later than March 1, 2017, to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management. This report shall include:

- 1) The number of students enrolled in the program, by year admitted.
- 2) The completion rate of enrolled students.
- 3) The placement of graduating students in industries and companies that utilize technologies taught in this program.
- 4) The satisfaction of employers with the performance of graduates of this program.

THE UNIVERSITY OF NORTH CAROLINA PERFORMANCE ACCOUNTABILITY FUNDING

SECTION 9.6.(a) The University of North Carolina Board of Governors shall design and implement a Performance Accountability Funding program. For the purpose of distributing funds, the Board shall consider statistically valid measures of retention, graduation, efficiency and financial data and shall set performance targets for each UNC institution. Performance funding criteria shall be adopted prior to the release of funds appropriated in this Act.

SECTION 9.6.(b) The University shall report annually, beginning January 1st 2013, to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management on its Performance Accountability Funding program. This report shall include the following:

- (1) A description of the performance measures used for funding allocation.
- (2) The performance measure target for each institution.
- (3) Data on each measure for each UNC institution.
- (4) The amount of performance funding awarded to each UNC institution.
- (5) Historical performance data and funding amounts for the previous three years, as available.
- (6) The use of funds allocated for performance accountability.

SECTION 9.6.(c) The UNC Board of Governors and each institution shall prominently display their performance targets and level of attainment on their public websites and in all future funding requests made to the General Assembly and the Governor.

ESTABLISH UNC RESEARCH COMMERCIALIZATION FUND

SECTION 9.7.(a) There shall be appropriated two million dollars (\$2,000,000) to The University of North Carolina General Administration to establish a UNC Research Commercialization Fund. Monies in the Fund shall be awarded on a competitive basis and used to support activities that accelerate the development and launch of commercial products derived from university research. Specific activities that may be funded include:

- (1) Investing in market assessment services to more accurately determine whether a product will be successful.
- (2) Supporting proof of concept activities, including the development of prototypes.
- (3) Covering relevant operational costs, including patent fees or faculty release time.
- (4) Enhancing work currently being done with the Blackstone Entrepreneurs Network.

SECTION 9.7.(b) The University of North Carolina General Administration shall monitor and report the technology transfer activities resulting from investments made from the UNC Research Commercialization Fund. This report shall be made annually by December 1 of each year to the Joint Legislative Education Oversight Committee and to the Office of State Budget and Management and shall discuss expenditures from the Fund. Components of the report shall include:

- (1) A detailed accounting of the expenditure of funds and specific services provided.
- (2) Measures of impact to the State's economy in the creation of jobs, intellectual property, infrastructure investment and start-up companies.
- (3) The specific research and development projects funded at UNC.
- (4) Other measures directly related to enhancing North Carolina's economy.

SECTION 9.7.(c) In addition to the report required in Section 9.7.(b), the University of North Carolina General Administration shall submit, by December 1, 2012, a comprehensive report of all technology transfer activities across the UNC System, including such activities as spin-off companies created, patents received for research inventions and innovations, products developed, and other agreements to share research between the University of North Carolina and its partners.

LOWER COST OF INDEBTEDNESS ON CAPITAL PROJECTS

1131 SECTION 9.8.(a) Article 3 of Chapter 116D is amended to add a new section that reads:

1132 **“§116D-32. Timely payment of special obligation bonds.**

1133 (a) This section applies to the special obligation bonds issued by the Board where (1) in
1134 the bond resolution or trust agreement authorizing or securing such bonds and at the time of
1135 issuance of the bonds, the Board has expressly and irrevocably elected to have the provisions
1136 of this section apply and (2) the debt service schedule for such bonds has been received by
1137 the Director of the Budget. This section does not apply to bonds for which no such election
1138 is made or any other obligations of the Board or the institutions.

1139 (b) Whenever the paying agent for the bonds has not received payment of principal of or
1140 interest on bonds to which this section applies on the business day immediately before the
1141 date on which such payment is due, the paying agent shall notify the Director of the Budget
1142 and the Board, by telephone, facsimile, or other similar communication, followed by written
1143 verification, of such payment status. The Director of the Budget shall immediately contact
1144 the Board and determine whether the Board will make the payment by the date on which it is
1145 due.

1146 (c) If the Board indicates that the institution will not make the payment by the date on
1147 which it was due, the Director of the Budget shall forward the amount in immediately
1148 available funds necessary to make the payment of principal of or interest on the bonds to the
1149 paying agent and shall withhold such amount, in the following order of priority, from:

1150 (1) the next succeeding appropriations payment designated for the continuing
1151 operation of the institution or institutions for whose benefit the Board issued
1152 the bonds pursuant to an appropriation under Section 116-11(9)b of this
1153 Chapter, which appropriation was based upon a budget recommendation
1154 described in Section 116-11(9)a(i) of this Chapter ;

1155 (2) the next succeeding appropriations payment allocated by the Board to the
1156 institution or institutions for whose benefit the Board issued the bonds
1157 pursuant to an appropriation to the Board under Section 116-11(9)b of this
1158 Chapter, which appropriation was based upon a budget recommendation
1159 described in Section 116-11(9)a(iii) of this Chapter; and

1160 (3) the next succeeding appropriations payment of any other amounts
1161 appropriated to the Board and payable to or otherwise designated for the
1162 continuing operation of all institutions equally.

1163 If the amount of all such next succeeding appropriations payments in subparts (1) through
1164 (3) is insufficient to pay the amount necessary, the Director of the Budget shall withhold
1165 amounts from each succeeding appropriations payments in the order set forth in this
1166 subparagraph, including payments to be made in succeeding fiscal years [but not to
1167 include more than twelve months of payments], until the total payment of principal and
1168 interest has been withheld.

1169 (d) The amounts forwarded to the paying agent by the Director of the Budget shall be
1170 applied by the paying agent solely to the payment of the principal of and interest on the
1171 bonds of the Board for which the amounts were forwarded. The Director of the Budget
1172 shall notify the Board, the chief financial officer or officers of the institution or
1173 institutions whose appropriations have been withheld and payments made pursuant to this
1174 section.

1175 (e) The Board shall, for bonds to which this section applies, file with the Director of
1176 the Budget a notice that sets forth the name and amount of the bonds, the institution for
1177 whose benefit the Board issued the bonds, the scheduled debt service for the bonds and
1178 the name, address and telephone number of the paying agent for the bonds. The Board
1179 shall provide to the Director of the Budget such additional information and

documentation as the Director of the Budget may request from time to time regarding such bonds. The failure of the Board to file such notice and information shall not affect the obligation of the Director of the Budget to pay the appropriation payments as set forth in paragraph (c) of this section.

(f) The State hereby covenants with the purchasers and beneficial owners of bonds issued by the Board that it will not repeal, revoke or rescind the provisions of this section or modify or amend the same so as to limit or impair the rights and remedies granted by this section for so long as the bonds covered by this section are outstanding; but nothing in this paragraph (f) shall be deemed or construed to require the State to continue the payment of State appropriations to the Board or any institution or to limit or prohibit the State from repealing, amending or modifying any law relating to the amount of State appropriations to the Board or any institution or the manner of payment or timing thereof. Nothing in this section shall be deemed or construed to create a debt of the State with respect to such bonds within the meaning of any State constitutional provision or to create any liability except to the extent provided in this section.

(g) Whenever the Director of the Budget is required by this section to make a payment of principal of or interest on bonds on behalf of the Board, the Director of the Budget, or the Director's designee, shall initiate a review of the institution or institutions for whose benefit such bonds were issued to determine the reason for the nonpayment and to assist the Board and such institution or institutions, if necessary, in developing and implementing measures to assure that future payments will be made when due.

(h) To the extent permitted by the bond resolution or trust agreement to which this section applies, whenever the Director of the Budget is required by this section to make a payment of principal of or interest on bonds on behalf of the Board from appropriations to the Board and the institution or institutions and the debt service deficiency resulted because of a failure to collect revenues, the Board may, upon collection of the delinquent revenues, transfer such delinquent revenues later out of the revenue fund created under the bond resolution or trust agreement to the constituent institution."

REPEAL OBSOLETE REPORTS

SECTION 9.9.(a) G.S. 116-11(10a) is repealed.

SECTION 9.9.(b) G.S. 116-11(12a) is repealed.

SECTION 9.9.(c) Session Law 1991-346 is repealed.

SECTION 9.9.(d) G.S. 116D-3(a)(1) is repealed.

SECTION 9.9.(e) Session Law 2001-496, Section 13 is repealed.

PART X. DEPARTMENT OF HEALTH AND HUMAN SERVICES

ADMINISTRATIVE ALLOWANCE FOR COUNTY DEPARTMENTS OF SOCIAL SERVICES

SECTION 10.1. The Division of Child Development and Early Education of the Department of Health and Human Services shall fund the allowance that county departments of social services may use for administrative costs at ~~four~~ three percent (4 3%) of the county's total child care subsidy funds allocated in the Child Care Development Fund Block Grant plan.

NC PRE-KINDERGARTEN PROGRAM

House Appropriations Subcommittee on Education

Spending Target:

FY 2012-13: \$ 10,980,784,798

General Guidance for All Subcommittees:

- Subcommittees are expected to meet publicly; transparency is essential.
- Budget reductions should be recurring.
- Funding restorations may be considered but no expansion of current programs or services.
- Items funded in FY 2011-12 with non-recurring funds may be funded (non-recurring, at the same or lesser amounts) if funds are identified within the subcommittee spending target.
- Non-recurring reductions may not be used to fund recurring items.
- Funding of enrollment growth and building reserves will have to be managed within the subcommittee spending target.
- No special provisions that spend reversions.
- No fee increases.
- No substantive policy in special provisions.
- No increases in management flexibility reserves.
- Salaries and Benefits issues are the purview of the Full House Appropriations Chairs (i.e. salary schedules, bonuses and other forms of compensation).
- Capital Improvements (and Repairs and Renovations) and Information Technology are the purview of the Full House Appropriations Chairs.

Education Subcommittee:

- The Subcommittee may only make budgetary adjustments within an agency; the total FY 2012-13 appropriated budget for each agency may not be changed.
- LEA negative reserve will be reduced by at least \$74 million on a recurring basis.
- Education Lottery allocations are the purview of the Full House Chairs – Education Subcommittee Chairs will be consulted.

House Education Subcommittee Target

\$10,980,794,798**Public Schools**

Agency Target	7,444,122,100
<i>Potential Technical Adjustments</i>	
Average Daily Membership (ADM)	(6,423,088)
Average Teacher Salary	(85,670,329)
LEA Flexibility Adjustment	74,076,032
<i>Subtotal</i>	<i>(18,017,385)</i>

Community Colleges

Agency Target	985,000,000
<i>Potential Technical Adjustments</i>	
Enrollment Growth Adjustment	(12,108,704)

The University of North Carolina System

Agency Target	2,551,672,698
Continuation Review Reserve, UNC-TV	10,558,141

Education Agencies'
Special Provision
Requests
for FY 2012-13

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
2012-13 Special Provision Requests

ACQUISITION OF REAL PROPERTY BY LEASE PURCHASE

Section X.XX G.S. 115D-58-.15 reads as amended:

“§ 115D-58.15. Lease purchase and installment purchase contracts for equipment real and personal property.

(a) **Authority.** – The board of trustees of a community college may use lease purchase or installment purchase contracts to purchase or finance the purchase of equipment real and personal property as provided in this section. A college shall not have more than five State-funded contracts in effect at any one time.

(b) **Contract Approval.** – Contracts for more than one hundred thousand dollars (\$100,000) or for a term of more than three years shall be subject to review and approval as provided in this subsection. If the source of funds for payment of the obligation by the community college is intended to be local funds, the contract must be approved by resolution of the tax-levying authority, and the authority must acknowledge in writing its understanding that the community college may require appropriations from the tax-levying authority in order to meet the college's obligations under the contract. The tax-levying authority may in each fiscal year appropriate sufficient funds to meet the amounts to be paid during the fiscal year under the contract. If the source of funds for payment of the obligation by the community college is intended to be State funds, the contract must be approved by resolution of the State Board of Community Colleges. The State Board may in each fiscal year allocate sufficient funds to meet the amounts to be paid during the fiscal year under the contract.

(c) **Local Government Commission.** – A contract that is subject to approval by the tax-levying authority also shall be subject to approval by the Local Government Commission as provided in Article 8 of Chapter 159 of the General Statutes if the contract:

- (1) Extends for five or more years from the date of the contract;
- (2) Obligates the board of trustees to pay sums of money to another, regardless of whether the payee is a party to the contract; and
- (3) Obligates the board of trustees to pay five hundred thousand dollars (\$500,000) or more over the full term of the contract.

(d) **Application of Section.** – When determining whether a contract is subject to approval under this section the total cost of exercising an option to upgrade property shall be taken into consideration. The term of a contract shall include periods that may be added to the original term through the exercise of an option to renew or extend.

(e) **Nonsubstitution Clause.** – No contract entered into under this section may contain a nonsubstitution clause that restricts the right of a board of trustees to:

- (1) Continue to provide a service or activity; or
- (2) Replace or provide a substitute for any property financed or purchased by the contract.

(f) **Nonappropriations Clause.** – No deficiency judgment may be rendered against any board of trustees, any tax-levying authority, the State Board of Community Colleges, or the State of North Carolina in any action for breach of a contractual obligation authorized by this section. The taxing power of a tax-levying authority and the State is not and may not be pledged directly

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or indirectly to secure any moneys due under a contract authorized by this section. (1998-111, s. 2; 2007-484, s. 29(e).)

Issue: Colleges need the flexibility to lease purchase real property. In certain situations, colleges are currently leasing property on a long-term basis, but do not have the authority to enter into arrangements that would allow them the option to purchase during or at the end of the lease term.

REPEAL OBSOLETE REPORTS

SECTION X.X.(a) G.S. 115D-5(o) is repealed.

SECTION X.X.(b) G.S. 116D-3(c) is repealed (or change reporting period to annually).

SECTION X.X.(c) S.L. 1999-237, Section 9.11(e) is repealed.

SECTION X.X.(d) S.L. 2007-484, Section 35 reads as rewritten:

""Section 5. This act is effective when it becomes law. Section 1 of this act applies to provisional teaching certificated issues on or after that date. ~~Section 2, 3 and Section 4 of this act expires July 1, 2011.~~""**

Issue: This provision would repeal the MCC/OCC report, quarterly 2000 State Bond reports, the annual HB275 report, and lateral entry teacher report, respectively. These reports have become obsolete, are rarely (if ever) used, and do not represent a good use of limited resources. The MCC/OCC report was more relevant in years past when increased funding for individual MCC/OCC locations was a high priority. Off-campus center funding was eliminated years ago, and NCCCS is requesting that MCC funding be rolled into the Institutional and Academic Support formula in future years. Assuming no categorical funds remain, on-going reporting is not needed. If MCC/OCC funding becomes a priority in future years, it will be incumbent upon NCCCS to collect data at that time to support expansion funding requests. As the 2000 State Bond campaign winds down, little to no attention is given to these quarterly reports. A bond status report can be generated for a given time period upon request, if necessary. No funds have been appropriated under the authority of HB275 from the 1999 Session in many years. The System Office can produce expenditures and balances for a specific time period upon request. Finally, the lateral entry teacher report is not relevant, as there is no new activity going on with lateral entry teacher education.

** Drafting note: The annual lateral entry teacher report is set out in Section 4 of S.L. 2005-198. The effective date for this section was originally set to expire July 1, 2011, but the 2007 technical corrections act (Section 35 of S.L. 2007-484) repealed this expiration date. An alternative way of drafting the sunset of the reporting requirement may be needed.

INCREASE MAXIMUM PARKING FINE

SECTION X.X. G.S. 115D-21(c) reads as rewritten:

“(c) The trustees may by rules, regulations, or ordinances provide for a system of registration of all motor vehicles where the owner or operator does park on the campus or keeps said vehicle on the campus. The trustees shall cause to be posted at appropriate places on campus notice to the public of applicable parking and traffic rules, regulations, and ordinances governing the campus over which it has jurisdiction. The trustees may by rules, regulations, or ordinances

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establish or cause to have established a system of citations that may be issued to owners or operators of motor vehicles who violate established rules, regulations, or ordinances. The trustees shall provide for the administration of said system of citations; establish or cause to be established a system of fines to be levied for the violation of established rules, regulations and ordinances; and enforce or cause to be enforced the collection of said fines. The fine for each offense shall not exceed ~~five dollars (\$5.00)~~, the maximum penalty for violating other traffic rules, regulations, and ordinances provided by subsection (b). ~~which funds shall be retained in the institution and expended in the discretion of the trustees.~~ The trustees shall be empowered to exercise the right to prohibit repeated violators of such rules, regulations, or ordinances from parking on the campus.

Issue: The existing \$5 maximum on parking fines does not serve as an adequate deterrent against violation of college parking rules, regulations, and ordinances. Increasing this maximum to be consistent with fines that colleges may impose for other types of traffic regulations would simplify the statute and give colleges a better tool to enforce parking regulations. The college does not retain these fines and, therefore, would not financially benefit from increasing the maximum. (Despite the language that says these funds shall be retained in the institution, colleges were directed to remit these funds to the Civil Fines and Forfeitures Fund by CC05-238.)

FINANCIAL AID PROGRAM ADMINISTRATIVE COSTS

Section X.XX G.S. 115D-40.1 reads as rewritten:

“(c) Administration of Program. – The State Board shall adopt rules and policies for the disbursement of the financial assistance provided in subsections (a) and (b) of this section. Degree, diploma, and certificate students must complete a Free Application for Federal Student Aid (FAFSA) to be eligible for financial assistance. The State Board may contract with the State Education Assistance Authority for administration of these financial assistance funds. These funds shall not revert at the end of each fiscal year but shall remain available until expended for need-based financial assistance. The interest earned on the funds provided in subsections (a) and (b) of this section may be used to support the costs of administering the Community College Grant Program. If these interest earnings are not adequate to support the administrative costs, up to one percent of funds provided in subsection (a) of this section may be used to support the costs of administering the Community College grant program.”

Issue: Our financial aid special fund (CCS Financial Assistance, 66801, 6102) is not generating adequate interest revenue to cover the 1% administrative fee charged by NCSEAA to administer this program. Also, a portion of the appropriation for our financial assistance would also need to be fund-shifted from Escheats to General Fund to ensure that exercising this provision does not violate the constitutional purposes of the Escheats funds.

REPEAL DUPLICATIVE AUDIT REQUIREMENT

SECTION X.X. G.S. 147-64.6A is repealed.

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Issue: Section 8.15 of S.L. 2001-145 amended G.S. 115D-58.16 to require colleges to be audited at least once every two years. It also authorized colleges to contract with the Office of State Auditor or a private CPA firm for this audit. Regardless of this statute, G.S. 147-64.6A requires OSA to audit each college at least once every five years. To fulfill this statutory requirement, OSA would still need to conduct an audit during the five-year timeframe of any college that had chosen to be audited at least once every other year by a private CPA firm. Repealing G.S. 147-64.6A would eliminate this confusing and duplicative audit requirement.

MODIFY INSTITUTIONAL PERFORMANCE ACCOUNTABILITY FOR ONE YEAR

Section X.XX Notwithstanding G.S. 115D-31.3, the mandatory performance standards prescribed by G.S. 115D-31.1(e) shall not include the progress of basic skills students for the 2011-12 reporting year. For the 2011-12 reporting year, recognition of successful institutional performance and exceptional institutional performance shall not include this measure. For each of the remaining seven performance measures on which a college performs successfully, the college may retain and carryforward two-sevenths of one percent (2/7 of 1%) of its final General Fund appropriation into the 2013-14 fiscal year.

Issue: We recently detected a problem with our basic skills data collection system. As a result, there are significant data integrity problems with the 2011-12 reporting year data associated with the progress of basic skills students performance measure. Consequently, we would like to drop this performance measure just for the 2011-12 reporting year. We plan to move to a revised methodology to measure progress of basic skills students in future years, which will solve the problem moving forward.

UPDATE COLLEGE PERFORMANCE MEASURES

§ 115D-31.3. Institutional performance accountability.

(a) Creation of Accountability Measures and Performance Standards. – The State Board of Community Colleges shall create new accountability measures and performance standards for the Community College System. ~~Survey results shall be used as a performance standard only if the survey is statistically valid.~~ The State Board of Community Colleges shall review annually the accountability measures and performance standards to ensure that they are appropriate for use in recognition of successful institutional performance.

(b) through (d) Repealed by Session Laws 2000-67, s. 9.7, effective July 1, 2000.

(e) ~~Mandatory Performance Standards~~Measures. – The State Board of Community Colleges shall evaluate each college on the following eight performance ~~standards~~measures:

- (1) Progress of basic skills students,
- (2) Passing rate for GED diploma examinations,
- ~~(3) Passing rate for licensure and certification examinations,~~
- (3) Performance of students who transfer to a four-year institution,
- (4) Passing rates in developmental courses, Success rates of developmental students in subsequent college-level English courses,
- (5) Success rates of developmental students in subsequent college-level math courses,

- (6) ~~The level of satisfaction of students who complete programs and those who do not complete programs, Progress of first year curriculum students, and~~
- (7) Curriculum student retention and graduation, and
- (8) Passing rate for licensure and certification examinations.
- ~~(8) Client satisfaction with customized training.~~

The State Board may also evaluate each college on additional performance standardsmeasures.

(f) Publication of Performance Ratings. – Each college shall publish its performance on the eight standardsmeasures set out in subsection (e) of this section (i) annually in its electronic catalog or on the Internet and (ii) in its printed catalog each time the catalog is reprinted.

The Community Colleges System Office shall publish the performance of all colleges on all eight standardsmeasures.

(g) Recognition for Successful Institutional Performance. – For the purpose of recognition for successful institutional performance, the State Board of Community Colleges shall evaluate each college on the eight performance standardsmeasures. For each of these eight performance standardsmeasures on which a college performs successfully, the college may retain and carry forward into the next fiscal year one-fourth of one percent ($\frac{1}{4}$ of 1%) of its final fiscal year General Fund appropriations. ~~If a college demonstrates significant improvement on a standard that has been in use for three years or less, the college may also carry forward one fourth of one percent ($\frac{1}{4}$ of 1%) of its final fiscal year General Fund appropriations for that standard.~~

(h) Recognition for Exceptional Institutional Performance. – Exceptional institutional performance is defined as succeeding on all eight performance measures. Funds not allocated to colleges in accordance with subsection (g) of this section shall be used to reward exceptional institutional performance. After all State aid budget obligations have been met, the State Board of Community Colleges shall distribute the remainder of these funds equally to colleges achieving exceptional institutional performance status that based on their pro-rata share of total FTE served at these colleges. ~~perform successfully on eight performance standards and meet the following criteria:~~

- ~~(1) The passing rate on all reported licensure and certification examinations for which the community colleges have authority over who sits for the examination must meet or exceed seventy percent (70%) for first time test takers; and~~
- ~~(2) The percentage of college transfer students with a grade point average of at least 2.0 after two semesters at a four year institution must equal or exceed the performance of students who began college at that four year institution.~~

The State Board may withhold the portion of funds for which a college may qualify as an exceptional institution while the college is under investigation by a State or federal agency or if its performance does not meet the standards established by the Southern Association of Colleges and Schools, the State Auditor's Office, or the State Board of Community Colleges. The State Board may release the funds at such time as the investigations are complete and the issues are resolved.

(i) Permissible Uses of Funds. – Funds retained by colleges or distributed to colleges pursuant to this section shall be used for the purchase of equipment, initial program start-up costs including faculty salaries for the first year of a program, and one-time faculty and staff bonuses. These funds shall not be used for continuing salary increases or for other obligations beyond the fiscal year into which they were carried forward. These funds shall be encumbered within 12 months of the fiscal year into which they were carried forward.

(j) Use of funds in low-wealth counties. – Funds retained by colleges or distributed to colleges pursuant to this section may be used to supplement local funding for maintenance of plant if the college does not receive maintenance of plant funds pursuant to G.S. 115D-31.2, and if the county in which the main campus of the community college is located meets all of the following:

- (1) Is designated as a Tier 1 county in accordance with G.S. 143B-437.08.
- (2) Had an unemployment rate of at least two percent (2%) above the State average or greater than seven percent (7%), whichever is higher, in the prior calendar year.
- (3) Is a county whose wealth, as calculated under the formula for distributing supplemental funding for schools in low-wealth counties, is eighty percent (80%) or less of the State average.

Funds may be used for this purpose only after all local funds appropriated for maintenance of plant have been expended.

Proposed Effective Date: July 1, 2012 (This means it would first apply to funding carried forward from FY 2012-13 into FY 2013-14.)

Issue: As required by Section 8.14 of S.L. 2011-145, the State Board reported to the Joint Legislative Education Oversight Committee on a revised set of accountability measures and performance standards for colleges. The language would amend G.S. 115D-31.3 to conform to the new measures adopted and recommended by the State Board. It also revises the definition of “exceptional performance” and provides that funds available to reward exceptional colleges be allocated on a pro-rata basis. Currently, funds to reward exceptional performance are simply split evenly among eligible colleges, regardless of institutional size.

LOCAL COMMUNITY COLLEGE AUTHORITY

Section X.XX. G.S. 115D-31 reads as rewritten:

“(b2) A local community college may use State funds allocated to it to provide non-recurring salary increases to college employees provided that such increases are provided prior to the fourth quarter of the fiscal year.”

Issue: Colleges need the flexibility to use funds available to recognize and reward college employees.



The University of North Carolina 2012-13 Legislative Policy Agenda

The University of North Carolina is committed to promoting efficiency and effectiveness as we deliver on our mission to educate and prepare the workforce of tomorrow. Ten UNC campuses submitted approximately 40 policy proposals for consideration. Many could be resolved administratively, however. Given current budget challenges, the Board of Governors recommends the following 2012-13 policy agenda to create additional efficiencies, streamline processes, leverage economies of scale, and improve our outreach and service. In addition to recommending certain legislative actions, the University stands ready to work with the General Assembly and the Governor to reduce the cost of operations, implement regulatory reform, and streamline business practices.

Operational Efficiencies and Effectiveness

Eliminate unnecessary or duplicative reporting requirements.

Increase Board of Governors' authority related to the disposition of property for a period of not more than 10 years.

Authorize UNC campuses to administer all student fees in Institutional Trust Fund accounts.

Seek General Assembly authority for a "state-aid intercept" to lower the cost of indebtedness on capital projects.

Personnel Efficiencies

Consolidate the employment authority for all University faculty and staff under the UNC Board of Governors.

Restore management flexibility needed to manage budget reductions and to retain and recruit university employees.

Authorize participation in the Optional Retirement Program for all University employees.

Authorize UNC to purchase fiduciary liability insurance for the management of the Optional Retirement Program and the UNC 403(b) Plan.

Authorize the extension of existing professional liability insurance to include claims against health care providers in their official capacity as University employees.

Improve Health Services

Authorize ECU to retain rental receipts from health care service providers co-located in campus facilities in order to improve patient access to health care.

Provide flexibility to establish campus-wide smoking policies.



The University of North Carolina Summary of 2012-13 Policy Items [Education Subcommittee Items Only]

Increase Board of Governors' authority relative to the disposition of property by lease for a period of not more than 10 years.

Currently, the University has authority for the acquisition by lease of real estate for a term of 10 years or less. Campuses request authority for the disposition of real estate by lease under the same parameters. The Board of Governors can enter in to dispositions by lease for Centennial and Millennial campuses for a period of 10 years or less without going through the State Property Office. However, the leases still must go to the Governor and Council of State for final approval. Broadening the scope of the existing authority to mirror the authority the University already has for acquisitions by lease would enable campuses to be responsive to corporations, research and government entities interested in locating in leased space on campuses.

Additional Details/Proposed Language:

§ 116-31.12. Acquisition and disposition of real property by lease.

Notwithstanding G.S. 143-341(4), and in addition to the powers granted in G.S. 116-198.34 (5), the Board of Governors may authorize the constituent institutions and the General Administration to acquire or dispose of real property by lease if the lease is for a term of not more than 10 years and for an amount not to exceed \$500,000. The Board of Governors shall establish a policy for acquiring and disposing of an interest in real property for the use of The University of North Carolina and its constituent institutions by lease. This policy may delegate authorization of the acquisition or disposition of real property by lease to the boards of trustees of the constituent institutions or to the President of The University of North Carolina. The Board of Governors shall submit all initial policies adopted pursuant to this section to the State Property Office for review prior to adoption by the Board. Any subsequent changes to these policies adopted by the Board of Governors shall be submitted to the State Property Office for review. Any comments by the State Property Office shall be submitted to the President of The University of North Carolina. After the acquisition or disposition of an interest in real property by lease, The University of North Carolina shall promptly file a report concerning the acquisition or disposition to the Secretary of Administration. Acquisitions and dispositions of an interest in real property by lease pursuant to this section shall not be subject to the provisions of Article 36 of Chapter 143 of the General Statutes or to the provisions of Articles 6 or 7 of Chapter 146 of the General Statutes. (2007-322, s. 9.)

§116-198.34. General Powers of Board of Directors

(5) To acquire, hold, lease, and dispose of real and personal property in the exercise of its powers and the performance of its duties hereunder and to lease all or any part of any project or projects and any existing facilities upon such terms and conditions as the Board determines, subject to the provisions of G.S. 116-31.12, as amended, or G.S. 143-341 and Chapter 146 of the General Statutes.

Notwithstanding G.S. 143-341 and Chapter 146 of the General Statutes, a disposition by easement, lease, or rental agreement of space in any building on the Centennial Campus, on the Horace Williams Campus, on a Millennial Campus, or on the Kannapolis Research Campuses made for a period of 10 years or less shall not require the approval of the Governor and the Council of State. All other acquisitions and dispositions made under this subdivision for a period in excess of 10 years are subject to the provisions of G.S. 143-341 and Chapter 146 of the General Statutes.

Authorize UNC campuses to administer all student fees in Institutional Trust Fund accounts.

Revenues from fees are used exclusively to carry out the function for which the fees are charged. Currently some fees are permitted to be deposited and administered in Institutional Trust Fund accounts while others are in the General Fund. The University proposes that all student fees be deposited in Institutional Trust Fund accounts to improve planning and promote sound business practices.

§116-36.1.(g) is amended to add new sections as follows:

(12) Any other moneys collected by an institution as student fees previously approved by the Board of Governors.

Authorize ECU to retain rental receipts from health care service providers co-located in campus facilities to improve patient access to health care.

In order to improve patients' access to high quality care, and thus improve patient outcomes and patient satisfaction, ECU periodically enters into joint health care ventures with external health care providers. The best practice model is for these external providers to co-locate on campus and make rental payments for the use of facilities at ECU. Allowing the university to retain lease payments on joint ventures with health care service providers offers an indirect opportunity to support the needs of the Brody School of Medicine and the medical needs of indigent patients in the east.

Additional Details/Proposed Language:

Section C within General Statute 146-30: Application of net proceeds.

Notwithstanding any other provision of this subchapter, the proceeds derived from the lease dispositions of land or facilities owned or under the supervision and control of East Carolina University's Division of Health Sciences for the delivery of health care services shall be deposited in clinical accounts at East Carolina University to be used to improve access to patient care.

ECU Physicians Interest and Penalty Fees Collection Practice

East Carolina University was asked to evaluate its patients' account receivable process, which is centralized in the ECU Physicians Practice Plan (ECU-P). As a result of this review, ECU is requesting two

exceptions to the accounts receivable process that are currently granted to the UNC Health Care System. ECU-P would like to request an exception to the mandate that:

1. requires ECU-P to apply interest and penalty fees to past due patient accounts
2. requires ECU-P to refer past due patient accounts to the Attorney General's office

The primary mission of the Brody School of Medicine at ECU is to provide healthcare to the underserved; therefore, ECU requests exceptions to the mandates above due to the implications they have on ECU-P's ability to reach the underserved patient population for the delivery of efficient and effective care. The assessment of interest and penalties along with the referral of delinquent medical accounts to the Attorney General's office may result in less efficient delivery of care and delinquent account collection efforts.

Additional Details/Proposed Language:

§ 143-553. Conditional continuing employment; notification among employing entities; repayment election.

(a) All persons employed by an employing entity as defined by this Part who owe money to the State and whose salaries are paid in whole or in part by State funds must make full restitution of the amount owed as a condition of continuing employment; provided, however, that no employing entity shall terminate for failure to make full restitution the employment of such an employee who owes money for health care services to the University of North Carolina Health Care System or East Carolina University's Division of Health Sciences.

(b) Whenever a representative of any employing entity as defined by this Part has knowledge that an employee owes money to the State and is delinquent in satisfying this obligation, the representative shall notify the employing entity. Upon receipt of notification an employing entity shall terminate the employee's employment if after written notice of his right to do so he does not repay the money within a reasonable period of time; provided, however, that where there is a genuine dispute as to whether the money is owed or how much is owed, or there is an unresolved issue concerning insurance coverage, the employee shall not be dismissed as long as he is pursuing administrative or judicial remedies to have the dispute or the issue resolved.

(c) An employee of any employing entity who has elected in writing to allow not less than ten percent (10%) of his net disposable earnings to be periodically withheld for application towards a debt to the State shall be deemed to be repaying the money within a reasonable period of time and shall not have his employment terminated so long as he is consenting to repayment according to such terms. Furthermore, the employing entity shall allow the employee who for some extraordinary reason is incapable of repaying the obligation to the State according to the preceding terms to continue employment as long as he is attempting repayment in good faith under his present financial circumstances, but shall promptly terminate the employee's employment if he ceases to make payments or discontinues a good faith effort to make repayment. (1979, c. 864, s. 1; 2007-306, s. 2.)

§ 147-86.11. Cash management for the State.

(a) Uniform Plan. – The State Controller, with the advice and assistance of the State Treasurer, the State Budget Officer, and the State Auditor, shall develop, implement and amend as necessary a uniform statewide plan to carry out the cash management policy for all State agencies. The State Auditor shall report annually to the General Assembly on the implementation of the plan as shown in the audits completed during the prior fiscal year. The State Treasurer shall recommend periodically to the General Assembly any implementing legislation necessary or desirable in the furtherance of the State policy. When used in this section, "State agency" means any agency, institution, bureau, board,

commission or officer of the State; however, except as provided in G.S. 147-86.12, 147-86.13, 147-86.14, and 147-86.22, this Article does not apply to the agencies, institutions, bureaus, boards, commissions and officers of the General Court of Justice as defined in Article IV of the North Carolina Constitution or to the local school administrative units and community colleges and their officers and employees.

(b) **Duties of Auditor.** – The State Auditor pursuant to authority under G.S. 147-64.6 shall monitor agency compliance with this Article, and make any comments, suggestions, and recommendations the Auditor deems advisable to the agencies.

(c) **Treasurer's Report.** – The State Treasurer shall publish a quarterly report on all funds in the control or custody of the State Treasurer showing cash balances on hand, investments of cash balances and a comparative analysis of earnings and investment performances.

(d) **Earnings on Trust Funds.** – The statewide cash management plan shall provide that any net earnings on invested funds, whose beneficial owner is not the State or a local governmental unit, shall be paid to the beneficial owners of the funds. "Net earnings" are the amounts remaining after allowance for the cost of administration, management, and operation of the invested funds.

(e) **Elements of Plan.** – For moneys received or to be received, the statewide cash management plan shall provide at a minimum that:

- (1) Except as otherwise provided by law, moneys received by employees of State agencies in the normal course of their employment shall be deposited as follows:
 - a. Moneys received in trust for specific beneficiaries for which the employee-custodian has a duty to invest shall be deposited with the State Treasurer under the provisions of G.S. 147-69.3.
 - b. All other moneys received shall be deposited with the State Treasurer pursuant to G.S. 147-77 and G.S. 147-69.1.
- (2) Moneys received shall be deposited daily in the form and amounts received, except as otherwise provided by statute.
- (3) Moneys due to a State agency by another governmental agency or by private persons shall be promptly billed, collected and deposited.
- (4) Unpaid billings due to a State agency other than amounts owed by patients to the University of North Carolina Health Care System or East Carolina University's Division of Health Sciences shall be turned over to the Attorney General for collection no more than 90 days after the due date of the billing, except that a State agency need not turn over to the Attorney General unpaid billings of less than five hundred dollars (\$500.00), or (for institutions where applicable) amounts owed by all patients which are less than the federally established deductible applicable to Part A of the Medicare program, and instead may handle these unpaid bills pursuant to agency debt collection procedures.
- (4a) The University of North Carolina Health Care System and East Carolina University's Division of Health Sciences may turn over to the Attorney General for collection accounts owed by patients.
- (5) Moneys received in the form of warrants drawn on the State Treasurer shall be deposited by the State agency directly with the State Treasurer and not through the banking system, unless otherwise approved by the State Treasurer.
- (6) State agencies shall accept payment by electronic payment in accordance with G.S. 147-86.22 to the maximum extent possible consistent with sound business practices.

(f) **Disbursement Requirements.** – For the disbursement of money, the statewide cash management plan shall provide at a minimum that:

- (1) Moneys deposited with the State Treasurer remain on deposit with the State Treasurer until final disbursement to the ultimate payee.
- (2) The order in which appropriations and other available resources are expended shall be subject to the provisions of Chapter 143C of the General Statutes regardless of whether the State agency disbursing or expending the moneys is subject to the State Budget Act.
- (3) Federal and other reimbursements of expenditures paid from State funds shall be paid immediately to the source of the State funds.
- (4) Billings to the State for goods received or services rendered shall be paid neither early nor late but on the discount date or the due date to the extent practicable.
- (5) Disbursement cycles for each agency shall be established to the extent practicable so that the overall efficiency of the warrant disbursement system is maximized while maintaining prompt payment of bills due.

(g) **Interest Maximized.** – The interest earnings of the General Fund and Highway Fund shall be maximized to the extent practicable. To this end:

- (1) Interest earnings shall not be allocated to an account by the State Treasurer unless all of the moneys in the account are expressly eligible by law for receiving interest allocations.
- (2) State officers and employees who received moneys in trust or for investment shall be solely responsible for properly segregating such funds for investment in the manner prescribed by law. The officer or employee charged with the responsibility for these moneys shall be under a duty to segregate the funds in a timely manner. No investment income shall be allocated by the State Treasurer to trust or other investment accounts until properly segregated into investment accounts as provided by law and the rules of the State Treasurer.

(h) **New Technologies.** – The statewide cash management plan shall consider new technologies and procedures whenever the technologies and procedures are economically beneficial to the State as a whole. Where the new technologies and procedures may be implemented without additional legislation, the technologies and procedures shall be implemented in the plan.

(i) **Penalty.** – A willful or continued failure of an employee paid from State funds or employed by a State agency to follow the statewide cash management plan is sufficient cause for immediate dismissal of the employee. (1985, c. 709, s. 1; 1985 (Reg. Sess., 1986), c. 1024, s. 26; 1987, c. 564, s. 32; c. 738, s. 59(a)(1); 1991, c. 95, s. 1; c. 542, s. 15; 1999-434, s. 4; 2006-203, s. 121; 2007-306, s. 3.)

§ 147-86.23. Interest and penalties.

A State agency shall charge interest at the rate established pursuant to G.S. 105-241.21 on a past-due account receivable from the date the account receivable was due until it is paid. A State agency shall add to a past-due account receivable a late payment penalty of no more than ten percent (10%) of the account receivable. A State agency may waive a late-payment penalty for good cause shown. If another statute requires the payment of interest or a penalty on a past-due account receivable, this section does not apply to that past-due account receivable. This section does not apply to money owed to the University of North Carolina Health Care System or East Carolina University's Division of Health Sciences for health care services. (1993, c. 512, s. 1; 2007-306, s. 4; 2007-491, s. 44(1)a.)

Provide flexibility to establish campus-wide smoking policies.

Community College and public schools have the authority to prohibit smoking on their campuses. Current authority for the university limits smoking prohibitions to within 100 feet of buildings. Granting the university the same authority as other educational institutions will enable campuses to establish campus-wide smoking policies to better manage the risk of fire, litter and promote health.

Additional Details/Proposed Language:

§ 143-597. Nonsmoking areas in State-controlled buildings.

(a) All of the following areas may be designated as nonsmoking in buildings owned, leased, or occupied by State government:

- (1) Any library open to the public.
- (2) Any museum open to the public.
- (3) Any area established as a nonsmoking area, so long as at least twenty percent (20%) of the interior space of equal quality to that of the nonsmoking area shall be designated as a smoking area, unless physically impracticable. If physically impracticable, the person in charge of the facility shall provide an adequate smoking area within the facility as near as feasible to twenty percent (20%) of the interior space.
- (4) Any indoor space in a State-controlled building such as an auditorium, arena, or coliseum, or an appurtenant building thereof; except that a designated area for smoking shall be established in lobby areas.
- (5) Any educational buildings primarily involved in health care instruction and the grounds of those buildings.

(6) Deleted

(7) Repealed by Session Laws 2007-114, s. 2, effective July 1, 2007.

(a1) All areas of any building occupied by the General Assembly shall be designated as nonsmoking areas.

(b) Any area designated as nonsmoking or smoking shall be established by the appropriate department, institution, agency, or person in charge of the State-controlled building or area, except as specified in subsection (a1). The person in charge of the building shall conspicuously post or cause to be posted, in any area designated as a smoking or nonsmoking area, one or more signs stating that smoking is or is not permitted in the area.

(c) Where a nonsmoking area is designated, existing physical barriers and ventilation systems shall be used where appropriate to minimize smoke from adjacent areas. This subsection shall not be construed to require fixed structural or other physical modification in providing these areas or to require installation or operation of any heating, ventilating, or air-conditioning system in any manner which adds expense. (1993, c. 367, s. 1; 2003-292, s. 1; 2006-66, s. 9.11(cc); 2006-76, s. 1; 2007-114, s. 2.)

§ 143-598. Prohibited acts related to nonsmoking areas.

(a) No person shall smoke in a nonsmoking area in a State-controlled building or area pursuant to G.S. 143-597.

(b) Any person who continues to smoke in a nonsmoking area described in this section following notice by the person in charge of the State-controlled building or area or their designee that smoking is not permitted shall be guilty of an infraction and punished by a fine of not more than twenty-five dollars (\$25.00). (1993, c. 367, s. 1.)

§ 143-599. Exemptions.

All of the following facilities shall be exempt from the provisions of this Article:

- (1) Any primary or secondary school or child care center, except for a teacher's lounge.
- (2) An enclosed elevator.
- (3) Public school bus.
- (4) Hospital, nursing home, rest home, and State facility operated under the authority of G.S. 122C-181.
- (5) Local health department and local department of social services and the building and grounds where the local health department or local department of social services, as applicable, is located. For the purposes of this subdivision, "grounds" means the area located within 50 linear feet of a local health department or a local department of social services.
- (6) Any nonprofit organization or corporation whose primary purpose is to discourage the use of tobacco products by the general public.
- (7) Tobacco manufacturing, processing, and administrative facilities.
- (8) Indoor arenas with a seating capacity greater than 23,000.
- (9) State correctional facilities operated by the Department of Correction.
- (10) Community colleges.
- (11) The buildings, grounds, and walkways of the University of North Carolina Health Care System and of the East Carolina University School of Medicine, Health Sciences Complex, and Medical Faculty Practice Plan. (1993, c. 367, s. 1; 1997-506, s. 53; 2005-19, s. 1; 2005-168, s. 1; 2005-239, s. 1; 2005-372, s. 1; 2006-133, s. 1; 2007-114, s. 3.)

(12) The buildings, grounds, and walkways of the University of North Carolina, except that each constituent institution, with the exception of the North Carolina School for Science and Mathematics, shall designate a reasonable number of smoking areas in proportion to campus demand for such period of time as may be appropriate. Designated smoking areas shall be well lit and conspicuously identified by the posting of one or more signs stating that smoking is permitted in the designated area.

PERMANENT TRANSFER OF FUNDING FOR MILITARY ONE-STOP & BRAC OUTREACH

Through our efforts with the military, we have found that it would be a better model to have this funding at UNC General Administration to manage a system-wide effort at Fort Bragg rather than one campus-specific program. Fayetteville State University is in agreement with this change, so the intent of this provision is to allow the funding to be permanently transferred from FSU to UNC-GA.

SECTION ??. The Military One-Stop & BRAC Outreach program is transferred from Fayetteville State University to the University of North Carolina General Administration by a Type I transfer as defined in G.S. 143A-6, with all the elements of such a transfer. The program transfer shall include the sum of two hundred fifty one thousand five hundred dollars (\$251,500).

Eliminate unnecessary or duplicative reporting requirements.

The University submits more than 50 reports on a monthly, quarterly, annual, or bi-annual basis to the General Assembly and various state agencies. We propose elimination of the following reports that are outdated.

Additional Details:

Progress Report on Exchange of Information

Repeal GS 116-11 (10a) reporting requirement. This report from the mid-1990s requires the University System to talk about how DPI, CC and UNC exchanges information about our students. This has become standard practice and there is no need to report on this activity.

Public Service and Technical Assistance to Public Schools

Repeal SL 1991-346 reporting requirement. We have done this by affiliating all LEAs with a School of Education. This is standard practice and no longer needs to be reported annually. The University System has not submitted a report in over ten years. We are addressing outreach to public schools in different strategic ways.

Professional Development Programs

Repeal GS 116-11 (12a). Professional Development Programs throughout the University System have aligned with our schools of education rather than in a centralized location as a result of budget cuts.

Bonds for Higher Education (status report)

Repeal the G.S.116D-3(a)(1) reporting requirement. G.S.116D-3(a)(1) required project information on the 2000 Higher Education Bond Program projects that were financed with University Improvement General Obligation Bonds. With the exception of a UNC-TV project expected to be complete by July 2011, all projects have been completed, all funds expended, and all campus bond projects closed.

Capital Facilities Maintenance/ Repairs Renovations

Repeal S.L. 2000-3 Section 1.1.(2) and the duplicative Section 6 reporting requirements. Information is duplicative of the information routinely provided the Board of Governors in its biennium and annual capital improvements budget requests.

Public Construction Law Changes

Repeal the S.L.2001-496 Section 13 reporting requirement. The 2001 reporting requirement was enacted in order to monitor the "effectiveness and cost-benefit" of newly allowed construction delivery methods (i.e. construction management at risk). Now in 2011 and supported with ten years of use and monitoring data, the additional construction delivery methods are widely accepted by the North Carolina's construction community and have demonstrated that they are an effective and cost-beneficial way to construct a building.

Report Date Change needed:

Progress of North Carolina graduates entering primary care centers

GS 143-613d - Due date change needed for this report from October 1 to November 15. Information is received from private colleges in October requiring more time to compile the report for BOG approval.

**House Appropriations Subcommittee on Education
Additional Technical/Clarifying Special Provision Options**

Public Schools

Funds for Children with Disabilities: Each year the budget contains boilerplate language re-stating the dollars appropriated per student for the Children with Disabilities allotment.

Funds for Academically Gifted Children: Each year the budget contains boilerplate language re-stating the dollars appropriated per student for the Academically or Intellectually Gifted allotment.

Full Restoration of School Improvement Plan Statutes: The 2011 Budget eliminated the requirement of School Improvement Plans. The 2011 Technical Corrections Bill restored School Improvement Plans, but failed to restore language related to School Improvement Plans that had previously been found in G.S. 143B-146.12 (related to School Improvement Plans for the residential schools). This provision would simply restore the language that had previously been found in G.S. 143B-146.12.

Cooperative Innovative High School Approval Process: Changes to the language governing Cooperative Innovative High Schools have created confusion regarding the approval process. New language could clarify the approval process for Cooperative Innovative High Schools.

Community Colleges

Tuition Waivers for Public Safety Personnel: G.S. 115D-5(b)(2) authorizes the State Board of Community Colleges to waive tuition for “municipal, county, or State” public safety organizations. There are some non-federal public safety agencies that are not included under this description, but for which tuition has been historically waived.

UNC System / Financial Aid

Financial Aid Programs for Private College Students: There are a few technical issues related to the creation of the NC Need-Based Scholarship Program, including: final 2011-12 payments for recipients of the Certain Private Education Institutions grant, a reporting date for the State Education Assistance Authority, and references to eligible students in the Forgivable Education Loans for Service program statutes.

Committee Sergeants at Arms

NAME OF COMMITTEE Appropriation Education

DATE: 5-17-2012 Room: 421

House Sgt-At Arms:

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2. Name: Fred Hines
3. Name: Billy Jones
4. Name: _____
5. Name: _____

Senate Sgt-At Arms:

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- Name: _____

House Committee Pages / Sergeants at Arms

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Appropriations Subcommittee on Education

May 17, 2012

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Date

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Charlie Perre	UNC GA
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Appropriations Subcommittee on Education

May 17, 2012

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Pam Leaman	OSBM
W. Muldrew	UCLC
Nancy CAGGIA	UCAST
Ashleigh Thornton	MWC
Jim Johnson	BSA
Laurie Amore	Jason Dearn & Assoc.
Danielle Musselwhite	Jason Dearn & Assoc.
Kara Weishaan	Smith Anderson
Dawn Shephard	Office of the Governor

MINUTES
HOUSE APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION

Tuesday, May 22, 2012

The House Appropriations Subcommittee met Tuesday, May 22, 2012 in room 421 of the Legislative Office Building at 9:00 a. m. Representative Hugh Blackwell presided over the meeting. The following members were present: Representatives Hilton and Holloway, Co-Chairs, Representatives Pridgen and Sanderson, Vice-Chairs, Representatives Bell, Blust, Brawley, brown, Glazier, Jeffus, Lucas, McLawhorn, Michaux, Parmon, Pittman, and Stam. A visitor registration sheet is attached and made part of these minutes.

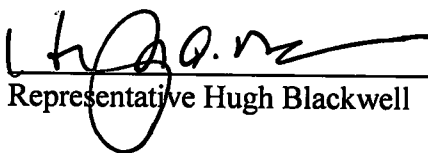
The Chair welcomed everyone and recognized the Pages and Sergeants at Arms and staff who attended and assisted with the meeting.

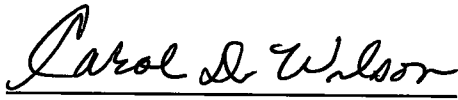
The Chair called on staff from the Fiscal Research Division to discuss House Education Subcommittee Budget Options (Attachment One) with incorporated suggestions and ideas from the prior meeting. **Brian Matteson** presented Public Schools budget options including Potential Technical Adjustments and Potential Additions. **Andrea Poole** presented Community Colleges including Technical Adjustments, Enrollment Growth Adjustments and Potential Additions. **Denis Harb** presented The University of North Carolina System (Attachment One, page two) and **Andrea Poole** concluded with financial aid Budget Options for UNC System, the last two items under Potential Reductions and last two items under Potential Additions.

Following each presentation, there were questions and discussion.

The Chair concluded with the staff options and Chairs recommendations that would be available at the next meeting. The meeting adjourned at 9:55 a.m.

Respectfully submitted,


Representative Hugh Blackwell


Carol D. Wilson, Committee Clerk.

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
2011-2012 SESSION**

You are hereby notified that the Committee on **Appropriations Subcommittee on Education** will meet as follows:

DAY & DATE: Tuesday, May 22, 2012

TIME: 9:00 am

LOCATION: 421 LOB

COMMENTS:

Respectfully,
Representative Blackwell, Chair
Representative Hilton, Chair
Representative Holloway, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **10 AM** o'clock on **May 18, 2011**.

- ☐ Principal Clerk
- ☐ Reading Clerk – House Chamber

Carol Wilson (Committee Assistant)

House Appropriations Subcommittee on Education

Agenda

**Tuesday, May 22, 2012, 9:00 A.M.
Room 421, Legislative Office Building
Representative Hugh Blackwell, Presiding**

- I. Welcome**
Representative Blackwell

- II. Discussion of FY 2012-13 Budget Options**
FRD Staff

House Appropriations Subcommittee on Education

Rep. Blackwell, Chair
Rep. Hilton, Chair
Rep. Holloway, Chair
Rep. Pridgen, Vice Chair
Rep. Sanderson, Vice Chair

Members: Rep. Bell, Rep. Blust, Rep. Brawley,
Rep. L. Brown, Rep. Glazier, Rep. Jeffus,
Rep. Lucas, Rep. McLawhorn, Rep. Michaux,
Rep. Parmon, Rep. Pittman, Rep. Stam

ATTENDANCE

Appropriations Subcommittee on Education

2012 SESSION

[illegible]

House Education Subcommittee Budget Options

Public Schools

	FY 2011-12	FY 2012-13
2011 Budget General Fund Appropriations	7,464,492,057	7,444,122,100
Agency Target		7,444,122,100
<i>Potential Technical Adjustments</i>		
Average Daily Membership (ADM)		(6,423,088)
Average Teacher Salary		(85,670,329)
Subtotal		(92,093,417)
<i>Potential Additions</i>		
Reduce LEA Adjustment - Required amount		74,076,032
Reduce LEA Adjustment - Additional funding		259,328,934
EVAAS		535,000
Teaching Fellows Fund		Use fund balance
Residential Schools		5,150,000
Advanced Placement (AP) Program		13,206,339
Teach for America		1,000,000
Subtotal		353,296,305
Amount Over Target		261,202,888

Community Colleges

	FY 2011-12	FY 2012-13
2011 Budget General Fund Appropriations	985,000,000	985,000,000
Agency Target		985,000,000
<i>Potential Technical Adjustments</i>		
Enrollment Growth Adjustment		(12,108,704)
<i>Potential Additions</i>		
Eliminate Management Flexibility Reduction 2nd Year Increase		7,766,181
Enhance Math Instruction		4,210,790
Eliminate Continuing Education Fee Increase		664,509
Multi-campus College Funding		2,922,542
Subtotal		15,564,022
Amount Over Target		3,455,318

House Education Subcommittee Budget Options

The University of North Carolina System

	FY 2011-12	FY 2012-13
2011 Budget General Fund Appropriations	2,540,375,132	2,551,672,698
Agency Target		2,551,672,698
Plus Continuation Review Reserve, UNC-TV		10,558,141
Total Agency Availability		2,562,230,839
<i>Potential Reductions</i>		
UNC Hospital Subsidy		(18,000,000)
Nonresident Graduate Student Tuition Remissions		(8,640,045)
Resident Tuition for Nonres. w/Full Academic Scholarships		(6,055,000)
<i>Subtotal</i>		<i>(32,695,045)</i>
<i>Potential Additions</i>		
UNC-TV		10,558,141
Faculty Recruitment and Retention Fund		5,000,000
Eliminate Management Flexibility Reduction 2nd Year Increase		9,184,767
Additional Restoration of Management Flexibility Reduction		13,728,761
NC Need-based Scholarship		4,500,000
Certain Private Education Institutions Grant		281,517
<i>Subtotal</i>		<i>43,253,186</i>
Amount Over Target		-

House Committee Pages / Sergeants at Arms

NAME OF COMMITTEE Appropriation Education
DATE: 5-22-2012 Room: 421

*Name: MARIA KUNATH

County: WAKE

Sponsor: REP. STAM

*Name: DAVID ALLEN

County: CLEVELAND

Sponsor: SPEAKER TILLIS

*Name: TAISHA MCLAWHORN

County: LENOIR

Sponsor: REP. MCLAWHORN

*Name: _____

County: _____

Sponsor: _____

*Name: _____

County: _____

Sponsor: _____

House Sgt-At Arms:

1. Name: Reggie Sills

4. Name: _____

2. Name: Bill Bass

5. Name: _____

3. Name: _____

6. Name: _____

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

May 22, 2012

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Erin Iyson	NC Public School Forum
John Ayn	Ed Consultant
McHarden	NCEU
Katherine Joyce	NCASA
Al Ann Vignun	CSS
Jordan Shaw	Speaker's Office
Ken Morrison	CMS
Becki Gray	GLF
Uplanda H. H.	Langmuir
Myra Best	Gov's Office

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

May 22, 2012

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Andrew Neehan	Cupstuart
Martez Hill	NE State Bd of Educ
Christopher Jones	OSBM
Bryan Conrad	OSBM
Dawn Shephard Pope	Office of the Governor
Dee Harris	NCSNA
Sarah Wolfe	MWC
Elizabeth Brewster	OSBM
Pam Seaman	OSBM
Mark Egloff	NC STEM Learning Network
Jo Ann Davis	Public School Forum of NC

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

May 22, 2012

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Matt Wilcutt	Research Div
Zan Pope	Gov. Office
Brena Burch	NC Budget & Tax
Philip Boyne	Governor's School
Vinayak Balasubramanian	The Daily Tar Heel
Rodney Holman	Governor's School Foundation
DAVID RICE	MFS
David Elmore	Moore & Van Allen
David Winslow	Winslow Group
Christopher Hill	NC Justice Center
Ann McColl	NC State Board of Education

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

May 22, 2012

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Ricky Lopes	Cumberland County Schools
Melissa Ross-Matton	Constituent - re: Governor's School Funding Restructuring
OTIP Price	DPI
Bill O'Donnell	PEFNC
Mark Jamin	UNCW
Kevin Howell	NCSU
Jennifer Willis	NKLS
Beth Diskar	UNC Charlotte
Ginger Burks	UNC GA
Charlotte Perne	UNC GA
Stacy Bassett	College Board

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

May 22, 2012

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Kara Weishaar	Smith Anderson
Leah Elliott	CIS NC
Joe Milner	Gov. School Foundation
Joni O'Leary	BEGINNINGS
Annaliese Dolph	DRNC
Paul H. Fogleman	HTGAC
Marge Foreman	NCAE
Jordan McBride	The Policy Group
Karen Brustman	TSS
Cheryl Posner-Chell	NC School Psych Assoc

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

May 22, 2012

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

B. L. L. L.	
Ben Schaumburg	NCSBA
Matt Farrell	NCSBA
Tim McDowell	NCSBA
Shelly Perkins	Perkins Law Firm
Jay Schalin	Pope Center
Steve Oreskane	CTANC
Judy Kidd	CTANC
Harold R. Payne	W.H.A.

MINUTES
HOUSE APPROPRIATIONS
SUBCOMMITTEE ON EDUCATION

Tuesday, May 24, 2012

The House Appropriations Subcommittee met Tuesday, May 24, 2012 in room 421 of the Legislative Office Building at 8:30 a. m. Representative Mark Hilton presided over the meeting. The following members were present: Representatives Blackwell and Holloway, Co-Chairs, Representatives Pridgen and Sanderson, Vice-Chairs, Representatives Bell, Blust, Brawley, Brown, Glazier, Jeffus, Lucas, McLawhorn, Michaux, Parmon, Pittman, and Stam. A visitor registration sheet is attached and made part of these minutes.

The Chair called the meeting to order and recognized the Pages and the Sergeant of Arms. He briefly covered the agenda so members would have time to review the budget and meet with staff concerning amendment request.

The Chair recognized Andrea Poole from Fiscal Research to give an overview of the Rules for Amendments procedure (Attachment #1). Fiscal Research staff began reviews of money reports in the House Budget Recommendations (Attachment #2). Brian Matteson presented K-12, Andrea Poole presented Community Colleges, and Denise Harb presented UNC System. Staff proceeded with presentations from the Special Provisions Report (Attachment #3). Kristopher Nordstrom began the report on Public Schools, Andrea Poole, Community Colleges and Denise Harb, UNC System. Andrea Poole reported on Financial Aid related items in Special Provisions.

Following the presentations, there were questions and discussion.

The Chair called a recess at 10.10 a.m.

The Chair re-convened the committee at 10:30 a. m. to hear amendments. Representatives Gillespie, Johnson and Torbett were present.

Amendment 1: Blackwell (Attachment #4). Adopted

Amendment 2: Holloway (Attachment #5). Adopted

Amendment 3: Stam (Attachment #6). Adopted

Vote 12 - 5

Amendment 4: Michaux (Attachment #7). Failed

Amendment 5: Blackwell (Attachment #8). Adopted

Amendment 6: Glazier (Attachment #9). Adopted

Amendment 7: Jeffus (Attachment #10). Adopted

Amendment 8: Glazier (Attachment #11). Failed

Vote 11-6

Chairman Hilton commented on the timely manner in which the budget was completed. Chairman Holloway commented that the Budget exceeded everyone's expectations. Representatives Glazier and McLawhorn thanked the Chairs for a job well done and agreed to

support the budget. Chairman Blackwell commented how the budget represents where we are economically and if dollars become available, Education will get a share.


Chairman Blackwell made a motion, for a Favorable Report with the amendments rolled into the report. The motion passed.

The meeting adjourned at 11:22 a. m.

Respectfully submitted,



Representative Mark K. Hilton, Chair



Carol D. Wilson, Committee Clerk

**NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
2011-2012 SESSION**

You are hereby notified that the Committee on **Appropriations Subcommittee on Education** will meet as follows:

DAY & DATE: Thursday, May 24, 2012
TIME: 8:30 am
LOCATION: 421 LOB
COMMENTS:

Respectfully,
Representative Blackwell, Chair
Representative Hilton, Chair
Representative Holloway, Chair

I hereby certify this notice was filed by the committee assistant at the following offices at **3 PM** o'clock on **May 23, 2011**.

- ☐ Principal Clerk
- ☐ Reading Clerk – House Chamber

Carol Wilson (Committee Assistant)

House Appropriations Subcommittee on Education

Agenda

Thursday, May 24, 2012, 8:30 A.M.
Room 421, Legislative Office Building
Representative Mark Hilton, Presiding

- I. Welcome**
Representative Hilton

- II. Consideration of Recommended House Budget**

House Appropriations Subcommittee on Education

Rep. Blackwell, Chair
Rep. Hilton, Chair
Rep. Holloway, Chair
Rep. Pridgen, Vice Chair
Rep. Sanderson, Vice Chair

Members: Rep. Bell, Rep. Blust, Rep. Brawley,
Rep. L. Brown, Rep. Glazier, Rep. Jeffus,
Rep. Lucas, Rep. McLawhorn, Rep. Michaux,
Rep. Parmon, Rep. Pittman, Rep. Stam

ATTENDANCE

Appropriations Subcommittee on Education

2012 SESSION

[illegible]

**North Carolina House of Representatives
Appropriations Committee**

RULES FOR EDUCATION SUBCOMMITTEE PROCEDURE

May 24, 2012

The following rules govern the eligibility of amendments to proposed subcommittee reports:

1. Amendments must be offered by formal amendments.
2. Amendments cannot increase total spending within the proposed subcommittee report.
3. Amendments can only affect appropriations within an individual department or agency within the jurisdiction of the subcommittee and may not cause a change in another subcommittee's appropriations.
4. Amendments cannot spend reversions or include "shall not revert" or "carry forward" language.
5. Amendments cannot use nonrecurring reductions to fund recurring items.
6. Amendments cannot change the recurring and nonrecurring designation of funds.
7. Amendments cannot change substantive policy or law.
8. Amendments may not fund items with "management flexibility reductions."
9. Amendments may not affect agency or program transfers to other subcommittees.
10. Amendments may not include fees or other Finance-related matters.

House Appropriations Subcommittee on Education

House Budget Recommendations

May 24, 2012

Public Education

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13
\$7,444,122,100

Budget Changes

A. Technical Adjustments

1 Average Daily Membership (ADM)

(\$6,423,088) R

Revises projected ADM for FY 2012-13 to reflect 2,084 fewer students than originally projected. The adjustment includes revisions to all position, dollar, and categorical allotments.

Total allotted ADM for FY 2012-13 is 1,492,793, an increase of 11,802 students over FY 2011-12.

2 Average Teacher Salary

(\$85,670,329) R

Revises budgeted funding for certified personnel salaries based on actual salary data from December 2011. The adjustment does not reduce any salary paid to certified personnel, nor does it reduce the number of guaranteed State-funded teachers, administrators, or instructional support personnel.

B. Other Public School Funding Adjustments

3 LEA Adjustment Reduction

\$106,391,803 R

Provides funding to restore 66.3% of the LEA Adjustment. The remaining amount in FY 2012-13 will be \$169,662,974. The State Board of Education shall distribute the remainder of this reduction to all LEAs and charter schools on the basis of ADM. LEAs and charters will then be responsible for identifying budget reductions in order to meet their share of the LEA Adjustment.

\$226,983,163 NR

Some of this funding is appropriated from projected surplus FY 2011-12 Lottery receipts (\$25.6 million) and projected additional FY 2012-13 Lottery receipts (\$16.4 million).

4 Textbooks

(\$3,749,089) R

Reduces funding for textbooks. \$23.4 million will remain in this allotment in FY 2012-13, the same as the 2011-12 budgeted amount.

5 Education Value Added Assessment System (EVAAS)

Funds the remaining recurring costs of this student and teacher performance analytics tool, with a total of \$1.95 million in recurring EVAAS support. The nonrecurring appropriation supports two additional EVAAS functionalities: 1) enabling direct access to value-added information for teachers who teach classes with an End Of Course/End Of Grade test, and 2) creating the capability for users to export EVAAS data and merge it with other relevant analyses.

\$105,000 R
\$430,000 NR

C. Pass-through Funds**6 Teaching Fellows Fund**

Modifies the budget reduction for program services from a recurring to nonrecurring reduction. The Teaching Fellows Fund Balance may be used on a one-time basis to support the costs associated with providing scholarships to the 2012-13 class. It is the intent of the General Assembly to resume full General Fund support for this program in FY 2013-14.

\$3,265,000 R
(\$3,265,000) NR

7 Teacher Cadet

Provides support for Teacher Cadet Program. The Teacher Cadet Program is part of the North Carolina Foundation for Public School Children, a private non-profit organization that encourages high achieving students to consider teaching as a career.

\$200,000 NR

8 PTA Parental Involvement Initiative

Provides funds to the North Carolina Congress of Parents and Teachers, NR Incorporated, a non-profit organization, to implement the PTA Parental Involvement Initiative.

\$150,000 NR

9 Tarheel Challenge

Provides funds to further develop the National Guard Tarheel Challenge Academy site in Badin, NC. Tarheel Challenge also receives \$767,719 in recurring funding for related activities.

\$4,000,000 NR

10 Teach for America

Provides additional support for Teach for America's (TFA) efforts to recruit, place and support teachers in North Carolina. TFA also receives a recurring \$900,000 appropriation to support this work.

\$900,000 NR

D. Department of Public Instruction**11 Residential Schools**

\$5,150,000 R

Restores nearly all of the \$5.5 million reduction made in anticipation of the closure of one of the three Residential Schools. None of the Residential Schools shall be closed. The Department of Public Instruction is strongly encouraged to maximize the use of all three facilities to generate receipts to further defray General Fund reductions to program operations.

12 Governor's Schools

Provides funding for this program that supports summer enrichment activities for talented high school students.

\$200,000 NR

13 Liability Insurance for Public School Personnel

(\$555,000) R

The actual cost of securing the statewide liability insurance policy in school year 2011-12 was less than the appropriation. This reduction better aligns the appropriation with projected costs.

Budget Changes

\$18,514,297

\$229,598,163 NR

Total Position Changes**Revised Total Budget**\$7,692,234,560

Community Colleges

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13
\$985,000,000

Budget Changes

14 Enrollment Growth Adjustments

(\$12,108,704) R

Adjusts funds for FY 2012-13 based on the estimated decline in community college enrollment.

According to the FY 2011-12 spring enrollment census, enrollment has declined by 1.1% (2,663 full-time-equivalent students or FTE) from the FY 2011-12 budgeted enrollment of 251,017 and by 2.5% (6,335 FTE) from the current budgeted enrollment for FY 2012-13.

Total requirements will be reduced by \$31,705,796. Of this reduction, \$19,597,092 is due to revised tuition and fee revenue estimates based on the new enrollment estimates.

15 Management Flexibility Reduction

\$4,310,863 R

Provides funding to restore 5% of the management flexibility reduction. The remaining amount in FY 2012-13 will be \$83,233,302. The State Board of Community Colleges shall distribute the remaining reduction accounting for the unique needs of each college.

16 Enhance Math Instruction

\$4,210,790 R

Funds college-level mathematics courses at the same level as science, engineering and technology, providing colleges funding to enhance math instruction.

17 Eliminate Fee Increase

\$664,509 R

Eliminates the \$5 fee increase per continuing education course that was scheduled to take effect in FY 2012-13.

18 Multi-campus College Funding**\$2,922,542 R**

Provides additional funds for multi-campus colleges (MCCs). Additionally, the State Board of Community Colleges shall eliminate the categorical allotment for MCCs and instead provide an additional base allotment through the Institutional and Academic Support formula to colleges with approved MCCs. The allotment shall be based on the number of FTE served at each campus.

19 Textile Technology Center**(\$487,436) R**

Reduces the categorical allotment to the Textile Technology Center at Gaston College. These funds will instead be appropriated under the MCC funding formula. Total funding remaining for the Textile Technology Center will be \$353,952.

20 Additional Multi-campus College**\$487,436 R**

Provides funds for addition of the Kimbrell Campus at Gaston College to the MCC funding formula.

21 NC Back to Work: Investing in Our Workforce**\$10,000,000**

Provides funding for a retraining program to prepare North Carolinians facing long-term unemployment for new careers. This program will provide students with job training, employability skills, and industry-recognized, third-party credentials. Participating colleges will be jointly recommended by the Department of Commerce and the Community Colleges System Office.

Budget Changes**\$0 R****\$10,000,000 NR****Total Position Changes****Revised Total Budget****\$995,000,000**

UNC System

GENERAL FUND

Total Budget Approved 2011 Session

FY 12-13

\$2,551,672,698

Budget Changes

22 Center for Public Television	\$9,058,141	R
Restores \$9 million of the \$10.6 million in funding for the Center for Public Television, which was subject to a Continuation Review in FY 2011-12.		
23 Faculty Recruiting and Retention Fund	\$3,000,000	R
Provides funding for the Faculty Recruiting and Retention Fund, which the General Assembly created in S.L. 2006-66, Sec. 22.12A, to offer salary increases to recruit and retain faculty members. This appropriation increases the Fund's total recurring budget to \$13 million.		
24 UNC Hospital Subsidy	(\$44,011,882)	R
Eliminates the State subsidy to UNC Hospitals by converting the existing FY 2012-13 \$26 million non-recurring reduction to a recurring reduction and by eliminating the remaining \$18 million in the FY 2012-13 budget for UNC Hospitals.		
	\$26,011,882	NR
25 Management Flexibility Reduction	\$11,718,483	R
Provides funding to restore 2.8% of the management flexibility reduction. The remaining amount in FY 2012-13 will be \$411,453,778. The University of North Carolina Board of Governors shall allocate this reduction according to the terms of S.L. 2011-145, Sec. 9.6.		
26 NC Need-Based Scholarship	\$4,781,517	R
Increases funding for the NC Need-Based Scholarship for students attending private institutions of higher education by \$4.5 million in FY 2012-13 and \$4.8 million in future years. Total funding for the program in FY 2012-13 will be \$86,351,588.		
	(\$281,517)	NR

27 Certain Private Education Institutions Grant

Provides nonrecurring funding for scholarships authorized under G.S. 116-43.5 for FY 2011-12 program participants.

\$281,517 NR

S.L. 2011-145, Section 9.18 eliminated this program effective 7/1/12.

Beginning in FY 2012-13, students formerly served under this program may be eligible for the NC Need-Based Scholarship if they meet certain financial-need criteria.

Budget Changes**(\$15,453,741) R****\$26,011,882 NR****Total Position Changes****Revised Total Budget****\$2,562,230,839**

DPI - Trust Special

Budget Code: 63501

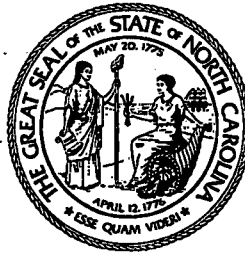
	FY 2012-13	
Beginning Unreserved Fund Balance	\$4,286,450	
Total Budget Approved 2011 Session		
Requirements	\$10,461,782	
Receipts	\$10,461,782	
Positions	0.00	
<hr/>		
Legislative Changes		
Requirements:		
Teaching Fellows Trust Fund Operations	\$0	R
Restores authority for NC Public School Forum to recruit and support an incoming class of 500 Teaching Fellows in 2012-13. These additional requirements shall be funded from proceeds available in the fund balance on a one-time basis and be supported by General Fund appropriations in future years.	\$3,265,000	NR
	0.00	
Teaching Fellows Trust Fund Transfer	\$0	R
Transfers \$543,526 from the cash balance of the Teaching Fellows Trust Fund to the General Fund for general availability.	\$543,526	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$3,808,526	NR
	0.00	
<hr/>		
Receipts:		
Teaching Fellows Trust Fund	\$0	R
	\$0	NR
Subtotal Legislative Changes	\$0	R
	\$0	NR

House Appropriations Subcommittee on Education

FY 2012-13

Revised Total Requirements	\$14,270,308
Revised Total Receipts	\$10,461,782
Change in Fund Balance	(\$3,808,526)
Total Positions	0.00

Unappropriated Balance Remaining	\$477,924
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**SPECIAL PROVISIONS
APPROPRIATIONS SUBCOMMITTEE ON EDUCATION REPORT**

MAY 23, 2012

2012-DPI-H5-P	1
FUNDS FOR CHILDREN WITH DISABILITIES	
2012-DPI-H6-P	2
FUNDS FOR ACADEMICALLY GIFTED CHILDREN	
2012-DPI-H7B-P.....	3
SCHOOL IMPROVEMENT PLANS AT RESIDENTIAL SCHOOLS	
2012-DPI-H8-P	5
SCHOOL CALENDAR PILOT PROGRAM	
2012-DPI-H9-P	6
RESTORE TEACHING FELLOWS PROGRAM	
2012-DPI-H10-P	7
REPEAL PROHIBITION ON TEACHER PREPAYMENT	
2012-DPI-H11-P	8
REPEAL INCREASE IN THE NUMBER OF INSTRUCTIONAL DAYS	
2012-DPI-H12A-P	11
RESIDENTIAL SCHOOLS	
2012-DPI-H13-P	12
LIABILITY INSURANCE FOR PUBLIC SCHOOL PERSONNEL	
2012-DPI-H4-P	13
PILOT COOPERATIVE INNOVATIVE HIGH SCHOOL	
2012-DPI-H14-P	14
CLARIFYING COOPERATIVE INNOVATIVE HIGH SCHOOL STATUTES	
2012-DPI-H15A-P	19
NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS	
2012-DPI-H18-P	20
REPEAL OBSOLETE REPORTS	
2012-DPI-H17-P	21
TEACHER/TEACHER ASSISTANT LEAVE ON INSTRUCTIONAL DAYS.	
2012-DOCC-H1-P	23
ACQUISITION OF REAL PROPERTY BY LEASE PURCHASE	

2012-DOCC-H8-P	24
CARRYFORWARD FOR EQUIPMENT	
2012-DOCC-H2-P	25
REPEAL OBSOLETE REPORTS	
2012-DOCC-H11-P	26
REPEAL DUPLICATIVE AUDIT REQUIREMENT	
2012-DOCC-H10-P	27
UPDATE COLLEGE PERFORMANCE MEASURES	
2012-DOCC-H4-P	29
MODIFY INSTITUTIONAL PERFORMANCE ACCOUNTABILITY FOR ONE YEAR	
2012-DOCC-H5C-P	30
GATEWAY TO COLLEGE PILOT AT DURHAM TECHNICAL COMMUNITY COLLEGE	
2012-DOCC-H13A-P	31
COMMUNITY COLLEGE TUITION WAIVER	
2012-DOCC-H3-P	33
INCREASE MAXIMUM PARKING FINE	
2012-DOCC-H16A-P	35
GASTON MULTICAMPUS	
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GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DPI-H5-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

FUNDS FOR CHILDREN WITH DISABILITIES

SECTION #. The State Board of Education shall allocate additional funds for children with disabilities on the basis of three thousand seven hundred nine dollars (\$3,709) per child. Each local school administrative unit shall receive funds for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and five-tenths percent (12.5%) of its 2012-2013 allocated average daily membership in the local school administrative unit. The dollar amounts allocated under this section for children with disabilities shall also adjust in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve children with disabilities.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DPI-H6-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

FUNDS FOR ACADEMICALLY GIFTED CHILDREN

SECTION #. The State Board of Education shall allocate additional funds for academically or intellectually gifted children on the basis of one thousand two hundred twenty-three dollars and ninety-nine cents (\$1,223.99) per child for fiscal year 2012-2013. A local school administrative unit shall receive funds for a maximum of four percent (4%) of its 2012-2013 allocated average daily membership, regardless of the number of children identified as academically or intellectually gifted in the unit. The dollar amounts allocated under this section for academically or intellectually gifted children shall also adjust in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve academically or intellectually gifted children.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DPI-H7B-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

SCHOOL IMPROVEMENT PLANS AT RESIDENTIAL SCHOOLS

SECTION #.(a) In order to improve student performance, the Eastern North Carolina School for the Deaf, the Governor Morehead School for the Blind, and the North Carolina School for the Deaf each shall develop a school improvement plan that takes into consideration the annual performance goal for that school that is set by the State Board of Education. The principal of each school, instructional personnel and residential life personnel assigned to that school, and a minimum of five parents of children enrolled in the school shall constitute a school improvement team to develop a school improvement plan to improve student performance.

Representatives of the instructional and residential life personnel shall be elected by their respective groups by secret ballot.

Parents shall be elected by parents of children enrolled in the school in an election conducted by the parent and teacher organization of the school or, if none exists, by the largest organization of parents formed for this purpose. To the extent possible, parents serving on school improvement teams shall reflect the composition of the students enrolled in that school. No more than two parents may be employees of the school. Parental involvement is a critical component of school success and positive student achievement; therefore, it is the intent of the General Assembly that parents, along with instructional and residential life personnel, have a substantial role in developing school improvement plans. To this end, school improvement team meetings shall be held at a convenient time to assure substantial parent participation. Parents who are elected to serve on school improvement teams and who are not employees of the school shall receive travel and subsistence expenses in accordance with G.S. 138-5 and, if appropriate, may receive a stipend.

All school improvement plans shall be, to the greatest extent possible, data driven. School improvement teams shall use the Education Value Added Assessment System (EVAAS), or a compatible and comparable system approved by the State Board of Education, to analyze student data to identify root causes for problems and to determine actions to address them. School improvement plans shall contain clear, unambiguous targets, explicit indicators and actual measures, and expeditious time frames for meeting the measurement standards.

SECTION #.(b) The strategies for improving student performance shall include the following:

- (1) A plan for the use of staff development funds that may be made available to the school to implement the school improvement plan. The plan may provide that a portion of these funds is used for mentor training and for release time and substitute teachers while teachers are meeting with mentors.
- (2) A plan for preparing students to read at grade level by the time they enter second grade. The plan shall require kindergarten and first grade teachers to notify parents or guardians when a child is not reading at grade level and is at risk of not reading at grade level by the time the child enters second grade.

The plan may include the use of assessments to monitor students' progress in learning to read and strategies for teachers and parents to implement that will help students improve and expand their reading ability, as well as provide for the recognition of teachers and strategies that appear to be effective at preparing students to read at grade level.

(3) A comprehensive plan to encourage parent involvement.

(4) A plan designed to provide that the school is safe, secure, and orderly; that there is a climate of respect in the school; and that appropriate personal conduct is a priority for all students and all residential school personnel.

(5) A plan that specifies the effective instructional practices and methods to be used to improve the academic performance of students identified as at risk of academic failure or at risk of dropping out of school.

SECTION #.(c) Support among affected staff members is essential to successful implementation of a school improvement plan to address improved student performance at that school. The principal of the school shall present the proposed school improvement plan to all of the instructional personnel assigned to the school for their review and vote. The vote shall be by secret ballot. The principal shall submit the school improvement plan to the State Board of Education only if the proposed school improvement plan has the approval of a majority of the instructional personnel who voted on the plan.

SECTION #.(d) The State Board of Education shall accept or reject the school improvement plan within 60 days after the submission plan. If the State Board rejects a school improvement plan, the State Board shall state with specificity the reasons for rejecting the plan to the principal and shall direct that the principal work with the school improvement team to resolve the disagreements. The school improvement team may then prepare another plan, present it to the instructional personnel assigned to the school for a vote, and submit it to the State Board to accept or reject. If there is no resolution within 30 days, then the State Board may develop a school improvement plan for the school; however, the General Assembly urges the State Board to utilize the school's proposed school improvement plan to the maximum extent possible when developing this plan.

SECTION #.(e) A school improvement plan shall remain in effect for no more than three years; however, the school improvement team may amend the plan as often as is necessary or appropriate. If, at any time, any part of a school improvement plan becomes unlawful or the State Board finds that a school improvement plan is impeding student performance at a school, the State Board may vacate the relevant portion of the plan and may direct the school to revise that portion. The procedures set out in this section shall apply to amendments and revisions to school improvement plans.

SECTION #.(f) Any funds the State Board makes available to a school to meet the goals for that school under the ABCs Program and to implement the school improvement plan at that school shall be used in accordance with those goals and the school improvement plan.

SECTION #.(g) The State Board shall develop a list of recommended strategies that it determines to be effective, which building-level committees may use to establish parent involvement programs designed to meet the specific needs of their schools.

SECTION #.(h) Once the plan is developed, the principal shall ensure the plan is available and accessible to parents and the school community.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DPI-H8-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

SCHOOL CALENDAR PILOT PROGRAM

SECTION #. The State Board of Education shall establish a school calendar pilot program in the Wilkes County Schools, the Montgomery County Schools, and the Stanly County Schools. The purpose of the pilot program is to determine whether and to what extent a local school administrative unit can save money during this extreme fiscal crisis by consolidating the school calendar.

Notwithstanding G.S. 115C-84.2(a)(1), the school calendar for the 2012-2013 calendar year for the pilot school systems shall include a minimum of 180 days or 1,000 hours of instruction covering at least nine calendar months.

If the local board of education in a pilot school system adds instructional hours to previously scheduled days under this section, the local school administrative unit is deemed to have a minimum of 180 days of instruction, and teachers employed for a 10-month term are deemed to have been employed for the days being made up and shall be compensated as if they had worked the days being made up.

The State Board of Education shall report to the Joint Legislative Education Oversight Committee by March 15, 2013, on the administration of the pilot program, cost savings realized by it, and its impact on student achievement.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2012-DPI-H9-P

**Department of Public Instruction
Appropriations Subcommittee on Education**

Requested by: Representative

1 *RESTORE TEACHING FELLOWS PROGRAM*

2 SECTION #. Section 1.38 of S.L. 2011-266 is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2012-DPI-H10-P

**Department of Public Instruction
Appropriations Subcommittee on Education**

Requested by: Representative

- 1 ***REPEAL PROHIBITION ON TEACHER PREPAYMENT***
- 2 **SECTION #.** Section 5 of S.L. 2011-379 is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DPI-H11-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

REPEAL INCREASE IN THE NUMBER OF INSTRUCTIONAL DAYS

SECTION #.(a) G.S. 115C-84.2 reads as rewritten:

"§ 115C-84.2. School calendar.

(a) School Calendar. – Each local board of education shall adopt a school calendar consisting of 215 days all of which shall fall within the fiscal year. A school calendar shall include the following:

(1) (See notes) A minimum of ~~185~~180 days and ~~1,025~~1,000 hours of instruction covering at least nine calendar months. The local board shall designate when the ~~185~~180 instructional days shall occur. The number of instructional hours in an instructional day may vary according to local board policy and does not have to be uniform among the schools in the administrative unit. Local boards may approve school improvement plans that include days with varying amounts of instructional time. If school is closed early due to inclement weather, the day and the scheduled amount of instructional hours may count towards the required minimum to the extent allowed by State Board policy. The school calendar shall include a plan for making up days and instructional hours missed when schools are not opened due to inclement weather.

(1a) Repealed by Session Laws 2004-180, s. 1, effective August 9, 2004.

(2) A minimum of 10 annual vacation leave days.

(3) The same or an equivalent number of legal holidays occurring within the school calendar as those designated by the State Personnel Commission for State employees.

(4) Repealed by Session Laws 2011-145, s. 7.29(a), effective July 1, 2011.

(4a) Five days, as designated by the local board, for use as teacher workdays. These days shall be protected to allow teachers to complete instructional and classroom administrative duties. The local school administrative unit shall not impose any additional tasks on these days. The local board shall schedule one of these days at the beginning of the school year and one at the end of each academic quarter.

(5) The remaining days scheduled by the local board in consultation with each school's principal for use as teacher workdays, additional instructional days, or other lawful purposes. Before consulting with the local board, each principal shall work with the school improvement team to determine the days to be scheduled and the purposes for which they should be scheduled. Days may be scheduled and planned for different purposes for different personnel and there is no requirement to schedule the same dates for all personnel. In order to make up days for school closing because of inclement weather, the local board may designate any of the days in this subdivision as

1 additional make-up days to be scheduled after the last day of student
2 attendance.

3 ~~If the State Board of Education finds that it will enhance student performance to do so, the~~
4 ~~State Board may grant a local board of education a waiver to use up to five of the instructional~~
5 ~~days required by subdivision (1) of this subsection as teacher workdays. For each instructional~~
6 ~~day waived, the State Board shall waive an equivalent number of instructional hours.~~

7 Local boards and individual schools are encouraged to use the calendar flexibility in order
8 to meet the annual performance standards set by the State Board. Local boards of education
9 shall consult with parents and the employed public school personnel in the development of the
10 school calendar.

11 Local boards shall designate at least ~~two~~ seven days scheduled under ~~subdivision~~
12 ~~(5) subdivisions (4a) and (5)~~ of this subsection as days on which teachers may take accumulated
13 vacation leave. Local boards may designate the remaining days scheduled in ~~subdivision~~
14 ~~(5) subdivisions (4a) and (5)~~ of this subsection as days on which teachers may take accumulated
15 vacation leave, but local boards shall give teachers at least 14 calendar days' notice before
16 requiring a teacher to work instead of taking vacation leave on any of these days. A teacher
17 may elect to waive this notice requirement for one or more of these days.

18 (b) Limitations. – The following limitations apply when developing the school
19 calendar:

- 20 (1) The total number of teacher workdays for teachers employed for a 10 month
21 term shall not exceed 195 days.
- 22 (2) The calendar shall include at least 42 consecutive days when teacher
23 attendance is not required unless: (i) the school is a year-round school; or (ii)
24 the teacher is employed for a term in excess of 10 months. At the request of
25 the local board of education or of the principal of a school, a teacher may
26 elect to work on one of the 42 days when teacher attendance is not required
27 in lieu of another scheduled workday.
- 28 (3) School shall not be held on Sundays.
- 29 (4) Veterans Day shall be a holiday for all public school personnel and for all
30 students enrolled in the public schools.

31 (c) Emergency Conditions. – During any period of emergency in any section of the
32 State where emergency conditions make it necessary, the State Board of Education may order
33 general, and if necessary, extended recesses or adjournment of the public schools.

34 (d) Opening and Closing Dates. – Local boards of education shall determine the dates
35 of opening and closing the public schools under subdivision (a)(1) of this section. Except for
36 year-round schools, the opening date for students shall not be before August 25, and the closing
37 date for students shall not be after June 10. On a showing of good cause, the State Board of
38 Education may waive this requirement to the extent that school calendars are able to provide
39 sufficient days to accommodate anticipated makeup days due to school closings. A local board
40 may revise the scheduled closing date if necessary in order to comply with the minimum
41 requirements for instructional days or instructional time. For purposes of this subsection, the
42 term "good cause" means either that:

- 43 (1) Schools in any local school administrative unit in a county have been closed
44 eight days per year during any four of the last 10 years because of severe
45 weather conditions, energy shortages, power failures, or other emergency
46 situations; or
- 47 (2) Schools in any local school administrative unit in a county have been closed
48 for all or part of eight days per year during any four of the last 10 years
49 because of severe weather conditions. For purposes of this subdivision, a

1 school shall be deemed to be closed for part of a day if it is closed for two or
2 more hours.

3 The State Board also may waive this requirement for an educational purpose. The term
4 "educational purpose" means a local school administrative unit establishes a need to adopt a
5 different calendar for (i) a specific school to accommodate a special program offered generally
6 to the student body of that school, (ii) a school that primarily serves a special population of
7 students, or (iii) a defined program within a school. The State Board may grant the waiver for
8 an educational purpose for that specific school or defined program to the extent that the State
9 Board finds that the educational purpose is reasonable, the accommodation is necessary to
10 accomplish the educational purpose, and the request is not an attempt to circumvent the
11 opening and closing dates set forth in this subsection. The waiver requests for educational
12 purposes shall not be used to accommodate system-wide class scheduling preferences.

13 The required opening and closing dates under this subsection shall not apply to any school
14 that a local board designated as having a modified calendar for the 2003-2004 school year or to
15 any school that was part of a planned program in the 2003-2004 school year for a system of
16 modified calendar schools, so long as the school operates under a modified calendar.

17 (e) Nothing in this section prohibits a local board of education from offering
18 supplemental or additional educational programs or activities outside the calendar adopted
19 under this section."

20 **SECTION #.(b)** G.S. 115C-238.29F(d)(1) reads as rewritten:

21 "(1) (See note) The school shall provide instruction each year for at least ~~185~~180
22 days. ~~If the State Board of Education finds that it will enhance student~~
23 ~~performance to do so, the State Board may grant a charter school a waiver to~~
24 ~~use up to five of these instructional days as teacher workdays."~~

25 **SECTION #.(c)** G.S. 115C-238.66(1)d. reads as rewritten:

26 "d. The board of directors shall adopt a school calendar consisting of a
27 minimum of ~~185~~180 days of instruction covering at least nine
28 calendar months."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DPI-H12A-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

RESIDENTIAL SCHOOLS

SECTION #.(a) Section 7.25(a) of S.L. 2011-145 is repealed.

SECTION #.(b) The Department of Public Instruction shall not transfer any school-based personnel from the residential schools to central office administrative positions.

SECTION #.(c) Notwithstanding G.S. 146-30, the Department of Public Instruction shall retain all proceeds generated from the rental of building space on the Governor Morehead School campus. The Department of Public Instruction shall use all receipts generated from these leases to staff and operate the North Carolina School for the Deaf, the Eastern North Carolina School for the Deaf, and the Governor Morehead School. These receipts shall not be used to support administrative functions within the Department.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DPI-H13-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 ***LIABILITY INSURANCE FOR PUBLIC SCHOOL PERSONNEL***

2 **SECTION #.(a)** Within 60 days of the effective date of this section, the local
3 school administrative units shall provide written notification to all public school employees
4 regarding the coverage provided by the State-funded liability insurance policy for North
5 Carolina public school employees. Notification shall include information regarding policy
6 coverage details, instructions on reporting claims, contact information for additional questions,
7 and instructions on obtaining a copy of the policy.

8 **SECTION #.(b)** From the funds available for liability insurance for public school
9 personnel, the Department of Public Instruction shall distribute additional funds to local school
10 administrative units on the basis of average daily membership in order to implement the
11 requirements of subsection (a) of this section.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2012-DPI-H4-P

**Department of Public Instruction
Appropriations Subcommittee on Education**

Requested by: Representative

1 ***PILOT COOPERATIVE INNOVATIVE HIGH SCHOOL***

2 **SECTION #.** Notwithstanding G.S. 115C-238.51, the State Board of Education
3 shall approve the establishment of a cooperative innovative high school pilot by the local
4 boards of education of the Davidson County Schools, Thomasville City Schools, and Lexington
5 City Schools and the local board of trustees of Davidson County Community College under
6 Part 9 of Article 16 of Chapter 115C of the General Statutes. The pilot shall be known as the
7 Yadkin Valley Regional Career Academy.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DPI-H14-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

CLARIFYING COOPERATIVE INNOVATIVE HIGH SCHOOL STATUTES

SECTION #.(a) G.S. 115C-238.50A reads as rewritten:

"§ 115C-238.50A. Definitions.

The following definitions apply in this Part:

- (1) Constituent institution. – A constituent institution as defined in G.S. 116-2(4).
- (1a) Cooperative innovative high school. – A high school that meets the following criteria:
 - a. It has no more than 100 students per grade level.
 - b. It partners with an institution of higher education to enable students to concurrently obtain a high school diploma and begin or complete an associate degree program, master a certificate or vocational program, or earn up to two years of college credit within five years.
 - c. It is located on the campus of the partner institution of higher education, unless the governing board-Board or the local board of trustees for a private North Carolina college specifically waives the requirement through adoption of a formal resolution.
- (1b) Cooperative innovative high school allotment. – Funds appropriated by the General Assembly to the Department of Public Instruction to provide additional resources to approved cooperative innovative high schools.
- (2) Education partner. – An education partner as provided in G.S. 115C-238.52.
- (3) Governing board-Board. – The State Board of Education, the State Board of Community Colleges, Colleges or the Board of Governors of The University of North Carolina, or the Board of the North Carolina Independent Colleges and Universities-Carolina.
- (3a) Local board of education. – A local board as defined in G.S. 115C-5(5) or a regional school board of directors as defined in G.S. 115C-238.61(5).
- (4) Local board of trustees. – The board of trustees of a community college, constituent institution of The University of North Carolina, or private college located in North Carolina.
- (5) Partner institution of higher education. – A community college, constituent institution of The University of North Carolina, or private college located in North Carolina."

SECTION #.(b) G.S. 115C-238.51 reads as rewritten:

"§ 115C-238.51. Application process.

- (a) A local board of education and at least one local board of trustees shall jointly apply to establish a cooperative innovative high school program under this Part.
- (b) The application shall contain at least the following information:

- 1 (1) A description of a program that implements the purposes in
2 G.S. 115C-238.50.
- 3 (2) A statement of how the program relates to the Economic Vision Plan
4 adopted for the economic development region in which the ~~program~~
5 cooperative innovative high school is to be located.
- 6 (3) The facilities to be used by the ~~program~~cooperative innovative high school
7 and the manner in which administrative services of the ~~programs~~school are to
8 be provided.
- 9 (4) A description of student academic and vocational achievement goals and the
10 method of demonstrating that students have attained the skills and
11 knowledge specified for those goals.
- 12 (5) A description of how the ~~program~~cooperative innovative high school will be
13 operated, including budgeting, curriculum, transportation, and operating
14 procedures.
- 15 (6) The process to be followed by the ~~program~~cooperative innovative high
16 school to ensure parental involvement.
- 17 (7) The process by which students will be selected for and admitted to the
18 ~~program~~cooperative innovative high school.
- 19 (8) A description of the funds that will be used and a proposed budget for the
20 first five years of the implementation of the ~~program~~cooperative innovative
21 high school. This description shall identify how the average daily
22 membership (ADM) and full-time equivalent (FTE) students are counted. If
23 additional funds are requested, a description of how those additional funds
24 will be used shall be submitted. Additional funds may include an allotment
25 for a principal position, the cooperative innovative high school allotment,
26 and tuition payments. For cooperative innovative high schools that have a
27 community college as their partner institution of higher education, the
28 proposed budget shall include the cost of including their students in
29 calculations of budget full-time equivalent students for the North Carolina
30 Community College System.
- 31 (9) The qualifications required for individuals employed in the
32 ~~program~~cooperative innovative high school.
- 33 (10) The number of students to be served.
- 34 (11) A description of how the ~~program's~~cooperative innovative high school's
35 effectiveness in meeting the purposes in G.S. 115C-238.50 will be measured.
- 36 (c) The application shall be submitted to the State Board of Education and the
37 applicable governing ~~Boards~~Board. If the partner institution of higher education is a private
38 North Carolina college, the application shall be submitted solely to the State Board of
39 Education. The Boards shall appoint a joint advisory committee to review the applications and
40 to recommend to the Boards those programs that meet the requirements of this Part and that
41 achieve the purposes set out in G.S. 115C-238.50.
- 42 (d) ~~The Boards may approve programs recommended by the joint advisory committee~~
43 ~~or may approve other programs that were not recommended. The Boards shall approve all~~
44 ~~applications by June 30 of each year. No application shall be approved unless the State Board~~
45 ~~of Education and the applicable governing Board find that the application meets the~~
46 ~~requirements set out in this Part and that granting the application would achieve the purposes~~
47 ~~set out in G.S. 115C-238.50. Priority shall be given to applications that are most likely to~~
48 ~~further State education policies, to address the economic development needs of the economic~~
49 ~~development regions in which they are located, and to strengthen the educational programs~~
50 ~~offered in the local school administrative units in which they are located.~~

1 (e) ~~No additional State funds shall be provided to approved programs unless~~
2 ~~appropriated by the General Assembly."~~

3 SECTION #.(c) Part 9 of Article 16 of Chapter 115C of the General Statutes is
4 amended by adding a new section to read:

5 **"§ 115C-238.51A. Approval process.**

6 (a) Joint Advisory Committee. – The State Board of Education and the applicable
7 governing Board of the local board of trustees shall appoint a joint advisory committee to
8 review the applications and to recommend approval for those applications that meet the
9 requirements of this Part and achieve purposes set out in G.S.115C-238.50. The
10 recommendation shall indicate whether additional funds were requested in the application.

11 (b) No Additional Funds. – For applications which have not requested additional funds,
12 the State Board of Education and the applicable governing Board may approve cooperative
13 innovative high schools. Approvals shall be made by June 30 of each year. No additional State
14 funds, position allotments, earning of budget full-time equivalent students, or payments of
15 tuition shall be provided to cooperative innovative high schools approved under this subsection.

16 (c) Additional Funds. – For applications which have requested additional funds, the
17 State Board of Education and the applicable governing Board may approve cooperative
18 innovative high schools contingent upon appropriation of the additional funds by the General
19 Assembly. Contingent approval shall be made by April 1 of each year. The contingent approval
20 shall expire if no appropriation is made by the General Assembly for the additional funds
21 within one calendar year. No cooperative innovative high school shall open prior to the
22 appropriation by the General Assembly of the full amount of the additional funds as requested
23 in the application for that school under G.S. 115C-238.51 for the upcoming fiscal year or fiscal
24 biennium, as appropriate."

25 SECTION #.(d) G.S. 115C-238.52 reads as rewritten:

26 **"§ 115C-238.52. Participation by other education partners.**

27 (a) Any or all of the following education partners may participate in the development of
28 a cooperative innovative ~~program-high school~~ under this Part that is targeted to high school
29 students who would benefit from accelerated academic instruction:

30 (1), (2) Repealed by Session Laws 2005-276, s. 7.33(a), effective July 1, 2005.

31 (3) A private business or organization.

32 (4) The county board of commissioners in the county in which the ~~program~~
33 cooperative innovative high school is located.

34 (b) Any or all of the education partners listed in subsection (a) of this section that
35 participate shall:

36 (1) Jointly apply with the local board of education and the local board of
37 trustees to establish a cooperative innovative ~~program-high school~~ under this
38 Part.

39 (2) Be identified in the application.

40 (3) Sign the written agreement under G.S. 115C-238.53(b)."

41 SECTION #.(e) G.S. 115C-238.53 reads as rewritten:

42 **"§ 115C-238.53. ~~Program operation.~~Operation of cooperative innovative high schools.**

43 (a) ~~A program~~cooperative innovative high school approved by the State is accountable
44 to the local board of education.

45 (b) ~~A program~~cooperative innovative high school approved under this Part shall operate
46 under the terms of a written agreement signed by the local board of education, local board of
47 trustees, State Board of Education, and applicable governing Board. The agreement shall
48 incorporate the information provided in the application, as modified during the approval
49 process, and any terms and conditions imposed on the ~~program-school~~ by the State Board of

1 Education and the applicable governing Board. The agreement may be for a term of no longer
2 than five school years.

3 (c) A programcooperative innovative high school may be operated in a facility owned
4 or leased by the local board of education, the local board of trustees, or the education partner, if
5 any.

6 (d) A programcooperative innovative high school approved under this Part shall provide
7 instruction each school year for at least ~~180~~ 185 days during nine calendar months, shall
8 comply with laws and policies relating to the education of students with disabilities, and shall
9 comply with Article 27 of this Chapter.

10 (e) A programcooperative innovative high school approved under this Part may use
11 State, federal, and local funds allocated to the local school administrative unit, to the applicable
12 governing Board, and to the ~~college or university~~ partner institution of higher education to
13 implement ~~theits~~ program. If there is an education partner and if it is a public body, the
14 programcooperative innovative high school may use State, federal, and local funds allocated to
15 that body.

16 (f) Except as provided in this Part and under the terms of the ~~agreement~~ agreement,
17 cooperative innovative high schools:

18 (1) ~~A program shall~~ Shall have the same exemptions from statutes and rules as
19 charter schools operating under Part 6A of this Article, other than those
20 pertaining to personnel.

21 (2) ~~A program may~~ May be exempted by the State Board of Education or by the
22 applicable governing Board from laws and rules applicable to a local board
23 of education, a local school administrative unit, a community college, a
24 constituent institution, or a local board of trustees."

25 SECTION #.(f) G.S. 115C-238.54 reads as rewritten:

26 "§ 115C-238.54. Funds for ~~programs~~ cooperative innovative high schools.

27 (a) The Department of Public Instruction shall assign a school code for each
28 programcooperative innovative high school that is approved under this Part. Notwithstanding
29 G.S. 115C-105.25, once the programcooperative innovative high school has been assigned a
30 school code, the local board of education may use these funds for the ~~programs~~ school and may
31 transfer these funds between funding allotment categories.

32 (a1) Repealed by Session Laws 2011-145, s. 7.1A(j), effective January 1, 2012.

33 (b) The local board of trustees may allocate State and federal funds for a ~~program~~
34 cooperative innovative high school that is approved under this Part.

35 (c) An education partner under G.S. 115C-238.52 that is a public body may allocate
36 State, federal, and local funds for a programcooperative innovative high school that is approved
37 under this Part.

38 (d) If not an education partner under G.S. 115C-238.52, a county board of
39 commissioners in a county where a programcooperative innovative high school is located may
40 nevertheless appropriate funds to a ~~program~~ the school approved under this Part.

41 (e) The local board of education and the local board of trustees are strongly encouraged
42 to seek funds from sources other than State, federal, and local appropriations. They are strongly
43 encouraged to seek funds the Education Cabinet identifies or obtains under G.S. 116C-4.

44 (f) Students in cooperative innovative high schools shall not be charged tuition for
45 courses taken through the partner institution of higher education.

46 (g) Students in cooperative innovative high schools that have a community college as
47 their partner institution of higher education and were approved under G.S. 115C-238.51A(c)
48 shall be included in calculations of budget full-time equivalent students for the North Carolina
49 Community College System. Students in cooperative innovative high schools that have a
50 community college as their partner institution of higher education and were approved under

1 G.S. 115C-238.51A(b) shall not be included in calculations of budget full-time equivalent
2 students for the North Carolina Community College System.

3 (h) The State Board of Education shall reimburse The University of North Carolina for
4 tuition for courses taken by students at cooperative innovative high schools that have a
5 constituent institution of The University of North Carolina as their partner institution of higher
6 education and were approved under G.S. 115C-238.51A(c). Tuition payments shall not exceed
7 the annual Board of Governors-approved undergraduate resident tuition rate calculated on a per
8 credit hour basis and shall not include fees. In addition, the cooperative innovative high school
9 students' credit hours shall be nonfundable under The University of North Carolina Semester
10 Credit Hour Enrollment Change Funding Model. The State Board of Education shall not
11 reimburse The University of North Carolina for tuition for courses taken by students at
12 cooperative innovative high schools that have a constituent institution of The University of
13 North Carolina as their partner institution of higher education approved under
14 G.S. 115C-238.51A(b).

15 (i) The State Board of Education shall reimburse private North Carolina colleges for
16 tuition for courses taken by students at cooperative innovative high schools that have a private
17 North Carolina college as their partner institution of higher education and were approved under
18 G.S. 115C-238.51A(c). Tuition payments shall not exceed the highest undergraduate resident
19 rate approved by the Board of Governors for the University of North Carolina constituent
20 institutions and shall not include fees. The State Board of Education shall not reimburse private
21 North Carolina colleges for tuition for courses taken by students at cooperative innovative high
22 schools that have a private North Carolina college as their partner institution of higher
23 education and were approved under G.S. 115C-238.51A(b)."

24 **SECTION #.(g) G.S. 115C-238.55 reads as rewritten:**

25 **"§ 115C-238.55. Evaluation of ~~programs~~ cooperative innovative high schools.**

26 The State Board of Education and the governing Boards shall evaluate the success of
27 students in ~~programs~~ cooperative innovative high schools approved under this Part. Success
28 shall be measured by high school retention rates, high school completion rates, high school
29 dropout rates, certification and associate degree completion, admission to four-year institutions,
30 postgraduation employment in career or study-related fields, and employer satisfaction of
31 employees who participated in and graduated from the ~~programs~~ schools. The Boards shall
32 jointly report by January 15 of each year to the Joint Legislative Education Oversight
33 Committee on the evaluation of these ~~programs~~ schools."

34 **SECTION #.(h) Section 7.21(e) of S.L. 2010-31 is repealed.**

35 **SECTION #.(i) This section is effective when it becomes law.**

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DPI-H15A-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 ***NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS***

2 SECTION #. Section 7.22(k) of S.L. 2012-145 reads as rewritten:

3 "SECTION 7.22.(k) ~~The State Board shall use only funds provided through the North~~
4 ~~Carolina Virtual Public Schools Allotment Formula and the NCVPS enrollment reserve as set~~
5 ~~forth in this section to fund instructional costs of NCVPS.~~ The only funds that may be used for
6 the instructional costs of NCVPS are the following:

7 (1) Funds provided through the North Carolina Virtual Public Schools
8 Allotment Formula.

9 (2) Funds provided through the NCVPS enrollment reserve as set forth in this
10 section.

11 (3) Local funds.

12 (4) Federal funds."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DPI-H18-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

REPEAL OBSOLETE REPORTS

- 1 SECTION #.(a) Section 7.19(d) of S.L. 2007-323 is repealed.
- 2
- 3 SECTION #.(b) Section 7.21 of S.L. 2007-323 is repealed.
- 4
- 5 SECTION #.(c) G.S. 115C-276(t) is repealed.
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- 7 SECTION#.(d) Subsections (c) and (g) of Section 7.5 of S.L. 2010-31 are
- 8 repealed.
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GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DPI-H17-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: Representative

TEACHER/TEACHER ASSISTANT LEAVE ON INSTRUCTIONAL DAYS.

SECTION #.(a) G.S. 115C-202.1(c) reads as rewritten:

"(c) Vacation. – Included within the 10-month term shall be annual vacation leave at the same rate provided for State employees, computed at one-twelfth of the annual rate for State employees for each month of employment. Local boards shall provide at least 10 days of annual vacation leave at a time when students are not scheduled to be in regular attendance. However, instructional personnel who do not require a substitute may use annual vacation leave on days that students are in attendance. Vocational and technical education teachers who are employed for 11 or 12 months may, with prior approval of the principal, work on annual vacation leave days designated in the school calendar and may use those annual vacation leave days during the eleventh or twelfth month of employment. Local boards of education may adopt policies permitting instructional personnel employed for 11 or 12 months in year-round schools to, with the approval of the principal, take vacation leave at a time when students are in attendance; local funds shall be used to cover the cost of substitute teachers.

On a day that pupils are not required to attend school due to inclement weather, but employees are required to report for a workday, a teacher may elect not to report due to hazardous travel conditions and to take an annual vacation day or to make up the day at a time agreed upon by the teacher and the teacher's immediate supervisor or principal. On a day that school is closed to employees and pupils due to inclement weather, a teacher shall work on the scheduled makeup day.

All vacation leave taken by the teacher will be upon the authorization of the teacher's immediate supervisor and under policies established by the local board of education. Annual vacation leave shall not be used to extend the term of employment.

Notwithstanding any provisions of this subsection to the contrary, no person shall be entitled to pay for any vacation day not earned by that person."

SECTION #.(b) G.S. 115C-316(3) reads as rewritten:

"(3) Notwithstanding any provisions of this section to the contrary no person shall be entitled to pay for any vacation day not earned by that person. The first 10 days of annual leave earned by a 10- or 11-month employee during any fiscal year period shall be scheduled to be used in the school calendar adopted by the respective local boards of education. Vacation days shall not be used for extending the term of employment of individuals. Ten- or 11-month employees may accumulate annual vacation leave days as follows: annual leave may be accumulated without any applicable maximum until June 30 of each year. On June 30 of each year, any of these employees with more than 30 days of accumulated leave shall have the excess accumulation converted to sick leave so that only 30 days are carried forward to July 1 of the same year. All vacation leave taken by these employees shall be upon the authorization of their immediate supervisor and under policies established by

1 the local board of education. The policies may permit teacher assistants who
2 require a substitute and are employed for 11 or 12 months in year-round
3 schools to take vacation leave at a time when students are in attendance;
4 local funds shall be used to cover the cost of substitutes. Vacation leave for
5 instructional personnel who do not require a substitute shall not be restricted
6 to days that students are not in attendance. An employee shall be paid in a
7 lump sum for accumulated annual leave not to exceed a maximum of 240
8 hours or 30 days when separated from service due to resignation, dismissal,
9 reduction in force, death or service retirement. Upon separation from service
10 due to service retirement, any annual vacation leave over 30 days will
11 convert to sick leave and may be used for creditable service at retirement in
12 accordance with G.S. 135-4(e). If the last day of terminal leave falls on the
13 last workday in the month, payment shall be made for the remaining
14 nonworkdays in that month. Employees retiring on disability retirement may
15 exhaust annual leave rather than be paid in a lump sum. The provisions of
16 this subdivision shall be accomplished without additional State and local
17 funds being appropriated for this purpose. The State Board of Education
18 shall adopt rules and regulations for the administration of this subdivision."
19 **SECTION #.(c)** This section applies beginning with the 2012-2013 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DOCC-H1-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 **ACQUISITION OF REAL PROPERTY BY LEASE PURCHASE**

2 SECTION #.(a) The catch line of G.S. 115D-58.15 reads as rewritten:

3 "**§ 115D-58.15. Lease purchase and installment purchase contracts for equipment, real**
4 **and personal property.**"

5 SECTION #.(b) G.S. 115D-58.15(a) reads as rewritten:

6 "(a) Authority. – ~~The~~Notwithstanding any provisions of law to the contrary, the board of
7 trustees of a community college may use lease purchase or installment purchase contracts to
8 purchase or finance the purchase of equipment, real and personal property as provided in this
9 section. A college shall not have more than five State-funded contracts in effect at any one
10 time."

11 SECTION #.(c) G.S. 115D-20(11) reads as rewritten:

12 "(11) To enter into lease purchase and installment purchase contracts for
13 equipment, real and personal property under G.S. 115D-58.15."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2012-DOCC-H8-P

**North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education**

Requested by: Representative

1 CARRYFORWARD FOR EQUIPMENT

2 SECTION #. In accordance with G.S. 115D-31, funds appropriated to the
3 Community Colleges System Office for equipment for the 2011-2012 fiscal year shall not
4 revert at the end of the fiscal year but shall be made available to the Community Colleges
5 System Office for equipment for the 2012-2013 fiscal year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DOCC-H2-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

REPEAL OBSOLETE REPORTS

SECTION #.(a) G.S. 115D-5(o) reads as rewritten:

"(o) ~~The General Assembly finds that additional data are needed to determine the adequacy of multicampus and off campus center funds; therefore, multicampus colleges and colleges with off campus centers shall report annually, beginning September 1, 2005, to the Community Colleges System Office on all expenditures by line item of funds used to support their multicampuses and off campus centers. The Community Colleges System Office shall report on these expenditures to the Education Appropriation Subcommittees of the House of Representatives and the Senate, the Office of State Budget and Management, and the Fiscal Research Division by December 1 of each year.~~

All multicampus centers approved by the State Board of Community Colleges shall receive funding under the same formula. The State Board of Community Colleges shall not approve any additional multicampus centers without identified recurring sources of funding."

SECTION #.(b) G.S. 116D-3(c) is repealed.

SECTION #.(c) Section 9.11(e) of S.L. 1999-237 is repealed.

SECTION #.(d) Section 4 of S.L. 2005-198, as amended by Section 35 of S.L. 2007-484, is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2012-DOCC-H11-P

**North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education**

Requested by: Representative

- 1 REPEAL DUPLICATIVE AUDIT REQUIREMENT**
- 2 SECTION #. G.S. 147-64.6A is repealed.**

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DOCC-H10-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

UPDATE COLLEGE PERFORMANCE MEASURES

SECTION #. G.S. 115D-31.3 reads as rewritten:

"§ 115D-31.3. Institutional performance accountability.

(a) Creation of Accountability Measures and Performance Standards. – The State Board of Community Colleges shall create new accountability measures and performance standards for the Community College System. ~~Survey results shall be used as a performance standard only if the survey is statistically valid.~~ The State Board of Community Colleges shall review annually the accountability measures and performance standards to ensure that they are appropriate for use in recognition of successful institutional performance.

(b) through (d) Repealed by Session Laws 2000-67, s. 9.7, effective July 1, 2000.

(e) Mandatory Performance Standards Measures. – The State Board of Community Colleges shall evaluate each college on the following eight performance ~~standards~~measures:

- (1) Progress of basic skills students, students.
- (2) Passing rate for licensure and certification examinations, General Educational Development (GED) diploma examinations.
- (3) Performance of students who transfer to a four-year institution, institution.
- (4) Passing Success rates in of developmental courses, students in subsequent college-level English courses.
- (5) Success rates of developmental students in subsequent college-level courses, math courses.
- (5a) Progress of first-year curriculum students.
- (6) ~~The level of satisfaction of students who complete programs and those who do not complete programs,~~
- (7) Curriculum student retention and graduation, and graduation.
- (8) ~~Client satisfaction with customized training.~~
- (9) Passing rate for licensure and certification examinations.

The State Board may also evaluate each college on additional performance ~~standards~~measures.

(f) Publication of Performance Ratings. – Each college shall publish its performance on the eight ~~standards~~measures set out in subsection (e) of this section (i) annually in its electronic catalog or on the Internet and (ii) in its printed catalog each time the catalog is reprinted.

The Community Colleges System Office shall publish the performance of all colleges on all eight ~~standards~~measures.

(g) Recognition for Successful Institutional Performance. – For the purpose of recognition for successful institutional performance, the State Board of Community Colleges shall evaluate each college on the eight performance ~~standards~~measures. For each of these eight performance ~~standards~~measures on which a college performs successfully, the college may retain and carry forward into the next fiscal year one-fourth of one percent (¼ of 1%) of its final fiscal year General Fund appropriations. ~~If a college demonstrates significant improvement on a standard that has been in use for three years or less, the college may also~~

1 ~~carry forward one fourth of one percent (¼ of 1%) of its final fiscal year General Fund~~
2 ~~appropriations for that standard.~~

3 (h) Recognition for Exceptional Institutional Performance. – Funds not allocated to
4 colleges in accordance with subsection (g) of this section shall be used to reward exceptional
5 institutional performance. A college is deemed to have achieved exceptional institutional
6 performance if it succeeds on all eight performance measures. After all State aid budget
7 obligations have been met, the State Board of Community Colleges shall distribute the
8 remainder of these funds ~~equally to colleges that perform successfully on eight performance~~
9 ~~standards and meet the following criteria:~~ achieve exceptional institutional performance status
10 based on the pro rata share of total full time equivalent (FTE) students served at each college.

11 (1) ~~The passing rate on all reported licensure and certification examinations for~~
12 ~~which the community colleges have authority over who sits for the~~
13 ~~examination must meet or exceed seventy percent (70%) for first time test~~
14 ~~takers; and~~

15 (2) ~~The percentage of college transfer students with a grade point average of at~~
16 ~~least 2.0 after two semesters at a four year institution must equal or exceed~~
17 ~~the performance of students who began college at that four year institution.~~

18 The State Board may withhold the portion of funds for which a college may qualify as an
19 exceptional institution while the college is under investigation by a State or federal agency or if
20 its performance does not meet the standards established by the Southern Association of
21 Colleges and Schools, the State Auditor's Office, or the State Board of Community Colleges.
22 The State Board may release the funds at such time as the investigations are complete and the
23 issues are resolved.

24 (i) Permissible Uses of Funds. – Funds retained by colleges or distributed to colleges
25 pursuant to this section shall be used for the purchase of equipment, initial program start-up
26 costs including faculty salaries for the first year of a program, and one-time faculty and staff
27 bonuses. These funds shall not be used for continuing salary increases or for other obligations
28 beyond the fiscal year into which they were carried forward. These funds shall be encumbered
29 within 12 months of the fiscal year into which they were carried forward.

30 (j) Use of funds in low-wealth counties. – Funds retained by colleges or distributed to
31 colleges pursuant to this section may be used to supplement local funding for maintenance of
32 plant if the college does not receive maintenance of plant funds pursuant to G.S. 115D-31.2,
33 and if the county in which the main campus of the community college is located meets all of
34 the following:

35 (1) Is designated as a Tier 1 county in accordance with G.S. 143B-437.08.

36 (2) Had an unemployment rate of at least two percent (2%) above the State
37 average or greater than seven percent (7%), whichever is higher, in the prior
38 calendar year.

39 (3) Is a county whose wealth, as calculated under the formula for distributing
40 supplemental funding for schools in low-wealth counties, is eighty percent
41 (80%) or less of the State average.

42 Funds may be used for this purpose only after all local funds appropriated for maintenance of
43 plant have been expended."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DOCC-H4-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

MODIFY INSTITUTIONAL PERFORMANCE ACCOUNTABILITY FOR ONE YEAR

SECTION #. Effective for the 2011-2012 reporting year, and notwithstanding G.S. 115D-31.3, the State Board of Community Colleges shall not require a college to report its performance on the progress of basic skills students as one of the mandatory performance standards prescribed by G.S. 115D-31.3(e). A college shall not be evaluated on the progress of basic skills students for the purpose of recognizing successful institutional performance or exceptional institutional performance. For each of the remaining seven performance standards on which a college performs successfully, the college may retain and carry forward into the 2013-2014 fiscal year two-sevenths of one percent (2/7 of 1%) of its final fiscal year General Fund appropriations.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DOCC-H5C-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

GATEWAY TO COLLEGE PILOT AT DURHAM TECHNICAL COMMUNITY COLLEGE

SECTION #.(a) Notwithstanding Section 7.1A of S.L. 2011-145, as amended by Section 13 of S.L. 2011-391, and any other provision of law, the State Board of Education and the State Board of Community Colleges shall approve the Gateway to College program at Durham Technical Community College as a Career and College pathway pilot program. This program concurrently provides high school and college education to high school students who have previously dropped out.

SECTION #.(b) The State Board of Community Colleges shall include curriculum coursework, including developmental course work, associated with this program when computing the budget FTE for Durham Technical Community College in the 2012-2013 fiscal year.

SECTION #.(c) Durham Technical Community College shall report to the Education Appropriation Subcommittees of the House of Representatives and the Senate by March 1, 2013, on student outcomes under the program and on the actual cost of the program, including administrative expenses incurred by Durham Public Schools and Durham Technical Community College.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DOCC-H13A-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

COMMUNITY COLLEGE TUITION WAIVER

SECTION #. G.S. 115D-5(b) reads as rewritten:

"(b) In order to make instruction as accessible as possible to all citizens, the teaching of curricular courses and of noncurricular extension courses at convenient locations away from institution campuses as well as on campuses is authorized and shall be encouraged. A pro rata portion of the established regular tuition rate charged a full-time student shall be charged a part-time student taking any curriculum course. In lieu of any tuition charge, the State Board of Community Colleges shall establish a uniform registration fee, or a schedule of uniform registration fees, to be charged students enrolling in extension courses for which instruction is financed primarily from State funds. The State Board of Community Colleges may provide by general and uniform regulations for waiver of tuition and registration fees for the following:

- (1) Persons not enrolled in elementary or secondary schools taking courses leading to a high school diploma or equivalent certificate.
- (2) Courses requested by the following entities that support the organizations' training needs and are on a specialized course list approved by the State Board of Community Colleges:
 - a. Volunteer fire departments.
 - b. Municipal, county, or State fire departments.
 - c. Volunteer EMS or rescue and lifesaving departments.
 - d. Municipal, county, or State EMS or rescue and lifesaving departments.
 - d1. Law enforcement, fire, EMS or rescue and lifesaving entities serving a lake authority that was created by a board of county commissioners prior to July 1, 2012.
 - e. Radio Emergency Associated Communications Teams (REACT) under contract to a county as an emergency response agency.
~~(v) (vi) municipal county, or State law enforcement officers~~
 - f. Municipal, county, or State law enforcement agencies.
 - g. The Division of Adult Correction of the Department of Public Safety for the training of full-time custodial employees and employees of the Division's Section of Community Corrections of the Division of Adult Correction required to be certified under Chapter 17C of the General Statutes and the rules of the Criminal Justice and Training Standards Commission.
 - h. The Division of Juvenile Justice of the Department of Public Safety for the training of employees required to be certified under Chapter 17C of the General Statutes and the rules of the Criminal Justice and Training Standards Commission.

- 1 i. The Eastern Band of Cherokee Indians law enforcement, fire, EMS
2 or rescue and lifesaving tribal government departments or programs.
3 (3) Repealed by Session Laws 2011-145, s. 8.12(a), effective July 1, 2011.
4 (4) Trainees enrolled in courses conducted under the Customized Training
5 Program.
6 (5) through (9) Repealed by Session Laws 2011-145, s. 8.12(a), effective July 1,
7 2011.
8 (10) Elementary and secondary school employees enrolled in courses in first aid
9 or cardiopulmonary resuscitation (CPR).
10 (11) Up to six hours of credit instruction and one course of noncredit instruction
11 per academic semester for senior citizens age 65 or older who are qualified
12 as legal residents of North Carolina.
13 (12) All curriculum courses taken by high school students at community colleges,
14 in accordance with G.S. 115D-20(4) and this section.
15 (13) Human resources development courses for any individual who (i) is
16 unemployed; (ii) has received notification of a pending layoff; (iii) is
17 working and is eligible for the Federal Earned Income Tax Credit (FEITC);
18 or (iv) is working and earning wages at or below two hundred percent
19 (200%) of the federal poverty guidelines.
20 (14) Repealed by Session Laws 2011-145, s. 8.12(a), effective July 1, 2011.
21 The State Board of Community Colleges shall not waive tuition and registration fees for
22 other individuals."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DOCC-H3-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

1 **INCREASE MAXIMUM PARKING FINE**

2 SECTION #. G.S. 115D-21 reads as rewritten:

3 **"§ 115D-21. Traffic regulations; fines and penalties.**

4 (a) All of the provisions of Chapter 20 of the General Statutes relating to the use of
5 highways of the State of North Carolina and the operation of motor vehicles thereon shall apply
6 to the streets, roads, alleys and driveways on the campuses of all institutions in the North
7 Carolina Community College System. Any person violating any of the provisions of Chapter 20
8 of the General Statutes in or on the streets, roads, alleys and driveways on the campuses of
9 institutions in the North Carolina Community College System shall, upon conviction thereof,
10 be punished as prescribed in this section and as provided by Chapter 20 of the General Statutes
11 relating to motor vehicles. Nothing contained in this section shall be construed as in any way
12 interfering with the ownership and control of the streets, roads, alleys and driveways on the
13 campuses of institutions in the system as is now vested by law in the trustees of each individual
14 institution in the North Carolina Community College System.

15 (b) The trustees are authorized and empowered to make additional rules and regulations
16 and to adopt additional ordinances with respect to the use of the streets, roads, alleys and
17 driveways and to establish parking areas on or off the campuses not inconsistent with the
18 provisions of Chapter 20 of the General Statutes of North Carolina. Upon investigation, the
19 trustees may determine and fix speed limits on streets, roads, alleys, and driveways subject to
20 such rules, regulations, and ordinances, lower than those provided in G.S. 20-141. The trustees
21 may make reasonable provisions for the towing or removal of unattended vehicles found to be
22 in violation of rules, regulations and ordinances. All rules, regulations and ordinances adopted
23 pursuant to the authority of this section shall be recorded in the proceedings of the trustees;
24 shall be printed; and copies of such rules, regulations and ordinances shall be filed in the office
25 of the Secretary of State of North Carolina. Violation of any such rules, regulations, or
26 ordinances, is an infraction punishable by a penalty of not more than one hundred dollars
27 (\$100.00).

28 Regardless of whether an institution does its own removal and disposal of motor vehicles or
29 contracts with another person to do so, the institution shall provide a hearing procedure for the
30 owner. For purposes of this subsection, the definitions in G.S. 20-219.9 apply.

31 (1) If the institution operates in such a way that the person who tows the vehicle
32 is responsible for collecting towing fees, all provisions of Article 7A,
33 Chapter 20, apply.

34 (2) If the institution operates in such a way that it is responsible for collecting
35 towing fees, it shall:

- 36 a. Provide by contract or ordinance for a schedule of reasonable towing
37 fees,
38 b. Provide a procedure for a prompt fair hearing to contest the towing,
39 c. Provide for an appeal to district court from that hearing,

- 1 d. Authorize release of the vehicle at any time after towing by the
2 posting of a bond or paying of the fees due, and
3 e. If the institution chooses to enforce its authority by sale of the
4 vehicle, provide a sale procedure similar to that provided in
5 G.S. 44A-4, 44A-5, and 44A-6, except that no hearing in addition to
6 the probable cause hearing is required. If no one purchases the
7 vehicle at the sale and if the value of the vehicle is less than the
8 amount of the lien, the institution may destroy it.

9 (c) The trustees may by rules, regulations, or ordinances provide for a system of
10 registration of all motor vehicles where the owner or operator does park on the campus or keeps
11 said vehicle on the campus. The trustees shall cause to be posted at appropriate places on
12 campus notice to the public of applicable parking and traffic rules, regulations, and ordinances
13 governing the campus over which it has jurisdiction. The trustees may by rules, regulations, or
14 ordinances establish or cause to have established a system of citations that may be issued to
15 owners or operators of motor vehicles who violate established rules, regulations, or ordinances.
16 The trustees shall provide for the administration of said system of citations; establish or cause
17 to be established a system of fines to be levied for the violation of established rules, regulations
18 and ordinances; and enforce or cause to be enforced the collection of said fines. The fine for
19 each offense shall not exceed ~~five dollars (\$5.00), which funds shall be retained in the~~
20 ~~institution and expended in the discretion of the trustees~~ twenty-five dollars (\$25.00). The
21 trustees shall be empowered to exercise the right to prohibit repeated violators of such rules,
22 regulations, or ordinances from parking on the campus.

23 (d) The clear proceeds of all civil penalties collected pursuant to this section shall be
24 remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2012-DOCC-H16A-P

**North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education**

Requested by: Representative

1 ***GASTON MULTICAMPUS***

2 **SECTION #.** Notwithstanding G.S. 115D-5(o), the State Board of Community

3 Colleges shall approve the Kimbrell Campus multicampus site of Gaston College.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-DOCC-H7-P

North Carolina Community Colleges Systems Office
Appropriations Subcommittee on Education

Requested by: Representative

FINANCIAL AID PROGRAM ADMINISTRATIVE COSTS

SECTION #.(a) Subsection (a) of Section 9.8 of S.L. 2011-145 reads as rewritten:

"SECTION 9.8.(a) There is appropriated from the Escheat Fund income to the Board of Governors of The University of North Carolina the sum of thirty-two million one hundred twenty-two thousand two hundred forty-two dollars (\$32,122,242) for the 2011-2012 fiscal year and the sum of ~~thirty-two million one hundred twenty-two thousand two hundred forty-two dollars (\$32,122,242)~~ thirty-two million two hundred eighty-seven thousand two hundred forty-two dollars (\$32,287,242) for the 2012-2013 fiscal year to be used for The University of North Carolina Need-Based Financial Aid Program."

SECTION #.(b) Subsection (c) of Section 9.8 of S.L. 2011-145 reads as rewritten:

"SECTION 9.8.(c) There is appropriated from the Escheat Fund income to the State Board of Community Colleges the sum of sixteen million five hundred thousand dollars (\$16,500,000) for the 2011-2012 fiscal year and the sum of ~~sixteen million five hundred thousand dollars (\$16,500,000)~~ sixteen million three hundred thirty-five thousand dollars (\$16,335,000) for the 2012-2013 fiscal year to be used for community college grants."

SECTION #.(c) Of the funds appropriated by this act for the 2012-2013 fiscal year to the Board of Governors of The University of North Carolina the sum of one hundred sixty-five thousand dollars (\$165,000) shall be transferred to the State Board of Community Colleges to be used for Community College grants. The General Assembly intends for this to be a permanent transfer, and in future fiscal years it shall be reflected in the budget of the State Board of Community Colleges.

SECTION #.(d) G.S. 115D-40.1(c) reads as rewritten:

"(c) Administration of Program. – The State Board shall adopt rules and policies for the disbursement of the financial assistance provided in subsections (a) and (b) of this section. Degree, diploma, and certificate students must complete a Free Application for Federal Student Aid (FAFSA) to be eligible for financial assistance. The State Board may contract with the State Education Assistance Authority for administration of these financial assistance funds. These funds shall not revert at the end of each fiscal year but shall remain available until expended for need-based financial assistance. The interest earned on the funds provided in subsections (a) and (b) of this section may be used to support the costs of administering the Community College Grant Program. If the interest earnings are not adequate to support the administrative costs, up to one percent (1%) of funds provided in subsection (a) of this section may be used to support the costs of administering the Community College Grant Program."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2012-UNC-H7-P

**University of North Carolina and Private Instruction
Appropriations Subcommittee on Education**

Requested by: Representative

1 *STUDY TUITION COST FOR VETERANS*

2 SECTION #. The Joint Legislative Education Oversight Committee shall study the
3 tuition costs for veterans who enroll in the State's community colleges or in any constituent
4 institution of The University of North Carolina. As part of the study, the Committee shall
5 consider the current criteria for determining whether a veteran qualifies for the resident tuition
6 rate and how those criteria affect veterans who qualify for post-9/11 GI Bill benefits, as well as
7 other veterans. The Committee shall also consider the potential educational costs to the State of
8 veterans who attend any of the State's public institutions of higher education at the resident
9 tuition rate and ways to limit those costs. The Committee may consider any other issues
10 relevant to the study.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-UNC-H1-P

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

***FORGIVABLE EDUCATION LOANS FOR SERVICE PROGRAM AND
FUND/TECHNICAL CORRECTIONS***

SECTION #.(a) G.S. 116-209.45(b)(1) reads as rewritten:

"(b) Definitions. – The following definitions apply in this section:

(1) Eligible Institution. – Notwithstanding G.S. 116-201(b)(5) and G.S. 116-201(b)(6) and for purposes of this section only, an institution of higher education that is any of the following:

a. A postsecondary constituent institution of The University of North Carolina as defined in G.S. 116-2(4).

b. A community college as defined in G.S. 115D-2(2).

c. ~~A nonprofit postsecondary institution as defined in G.S. 116-22(1) or G.S. 116-43.5.~~

d. ~~A postsecondary institution owned or operated by a hospital authority as defined in G.S. 131E-16(14).~~

e. ~~A school of nursing affiliated with a nonprofit postsecondary institution as defined in G.S. 116-22(1).~~

f. Another public or nonprofit postsecondary institution offering a program of study not otherwise available in North Carolina that is deemed to be eligible under rules promulgated by the Authority.

g. An eligible private postsecondary institution as defined in G.S. 116-280(3)."

SECTION #.(b) Section 9.18(d) of S.L. 2011-145 reads as rewritten:

"**SECTION 9.18.(d)** The State Education Assistance Authority shall report no later than ~~June 1, 2013,~~September 1, 2013, to the Joint Legislative Education Oversight Committee regarding the implementation of this section. The report shall contain, for the 2012-2013 academic year, the amount of scholarship and grant money disbursed, the number of students eligible for the funds, the number of eligible students receiving the funds, and a breakdown of the eligible private postsecondary institutions that received the funds."

SECTION #.(c) Section 9.18(i) of S.L. 2011-145 reads as rewritten:

"**SECTION 9.18.(i)** Subsections (a), (d), and (i) of this section become effective July 1, 2011. Article 34 of Chapter 116 of the General Statutes, as enacted by subsection (a) of this section, applies to the 2012-2013 academic year and each subsequent academic year, except that the rule-making authority for the State Education Assistance Authority under G.S. 116-283(a) becomes effective immediately on July 1, 2011. Subsections (b), (c), (e), (f), (g), and (h) of this section become effective July 1, ~~2012,~~2012, except that the State Education Assistance Authority may continue to make payments pursuant to G.S. 116-43.5 until August 1, 2012, to students who attended certain private institutions of higher education in the 2011-2012 academic year."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-UNC-H2-P

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

UNC/REPEAL OBSOLETE OR REDUNDANT REPORTING REQUIREMENTS

SECTION #.(a) G.S. 116-11(10a) reads as rewritten:

"(10a) The Board of Governors, the State Board of Community Colleges, and the State Board of Education, in consultation with nonprofit postsecondary educational institutions shall plan a system to provide an exchange of information among the public schools and institutions of higher education to be implemented no later than June 30, 1995. As used in this section, "institutions of higher education" shall mean (i) public higher education institutions defined in G.S. 116-143.1(a)(3), and (ii) those nonprofit postsecondary educational institutions as described in G.S. 116-280 that choose to participate in the information exchange. The information shall include:

- a. The number of high school graduates who apply to, are admitted to, and enroll in institutions of higher education;
- b. College performance of high school graduates for the year immediately following high school graduation including each student's: need for remedial coursework at the institution of higher education that the student attends; performance in standard freshmen courses; and continued enrollment in a subsequent year in the same or another institution of higher education in the State;
- c. The progress of students from one institution of higher education to another; and
- d. Consistent and uniform public school course information including course code, name, and description.

The Department of Public Instruction shall generate and the local school administrative units shall use standardized transcripts in an automated format for applicants to higher education institutions. The standardized transcript shall include grade point average, class rank, end-of-course test scores, and uniform course information including course code, name, units earned toward graduation, and credits earned for admission from an institution of higher education. The grade point average and class rank shall be calculated by a standard method to be devised by the institutions of higher education.

~~The Board of Governors shall coordinate a joint progress report on the implementation of the system to provide an exchange of information among the public and independent colleges and universities, the community colleges, and the public schools. The report shall be made to the Joint Legislative Education Oversight Committee no later than February 15, 1993, and annually thereafter."~~

1 **SECTION #.(b)** G.S. 116-11(12a) reads as rewritten:

2 "(12a) The Board of Governors of The University of North Carolina shall
3 implement, administer, and revise programs for meaningful professional
4 development for professional public school employees based upon the
5 evaluations and recommendations made by the State Board of Education
6 under G.S. 115C-12(26). The programs shall be aligned with State education
7 goals and directed toward improving student academic achievement. ~~The~~
8 ~~Board of Governors shall submit to the State Board of Education an annual~~
9 ~~report evaluating the professional development programs administered by~~
10 ~~the Board of Governors."~~

11 **SECTION #.(c)** G.S. 116D-3(a)(1) is repealed.

12 **SECTION #.(d)** Section 7 of S.L. 1989-936, as amended by S.L. 1991-346, reads
13 as rewritten:

14 "Sec. 7. The Board of Governors of The University of North Carolina shall adopt standards
15 to create and enhance an organized program of public service and technical assistance to the
16 public schools. This program shall:

- 17 (1) Provide systematic access for public schools to consultation and advice
18 available from members of the faculties of the constituent institutions;
- 19 (2) Facilitate and encourage research in the public schools and the application of
20 the results of this research;
- 21 (3) Link the education faculties of the constituent institutions with public school
22 teachers and administrators through public service requirements for the
23 education faculties; and
- 24 (4) Create partnerships among all constituent institutions, their schools or
25 departments of education, and the maximum number of public schools that
26 could benefit from these partnerships.

27 ~~The Board of Governors shall report on an annual basis to the Joint Legislative~~
28 ~~Commission on Governmental Operations on its progress in implementing the provisions of~~
29 ~~this section."~~

30 **SECTION #.(e)** Section 1.1 of S.L. 2000-3 reads as rewritten:

31 "Section 1.1. The General Assembly finds that although The University of North Carolina
32 is one of the State's most valuable assets, the current facilities of the University have been
33 allowed to deteriorate due to decades of neglect and have unfortunately fallen into a state of
34 disrepair because of inadequate attention to maintenance. It is the intent of the General
35 Assembly to reverse this trend and to provide a mechanism to assure that the University's
36 capital assets are adequately maintained. The General Assembly commits to responsible
37 stewardship of these assets to protect their value over the years, as follows:

- 38 (1) The Board of Governors of The University of North Carolina shall require
39 each constituent and affiliated institution to monitor the condition of its
40 facilities and their needs or repair and renovation, and to assure that all
41 necessary maintenance is carried out within funds available.
- 42 (2) ~~The Board of Governors shall report annually to the Joint Legislative~~
43 ~~Commission on Governmental Operations and the Joint Legislative~~
44 ~~Education Oversight Committee on the condition of the University's capital~~
45 ~~facilities, the repair, renovation, and maintenance projects being undertaken,~~
46 ~~and all needs for additional funding to maintain the facilities.~~
- 47 (3) It is the intent of the General Assembly to assure that adequate oversight,
48 funding, and accountability are continually provided so that the capital
49 facilities of the University are properly maintained to preserve the level of
50 excellence the citizens of this State deserve. To this end, the Joint

1 Legislative Education Oversight Committee shall report to the General
2 Assembly annually its recommendations for legislative changes to
3 implement this policy."

4 **SECTION #.(f)** Section 6 of S.L. 2000-3 reads as rewritten:

5 "Section 6. Repair and Renovation Reports. – ~~The Board of Governors of The University~~
6 ~~of North Carolina shall report annually to the Joint Legislative Commission on Governmental~~
7 ~~Operations and the Joint Legislative Education Oversight Committee on the condition of all of~~
8 ~~the University's capital facilities, including a status report on all repair, renovation, and~~
9 ~~maintenance projects being undertaken and an assessment of needs for additional funding to~~
10 ~~repair, renovate, and maintain the facilities.~~

11 The Board of Governors of The University of North Carolina shall also study the repairs
12 and renovations formula currently utilized with respect to funding for the Repairs and
13 Renovations Reserve Account to determine whether it adequately takes into account all of the
14 appropriate maintenance needs of each constituent and affiliated institution, and shall
15 recommend to the Joint Legislative Commission on Governmental Operations and the Joint
16 Legislative Education Oversight Committee any changes necessary to improve the formula.
17 The Board shall make recommendations on the scope and adequacy of the methodology used to
18 calculate the funding for the repairs and renovations reserve as specified in G.S. 143-15.2."

19 **SECTION #.(g)** Section 13 of S.L. 2001-496 is repealed.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-UNC-H3-P

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 ***NC GRADUATES IN PRIMARY CARE CENTERS/CHANGE REPORT DATE***

2 **SECTION #.** G.S. 143-613(d) reads as rewritten:

3 "(d) The progress of the private and State-operated medical schools and State-operated
4 health professional schools towards increasing the number and proportion of graduates entering
5 primary care shall be monitored annually by the Board of Governors of The University of
6 North Carolina. Monitoring data shall include (i) the entry of State-supported graduates into
7 primary care residencies and clinical training programs, and (ii) the specialty practices by a
8 physician and each midlevel provider who were State-supported graduates as of a date five
9 years after graduation. The Board of Governors shall certify data on graduates, their residencies
10 and clinical training programs, and subsequent careers by ~~October 1~~ November 15 of each
11 calendar year, beginning in ~~October of 1995~~ November of 2011, to the Fiscal Research
12 Division of the Legislative Services Office and to the Joint Legislative Education Oversight
13 Committee."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-UNC-H4-P

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 **UNC REPORT ON ENDOWMENT FUNDS**

2 SECTION #. Article 1 of Chapter 116 of the General Statutes is amended by
3 adding a new section to read:

4 **"§ 116-36.7. Report on endowment funds of The University of North Carolina.**

5 The Board of Governors shall report to the Joint Legislative Committee on Governmental
6 Operations and to the Fiscal Research Division beginning November 1, 2011, and annually
7 thereafter, regarding the endowment funds held by each special responsibility constituent
8 institution, the University of North Carolina Health Care System, and any other entity of the
9 University, including those endowments held for the benefit of the University as a whole. The
10 report shall provide an accounting of the amounts, uses, and public purposes of each
11 endowment fund and shall also include all of the following information (disaggregated by types
12 of institution) for each endowment fund:

- 13 (1) The average and range of (i) the outstanding balance of each endowment and
14 (ii) the growth of each endowment over the last 20 years.
15 (2) The amount and percentage of endowment assets distributed on an annual
16 basis for spending on education.
17 (3) The amount and percentage of endowment assets distributed on an annual
18 basis for financial aid or for the purpose of reducing the costs of tuition, fees,
19 textbooks, and room and board.
20 (4) The extent to which the funds in each endowment are restricted and the
21 restrictions placed upon such funds."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

**DRAFT
SPECIAL PROVISION**



2012-UNC-H6-P

**University of North Carolina and Private Instruction
Appropriations Subcommittee on Education**

Requested by: Representative

**1 PERMANENT TRANSFER OF FUNDING FOR MILITARY ONE-STOP & BRAC
2 OUTREACH**

3 SECTION #. The Military One-Stop & BRAC Outreach program previously
4 vested in Fayetteville State University is transferred to The University of North Carolina
5 General Administration with all of the elements of a Type I transfer as defined in G.S. 143A-6.
6 The program transfer shall include the sum of two hundred fifty-one thousand five hundred
7 dollars (\$251,500).

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

DRAFT
SPECIAL PROVISION



2012-UNC-H8-P

University of North Carolina and Private Instruction
Appropriations Subcommittee on Education

Requested by: Representative

1 ***STUDY UNC TUITION SURCHARGE***

2 **SECTION #.** The Fiscal Research Division, in cooperation with The University of
3 North Carolina, shall study the tuition surcharge mandated by G.S. 116-143.7. As part of the
4 study, the Fiscal Research Division shall examine the surcharge's effect, if any, on the number
5 of credit hours taken by students at constituent institutions of The University of North Carolina
6 and the resulting effect on the timely achievement of graduation; the number of students subject
7 to the surcharge in each of the last five academic years; and the revenue generated by the
8 surcharge. In its study, the Fiscal Research Division shall also examine the methods that The
9 University of North Carolina employs to provide notice to a student that the student is
10 approaching the credit hour limit and will be charged the tuition surcharge if the student
11 exceeds that limit.

12 The Fiscal Research Division shall report its findings and recommendations,
13 including any legislative recommendations, by January 1, 2013, to the Joint Legislative
14 Education Oversight Committee and to the Education Appropriation Subcommittees of the
15 House of Representatives and the Senate.



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
 House Bill 950

AMENDMENT NO. 1
 (to be filled in by
 Principal Clerk)

H950-ALH-102 [v.1]

Page 1 of 1

Comm. Sub. [NO]
 Amends Title [NO]
 Educ SP Report

Date 5-24, 2012

Representative Blackwell

- 1 moves to amend the Education Special Provision Report on page 43, lines 16, by deleting the
- 2 phrase "basis for spending on education." and substituting "basis."
- 3
- 4

SIGNED

Hyatt A. Blackwell
 Amendment Sponsor

SIGNED

 Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



* H 9 5 0 - A L H - 1 0 2 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 950

AMENDMENT NO. 2
(to be filled in by
Principal Clerk)

H950-AMK-2 [v.1]

Page 1 of 1

Comm. Sub. [NO]
Amends Title [NO]
Committee Report

Date May 24, 2012

Representative Holloway

1 moves to amend the money report on page F-2, item 7 (Teacher Cadet), by reducing the sum
2 for that item by \$50,000 in nonrecurring funds;

3
4 and on page F-2, item 8 (PTA Parental Involvement Initiative) by increasing the sum for that
5 item by \$50,000 in nonrecurring funds.
6
7

SIGNED

Bryan R. Holloway
Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



* H 9 5 0 - A M K - 2 - V - 1 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 950

AMENDMENT NO. 3
(to be filled in by
Principal Clerk)

H950-ALH-101 [v.4]

Page 1 of 2

Comm. Sub. [NO]
Amends Title [NO]
Educ S P Report

Date May 24, 2012

Representative Stam

1 moves to amend the Education Special Provision Report, May 23, 2012,
2 on page 45, line 15, by adding at the end of that line a new special provision to read as
3 follows:

4 **"ELIMINATE IN-STATE TUITION STATUS FOR OUT-OF-STATE FULL**
5 **SCHOLARSHIP STUDENTS**

6 **SECTION #.(a)** G.S. 116-143.6 is repealed.

7 **SECTION #.(b)** This section applies to the 2012-2013 Fall academic semester and
8 each subsequent academic semester; and
9

10 Moves to amend the Education Money Report dated May 24, 2012,
11 On page F-7, by adding a new item as follows:
12

13 **" 28 Resident Tuition for Nonresident Students with Full Academic Scholarships**

14 Eliminates the tuition waiver that provides resident tuition for
15 Nonresident students with full academic scholarships.

(\$6,055,000)R"; and

16
17 Further moves to amend the Education Money Report on page F-6, Item #25 (Management Flexibility
18 Reduction) by increasing the sum restored to the Management flexibility by \$6,055,000 in recurring
19 funds; and
20

21 By adjusting the appropriate totals accordingly and making the necessary technical corrections to the
22 explanatory language that accompanies Item #25.
23
24
25
26
27
28
29



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 950

AMENDMENT NO. 3
(to be filled in by
Principal Clerk)

H950-ALH-101 [v.4]

Page 2 of 2

SIGNED Stamm
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ✓ FAILED _____ TABLED _____



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 950

AMENDMENT NO. 4
(to be filled in by
Principal Clerk)

H950-ALH-103 [v.1]

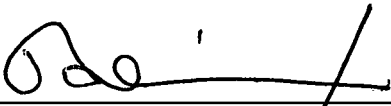
Page 1 of 1

Comm. Sub. [NO]
Amends Title [NO]
Educ SP Report

Date May 24, 2012

Representative Michaux

- 1 moves to amend the Education Special Provision Report on page 43, by deleting the special
2 provision on that page (lines 1-21).
3

SIGNED 
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED  FAILED  TABLED _____





NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
 House Bill 950

AMENDMENT NO. 5
 (to be filled in by
 Principal Clerk)

H950-ALE-93 [v.3]

Page 1 of 1

Comm. Sub. [NO]
 Amends Title [NO]
 Committee Report

Date May 24, 2012

Representative Blackwell

- 1 moves to amend the committee report on page 11, lines 6-7, by deleting the language "the
- 2 Governor Morehead School campus" and substituting "residential school campuses".
- 3
- 4

SIGNED

H. A. Blackwell
 Amendment Sponsor

SIGNED

 Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



* H 9 5 0 - A L E - 9 3 - V - 3 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
 House Bill 950

AMENDMENT NO. 6
 (to be filled in by
 Principal Clerk)

H950-ALE-95 [v.2]

Page 1 of 1

Comm. Sub. [NO]
 Amends Title [NO]
 Committee Report

Date May 24, 2012

Representative Glazier

- 1 moves to amend the money report on page F-1, item 4, by reducing the item by an additional
- 2 \$315,188 in recurring funds;
- 3
- 4 and on page F-3, by adding a new item to read:
- 5 **"14 Regional Military Counselors** **\$315,188 R**
- 6 Provides funding for five additional military
- 7 counselors, two in the Onslow County
- 8 schools and three in the Cumberland County
- 9 schools, due to the large population of military-
- 10 connected students in these districts."

SIGNED

Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

✓

FAILED

TABLED



* H 9 5 0 - A L E - 9 5 - V - 2 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 950

AMENDMENT NO. 7
(to be filled in by
Principal Clerk)

H950-ALE-94 [v.3]

Page 1 of 1

Comm. Sub. [NO]
Amends Title [NO]
Committee Report

Date May 24, 2012

Representative Jeffus

1 moves to amend the committee report on page 19, line 12, by deleting the line and substituting
2 the following:

- 3 "(4) Federal funds.
4 (5) Special State Reserve Funds for Children and Youth with Disabilities.
5 (6) ADM Contingency Reserve."
6
7
8

SIGNED

Maggie Jeffus
Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED



FAILED

TABLED



* H 9 5 0 - A L E - 9 4 - V - 3 *



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 950

AMENDMENT NO. 8
(to be filled in by
Principal Clerk)

H950-ALE-96 [v.2]

Page 1 of 1

Comm. Sub. [NO]
Amends Title [NO]
Committee Report

Date May 24, 2012

Representative Glazier

1 moves to amend the money report on page F-3, item 13, by reducing the item by an additional
2 \$3,145,000 in recurring funds;

3
4 and on page F-3, by adding a new item to read:

5 "14 **Instructional Support Personnel**

\$3,145,000 R

6 Provides additional funding for instructional
7 support personnel."; and
8

9 moves to amend the special provisions on page 12, by deleting special provision **2012-DPI-**
10 **H13-P.**
11

SIGNED


Amendment Sponsor

SIGNED

Committee Chair if Senate Committee Amendment

ADOPTED

FAILED



TABLED



* H 9 5 0 - A L E - 9 6 - V - 2 *

House Committee Pages / Sergeants at Arms

NAME OF COMMITTEE Appropriation & Education

DATE: 5-24-2012 Room: 421

*Name: Cody Martin

County: Orange

Sponsor: Insko

*Name: DAVID RAY ALLEN

County: CLEVELAND

Sponsor: THOM THILLY

*Name: Will Rierson

County: Forsyth

Sponsor: Parmon

*Name: _____

County: _____

Sponsor: _____

*Name: _____

County: _____

Sponsor: _____

House Sgt-At Arms:

1. Name: Reggie Sills

4. Name: _____

2. Name: MARtha Parrish

5. Name: _____

3. Name: _____

6. Name: _____

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

May 24, 2012

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Suzanne Beasley	SEANC
Martez Hill	SBE
TOM BOWLIN	NO NG
Jay Schalin	Pope Center
BOB LUEBKE	CRUTAS Inst.
Beehi Gray	John Locke Foundation
Mark Famer	UNCW
Wendy Kelly	Policy Group
Jennifer Willis	NCCS
Jennifer Haygood	NCCS
Samir Khan	NCCAC

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education	
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May 24, 2012
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Chris Hill

NC Justice Center

DAVID RICE

MFS

Kevin Howell

NCSU

Asnley Payne

Disability Rights NC

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education
Name of Committee

May 24, 2012
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Nancy Caggia	NCAGT
Dawn Shephard Pope	Office of the Governor
Cheryl Posner-Cahill	NC School Bych Assoc.
Bryan Conrad	OSBM
Christopher Jones	OSBM
Pam Leaman	OSBM
Elizabeth Hovinsten	OSBM
John Nori	PSF of NC
Erin Leyson	PS Forum of NC
Katherine Joyce	NCAST
Emily Doyle	NCPARA
DEAN ARP	
Gene Cawdy	NCSCA

VISITOR REGISTRATION SHEET

Appropriations Subcommittee on Education

Name of Committee

May 24, 2012

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

M. Hendricks

KCC/V

W. Mulder

2010

Reg O'Connell

NC Alliance for Health