2013-2014

SENATE EDUCATION/ HIGHER EDUCATION

MINUTES

North Carolina [illegible]ral Assembly
Through Sena[illegible]mmittee on
Education/H[illegible] Education

2013-2014 Biennium
Leg. Day: H-106/S-106

Date: 09/05/2013
Time: 8:30:02 AM

Bill	Introducer	Short Title		Latest Action	Date In	Date Out
H 23	Horn	Digital Learning Competencies/School Emp'ees.	*R	Ch. SL 2013-11	02/18/2013	03/06/2013
H 44	Horn	Transition to Digital Learning in Schools.	R	Ch. SL 2013-12	02/18/2013	03/06/2013
H 57	Howard	Child Nutrition Program Solvency and Support.	*R	Ch. SL 2013-235	03/20/2013	06/12/2013
H 138	Johnson	Set Comm. College Elect. Date.	R	Ch. Res 2013-6	02/26/2013	02/27/2013
H 146	Hurley	Back to Basics.	R	Ch. SL 2013-71	04/08/2013	05/29/2013
H 230	Malone	Amend Law Defining Home Schools.	S	Ref To Com On Education/Higher Education	03/21/2013	
H 249	Holloway	Substitute Teacher Deduction/Personal Leave.	*R	Ch. SL 2013-240	03/21/2013	06/19/2013
H 250	Hardister	Charter School Enrollment & Charter Revisions.	*R	Ch. SL 2013-359	06/20/2013	06/26/2013
H 255	Glazier	UNC Tuition Surcharge/Advance Notice.	*R	Ch. SL 2013-325	03/21/2013	06/05/2013
$ H 269	**Jordan**	**Children w/Disabilities Scholarship Grants.**	***R**	**Ch. SL 2013-364**	**05/16/2013**	**06/26/2013**
H 273	Hardister	Charter School/LEA Accounting of Funds.	*S	Ref To Com On Education/Higher Education	05/20/2013	
H 292	Brody	Study Music Therapy Practice Act.	*S	Ref To Com On Education/Higher Education	07/01/2013	
H 317	Blackwell	Improve Ed. for Children Who Are Deaf.	*R	Ch. SL 2013-119	04/09/2013	05/29/2013
H 452	Holloway	2013 School Safety Act.	*S	Ref To Com On Education/Higher Education	04/29/2013	
H 512	Stone	Central Carolina Com. Coll. Trustee Elections.	*R	Ch. SL 2013-263	05/16/2013	07/10/2013

'$' indicates the bill is an appropriations bill.
A bold line indicates that the bill is an appropriations bill.
'*' indicates that the text of the original bill was changed by some action.
'=' indicates that the original bill is dentical to another bill

H 537	Steinburg, Sr.	Edenton-Chowan Sch. Bd. Terms.	R	Ch. SL 2013-271	05/09/2013	05/29/2013
H 587	Whitmire	Alternate ACT/PLAN for Certain Students.	*R	Ch. SL 2013-208	04/22/2013	06/05/2013
H 588	Whitmire	Public School Report/Flexibility.	*S	Ref To Com On Education/Higher Education	04/22/2013	
H 591	Blackwell	Reporting and Terms for Long. Data Board.	*R	Ch. SL 2013-80	04/17/2013	05/29/2013
H 691	Szoka	Limit Soldiers CC Tuition.	*S	Re-ref Com On Appropriations/Base Budget	05/16/2013	06/05/2013
H 718	Holloway	Study Issues in Education.	*S	Ref To Com On Education/Higher Education	05/09/2013	
H 735	Jones, Jr.	Student Organizations/Rights & Recognition.	*S	Ref To Com On Education/Higher Education	05/16/2013	
H 754	Johnson	Lease Purchase of Real Property/Comm. Coll.	*R	Ch. SL 2013-310	05/02/2013	06/05/2013
H 760	Brandon, Jr.	Summer Reading Camps.	*S	Ref To Com On Education/Higher Education	04/29/2013	
H 767	Murry	Corporal Pruitt Rainey Brass to Class Act.	*R	Ch. SL 2013-268	05/20/2013	06/26/2013
H 824	Glazier	Epi Pen in Schools.	*S	Ref To Com On Education/Higher Education	04/29/2013	
H 839	Martin	Public School Reporting Reform.	*S	Ref To Com On Education/Higher Education	05/06/2013	
H 868	Farmer-Butterfield	Resid. School Changes.	*R	Ch. SL 2013-247	05/16/2013	06/12/2013
H 884	Jeter, Jr.	Dropout Prev./Recovery Pilot W/Charters.	*S	Ref to Education/Higher Education. If fav, re-ref to Appropriations/Base Budget	05/15/2013	
H 896	Blackwell	Superintendent Designee/Employment Hearings.	S	Ref To Com On Education/Higher Education	05/02/2013	
H 902	Johnson	Education and Workforce Innovation Act.	*S	Ref To Com On Education/Higher Education	05/15/2013	
H 903	Johnson	UNC & Comm. College Credit Transfers.	*R	Ch. SL 2013-72	05/02/2013	05/29/2013

'$' indicates the bill is an appropriations bill.
A bold line indicates that the bill is an appropriations bill.
'*' indicates that the text of the original bill was changed by some action.
'=' indicates that the original bill is dentical to another bill

H 968	Blackwell	Increase Successful CTE Participation.	*S	Ref To Com On Education/Higher Education	05/13/2013	
H 969	Blackwell	Broaden Successful AP Participation.	*S	Ref To Com On Education/Higher Education	05/13/2013	
H1005	Burr	Stanly County Commissioners and Bd. of Ed.	*S	Re-ref Com On Education/Higher Education	07/02/2013	
S 14	Tillman	Increase Access To Career/Technical Ed.	*R	Ch. SL 2013-1	01/31/2013	02/06/2013
S 15	Apodaca	Honor Jean Preston.	*R	Ch. Res 2013-16	06/18/2013	06/19/2013
S 68	Brunstetter	Arts Education as a Graduation Requirement.	S	Ref To Com On Education/Higher Education	02/11/2013	
$ S 94	**Bingham**	**Yadkin Valley Career Academy Funding.**	**S**	**Re-ref Com On Appropriations/Base Budget**	**02/18/2013**	**02/21/2013**
S 118	Soucek	Digital Learning Competencies/School Emp'ees.	S	Ref To Com On Education/Higher Education	02/21/2013	
S 119	Soucek	Lottery Funds Used for Digital Learning.	S	Ref to Education/Higher Education. If fav, re-ref to Appropriations/Base Budget	02/21/2013	
$ S 120	**Soucek**	**Internet Access for Public Schools.**	**S**	**Ref to Education/Higher Education. If fav, re-ref to Appropriations/Base Budget**	**02/21/2013**	
S 121	Soucek	Transition to Digital Learning in Schools.	S	Ref To Com On Education/Higher Education	02/21/2013	
S 130	Davis	Teachers/Isolated K-12 Schools.	S	Ref to Education/Higher Education. If fav, re-ref to Appropriations/Base Budget	02/26/2013	
S 168	Tucker	Clarify Education Reporting Requirements.	*R	Ch. SL 2013-226	03/05/2013	03/14/2013
S 189	Cook	Amend Law Defining Home Schools.	R	Ch. SL 2013-57	03/06/2013	04/24/2013
S 196	Soucek	Honor Ruth Graham.	*S	Adopted	04/09/2013	04/10/2013
S 231	Davis	Modify Duties/Advisory Council on Indian Educ.	*R	Ch. SL 2013-295	03/11/2013	03/20/2013
S 236	Hunt	Sup. Ct. Judge Can Perform Marriage.	*H	Conf Com Appointed	03/11/2013	05/15/2013

'$' indicates the bill is an appropriations bill.
A bold line indicates that the bill is an appropriations bill.
'*' indicates that the text of the original bill was changed by some action.
'=' indicates that the original bill is dentical to another bill

North Carolina [illegible] ral Assembly
Through Sena [illegible] mmittee on
Education/H[illegible] Education

S 243	Allran	Back to Basics.	H	Ref To Com On Education	03/11/2013	04/24/2013
S 310	Sanderson	2nd Senatorial District Local Act-1st.	S	Re-ref Com On Education/Higher Education	05/07/2013	
S 313	Parmon	Parent's Consent Required to Quit School.	S	Ref To Com On Education/Higher Education	03/14/2013	
S 320	Daniel	Improve Ed. for Children Who Are Deaf.	*H	Ref To Com On Education	03/14/2013	05/01/2013
S 337	Tillman	NC Charter School Advisory Board.	*R	Ch. SL 2013-355	03/19/2013	04/03/2013
S 348	Hartsell	Classroom Experience for School Personnel.	S	Ref To Com On Education/Higher Education	03/19/2013	
S 357	Clark	In-State Tuition for Veterans.	S	Ref To Com On Education/Higher Education	03/20/2013	
S 361	Berger	Excellent Public Schools Act of 2013.	*S	Re-ref Com On Appropriations/Base Budget	03/20/2013	04/11/2013
S 370	Bingham	Respect for Student Prayer/Religious Activity.	*H	Ref To Com On Education	03/20/2013	05/08/2013
S 374	Tillman	NC Public Schools Budget Flexibility Act.	*S	Re-ref Com On Appropriations/Base Budget	03/20/2013	04/17/2013
$ S 383	**Brunstetter**	**Career Prep Adult High Schools.**	**S**	**Ref To Com On Education/Higher Education**	**03/21/2013**	
S 404	Bingham	Religious Study Credit.	S	Ref To Com On Education/Higher Education	03/26/2013	
S 424	Parmon	UNC School of Arts/Student Fees.	S	Ref to Education/Higher Education. If fav, re-ref to Finance	03/27/2013	
S 444	Brock	UNC/Cherokee Language.	R	Ch. SL 2013-322	03/27/2013	05/08/2013
S 474	Meredith	Net-Zero Energy Schools.	S	Ref to Education/Higher Education. If fav, re-ref to Commerce. If fav, re-ref to Finance	03/28/2013	
$ S 478	**Barefoot**	**Communities in Schools Funds.**	**S**	**Ref to Education/Higher Education. If fav, re-ref to Appropriations/Base Budget**	**03/28/2013**	

'$' indicates the bill is an appropriations bill.
A bold line indicates that the bill is an appropriations bill.
'*' indicates that the text of the original bill was changed by some action.
'=' indicates that the original bill is dentical to another bill

North Carolina [illegible]al Assembly
Through Sena[illegible]mmittee on
Education/H[illegible]. Education

S 480	Apodaca	UNC Capital Improvement Projects.	*R	Ch. SL 2013-394	03/28/2013	06/25/2013
S 516	Tillman	Public School Regulatory Reform.	*H	Ref To Com On Education	03/28/2013	04/24/2013
$ S 546	**Ford**	**Merit Scholarship Program for Needy Students.**	**S**	**Ref To Com On Education/Higher Education**	**04/01/2013**	
S 557	Hise	NC Pre-K Funding Pilot.	*H	Re-ref Com On Finance	04/01/2013	04/04/2013
S 575	Tucker	Counties May Fund Charter School Capital.	S	Ref to Education/Higher Education. If fav, re-ref to Finance	04/02/2013	
S 576	Clark	HS CTE Course Options.	S	Ref To Com On Education/Higher Education	04/02/2013	
S 586	Rabin	Standardization of School Building Design.	S	Ref To Com On Education/Higher Education	04/03/2013	
S 587	Curtis	Optometry Education Grant Program.	S	Ref to Education/Higher Education. If fav, re-ref to Appropriations/Base Budget	04/03/2013	
S 588	Hartsell	Distribution of Lottery Proceeds.	S	Ref to Education/Higher Education. If fav, re-ref to Appropriations/Base Budget	04/03/2013	
$ S 589	**Stein**	**2013 School Safety Act.**	**S**	**Ref to Education/Higher Education. If fav, re-ref to Appropriations/Base Budget**	**04/03/2013**	
S 595	Apodaca	School Calendars.	S	Ref To Com On Education/Higher Education	04/03/2013	
S 597	Tarte	Dropout Prevention and Recovery Pilot.	S	Ref To Com On Education/Higher Education	04/03/2013	
S 629	Bingham	NC Back-To-Work Program.	S	Ref to Education/Higher Education. If fav, re-ref to Commerce	04/03/2013	
S 655	Parmon	Pyrotechnics/UNC School of Arts Exception.	S	Ref To Com On Education/Higher Education	04/03/2013	
S 665	Cook	Student Safety/Heat Illness.	S	Ref To Com On Education/Higher Education	04/03/2013	
S 672	Tucker	Economical School Bus Replacement Criteria.	S	Ref to Education/Higher Education. If fav, re-ref to Appropriations/Base Budget	04/03/2013	

'$' indicates the bill is an appropriations bill.
A bold line indicates that the bill is an appropriations bill.
'*' indicates that the text of the original bill was changed by some action.
'=' indicates that the original bill is dentical to another bill

S 673	Tucker	Structured English Immersion.	S	Re-ref Com On Rules and Operations of the Senate	04/03/2013	04/08/2013
S 674	Daniel	Prohibit Costly Local Government Litigation.	S	Ref To Com On Education/Higher Education	04/03/2013	
S 719	Soucek	Student Organizations/Rights & Recognition.	*H	Ref To Com On Education	04/03/2013	05/08/2013

'$' indicates the bill is an appropriations bill.
A bold line indicates that the bill is an appropriations bill.
'*' indicates that the text of the original bill was changed by some action.
'=' indicates that the original bill is dentical to another bill

NORTH CAROLINA GENERAL ASSEMBLY

EDUCATION/HIGHER EDUCATION
2013-2014 SESSION

Senator Dan Soucek, Co-Chair
Room 310, LOB- 919-733-5742
John Clark

Senator Jerry Tillman, Co-Chair
Room 627, LOB- 919-733-5870
Suzanne Castleberry

Senator Chad Barefoot, Vice Chair
Room 623, LOB- 919-715-3036
Blake Perry

Senator Austin Allran
Room 625, LOB- 919-733-5876
Caroline Walker

Senator Tom Apodaca
Room 2010, LB- 919-733-5745
Carolyn Gooden

Senator Tamara Barringer
Room 411, LOB- 919-733-5653
Gloria Whitehead

Senator Harry Brown
Room 300, LOB- 919-715-3034
Suzanne Gunter

Senator Peter Brunstetter
Room 2022, LB- 919-733-7850
Mary Marchman

Senator Angela Bryant
Room 520, LOB- 919-733-5878
Karon Hardy

Senator Bill Cook
Room 525, LOB- 919-715-8293
Amanda Shreve

Senator David Curtis
Room 410, LOB- 919-715-3038
Lynn Tennant

Senator Warren Daniel
Room 1127, LB- 919-715-7823
Andy Perrigo

Senator Don Davis
Room 518, LOB- 919-715-8363
Blinda Edwards

Senator Malcolm Graham
Room 622, LOB- 919-733-5650
Amber Harris

Senator Fletcher Hartsell, Jr
Room 300, LOB- 919-733-7223
Gerry Johnson

Senator Clark Jenkins
Room 621, LOB- 919-715-3040
Gail Bishop

Senator Martin Nesbitt
Room 1129, LB- 919-715-3001
Evelyn Castello, Janette Lee

Senator Buck Newton
Room 408, LOB- 919-715-3030
Carol Wilson

Senator Earline W. Parmon
Room 519, LOB- 919-733-5620
Pat Christmas

Senator Louis Pate
Room 1028, LB- 919-733-5621
Edna Pearce

NORTH CAROLINA GENERAL ASSEMBLY

EDUCATION/HIGHER EDUCATION
2013-2014 SESSION

Senator Ron Rabin
Room 526, LOB- 919-733-5748
Hannah Salem

Senator Gladys Robinson
Room 1120, LB- 919-715-3042
Phyllis Cameron

Senator Bob Rucho
Room 300, LOB- 919-733-5655
Helen Long

Senator Josh Stein
Room 1113, LB- 919-715-6400
Candace Finley

Senator Jeff Tarte
Room 2115, LB- 919-715-3050
Jan Copeland

Senator Trudy Wade
Room 2106, LB- 919-733-5856
Kathy Hartsell

Senator Mike Woodard
Room 515, LOB- 919-733-4809
Carol Resar

NORTH CAROLINA GENERAL ASSEMBLY

EDUCATION/HIGHER EDUCATION
2013 – 2014 SESSION



Sen. Soucek
Chair



Sen. Tillman
Chair



Sen. Barefoot
Vice chair



Sen. Allran



Sen. Apodaca



Sen. Barringer



Sen. Brown



Sen. Brunstetter



Sen. Bryant



Sen. Cook



Sen. Curtis



Sen. Daniel



Sen. Davis



Sen. Graham



Sen. Harstsell



Sen. Jenkins



Sen. Nesbitt



Sen. Newton

NORTH CAROLINA GENERAL ASSEMBLY

EDUCATION/HIGHER EDUCATION
2013 – 2014 SESSION



Sen. Parmon



Sen. Pate



Sen. Rabin



Sen. Robinson



Sen. Rucho



Sen. Stein



Sen. Tarte



Sen. Wade



Sen. Woodard

Senate Committee on Education/Higher Education
Wednesday, February 6, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 14	Increase Access To Career Technical Ed.	Senator Soucek Senator Brown Senator Tillman

Adjournment

Senate Committee on Education/Higher Education
Wednesday, February 6, 2013 at 10:00 AM
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on February 6, 2013 in Room 544 of the Legislative Office Building. Twenty-two members were present.

Senator Dan Soucek, Chair, presided.

Chairman Soucek called the meeting to order at 10:07 AM and made a brief statement thanking the Senators for attending and sharing his desire for a productive and successful session. He then proceeded to introduce and thank the Sergeants-at-Arms and the Pages.

Senator Brown then moved for adoption of the Proposed Committee Substitute for Senate Bill 14.

Chairman Soucek then recognized Senator Tillman, who presented the background of the bill, explaining the mission of the Study Committee from which the bill originated.

At Senator Tillman's suggestion, Chairman Soucek then asked all of the committee members to introduce themselves.

Senator Brown was then recognized for a question of Senator Tillman and asked why the Proposed Committee Substitute removed freshman and sophomore students from eligibility to participate in the program.

Senator Tillman deferred to staff, who explained that the Career and College Promise program run by the State Board of Education and the State Board on Community Colleges allows only juniors and seniors to participate. Senator Tillman added his opinion that the General Assembly should give the State Boards time to determine how they would like to proceed.

Senator Robinson was then recognized and asked how Career and College Promise affected Early College High Schools.

Staff responded that there is an exemption in law for Early College High Schools.

Chairman Soucek then recognized Senator Bryant, who commented on Nash Community College's program, which places its automotive laboratory in the Nash High School.

Senator Curtis was recognized and asked about the early college program at Statesville High School.

Staff responded by reminding Senator Curtis that Early College High Schools are provided an exemption from Career and College Promise.

Chairman Soucek recognized Senator Rabin who disagreed with Senator Tillman's earlier advice to leave the decisions on Career and College Promise to the State Boards and suggested that the General Assembly should determine eligibility.

Senator Wade was then recognized and asked for clarification on how these Career and Technical Education programs would be recorded.

Senator Tillman related that there would be additional endorsements and seals placed on the program graduates' diplomas.

Chairman Soucek then recognized Senator Woodard, who inquired about the removal of a fixed date from Section 1-A in the original bill.

Staff replied that fixed dates are discouraged from being placed into long-term statute and that the date had been moved to Section 1-B.

Senator Bryant was then recognized and commented that it would perhaps be helpful to some committee members to be presented with a background presentation on Career and Technical Education.

Chairman Soucek then recognized Senator Rucho, who questioned how long the process laid out in the bill would take.

Senator Tillman replied that the bill sets the process in motion, but added his belief that the relevant institutions are well prepared to get these programs moving quickly. He added that dropout rates in these programs were already very low.

Senator Robinson was recognized and added that the early college program in Guilford County had a 100% graduation rate.

Chairman Soucek then returned to Senator Brown's motion, accepted Senator Cook's second of the motion and called for a vote. By a unanimous voice vote, the Committee gave an unfavorable report to the original bill and a favorable report to the Proposed Committee Substitute.

Chairman Soucek then thanked the members and adjourned the meeting.

The meeting adjourned at 10:35 AM.

Senator Dan Soucek, Chair
Presiding

John Clark, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

CORRECTED REPORT #1

Wednesday, February 06, 2013

Senator Soucek,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL

SB **14** Increase Access To Career/Technical Ed.

Draft Number:	S14-PCS15049-TL-1
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes

TOTAL REPORTED: 1

Senator Daniel Soucek will handle SB 14



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S 1

SENATE BILL 14*

Short Title:	Increase Access To Career/Technical Ed.	(Public)
Sponsors:	Senators Tillman, Brown, Soucek (Primary Sponsors); Brock, Brunstetter, Clark, Cook, Daniel, Goolsby, Hise, Hunt, Rabon, and Randleman.	
Referred to:	Education/Higher Education.	

January 31, 2013

A BILL TO BE ENTITLED

AN ACT TO DIRECT THE STATE BOARD OF EDUCATION TO DEVELOP CAREER AND COLLEGE ENDORSEMENTS FOR HIGH SCHOOL DIPLOMAS, INCREASE ACCESS TO CAREER AND TECHNICAL EDUCATION TEACHERS IN PUBLIC SCHOOLS, AND TO WORK WITH THE STATE BOARD OF COMMUNITY COLLEGES TO INCREASE THE NUMBER OF STUDENTS ENROLLING IN CAREER AND TECHNICAL EDUCATION IN HIGH NEED EMPLOYMENT AREAS, AS RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION STUDY COMMITTEE ON CAREER AND TECHNICAL EDUCATION.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 115C-12 is amended by adding a new subdivision to read:

"(40) To Establish High School Diploma Endorsements. – The State Board of Education shall establish, implement, and determine the impact of adding (i) college, (ii) career, and (iii) college and career endorsements to high school diplomas to encourage students to obtain requisite job skills and to reduce the need for remedial education in institutions of higher education. These endorsements shall reflect courses completed, grades accomplished in each course, and other criteria as developed by the State Board of Education. The State Board of Education shall report to the Joint Legislative Education Oversight Committee on the impact of awarding these endorsements on high school graduation, college acceptance and remediation, and post-high school employment rates by September 1, 2016, and annually thereafter."

SECTION 1.(b) The State Board of Education shall make high school diploma endorsements, as provided under this section, available to students graduating high school beginning with the 2014-2015 school year. The State Board of Education shall report to the Joint Legislative Education Oversight Committee on the progress toward establishing specific college and career endorsements for high school diplomas and for awarding these endorsements by February 1, 2014.

SECTION 2.(a) G.S. 115C-296.7(d) reads as rewritten:

"(d) The State Board of Education shall identify local school administrative units with unmet recruitment ~~needs~~ needs, especially for career and technical education teachers, and high needs schools and shall coordinate placement of NC Teacher Corps members in those schools."

SECTION 2.(b) The State Board of Education shall (i) revise post-secondary education and evaluation requirements for teacher licensure of career and technical education teachers to increase accessibility to the licensure process while maintaining quality of

instruction and (ii) develop alternative professional development, mentoring, and curricular models to support career and technical education teachers who may not have an extensive teaching or classroom management background.

SECTION 2.(c) The State Board of Education shall report to the Joint Legislative Education Oversight Committee by January 15, 2014, on progress made in increasing accessibility to the licensure process and in developing alternative professional development supports for career and technical education teachers who may not have an extensive teaching or classroom management background.

SECTION 3.(a) The State Board of Education, in collaboration with the State Board of Community Colleges, shall develop strategies to (i) increase the number of high school students engaging in career and technical education, especially in the areas of engineering and industrial technologies, and (ii) enroll additional high school students, including freshmen and sophomores, in coursework leading to skills in occupations with high numbers of employment opportunities. In developing these strategies, the Boards shall consider sharing of instructors, facilities, equipment, and business internship opportunities between the public schools and community colleges to facilitate these goals.

SECTION 3.(b) The State Board of Education and the State Board of Community Colleges shall jointly report to the Joint Legislative Education Oversight Committee by October 1, 2014, on progress made on developing strategies to increase student engagement in career and technical education, especially in engineering and industrial technologies, and on enrolling high school students, including freshman and sophomores, in coursework preparing them for occupations with high numbers of employment opportunities.

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

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 14*
PROPOSED COMMITTEE SUBSTITUTE S14-CSTL-1 [v.3]

2/5/2013 12:52:25 PM

Short Title: Increase Access To Career/Technical Ed. (Public)

Sponsors:

Referred to:

January 31, 2013

A BILL TO BE ENTITLED

AN ACT TO DIRECT THE STATE BOARD OF EDUCATION TO DEVELOP CAREER AND COLLEGE ENDORSEMENTS FOR HIGH SCHOOL DIPLOMAS, INCREASE ACCESS TO CAREER AND TECHNICAL EDUCATION TEACHERS IN PUBLIC SCHOOLS, AND TO WORK WITH THE STATE BOARD OF COMMUNITY COLLEGES TO INCREASE THE NUMBER OF STUDENTS ENROLLING IN CAREER AND TECHNICAL EDUCATION IN HIGH NEED EMPLOYMENT AREAS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 115C-12 is amended by adding a new subdivision to read:

"(40) To Establish High School Diploma Endorsements. – The State Board of Education shall establish, implement, and determine the impact of adding (i) college, (ii) career, and (iii) college and career endorsements to high school diplomas to encourage students to obtain requisite job skills and to reduce the need for remedial education in institutions of higher education. These endorsements shall reflect courses completed, overall grade point average, and other criteria as developed by the State Board of Education. The State Board of Education shall report annually to the Joint Legislative Education Oversight Committee on the impact of awarding these endorsements on high school graduation, college acceptance and remediation, and post-high school employment rates."

SECTION 1.(b) The State Board of Education shall make high school diploma endorsements, as provided under this section, available to students graduating high school beginning with the 2014-2015 school year. The State Board of Education shall report to the Joint Legislative Education Oversight Committee on the progress toward establishing specific college and career endorsements for high school diplomas and for awarding these endorsements by February 1, 2014. The State Board of Education shall submit the report on the impact of awarding the high school endorsements on high school graduation, college acceptance and remediation, and post-high school employment rates by September 1, 2016, and annually thereafter.

SECTION 2.(a) G.S. 115C-296.7(d) reads as rewritten:

"(d) The State Board of Education shall identify local school administrative units with unmet recruitment ~~needs~~ needs, especially for career and technical education teachers, and high needs schools and shall coordinate placement of NC Teacher Corps members in those schools."

SECTION 2.(b) The State Board of Education shall (i) revise post-secondary education and evaluation requirements for teacher licensure of career and technical education teachers to increase accessibility to the licensure process while maintaining quality of instruction and (ii) develop alternative professional development, mentoring, and curricular models to support career and technical education teachers who may not have an extensive teaching or classroom management background.

SECTION 2.(c) The State Board of Education shall report to the Joint Legislative Education Oversight Committee by January 15, 2014, on progress made in increasing accessibility to the licensure process and in developing alternative professional development supports for career and technical education teachers who may not have an extensive teaching or classroom management background.

SECTION 3.(a) The State Board of Education, in collaboration with the State Board of Community Colleges, shall develop strategies to increase the number of high school students engaging in career and technical education, especially in the areas of engineering and industrial technologies, and in other occupations with high numbers of employment opportunities. In developing these strategies, the Boards shall consider sharing of instructors, facilities, equipment, and business internship opportunities between the public schools and community colleges to facilitate these goals.

SECTION 3.(b) The State Board of Education and the State Board of Community Colleges shall jointly report to the Joint Legislative Education Oversight Committee by October 1, 2014, on progress made on developing strategies to increase student engagement in career and technical education, especially in engineering and industrial technologies, and in other occupations with high numbers of employment opportunities.

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

SENATE BILL 14:
Increase Access To Career Technical Ed

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	February 6, 2013
Introduced by:	Sens. Tillman, Brown, Soucek	**Prepared by:**	Patsy Pierce
Analysis of:	PCS to First Edition S14-CSTL-1		Legislative Analyst

SUMMARY:

[As introduced, this bill was identical to H51, as introduced by Reps. Holloway, Blackwell, Blust, Cotham, which is currently in House Education, if favorable, Appropriations Subcommittee on Education.]

Senate Bill 14 was recommended by the Legislative Research Commission study committee on Career and Technical Education (CTE) and would direct the State Board of Education to (i) add career and college endorsements to high school diplomas, (ii) coordinate NC Teacher Corp member placement in schools needing CTE teachers, (iii) revise CTE teacher licensure requirements, (iv) collaborate with the State Board of Community Colleges to develop strategies to increase the number of CTE students in engineering and industrial technologies and other high needs employment areas, and (v) report on the progress of these activities to the Joint Legislative Education Oversight Committee by stated dates in 2014.

The Proposed Committee Substitute (PCS) for Senate Bill 14 changes one of the criteria for the high school diploma endorsements from "grades accomplished in each course" to "overall grade point average" and moves the reporting date for the annual report to uncodified language in Section 1, and in Section 3 deletes "including freshman and sophomores" and other language related to these specific grade levels when developing strategies to increase the number of CTE students.

CURRENT LAW/ BILL ANALYSIS:

Section 1. G.S. 115C-12 provides the powers and duties of the State Board of Education. The PCS would amend this section of the statutes by creating an additional duty for the State Board of Education to establish, implement, and determine the impact of adding endorsements to high school diplomas. These endorsements would reflect foci of student coursework to indicate a career, college, or a college and career concentration. The State Board of Education would (i) report to the Joint Legislative Education Oversight Committee on progress toward establishing the endorsements by February 1, 2014, (ii) make the endorsements available beginning with the 2014-2015 school year and, (iii) report to the Joint Legislative Education Oversight Committee on the impact of awarding the endorsements by September 1, 2016 and annually thereafter.

Section 2. The NC Teacher Corp was established in 2012 to recruit and place recent graduates of colleges and universities and mid-career professionals as teachers in high needs public schools. The PCS would amend the Teacher Corp statute by specifying that the State Board of Education should coordinate placement of NC Teacher Corp members in schools with unmet recruitment needs, especially for CTE teachers. The State Board of Education would also be directed to revise education and evaluation requirements for CTE teacher licensure and to develop alternative professional development

models for CTE teachers who may not have extensive teaching or classroom management experience. The State Board of Education would report to the Joint Legislative Education Oversight Committee on progress made to increase accessibility of the licensure process and of professional development for CTE teachers by January 15, 2014.

Section 3. of the PCS would direct the State Board of Education to collaborate with the State Board of Community Colleges to develop strategies to increase the number of high school students engaged in CTE, especially in engineering and industrial technologies, and in other occupations with high numbers of employment opportunities. The State Board of Education and the State Board of Community Colleges would report to the Joint Legislative Education Oversight Committee on these strategies by October 1, 2014.

EFFECTIVE DATE: This act would become effective when it becomes law.

BACKGROUND: The original Senate Bill 14/House Bill 51 is a recommendation of the Legislative Research Commission study committee on Career and Technical Education (CTE). This study committee heard presentations from the NC Department of Public Instruction, the NC Department of Commerce, the State Board of Community Colleges and local schools and school administrative units and their local business partnerships regarding Statewide and local employment and related education needs. The committee's final report may be found on the Legislative Research Commission's webpage containing the 2013 reports on the NC Legislature's website:

http://www.ncleg.net/gascripts/DocumentSites/browseDocSite.asp?nID=147&sFolderName=\2013 Committee Reports to LRC

VISITOR REGISTRATION SHEET

Ed / Higher Ed — 2-6-13

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Ed Dennison	Moore County Schools
Elaine Franklin	NCCAT - Cullowhee
Clare Flemming	NAGTE - CTE
Laura Jones	NCSNA
Tim Mcneill	NCICU
Tracy Presnell	NCRSP
Gene Causby	NCSCA
Katherine Joyce	NCASA
Leanne Winner	NCSBA
Joni Allen	BEGINNINGS
Kay Emanuel	School of Government

VISITOR REGISTRATION SHEET

Ed / Higher Ed — 2-6-13

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Morgan Beam	Office of Gov.
Jeff Moore	Office of Gov.
Dustin Evans	Office of Gov.
Steven Webb	NC HBA
Alex Badger	CSS
JAY PETERS	CSS
Joyce Peters	CSS

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

2-6-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
LAURA DEVIVO	WCSR
Jimmy Broughton	WCSR
Rudd Harris	Hunt Institute
Katherine Balbach	NC Chamber
Townes Maxwell	Public Sector Group
Duke Cheston	Pope Center
W. L. Buzz Clayton	BEAUFORT PATRIOT TEA PARTY
Delwin Blinson	Beaufort TEA Party
Chelsea Metcalf	P.O.L. Group
Ashle Perkinson	Perkinson Law
Ann McLeod	NCAE
JoAnne Honeycutt	DPI
Sarah Wolfe	MWC LLC
Paul O'Connor	UNC
Ken Melton	K. M. A.
Jacob Yaniero	Sen. Brown's Office
J Rouse	NC C.C. OPS

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

2-6-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Tammy Robertson	TWC

09-21-201

Senate Committee on Education/Higher Education
Wednesday, February 20, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Presentations

Presentation by State Superintendent June Atkinson (or her designee) regarding implementation of SL 2011-273, the Founding Principles Act.

Adjournment

Senate Committee on Education/Higher Education
Wednesday, February 20, 2013 at 10:00 AM
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on February 20, 2013 in Room 544 of the Legislative Office Building. 19 members were present.

Senator Jerry W. Tillman, Chair, presided.

Chairman Tillman called the meeting to order at 10:11AM and recognized former Senator Don Vaughan, seated in the audience. He then progressed to identify and announce the Sergeants-at-Arms and the pages. After the introductions, Chairman Tillman called on State Superintendent June Atkinson for her presentation (see attachment).

Following Superintendent Atkinson's presentation, Chairman Tillman questioned whether the yearlong American history course completely met the one-semester requirement for the teaching of the founding principles.

Superintendent Atkinson responded that the intent of the course was to weave the founding principles throughout the first semester of the course, through the period of reconstruction.

Chairman Tillman then questioned whether the testing in these courses incorporated questions related to the founding principles.

Superintendent Atkinson responded that the General Assembly had removed the End of Grade test for American History, but replied that there was a common exam being developed through Race to the Top.

Chairman Tillman then recognized Senator Cook, who asked how teachers should approach the teaching of the founding principles as related to their origin in the founders' Christian beliefs.

Superintendent Atkinson replied that they attempted to honor the separation of church and state while dealing with the role that differing religions played in influencing the ideas of the founders and emphasizing above all that our nation was founded on the separation of church and state.

Senator Rabin was recognized and asked about whether the teaching of the founding principles was tied to the teaching of the history through which those principles were developed.

Chairman Tillman and Superintendent Atkinson both replied that it was.

Senator Woodard was recognized, thanked Superintendent Atkinson and Senator Vaughan and then asked about where North Carolina history fit in the overall curriculum.
Superintendent Atkinson responded that North Carolina history was taught in fourth grade and again in eighth grade.

Chairman Tillman then recognized Dr. Rebecca Garland, Chief Academic Officer to continue the presentation (see attachment).

Senator Barringer was acknowledged and asked how growth would be measured when only two courses are involved.

Dr. Garland responded that SAS was able to forecast student results from the EVAAS system.

Chairman Tillman recognized Senator Barringer again and asked about the access to online materials in rural schools.

Dr. Garland replied that while all North Carolina districts have internet access, there was a mix of traditional and online course material available.

Senator Parmon was recognized and asked how charter schools were affected by this legislation.

Dr. Garland explained that charter schools are often using the department's own standards.

Chairman Tillman recognized Senator Soucek, who questioned the guidance that was being given to teachers who might perceive difficulty in approaching the subject of religious belief related to the founding principles.

Dr. Garland replied that there is no prohibition on teachers and that teaching of major religions is a part of teacher training, but still respecting the separation of church and state.

Senator Cook was recognized and asked if home school parents could access these resources.

Dr. Garland answered that all materials were available online and through the North Carolina Virtual Public Schools.

Chairman Tillman then recognized former Senator Don Vaughan, who thanked the committee and related that several other states were adopting this as model legislation.

Chairman Tillman thanked Senator Vaughan and the committee members and added that changes to the legislation could always be made if the committee members see fit in the future. He then adjourned the meeting.

The meeting adjourned at 10:52.

Senator Jerry W. Tillman, Chair
Presiding

John Clark, Committee Clerk

Implementation of SL 2011-273: The Founding Principles Act

Presented by:
Dr. June Atkinson, State Superintendent
Dr. Rebecca Garland, Chief Academic Officer
February 20, 2013

Implementation of SL 2011-273: The Founding Principles Act

Signed into law on June 23, 2011, the Founding Principles Act requires high school students to pass a course on the philosophical foundations of America in order to graduate

Implementation of SL 2011-273: The Founding Principles Act

Addendum was planned:

- To reflect the name change of the United States History I course to American History I: The Founding Principles
- To identify possible curriculum content that could be taught in this course and others that align to the Founding Principles Act
- To easily highlight that the Standard Course of Study would not need to be changed

Implementation of SL 2011-273: The Founding Principles Act

July – August 2011

NCDPI staff members worked to revise the current teacher resources for the American History I – The Founding Principles Course and the Civics and Economics Course

Implementation of SL 2011-273: The Founding Principles Act

September 2011

State Superintendent's Leadership Council reviewed the State Board of Education Agenda Item – North Carolina Social Studies Essential Standards Alignment to the Founding Principles Act

Implementation of SL 2011-273: The Founding Principles Act

October 2011

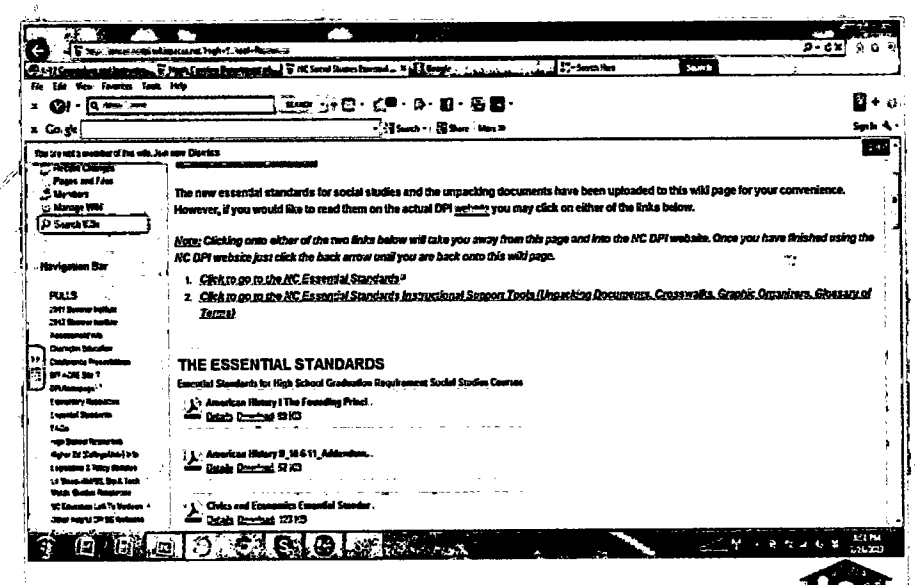
The State Board of Education approved resources for teachers that explicitly show the inclusion of the Founding Principles within the Standard Course of Study

Implementation of SL 2011-273: The Founding Principles Act

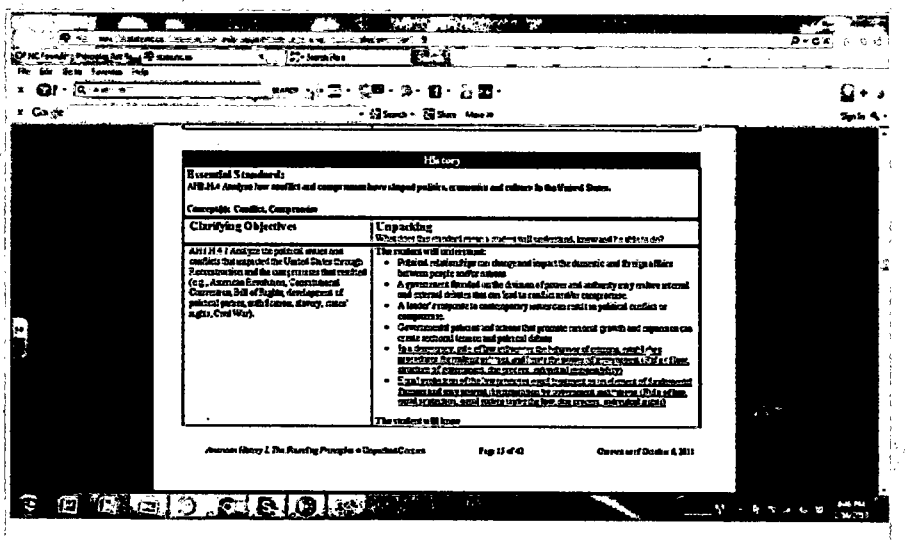
November – December 2011

Resource Sharing at

http://www.ncdpi.wikispaces.net/



PUBLIC SCHOOLS OF NORTH CAROLINA State Board of Education Department of Public Instruction



Resources for Teaching American History I: The Founding Principles

Here is a list of resources that will assist teachers as they teach the American History I: The Founding Principles. This is not an exhaustive list, but represents entities that provide a variety of support materials.

Resource	Description	On-line Link
Bill of Rights Institute (BRI)	The BRI is a 501 (c) (3) not for profit charity that provides free educational resources for educators that support the teaching of America's Founding documents and principles for teachers and students. Teachers may also register to receive weekly lesson plans. Students may access the site to watch videos, play interactive games, and use information on the site to write a paper related to the founding principles. The BRI also has seminars and webinars for educators and school administrators. While these are all free resources, other curricular and supplementary materials are available for purchase.	Home page: http://www.billofrightsinstitute.org/ The Founding Documents of the United States: http://www.billofrightsinstitute.org/page.aspx?pid=500
Center for Civic Education	The Center is a nonprofit, nonpartisan educational corporation that focuses its efforts on promoting "an enlightened and responsible citizenry committed to democratic principles". To this end, it provides free professional development, programs and resources focused on the U.S. Constitution and Bill of Rights; American political traditions and institutions at the federal, state, and local levels; constitutionalism; civic participation; and the rights and responsibilities of citizens. The Center also produces various publications for sale.	Home page: http://www.civiced.org/index.php?page=home Professional Development: http://www.civiced.org/index.php?page=templates_and_stylesheets Resources: http://www.civiced.org/index.php?page=resources Publications: http://www.civiced.org/index.php?page=we_the_people_the_citizen_and_the_constitution Programs:

Implementation of SL 2011-273: The Founding Principles Act

Spring 2012

- Course Code Development
  - Course 4066: American History I HS – The Founding Principles
  - Course 4067: American History II HS

Implementation of SL 2011-273: The Founding Principles Act

Spring 2012 and Now

- Link to Common Core Literacy Standards
- Close Reading of Primary Source Documents: the Declaration of Independence, the United States Constitution, the *Federalist Papers,* and the writings of the Founders

Implementation of SL 2011-273: The Founding Principles Act

June - July 2012

- Training of secondary social studies teachers
- Leadership teams from all school districts and numerous charter schools

Implementation of SL 2011-273: The Founding Principles Act

The law also requires state standardized tests to include questions on the "philosophical foundations of our form of government and the principles underlying the Declaration of Independence, the United States Constitution and its amendments, and the most important of the *Federalist Papers*"

Implementation of SL 2011-273: The Founding Principles Act

Fall 2012

- Development of Common Exams
  - 4066 American History I – The Founding Principles
  - 4067 American History II
  - 4052 Civics and Economics

Partnership with the Bill of Rights Institute

October 2012

- Recruited NC pilot teachers to help frame content and evaluate draft materials for module development
- Started development of content for ten modules to be released in the Fall 2013
- Included in Home Base (Instructional Improvement System) in the Fall 2013

Partnership with the Bill of Rights Institute

November 2012 – Now

Content Gathering for Bill of Rights Modules for Teachers

Creator-endowed inalienable rights of the people; individual rights as set forth in the Bill of Rights; individual responsibility; due process; federalism; private property rights; separation of powers with checks and balances; representative government; rule of law; and equal justice under the law

Partnership with the Bill of Rights Institute

February 2013

Bill of Rights Institute Representation at the NC Social Studies Conference

Bill of Rights Institute Collaboration with NC DPI Communication Division

Partnership with the Bill of Rights Institute

April 2013

Bill of Rights Institute Collaboration with School District Supervisors of Social Studies

June 2013

Final review of Bill of Rights Modules

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

SESSION LAW 2011-273
HOUSE BILL 588

AN ACT TO ENACT THE FOUNDING PRINCIPLES ACT.

Whereas, the survival of the republic requires that our nation's children, the future guardians of its heritage and participants in its governance, have a clear understanding of the Founding Philosophy and the Founding Principles of government for a free people, which are found in the Declaration of Independence, the United States Constitution, the Federalist Papers, and the writings of the Founders, and an understanding of their preservation; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. This act shall be known as "The Founding Principles Act."
SECTION 2. G.S. 115C-81(g) reads as rewritten:

"(g) Civic Literacy. –

(1) Local boards of education shall require during the high school years the teaching of ~~the nation's founding and related documents, which shall include at least the major principles in the Declaration of Independence, the United States Constitution and its amendments, and the most important of the Federalist Papers.~~ a semester course "American History I – The Founding Principles," to include at least the following:

a. The Creator-endowed inalienable rights of the people.
b. Structure of government, separation of powers with checks and balances.
c. Frequent and free elections in a representative government.
d. Rule of law.
e. Equal justice under the law.
f. Private property rights.
g. Federalism.
h. Due process.
i. Individual rights as set forth in the Bill of Rights.
j. Individual responsibility.

A passing grade in the course shall be required for graduation from high school.

~~(2) Local boards of education shall require that high school students demonstrate knowledge and understanding of the nation's founding and related documents in order to receive a certificate or diploma of graduation from high school.~~

~~(3) Local boards of education shall include among the requirements for graduation from high school a passing grade in all courses that include primary instruction in the Declaration of Independence, the United States Constitution and its amendments, and the most important of the Federalist Papers.~~

(3a) Local boards of education shall allow and may encourage any public school teacher or administrator to read or post in a public school building, classroom, or event, excerpts or portions of writings, documents, and records that reflect the history of the United States, including, but not limited to, (i) the preamble to the North Carolina Constitution, (ii) the Declaration of Independence, (iii) the United States Constitution, (iv) the Mayflower Compact, (v) the national motto, (vi) the National Anthem, (vii) the Pledge of Allegiance, (viii) the writings, speeches, documents, and proclamations of

the founding fathers and Presidents of the United States, (ix) decisions of the Supreme Court of the United States, and (x) acts of the Congress of the United States, including the published text of the Congressional Record. Local boards, superintendents, principals, and supervisors shall not allow content-based censorship of American history in the public schools of this State, including religious references in these writings, documents, and records. Local boards and professional school personnel may develop curricula and use materials that are limited to specified topics provided the curricula and materials are aligned with the standard course of study or are grade level appropriate.

(3b) A local school administrative unit may display on real property controlled by that local school administrative unit documents and objects of historical significance that have formed and influenced the United States legal or governmental system and that exemplify the development of the rule of law, such as the Magna Carta, the Mecklenburg Declaration, the Ten Commandments, the Justinian Code, and documents set out in subdivision (3a) of this subsection. This display may include, but shall not be limited to, documents that contain words associated with a religion; provided however, no display shall seek to establish or promote religion or to persuade any person to embrace a particular religion, denomination of a religion, or other philosophy. The display of a document containing words associated with a religion shall be in the same manner and appearance generally as other documents and objects displayed and shall not be presented or displayed in any fashion that results in calling attention to it apart from the other displayed documents and objects. The display also shall be accompanied by a prominent sign quoting the First Amendment of the United States Constitution as follows: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances."

(4) The State Board of Education shall require that any high school level curriculum-based tests developed and administered statewide beginning with the 2014-2015 academic year ~~1990-91~~ include questions related to the philosophical foundations of our form of government and the principles underlying the Declaration of Independence, the United States Constitution and its amendments, and the most important of the Federalist Papers.

(5) The ~~State~~ Department of Public Instruction and the local boards of education, as appropriate, shall ~~establish~~ provide or cause to be provided curriculum content for the semester course required in subdivision (1) of this subsection and ~~provide for~~ teacher training to ensure that the intent and provisions of this subsection are carried out. The curriculum content established shall include a review of the contributions made by Americans of all races.

(6) The Department of Public Instruction shall submit a biennial report by October 15 of each odd-numbered year to the Joint Legislative Education Oversight Committee covering the implementation of this subsection."

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

2-20-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Rhonda Todd	DOA
Kay Emanuel	School of Government
Padraig Gibbons	Jason Deans + Assoc
Edna Wallace	NC New Schools
Susanna Davis	Williams Mullen
Sarah Preston	ACLU-NC
Nathan Batts	NCBA
Margie Freeman	NCAE
Guy Smith	SELF
Buck Hayes	Hunt Institute
Mike Mann	SSL
Danielle Musselwhite	Jason Deans + Assoc
Jason Deans	Jason Deans + Assoc
Jason Fishman	NC Senate
Palmer Suggs	NCAG
Dick Taylor	NCAG

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

2-20-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jacqueline Twigge	ACT
Jacob Yanier	Sen. Brown's office
Martez Hill	SBE
Will Grantham	McGuireWoods
Gene Causby	NCSCA
[signature]	NCSNA
Andy Chase	KMA
Emily Doyle	NCPAPA
Katherine Joyce	NCASA
Mark Lanier	UNCW
John Adams	Washington
Will Wright	UNC-CH
Alexa Schmidt	UNC-Chapel Hill
Elise McDowell	Troutman Sanders
Bill Rowe	NC Justice Center
[signature]	MLC
Tom Vitaglione	Action for Children

09-21-201

Senate Committee on Education/Higher Education
Wednesday, February 27, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HJR 138	Set Comm. College Elect. Date.	Representative Johnson Representative Langdon

Adjournment

Senate Committee on Education/Higher Education
Wednesday, February 27, 2013 at 10:00 AM
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on February 27, 2013 in Room 544 of the Legislative Office Building. 14 members were present.

Senator Dan Soucek, Chair, presided.

Chairman Soucek called the meeting to order at 10:04AM. He thanked and recognized the Sergeants-at-Arms and the pages and then recognized Patsy Pierce of the General Assembly's Research Division to explain House Joint Resolution 138.

Ms. Pierce explained that House Joint Resolution 138 fulfilled a statutory requirement to set out the process whereby the General Assembly would appoint one new member to the State Board of Community Colleges.

With that process explained, Chairman Soucek accepted Senator Brown's motion for a favorable report and called for the vote. The motion passed and Chairman Soucek adjourned the meeting.

The meeting adjourned at 10:07AM.

Senator Dan Soucek, Chair
Presiding

John Clark, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, February 27, 2013

Senator Soucek,
submits the following with recommendations as to passage:

FAVORABLE

HJR **138** Set Comm. College Elect. Date.

Draft Number:	None
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Daniel Soucek will handle HJR 138



H

HOUSE JOINT RESOLUTION 138

Sponsors: Representatives Johnson and Langdon (Primary Sponsors).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to:

February 21, 2013

A JOINT RESOLUTION SETTING THE DATE FOR THE HOUSE OF REPRESENTATIVES AND THE SENATE TO ELECT MEMBERS TO THE STATE BOARD OF COMMUNITY COLLEGES.

Be it resolved by the House of Representatives, the Senate concurring:

SECTION 1. Pursuant to G.S. 115D-2.1(b)(4)f., the House of Representatives and the Senate shall elect members to the State Board of Community Colleges during the regular sessions of the two chambers to be held on Thursday, March 28, 2013. At that time, the House of Representatives shall elect one member to the State Board for a term of six years beginning July 1, 2013. The Senate also shall elect one member to the State Board for a term of six years beginning July 1, 2013.

SECTION 2. Each chamber shall follow the procedure set out in G.S. 115D-2.1 for the nomination and election of members to the State Board.

SECTION 3. This resolution is effective upon ratification.

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

2-27-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Anna-Marshall Wilson	Capstrat
Jacob Yaniero	Sen. Brown's Office
THAD Mycoe	FARM BUREAU
Judy Bare	NCFB-Asheville
Sarah Wolfe	MWC LLC
W. Harvey Roberts	Cumberland Farm Bureau
Molly West	" " "
Jason Fisher	NC Josh Stein

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

2-27-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Alex Badger	CSS
Lindsay Wagner	NC Policy Watch
Daniell Musselwhite	Jason Deans & Assoc.
Will Lindsey	UNC-CH
Will Stolpfus	UNC-CH
Michael Weiher	UNC CH
Peter Voogd	UNC-CH
M Hill	SBE
April Long	UNC-CH
Cheyenne English	UNC-CH
Rosie Stanga	UNC CH

Senate Committee on Education/Higher Education
Wednesday, March 6, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 23	Digital Learning Competencies/School Emp'ees.	Representative Horn Representative Johnson Representative Saine Representative Tolson
HB 44	Transition to Digital Learning in Schools.	Representative Horn Representative Johnson Representative Saine Representative Tolson

Presentations

Other Business

Adjournment

Senate Committee on Education/Higher Education
Wednesday, March 6, 2013
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on March 6, 2013 in Room 544 of the Legislative Office Building. 21 members were present.

Senator Jerry W. Tillman, Chair, presided.

Chairman Tillman called the meeting to order and recognized the Sergeants-at-Arms and the pages. Chairman Tillman recognized Senator Soucek to explain H 23.

After explaining the bill, Senator Soucek offered an amendment. Chairman Tillman recognized Senator Soucek to explain the amendment.

Chairman Tillman recognized Senator Robinson, who questioned whose responsibility it is to determine how to review licensure renewals. Chairman Tillman responded the State Board of Education. Patsy Pierce, of the General Assembly's Research Division, confirmed.

Senator Newton moved that the Proposed Committee Substitute be considered. The motion passed.

Chairman Tillman recognized Senator Soucek to explain H44.

Senator Stein was recognized and questioned the wording found in Section I, lines 32, 33. Drupti Chauhan, of the General Assembly's Research Division, explained that the intent of the wording is to broaden the category.

Chairman Tillman recognized Senator Tarte, who questioned how low income communities would get digital resources. Senator Tillman explained that a school flexibility bill would be forthcoming and would allow schools flexibility in determining how money is used.

A motion for a favorable report was made by Senator Newton. The motion passed.

Senator Soucek closed his remarks by acknowledging Senator Hise and Senator Rucho for their co-sponsorship of the companion senate bills. He also thanked the Digital Learning Commission members for their work in moving forward with digital learning.

The meeting adjourned.

Senator Jerry W. Tillman, Chair
Presiding

Suzanne Castleberry, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, March 06, 2013

Senator Soucek,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO COMMITTEE SUBSTITUTE BILL NO. 1, BUT FAVORABLE AS TO SENATE COMMITTEE SUBSTITUTE BILL

HB **23** **(CS#1)** Digital Learning Competencies/School Empees.

Draft Number:	H23-PCS10088-TL-6
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Daniel Soucek will handle HB 23



NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, March 06, 2013

Senator Soucek,
submits the following with recommendations as to passage:

FAVORABLE

HB 44 Transition to Digital Learning in Schools.

Draft Number:	None
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Daniel Soucek will handle HB 44



HOUSE BILL 23*
Committee Substitute Favorable 2/13/13

Short Title: Digital Learning Competencies/School Emp'ees. (Public)

Sponsors:

Referred to:

January 31, 2013

A BILL TO BE ENTITLED

AN ACT DIRECTING THE STATE BOARD OF EDUCATION TO DEVELOP AND IMPLEMENT DIGITAL TEACHING AND LEARNING STANDARDS FOR TEACHERS AND SCHOOL ADMINISTRATORS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-296 reads as rewritten:

"§ 115C-296. Board sets licensure requirements; reports; lateral entry and mentor programs.

...

(b) It is the policy of the State of North Carolina to maintain the highest quality teacher education programs and school administrator programs in order to enhance the competence of professional personnel licensed in North Carolina. To the end that teacher preparation programs are upgraded to reflect a more rigorous course of study, the State Board of Education, as lead agency in coordination and cooperation with the University Board of Governors, the Board of Community Colleges and such other public and private agencies as are necessary, shall continue to refine the several licensure requirements, standards for approval of institutions of teacher education, standards for institution-based innovative and experimental programs, standards for implementing consortium-based teacher education, and standards for improved efficiencies in the administration of the approved programs.

(1) Licensure standards. –

a. The licensure program shall provide for initial licensure after completion of preservice training, continuing licensure after three years of teaching experience, and license renewal every five years thereafter, until the retirement of the teacher. The last license renewal received prior to retirement shall remain in effect for five years after retirement. The licensure program shall also provide for lifetime licensure after 50 years of teaching.

b. The State Board of Education, in consultation with the Board of Governors of The University of North Carolina, shall evaluate and develop enhanced requirements for continuing licensure. The new requirements shall reflect more rigorous standards for continuing licensure and shall be aligned with high quality professional development programs that reflect State priorities for improving student achievement.

c. The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North

Carolina, shall (i) reevaluate and enhance the requirements for renewal of teacher licenses, (ii) include at least two continuing education credits in high-quality, integrated digital teaching and learning as a requirement of licensure renewal, and (iii) consider modifications in the license renewal achievement and to make it a mechanism for teachers to renew continually their knowledge and professional skills.

(2) Teacher education programs. –

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

b. The State Board of Education, in consultation with the Board of Governors of The University of North Carolina, shall require that all students preparing to teach demonstrate competencies in using digital and other instructional technologies to provide high-quality, integrated digital teaching and learning to all students.

c. To further ensure that teacher preparation programs remain current and reflect a rigorous course of study that is aligned to State and national standards, the State Board of Education, in consultation with the Board of Governors of The University of North Carolina, shall do all of the following to ensure that students ~~preparing~~are prepared to teach in elementary ~~schools~~ schools:

1. ~~(i) have~~Provide students with adequate coursework in the teaching of reading and ~~mathematics;~~mathematics.
2. ~~(ii) are assessed~~Assess students prior to ~~certification~~ licensure to determine that they possess the requisite knowledge in scientifically based reading and mathematics instruction that is aligned with the State Board's ~~expectations;~~expectations.
3. ~~(iii) continue to receive~~Continue to provide students with preparation in applying formative and summative assessments within the school and classroom setting through technology-based assessment systems available in North Carolina schools that measure and predict expected student ~~improvement; and~~improvement.
4. ~~(iv) are prepared~~Prepare students to integrate arts education across the curriculum.

d. The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall evaluate and modify, as necessary, the academic requirements of teacher preparation programs for students preparing to teach science in middle and high schools to ensure that there is adequate preparation in issues related to science laboratory safety.

~~The State Board of Education, in consultation with the Board of Governors of The University of North Carolina, shall evaluate and develop enhanced requirements for continuing licensure. The new requirements shall reflect more rigorous standards for continuing licensure and to the extent possible shall be aligned with quality professional development programs that reflect State priorities for improving student achievement.~~

~~The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall reevaluate and enhance the~~

~~requirements for renewal of teacher licenses. The State Board shall consider modifications in the license renewal achievement and to make it a mechanism for teachers to renew continually their knowledge and professional skills. The State Board shall adopt new standards for the renewal of teacher licenses by May 15, 1998.~~

e. The standards for approval of institutions of teacher education shall require that teacher education programs for all students include demonstrated competencies in (i) the identification and education of children with disabilities and (ii) positive management of student behavior and effective communication techniques for defusing and deescalating disruptive or dangerous behavior.

f. The State Board of Education shall incorporate the criteria developed in accordance with G.S. 116-74.21 for assessing proposals under the School Administrator Training Program into its school administrator program approval standards.

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

...

(c1) The State Board of Community Colleges may provide a program of study for lateral entry teachers to complete the coursework necessary to earn a teaching license. To this end, the State Board of Education, in consultation with the State Board of Community Colleges, shall establish a competency-based program of study for lateral entry teachers to be implemented within the Community College System no later than May 1, 2006. This program must meet standards set by the State Board of Education. To ensure that programs of study for lateral entry remain current and reflect a rigorous course of study that is aligned to State and national standards, the State Board of Education shall do all of the following to ensure that lateral entry personnel are prepared to teach:

~~(i)~~(1) Provide adequate coursework in the teaching of reading and mathematics is available for lateral entry teachers seeking certification in elementary ~~education;~~ education.

~~(ii)~~(2) Assess lateral entry teachers ~~are assessed~~ prior to certification to determine that they possess the requisite knowledge in scientifically based reading and mathematics instruction that is aligned with the State Board's ~~expectations;~~ expectations.

~~(iii)~~(3) Prepare all lateral entry teachers ~~continue to receive preparation in applying~~to apply formative and summative assessments within the school and classroom setting through technology-based assessment systems available in North Carolina schools that measure and predict expected student ~~improvement;and~~improvement.

~~(iv)~~(4) ~~are prepared~~ Prepare all lateral entry teachers to integrate arts education across the curriculum.

(5) Require that lateral entry teachers demonstrate competencies in using digital and other instructional technologies to provide high-quality, integrated digital teaching and learning to all students.

...."

SECTION 2. G.S. 115C-284 is amended by adding a new subsection to read:

"(c3) The State Board of Education shall require that all students in school administrator preparation programs demonstrate competencies in (i) using digital and other instructional technologies and (ii) supporting teachers and other school personnel to use digital and other instructional technologies to ensure provision of high-quality, integrated digital teaching and learning to all students. The State Board of Education shall include continuing education in high-quality, integrated digital teaching and learning as a requirement of licensure renewal."

SECTION 3. The State Board of Education shall develop digital teaching and learning competencies to provide a framework for schools of education, school administrators, and classroom teachers on the needed skills to provide high-quality, integrated digital teaching and learning.

SECTION 4. Sections 1 and 2 of this act become effective July 1, 2017, and apply beginning with the 2017-2018 school year. Section 3 is effective when this act becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 23*

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

H23-ATL-1 [v.3]

Comm. Sub. [NO]
Amends Title [NO]
Second Edition

Date _____,2013

Senator Soucek

moves to amend the bill on page 2, lines 2-4, by rewriting the lines to read:
"renewal of teacher licenses, (ii) integrate digital teaching and learning into the requirements for licensure renewal, and (iii) consider".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

HOUSE BILL 23:
Digital Learning Competencies/School Emp'ees

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	March 6, 2013
Introduced by:	Reps. Horn, Johnson, Saine, Tolson	**Prepared by:**	Patsy Pierce Legislative Analyst
Analysis of:	Second Edition		

SUMMARY: ***The Second Edition of House Bill 23 would require the State Board of Education to develop digital competency standards, and by the 2017-2018 school year include these competencies and related professional development as an integral component of initial licensure and licensure renewal requirements for teachers and school administrators. At least two licensure renewal credits related to integrated digital learning would be required for teacher licensure renewal.***

CURRENT LAW: G.S. 115C-296 directs the State Board of Education, in consultation with other public and private agencies, to continually refine teacher licensure and licensure renewal standards, including those standards for lateral entry teachers. G.S. 115C-284 sets the procedures for selection, initial, and renewal licensure for school principals and supervisors.

BILL ANALYSIS: In **Sections 1 and 2** of the Second Edition of House Bill 23, the State Board of Education would be directed to require (i) at least two continuing education credits in high-quality, integrated digital teaching and learning for teacher licensure renewal, (ii) all students preparing to teach, lateral entry teachers, and school administrators to demonstrate competencies in using digital and other instructional technologies to provide high-quality, integrated digital teaching and learning to all students, (iii) students in school administrator programs to demonstrate competencies in supporting teachers and other school personnel to use digital and other instructional technologies, and (iv) continuing education in digital teaching and learning technologies for school administrators.

Section 3 of the Second Edition of House Bill 23 would direct the State Board of Education to develop digital teaching and learning competencies to provide a framework for schools of education, school administrators, and classroom teachers on the needed skills to provide high-quality, integrated digital teaching and learning.

EFFECTIVE DATE: Sections 1 and 2 of the Second Edition of House Bill 23 would go into effect July 1, 2017 and would apply beginning with the 2017-2018 school year. Section 3 of the Second Edition of House Bill 23 would become effective when this act becomes law.

BACKGROUND: The original edition of House Bill 23/Senate Bill 118 is a recommendation of the Legislative Research Commission study committee on Digital Learning Environments in Public Schools. The final report of this study committee may be found on the General Assembly's website at:

http://www.ncleg.net/gascripts/DocumentSites/browseDocSite.asp?nID=147&sFolderName=\2013 Committee Reports to LRC.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

HOUSE BILL 44*

Short Title:	Transition to Digital Learning in Schools.	(Public)
Sponsors:	Representatives Horn, Johnson, Saine, and Tolson (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Education.	

February 4, 2013

A BILL TO BE ENTITLED

AN ACT STATING THE INTENT OF THE GENERAL ASSEMBLY TO TRANSITION FROM FUNDING TEXTBOOKS TO FUNDING DIGITAL LEARNING IN THE PUBLIC SCHOOLS, AS RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION STUDY COMMITTEE ON DIGITAL LEARNING ENVIRONMENTS IN PUBLIC SCHOOLS.

Whereas, local school administrative units (LEAs) have used a number of approaches to provide or access digital learning devices; and

Whereas, these approaches include the diversion and restructuring of current funding, use of private grants, parental contributions, local funding, and "bring-your-own-device" policies; and

Whereas, educational materials in the form of digital textbooks and instructional resources have also become increasingly available and can benefit North Carolina students in elementary, middle, and high school grades by providing high-quality, up-to-date information that can be customized for individual students throughout their educational experience; and

Whereas, LEAs may currently use textbook funding for digital instructional materials and digital textbooks; and

Whereas, digital textbooks and instructional resources have proven to be tools that, when used effectively, can raise the level of academic performance of the State's students; and

Whereas, the use of online and blended courses can provide greater access to courses for students in subject areas that might otherwise be unavailable in many regions of the State; and

Whereas, online courses and blended instruction may also provide students with opportunities for credit recovery, earning college credit, and coursework in career and technical education; and

Whereas, LEAs should explore the competitive environment for innovative practices, including virtual learning, that blend technology, digital devices, online learning, and traditional resources in classroom instruction; and

Whereas, LEAs should implement available and appropriate high-quality virtual, digital, and instructional resources that align with the curriculum; Now therefore,

The General Assembly of North Carolina enacts:

SECTION 1. It is the intent of the General Assembly to transition from funding for textbooks, both traditional and digital, to funding for digital materials, including textbooks and

instructional resources, to provide educational resources that remain current, aligned with curriculum, and effective for all learners by 2017.

SECTION 2. This act is effective when it becomes law.

HOUSE BILL 44:
Transition to Digital Learning in Schools

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	March 6, 2013
Introduced by:	Reps. Horn, Johnson, Saine, Tolson	**Prepared by:**	Drupti Chauhan*
Analysis of:	First Edition		Committee Counsel

SUMMARY: ***House Bill 44 states the intent of the current General Assembly to transition from funding textbooks, both traditional and digital, to funding digital materials, including digital textbooks and instructional resources, in the public schools by 2017.***

BACKGROUND: House Bill 44 is a recommendation of the 2012 Legislative Research Commission Study Committee on Digital Learning Environments in Public Schools. This Study Committee heard from numerous schools and local school administrative units throughout the State on their current approaches to provide and access digital learning devices, and made several recommendations, including House Bill 44, to increase the role of digital learning in public schools. The Committee's final report may be found on its webpage:

http://www.ncleg.net/documentsites/committees/DLEPS-LRC2011/LRC%20Digital%20Learning%20FINAL%20Report%2012-13-12.pdf

CURRENT LAW: Under current law, the State is required to provide free basic textbooks within the appropriation of the General Assembly to children in the public schools. Local school administrative units (LEAs) have the flexibility to use textbook funding for digital instructional materials and digital textbooks.

BILL ANALYSIS: House Bill 44 states the intent of the current General Assembly to transition from funding for textbooks, both traditional and digital, to funding for digital materials, including textbooks and instructional resources, to provide educational resources that remain current, aligned with curriculum, and effective for all learners by 2017.

EFFECTIVE DATE: This act is effective when it becomes law.

**Denise Adams, Committee Analyst, significantly contributed to this summary.*

O. Walker Reagan
Director

Research Division
(919) 733-2578

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

3-6-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Ed Dennison	Moore County Schs BOE
Jim Stegall	NCPCSA
Katherine Joyce	NCASA
DAVID RICE	MFS
Will Grantham	MWC
Becki Gray	JdF
Kevin Rogers	Adcon NC
	DMAC
Chris Hill	NC Justice Center
Steve Badger	CSS

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

3-6-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Elizabeth Bisel	Brooks Pierce
Cedric Johnson	BTC
Julia Adams	The Arc of NC
Amber Huntsinger	
Kay Emanuel	School of Government
Katherine Ross	PPAB
Alison Cleveland	UNC-CH
Angela H. Quick	NCDPI
Ken Melton	K.M.A.
Rodney Gibbons	JDA
Rachel Bealieu	NCDPI
Geraldine Alshamy	Project Rescue of WSNC
Hardin Watkins	Town Manager Town of Garner

09-21-201

Senate Committee on Education/Higher Education
Wednesday, March 13, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 119	Lottery Funds Used for Digital Learning.	Senator Soucek Senator Hise Senator Rucho Senator Tucker
SB 168	Clarify Education Reporting Requirements.	

Adjournment

Senate Committee on Education/Higher Education
Wednesday, March 13, 2013 at 10:00 AM
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on March 13, 2013 in Room 544 of the Legislative Office Building. Eighteen members were present.

Senator Dan Soucek, Chair, presided.

Chairman Soucek called the meeting to order and recognized the Sergeants-at-Arms and the pages. He then recognized Senator Pate who moved adoption of the Proposed Committee Substitute to S168 for discussion.

With the PCS before the Committee, Chairman Soucek recognized Senator Tommy Tucker, the bill's sponsor to explain.

Following Senator Tucker's explanation, Senator Robinson was recognized and asked Senator Tucker whether the reports on Personal Education Plans would still be compiled by the Department of Public Instruction. Senator Tucker responded that the information would still be gathered by DPI, simply not automatically reported to the General Assembly.

Chairman Soucek then recognized Senator Pate, who questioned whether changes were being made to the teacher licensing procedures. Patsy Pierce, of the General Assembly's Research staff responded that the bill only cleans up the language.

Asking for public comment, Chairman Soucek recognized Chris Hill, the Director of the Education Law Project for the North Carolina Justice Center, who commented that he agrees with the continued collection of Personal Education Plan information.

Senator Pate then moved for a favorable report to the Proposed Committee Substitute and an unfavorable report to the original bill. The motion passed.

Chairman Soucek then relinquished the chair to Senator Tillman.

Chairman Tillman then recognized Senator Robinson, who moved for adoption of a proposed committee substitute to S119. He then recognized Senator Soucek, who explained the bill.

Senator Brown was then recognized and expressed his concern about taking away capital funds from schools.

Senator Soucek responded that the intent of the bill is to create more and better options for the same money and added that not all school districts have pressing capital needs.

Chairman Tillman then recognized Senator Newton, who questioned the process for determining how and when these funds would be spent differently.

Denise Huntley Adams of the General Assembly's Research Division replied that the process would require the school board to petition the county commissioners.

Senator Allran was then recognized and expressed his doubt about the efficacy of digital learning. He suggested that accountability and cost savings should be a central part of any digital learning plan.

Senator Soucek then pointed out that training is important to make sure that digital technology is used in the best and most effective ways and added that the bill requires that spending on digital technology include spending on training as well.

Chairman Tillman then recognized Senator Bryant, who expressed her shared concern with Senators Brown and Newton and suggested that this is the wrong mechanism to fund digital learning.

Senator Robinson was then recognized and added her opposition to the bill suggesting that she felt that digital learning, if funded at all, should be funded through another means.

Chairman Tillman then recognized Senator Wade, who questioned the funding formulas relative to the training portion of the funding. She expressed concern over the lack of specificity with regard to a percentage requirement for professional development spending.

Senator Soucek responded that the bill's aim is to allow local elected leaders to make the decisions they believe are best for their counties.

Chairman Tillman called on Senator Newton who added his doubts about the wording of the language related to the funding formula and expressed concern about fracturing the relationships between school boards and county commissions.

Senator Barringer was then recognized and she commented further on the funding formulas and reiterated that the language requires that at least some funding must be spent on technology before funds could be spent on professional development.

Chairman Tillman then called for a stop to the comments and suggested that the bill is not ready for a vote due to significant opposition among members and a need for reworking the bill. He added his concerns about the ability for abuse of the funding. He requested that Senator Soucek meet with Senators Barringer, Newton and Robinson to try to resolve some of these issues.

The meeting adjourned at 10:40AM.

Senator Dan Soucek, Chair
Presiding

John Clark, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Thursday, March 14, 2013

Senator Soucek,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL

SB **168** Clarify Education Reporting Requirements.

Draft Number:	S168-PCS85086-RQ-1
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Tommy Tucker will handle SB 168



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 119*
PROPOSED COMMITTEE SUBSTITUTE S119-CSTB-4 [v.6]
3/12/2013 8:01:26 PM

Short Title: Lottery Funds Used for Digital Learning. (Public)

Sponsors:

Referred to:

February 21, 2013

A BILL TO BE ENTITLED

AN ACT AUTHORIZING THAT ALL MONIES TRANSFERRED INTO THE PUBLIC SCHOOL BUILDING CAPITAL FUND ARE PERMITTED TO BE USED FOR DIGITAL LEARNING NEEDS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-546.1(a) reads as rewritten:

"(a) There is created the Public School Building Capital Fund. The Fund shall be used to assist county governments in meeting their public school building capital needs and their ~~equipment needs under their local school technology plans.~~digital learning needs."

SECTION 2. 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 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;~~ digital learning needs; or for both. Monies used ~~to implement a local school technology plan~~ for digital learning needs shall be transferred to the State School Technology Fund and allocated by that Fund to the local school administrative ~~unit for equipment.~~unit.

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,~~ digital learning needs, 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~~ digital learning 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~~ digital learning needs and not restricted for use in meeting public school building needs or ~~school technology~~ digital learning 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~~ digital learning needs and may allocate the funds it receives under this Article for purposes other than school building needs or ~~school technology~~digital learning 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) Monies transferred into the Fund in accordance with Chapter 18C of the General Statutes 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.~~A county may use monies in this Fund to pay for digital learning needs in local school administrative units. Monies used for digital learning needs shall be transferred to the State School Technology Fund and allocated by that fund to the local school administrative unit.

(e) For July 1, 2013, through June 30, 2016, a county may use monies in this Fund for digital learning needs in local school administrative units. A county that uses these funds for digital learning needs shall also use a portion of the funds to ensure high-quality, ongoing digital learning professional development for teachers.

Effective July 1, 2016, a county may use monies in this Fund for digital learning needs only if the State Board of Education determines that the local school administrative unit has demonstrated consistent improvement and growth in student outcomes.

(f) As used in this section, "digital learning needs" includes school connectivity, digital textbooks and instructional resources, and digital devices in local school administrative units."

SECTION 3. This act is effective when it becomes law.

SENATE BILL 119:
Lottery Funds Used for Digital Learning

2013-2014 General Assembly

Committee:	Senate Ref to Education/Higher Education. If fav, re-ref to Appropriations/Base Budget	**Date:**	March 13, 2013
Introduced by:	Sens. Soucek, Hise, Rucho	**Prepared by:**	Denise Adams Legislative Analyst
Analysis of:	PCS to First Edition S119-CSTB-4		

SUMMARY: ***Senate Bill 119 would expand the authorized uses of lottery proceeds in the Public School Building Capital Fund to include paying for digital learning needs in public schools, as recommended by the Legislative Research Commission's Committee on Digital Learning Environments in the Public Schools.***

The Proposed Committee Substitute to Senate Bill 119 would authorize all monies in the Public School Building Capital Fund are permitted to be used for digital learning needs under certain conditions, defines digital learning needs, corrects the referenced fiscal years in Section 2 to reflect the upcoming 3 fiscal years, and makes other conforming changes.

CURRENT LAW: Under current law, the Public School Building Capital Fund consists of two revenue sources: the corporate income tax and lottery proceeds.

In August 2005, the North Carolina Education Lottery was established by S.L. 2005-344 and S.L. 2005-276. Under current law, the Lottery Commission must distribute 100 percent (100%) of the net proceeds of the North Carolina Education Lottery for specific educational purposes, including forty percent (40%) of the proceeds to the Public School Building Capital Fund.

Of the lottery proceeds transferred into the Fund, counties may use monies in this Fund to pay for, or retire indebtedness incurred from, school construction projects in local school administrative units. Lottery proceeds transferred into the Fund are currently prohibited from being used for school technology needs. Corporate income tax monies transferred into the Fund may be used for school technology needs.

BILL ANALYSIS: The PCS for SB 119 would authorize counties from July 1, 2013 through June 30, 2016, to use all monies in this Fund to pay for digital learning needs in local school administrative units. A county that uses funds for such purposes would also be required to use a portion of these funds to ensure high-quality, ongoing digital learning professional development for teachers. Effective July 1, 2016, a county would be able to use monies in this Fund for digital learning needs only if the State Board of Education determines that the local school administrative unit had demonstrated consistent improvement and growth in student outcomes.

The PCS also defines "digital learning needs" to include school connectivity, digital textbooks and instructional resources, and digital devices in local school administrative units and uses this definition consistently throughout the statutes governing the Public School Capital Building Fund.

EFFECTIVE DATE: This act is effective when it becomes law.

BACKGROUND: The 2012 Legislative Research Commission Study Committee on Digital Learning Environments in Public Schools heard from numerous schools and local school administrative units throughout the State on their current approaches to provide and access digital learning devices, and made several recommendations to increase the role of digital learning in public schools, including expanding the authorized uses of the lottery funds for digital learning. The Committee's final report may be found on its webpage:

http://www.ncleg.net/documentsites/committees/DLEPS-LRC2011/LRC%20Digital%20Learning%20FINAL%20Report%2012-13-12.pdf

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 168
PROPOSED COMMITTEE SUBSTITUTE S168-CSRQ-1 [v.4]

3/12/2013 3:03:03 PM

Short Title: Clarify Education Reporting Requirements. (Public)

Sponsors:

Referred to:

March 5, 2013

A BILL TO BE ENTITLED

AN ACT TO ELIMINATE UNNECESSARY REPORTS AND CLARIFY CURRENT EDUCATION PROGRAM REQUIREMENTS.

The General Assembly of North Carolina enacts:

PART I. REPEAL DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING INITIATIVES REPORT

SECTION 1.(a) Section 7.8(b) of S.L. 2005-276 reads as rewritten:

"**SECTION 7.8.(b)** Funds are appropriated in this act to evaluate the Disadvantaged Student Supplemental Funding Initiatives and Low-Wealth Initiatives. The State Board of Education shall use these funds to:

(1) Evaluate the strategies implemented by local school administrative units with Disadvantaged Student Supplemental Funds and Low-Wealth Funds and assess their impact on student performance; and

(2) Evaluate the efficiency and effectiveness of the technical assistance and support provided to local school administrative units by the Department of Public Instruction.

~~The State Board of Education shall report the results of the evaluation to the Office of State Budget and Management, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by February 15, 2006, and by January 15 of each subsequent year.~~"

SECTION 1.(b) Section 7.8(b) of S.L. 2007-323 reads as rewritten:

"**SECTION 7.8.(b)** Funds are appropriated in this act to evaluate the Disadvantaged Student Supplemental Funding Initiatives and Low Wealth Initiatives. The State Board of Education shall use these funds to:

(1) Evaluate the strategies implemented by local school administrative units with Disadvantaged Student Supplemental Funds and Low Wealth Funds and assess their impact on student performance; and

(2) Evaluate the efficiency and effectiveness of the technical assistance and support provided to local school administrative units by the Department of Public Instruction.

~~The State Board of Education shall report the results of the evaluation to the Office of State Budget and Management, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by January 15 of each year.~~"

PART II. ELIMINATE STATE BOARD REPORT ON PERSONAL EDUCATION PLANS

SECTION 2. G.S. 115C-105.41(a) reads as rewritten:

"(a) In order to implement Part 1A of Article 8 of this Chapter, local school administrative units shall identify students who are at risk for academic failure and who are not successfully progressing toward grade promotion and graduation, beginning in kindergarten. Identification shall occur as early as can reasonably be done and can be based on grades, observations, diagnostic and formative assessments, State assessments, and other factors, including reading on grade level, that impact student performance that teachers and administrators consider appropriate, without having to await the results of end-of-grade or end-of-course tests. No later than the end of the first quarter, or after a teacher has had up to nine weeks of instructional time with a student, a personal education plan for academic improvement with focused intervention and performance benchmarks shall be developed or updated for any student at risk of academic failure who is not performing at least at grade level, as identified by the State end-of-grade test and other factors noted above. Focused instructional supports and services, reading interventions, and accelerated activities should include evidence-based practices that meet the needs of students and may include coaching, mentoring, tutoring, summer school, Saturday school, and extended days. Local school administrative units shall provide these activities free of charge to students. Local school administrative units shall also provide transportation free of charge to all students for whom transportation is necessary for participation in these activities.

Local school administrative units shall give notice of the personal education plan and a copy of the personal education plan to the student's parent or guardian. Parents should be included in the implementation and ongoing review of personal education plans. If a student's school report card provides all the information required in a personal education plan, then no further personal education plan is mandated for the student.

Local school administrative units shall certify that they have complied with this section annually to the State Board of Education. ~~The State Board of Education shall periodically review data on the progress of identified students and report to the Joint Legislative Education Oversight Committee.~~

No cause of action for monetary damages shall arise from the failure to provide or implement a personal education plan under this section."

PART III. REPEAL REPORT ON TEACHER MENTORING

SECTION 3. Section 7.8 of S.L. 2008-107, as amended by Section 1(b) of S.L. 2009-305, reads as rewritten:

"**SECTION 7.8.** The State Board of Education shall allot funds for mentoring services to local school administrative units based on the highest number of employees in the preceding three school years who (i) are paid with State, federal, or local funds and (ii) are either teachers paid on the first or second steps of the teacher salary schedule or instructional support personnel paid on the first step of the instructional support personnel salary schedule.

Local school administrative units shall use these funds to provide mentoring support to eligible employees in accordance with a plan approved by the State Board of Education. The plan shall include information on how all mentors in the local school administrative unit will be adequately trained to provide mentoring support. ~~The State Board of Education shall report to the Joint Legislative Education Oversight Committee prior to January 15 of each year on the use of funds for mentoring services. The report shall include, at a minimum, the impact of each unit's mentoring program on teacher retention and how all mentors in the unit are trained.~~"

PART IV. BOARD OF GOVERNORS' PROFESSIONAL DEVELOPMENT PROGRAMS FOR PUBLIC SCHOOL EMPLOYEES

SECTION 4. G.S. 116-11 reads as rewritten:

"**§ 116-11. Powers and duties generally.**

...

~~(12a) The Board of Governors of The University of North Carolina shall implement, administer, and revise programs for meaningful professional development for professional public school employees based upon the evaluations and recommendations made by the State Board of Education under G.S. 115C-12(26). The programs shall be aligned with State education goals and directed toward improving student academic achievement.~~

...."

PART V. CLARIFY TEACHER LICENSE AND EDUCATOR PREPARATION PROGRAM REQUIREMENTS

SECTION 5. G.S. 115C-296 reads as rewritten:

"§ 115C-296. Board sets licensure requirements; reports; lateral entry and mentor programs.

...

(b) It is the policy of the State of North Carolina to maintain the highest quality teacher education programs and school administrator programs in order to enhance the competence of professional personnel licensed in North Carolina. To the end that teacher preparation programs are upgraded to reflect a more rigorous course of study, the State Board of Education, as lead agency in coordination and cooperation with the University Board of Governors, the Board of Community Colleges and such other public and private agencies as are necessary, shall continue to refine the several licensure requirements, standards for approval of institutions of teacher education, standards for institution-based innovative and experimental programs, standards for implementing consortium-based teacher education, and standards for improved efficiencies in the administration of the approved programs.

(1) Licensure standards. –

a. The licensure program shall provide for initial licensure after completion of preservice training, continuing licensure after three years of teaching experience, and license renewal every five years thereafter, until the retirement of the teacher. The last license renewal received prior to retirement shall remain in effect for five years after retirement. The licensure program shall also provide for lifetime licensure after 50 years of teaching.

b. The State Board of Education, in consultation with the Board of Governors of The University of North Carolina, shall evaluate and develop enhanced requirements for continuing licensure. The new requirements shall reflect more rigorous standards for continuing licensure and shall be aligned with quality professional development programs that reflect State priorities for improving student achievement.

c. The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall reevaluate and enhance the requirements for renewal of teacher licenses. The State Board shall consider modifications in the license renewal achievement and to make it a mechanism for teachers to renew continually their knowledge and professional skills.

(2) Teacher education programs. –

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

b. To further ensure that teacher preparation programs remain current and reflect a rigorous course of study that is aligned to State and national standards, the State Board of Education, in consultation with the Board of Governors of The University of North Carolina, shall do all of the following to ensure that students ~~preparing~~are prepared to teach in elementary ~~school~~sschools:

1. ~~(i) have~~Provide students with adequate coursework in the teaching of reading and ~~mathematics;~~mathematics.
2. ~~(ii) are assessed~~Assess students prior to ~~certification~~ licensure to determine that they possess the requisite knowledge in scientifically based reading and mathematics instruction that is aligned with the State Board's ~~expectations;~~expectations.
3. ~~(iii) continue to receive~~Continue to provide students with preparation in applying formative and summative assessments within the school and classroom setting through technology-based assessment systems available in North Carolina schools that measure and predict expected student ~~improvement; and~~improvement.
4. ~~(iv) are prepared~~Prepare students to integrate arts education across the curriculum.

c. The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall evaluate and modify, as necessary, the academic requirements of teacher preparation programs for students preparing to teach science in middle and high schools to ensure that there is adequate preparation in issues related to science laboratory safety.

~~The State Board of Education, in consultation with the Board of Governors of The University of North Carolina, shall evaluate and develop enhanced requirements for continuing licensure. The new requirements shall reflect more rigorous standards for continuing licensure and to the extent possible shall be aligned with quality professional development programs that reflect State priorities for improving student achievement.~~

~~The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall reevaluate and enhance the requirements for renewal of teacher licenses. The State Board shall consider modifications in the license renewal achievement and to make it a mechanism for teachers to renew continually their knowledge and professional skills. The State Board shall adopt new standards for the renewal of teacher licenses by May 15, 1998.~~

d. The standards for approval of institutions of teacher education shall require that teacher education programs for all students include demonstrated competencies in (i) the identification and education of children with disabilities and (ii) positive management of student behavior and effective communication techniques for defusing and deescalating disruptive or dangerous behavior.

e. The State Board of Education shall incorporate the criteria developed in accordance with G.S. 116-74.21 for assessing proposals under the School Administrator Training Program into its school administrator program approval standards.

~~All North Carolina institutions of higher education that offer teacher education programs, masters degree programs in education, or masters degree programs in school administration shall provide performance reports to the State Board of Education. The performance reports~~

~~shall follow a common format, shall be submitted according to a plan developed by the State Board, and shall include the information required under the plan developed by the State Board.~~

(b1) The State Board of Education shall ~~develop a plan to provide a focused review of~~require teacher education ~~programs~~programs, masters degree programs in education, and masters degree programs in school administration to submit annual performance reports. The performance reports shall provide the State Board of Education with a focused review of the programs and the current process of accrediting these programs in order to ensure that the programs produce graduates that are well prepared to teach. ~~The plan shall include the development and implementation of a school of education performance report for each teacher education program in North Carolina.~~

(1) Report contents. – The performance report for each teacher education program and masters degree programs in education and school administration in North Carolina shall follow a common format and include at least the following elements:

a. ~~(i) quality~~Quality of students entering the schools of education, including the average grade point average and average score on preprofessional skills tests that assess reading, writing, math and other ~~competencies;~~competencies.

b. ~~(ii) graduation rates;~~Graduation rates.

c. ~~(iii) time-to-graduation rates;~~Time-to-graduation rates.

d. ~~(iv) average~~Average scores of graduates on professional and content area examination for the purpose of ~~licensure;~~licensure.

e. ~~(v) percentage~~Percentage of graduates receiving initial ~~licenses;~~licenses.

f. ~~(vi) percentage~~Percentage of graduates hired as ~~teachers;~~teachers.

g. ~~(vii) percentage~~Percentage of graduates remaining in teaching for four ~~years;~~years.

h. ~~(viii) graduate~~Graduate satisfaction based on a common ~~survey; and~~survey.

i. ~~(ix) employer~~Employer satisfaction based on a common survey.

j. Effectiveness of teacher education program graduates.

~~The performance reports shall follow a common format. The performance reports shall be submitted annually. The State Board of Education shall develop a plan to be implemented beginning in the 1998-99 school year to reward and sanction approved teacher education programs and masters of education programs and to revoke approval of those programs based on the performance reports and other criteria established by the State Board of Education.~~

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

(2) Submission of annual performance reports. – ~~Both plans for performance~~ Performance reports ~~also~~ shall ~~include a method to provide the annual performance reports~~ be provided annually to the Board of Governors of The University of North Carolina, the State Board of Education, and the boards of trustees of the independent colleges. The State Board of Education shall review the schools of education performance reports and the performance reports for masters degree programs in education and school administration each year the performance reports are submitted.

(3) Educator preparation program report card. – The State Board shall create a higher education educator preparation program report card reflecting the

information collected in the annual performance reports for each North Carolina institution offering teacher education programs and masters of education programs. The report cards shall, at a minimum, summarize information reported on all of the performance indicators for the performance reports required by subdivision (1) of this subsection.

(4) Annual State Board of Education report. – ~~The State Board shall submit the performance report for the 1999-2000 school year to the Joint Legislative Education Oversight Committee by December 15, 2000. Subsequent performance reports~~The educator preparation program report cards shall be submitted to the Joint Legislative Education Oversight Committee on an annual basis by October 1.

(5) State Board of Education action based on performance. – The State Board of Education shall reward and sanction approved teacher education programs and masters of education programs and revoke approval of those programs based on the performance reports and other criteria established by the State Board of Education.

...."

PART VI. REPEAL CHILD NUTRITION STATE STANDARDS AND REPORT

SECTION 6. Section 2 of S.L. 2005-457 is repealed.

PART VII. EFFECTIVE DATE

SECTION 7. This act is effective when it becomes law. Section 5 of this act applies beginning with the 2013-2014 school year.

SENATE BILL 168:
Clarify Education Reporting Requirements

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	March 13, 2013
Introduced by:	Sen. Tucker	**Prepared by:**	Drupti Chauhan Committee Counsel
Analysis of:	PCS to First Edition S168-CSRQ-1		

SUMMARY: ***Senate Bill 168 would repeal several reporting requirements for the State Board of Education and reorganize the teacher licensure and education program statute. It adds a requirement for educator preparation programs to include the effectiveness of their graduates in their performance reports. The bill also requires the State Board of Education to create a higher education educator preparation report card.***

The Proposed Committee Substitute makes further technical and clarifying changes.

BILL ANALYSIS:

Part I: Disadvantaged Student Supplement Funding and Low-Wealth Initiatives

Sections 1(a) and 1(b) of the PCS would repeal the annual report required for the evaluation of the Disadvantaged Student Supplemental Funding Initiative and Low-Wealth Initiative beginning in 2005. The evaluation was eliminated several years ago but the reporting requirement remained.

Part II: Report on Students with Personal Education Plans

Section 2 of the PCS would eliminate the requirement that the State Board of Education periodically review and report to the Joint Legislative Education Oversight Committee the data on the progress of students who have been identified at risk of academic failure and have personal education plans and report that information to the Joint Legislative Education Oversight Committee.

Part III: Report on Use of Mentoring Funds

Section 3 of the PCS would repeal the annual report required for the use of funds for mentoring services. Funds for mentoring are no longer being appropriated by the General Assembly.

Part IV: Board of Governors Professional Development Programs for Public School Employees

Sections 7.13(f) and 9.4(b) of the 2012 Appropriations Act repealed the statutes that required the State Board of Education and the Board of Governors of The University of North Carolina (BOG) to collaboratively identify the professional development needs of public school personnel and the requirement for the BOG to report annually to the State Board of Education about professional development programs that it provided to meet these needs.

The related statute that requires the BOG to implement and administer professional development rograms for public school personnel as needed was not repealed in 2012.

Section 3 of the PCS would repeal this related statute (G.S. 116-11(12a) that the BOG implement and administer professional development for professional public school employees.

Part V: Teacher Licensure and Education Preparation Program Requirements

Section 5 of the PCS would make technical and clarifying changes to sections of Chapter 115C-296 by reorganizing the teacher licensure statute to place all licensure standards and renewal standards within subsections and subdivisions as well as reorganize the requirements for teacher preparation programs. It would require that the performance reports for each teacher education program and master's degree programs in education and school administration in the State follow a common format with updated reporting requirements that include information on the effectiveness of teacher education programs graduates.

An additional new requirement would be to require the State Board of Education to create a higher education educator preparation program report card that contains information from the annual performance reports from each North Carolina institution offering teacher education programs and masters of education programs.

Part VI: Child Nutrition State Standards and Report

Section 6 of the PCS would eliminate the State child nutrition standards and annual report to the State Board of Education and the Joint Legislative Education Oversight Committee from the Child Nutrition Services Section of the Department of Public Instruction regarding the progress of each local school administrative unit on achieving State nutrition standards. The State standards have been replaced by federal nutrition standards which were mandated through the federal Healthy, Hunger-Free Kids Act of 2010 and which went into effect July 1, 2012. All federally-funded child nutrition programs must comply with the federal standards which supersede State standards.

EFFECTIVE DATE: The bill would become effective when it becomes law. Section 5 of the bill applies with the 2013-2014 school year.

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

3/13/13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Reeves McGlohon	Gaston Co. Schools
Kevin L. Collier	Board of Ed Gaston County
Rachel E Bealin	NCDPI
Mary Freeman	NCAE
Andrew Meehan	Capstrat
PAIGE WORSHAM	NC Center for Public Policy Research
Athena Travelstead	NCACC
Chris Hall	NC Justice Center
Brady Harris	Hunt Institute
Jason Fishkin	Sen. Stein
Tim Vaughn	ASC
Kay Emanuel	School of Government
Sarah Wolfe	MWC LLC
Deborah Craig Ray	Durham County Govt

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

3/13/13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Susan Harrison	NCSNA
[signature]	NCICU
[signature]	Brubaker & Assoc.
Sarah Rotlecker	Brubaker & Assoc
Matt Gross	NCPC
Chassidy Hinton	Senator Graham
SUE STONE	SURRY COUNTY BOARD OF ED
Leslie Coe	Surry County Board of Ed.
Travis L. Reeves	Surry County Superintendent
Matt Vick	CW Consult
Sean Holmes	NCSBA
Elise McDowell	T. Outman Sade.
BRUCE THOMPSON	PARKER POE
DAN COGGIN	NC Council Comm Coll

09-21-201

Senate Committee on Education/Higher Education
Wednesday, March 20, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 231	Modify Duties/Advisory Council on Indian Educ.	Senator J. Davis

Other Business

Nomination for State Board of Community Colleges

Adjournment

Senate Committee on Education/Higher Education
Wednesday, March 20, 2013
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on March 20, 2013 in Room 544 of the Legislative Office Building. 18 members were present.

Senator Jerry W. Tillman, Chair, presided.

Chairman Tillman called the meeting to order and recognized the Sergeants-at-Arms and the pages. Chairman Tillman reminded members of the committee that they were to appoint a new member of the State Board of Community Colleges.

The nominating member, Sen. Tucker, was out due to a sickness in family. Chairman Tillman recognized Sen. Woodard. Sen. Woodard made a motion to accept the nomination of Mr. Edward Lynn Raye. The motion passed.

Chairman Tillman recognized Sen. Davis to explain S231.

A motion for a favorable report was made by Sen. Cook. The motion passed.

Chairman Tillman closed the meeting by sharing with the members of the committee the topics for future committee meetings which included Charter School Legislation and Excellence Schools Act 2013.

Chairman Tillman recognized Sen. Graham who asked why the committee would be looking at Charter School Legislation again. Chairman Tillman explained that the only thing that was done in former legislation was to raise the cap. Chairman Tillman explained that there is a need to give parents choices and to give charter public schools organizational structure.

The meeting adjourned.

Senator Jerry W. Tillman, Chair
Presiding

Suzanne Castleberry, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, March 20, 2013

Senator Tillman,
submits the following with recommendations as to passage:

FAVORABLE

SB **231** Modify Duties/Advisory Council on Indian Educ.

Draft Number:	None
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator James Davis will handle SB 231



NORTH CAROLINA GENERAL ASSEMBLY
NORTH CAROLINA SENATE
RALEIGH 27601-2808

To: Senator Dan Soucek and Senator Jerry Tillman, Co-Chairs Senate Education Higher/Higher Education Committee

From: Patsy Pierce, Ph.D., Legislative Analyst

Date: March 13, 2013

Re: Legal Qualifications of Candidates for Nomination to State Board of Community Colleges

---

The following name is the sole nominee received by the deadline for the Senate nominee for the State Board of Community Colleges. I have reviewed the application that was submitted and indicated where the nominee has any statutory disabilities. My opinion as to the nominee's statutory disability is based solely upon the information provided in the nominee's application. The nominee has certified that the information provided in the application is accurate.

Nominee	Sponsor	Statutory Disability
Edward Lynn Raye	Senator Tucker	Mr. Raye is currently a member of the State Board of Community Colleges with his term ending on June 30, 2013. He is eligible for re-election.

Edward Lynn Raye

Post Office Box 400, Marshville, NC 28103
704-233-4225

Co-founded Commercial Piping & Fabricating, Inc., in 1977. Continues to serve as chief executive officer, He is also owner/operator of Twin Oaks Farm.

Married to Sharon Tadlock Raye. They have three children: Edward Lynn Raye II and twins Lesley Raye and Lisa Raye Tarlton. They have three grandchildren: Edward Lynn (Trey) Raye III, Joshua Luke Raye and Olivia Beth Tarlton.

Lynn is a graduate of Forest Hills High School and the American Leadership Forum.

He is a member of Deep Springs Baptist Church in Peachland. He serves as a Sunday school teacher, church treasurer, active Deacon, a member of both the finance and building committees, and a choir member.

Community Involvement:

- Former chair of the Board of Trustees, South Piedmont Community College.
- Serves on the Executive Committee and Vice-Chair of Health Quest.
- Former member and chair of the Board of Trustees, Anson Community College.
- Branch Banking & Trust Board of Directors.
- Past President, Rolling Hills Country Club.
- Founder of the New Century Scholars program in Anson and Union counties.
- Member, Board of Directors, Union County Chamber of Commerce.
- Member, Board of Directors, Union County Community Arts Council.
- Member and former chair, Union County Job Ready Partnership.
- Member, Union Regional Medical Center Foundation Board.
- Former Member, Union Regional Medical Center Board of Trustees.
- Commercial Division Chair, United Way of Union County.
- Former Little League Baseball Coach.
- Former President, Marshville Jaycees.
- Former member, Union County Chamber of Commerce Industrial Division.
- Former Commissioner, Union County Midget Football League.
- Former member, east Union Middle School Advisory Board.
- Former member, Union County Board of Education Advisory Council.
- Past Master, Beaver Dam Masonic Lodge No. 276
- Gideon
- Former director, Allen's Crossroads Volunteer Fire Department.

Honors:

- 2004 Union County Man of the Year
- 2001 Citizen of the Year
- 1998 Union County Entrepreneur of the Year
- Listed in "Who's Who Worldwide"
- The Sharon T. and E. Lynn Raye Boardroom on South Piedmont Community College's L.L. Polk Campus is named in his honor
- Inducted into the Union County Chamber of Commerce Hall of Fame.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S 1

SENATE BILL 231

Short Title:	Modify Duties/Advisory Council on Indian Educ.	(Public)
Sponsors:	Senators J. Davis (Primary Sponsor); and Brock.	
Referred to:	Education/Higher Education.	

March 11, 2013

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE DUTIES OF THE STATE ADVISORY COUNCIL ON INDIAN EDUCATION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-210.4 reads as rewritten:

"**§ 115C-210.4. Duties of the Council.**

It shall be the duty of the Advisory Council:

(1) ~~To advise the State Board of Education on ways to meet more effectively the educational needs of Indian students;~~To review annually relevant data on Indian students using reports made available to the Council by the Department of Public Instruction. The review shall include, but not be limited to, data on academic performance, growth, suspension and expulsion events, dropouts, and graduation rates.

(2a) To advise the State Board of Education in an annual presentation on ways to meet the educational needs of Indian students more effectively.

(2) To advocate for meaningful programs to reduce and eventually eliminate low achievement and concurrent high attrition rates among American Indian ~~students;~~students.

~~(3) To prepare an annual report on a fiscal year basis on the status of Indian education, said report to be presented to the State Board of Education and to the various Indian tribal organizations at the statewide Indian Unity Conference;~~

(4) To work closely with ~~the Division of Indian Education in~~ the Department of Public Instruction to improve coordination and communication between and among ~~programs;~~programs.

(5) To advise the State Board of Education on any other aspect of Indian education when requested by the State Board to do so."

SECTION 2. This act is effective when it becomes law.

SENATE BILL 231:
Modify Duties/Advisory Council on Indian Educ

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	March 20, 2013
Introduced by:	Sen. J. Davis	**Prepared by:**	Patsy Pierce
Analysis of:	First Edition		Legislative Analyst

SUMMARY: Senate Bill 231 modifies the duties of the State Advisory Council on Indian Education.

CURRENT LAW: G.S. 115C-201.4 provides the duties of the State Advisory Council on Indian Education (Advisory Council). The Advisory Council's duties are to (i) advise the State Board of Education on more effective ways to meet the educational needs of Indian students, (ii) advocate for programs to reduce low achievement and high attrition rates among Indian students, (iii) prepare and present an annual report on the status of Indian education to the State Board of Education and to various Indian tribal organizations at the statewide Indian Unity Conference, (iv) work closely with the Department of Public Instruction to improve coordination and communication between and among programs, and (v) advise the State Board of Education on other aspects of Indian education upon request of the State Board of Education.

BILL ANALYSIS: Senate Bill 231 would modify the duties of the State Advisory Council on Indian Education (Advisory Council). The revised duties of the Advisory Council would be to (i) annually review relevant data on Indian students from reports made available by the Department of Public Instruction, (ii) advise the State Board of Education, through an annual presentation, on ways to effectively meet the educational needs of Indian students, and (iii) continue to implement the other duties provided under current law. The State Advisory Council on Indian Education would no longer be required to prepare and present an annual report on the status of Indian education to the State Board of Education and to various Indian tribal organizations at the statewide Indian Unity Conference.

EFFECTIVE DATE: This act is effective when it becomes law.

BACKGROUND: In 1988, the North Carolina General Assembly enacted Article 13A (NCGS §115C-210), which created the State Advisory Council on Indian Education (SACIE). As a constituent group of the State Board of Education (SBE), the Council represents parents of American Indian students in grades K-12, both houses of the North Carolina General Assembly, the UNC Board of Governors, the North Carolina Commission of Indian Affairs, and K-12 educators. According to SACIE's 2012 report, the Council "advocates collectively in behalf of American Indian students; examines the applicability of state and national trends in Indian education; collaborates with education practitioners, including the Title VII-IEA administrators; and re-examines its mission and goals, as school reform initiatives steer the direction of the public school system in North Carolina."

O. Walker Reagan
Director

S231-SMTL-20 E1 -V3

Research Division
(919) 733-2578

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

3-20-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kay Emanuel	School of Government
Hanna-Lee Adkins	Campbell Univ. Social Work
Brittany Bridges	Campbell University Social Work
Guy Smith	Self
Suzanne Martin	NCSU Dept. of Social Work
Hayden Dawes	NCSU Dept. of Social Work
Nathyla Atkinson	ncsu Dept of Social work
Antionette Duckins	NCSU Dept of Social work
Nicole Guiberteaux	NCSU Dept of Social work
Anna Erb	NCSU Dept of Social Work
Jared Husketh	NCSU Dept of Social Work
Mindy Hill	Appalachian State University Dept of Social Work
Taylor Self	ASU Dept. of Social Work
Jaime Kirattoguay	NCTCL
Rachel Pleasants	NCDPI
Adam Pridemore	NCASA

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

3-20-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
PAIGE WORSHAM	NC Center for Public Policy Research
[signature]	Ed Consultant
Bonita Joyce	SSW - UNC
Anna Lee Dillon	NCSU - MSW
Philip Searcy	NCSU - MSW
Cayce Sorrell	NCSU - MSW
Sakinah Omar	NCSU - MSW
Samirah Furbee	NCSU - MSW
Jennifer Renninger	NCSU - MSW
Brenda Isbell	DOA
Sarah Wolfe	MWCLLC

09-21-201

Senate Committee on Education/Higher Education
Wednesday, March 27, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 337	NC Public Charter School Board.	Senator Tillman Senator Soucek

Adjournment

Senate Committee on Education/Higher Education
Wednesday, March 27, 2013 at 10:00 AM
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on March 27, 2013 in Room 544 of the Legislative Office Building. 23 members were present.

Senator Dan Soucek, Chair, presided.

Chairman Soucek called the meeting to order at 10:04AM and recognized the pages and Sergeants-at-Arms. He explained that the Charter School bill would be before the committee and that they would limit Senate questions to preserve time at the end for public comment. He then introduced Senator Tillman to explain S337.

Senator Apodaca moved for adoption of Senator Tillman's amendment.

Chairman Soucek recognized Senator Stein, who questioned whether non-appointed members of the proposed Charter board could be removed.

Drupti Chauhan of the General Assembly's Research Division indicated that that is one of the purposes of the amendment.

Senator Stein was recognized again, who questioned the other changes in the amendment. Kara McCraw of the General Assembly's Research Division outlined the changes.

Chairman Soucek then called for a vote on the amendment and the amendment passed.

Ms. Chauhan was then recognized again to continue explaining the bill as amended.

Chairman Soucek recognized Senator Tillman to continue explaining the bill.

Senator Allran was then recognized and asked about the Superintendent of Public Instruction's voting role on the board.

Senator Tillman responded that the amendment that had just been passed clarified the issue.

Chairman Soucek recognized Senator Robinson, who questioned who the members of the current Charter Advisory Council were and how they were appointed.

Martez Hill, Executive Director for the State Board of Education was recognized and replied that there are currently 15 members, 8 appointed by the Governor, 3 by the House, 3 by the Senate and 1 by the State Superintendent. He added that 11 of the 15 are involved with charter schools.

Senator Robinson was recognized again and asked why a new board was necessary considering that charters were represented on the current advisory council.

Senator Tillman responded that the Advisory Council was being abolished in S10 anyway and that the reason for that was that the Department of Public Instruction was not cooperating properly with them.

Chairman Soucek then recognized Senator Bryant, who inquired about the protection against conflicts of interest.

Senator Tillman responded that elected House and Senate members and an elected Governor deserve the trust that the voters place in them. He also added that the Board would have the authority to remove its own members.

Senator Bryant was recognized again and asked Senator Tillman whether he would be open to adding protections from conflicts of interest.

Senator Tillman responded that he would only be interested if there were to be problems and reiterated that there are provisions in the bill allowing the board to remove its own members.

Chairman Soucek recognized Senator Bryant for a final question regarding the language on racial makeup in charters.

Senator Tillman responded that the intent is the same.

Senator Newton was recognized and he opined that the language is appropriate considering that charters are voluntary schools and it is often not possible to reflect completely the racial makeup of the LEA.

Chairman Soucek recognized Senator Stein who suggested that food and transportation should be required for charter schools in order really to create choice.

Senator Tillman responded that many charters are now offering both food and transportation.

Senator Stein was recognized again and asked why school boards and universities are now being prohibited from starting charter schools.

Ms. Chauhan responded that this is not a change but rather a clarification. All applicants have already been required to establish a non-profit to run the charter school, but would no longer be able to establish preliminary approval.

Chairman Soucek then cautioned the committee members to wrap up their questions since this meeting would be the only opportunity for public comment. He then recognized Senator Hartsell, who questioned why preliminary approval was being eliminated.

Senator Tillman responded that there is little interest and no need for it.

Senator Hartsell was recognized again and he questioned why community colleges are not included in this process.

Senator Tillman responded that he had never heard of a link between the two.

Chairman Soucek recognized Senator Allran, who questioned why criminal background checks were optional.

Ms. McCraw responded that the language mirrors existing language dealing with LEAs.

Senator Allran was recognized again and questioned why background checks would not be mandatory.

Senator Tillman responded that charter schools are already doing it just as LEAs are, however he did not want to make it a requirement different from the existing language for LEAs.

Chairman Soucek recognized Senator Bryant who commented on her concerns about segregation within charters.

Chairman Soucek then announced that

Edward Pruden, Superintendent, Brunswick County was recognized and expressed his concerns about ethnic makeup of charters, funding transfers and weakened teacher requirements for charters.

Baker Mitchell, Chairman, North Carolina Alliance for Charter Schools was then recognized and expressed the support of the bill from the members of his organization and thanked the sponsor for the increased standards set out in the bill.

Carl Forsyth of Forager Charter of Durham was recognized and expressed his opposition to a separate board.

Doug Hanes of Rocky Mount Preparatory Charter was recognized and explained that his charter provides transportation, along with free and reduced lunch. He added his support for the bill.

Lee Boardley from Durham Public Schools was recognized and expressed concerns about transfer requirements and teacher licensure.

Finally, Chairman Soucek recognized Eddie Goodall, Executive Director, Charter Public Schools Association, who related the support of his members and asked the committee to consider opening up the lottery revenues to charter schools in a similar way to traditional public schools.

Chairman Soucek recognized Senator Tillman for a concluding comment. Senator Tillman gave examples from his local district and opined that current teacher requirements are absurd and prevent highly qualified people from serving as teachers.

Chairman Soucek then thanked the members and adjourned the meeting.

The meeting adjourned at 10:58AM.

Senator Dan Soucek, Chair
Presiding

John Clark, Committee Clerk

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S 1

SENATE BILL 337

Short Title:	NC Public Charter School Board.	(Public)
Sponsors:	Senators Tillman, Soucek (Primary Sponsors); Daniel, Goolsby, Hise, Newton, and Rabin.	
Referred to:	Education/Higher Education.	

March 19, 2013

A BILL TO BE ENTITLED

AN ACT TO CREATE THE NORTH CAROLINA PUBLIC SCHOOL CHARTER BOARD AND MAKE OTHER CHANGES TO CHARTER SCHOOL LAWS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Article 16 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-238.29A1. North Carolina Public Charter Schools Board established.**

(a) Creation. – There is created the North Carolina Public Charter Schools Board, hereinafter referred to in this Part as the Charter Board. The Charter Board shall be located administratively within the Department of Public Instruction but shall exercise its powers and duties independently of the State Board of Education and Department of Public Instruction, except as provided in this section.

(b) Purpose. – The purpose of the Charter Board is to authorize and oversee high-quality public charter schools throughout the State, consistent with the purposes of this Part, and to exercise authority for approval of any charter applicant.

(c) Membership. – The State Superintendent of Public Instruction shall be the secretary of the Charter Board and a nonvoting member. The Charter Board shall consist of the following 11 voting members:

(1) Three members appointed by the Governor.

(2) Three members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, in accordance with G.S. 120-121.

(3) Three members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, in accordance with G.S. 120-121.

(4) The State Treasurer.

(5) The Lieutenant Governor.

(d) Qualifications of Members. – Members appointed to the Charter Board shall collectively possess strong experience and expertise in public and nonprofit governance, management and finance, public school leadership, assessment, curriculum and instruction, public charter schools, and public education law. All appointed members of the Charter Board shall have demonstrated an understanding of and a commitment to charter schools as a strategy for strengthening public education.

(e) Terms of Office and Vacancy Appointments. – Appointed members shall serve four-year terms of office beginning on July 1. No appointed member shall serve more than

eight consecutive years. Vacancy appointments shall be made by the appointing authority for the remainder of the term of office.

(f) Officers. – The Charter Board shall annually elect a chair and a vice-chair from among its membership. In the absence of the chair, the vice-chair shall preside over the Charter Board's meetings. All members are voting members, and a majority of the Charter Board constitutes a quorum. The Charter Board shall adopt rules to govern its proceedings.

(g) Meetings. – Meetings of the Charter Board shall be held upon the call of the chair or the vice-chair with the approval of the chair.

(h) Expenses. – Members of the Charter Board shall be reimbursed for travel and subsistence expenses at the rates allowed to State officers and employees by G.S. 138-6(a).

(i) Removal. – Any member of the Charter Board, other than the Superintendent of Public Instruction and Lieutenant Governor, may be removed by a vote of at least two-thirds of the members of the Charter Board at any duly held meeting for any cause that renders the member incapable or unfit to discharge the duties of the office.

(j) Office of Charter Schools. – The Office of Charter Schools shall be the principal administrative unit under the direction of the Charter Board. The Department of Public Instruction shall provide staff, offices, office equipment, and meeting space to the Charter Board and Office of Charter Schools.

(k) Powers and Duties. – The Charter Board shall have the following duties:

(1) To provide technical assistance, through the Office of Charter Schools and the Department of Public Instruction, to charter school applicants and to charter schools that are approved under this Part.

(2) To adopt rules in accordance with Article 2A of Chapter 150B of the General Statutes regarding all aspects of charter school operation, including time lines, standards, and criteria for acceptance and approval of applications, monitoring of charter schools, and grounds for revocation of charters.

(3) To oversee the process for accepting and approving applications for charters and to make final approval of charter applications.

(4) To oversee the process for monitoring the operation of charter schools with the assistance and counsel of staff from the Department of Public Instruction.

(5) To take any actions regarding a charter school, including renewals of charters, nonrenewals of charters, and revocation of charters.

(6) To undertake any duties and responsibilities consistent with the above powers and duties and incident thereto.

(l) The State Board shall have the authority to veto by a three-fourths vote any action adopted by vote of the Charter Board if the State Board's veto vote is taken within 45 days of the date the Charter Board voted to adopt the action.

SECTION 1.(b) G.S. 115C-238.29B reads as rewritten:

"**§ 115C-238.29B. Eligible applicants; contents of applications; submission of applications for approval.**

(a) Any ~~person, group of persons, or~~ nonprofit corporation seeking to establish a charter school may apply to the Charter Board to establish a charter school. If the applicant seeks to convert a public school to a charter school, the application shall include a statement signed by a majority of the teachers and instructional support personnel currently employed at the school indicating that they favor the conversion and evidence that a significant number of parents of children enrolled in the school favor conversion.

(b) The application shall contain at least the following information:

(1) A description of a program that implements one or more of the purposes in G.S. 115C-238.29A.

(2) A description of student achievement goals for the school's educational program and the method of demonstrating that students have attained the skills and knowledge specified for those student achievement goals.

(3) The governance structure of the school including the names of the ~~proposed~~ initial members of the board of directors of the nonprofit, tax-exempt corporation and the process to be followed by the school to ensure parental involvement.

(3a) The local school administrative unit in which the school will be located.

(4) Admission policies and procedures.

(5) A proposed budget for the school and evidence that the financial plan for the school is economically sound.

(6) Requirements and procedures for program and financial audits.

(7) A description of how the school will comply with G.S. 115C-238.29F.

(8) Types and amounts of insurance coverage, including bonding insurance for the principal officers of the school, to be obtained by the charter school.

(9) The term of the charter.

(10) The qualifications required for individuals employed by the school.

(11) The procedures by which students can be excluded from the charter school and returned to a public school. Notwithstanding any law to the contrary, any local board may refuse to admit any student who is suspended or expelled from a charter school due to actions that would lead to suspension or expulsion from a public school under G.S. 115C-390.5 through G.S. 115C-390.11 until the period of suspension or expulsion has expired.

(12) The number of students to be served, which number shall be at least 65, and the minimum number of teachers to be employed at the school, which number shall be at least three. However, the charter school may serve fewer than 65 students or employ fewer than three teachers if the application contains a compelling reason, such as the school would serve a geographically remote and small student population.

(13) Information regarding the facilities to be used by the school and the manner in which administrative services of the school are to be provided.

(14) Repealed by Session Laws 1997-430, s. 1.

~~(c) An applicant shall submit the application to a chartering entity for preliminary approval. A chartering entity may be:~~

~~(1) The local board of education of the local school administrative unit in which the charter school will be located;~~

~~(2) The board of trustees of a constituent institution of The University of North Carolina, so long as the constituent institution is involved in the planning, operation, or evaluation of the charter school; or~~

~~(3) The State Board of Education.~~

~~Regardless of which chartering entity receives the application for preliminary approval, the State Board of Education shall have final approval of the charter school.~~

~~Notwithstanding the provisions of this subsection, if the State Board of Education finds that an applicant (i) submitted an application to a local board of education and received final approval from the State Board of Education, but (ii) is unable to find a suitable location within that local school administrative unit to operate, the State Board of Education may authorize the charter school to operate within an adjacent local school administrative unit for one year only. The charter school cannot operate for more than one year unless it reapplies, in accordance with subdivision (1), (2), or (3) of this subsection, and receives final approval from the State Board of Education.~~

~~(d) Unless an applicant submits its application under subsection (c) of this section to the local board of education of the local school administrative unit in which the charter school will be located, the applicant shall submit a copy of its application to that local board within seven days of its submission under subsection (c) of this section. The local board may offer any information or comment concerning the application it considers appropriate to the chartering entity. The local board shall deliver this information to the chartering entity no later than January 1 of the next calendar year. The applicant shall not be required to obtain or deliver this information to the chartering entity on behalf of the local board. The State Board shall consider any information or comment it receives from a local board and shall consider the impact on the local school administrative unit's ability to provide a sound basic education to its students when determining whether to grant preliminary and final approval of the charter school.~~

(e) The Charter Board shall establish reasonable fees for initial and renewal charter applications in accordance with Article 2A of Chapter 150B of the General Statutes. The fees collected under this section shall be placed in a special fund to be designated the "Charter Application Fund" and shall be used under the supervision and direction of the Charter Board for the administration of this Part. No application fee shall be refunded in the event the application is rejected or the charter is revoked."

SECTION 1.(c) G.S. 115C-238.29C is repealed.

SECTION 1.(d) G.S. 115C-238.29D reads as rewritten:

"**§ 115C-238.29D. Final approval of applications for charter schools.**

(a) The ~~State~~ Charter Board may grant ~~final~~ approval of an application if it finds (i) that the application meets the requirements set out in this Part ~~or~~and such other requirements as may be adopted by the ~~State Board of Education~~ State Charter Board, (ii) that the applicant has the ability to operate the school and would be likely to operate the school in an educationally and economically sound manner, and (iii) that granting the application would achieve one or more of the purposes set out in G.S. 115C-238.29A. ~~The State Board shall act by March 15 of a calendar year on all applications and appeals it receives prior to February 15 of that calendar year.~~In reviewing applications for the establishment of charter schools within a local school administrative unit, the Charter Board is encouraged to give preference to applications that demonstrate the capability to provide comprehensive learning experiences to students identified by the applicants as at risk of academic failure.

(b) Repealed by Session Laws 2011-164, s. 2(a), effective July 1, 2011.

(c) The ~~State~~ Charter Board ~~of Education~~ may authorize a school before the applicant has secured its space, equipment, facilities, and personnel if the applicant indicates the authority is necessary for it to raise working capital. ~~The State Board~~Funds shall not ~~allocate any funds~~be allocated to the school until the school has obtained space.

(d) The ~~State~~ Charter Board ~~of Education~~ may grant the initial charter for a period not to exceed 10 years and may renew the charter upon the request of the ~~chartering entity~~charter school for subsequent periods not to exceed 10 years each. The ~~State~~ Charter Board ~~of Education~~ shall review the operations of each charter school at least once every five years to ensure that the school is meeting the expected academic, financial, and governance standards.

A material revision of the provisions of a charter application shall be made only upon the approval of the ~~State Board of Education.~~Charter Board.

It shall not be considered a material revision of a charter application and shall not require the prior approval of the ~~State~~ Charter Board for a charter school to increase its enrollment during the charter school's second year of operation and annually thereafter (i) by up to twenty percent (20%) of the school's previous year's enrollment or (ii) in accordance with planned growth as authorized in the charter. Other enrollment growth shall be considered a material revision of the charter application, and the ~~State~~ Charter Board may approve such additional enrollment growth of greater than twenty percent (20%) only if the ~~State~~ Charter Board finds ~~that:~~all of the following:

(1) The actual enrollment of the charter school is within ten percent (10%) of its maximum authorized ~~enrollment;~~enrollment.

(2) The charter school has commitments for ninety percent (90%) of the requested maximum ~~growth;~~growth.

~~(3) The board of education of the local school administrative unit in which the charter school is located has had an opportunity to be heard by the State Board of Education on any adverse impact the proposed growth would have on the unit's ability to provide a sound basic education to its students;~~

(4) The charter school is not currently identified as ~~low-performing;~~low-performing.

(5) The charter school meets generally accepted standards of fiscal ~~management; and~~management.

(6) It is otherwise appropriate to approve the enrollment growth."

SECTION 1.(e) G.S. 115C-238.29E reads as rewritten:

"**§ 115C-238.29E. Charter school operation.**

(a) A charter school that is approved by the State shall be a public school within the local school administrative unit in which it is located. ~~It shall be accountable to the local board of education if it applied for and received preliminary approval from that local board for purposes of ensuring compliance with applicable laws and the provisions of its charter.~~ All ~~other~~ charter schools shall be accountable to the ~~State~~ Charter Board for ensuring compliance with applicable laws and the provisions of their ~~charters, except that any of these charter schools may agree to be accountable to the local board of the school administrative unit in which the charter school is located rather than to the State Board.~~charters.

(b) A charter school shall be operated by a private nonprofit corporation that shall have received federal tax-exempt status no later than 24 months following final approval of the application.

(c) A charter school shall operate under the written charter signed by the entity to which it is accountable under subsection (a) of this section and the applicant. A charter school is not required to enter into any other contract. The charter shall incorporate the information provided in the application, as modified during the charter approval process, and any terms and conditions imposed on the charter school by the ~~State~~ Charter Board ~~of Education~~. No other terms may be imposed on the charter school as a condition for receipt of local funds.

(d) The board of directors of the charter school shall decide matters related to the operation of the school, including budgeting, curriculum, and operating procedures.

(e) A charter school's specific location shall not be prescribed or limited by a local board or other authority except a zoning authority. The school may lease space from a local board of education or as is otherwise lawful in the local school administrative unit in which the charter school is located. If a charter school leases space from a sectarian organization, the charter school classes and students shall be physically separated from any parochial students, and there shall be no religious artifacts, symbols, iconography, or materials on display in the charter school's entrance, classrooms, or hallways. Furthermore, if a charter school leases space from a sectarian organization, the charter school shall not use the name of that organization in the name of the charter school.

~~At~~ Notwithstanding any other law, and at the request of the charter school, the local board of education of the local school administrative unit in which the charter school will be located shall lease any available building or land to the charter school for one dollar ($1.00) per year unless the board demonstrates that the lease is not economically or practically feasible or that the local board does not have adequate classroom space to meet its enrollment needs. ~~Notwithstanding any other law, a local board of education may provide a school facility to a charter school free of charge; however,~~ If the local board of education provides the school

facility to a charter school for one dollar ($1.00) per year, the charter school is responsible for the maintenance of and insurance for the school facility.

(f) Except as provided in this Part and pursuant to the provisions of its charter, a charter school is exempt from statutes and rules applicable to a local board of education or local school administrative unit."

SECTION 1.(f) G.S. 115C-238.29F reads as rewritten:

"**§ 115C-238.29F. General requirements.**

(a) Health and Safety Standards. – A charter school shall meet the same health and safety requirements required of a local school administrative unit. The Department of Public Instruction shall ensure that charter schools provide parents and guardians with information about meningococcal meningitis and influenza and their vaccines at the beginning of every school year. This information shall include the causes, symptoms, and how meningococcal meningitis and influenza are spread and the places where parents and guardians may obtain additional information and vaccinations for their children.

The Department of Public Instruction shall also ensure that charter schools provide parents and guardians with information about cervical cancer, cervical dysplasia, human papillomavirus, and the vaccines available to prevent these diseases. This information shall be provided at the beginning of the school year to parents of children entering grades five ~~though~~ through 12. This information shall include the causes and symptoms of these diseases, how they are transmitted, how they may be prevented by vaccination, including the benefits and possible side effects of vaccination, and the places where parents and guardians may obtain additional information and vaccinations for their children.

The Department of Public Instruction shall also ensure that charter schools provide students in grades nine through 12 with information annually on the manner in which a parent may lawfully abandon a newborn baby with a responsible person, in accordance with G.S. 7B-500.

The Department of Public Instruction shall also ensure that the guidelines for individual diabetes care plans adopted by the State Board of Education under G.S. 115C-12(31) are implemented in charter schools in which students with diabetes are enrolled and that charter schools otherwise comply with the provisions of G.S. 115C-375.3.

(b) School Nonsectarian. – A charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other operations and shall not charge tuition or fees, except that a charter school may charge any fees that are charged by the local school administrative unit in which the charter school is located. A charter school shall not be affiliated with a nonpublic sectarian school or a religious institution.

(c) Civil Liability and Insurance. –

(1) The board of directors of a charter school may sue and be sued. The ~~State~~ Charter Board ~~of Education~~ shall adopt rules to establish reasonable amounts and types of liability insurance that the board of directors shall be required by the charter to obtain. The board of directors shall obtain at least the amount of and types of insurance required by these rules to be included in the charter. Any sovereign immunity of the charter school, of the organization that operates the charter school, or its members, officers, or directors, or of the employees of the charter school or the organization that operates the charter school, is waived to the extent of indemnification by insurance.

(2) No civil liability shall attach to ~~any chartering entity,~~the Charter Board, to the State Board of Education, or to any of their members or employees, individually or collectively, for any acts or omissions of the charter school.

(d) Instructional Program. –

(1) The school shall provide instruction each year for at least 185 days or 1,025 hours over nine calendar months.

(2) The school shall design its programs to at least meet the student performance standards adopted by the State Board of Education and the student performance standards contained in the charter.

(3) A charter school shall conduct the student assessments required ~~for charter schools~~ by the State Board of Education.

(4) The school is subject to and shall comply with Article 9 of Chapter 115C of the General Statutes and The Individuals with Disabilities Education Improvements Act, 20 U.S.C. § 1400, et. seq., (2004), as amended.~~shall comply with policies adopted by the State Board of Education for charter schools relating to the education of children with disabilities.~~

(5) The school is subject to and shall comply with Article 27 of Chapter 115C of the General Statutes, except that a charter school may also exclude a student from the charter school and return that student to another school in the local school administrative unit in accordance with the terms of its ~~charter.~~charter after due process.

(d1) Reading Proficiency and Student Promotion. –

(1) Students in the third grade shall be retained if the student fails to demonstrate reading proficiency by reading at or above the third grade level as demonstrated by the results of the State-approved standardized test of reading comprehension administered to third grade students. The charter school shall provide reading interventions to retained students to remediate reading deficiency, which may include 90 minutes of daily, uninterrupted, evidence-based reading instruction, accelerated reading classes, transition classes containing third and fourth grade students, and summer reading camps.

(2) Students may be exempt from mandatory retention in third grade for good cause but shall continue to receive instructional supports and services and reading interventions appropriate for their age and reading level. Good cause exemptions shall be limited to the following:

a. Limited English Proficient students with less than two years of instruction in an English as a Second Language program.

b. Students with disabilities, as defined in G.S. 115C-106.3(1), whose individualized education program indicates the use of alternative assessments and reading interventions.

c. Students who demonstrate reading proficiency appropriate for third grade students on an alternative assessment of reading comprehension. The charter school shall notify the State Board of Education of the alternative assessment used to demonstrate reading proficiency.

d. Students who demonstrate, through a student reading portfolio, reading proficiency appropriate for third grade students.

e. Students who have (i) received reading intervention and (ii) previously been retained more than once in kindergarten, first, second, or third grades.

(3) The charter school shall provide notice to parents and guardians when a student is not reading at grade level. The notice shall state that if the student's reading deficiency is not remediated by the end of third grade, the student shall be retained unless he or she is exempt from mandatory retention for good cause. Notice shall also be provided to parents and guardians of any student who is to be retained under this subsection of the reason the student is not eligible for a good cause exemption, as well as a

description of proposed reading interventions that will be provided to the student to remediate identified areas of reading deficiency.

(4) The charter school shall annually publish on the charter school's Web site and report in writing to the State Board of Education by September 1 of each year the following information on the prior school year:

a. The number and percentage of third grade students demonstrating and not demonstrating reading proficiency on the State-approved standardized test of reading comprehension administered to third grade students.

b. The number and percentage of third grade students not demonstrating reading proficiency and who do not return to the charter school for the following school year.

c. The number and percentage of third grade students who take and pass the alternative assessment of reading comprehension.

d. The number and percentage of third grade students retained for not demonstrating reading proficiency.

e. The number and percentage of third grade students exempt from mandatory third grade retention by category of exemption as listed in subdivision (2) of this subsection.

(e) Employees. –

(1) An employee of a charter school is not an employee of the local school administrative unit in which the charter school is located. The charter school's board of directors shall employ and contract with necessary teachers to perform the particular service for which they are employed in the ~~school; at least seventy-five percent (75%) of these teachers in grades kindergarten through five, at least fifty percent (50%) of these teachers in grades six through eight, and at least fifty percent (50%) of these teachers in grades nine through 12 shall hold teacher certificates. All teachers in grades six through 12 who are teaching in the core subject areas of mathematics, science, social studies, and language arts shall be college graduates.~~school. The board also may employ necessary employees who are not required to hold teacher ~~certificates~~ licenses to perform duties other than teaching and may contract for other services. The board may discharge teachers and noncertificated employees.

(2) No local board of education shall require any employee of the local school administrative unit to be employed in a charter school.

(3) If a teacher employed by a local school administrative unit makes a written request for a leave of absence to teach at a charter school, the local school administrative unit shall grant the leave for one year. For the initial year of a charter school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 45 days before the teacher would otherwise have to report for duty. After the initial year of a charter school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 90 days before the teacher would otherwise have to report for duty. A local board of education is not required to grant a request for a leave of absence or a request to extend or renew a leave of absence for a teacher who previously has received a leave of absence from that school board under this subdivision. A teacher who has career status under G.S. 115C-325 prior to receiving a leave of absence to teach at a charter school may return to a public school in the local school administrative unit with career status at the end of the leave of

absence or upon the end of employment at the charter school if an appropriate position is available. If an appropriate position is unavailable, the teacher's name shall be placed on a list of available teachers and that teacher shall have priority on all positions for which that teacher is qualified in accordance with G.S. 115C-325(e)(2).

(4) The employees of the charter school shall be deemed employees of the local school administrative unit for purposes of providing certain State-funded employee benefits, including membership in the Teachers' and State Employees' Retirement System and the State Health Plan for Teachers and State Employees. The ~~State Board of Education provides funds to charter schools,~~ Charter Board approves the original members of the boards of directors of the charter schools, has the authority to grant, supervise, and revoke charters, and demands full accountability from charter schools for school finances and student performance. Accordingly, it is the determination of the General Assembly that charter schools are public schools and that the employees of charter schools are public school employees. Employees of a charter school whose board of directors elects to become a participating employer under G.S. 135-5.3 are "teachers" for the purpose of membership in the North Carolina Teachers' and State Employees' Retirement System. In no event shall anything contained in this Part require the North Carolina Teachers' and State Employees' Retirement System to accept employees of a private employer as members or participants of the System.

(5) Education employee associations shall have equal access to charter school employees as provided in G.S. 115C-335.9.

(6) Each charter school board of directors shall adopt a policy on whether and under what circumstances an applicant for employment shall be required to be checked for a criminal history before the applicant is given an unconditional job offer. Each charter school board of directors shall apply its policy uniformly in requiring applicants for employment to be checked for a criminal history. A charter school board of directors that requires a criminal history check for an applicant may employ an applicant conditionally while the board is checking the person's criminal history and making a decision based on the results of the check.

(f) Accountability. –

(1) The school is subject to the financial audits, the audit procedures, and the audit requirements adopted by the ~~State~~ Charter Board ~~of Education~~ for charter schools. These audit requirements may include the requirements of the School Budget and Fiscal Control Act.

(2) The school shall comply with the reporting requirements established by the State Board of Education in the Uniform Education Reporting ~~System.~~System, except that reports shall be made to the Charter Board as well as the State Board of Education.

(3) The school shall report at least annually to the ~~chartering entity and the State~~Charter Board ~~of Education~~ the information required by the ~~chartering entity or the State~~Charter Board.

(g) Admission Requirements. –

(1) Any child who is qualified under the laws of this State for admission to a public school is qualified for admission to a charter school.

(2) No local board of education shall require any student enrolled in the local school administrative unit to attend a charter school.

(3) Admission to a charter school shall not be determined according to the school attendance area in which a student resides, except that any local school administrative unit in which a public school converts to a charter school shall give admission preference to students who reside within the former attendance area of that school.

(4) Admission to a charter school shall not be determined according to the local school administrative unit in which a student resides.

(5) A charter school shall not discriminate against any student on the basis of ethnicity, national origin, gender, or disability. Except as otherwise provided by law or the mission of the school as set out in the charter, the school shall not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, gender, national origin, religion, or ancestry. The charter school may give enrollment priority to siblings of currently enrolled students who were admitted to the charter school in a previous year and to children of the school's principal, teachers, and teacher assistants. In addition, and only for its first year of operation, the charter school may give enrollment priority to children of the initial members of the charter school's board of directors, so long as (i) these children are limited to no more than ten percent (10%) of the school's total enrollment or to 20 students, whichever is less, and (ii) the charter school is not a former public or private school. If multiple ~~birth~~ siblings apply for admission to a charter school and a lottery is needed under G.S. 115C-238.29F(g)(6), the charter school shall enter one surname into the lottery to represent all of the multiple ~~birth~~ siblings. If that surname of the multiple ~~birth~~ siblings is selected, then all of the multiple ~~birth~~ siblings shall be admitted. Within one year after the charter school begins operation, the population of the school shall make efforts to reasonably reflect the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located. The school shall be subject to any court-ordered desegregation plan in effect for the local school administrative unit.

(6) During each period of enrollment, the charter school shall enroll an eligible student who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, students shall be accepted by lot. Once enrolled, students are not required to reapply in subsequent enrollment periods.

(7) Notwithstanding any law to the contrary, a charter school may refuse admission to any student who has been expelled or suspended from a public school under G.S. 115C-390.5 through G.S. 115C-390.11 until the period of suspension or expulsion has expired.

(h) Transportation. – The charter school may provide transportation for students enrolled at the school. The charter school shall develop a transportation plan so that transportation is not a barrier to any student who resides in the local school administrative unit in which the school is located. The charter school is not required to provide transportation to any student who lives within one and one-half miles of the school. At the request of the charter school and if the local board of the local school administrative unit in which the charter school is located operates a school bus system, then that local board may contract with the charter school to provide transportation in accordance with the charter school's transportation plan to students who reside in the local school administrative unit and who reside at least one and

one-half miles of the charter school. A local board may charge the charter school a reasonable charge that is sufficient to cover the cost of providing this transportation. Furthermore, a local board may refuse to provide transportation under this subsection if it demonstrates there is no available space on buses it intends to operate during the term of the contract or it would not be practically feasible to provide this transportation.

(i) Assets. – Upon dissolution of the charter school or upon the nonrenewal of the charter, all net assets of the charter school purchased with public funds shall be deemed the property of the ~~local school administrative unit in which the charter school is located.~~State assets shall be returned to the General Fund.

(j) Driving Eligibility Certificates. – In accordance with rules adopted by the State Board of Education, the designee of the school's board of directors shall do all of the following:

(1) Sign driving eligibility certificates that meet the conditions established in G.S. 20-11.

(2) Obtain the necessary written, irrevocable consent from parents, guardians, or emancipated juveniles, as appropriate, in order to disclose information to the Division of Motor Vehicles.

(3) Notify the Division of Motor Vehicles when a student who holds a driving eligibility certificate no longer meets its conditions.

(k) The Display of the United States and North Carolina Flags and the Recitation of the Pledge of Allegiance. – A charter school shall (i) display the United States and North Carolina flags in each classroom when available, (ii) require the recitation of the Pledge of Allegiance on a daily basis, and (iii) provide age-appropriate instruction on the meaning and historical origins of the flag and the Pledge of Allegiance. A charter school shall not compel any person to stand, salute the flag, or recite the Pledge of Allegiance. If flags are donated or are otherwise available, flags shall be displayed in each classroom.

(l) North Carolina School Report Cards. – A charter school shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. A charter school shall ensure that the overall school performance score and grade earned by the charter school for the current and previous four school years is prominently displayed on the school Web site. If a charter school is awarded a grade of D or F, the charter school shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school."

SECTION 1.(g) G.S. 115C-238.29G reads as rewritten:

"**§ 115C-238.29G. Causes for nonrenewal or termination; disputes.**

(a) The ~~State Board of Education, or a chartering entity subject to the approval of the State Board of Education,~~Charter Board may ~~terminate or not renew a charter~~terminate, not renew, or seek applicants to assume the charter through a competitive bid process established by the Charter Board upon any of the following grounds:

(1) Failure to meet the requirements for student performance contained in the charter;

(2) Failure to meet generally accepted standards of fiscal management;

(3) Violations of law;

(4) Material violation of any of the conditions, standards, or procedures set forth in the charter;

(5) Two-thirds of the faculty and instructional support personnel at the school request that the charter be terminated or not renewed; or

(6) Other good cause identified.

(a1) The ~~State~~ Charter Board shall adopt criteria for adequate performance by a charter school and shall identify charter schools with inadequate performance. The criteria shall include a requirement that a charter school which demonstrates no growth in student

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 337

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

S337-ARQ-6 [v.2]

Comm. Sub. [YES]
Amends Title [NO]
S337-CSRQ-3

Date _____,2013

Senator Tillman

moves to amend the bill on page 1, line 26 by rewriting the line to read:

"(4) The State Treasurer or the Treasurer's designee."; and

on page 1, line 27 by rewriting the line to read:

"(5) The Lieutenant Governor or the Lieutenant Governor's designee."; and

on page 13, lines 46-47 by rewriting the lines to read:

"from the entry of any judgment."; and

on page 16, line 3 by adding the following at the end of the sentence:

"G.S. 115C-238.29H(d), as enacted by this act, applies to proceedings commenced on or after the effective date of this act.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

SENATE BILL 337:
NC Public Charter School Board

2013-2014 General Assembly

Committee:	Senate Ref to Education/Higher Education. If fav, re-ref to Appropriations/Base Budget	**Date:**	March 27, 2013
Introduced by:	Sens. Tillman, Soucek	**Prepared by:**	Drupti Chauhan and Kara McCraw Committee Counsel
Analysis of:	First Edition		

SUMMARY: ***Senate Bill 337 creates a new North Carolina Public Charter Schools Board to approve and monitor charter schools and makes other changes to the charter school laws.***

BILL ANALYSIS:

Section 1

Current Law: Part 6A of Article 16 of Chapter 115C establishes charter schools and provides that the State Board of Education is the entity that oversees charter schools in the State by granting final approval of charter schools, monitoring the schools, and revoking charters. Charter schools are prohibited from receiving State monies for obtaining any interest in real property or mobile classroom units other than leases.

Analysis:

115C-238.29A1 – Creates North Carolina Public Charter Schools Board (Charter Board)

- The Charter Board would operate independent of the State Board of Education (SBE) but the SBE would have the authority to veto by a ¾ vote any action adopted by vote of the Charter Board if the veto is taken within 45 days.
- The Charter Board would have 11 voting members. The Superintendent of Public Instruction would be a nonvoting member and secretary of the Charter Board. 9 members would be appointed by the Governor and the General Assembly. The Lieutenant Governor and State Treasurer would also serve as voting members.
- The Charter Board would have the following powers and duties: to provide technical assistance to charter schools and charter school applicants; adopt rules under Chapter 150B of the General Statutes on all aspects of charter schools; oversee the charter application process and approve charter schools; monitor existing charter schools, and take any actions regarding charter schools including renewals, nonrenewals, and revocations of charters.

115C-238.29B – Eligible Applicants and Submission of Applications for Approval

- Only nonprofit corporations would be able to apply to the Charter Board to establish a charter school.
- The option to obtain preliminary approval from a chartering entity such as a local board of education or UNC constituent institution would be repealed.
- An applicant would no longer have to submit a copy of its charter school application to the local board of education of the local school administrative unit (LEA) in which the charter school would be located and the Charter Board would not have to consider any information received from the local board of education regarding the charter application.
- The Charter Board would establish reasonable fees for initial and renewal charter applications under Chapter 150B of the General Statutes. The fees would be placed in the "Charter Application Fund" and be used by the Charter Board for the administration of Part 6A of Article 16 of Chapter 115C.
- Application fees would not be refunded in the event the application is rejected or the charter is revoked.

15C-238.29C – Preliminary Approval of Applications for Charter Schools

- This section would be repealed.

115C-238.29D – Final Approval of Applications for Charter Schools

- Recodifies the requirement that in order to grant approval, the Charter Board must find that the applicant has the ability to operate the school and would do so in an educationally and economically sound manner.
- The Charter Board would be encouraged to give preference to applications that show the capacity to provide learning experiences for students identified at risk of academic failure.
- In approving enrollment growth for existing charter schools, the Charter Board would not have to find that the local board of education of the LEA in which the charter is located has had an opportunity to be heard on any adverse impact the proposed enrollment growth of the charter would have on the LEA's ability to provide a sound basic education to its students.

115C-238.29E – Charter School Operations

- Charter schools would not be able to agree to be accountable to the local board of education of the LEA in which the charter is located rather than the Charter Board.
- At the request of a charter school, the local board of education of the LEA in which the charter is located would be required to lease an available building or land to the charter school for $1.00 per year unless it can show the lease is not economically or practically feasible or that it needs the space for its own enrollment needs.

115C-238.29F – General Requirements

Employees

- The bill would remove the requirement that sets out that certain percentages of teachers employed in charter schools must hold teaching licenses.
- Each charter school board of directors would be required to adopt a policy on whether and under what circumstances an applicant for employment must be given a criminal background check before the person is given an unconditional job offer.

Admissions Requirements

- If a charter school must conduct a lottery for admission and multiple siblings apply, then the school would enter one surname for all of the siblings and admit them all of the surname is selected. Under current law, the one surname requirement applies only to multiple birth siblings.
- Charter schools must make efforts to reasonably reflect the racial and ethnic composition of the LEA in which it is located or the special population that the school seeks to serve that is residing in the LEA.

Assets

- If the charter school is dissolved or its charter is not renewed, all net assets purchased with public funds would become property of State and returned to the General Fund rather than the LEA in which the charter is located.

115C-238.29G – Nonrenewal or Termination of Charters

- The Charter Board would be able to terminate, not renew, or find applicants to assume the charter through a competitive bid process established by the Charter Board upon the grounds listed in the statute. The Charter Board would develop rules on the assumption of the charter that cover all aspects of the operation of the charter including the status of the employees. Public assets would transfer to the new entity.

115C-238.29H – Local Funds for Charter Schools

- The bill would provide that the per pupil share of the local current expense fund must be transferred to the charter school within 30 days of the receipt of monies into the local current expense fund.
- An LEA would be required to provide to each charter school it transfers a per pupil share of its local current expense fund the following information within the 30 day time period:
  - The total amount of monies the LEA has in each of the funds listed in G.S. 115C-426(c) such as reimbursements, fees for actual costs, tuition, sales tax refunds, etc.
  - The student membership numbers used to calculate the per pupil share of the local current expense fund.
  - How the per pupil share of the local current expense fund was calculated.

In actions to enforce the provisions of the transfer of local funds, courts must award the prevailing party reasonable attorneys' fees and costs plus interest from and after the date that the monies show have been paid to the charter school. Monies would have to be paid in full within 3 years of the judgment.

115C-238.29H – Review of Charter Schools

- The bill would repeal language that provided that the SBE may establish a Charter School Advisory Committee and what the duties of that Advisory Committee could be.
- The bill would also repeal language that provides that final approval of charter schools must be granted by the SBE by March 15 of each calendar year.

115C-238.29J – Public and private assistance to charter schools

- The bill would repeal this section which provides that (i) local boards of education can provide support to charter schools within their LEAs; (ii) private persons and entities are encouraged to provide funds and help to charter schools; (iii) the SBE direct the Department of Public Instruction (DPI) to provide guidance and assistance to charter applicants; and (iv) the SBE direct DPI to notify the Department of Revenue when a charter is terminated, nonrenewed, or not granted.

115C-238.29K – Criminal History Checks conducted by the SBE

- This section would be repealed.

Section 2 – Uniform Budget Format

Current Law: The Uniform Budget Format allows LEAs to have other funds to account for reimbursements, fees for actual costs, tuition, sales tax revenues distributed through ad valorem taxes, sales tax refunds, gifts and grants restricted as to use, trust funds, federal appropriations made to LEAs and funds for prekindgarten programs and special programs.

Analysis:

- The bill would eliminate the fund for "special programs".
- The bill would add language that provides that special funds of individual schools would not be included as a part of the local current expense fund of an LEA for determining the per pupil share of the local current expense fund to be transferred to a charter school.

Section 3 – Property Taxes

Current Law: Certain real property is exempted from property taxes if all of the following are met:

1. It is owned by an educational institution or a nonprofit entity for the sole benefit of a constituent or affiliated institution of The University of North Carolina, certain nonprofit postsecondary educational institution, a North Carolina community college, or a combination of these.
2. The owner is not organized or operated for profit and no officer, shareholder, member, or employee of the owner or any other person is entitled to receive pecuniary profit from the owner's operations except reasonable compensation for services.
3. The use is of a kind commonly employed in the performance of those activities naturally and properly incident to the operation of an educational institution such as the owner.
4. The property is wholly and exclusively used for educational purposes by the owner or occupied gratuitously by another nonprofit educational institution and wholly and exclusively used by the occupant for nonprofit educational purposes.

Analysis: The bill would modify the 4th requirement for exemption from taxation by stating that the exemption would apply if it is wholly and exclusively used for educational purposes by a charter school even if the charter school is not the owner of the building.

Section 4 – Initial Appointments the Charter Board

Analysis: Provides for the phase-in of members on the Charter Board.

EFFECTIVE DATE: The bill would become effective when it becomes law.

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

3-27-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Laura DeVivo	NCSR
Evelyn Hawthorne	EHGR; PENC; CASNC
Rachel Bach	NCDPI
Dawn Jennings	National Heritage Charter School
Peggy Pruden	—
Edward Pruden	Brunswick County Schools
Minnie Forte-Brown	Durham Public Schools Board of Ed
Leigh Bardley	" "
CARL FORSYTH	VOYAGER CHARTER SCHOOL
Chris Hill	NC Justice Center
Stephanie Hawco	WPTF
Jay Joiner	Sound Tracs
Liz Mooy	Mooy Consulting
ASANTE SKINNER	NCACC
Eldic Goodall	Charter Association
Judith Malveaux	"
[illegible]	NCAE

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

3-27-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kay Emanuel	School of Government
Gordon Powell	Brun Co. Board of Ed Roxboro
Margaret Bradsher	Person Co Board of Ed Roxboro
Jerry Phillips	Hackney NC School 16 to 18
Dan Procton	United Business of NC
Matt Gross	NCPC
PHIGE WOYSHAM	NC Center for Public Policy Research
Tamara Brogan	Lee County BOE
Shannon Wheeler	UNC student
Sid Raymond	Heather Start Academy
H. Powell Davis, Jr	Christian Learning Centers of NC
Joseph Fuchsberg	office of Lt. Gov
Lauren Absher	NASW-NC

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

3-27-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Will Wright	UNC-CH
Adam Pridemore	NCASA
Katherine Joyce	NCASA
Joe Donovan	SCNC
Joel Malley	NCDPI
[signature]	NMRS
Jamie Davids	Town of Manteo
Kermit Skinner	Town of Manteo
Carl Ferebee - Mayor ProTem	City of Roanoke Rapids
Joe Scherer - City MGR	City of Roanoke Rapids
Cliff Osborn Town Man.	Nags Head
SUSIE WALTERS	NAGS HEAD
M. Renee Cahoon	Town of Nags Head
JEFF BARNHART	MWC
Heather Barnett	WGS

09-21-201

Senate Committee on Education/Higher Education
Wednesday, April 3, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 337	NC Public Charter School Board.	Senator Tillman Senator Soucek
SB 243	Back to Basics. For Discussion Only	Senator Allran

Adjournment

Senate Committee on Education/Higher Education
Wednesday, April 3, 2013 at 10:00 AM
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on April 3, 2013 in Room 544 of the Legislative Office Building. 22 members were present.

Senator Dan Soucek, Chair, presided.

Chairman Soucek called the meeting to order at 10:07AM and acknowledged the Sergeants-at-Arms and the pages. He then explained that since this was the second meeting on S337, the meeting would be limited to comments, questions and potential amendments from members only. Since public comments had been heard in the first meeting, the process would be limited to members before voting on the bill.

Senator Davis was recognized and asked Chairman Soucek to reconsider and allow public comment. Chairman Soucek reiterated that there had been adequate time for public comment both in the meeting the previous week and during the intervening week as well.

He then recognized Senator Tillman who explained that there had been a proposed committee substitute amendment prepared for the bill.

Senator Cook moved for adoption of the proposed committee substitute to S337 and Senator Tillman was recognized to explain the Amendment.

Senator Tillman began to explain the six-year process that led to the current language contained in the PCS. He added that there was a necessary amendment to the PCS.

Senator Cook was recognized and asked for clarification on the nature of the changes made in the PCS.

Drupti Chauhan of the General Assembly's Research Division was recognized and explained that the PCS was prepared as a means to engross the changes made in the amendment from the previous week. She then explained the amendment to the PCS and outlined the provisions of the bill that would be modified.

Senator Pate moved for adoption of the amendment. The amendment was adopted.

Chairman Soucek then recognized Senator Hartsell, who offered an amendment. He explained that his amendment would add an additional method for charters to be approved.

Senator Tillman was recognized and questioned Senator Hartsell on who the final deciding authority would be on the granting of new charters.

Senator Hartsell responded that under his proposed additional method, the final authority would rest with the State Board of Education.

Senator Tillman responded that he would prefer the final authority to rest with the new Charter Board and opined that having the process run in one way through one authority would be preferable.

Chairman Soucek recognized Senator Cook who stated his opinion that Senator Hartsell's amendment was needlessly complicated.

Senator Hartsell responded and explained that his amendment simply restores the original intent of the original charter legislation.

Chairman Soucek recognized Senator Robinson who thanked Senator Hartsell and expressed her agreement with his changes. She asked Senator Hartsell to clarify the approval process under his amendment.

Senator Hartsell responded by explaining that the State Board of Education would be the final authority whether a local entity approved or disapproved a charter.

Chairman Soucek then recognized Senator Wade, who questioned Senator Tillman on the nature of the differing approval processes.

Senator Tillman responded that he felt that his plan was smooth and simple as opposed to Senator Hartsell's proposed process.

Chairman Soucek recognized Senator Rabin who commented on his preference for Senator Tillman's original proposal.

Senator Hartsell was recognized and defended his proposal suggesting that it was the same because both proposals eventually may be affected by the State Board of Education.

Chairman Soucek then recognized Senator Woodard who questioned Senator Hartsell on the ongoing governance of the charters approved by his proposed process.

Senator Hartsell was recognized and responded that under his proposal, governance would remain with the approving authority and the State Board of Education as opposed to Senator Tillman's proposal, which would place all charters under the governance of the Charter School Board.

Senator Woodard was recognized again and expressed his support for the current process and for Senator Hartsell's amendment.

Chairman Soucek then called for a vote on Senator Hartsell's amendment and the amendment failed.

Senator Bryant was recognized for a question on the PCS and asked whether there was clarity on the State Constitutional questions of governance of charter schools.

Kara McCraw of the General Assembly's Research Division responded by stating that there is not clear case law on the issue.

Senator Tillman stated his opinion that his proposal is constitutional based on the idea that authority for charters is still within the Department of Public Instruction as it always has been. He further commented on the level of public comment and involvement by reminding the committee that he has worked on this bill for many years and has heard from every group and interested citizen who wished to be heard. He recommended a favorable report to his PCS.

Chairman Soucek then recognized Senator Bryant who questioned Senator Tillman about the makeup of the Charter School Board and reiterated her concerns about corruption on the board.

Senator Tillman responded by stating his preference for charter school advocates to be placed on the board. He further suggested that if Senator Bryant trusted the process for appointments to the State Board of Education, then she should similarly trust the process for appointments to the Charter Board as well.

Chairman Soucek recognized Senator Allran, who offered an amendment, which he explained would make the background checks on charter employees a requirement.

Senator Tillman was recognized and expressed his disapproval of the amendment stating that it placed a requirement on charters that did not exist for anyone else and asked members to vote against the amendment.

Chairman Soucek called for avote on Senator Allran's amendment and the amendment failed.

He then noted that the committee's allotted time had expired and called for a vote on the PCS as amended.

The committee approved the PCS as amended, rolled into a new committee substitute with a favorable report to the committee substitute and an unfavorable report to the underlying bill.

The meeting adjourned at 10:48AM.

Senator Dan Soucek, Chair
Presiding

John Clark, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, April 03, 2013

Senator Soucek,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL

SB **337** NC Public Charter School Board.

Draft Number:	S337-PCS85201-RQ-3
Sequential Referral:	Appropriations/Base Budget
Recommended Referral:	None
Long Title Amended:	Yes

TOTAL REPORTED: 1

Senator Jerry Tillman will handle SB 337



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S

SENATE BILL 337

Short Title:	NC Public Charter School Board.	(Public)
Sponsors:	Senators Tillman, Soucek (Primary Sponsors); Daniel, Goolsby, Hise, Newton, and Rabin.	
Referred to:	Education/Higher Education.	

March 19, 2013

A BILL TO BE ENTITLED

AN ACT TO CREATE THE NORTH CAROLINA PUBLIC SCHOOL CHARTER BOARD AND MAKE OTHER CHANGES TO CHARTER SCHOOL LAWS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Article 16 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-238.29A1. North Carolina Public Charter Schools Board established.**

(a) Creation. – There is created the North Carolina Public Charter Schools Board, hereinafter referred to in this Part as the Charter Board. The Charter Board shall be located administratively within the Department of Public Instruction but shall exercise its powers and duties independently of the State Board of Education and Department of Public Instruction, except as provided in this section.

(b) Purpose. – The purpose of the Charter Board is to authorize and oversee high-quality public charter schools throughout the State, consistent with the purposes of this Part, and to exercise authority for approval of any charter applicant.

(c) Membership. – The State Superintendent of Public Instruction shall be the secretary of the Charter Board and a nonvoting member. The Charter Board shall consist of the following 11 voting members:

(1) Three members appointed by the Governor.

(2) Three members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, in accordance with G.S. 120-121.

(3) Three members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, in accordance with G.S. 120-121.

(4) The State Treasurer.

(5) The Lieutenant Governor.

(d) Qualifications of Members. – Members appointed to the Charter Board shall collectively possess strong experience and expertise in public and nonprofit governance, management and finance, public school leadership, assessment, curriculum and instruction, public charter schools, and public education law. All appointed members of the Charter Board shall have demonstrated an understanding of and a commitment to charter schools as a strategy for strengthening public education.

(e) Terms of Office and Vacancy Appointments. – Appointed members shall serve four-year terms of office beginning on July 1. No appointed member shall serve more than

eight consecutive years. Vacancy appointments shall be made by the appointing authority for the remainder of the term of office.

(f) Officers. – The Charter Board shall annually elect a chair and a vice-chair from among its membership. In the absence of the chair, the vice-chair shall preside over the Charter Board's meetings. All members are voting members, and a majority of the Charter Board constitutes a quorum. The Charter Board shall adopt rules to govern its proceedings.

(g) Meetings. – Meetings of the Charter Board shall be held upon the call of the chair or the vice-chair with the approval of the chair.

(h) Expenses. – Members of the Charter Board shall be reimbursed for travel and subsistence expenses at the rates allowed to State officers and employees by G.S. 138-6(a).

(i) Removal. – Any member of the Charter Board, other than the Superintendent of Public Instruction and Lieutenant Governor, may be removed by a vote of at least two-thirds of the members of the Charter Board at any duly held meeting for any cause that renders the member incapable or unfit to discharge the duties of the office.

(j) Office of Charter Schools. – The Office of Charter Schools shall be the principal administrative unit under the direction of the Charter Board. The Department of Public Instruction shall provide staff, offices, office equipment, and meeting space to the Charter Board and Office of Charter Schools.

(k) Powers and Duties. – The Charter Board shall have the following duties:

(1) To provide technical assistance, through the Office of Charter Schools and the Department of Public Instruction, to charter school applicants and to charter schools that are approved under this Part.

(2) To adopt rules in accordance with Article 2A of Chapter 150B of the General Statutes regarding all aspects of charter school operation, including time lines, standards, and criteria for acceptance and approval of applications, monitoring of charter schools, and grounds for revocation of charters.

(3) To oversee the process for accepting and approving applications for charters and to make final approval of charter applications.

(4) To oversee the process for monitoring the operation of charter schools with the assistance and counsel of staff from the Department of Public Instruction.

(5) To take any actions regarding a charter school, including renewals of charters, nonrenewals of charters, and revocation of charters.

(6) To undertake any duties and responsibilities consistent with the above powers and duties and incident thereto.

(l) The State Board shall have the authority to veto by a three-fourths vote any action adopted by vote of the Charter Board if the State Board's veto vote is taken within 45 days of the date the Charter Board voted to adopt the action.

SECTION 1.(b) G.S. 115C-238.29B reads as rewritten:

"**§ 115C-238.29B. Eligible applicants; contents of applications; submission of applications for approval.**

(a) Any ~~person, group of persons, or~~ nonprofit corporation seeking to establish a charter school may apply to the Charter Board to establish a charter school. If the applicant seeks to convert a public school to a charter school, the application shall include a statement signed by a majority of the teachers and instructional support personnel currently employed at the school indicating that they favor the conversion and evidence that a significant number of parents of children enrolled in the school favor conversion.

(b) The application shall contain at least the following information:

(1) A description of a program that implements one or more of the purposes in G.S. 115C-238.29A.

(2) A description of student achievement goals for the school's educational program and the method of demonstrating that students have attained the skills and knowledge specified for those student achievement goals.

(3) The governance structure of the school including the names of the ~~proposed~~ initial members of the board of directors of the nonprofit, tax-exempt corporation and the process to be followed by the school to ensure parental involvement.

(3a) The local school administrative unit in which the school will be located.

(4) Admission policies and procedures.

(5) A proposed budget for the school and evidence that the financial plan for the school is economically sound.

(6) Requirements and procedures for program and financial audits.

(7) A description of how the school will comply with G.S. 115C-238.29F.

(8) Types and amounts of insurance coverage, including bonding insurance for the principal officers of the school, to be obtained by the charter school.

(9) The term of the charter.

(10) The qualifications required for individuals employed by the school.

(11) The procedures by which students can be excluded from the charter school and returned to a public school. Notwithstanding any law to the contrary, any local board may refuse to admit any student who is suspended or expelled from a charter school due to actions that would lead to suspension or expulsion from a public school under G.S. 115C-390.5 through G.S. 115C-390.11 until the period of suspension or expulsion has expired.

(12) The number of students to be served, which number shall be at least 65, and the minimum number of teachers to be employed at the school, which number shall be at least three. However, the charter school may serve fewer than 65 students or employ fewer than three teachers if the application contains a compelling reason, such as the school would serve a geographically remote and small student population.

(13) Information regarding the facilities to be used by the school and the manner in which administrative services of the school are to be provided.

(14) Repealed by Session Laws 1997-430, s. 1.

~~(c) An applicant shall submit the application to a chartering entity for preliminary approval. A chartering entity may be:~~

~~(1) The local board of education of the local school administrative unit in which the charter school will be located;~~

~~(2) The board of trustees of a constituent institution of The University of North Carolina, so long as the constituent institution is involved in the planning, operation, or evaluation of the charter school; or~~

~~(3) The State Board of Education.~~

~~Regardless of which chartering entity receives the application for preliminary approval, the State Board of Education shall have final approval of the charter school.~~

~~Notwithstanding the provisions of this subsection, if the State Board of Education finds that an applicant (i) submitted an application to a local board of education and received final approval from the State Board of Education, but (ii) is unable to find a suitable location within that local school administrative unit to operate, the State Board of Education may authorize the charter school to operate within an adjacent local school administrative unit for one year only. The charter school cannot operate for more than one year unless it reapplies, in accordance with subdivision (1), (2), or (3) of this subsection, and receives final approval from the State Board of Education.~~

~~(d) Unless an applicant submits its application under subsection (c) of this section to the local board of education of the local school administrative unit in which the charter school will be located, the applicant shall submit a copy of its application to that local board within seven days of its submission under subsection (c) of this section. The local board may offer any information or comment concerning the application it considers appropriate to the chartering entity. The local board shall deliver this information to the chartering entity no later than January 1 of the next calendar year. The applicant shall not be required to obtain or deliver this information to the chartering entity on behalf of the local board. The State Board shall consider any information or comment it receives from a local board and shall consider the impact on the local school administrative unit's ability to provide a sound basic education to its students when determining whether to grant preliminary and final approval of the charter school.~~

(e) The Charter Board shall establish reasonable fees for initial and renewal charter applications in accordance with Article 2A of Chapter 150B of the General Statutes. The fees collected under this section shall be placed in a special fund to be designated the "Charter Application Fund" and shall be used under the supervision and direction of the Charter Board for the administration of this Part. No application fee shall be refunded in the event the application is rejected or the charter is revoked."

SECTION 1.(c) G.S. 115C-238.29C is repealed.

SECTION 1.(d) G.S. 115C-238.29D reads as rewritten:

"**§ 115C-238.29D. Final approval of applications for charter schools.**

(a) The ~~State~~ Charter Board may grant ~~final~~ approval of an application if it finds (i) that the application meets the requirements set out in this Part ~~or~~and such other requirements as may be adopted by the ~~State Board of Education~~ State Charter Board, (ii) that the applicant has the ability to operate the school and would be likely to operate the school in an educationally and economically sound manner, and (iii) that granting the application would achieve one or more of the purposes set out in G.S. 115C-238.29A. ~~The State Board shall act by March 15 of a calendar year on all applications and appeals it receives prior to February 15 of that calendar year.~~In reviewing applications for the establishment of charter schools within a local school administrative unit, the Charter Board is encouraged to give preference to applications that demonstrate the capability to provide comprehensive learning experiences to students identified by the applicants as at risk of academic failure.

(b) Repealed by Session Laws 2011-164, s. 2(a), effective July 1, 2011.

(c) The ~~State~~ Charter Board ~~of Education~~ may authorize a school before the applicant has secured its space, equipment, facilities, and personnel if the applicant indicates the authority is necessary for it to raise working capital. ~~The State Board~~Funds shall not ~~allocate any funds~~be allocated to the school until the school has obtained space.

(d) The ~~State~~ Charter Board ~~of Education~~ may grant the initial charter for a period not to exceed 10 years and may renew the charter upon the request of the ~~chartering entity~~charter school for subsequent periods not to exceed 10 years each. The ~~State~~ Charter Board ~~of Education~~ shall review the operations of each charter school at least once every five years to ensure that the school is meeting the expected academic, financial, and governance standards.

A material revision of the provisions of a charter application shall be made only upon the approval of the ~~State Board of Education.~~Charter Board.

It shall not be considered a material revision of a charter application and shall not require the prior approval of the ~~State~~ Charter Board for a charter school to increase its enrollment during the charter school's second year of operation and annually thereafter (i) by up to twenty percent (20%) of the school's previous year's enrollment or (ii) in accordance with planned growth as authorized in the charter. Other enrollment growth shall be considered a material revision of the charter application, and the ~~State~~ Charter Board may approve such additional enrollment growth of greater than twenty percent (20%) only if the ~~State~~ Charter Board finds ~~that:~~all of the following:

(1) The actual enrollment of the charter school is within ten percent (10%) of its maximum authorized ~~enrollment;~~enrollment.

(2) The charter school has commitments for ninety percent (90%) of the requested maximum ~~growth;~~growth.

~~(3) The board of education of the local school administrative unit in which the charter school is located has had an opportunity to be heard by the State Board of Education on any adverse impact the proposed growth would have on the unit's ability to provide a sound basic education to its students;~~

(4) The charter school is not currently identified as ~~low-performing;~~low-performing.

(5) The charter school meets generally accepted standards of fiscal ~~management; and~~management.

(6) It is otherwise appropriate to approve the enrollment growth."

SECTION 1.(e) G.S. 115C-238.29E reads as rewritten:

"**§ 115C-238.29E. Charter school operation.**

(a) A charter school that is approved by the State shall be a public school within the local school administrative unit in which it is located. ~~It shall be accountable to the local board of education if it applied for and received preliminary approval from that local board for purposes of ensuring compliance with applicable laws and the provisions of its charter.~~ All ~~other~~ charter schools shall be accountable to the ~~State~~ Charter Board for ensuring compliance with applicable laws and the provisions of their ~~charters, except that any of these charter schools may agree to be accountable to the local board of the school administrative unit in which the charter school is located rather than to the State Board.~~charters.

(b) A charter school shall be operated by a private nonprofit corporation that shall have received federal tax-exempt status no later than 24 months following final approval of the application.

(c) A charter school shall operate under the written charter signed by the entity to which it is accountable under subsection (a) of this section and the applicant. A charter school is not required to enter into any other contract. The charter shall incorporate the information provided in the application, as modified during the charter approval process, and any terms and conditions imposed on the charter school by the ~~State~~ Charter Board ~~of Education~~. No other terms may be imposed on the charter school as a condition for receipt of local funds.

(d) The board of directors of the charter school shall decide matters related to the operation of the school, including budgeting, curriculum, and operating procedures.

(e) A charter school's specific location shall not be prescribed or limited by a local board or other authority except a zoning authority. The school may lease space from a local board of education or as is otherwise lawful in the local school administrative unit in which the charter school is located. If a charter school leases space from a sectarian organization, the charter school classes and students shall be physically separated from any parochial students, and there shall be no religious artifacts, symbols, iconography, or materials on display in the charter school's entrance, classrooms, or hallways. Furthermore, if a charter school leases space from a sectarian organization, the charter school shall not use the name of that organization in the name of the charter school.

~~At~~ Notwithstanding any other law, and at the request of the charter school, the local board of education of the local school administrative unit in which the charter school will be located shall lease any available building or land to the charter school for one dollar ($1.00) per year unless the board demonstrates that the lease is not economically or practically feasible or that the local board does not have adequate classroom space to meet its enrollment needs. ~~Notwithstanding any other law, a local board of education may provide a school facility to a charter school free of charge; however,~~ If the local board of education provides the school

facility to a charter school for one dollar ($1.00) per year, the charter school is responsible for the maintenance of and insurance for the school facility.

(f) Except as provided in this Part and pursuant to the provisions of its charter, a charter school is exempt from statutes and rules applicable to a local board of education or local school administrative unit."

SECTION 1.(f) G.S. 115C-238.29F reads as rewritten:

"**§ 115C-238.29F. General requirements.**

(a) Health and Safety Standards. – A charter school shall meet the same health and safety requirements required of a local school administrative unit. The Department of Public Instruction shall ensure that charter schools provide parents and guardians with information about meningococcal meningitis and influenza and their vaccines at the beginning of every school year. This information shall include the causes, symptoms, and how meningococcal meningitis and influenza are spread and the places where parents and guardians may obtain additional information and vaccinations for their children.

The Department of Public Instruction shall also ensure that charter schools provide parents and guardians with information about cervical cancer, cervical dysplasia, human papillomavirus, and the vaccines available to prevent these diseases. This information shall be provided at the beginning of the school year to parents of children entering grades five ~~though~~ through 12. This information shall include the causes and symptoms of these diseases, how they are transmitted, how they may be prevented by vaccination, including the benefits and possible side effects of vaccination, and the places where parents and guardians may obtain additional information and vaccinations for their children.

The Department of Public Instruction shall also ensure that charter schools provide students in grades nine through 12 with information annually on the manner in which a parent may lawfully abandon a newborn baby with a responsible person, in accordance with G.S. 7B-500.

The Department of Public Instruction shall also ensure that the guidelines for individual diabetes care plans adopted by the State Board of Education under G.S. 115C-12(31) are implemented in charter schools in which students with diabetes are enrolled and that charter schools otherwise comply with the provisions of G.S. 115C-375.3.

(b) School Nonsectarian. – A charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other operations and shall not charge tuition or fees, except that a charter school may charge any fees that are charged by the local school administrative unit in which the charter school is located. A charter school shall not be affiliated with a nonpublic sectarian school or a religious institution.

(c) Civil Liability and Insurance. –

(1) The board of directors of a charter school may sue and be sued. The ~~State~~ Charter Board ~~of Education~~ shall adopt rules to establish reasonable amounts and types of liability insurance that the board of directors shall be required by the charter to obtain. The board of directors shall obtain at least the amount of and types of insurance required by these rules to be included in the charter. Any sovereign immunity of the charter school, of the organization that operates the charter school, or its members, officers, or directors, or of the employees of the charter school or the organization that operates the charter school, is waived to the extent of indemnification by insurance.

(2) No civil liability shall attach to ~~any chartering entity,~~the Charter Board, to the State Board of Education, or to any of their members or employees, individually or collectively, for any acts or omissions of the charter school.

(d) Instructional Program. –

(1) The school shall provide instruction each year for at least 185 days or 1,025 hours over nine calendar months.

(2) The school shall design its programs to at least meet the student performance standards adopted by the State Board of Education and the student performance standards contained in the charter.

(3) A charter school shall conduct the student assessments required ~~for charter schools~~ by the State Board of Education.

(4) The school is subject to and shall comply with Article 9 of Chapter 115C of the General Statutes and The Individuals with Disabilities Education Improvements Act, 20 U.S.C. § 1400, et. seq., (2004), as amended.~~shall comply with policies adopted by the State Board of Education for charter schools relating to the education of children with disabilities.~~

(5) The school is subject to and shall comply with Article 27 of Chapter 115C of the General Statutes, except that a charter school may also exclude a student from the charter school and return that student to another school in the local school administrative unit in accordance with the terms of its ~~charter.~~charter after due process.

(d1) Reading Proficiency and Student Promotion. –

(1) Students in the third grade shall be retained if the student fails to demonstrate reading proficiency by reading at or above the third grade level as demonstrated by the results of the State-approved standardized test of reading comprehension administered to third grade students. The charter school shall provide reading interventions to retained students to remediate reading deficiency, which may include 90 minutes of daily, uninterrupted, evidence-based reading instruction, accelerated reading classes, transition classes containing third and fourth grade students, and summer reading camps.

(2) Students may be exempt from mandatory retention in third grade for good cause but shall continue to receive instructional supports and services and reading interventions appropriate for their age and reading level. Good cause exemptions shall be limited to the following:

a. Limited English Proficient students with less than two years of instruction in an English as a Second Language program.

b. Students with disabilities, as defined in G.S. 115C-106.3(1), whose individualized education program indicates the use of alternative assessments and reading interventions.

c. Students who demonstrate reading proficiency appropriate for third grade students on an alternative assessment of reading comprehension. The charter school shall notify the State Board of Education of the alternative assessment used to demonstrate reading proficiency.

d. Students who demonstrate, through a student reading portfolio, reading proficiency appropriate for third grade students.

e. Students who have (i) received reading intervention and (ii) previously been retained more than once in kindergarten, first, second, or third grades.

(3) The charter school shall provide notice to parents and guardians when a student is not reading at grade level. The notice shall state that if the student's reading deficiency is not remediated by the end of third grade, the student shall be retained unless he or she is exempt from mandatory retention for good cause. Notice shall also be provided to parents and guardians of any student who is to be retained under this subsection of the reason the student is not eligible for a good cause exemption, as well as a

description of proposed reading interventions that will be provided to the student to remediate identified areas of reading deficiency.

(4) The charter school shall annually publish on the charter school's Web site and report in writing to the State Board of Education by September 1 of each year the following information on the prior school year:

a. The number and percentage of third grade students demonstrating and not demonstrating reading proficiency on the State-approved standardized test of reading comprehension administered to third grade students.

b. The number and percentage of third grade students not demonstrating reading proficiency and who do not return to the charter school for the following school year.

c. The number and percentage of third grade students who take and pass the alternative assessment of reading comprehension.

d. The number and percentage of third grade students retained for not demonstrating reading proficiency.

e. The number and percentage of third grade students exempt from mandatory third grade retention by category of exemption as listed in subdivision (2) of this subsection.

(e) Employees. –

(1) An employee of a charter school is not an employee of the local school administrative unit in which the charter school is located. The charter school's board of directors shall employ and contract with necessary teachers to perform the particular service for which they are employed in the ~~school; at least seventy-five percent (75%) of these teachers in grades kindergarten through five, at least fifty percent (50%) of these teachers in grades six through eight, and at least fifty percent (50%) of these teachers in grades nine through 12 shall hold teacher certificates. All teachers in grades six through 12 who are teaching in the core subject areas of mathematics, science, social studies, and language arts shall be college graduates.~~school. The board also may employ necessary employees who are not required to hold teacher ~~certificates~~ licenses to perform duties other than teaching and may contract for other services. The board may discharge teachers and noncertificated employees.

(2) No local board of education shall require any employee of the local school administrative unit to be employed in a charter school.

(3) If a teacher employed by a local school administrative unit makes a written request for a leave of absence to teach at a charter school, the local school administrative unit shall grant the leave for one year. For the initial year of a charter school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 45 days before the teacher would otherwise have to report for duty. After the initial year of a charter school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 90 days before the teacher would otherwise have to report for duty. A local board of education is not required to grant a request for a leave of absence or a request to extend or renew a leave of absence for a teacher who previously has received a leave of absence from that school board under this subdivision. A teacher who has career status under G.S. 115C-325 prior to receiving a leave of absence to teach at a charter school may return to a public school in the local school administrative unit with career status at the end of the leave of

absence or upon the end of employment at the charter school if an appropriate position is available. If an appropriate position is unavailable, the teacher's name shall be placed on a list of available teachers and that teacher shall have priority on all positions for which that teacher is qualified in accordance with G.S. 115C-325(e)(2).

(4) The employees of the charter school shall be deemed employees of the local school administrative unit for purposes of providing certain State-funded employee benefits, including membership in the Teachers' and State Employees' Retirement System and the State Health Plan for Teachers and State Employees. The ~~State Board of Education provides funds to charter schools,~~ Charter Board approves the original members of the boards of directors of the charter schools, has the authority to grant, supervise, and revoke charters, and demands full accountability from charter schools for school finances and student performance. Accordingly, it is the determination of the General Assembly that charter schools are public schools and that the employees of charter schools are public school employees. Employees of a charter school whose board of directors elects to become a participating employer under G.S. 135-5.3 are "teachers" for the purpose of membership in the North Carolina Teachers' and State Employees' Retirement System. In no event shall anything contained in this Part require the North Carolina Teachers' and State Employees' Retirement System to accept employees of a private employer as members or participants of the System.

(5) Education employee associations shall have equal access to charter school employees as provided in G.S. 115C-335.9.

(6) Each charter school board of directors shall adopt a policy on whether and under what circumstances an applicant for employment shall be required to be checked for a criminal history before the applicant is given an unconditional job offer. Each charter school board of directors shall apply its policy uniformly in requiring applicants for employment to be checked for a criminal history. A charter school board of directors that requires a criminal history check for an applicant may employ an applicant conditionally while the board is checking the person's criminal history and making a decision based on the results of the check.

(f) Accountability. –

(1) The school is subject to the financial audits, the audit procedures, and the audit requirements adopted by the ~~State~~ Charter Board ~~of Education~~ for charter schools. These audit requirements may include the requirements of the School Budget and Fiscal Control Act.

(2) The school shall comply with the reporting requirements established by the State Board of Education in the Uniform Education Reporting ~~System.~~System, except that reports shall be made to the Charter Board as well as the State Board of Education.

(3) The school shall report at least annually to the ~~chartering entity and the State~~Charter Board ~~of Education~~ the information required by the ~~chartering entity or the State~~Charter Board.

(g) Admission Requirements. –

(1) Any child who is qualified under the laws of this State for admission to a public school is qualified for admission to a charter school.

(2) No local board of education shall require any student enrolled in the local school administrative unit to attend a charter school.

(3) Admission to a charter school shall not be determined according to the school attendance area in which a student resides, except that any local school administrative unit in which a public school converts to a charter school shall give admission preference to students who reside within the former attendance area of that school.

(4) Admission to a charter school shall not be determined according to the local school administrative unit in which a student resides.

(5) A charter school shall not discriminate against any student on the basis of ethnicity, national origin, gender, or disability. Except as otherwise provided by law or the mission of the school as set out in the charter, the school shall not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, gender, national origin, religion, or ancestry. The charter school may give enrollment priority to siblings of currently enrolled students who were admitted to the charter school in a previous year and to children of the school's principal, teachers, and teacher assistants. In addition, and only for its first year of operation, the charter school may give enrollment priority to children of the initial members of the charter school's board of directors, so long as (i) these children are limited to no more than ten percent (10%) of the school's total enrollment or to 20 students, whichever is less, and (ii) the charter school is not a former public or private school. If multiple ~~birth~~ siblings apply for admission to a charter school and a lottery is needed under G.S. 115C-238.29F(g)(6), the charter school shall enter one surname into the lottery to represent all of the multiple ~~birth~~ siblings. If that surname of the multiple ~~birth~~ siblings is selected, then all of the multiple ~~birth~~ siblings shall be admitted. Within one year after the charter school begins operation, the population of the school shall make efforts to reasonably reflect the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located. The school shall be subject to any court-ordered desegregation plan in effect for the local school administrative unit.

(6) During each period of enrollment, the charter school shall enroll an eligible student who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, students shall be accepted by lot. Once enrolled, students are not required to reapply in subsequent enrollment periods.

(7) Notwithstanding any law to the contrary, a charter school may refuse admission to any student who has been expelled or suspended from a public school under G.S. 115C-390.5 through G.S. 115C-390.11 until the period of suspension or expulsion has expired.

(h) Transportation. – The charter school may provide transportation for students enrolled at the school. The charter school shall develop a transportation plan so that transportation is not a barrier to any student who resides in the local school administrative unit in which the school is located. The charter school is not required to provide transportation to any student who lives within one and one-half miles of the school. At the request of the charter school and if the local board of the local school administrative unit in which the charter school is located operates a school bus system, then that local board may contract with the charter school to provide transportation in accordance with the charter school's transportation plan to students who reside in the local school administrative unit and who reside at least one and

one-half miles of the charter school. A local board may charge the charter school a reasonable charge that is sufficient to cover the cost of providing this transportation. Furthermore, a local board may refuse to provide transportation under this subsection if it demonstrates there is no available space on buses it intends to operate during the term of the contract or it would not be practically feasible to provide this transportation.

(i) Assets. – Upon dissolution of the charter school or upon the nonrenewal of the charter, all net assets of the charter school purchased with public funds shall be deemed the property of the ~~local school administrative unit in which the charter school is located.~~State assets shall be returned to the General Fund.

(j) Driving Eligibility Certificates. – In accordance with rules adopted by the State Board of Education, the designee of the school's board of directors shall do all of the following:

(1) Sign driving eligibility certificates that meet the conditions established in G.S. 20-11.

(2) Obtain the necessary written, irrevocable consent from parents, guardians, or emancipated juveniles, as appropriate, in order to disclose information to the Division of Motor Vehicles.

(3) Notify the Division of Motor Vehicles when a student who holds a driving eligibility certificate no longer meets its conditions.

(k) The Display of the United States and North Carolina Flags and the Recitation of the Pledge of Allegiance. – A charter school shall (i) display the United States and North Carolina flags in each classroom when available, (ii) require the recitation of the Pledge of Allegiance on a daily basis, and (iii) provide age-appropriate instruction on the meaning and historical origins of the flag and the Pledge of Allegiance. A charter school shall not compel any person to stand, salute the flag, or recite the Pledge of Allegiance. If flags are donated or are otherwise available, flags shall be displayed in each classroom.

(l) North Carolina School Report Cards. – A charter school shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. A charter school shall ensure that the overall school performance score and grade earned by the charter school for the current and previous four school years is prominently displayed on the school Web site. If a charter school is awarded a grade of D or F, the charter school shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school."

SECTION 1.(g) G.S. 115C-238.29G reads as rewritten:

"**§ 115C-238.29G. Causes for nonrenewal or termination; disputes.**

(a) The ~~State Board of Education, or a chartering entity subject to the approval of the State Board of Education,~~Charter Board may ~~terminate or not renew a charter~~terminate, not renew, or seek applicants to assume the charter through a competitive bid process established by the Charter Board upon any of the following grounds:

(1) Failure to meet the requirements for student performance contained in the charter;

(2) Failure to meet generally accepted standards of fiscal management;

(3) Violations of law;

(4) Material violation of any of the conditions, standards, or procedures set forth in the charter;

(5) Two-thirds of the faculty and instructional support personnel at the school request that the charter be terminated or not renewed; or

(6) Other good cause identified.

(a1) The ~~State~~ Charter Board shall adopt criteria for adequate performance by a charter school and shall identify charter schools with inadequate performance. The criteria shall include a requirement that a charter school which demonstrates no growth in student

performance and has annual performance composites below sixty percent (60%) in any two years in a three-year period is inadequate.

(1) If a charter school is inadequate in the first five years of the charter, the charter school shall develop a strategic plan to meet specific goals for student performance that are consistent with ~~State~~ Charter Board criteria and the mission approved in the charter school. The strategic plan shall be reviewed and approved by the ~~State~~ Charter Board. The ~~State~~ Charter Board is authorized to terminate or not renew a charter for failure to demonstrate improvement under the strategic plan.

(2) If a charter school is inadequate and has had a charter for more than five years, the ~~State~~ Charter Board is authorized to terminate, not renew, or seek applicants to assume the charter through a competitive bid process established by the Charter Board. ~~terminate or not renew the charter.~~ The Charter Board shall develop rules on the assumption of a charter by a new entity that include all aspects of the operations of the charter school including the status of the employees. Public assets would transfer to the new entity and not revert to the General Fund pursuant to G.S. 115C-238.29F(i).

(b) The ~~State~~ Charter Board ~~of Education~~ shall develop and implement a process to address contractual and other grievances between a charter school and its chartering entity or the local board of education during the time of its charter.

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

Notwithstanding Article 33C of Chapter 143 of the General Statutes, the mediation proceedings shall be conducted in private. Evidence of statements made and conduct occurring in a mediation are not subject to discovery and are inadmissible in any court action. However, no evidence otherwise discoverable is inadmissible merely because it is presented or discussed in a mediation. The mediator shall not be compelled to testify or produce evidence concerning statements made and conduct occurring in a mediation in any civil proceeding for any purpose, except disciplinary hearings before the State Bar or any agency established to enforce standards of conduct for mediators. The mediator may determine that an impasse exists and discontinue the mediation at any time. The mediator shall not make any recommendations or public statement of findings or conclusions. The ~~State~~ Charter Board and the charter school shall share equally the mediator's compensation and expenses. The mediator's compensation shall be determined according to rules adopted under Chapter 7A of the General Statutes."

SECTION 1.(h) G.S. 115C-238.29H reads as rewritten:

"**§ 115C-238.29H. State and local funds for a charter school.**

(a) The State Board of Education shall allocate to each charter school:

(1) An amount equal to the average per pupil allocation for average daily membership from the local school administrative unit allotments in which the charter school is located for each child attending the charter school except for the allocation for children with disabilities and for the allocation for children with limited English proficiency;

(2) An additional amount for each child attending the charter school who is a child with disabilities; and

(3) An additional amount for children with limited English proficiency attending the charter school, based on a formula adopted by the State Board.

~~In accordance with G.S. 115C-238.29D(d), the~~The State Board shall allow for annual adjustments to the amount allocated to a charter school based on its enrollment growth in school years subsequent to the initial year of operation.

In the event a child with disabilities leaves the charter school and enrolls in a public school during the first 60 school days in the school year, the charter school shall return a pro rata amount of funds allocated for that child to the State Board, and the State Board shall reallocate those funds to the local school administrative unit in which the public school is located. In the event a child with disabilities enrolls in a charter school during the first 60 school days in the school year, the State Board shall allocate to the charter school the pro rata amount of additional funds for children with disabilities.

(a1) Funds allocated by the State Board of Education may be used to enter into operational and financing leases for real property or mobile classroom units for use as school facilities for charter schools and may be used for payments on loans made to charter schools for facilities or equipment. However, State funds shall not be used to obtain any other interest in real property or mobile classroom units. No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions. Every contract or lease into which a charter school enters shall include the previous sentence. The school also may own land and buildings it obtains through non-State sources.

(b) If a student attends a charter school, the local school administrative unit in which the child resides shall transfer to the charter school an amount equal to the per pupil share of the local current expense ~~appropriation to~~ fund of the local school administrative unit for the fiscal year. The amount transferred under this subsection that consists of revenue derived from supplemental taxes shall be transferred only to a charter school located in the tax district for which these taxes are levied and in which the student resides. The per pupil share of the local current expense fund must be transferred to the charter school within 30 days of the receipt of monies into the local current expense fund.

(b1) The local school administrative unit shall also provide each charter school to which it transfers a per pupil share of its local current expense fund with all of the following information within the 30-day time period provided in subsection (b) of this section:

(1) The total amount of monies the local school administrative unit has in each of the funds listed in G.S. 115C-426(c).

(2) The student membership numbers used to calculate the per pupil share of the local current expense fund.

(3) How the per pupil share of the local current expense fund was calculated.

(c) The court shall award the prevailing party in an action to enforce the provisions of subsection (b) of this section its reasonable attorneys' fees and costs incurred in bringing such an action, plus interest at the legal rate as provided in G.S. 24-1 from and after the date that any such amounts should have otherwise been paid to the charter school for a fiscal year. The court shall order any delinquent funds, costs, fees, and interest to be paid in full within three years from the entry of any judgment. This subsection shall apply to any final judgment entered from and after the effective date of this subsection."

SECTION 1.(i) G.S. 115C-238.29I reads as rewritten:

"**§ 115C-238.29I. Notice of the charter school process; review of charter ~~schools; Charter School Advisory Committee.~~schools.**

(a) The ~~State~~ Charter Board ~~of Education~~ shall distribute information announcing the availability of the charter school process described in this Part to each local school administrative unit and public postsecondary educational institution and, through press releases, to each major newspaper in the State.

(b) Repealed by Session Laws 1997-18, s. 15(i).

(c) The ~~State~~ Charter Board ~~of Education~~ shall review and evaluate the educational effectiveness of the charter ~~school approach~~schools authorized under this Part and the effect of charter schools on the public schools in the local school administrative unit in which the charter schools are located. The Board shall report annually no later than January ~~1, 2002,~~1, to the Joint Legislative Education Oversight Committee ~~with recommendations to modify, expand, or terminate that approach. The Board shall base its recommendations predominantly on the following information:~~on the following:

(1) The current and projected impact of charter schools on the delivery of services by the public schools.

(2) Student academic progress in the charter schools as measured, where available, against the academic year immediately preceding the first academic year of the charter schools' operation.

(3) Best practices resulting from charter school operations.

(4) Other information the ~~State~~ Charter Board considers appropriate.

~~(d) The State Board of Education may establish a Charter School Advisory Committee to assist with the implementation of this Part. The Charter School Advisory Committee may (i) provide technical assistance to chartering entities or to potential applicants, (ii) review applications for preliminary approval, (iii) make recommendations as to whether the State Board should approve applications for charter schools, (iv) make recommendations as to whether the State Board should terminate or not renew a charter, (v) make recommendations concerning grievances between a charter school and its chartering entity, the State Board, or a local board, (vi) assist with the review under subsection (c) of this section, and (vii) provide any other assistance as may be required by the State Board.~~

~~(e) Notwithstanding the dates set forth in this Part, the State Board of Education may establish an alternative time line for the submission of applications, preliminary approvals, criminal record checks, appeals, and final approvals so long as the Board grants final approval by March 15 of each calendar year.~~"

SECTION 1.(j) G.S. 115C-238.29J is repealed.

SECTION 1.(k) G.S. 115C-238.29K is repealed.

SECTION 2.(a) G.S. 115C-426(c) reads as rewritten:

"(c) The uniform budget format shall require the following funds:

(1) The State Public School Fund.

(2) The local current expense fund.

(3) The capital outlay fund.

In addition, other funds may be used to account for reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S. 105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal appropriations made directly to local school administrative units, and funds received for prekindergarten ~~programs, and special programs.~~programs. In addition, the appropriation or use of fund balance or interest income by a local school administrative unit shall not be construed as a local current expense appropriation.

Each local school administrative unit shall maintain those funds shown in the uniform budget format that are applicable to its operations."

SECTION 2.(b) G.S. 115C-448 is amended by adding a new subsection to read:

"(d) Special funds of individual schools shall not be included as part of the local current expense fund of a local school administrative unit for the purposes of determining the per pupil

share of the local current expense fund transferred to a charter school pursuant to G.S. 115C-238.29H(b)."

SECTION 3. G.S. 105-278.4(a) reads as rewritten:

"(a) Buildings. – Buildings, the land they actually occupy, and additional land reasonably necessary for the convenient use of any such building shall be exempted from taxation if all of the following requirements are met:

...

(4) Wholly and exclusively used for educational purposes by ~~the owner or occupied gratuitously by another nonprofit educational institution and wholly and exclusively used by the occupant for nonprofit educational purposes.~~any of the following:

a. The owner.

b. A nonprofit educational institution occupying the building gratuitously.

c. A charter school even if the charter school is not the owner of the building."

SECTION 4. Notwithstanding G.S. 115C-238.29A1, as enacted by this section, initial appointments to the Charter Board shall be made by the Governor and the General Assembly no later than April 1, 2013. Initial terms of office to the Charter Board shall be as follows:

(1) Two members appointed by the Governor, as designated by the Governor, shall be appointed to serve until June 30, 2015. One member appointed by the Governor, as designated by the Governor, shall be appointed to serve until June 30, 2017.

(2) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, as designated by the Speaker, shall be until June 30, 2015. Two members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, as designated by the Speaker, shall be until June 30, 2017.

(3) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, as designated by the President Pro Tempore, shall be until June 30, 2015. Two members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, as designated by the President Pro Tempore, shall be until June 30, 2017.

SECTION 5. This act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 337

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

S337-ARQ-8 [v.2]

Comm. Sub. [YES]
Amends Title [NO]
S337-CSRQ-3

Date _____,2013

Senator Allran

moves to amend the bill on page 9, lines 26-34 by deleting those lines and substituting the following:

"(6) Each charter school board of directors shall adopt a policy that requires an applicant for employment to be checked for a criminal history which includes a check of the State Sex Offender and Public Protection Registration Program, the State Sexually Violent Predator Registration Program, and the National Sex Offender Registry before the applicant is given an unconditional job offer. Each charter school board of directors shall apply its policy uniformly. A charter school board of directors may employ an applicant conditionally while the board is checking the person's criminal history and making a decision based on the results of the check.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 337
PROPOSED COMMITTEE SUBSTITUTE S337-CSRQ-3 [v.3]
4/2/2013 2:33:26 PM

Short Title: NC Public Charter School Board. (Public)

Sponsors:

Referred to:

March 19, 2013

A BILL TO BE ENTITLED

AN ACT TO CREATE THE NORTH CAROLINA PUBLIC SCHOOL CHARTER BOARD AND MAKE OTHER CHANGES TO CHARTER SCHOOL LAWS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Article 16 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-238.29A1. North Carolina Public Charter Schools Board established.**

(a) Creation. – There is created the North Carolina Public Charter Schools Board, hereinafter referred to in this Part as the Charter Board. The Charter Board shall be located administratively within the Department of Public Instruction but shall exercise its powers and duties independently of the State Board of Education and Department of Public Instruction, except as provided in this section.

(b) Purpose. – The purpose of the Charter Board is to authorize and oversee high-quality public charter schools throughout the State, consistent with the purposes of this Part, and to exercise authority for approval of any charter applicant.

(c) Membership. – The State Superintendent of Public Instruction shall be the secretary of the Charter Board and a nonvoting member. The Charter Board shall consist of the following 11 voting members:

(1) Three members appointed by the Governor.

(2) Three members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, in accordance with G.S. 120-121.

(3) Three members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, in accordance with G.S. 120-121.

(4) The State Treasurer.

(5) The Lieutenant Governor.

(d) Qualifications of Members. – Members appointed to the Charter Board shall collectively possess strong experience and expertise in public and nonprofit governance, management and finance, public school leadership, assessment, curriculum and instruction, public charter schools, and public education law. All appointed members of the Charter Board shall have demonstrated an understanding of and a commitment to charter schools as a strategy for strengthening public education.

(e) Terms of Office and Vacancy Appointments. – Appointed members shall serve four-year terms of office beginning on July 1. No appointed member shall serve more than

eight consecutive years. Vacancy appointments shall be made by the appointing authority for the remainder of the term of office.

(f) Officers. – The Charter Board shall annually elect a chair and a vice-chair from among its membership. In the absence of the chair, the vice-chair shall preside over the Charter Board's meetings. A majority of the Charter Board constitutes a quorum. The Charter Board shall adopt rules to govern its proceedings.

(g) Meetings. – Meetings of the Charter Board shall be held upon the call of the chair or the vice-chair with the approval of the chair.

(h) Expenses. – Members of the Charter Board shall be reimbursed for travel and subsistence expenses at the rates allowed to State officers and employees by G.S. 138-6(a).

(i) Removal. – Any appointed member of the Charter Board may be removed by a vote of at least two-thirds of the members of the Charter Board at any duly held meeting for any cause that renders the member incapable or unfit to discharge the duties of the office.

(j) Office of Charter Schools. – The Office of Charter Schools shall be the principal administrative unit under the direction of the Charter Board. The Department of Public Instruction shall provide staff, offices, office equipment, and meeting space to the Charter Board and Office of Charter Schools.

(k) Powers and Duties. – The Charter Board shall have the following duties:

(1) To provide technical assistance, through the Office of Charter Schools and the Department of Public Instruction, to charter school applicants and to charter schools that are approved under this Part.

(2) To adopt rules in accordance with Article 2A of Chapter 150B of the General Statutes regarding all aspects of charter school operation, including time lines, standards, and criteria for acceptance and approval of applications, monitoring of charter schools, and grounds for revocation of charters.

(3) To oversee the process for accepting and approving applications for charters and to make final approval of charter applications.

(4) To oversee the process for monitoring the operation of charter schools with the assistance and counsel of staff from the Department of Public Instruction.

(5) To take any actions regarding a charter school, including renewals of charters, nonrenewals of charters, and revocation of charters.

(6) To undertake any duties and responsibilities consistent with the above powers and duties and incident thereto.

(l) The State Board shall have the authority to veto by a three-fourths vote any action adopted by vote of the Charter Board if the State Board's veto vote is taken within 45 days of the date the Charter Board voted to adopt the action.

SECTION 1.(b) G.S. 115C-238.29B reads as rewritten:

"**§ 115C-238.29B. Eligible applicants; contents of applications; submission of applications for approval.**

(a) Any ~~person, group of persons, or~~ nonprofit corporation seeking to establish a charter school may apply to the Charter Board to establish a charter school. If the applicant seeks to convert a public school to a charter school, the application shall include a statement signed by a majority of the teachers and instructional support personnel currently employed at the school indicating that they favor the conversion and evidence that a significant number of parents of children enrolled in the school favor conversion.

(b) The application shall contain at least the following information:

(1) A description of a program that implements one or more of the purposes in G.S. 115C-238.29A.

(2) A description of student achievement goals for the school's educational program and the method of demonstrating that students have attained the skills and knowledge specified for those student achievement goals.

(3) The governance structure of the school including the names of the ~~proposed~~ initial members of the board of directors of the nonprofit, tax-exempt corporation and the process to be followed by the school to ensure parental involvement.

(3a) The local school administrative unit in which the school will be located.

(4) Admission policies and procedures.

(5) A proposed budget for the school and evidence that the financial plan for the school is economically sound.

(6) Requirements and procedures for program and financial audits.

(7) A description of how the school will comply with G.S. 115C-238.29F.

(8) Types and amounts of insurance coverage, including bonding insurance for the principal officers of the school, to be obtained by the charter school.

(9) The term of the charter.

(10) The qualifications required for individuals employed by the school.

(11) The procedures by which students can be excluded from the charter school and returned to a public school. Notwithstanding any law to the contrary, any local board may refuse to admit any student who is suspended or expelled from a charter school due to actions that would lead to suspension or expulsion from a public school under G.S. 115C-390.5 through G.S. 115C-390.11 until the period of suspension or expulsion has expired.

(12) The number of students to be served, which number shall be at least 65, and the minimum number of teachers to be employed at the school, which number shall be at least three. However, the charter school may serve fewer than 65 students or employ fewer than three teachers if the application contains a compelling reason, such as the school would serve a geographically remote and small student population.

(13) Information regarding the facilities to be used by the school and the manner in which administrative services of the school are to be provided.

(14) Repealed by Session Laws 1997-430, s. 1.

~~(c) An applicant shall submit the application to a chartering entity for preliminary approval. A chartering entity may be:~~

~~(1) The local board of education of the local school administrative unit in which the charter school will be located;~~

~~(2) The board of trustees of a constituent institution of The University of North Carolina, so long as the constituent institution is involved in the planning, operation, or evaluation of the charter school; or~~

~~(3) The State Board of Education.~~

~~Regardless of which chartering entity receives the application for preliminary approval, the State Board of Education shall have final approval of the charter school.~~

~~Notwithstanding the provisions of this subsection, if the State Board of Education finds that an applicant (i) submitted an application to a local board of education and received final approval from the State Board of Education, but (ii) is unable to find a suitable location within that local school administrative unit to operate, the State Board of Education may authorize the charter school to operate within an adjacent local school administrative unit for one year only. The charter school cannot operate for more than one year unless it reapplies, in accordance with subdivision (1), (2), or (3) of this subsection, and receives final approval from the State Board of Education.~~

~~(d) Unless an applicant submits its application under subsection (c) of this section to the local board of education of the local school administrative unit in which the charter school will be located, the applicant shall submit a copy of its application to that local board within seven days of its submission under subsection (c) of this section. The local board may offer any information or comment concerning the application it considers appropriate to the chartering entity. The local board shall deliver this information to the chartering entity no later than January 1 of the next calendar year. The applicant shall not be required to obtain or deliver this information to the chartering entity on behalf of the local board. The State Board shall consider any information or comment it receives from a local board and shall consider the impact on the local school administrative unit's ability to provide a sound basic education to its students when determining whether to grant preliminary and final approval of the charter school.~~

(e) The Charter Board shall establish reasonable fees for initial and renewal charter applications in accordance with Article 2A of Chapter 150B of the General Statutes. The fees collected under this section shall be placed in a special fund to be designated the "Charter Application Fund" and shall be used under the supervision and direction of the Charter Board for the administration of this Part. No application fee shall be refunded in the event the application is rejected or the charter is revoked."

SECTION 1.(c) G.S. 115C-238.29C is repealed.

SECTION 1.(d) G.S. 115C-238.29D reads as rewritten:

"**§ 115C-238.29D. Final approval of applications for charter schools.**

(a) The ~~State~~ Charter Board may grant ~~final~~ approval of an application if it finds (i) that the application meets the requirements set out in this Part ~~or~~and such other requirements as may be adopted by the ~~State Board of Education~~ Charter Board, (ii) that the applicant has the ability to operate the school and would be likely to operate the school in an educationally and economically sound manner, and (iii) that granting the application would achieve one or more of the purposes set out in G.S. 115C-238.29A. ~~The State Board shall act by March 15 of a calendar year on all applications and appeals it receives prior to February 15 of that calendar year.~~In reviewing applications for the establishment of charter schools within a local school administrative unit, the Charter Board is encouraged to give preference to applications that demonstrate the capability to provide comprehensive learning experiences to students identified by the applicants as at risk of academic failure.

(b) Repealed by Session Laws 2011-164, s. 2(a), effective July 1, 2011.

(c) The ~~State~~ Charter Board ~~of Education~~ may authorize a school before the applicant has secured its space, equipment, facilities, and personnel if the applicant indicates the authority is necessary for it to raise working capital. ~~The State Board~~Funds shall not ~~allocate any funds~~be allocated to the school until the school has obtained space.

(d) The ~~State~~ Charter Board ~~of Education~~ may grant the initial charter for a period not to exceed 10 years and may renew the charter upon the request of the ~~chartering entity~~charter school for subsequent periods not to exceed 10 years each. The ~~State~~ Charter Board ~~of Education~~ shall review the operations of each charter school at least once every five years to ensure that the school is meeting the expected academic, financial, and governance standards.

A material revision of the provisions of a charter application shall be made only upon the approval of the ~~State Board of Education.~~Charter Board.

It shall not be considered a material revision of a charter application and shall not require the prior approval of the ~~State~~ Charter Board for a charter school to increase its enrollment during the charter school's second year of operation and annually thereafter (i) by up to twenty percent (20%) of the school's previous year's enrollment or (ii) in accordance with planned growth as authorized in the charter. Other enrollment growth shall be considered a material revision of the charter application, and the ~~State~~ Charter Board may approve such additional enrollment growth of greater than twenty percent (20%) only if the ~~State~~ Charter Board finds ~~that:~~all of the following:

(1) The actual enrollment of the charter school is within ten percent (10%) of its maximum authorized ~~enrollment;~~enrollment.

(2) The charter school has commitments for ninety percent (90%) of the requested maximum ~~growth;~~growth.

~~(3) The board of education of the local school administrative unit in which the charter school is located has had an opportunity to be heard by the State Board of Education on any adverse impact the proposed growth would have on the unit's ability to provide a sound basic education to its students;~~

(4) The charter school is not currently identified as ~~low-performing;~~low-performing.

(5) The charter school meets generally accepted standards of fiscal ~~management; and~~management.

(6) It is otherwise appropriate to approve the enrollment growth."

SECTION 1.(e) G.S. 115C-238.29E reads as rewritten:

"**§ 115C-238.29E. Charter school operation.**

(a) A charter school that is approved by the State shall be a public school within the local school administrative unit in which it is located. ~~It shall be accountable to the local board of education if it applied for and received preliminary approval from that local board for purposes of ensuring compliance with applicable laws and the provisions of its charter.~~ All ~~other~~ charter schools shall be accountable to the ~~State~~ Charter Board for ensuring compliance with applicable laws and the provisions of their ~~charters, except that any of these charter schools may agree to be accountable to the local board of the school administrative unit in which the charter school is located rather than to the State Board.~~charters.

(b) A charter school shall be operated by a private nonprofit corporation that shall have received federal tax-exempt status no later than 24 months following final approval of the application.

(c) A charter school shall operate under the written charter signed by the ~~entity to which it is accountable under subsection (a) of this section~~ Charter Board and the applicant. A charter school is not required to enter into any other contract. The charter shall incorporate the information provided in the application, as modified during the charter approval process, and any terms and conditions imposed on the charter school by the ~~State~~ Charter Board ~~of Education~~. No other terms may be imposed on the charter school as a condition for receipt of local funds.

(d) The board of directors of the charter school shall decide matters related to the operation of the school, including budgeting, curriculum, and operating procedures.

(e) A charter school's specific location shall not be prescribed or limited by a local board or other authority except a zoning authority. The school may lease space from a local board of education or as is otherwise lawful in the local school administrative unit in which the charter school is located. If a charter school leases space from a sectarian organization, the charter school classes and students shall be physically separated from any parochial students, and there shall be no religious artifacts, symbols, iconography, or materials on display in the charter school's entrance, classrooms, or hallways. Furthermore, if a charter school leases space from a sectarian organization, the charter school shall not use the name of that organization in the name of the charter school.

~~At~~ Notwithstanding any other law, and at the request of the charter school, the local board of education of the local school administrative unit in which the charter school will be located shall lease any available building or land to the charter school for one dollar ($1.00) per year unless the board demonstrates that the lease is not economically or practically feasible or that the local board does not have adequate classroom space to meet its enrollment needs. ~~Notwithstanding any other law, a local board of education may provide a school facility to a charter school free of charge; however,~~ If the local board of education provides the school

facility to a charter school for one dollar ($1.00) per year, the charter school is responsible for the maintenance of and insurance for the school facility.

(f) Except as provided in this Part and pursuant to the provisions of its charter, a charter school is exempt from statutes and rules applicable to a local board of education or local school administrative unit."

SECTION 1.(f) G.S. 115C-238.29F reads as rewritten:

"**§ 115C-238.29F. General requirements.**

(a) Health and Safety Standards. – A charter school shall meet the same health and safety requirements required of a local school administrative unit. The Department of Public Instruction shall ensure that charter schools provide parents and guardians with information about meningococcal meningitis and influenza and their vaccines at the beginning of every school year. This information shall include the causes, symptoms, and how meningococcal meningitis and influenza are spread and the places where parents and guardians may obtain additional information and vaccinations for their children.

The Department of Public Instruction shall also ensure that charter schools provide parents and guardians with information about cervical cancer, cervical dysplasia, human papillomavirus, and the vaccines available to prevent these diseases. This information shall be provided at the beginning of the school year to parents of children entering grades five ~~though~~ through 12. This information shall include the causes and symptoms of these diseases, how they are transmitted, how they may be prevented by vaccination, including the benefits and possible side effects of vaccination, and the places where parents and guardians may obtain additional information and vaccinations for their children.

The Department of Public Instruction shall also ensure that charter schools provide students in grades nine through 12 with information annually on the manner in which a parent may lawfully abandon a newborn baby with a responsible person, in accordance with G.S. 7B-500.

The Department of Public Instruction shall also ensure that the guidelines for individual diabetes care plans adopted by the State Board of Education under G.S. 115C-12(31) are implemented in charter schools in which students with diabetes are enrolled and that charter schools otherwise comply with the provisions of G.S. 115C-375.3.

(b) School Nonsectarian. – A charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other operations and shall not charge tuition or fees, except that a charter school may charge any fees that are charged by the local school administrative unit in which the charter school is located. A charter school shall not be affiliated with a nonpublic sectarian school or a religious institution.

(c) Civil Liability and Insurance. –

(1) The board of directors of a charter school may sue and be sued. The ~~State~~ Charter Board ~~of Education~~ shall adopt rules to establish reasonable amounts and types of liability insurance that the board of directors shall be required by the charter to obtain. The board of directors shall obtain at least the amount of and types of insurance required by these rules to be included in the charter. Any sovereign immunity of the charter school, of the organization that operates the charter school, or its members, officers, or directors, or of the employees of the charter school or the organization that operates the charter school, is waived to the extent of indemnification by insurance.

(2) No civil liability shall attach to ~~any chartering entity,~~the Charter Board, to the State Board of Education, or to any of their members or employees, individually or collectively, for any acts or omissions of the charter school.

(d) Instructional Program. –

(1) The school shall provide instruction each year for at least 185 days or 1,025 hours over nine calendar months.

(2) The school shall design its programs to at least meet the student performance standards adopted by the State Board of Education and the student performance standards contained in the charter.

(3) A charter school shall conduct the student assessments required ~~for charter schools~~ by the State Board of Education.

(4) The school is subject to and shall comply with Article 9 of Chapter 115C of the General Statutes and The Individuals with Disabilities Education Improvements Act, 20 U.S.C. § 1400, et. seq., (2004), as amended.~~shall comply with policies adopted by the State Board of Education for charter schools relating to the education of children with disabilities.~~

(5) The school is subject to and shall comply with Article 27 of Chapter 115C of the General Statutes, except that a charter school may also exclude a student from the charter school and return that student to another school in the local school administrative unit in accordance with the terms of its ~~charter.~~charter after due process.

(d1) Reading Proficiency and Student Promotion. –

(1) Students in the third grade shall be retained if the student fails to demonstrate reading proficiency by reading at or above the third grade level as demonstrated by the results of the State-approved standardized test of reading comprehension administered to third grade students. The charter school shall provide reading interventions to retained students to remediate reading deficiency, which may include 90 minutes of daily, uninterrupted, evidence-based reading instruction, accelerated reading classes, transition classes containing third and fourth grade students, and summer reading camps.

(2) Students may be exempt from mandatory retention in third grade for good cause but shall continue to receive instructional supports and services and reading interventions appropriate for their age and reading level. Good cause exemptions shall be limited to the following:

a. Limited English Proficient students with less than two years of instruction in an English as a Second Language program.

b. Students with disabilities, as defined in G.S. 115C-106.3(1), whose individualized education program indicates the use of alternative assessments and reading interventions.

c. Students who demonstrate reading proficiency appropriate for third grade students on an alternative assessment of reading comprehension. The charter school shall notify the State Board of Education of the alternative assessment used to demonstrate reading proficiency.

d. Students who demonstrate, through a student reading portfolio, reading proficiency appropriate for third grade students.

e. Students who have (i) received reading intervention and (ii) previously been retained more than once in kindergarten, first, second, or third grades.

(3) The charter school shall provide notice to parents and guardians when a student is not reading at grade level. The notice shall state that if the student's reading deficiency is not remediated by the end of third grade, the student shall be retained unless he or she is exempt from mandatory retention for good cause. Notice shall also be provided to parents and guardians of any student who is to be retained under this subsection of the reason the student is not eligible for a good cause exemption, as well as a

description of proposed reading interventions that will be provided to the student to remediate identified areas of reading deficiency.

(4) The charter school shall annually publish on the charter school's Web site and report in writing to the State Board of Education by September 1 of each year the following information on the prior school year:

a. The number and percentage of third grade students demonstrating and not demonstrating reading proficiency on the State-approved standardized test of reading comprehension administered to third grade students.

b. The number and percentage of third grade students not demonstrating reading proficiency and who do not return to the charter school for the following school year.

c. The number and percentage of third grade students who take and pass the alternative assessment of reading comprehension.

d. The number and percentage of third grade students retained for not demonstrating reading proficiency.

e. The number and percentage of third grade students exempt from mandatory third grade retention by category of exemption as listed in subdivision (2) of this subsection.

(e) Employees. –

(1) An employee of a charter school is not an employee of the local school administrative unit in which the charter school is located. The charter school's board of directors shall employ and contract with necessary teachers to perform the particular service for which they are employed in the ~~school; at least seventy-five percent (75%) of these teachers in grades kindergarten through five, at least fifty percent (50%) of these teachers in grades six through eight, and at least fifty percent (50%) of these teachers in grades nine through 12 shall hold teacher certificates. All teachers in grades six through 12 who are teaching in the core subject areas of mathematics, science, social studies, and language arts shall be college graduates.~~school. The board also may employ necessary employees who are not required to hold teacher ~~certificates~~ licenses to perform duties other than teaching and may contract for other services. The board may discharge teachers and noncertificated employees.

(2) No local board of education shall require any employee of the local school administrative unit to be employed in a charter school.

(3) If a teacher employed by a local school administrative unit makes a written request for a leave of absence to teach at a charter school, the local school administrative unit shall grant the leave for one year. For the initial year of a charter school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 45 days before the teacher would otherwise have to report for duty. After the initial year of a charter school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 90 days before the teacher would otherwise have to report for duty. A local board of education is not required to grant a request for a leave of absence or a request to extend or renew a leave of absence for a teacher who previously has received a leave of absence from that school board under this subdivision. A teacher who has career status under G.S. 115C-325 prior to receiving a leave of absence to teach at a charter school may return to a public school in the local school administrative unit with career status at the end of the leave of

absence or upon the end of employment at the charter school if an appropriate position is available. If an appropriate position is unavailable, the teacher's name shall be placed on a list of available teachers and that teacher shall have priority on all positions for which that teacher is qualified in accordance with G.S. 115C-325(e)(2).

(4) The employees of the charter school shall be deemed employees of the local school administrative unit for purposes of providing certain State-funded employee benefits, including membership in the Teachers' and State Employees' Retirement System and the State Health Plan for Teachers and State Employees. The State Board of Education provides funds to charter schools, and the Charter Board approves the original members of the boards of directors of the charter schools, has the authority to grant, supervise, and revoke charters, and demands full accountability from charter schools for school finances and student performance. Accordingly, it is the determination of the General Assembly that charter schools are public schools and that the employees of charter schools are public school employees. Employees of a charter school whose board of directors elects to become a participating employer under G.S. 135-5.3 are "teachers" for the purpose of membership in the North Carolina Teachers' and State Employees' Retirement System. In no event shall anything contained in this Part require the North Carolina Teachers' and State Employees' Retirement System to accept employees of a private employer as members or participants of the System.

(5) Education employee associations shall have equal access to charter school employees as provided in G.S. 115C-335.9.

(6) Each charter school board of directors shall adopt a policy on whether and under what circumstances an applicant for employment shall be required to be checked for a criminal history before the applicant is given an unconditional job offer. Each charter school board of directors shall apply its policy uniformly in requiring applicants for employment to be checked for a criminal history. A charter school board of directors that requires a criminal history check for an applicant may employ an applicant conditionally while the board is checking the person's criminal history and making a decision based on the results of the check.

(f) Accountability. –

(1) The school is subject to the financial audits, the audit procedures, and the audit requirements adopted by the ~~State~~ Charter Board ~~of Education~~ for charter schools. These audit requirements may include the requirements of the School Budget and Fiscal Control Act.

(2) The school shall comply with the reporting requirements established by the State Board of Education in the Uniform Education Reporting ~~System.~~System, except that reports shall be made to the Charter Board as well as the State Board of Education.

(3) The school shall report at least annually to the ~~chartering entity and the State~~Charter Board ~~of Education~~ the information required by the ~~chartering entity or the State~~Charter Board.

(g) Admission Requirements. –

(1) Any child who is qualified under the laws of this State for admission to a public school is qualified for admission to a charter school.

(2) No local board of education shall require any student enrolled in the local school administrative unit to attend a charter school.

(3) Admission to a charter school shall not be determined according to the school attendance area in which a student resides, except that any local school administrative unit in which a public school converts to a charter school shall give admission preference to students who reside within the former attendance area of that school.

(4) Admission to a charter school shall not be determined according to the local school administrative unit in which a student resides.

(5) A charter school shall not discriminate against any student on the basis of ethnicity, national origin, gender, or disability. Except as otherwise provided by law or the mission of the school as set out in the charter, the school shall not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, gender, national origin, religion, or ancestry. The charter school may give enrollment priority to siblings of currently enrolled students who were admitted to the charter school in a previous year and to children of the school's principal, teachers, and teacher assistants. In addition, and only for its first year of operation, the charter school may give enrollment priority to children of the initial members of the charter school's board of directors, so long as (i) these children are limited to no more than ten percent (10%) of the school's total enrollment or to 20 students, whichever is less, and (ii) the charter school is not a former public or private school. If multiple ~~birth~~ siblings apply for admission to a charter school and a lottery is needed under G.S. 115C-238.29F(g)(6), the charter school shall enter one surname into the lottery to represent all of the multiple ~~birth~~ siblings. If that surname of the multiple ~~birth~~ siblings is selected, then all of the multiple ~~birth~~ siblings shall be admitted. Within one year after the charter school begins operation, the population of the school shall make efforts to reasonably reflect the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located. The school shall be subject to any court-ordered desegregation plan in effect for the local school administrative unit.

(6) During each period of enrollment, the charter school shall enroll an eligible student who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, students shall be accepted by lot. Once enrolled, students are not required to reapply in subsequent enrollment periods.

(7) Notwithstanding any law to the contrary, a charter school may refuse admission to any student who has been expelled or suspended from a public school under G.S. 115C-390.5 through G.S. 115C-390.11 until the period of suspension or expulsion has expired.

(h) Transportation. – The charter school may provide transportation for students enrolled at the school. The charter school shall develop a transportation plan so that transportation is not a barrier to any student who resides in the local school administrative unit in which the school is located. The charter school is not required to provide transportation to any student who lives within one and one-half miles of the school. At the request of the charter school and if the local board of the local school administrative unit in which the charter school is located operates a school bus system, then that local board may contract with the charter school to provide transportation in accordance with the charter school's transportation plan to students who reside in the local school administrative unit and who reside at least one and

one-half miles of the charter school. A local board may charge the charter school a reasonable charge that is sufficient to cover the cost of providing this transportation. Furthermore, a local board may refuse to provide transportation under this subsection if it demonstrates there is no available space on buses it intends to operate during the term of the contract or it would not be practically feasible to provide this transportation.

(i) Assets. – Upon dissolution of the charter school or upon the nonrenewal of the charter, all net assets of the charter school purchased with public funds shall be deemed the property of the ~~local school administrative unit in which the charter school is located.~~State and shall be returned to the General Fund.

(j) Driving Eligibility Certificates. – In accordance with rules adopted by the State Board of Education, the designee of the school's board of directors shall do all of the following:

(1) Sign driving eligibility certificates that meet the conditions established in G.S. 20-11.

(2) Obtain the necessary written, irrevocable consent from parents, guardians, or emancipated juveniles, as appropriate, in order to disclose information to the Division of Motor Vehicles.

(3) Notify the Division of Motor Vehicles when a student who holds a driving eligibility certificate no longer meets its conditions.

(k) The Display of the United States and North Carolina Flags and the Recitation of the Pledge of Allegiance. – A charter school shall (i) display the United States and North Carolina flags in each classroom when available, (ii) require the recitation of the Pledge of Allegiance on a daily basis, and (iii) provide age-appropriate instruction on the meaning and historical origins of the flag and the Pledge of Allegiance. A charter school shall not compel any person to stand, salute the flag, or recite the Pledge of Allegiance. If flags are donated or are otherwise available, flags shall be displayed in each classroom.

(l) North Carolina School Report Cards. – A charter school shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. A charter school shall ensure that the overall school performance score and grade earned by the charter school for the current and previous four school years is prominently displayed on the school Web site. If a charter school is awarded a grade of D or F, the charter school shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school."

SECTION 1.(g) G.S. 115C-238.29G reads as rewritten:

"**§ 115C-238.29G. Causes for nonrenewal or termination; disputes.**

(a) The ~~State Board of Education, or a chartering entity subject to the approval of the State Board of Education,~~Charter Board may ~~terminate or not renew a charter~~terminate, not renew, or seek applicants to assume the charter through a competitive bid process established by the Charter Board upon any of the following grounds:

(1) Failure to meet the requirements for student performance contained in the charter;

(2) Failure to meet generally accepted standards of fiscal management;

(3) Violations of law;

(4) Material violation of any of the conditions, standards, or procedures set forth in the charter;

(5) Two-thirds of the faculty and instructional support personnel at the school request that the charter be terminated or not renewed; or

(6) Other good cause identified.

(a1) The ~~State~~ Charter Board shall adopt criteria for adequate performance by a charter school and shall identify charter schools with inadequate performance. The criteria shall include a requirement that a charter school which demonstrates no growth in student

performance and has annual performance composites below sixty percent (60%) in any two years in a three-year period is inadequate.

(1) If a charter school is inadequate in the first five years of the charter, the charter school shall develop a strategic plan to meet specific goals for student performance that are consistent with ~~State~~ Charter Board criteria and the mission approved in the charter school. The strategic plan shall be reviewed and approved by the ~~State~~ Charter Board. The ~~State~~ Charter Board is authorized to terminate or not renew a charter for failure to demonstrate improvement under the strategic plan.

(2) If a charter school is inadequate and has had a charter for more than five years, the ~~State~~ Charter Board is authorized to terminate, not renew, or seek applicants to assume the charter through a competitive bid process established by the Charter Board. ~~terminate or not renew the charter.~~ The Charter Board shall develop rules on the assumption of a charter by a new entity that include all aspects of the operations of the charter school including the status of the employees. Public assets would transfer to the new entity and not revert to the General Fund pursuant to G.S. 115C-238.29F(i).

(b) The ~~State~~ Charter Board ~~of Education~~ shall develop and implement a process to address contractual and other grievances between a charter school and its chartering entity or the local board of education during the time of its charter.

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

Notwithstanding Article 33C of Chapter 143 of the General Statutes, the mediation proceedings shall be conducted in private. Evidence of statements made and conduct occurring in a mediation are not subject to discovery and are inadmissible in any court action. However, no evidence otherwise discoverable is inadmissible merely because it is presented or discussed in a mediation. The mediator shall not be compelled to testify or produce evidence concerning statements made and conduct occurring in a mediation in any civil proceeding for any purpose, except disciplinary hearings before the State Bar or any agency established to enforce standards of conduct for mediators. The mediator may determine that an impasse exists and discontinue the mediation at any time. The mediator shall not make any recommendations or public statement of findings or conclusions. The ~~State~~ Charter Board and the charter school shall share equally the mediator's compensation and expenses. The mediator's compensation shall be determined according to rules adopted under Chapter 7A of the General Statutes."

SECTION 1.(h) G.S. 115C-238.29H reads as rewritten:

"**§ 115C-238.29H. State and local funds for a charter school.**

(a) The State Board of Education shall allocate to each charter school:

(1) An amount equal to the average per pupil allocation for average daily membership from the local school administrative unit allotments in which the charter school is located for each child attending the charter school except for the allocation for children with disabilities and for the allocation for children with limited English proficiency;

(2) An additional amount for each child attending the charter school who is a child with disabilities; and

(3) An additional amount for children with limited English proficiency attending the charter school, based on a formula adopted by the State Board.

~~In accordance with G.S. 115C-238.29D(d), the~~The State Board shall allow for annual adjustments to the amount allocated to a charter school based on its enrollment growth in school years subsequent to the initial year of operation.

In the event a child with disabilities leaves the charter school and enrolls in a public school during the first 60 school days in the school year, the charter school shall return a pro rata amount of funds allocated for that child to the State Board, and the State Board shall reallocate those funds to the local school administrative unit in which the public school is located. In the event a child with disabilities enrolls in a charter school during the first 60 school days in the school year, the State Board shall allocate to the charter school the pro rata amount of additional funds for children with disabilities.

(a1) Funds allocated by the State Board of Education may be used to enter into operational and financing leases for real property or mobile classroom units for use as school facilities for charter schools and may be used for payments on loans made to charter schools for facilities or equipment. However, State funds shall not be used to obtain any other interest in real property or mobile classroom units. No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions. Every contract or lease into which a charter school enters shall include the previous sentence. The school also may own land and buildings it obtains through non-State sources.

(b) If a student attends a charter school, the local school administrative unit in which the child resides shall transfer to the charter school an amount equal to the per pupil share of the local current expense ~~appropriation to~~ fund of the local school administrative unit for the fiscal year. The amount transferred under this subsection that consists of revenue derived from supplemental taxes shall be transferred only to a charter school located in the tax district for which these taxes are levied and in which the student resides. The per pupil share of the local current expense fund shall be transferred to the charter school within 30 days of the receipt of monies into the local current expense fund.

(c) The local school administrative unit shall also provide each charter school to which it transfers a per pupil share of its local current expense fund with all of the following information within the 30-day time period provided in subsection (b) of this section:

(1) The total amount of monies the local school administrative unit has in each of the funds listed in G.S. 115C-426(c).

(2) The student membership numbers used to calculate the per pupil share of the local current expense fund.

(3) How the per pupil share of the local current expense fund was calculated.

(d) The court shall award the prevailing party in an action to enforce the provisions of subsection (b) of this section its reasonable attorneys' fees and costs incurred in bringing such an action, plus interest at the legal rate as provided in G.S. 24-1 from and after the date that any such amounts should have otherwise been paid to the charter school for a fiscal year. The court shall order any delinquent funds, costs, fees, and interest to be paid in full within three years from the entry of any judgment. This subsection shall apply to any final judgment entered from and after the effective date of this subsection."

SECTION 1.(i) G.S. 115C-238.29I reads as rewritten:

"**§ 115C-238.29I. Notice of the charter school process; review of charter ~~schools; Charter School Advisory Committee.~~schools.**

(a) The ~~State~~ Charter Board ~~of Education~~ shall distribute information announcing the availability of the charter school process described in this Part to each local school administrative unit and public postsecondary educational institution and, through press releases, to each major newspaper in the State.

(b) Repealed by Session Laws 1997-18, s. 15(i).

(c) The ~~State~~ Charter Board ~~of Education~~ shall review and evaluate the educational effectiveness of the charter ~~school approach~~schools authorized under this Part and the effect of charter schools on the public schools in the local school administrative unit in which the charter schools are located. The Board shall report annually no later than January ~~1, 2002,~~1, to the Joint Legislative Education Oversight Committee ~~with recommendations to modify, expand, or terminate that approach. The Board shall base its recommendations predominantly on the following information:~~on the following:

(1) The current and projected impact of charter schools on the delivery of services by the public schools.

(2) Student academic progress in the charter schools as measured, where available, against the academic year immediately preceding the first academic year of the charter schools' operation.

(3) Best practices resulting from charter school operations.

(4) Other information the ~~State~~ Charter Board considers appropriate.

~~(d) The State Board of Education may establish a Charter School Advisory Committee to assist with the implementation of this Part. The Charter School Advisory Committee may (i) provide technical assistance to chartering entities or to potential applicants, (ii) review applications for preliminary approval, (iii) make recommendations as to whether the State Board should approve applications for charter schools, (iv) make recommendations as to whether the State Board should terminate or not renew a charter, (v) make recommendations concerning grievances between a charter school and its chartering entity, the State Board, or a local board, (vi) assist with the review under subsection (c) of this section, and (vii) provide any other assistance as may be required by the State Board.~~

~~(e) Notwithstanding the dates set forth in this Part, the State Board of Education may establish an alternative time line for the submission of applications, preliminary approvals, criminal record checks, appeals, and final approvals so long as the Board grants final approval by March 15 of each calendar year.~~"

SECTION 1.(j) G.S. 115C-238.29J is repealed.

SECTION 1.(k) G.S. 115C-238.29K is repealed.

SECTION 2.(a) G.S. 115C-426(c) reads as rewritten:

"(c) The uniform budget format shall require the following funds:

(1) The State Public School Fund.

(2) The local current expense fund.

(3) The capital outlay fund.

In addition, other funds may be used to account for reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S. 105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal appropriations made directly to local school administrative units, and funds received for prekindergarten ~~programs, and special programs.~~programs. In addition, the appropriation or use of fund balance or interest income by a local school administrative unit shall not be construed as a local current expense appropriation.

Each local school administrative unit shall maintain those funds shown in the uniform budget format that are applicable to its operations."

SECTION 2.(b) G.S. 115C-448 is amended by adding a new subsection to read:

"(d) Special funds of individual schools shall not be included as part of the local current expense fund of a local school administrative unit for the purposes of determining the per pupil

share of the local current expense fund transferred to a charter school pursuant to G.S. 115C-238.29H(b)."

SECTION 3. G.S. 105-278.4(a) reads as rewritten:

"(a) Buildings. – Buildings, the land they actually occupy, and additional land reasonably necessary for the convenient use of any such building shall be exempted from taxation if all of the following requirements are met:

...

(4) Wholly and exclusively used for educational purposes by ~~the owner or occupied gratuitously by another nonprofit educational institution and wholly and exclusively used by the occupant for nonprofit educational purposes.~~any of the following:

a. The owner.

b. A nonprofit educational institution occupying the building gratuitously.

c. A charter school even if the charter school is not the owner of the building."

SECTION 4. G.S. 135-5.3(b) reads as rewritten:

"(b) No later than 30 days after both parties have signed the written charter under G.S. 115C-238.29E, the board of directors of a charter school operated by a private nonprofit corporation shall elect whether to become a participating employer in the Retirement System in accordance with this Article. This election shall be in writing and filed with the Retirement System and with the ~~State~~North Carolina Public Charter Schools Board ~~of Education~~ and is effective for each charter school employee as of the date of that employee's entry into eligible service. This subsection applies to charter schools that receive State Board of Education or North Carolina Public Charter Schools Board approval under G.S. 115C-238.29D after 1998."

SECTION 5. G.S. 135-48.54(b) reads as rewritten:

"(b) No later than 30 days after both parties have signed the written charter under G.S. 115C-238.29E, the board of directors of a charter school operated by a private nonprofit corporation shall elect whether to become a participating employer in the Plan in accordance with this Article. This election shall be in writing and filed with the Plan and the North Carolina Public Charter Schools Board.~~State Board of Education.~~ This election is effective for each charter school employee as of the date of that employee's entry into eligible service. This subsection applies to charter schools that receive State Board of Education or North Carolina Public Charter Schools Board approval under G.S. 115C-238.29D after 1998."

SECTION 6. Notwithstanding G.S. 115C-238.29A1, as enacted by this act, initial appointments to the Charter Board shall be made by the Governor and the General Assembly no later than August 1, 2013. Initial terms of office to the Charter Board shall be as follows:

(1) Two members appointed by the Governor, as designated by the Governor, shall be appointed to serve until June 30, 2015. One member appointed by the Governor, as designated by the Governor, shall be appointed to serve until June 30, 2017.

(2) One member appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, as designated by the Speaker, shall be until June 30, 2015. Two members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, as designated by the Speaker, shall be until June 30, 2017.

(3) One member appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, as designated by the President Pro Tempore, shall be until June 30, 2015. Two members appointed by the General Assembly upon the recommendation of the President Pro Tempore

of the Senate, as designated by the President Pro Tempore, shall be until June 30, 2017.

SECTION 7. This act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 337

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

S337-ATC-13 [v.5]

Comm. Sub. [YES]
Amends Title [NO]
S377-CSRQ-3

Date _____,2013

Senator Hartsell

moves to amend the bill on page 1, line 5 through page 14, line 34, by deleting those lines and substituting the following:

"**SECTION 1.** Article 16 of Chapter 115C of the General Statutes is amended by a adding a new Part to read:

"**PART 6A.**
CHARTER BOARD CHARTER SCHOOLS.

"**§ 115C-238.27A. Purpose.**

The purpose of this Part is to authorize a system of charter schools to provide opportunities for teachers, parents, pupils, and community members to establish and maintain schools that operate independently of existing schools, as a method to accomplish all of the following:

(1) Improve student learning;

(2) Increase learning opportunities for all students, with special emphasis on expanded learning experiences for students who are identified as at risk of academic failure or academically gifted;

(3) Encourage the use of different and innovative teaching methods;

(4) Create new professional opportunities for teachers, including the opportunities to be responsible for the learning program at the school site;

(5) Provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system; and

(6) Hold the schools established under this Part accountable for meeting measurable student achievement results, and provide the schools with a method to change from rule-based to performance-based accountability systems.

"**§ 115C-238.27B. North Carolina Public Charter Schools Board established.**

(a) Creation. – There is created the North Carolina Public Charter Schools Board, hereinafter referred to in this Part as the Charter Board. The Charter Board shall be located administratively within the Department of Public Instruction but shall exercise its powers and duties independently of the State Board of Education and Department of Public Instruction, except as provided in this section.

(b) Purpose. – The purpose of the Charter Board is to authorize and oversee high-quality public charter schools throughout the State, consistent with the purposes of this Part, and to exercise authority for approval of any charter applicant.

(c) Membership. – The State Superintendent of Public Instruction shall be the secretary of the Charter Board and a nonvoting member. The Charter Board shall consist of the following 11 voting members:

(1) Three members appointed by the Governor.

(2) Three members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, in accordance with G.S. 120-121.

(3) Three members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, in accordance with G.S. 120-121.

(4) The State Treasurer.

(5) The Lieutenant Governor.

(d) Qualifications of Members. – Members appointed to the Charter Board shall collectively possess strong experience and expertise in public and nonprofit governance, management and finance, public school leadership, assessment, curriculum and instruction, public charter schools, and public education law. All appointed members of the Charter Board shall have demonstrated an understanding of and a commitment to charter schools as a strategy for strengthening public education.

(e) Terms of Office and Vacancy Appointments. – Appointed members shall serve four-year terms of office beginning on July 1. No appointed member shall serve more than eight consecutive years. Vacancy appointments shall be made by the appointing authority for the remainder of the term of office.

(f) Officers. – The Charter Board shall annually elect a chair and a vice-chair from among its membership. In the absence of the chair, the vice-chair shall preside over the Charter Board's meetings. A majority of the Charter Board constitutes a quorum. The Charter Board shall adopt rules to govern its proceedings.

(g) Meetings. – Meetings of the Charter Board shall be held upon the call of the chair or the vice-chair with the approval of the chair.

(h) Expenses. – Members of the Charter Board shall be reimbursed for travel and subsistence expenses at the rates allowed to State officers and employees by G.S. 138-6(a).

(i) Removal. – Any appointed member of the Charter Board may be removed by a vote of at least two-thirds of the members of the Charter Board at any duly held meeting for any cause that renders the member incapable or unfit to discharge the duties of the office.

(j) Office of Charter Schools. – The Office of Charter Schools shall be the principal administrative unit under the direction of the Charter Board. The Department of Public Instruction shall provide staff, offices, office equipment, and meeting space to the Charter Board and Office of Charter Schools.

(k) Powers and Duties. – The Charter Board shall have the following duties:

(1) To provide technical assistance, through the Office of Charter Schools and the Department of Public Instruction, to charter school applicants and to charter schools that are approved under this Part.

(2) To adopt rules in accordance with Article 2A of Chapter 150B of the General Statutes regarding all aspects of charter school operation, including time lines, standards, and criteria for acceptance and approval of applications, monitoring of charter schools, and grounds for revocation of charters.

(3) To oversee the process for accepting and approving applications for charters and to make final approval of charter applications.

(4) To oversee the process for monitoring the operation of charter schools with the assistance and counsel of staff from the Department of Public Instruction.

(5) To take any actions regarding a charter school, including renewals of charters, nonrenewals of charters, and revocation of charters.

(6) To undertake any duties and responsibilities consistent with the above powers and duties and incident thereto.

(l) The State Board shall have the authority to veto by a three-fourths vote any action adopted by vote of the Charter Board if the State Board's veto vote is taken within 45 days of the date the Charter Board voted to adopt the action.

"**§ 115C-238.27C. Eligible applicants; contents of applications; submission of applications for approval.**

(a) Any nonprofit corporation seeking to establish a charter school may apply to the Charter Board to establish a charter school. If the applicant seeks to convert a public school to a charter school, the application shall include a statement signed by a majority of the teachers and instructional support personnel currently employed at the school indicating that they favor the conversion and evidence that a significant number of parents of children enrolled in the school favor conversion.

(b) The application shall contain at least the following information:

(1) A description of a program that implements one or more of the purposes in G.S. 115C-238.27A.

(2) A description of student achievement goals for the school's educational program and the method of demonstrating that students have attained the skills and knowledge specified for those student achievement goals.

(3) The governance structure of the school including the names of the initial members of the board of directors of the nonprofit, tax-exempt corporation and the process to be followed by the school to ensure parental involvement.

(4) The local school administrative unit in which the school will be located.

(5) Admission policies and procedures.

(6) A proposed budget for the school and evidence that the financial plan for the school is economically sound.

(7) Requirements and procedures for program and financial audits.

(8) A description of how the school will comply with G.S. 115C-238.27F.
(9) Types and amounts of insurance coverage, including bonding insurance for the principal officers of the school, to be obtained by the charter school.
(10) The term of the charter.
(11) The qualifications required for individuals employed by the school.
(12) The procedures by which students can be excluded from the charter school and returned to a public school. Notwithstanding any law to the contrary, any local board may refuse to admit any student who is suspended or expelled from a charter school due to actions that would lead to suspension or expulsion from a public school under G.S. 115C-390.5 through G.S. 115C-390.11 until the period of suspension or expulsion has expired.
(13) The number of students to be served, which number shall be at least 65, and the minimum number of teachers to be employed at the school, which number shall be at least three. However, the charter school may serve fewer than 65 students or employ fewer than three teachers if the application contains a compelling reason, such as the school would serve a geographically remote and small student population.
(14) Information regarding the facilities to be used by the school and the manner in which administrative services of the school are to be provided.

(c) The Charter Board shall establish reasonable fees for initial and renewal charter applications in accordance with Article 2A of Chapter 150B of the General Statutes. The fees collected under this section shall be placed in a special fund to be designated the "Charter Application Fund" and shall be used under the supervision and direction of the Charter Board for the administration of this Part. No application fee shall be refunded in the event the application is rejected or the charter is revoked.

"**§ 115C-238.27D. Final approval of applications for charter schools.**

(a) The Charter Board may grant approval of an application if it finds (i) that the application meets the requirements set out in this Part and such other requirements as may be adopted by the Charter Board, (ii) that the applicant has the ability to operate the school and would be likely to operate the school in an educationally and economically sound manner, and (iii) that granting the application would achieve one or more of the purposes set out in G.S. 115C-238.27A. In reviewing applications for the establishment of charter schools within a local school administrative unit, the Charter Board is encouraged to give preference to applications that demonstrate the capability to provide comprehensive learning experiences to students identified by the applicants as at risk of academic failure.

(b) The Charter Board may authorize a school before the applicant has secured its space, equipment, facilities, and personnel if the applicant indicates the authority is necessary for it to raise working capital. Funds shall not be allocated to the school until the school has obtained space.

(c) The Charter Board may grant the initial charter for a period not to exceed 10 years and may renew the charter upon the request of the charter school for subsequent periods not to exceed 10 years each. The Charter Board shall review the operations of each charter school at

least once every five years to ensure that the school is meeting the expected academic, financial, and governance standards.

A material revision of the provisions of a charter application shall be made only upon the approval of the Charter Board.

It shall not be considered a material revision of a charter application and shall not require the prior approval of the Charter Board for a charter school to increase its enrollment during the charter school's second year of operation and annually thereafter (i) by up to twenty percent (20%) of the school's previous year's enrollment or (ii) in accordance with planned growth as authorized in the charter. Other enrollment growth shall be considered a material revision of the charter application, and the Charter Board may approve such additional enrollment growth of greater than twenty percent (20%) only if the Charter Board finds all of the following:

(1) The actual enrollment of the charter school is within ten percent (10%) of its maximum authorized enrollment.

(2) The charter school has commitments for ninety percent (90%) of the requested maximum growth.

(3) The charter school is not currently identified as low-performing.

(4) The charter school meets generally accepted standards of fiscal management.

(5) It is otherwise appropriate to approve the enrollment growth.

"**§ 115C-238.27E. Charter school operation.**

(a) A charter school that is approved by the State shall be a public school within the local school administrative unit in which it is located. All charter schools shall be accountable to the Charter Board for ensuring compliance with applicable laws and the provisions of their charters.

(b) A charter school shall be operated by a private nonprofit corporation that shall have received federal tax-exempt status no later than 24 months following final approval of the application.

(c) A charter school shall operate under the written charter signed by the Charter Board and the applicant. A charter school is not required to enter into any other contract. The charter shall incorporate the information provided in the application, as modified during the charter approval process, and any terms and conditions imposed on the charter school by the Charter Board. No other terms may be imposed on the charter school as a condition for receipt of local funds.

(d) The board of directors of the charter school shall decide matters related to the operation of the school, including budgeting, curriculum, and operating procedures.

(e) A charter school's specific location shall not be prescribed or limited by a local board or other authority except a zoning authority. The school may lease space from a local board of education or as is otherwise lawful in the local school administrative unit in which the charter school is located. If a charter school leases space from a sectarian organization, the charter school classes and students shall be physically separated from any parochial students, and there shall be no religious artifacts, symbols, iconography, or materials on display in the charter school's entrance, classrooms, or hallways. Furthermore, if a charter school leases space

from a sectarian organization, the charter school shall not use the name of that organization in the name of the charter school.

Notwithstanding any other law, and at the request of the charter school, the local board of education of the local school administrative unit in which the charter school will be located shall lease any available building or land to the charter school for one dollar ($1.00) per year unless the board demonstrates that the lease is not economically or practically feasible or that the local board does not have adequate classroom space to meet its enrollment needs. If the local board of education provides the school facility to a charter school for one dollar ($1.00) per year, the charter school is responsible for the maintenance of and insurance for the school facility.

(f) Except as provided in this Part and pursuant to the provisions of its charter, a charter school is exempt from statutes and rules applicable to a local board of education or local school administrative unit.

"**§ 115C-238.27F. General requirements.**

(a) Health and Safety Standards. – A charter school shall meet the same health and safety requirements required of a local school administrative unit. The Department of Public Instruction shall ensure that charter schools provide parents and guardians with information about meningococcal meningitis and influenza and their vaccines at the beginning of every school year. This information shall include the causes, symptoms, and how meningococcal meningitis and influenza are spread and the places where parents and guardians may obtain additional information and vaccinations for their children.

The Department of Public Instruction shall also ensure that charter schools provide parents and guardians with information about cervical cancer, cervical dysplasia, human papillomavirus, and the vaccines available to prevent these diseases. This information shall be provided at the beginning of the school year to parents of children entering grades five through 12. This information shall include the causes and symptoms of these diseases, how they are transmitted, how they may be prevented by vaccination, including the benefits and possible side effects of vaccination, and the places where parents and guardians may obtain additional information and vaccinations for their children.

The Department of Public Instruction shall also ensure that charter schools provide students in grades nine through 12 with information annually on the manner in which a parent may lawfully abandon a newborn baby with a responsible person, in accordance with G.S. 7B-500.

The Department of Public Instruction shall also ensure that the guidelines for individual diabetes care plans adopted by the State Board of Education under G.S. 115C-12(31) are implemented in charter schools in which students with diabetes are enrolled and that charter schools otherwise comply with the provisions of G.S. 115C-375.3.

(b) School Nonsectarian. – A charter school shall be nonsectarian in its programs, admission policies, employment practices, and all other operations and shall not charge tuition or fees, except that a charter school may charge any fees that are charged by the local school administrative unit in which the charter school is located. A charter school shall not be affiliated with a nonpublic sectarian school or a religious institution.

(c) Civil Liability and Insurance. –

(1) The board of directors of a charter school may sue and be sued. The Charter Board shall adopt rules to establish reasonable amounts and types of liability insurance that the board of directors shall be required by the charter to obtain. The board of directors shall obtain at least the amount of and types of insurance required by these rules to be included in the charter. Any sovereign immunity of the charter school, of the organization that operates the charter school, or its members, officers, or directors, or of the employees of the charter school or the organization that operates the charter school, is waived to the extent of indemnification by insurance.

(2) No civil liability shall attach to the Charter Board, to the State Board of Education, or to any of their members or employees, individually or collectively, for any acts or omissions of the charter school.

(d) Instructional Program. –

(1) The school shall provide instruction each year for at least 185 days or 1,025 hours over nine calendar months.

(2) The school shall design its programs to at least meet the student performance standards adopted by the State Board of Education and the student performance standards contained in the charter.

(3) A charter school shall conduct the student assessments required by the State Board of Education.

(4) The school is subject to and shall comply with Article 9 of Chapter 115C of the General Statutes and The Individuals with Disabilities Education Improvements Act, 20 U.S.C. § 1400, et. seq., (2004), as amended.

(5) The school is subject to and shall comply with Article 27 of Chapter 115C of the General Statutes, except that a charter school may also exclude a student from the charter school and return that student to another school in the local school administrative unit in accordance with the terms of its charter after due process.

(e) Reading Proficiency and Student Promotion. –

(1) Students in the third grade shall be retained if the student fails to demonstrate reading proficiency by reading at or above the third grade level as demonstrated by the results of the State-approved standardized test of reading comprehension administered to third grade students. The charter school shall provide reading interventions to retained students to remediate reading deficiency, which may include 90 minutes of daily, uninterrupted, evidence-based reading instruction, accelerated reading classes, transition classes containing third and fourth grade students, and summer reading camps.

(2) Students may be exempt from mandatory retention in third grade for good cause but shall continue to receive instructional supports and services and reading interventions appropriate for their age and reading level. Good cause exemptions shall be limited to the following:

a. Limited English Proficient students with less than two years of instruction in an English as a Second Language program.

b. Students with disabilities, as defined in G.S. 115C-106.3(1), whose individualized education program indicates the use of alternative assessments and reading interventions.

c. Students who demonstrate reading proficiency appropriate for third grade students on an alternative assessment of reading comprehension. The charter school shall notify the State Board of Education of the alternative assessment used to demonstrate reading proficiency.

d. Students who demonstrate, through a student reading portfolio, reading proficiency appropriate for third grade students.

e. Students who have (i) received reading intervention and (ii) previously been retained more than once in kindergarten, first, second, or third grades.

(3) The charter school shall provide notice to parents and guardians when a student is not reading at grade level. The notice shall state that if the student's reading deficiency is not remediated by the end of third grade, the student shall be retained unless he or she is exempt from mandatory retention for good cause. Notice shall also be provided to parents and guardians of any student who is to be retained under this subsection of the reason the student is not eligible for a good cause exemption, as well as a description of proposed reading interventions that will be provided to the student to remediate identified areas of reading deficiency.

(4) The charter school shall annually publish on the charter school's Web site and report in writing to the State Board of Education by September 1 of each year the following information on the prior school year:

a. The number and percentage of third grade students demonstrating and not demonstrating reading proficiency on the State-approved standardized test of reading comprehension administered to third grade students.

b. The number and percentage of third grade students not demonstrating reading proficiency and who do not return to the charter school for the following school year.

c. The number and percentage of third grade students who take and pass the alternative assessment of reading comprehension.

d. The number and percentage of third grade students retained for not demonstrating reading proficiency.

e. The number and percentage of third grade students exempt from mandatory third grade retention by category of exemption as listed in subdivision (2) of this subsection.

(f) Employees. –

(1) An employee of a charter school is not an employee of the local school administrative unit in which the charter school is located. The charter school's board of directors shall employ and contract with necessary teachers to perform the particular service for which they are employed in the school. The board also may employ necessary employees who are not required to hold teacher licenses to perform duties other than teaching and may contract for other services. The board may discharge teachers and noncertificated employees.

(2) No local board of education shall require any employee of the local school administrative unit to be employed in a charter school.

(3) If a teacher employed by a local school administrative unit makes a written request for a leave of absence to teach at a charter school, the local school administrative unit shall grant the leave for one year. For the initial year of a charter school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 45 days before the teacher would otherwise have to report for duty. After the initial year of a charter school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 90 days before the teacher would otherwise have to report for duty. A local board of education is not required to grant a request for a leave of absence or a request to extend or renew a leave of absence for a teacher who previously has received a leave of absence from that school board under this subdivision. A teacher who has career status under G.S. 115C-325 prior to receiving a leave of absence to teach at a charter school may return to a public school in the local school administrative unit with career status at the end of the leave of absence or upon the end of employment at the charter school if an appropriate position is available. If an appropriate position is unavailable, the teacher's name shall be placed on a list of available teachers and that teacher shall have priority on all positions for which that teacher is qualified in accordance with G.S. 115C-325(e)(2).

(4) The employees of the charter school shall be deemed employees of the local school administrative unit for purposes of providing certain State-funded employee benefits, including membership in the Teachers' and State Employees' Retirement System and the State Health Plan for Teachers and State Employees. The State Board of Education provides funds to charter schools, and the Charter Board approves the original members of the boards of directors of the charter schools, has the authority to grant, supervise, and revoke charters, and demands full accountability from charter schools for school finances and student performance. Accordingly, it is the determination of the General Assembly that charter schools are public schools and that the employees of charter schools are public school employees. Employees of a charter school whose board of directors elects to

become a participating employer under G.S. 135-5.3 are "teachers" for the purpose of membership in the North Carolina Teachers' and State Employees' Retirement System. In no event shall anything contained in this Part require the North Carolina Teachers' and State Employees' Retirement System to accept employees of a private employer as members or participants of the System.

(5) Education employee associations shall have equal access to charter school employees as provided in G.S. 115C-335.9.

(6) Each charter school board of directors shall adopt a policy on whether and under what circumstances an applicant for employment shall be required to be checked for a criminal history before the applicant is given an unconditional job offer. Each charter school board of directors shall apply its policy uniformly in requiring applicants for employment to be checked for a criminal history. A charter school board of directors that requires a criminal history check for an applicant may employ an applicant conditionally while the board is checking the person's criminal history and making a decision based on the results of the check.

(g) Accountability. –

(1) The school is subject to the financial audits, the audit procedures, and the audit requirements adopted by the Charter Board for charter schools. These audit requirements may include the requirements of the School Budget and Fiscal Control Act.

(2) The school shall comply with the reporting requirements established by the State Board of Education in the Uniform Education Reporting System, except that reports shall be made to the Charter Board as well as the State Board of Education.

(3) The school shall report at least annually to the Charter Board the information required by the Charter Board.

(h) Admission Requirements. –

(1) Any child who is qualified under the laws of this State for admission to a public school is qualified for admission to a charter school.

(2) No local board of education shall require any student enrolled in the local school administrative unit to attend a charter school.

(3) Admission to a charter school shall not be determined according to the school attendance area in which a student resides, except that any local school administrative unit in which a public school converts to a charter school shall give admission preference to students who reside within the former attendance area of that school.

(4) Admission to a charter school shall not be determined according to the local school administrative unit in which a student resides.

(5) A charter school shall not discriminate against any student on the basis of ethnicity, national origin, gender, or disability. Except as otherwise provided

by law or the mission of the school as set out in the charter, the school shall not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, gender, national origin, religion, or ancestry. The charter school may give enrollment priority to siblings of currently enrolled students who were admitted to the charter school in a previous year and to children of the school's principal, teachers, and teacher assistants. In addition, and only for its first year of operation, the charter school may give enrollment priority to children of the initial members of the charter school's board of directors, so long as (i) these children are limited to no more than ten percent (10%) of the school's total enrollment or to 20 students, whichever is less, and (ii) the charter school is not a former public or private school. If multiple siblings apply for admission to a charter school and a lottery is needed under G.S. 115C-238.27F(h)(6), the charter school shall enter one surname into the lottery to represent all of the multiple siblings. If that surname of the multiple siblings is selected, then all of the multiple siblings shall be admitted. Within one year after the charter school begins operation, the population of the school shall make efforts to reasonably reflect the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located. The school shall be subject to any court-ordered desegregation plan in effect for the local school administrative unit.

(6) During each period of enrollment, the charter school shall enroll an eligible student who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, students shall be accepted by lot. Once enrolled, students are not required to reapply in subsequent enrollment periods.

(7) Notwithstanding any law to the contrary, a charter school may refuse admission to any student who has been expelled or suspended from a public school under G.S. 115C-390.5 through G.S. 115C-390.11 until the period of suspension or expulsion has expired.

(i) Transportation. – The charter school may provide transportation for students enrolled at the school. The charter school shall develop a transportation plan so that transportation is not a barrier to any student who resides in the local school administrative unit in which the school is located. The charter school is not required to provide transportation to any student who lives within one and one-half miles of the school. At the request of the charter school and if the local board of the local school administrative unit in which the charter school is located operates a school bus system, then that local board may contract with the charter school to provide transportation in accordance with the charter school's transportation plan to students who reside in the local school administrative unit and who reside at least one and

one-half miles of the charter school. A local board may charge the charter school a reasonable charge that is sufficient to cover the cost of providing this transportation. Furthermore, a local board may refuse to provide transportation under this subsection if it demonstrates there is no available space on buses it intends to operate during the term of the contract or it would not be practically feasible to provide this transportation.

(j) Assets. – Upon dissolution of the charter school or upon the nonrenewal of the charter, all net assets of the charter school purchased with public funds shall be deemed the property of the State and shall be returned to the General Fund.

(k) Driving Eligibility Certificates. – In accordance with rules adopted by the State Board of Education, the designee of the school's board of directors shall do all of the following:

(1) Sign driving eligibility certificates that meet the conditions established in G.S. 20-11.

(2) Obtain the necessary written, irrevocable consent from parents, guardians, or emancipated juveniles, as appropriate, in order to disclose information to the Division of Motor Vehicles.

(3) Notify the Division of Motor Vehicles when a student who holds a driving eligibility certificate no longer meets its conditions.

(l) The Display of the United States and North Carolina Flags and the Recitation of the Pledge of Allegiance. – A charter school shall (i) display the United States and North Carolina flags in each classroom when available, (ii) require the recitation of the Pledge of Allegiance on a daily basis, and (iii) provide age-appropriate instruction on the meaning and historical origins of the flag and the Pledge of Allegiance. A charter school shall not compel any person to stand, salute the flag, or recite the Pledge of Allegiance. If flags are donated or are otherwise available, flags shall be displayed in each classroom.

(m) North Carolina School Report Cards. – A charter school shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. A charter school shall ensure that the overall school performance score and grade earned by the charter school for the current and previous four school years is prominently displayed on the school Web site. If a charter school is awarded a grade of D or F, the charter school shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school.

"**§ 115C-238.27G. Causes for nonrenewal or termination; disputes.**

(a) The Charter Board may terminate, not renew, or seek applicants to assume the charter through a competitive bid process established by the Charter Board upon any of the following grounds:

(1) Failure to meet the requirements for student performance contained in the charter;

(2) Failure to meet generally accepted standards of fiscal management;

(3) Violations of law;

(4) Material violation of any of the conditions, standards, or procedures set forth in the charter;

(5) Two-thirds of the faculty and instructional support personnel at the school request that the charter be terminated or not renewed; or

(6) Other good cause identified.

(b) The Charter Board shall adopt criteria for adequate performance by a charter school and shall identify charter schools with inadequate performance. The criteria shall include a requirement that a charter school which demonstrates no growth in student performance and has annual performance composites below sixty percent (60%) in any two years in a three-year period is inadequate.

(1) If a charter school is inadequate in the first five years of the charter, the charter school shall develop a strategic plan to meet specific goals for student performance that are consistent with Charter Board criteria and the mission approved in the charter school. The strategic plan shall be reviewed and approved by the Charter Board. The Charter Board is authorized to terminate or not renew a charter for failure to demonstrate improvement under the strategic plan.

(2) If a charter school is inadequate and has had a charter for more than five years, the Charter Board is authorized to terminate, not renew, or seek applicants to assume the charter through a competitive bid process established by the Charter Board. The Charter Board shall develop rules on the assumption of a charter by a new entity that include all aspects of the operations of the charter school including the status of the employees. Public assets would transfer to the new entity and not revert to the General Fund pursuant to G.S. 115C-238.27F(j).

(c) The Charter Board shall develop and implement a process to address contractual and other grievances between a charter school and its chartering entity or the local board of education during the time of its charter.

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

Notwithstanding Article 33C of Chapter 143 of the General Statutes, the mediation proceedings shall be conducted in private. Evidence of statements made and conduct occurring in a mediation are not subject to discovery and are inadmissible in any court action. However, no evidence otherwise discoverable is inadmissible merely because it is presented or discussed in a mediation. The mediator shall not be compelled to testify or produce evidence concerning statements made and conduct occurring in a mediation in any civil proceeding for any purpose, except disciplinary hearings before the State Bar or any agency established to enforce standards

of conduct for mediators. The mediator may determine that an impasse exists and discontinue the mediation at any time. The mediator shall not make any recommendations or public statement of findings or conclusions. The Charter Board and the charter school shall share equally the mediator's compensation and expenses. The mediator's compensation shall be determined according to rules adopted under Chapter 7A of the General Statutes.

"**§ 115C-238.27H. State and local funds for a charter school.**

(a) The State Board of Education shall allocate to each charter school:

(1) An amount equal to the average per pupil allocation for average daily membership from the local school administrative unit allotments in which the charter school is located for each child attending the charter school except for the allocation for children with disabilities and for the allocation for children with limited English proficiency;

(2) An additional amount for each child attending the charter school who is a child with disabilities; and

(3) An additional amount for children with limited English proficiency attending the charter school, based on a formula adopted by the State Board.

In accordance with The State Board shall allow for annual adjustments to the amount allocated to a charter school based on its enrollment growth in school years subsequent to the initial year of operation.

In the event a child with disabilities leaves the charter school and enrolls in a public school during the first 60 school days in the school year, the charter school shall return a pro rata amount of funds allocated for that child to the State Board, and the State Board shall reallocate those funds to the local school administrative unit in which the public school is located. In the event a child with disabilities enrolls in a charter school during the first 60 school days in the school year, the State Board shall allocate to the charter school the pro rata amount of additional funds for children with disabilities.

(b) Funds allocated by the State Board of Education may be used to enter into operational and financing leases for real property or mobile classroom units for use as school facilities for charter schools and may be used for payments on loans made to charter schools for facilities or equipment. However, State funds shall not be used to obtain any other interest in real property or mobile classroom units. No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions. Every contract or lease into which a charter school enters shall include the previous sentence. The school also may own land and buildings it obtains through non-State sources.

(c) If a student attends a charter school, the local school administrative unit in which the child resides shall transfer to the charter school an amount equal to the per pupil share of the local current expense fund of the local school administrative unit for the fiscal year. The amount transferred under this subsection that consists of revenue derived from supplemental taxes shall be transferred only to a charter school located in the tax district for which these taxes are levied and in which the student resides. The per pupil share of the local current

expense fund must be transferred to the charter school within 30 days of the receipt of monies into the local current expense fund.

(d) The local school administrative unit shall also provide each charter school to which it transfers a per pupil share of its local current expense fund with all of the following information within the 30-day time period provided in subsection (b) of this section:

(1) The total amount of monies the local school administrative unit has in each of the funds listed in G.S. 115C-426(c).

(2) The student membership numbers used to calculate the per pupil share of the local current expense fund.

(3) How the per pupil share of the local current expense fund was calculated.

(e) The court shall award the prevailing party in an action to enforce the provisions of subsection (b) of this section its reasonable attorneys' fees and costs incurred in bringing such an action, plus interest at the legal rate as provided in G.S. 24-1 from and after the date that any such amounts should have otherwise been paid to the charter school for a fiscal year. The court shall order any delinquent funds, costs, fees, and interest to be paid in full within three years from the entry of any judgment. This subsection shall apply to any final judgment entered from and after the effective date of this subsection.

"**§ 115C-238.27I. Notice of the charter school process; review of charter schools.**

(a) The Charter Board shall distribute information announcing the availability of the charter school process described in this Part to each local school administrative unit and public postsecondary educational institution and, through press releases, to each major newspaper in the State.

(b) The Charter Board shall review and evaluate the educational effectiveness of the charter schools authorized under this Part and the effect of charter schools on the public schools in the local school administrative unit in which the charter schools are located. The Board shall report annually no later than January 1, to the Joint Legislative Education Oversight Committee on the following:

(1) The current and projected impact of charter schools on the delivery of services by the public schools.

(2) Student academic progress in the charter schools as measured, where available, against the academic year immediately preceding the first academic year of the charter schools' operation.

(3) Best practices resulting from charter school operations.

(4) Other information the Charter Board considers appropriate."";

and on page 15, line 17 through page 15, line 34, by deleting those lines and substituting the following:

"**SECTION 4.** G.S. 135-5.3(b) reads as rewritten:

"(b) No later than 30 days after both parties have signed the written charter under G.S. 115C-238.29E, the board of directors of a charter school operated by a private nonprofit corporation shall elect whether to become a participating employer in the Retirement System in accordance with this Article. This election shall be in writing and filed with the Retirement

System and with the State Board of Education or the North Carolina Public Charter Schools Board and is effective for each charter school employee as of the date of that employee's entry into eligible service. This subsection applies to charter schools that receive State Board of Education approval under G.S. 115C-238.29D after ~~1998.~~1998, or charter schools that receive North Carolina Public Charter Schools Board approval under G.S. 115C-238.27D."

SECTION 5. G.S. 135-48.54(b) reads as rewritten:

"(b) No later than 30 days after both parties have signed the written charter under G.S. 115C-238.29E, the board of directors of a charter school operated by a private nonprofit corporation shall elect whether to become a participating employer in the Plan in accordance with this Article. This election shall be in writing and filed with the Plan and the State Board of ~~Education.~~Education or the North Carolina Public Charter Schools Board. This election is effective for each charter school employee as of the date of that employee's entry into eligible service. This subsection applies to charter schools that receive State Board of Education approval under G.S. 115C-238.29D after ~~1998.~~, or charter schools that receive North Carolina Public Charter Schools Board approval under G.S. 115C-238.27D."

and on page 15, line 35, by rewriting that line to read,

"**SECTION 6.** Notwithstanding G.S. 115C-238.27B, as enacted by this act, initial"

and on page 16, lines 2-3, by inserting the following between those lines:

"**SECTION 7.** G.S. 115C-238.29B(c) reads as rewritten:

"(c) An applicant shall submit the application to a chartering entity for preliminary approval. A chartering entity may ~~be:~~be any of the following:

(1) The local board of education of the local school administrative unit in which the charter school will be ~~located;~~located.

(2) The board of trustees of a constituent institution of The University of North Carolina, so long as the constituent institution is involved in the planning, operation, or evaluation of the charter ~~school; or~~charter school.

(2a) The board of trustees of a community college operating under Chapter 115C of the General Statutes, so long as the community college is involved in the planning, operation, or evaluation of the charter school.

(3) The State Board of Education.

Regardless of which chartering entity receives the application for preliminary approval, the State Board of Education shall have final approval of the charter school.

Notwithstanding the provisions of this subsection, if the State Board of Education finds that an applicant (i) submitted an application to a local board of education and received final approval from the State Board of Education, but (ii) is unable to find a suitable location within that local school administrative unit to operate, the State Board of Education may authorize the charter school to operate within an adjacent local school administrative unit for one year only. The charter school cannot operate for more than one year unless it reapplies, in accordance with subdivision (1), (2), or (3) of this subsection, and receives final approval from the State Board of Education."

SECTION 8. G.S. 115C-238.29D(a) reads as rewritten:

"(a) The State Board ~~may~~ shall grant final approval of an application if it finds that the application meets the requirements set out in this Part or adopted by the State Board of Education and that granting the application would achieve one or more of the purposes set out in G.S. 115C-238.29A. The State Board shall act by March 15 of a calendar year on all applications and appeals it receives prior to February 15 of that calendar year."

SECTION 9.(a) Part 6A of Article 16 of Chapter 115C of the General Statutes is redesignated as Part 6B of Article 16 of Chapter 115C.

SECTION 9.(b) Any references in charter contracts entered into prior to the effective date of this act to Part 6A of Article 16 of Chapter 115C shall be interpreted to refer to Part 6B of Article 16 of Chapter 115C.

SECTION 9.(c) G.S. 115C-105.37B(2) reads as rewritten:

"(2) Restart model, in which the State Board of Education would authorize the local board of education to operate the school with the same exemptions from statutes and rules as a charter school authorized under ~~Part 6A~~Part 6B of Article 16 of this Chapter, or under the management of an educational management organization that has been selected through a rigorous review process. A school operated under this subdivision remains under the control of the local board of education, and employees assigned to the school are employees of the local school administrative unit with the protections provided by G.S. 115C-325."

SECTION 9.(d) G.S. 115C-238.53(f)(1) reads as rewritten:

"(1) Shall have the same exemptions from statutes and rules as charter schools operating under ~~Part 6A~~Part 6B of this Article, other than those pertaining to personnel."

SECTION 9.(e) G.S. 135-8(b)(5)d. reads as rewritten:

"d. Employment in a charter school. – Notwithstanding subparagraph a. of this subdivision, where the employer grants an approved leave of absence for the member to be employed in a charter school or where the member's service is interrupted by employment in a charter school, authorized under Part 6A or Part 6B of Article 16 of Chapter 115C of the General Statutes, the member may make monthly

contributions into the annuity savings fund in an amount equal to the employee contribution plus the employer normal and accrued liability contribution on the basis of the compensation the member was earning immediately prior to the interrupted service."

SECTION 9.(f) G.S. 135-48.1(11) reads as rewritten:

"(11) Employing Unit. – A North Carolina School System; Community College; State Department, Agency, or Institution; Administrative Office of the Courts; or Association or Examining Board whose employees are eligible for membership in a State-Supported Retirement System. An employing unit also shall mean a charter school in accordance with Part 6A or Part 6B of Chapter 115C of the General Statutes whose board of directors elects to become a participating employer in the Plan under G.S. 135-48.54. Bona fide fire departments, rescue or emergency medical service squads, and National Guard units are deemed to be employing units for the purpose of providing benefits under this Article.";

and by renumbering the remaining section accordingly.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

4-3-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sherrie Canney	Parent from Randolph County
Jacob Yaniero	Sen. Brown's office
Cheryl Posner-Cahill	NC School Psych Assoc
Leanne Winner	NCSBA
Katherine Joyce	NCASA
Adam Pridemore	NCASA
	NCPHA
	MNC
	NCICU
PAUL J. NORCROSS	CHARTER SUPPORT GR
Debbie Clary	NC Strategy Partners
	National Heritage
David Crawford	AFAC
JAY PETERS	CSS
Judy Jenkins	OAPI
Chris Hill	NC Justice Center

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

4-3-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Gene Causby	NCSCA
Laura DeVivo	WCSR
Rachel Bentley	NCDPI
GARY SHIPMAN	SHIPMAN & WRIGHT
Norman L. George III	6417 Chapman Ct. Raleigh, NC 27612
Andy Chase	KMA
Townes Maxwell	PSG
	NC DPI
Sarah Wolfe	MWCLLC
Jason Fishkin	Senator Stein
Jason Deans	JD&A
Jaime King Ferguson	NCEL
Jay Joinel	Sound Tracs
Gloria Cox	LWV Charlotte-Mecklenburg

Senate Committee on Education/Higher Education
Wednesday, April 10, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 361	Excellent Public Schools Act of 2013.	Senator Berger Senator Tillman Senator Soucek
SR 196	Honor Ruth Graham.	Senator Soucek Senator Nesbitt

Presentations

Other Business

Adjournment

Senate Committee on Education/Higher Education
Wednesday, April 10, 2013
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on April 10, 2013 in Room 544 of the Legislative Office Building. 22 members were present.

Senator Jerry W. Tillman, Chair, presided.

Chairman Tillman called the meeting to order and recognized Senator Barefoot who moved adoption of the Proposed Committee Substitute to SR196 for discussion.

With the PCS before the Committee, Chairman Tillman recognized Senator Soucek, the bill's sponsor to explain.

Senator Barefoot then moved for a favorable report to the Proposed Committee Substitute Resolution and an unfavorable report to the original resolution. The motion passed.

Chairman Tillman recognized the Sergeants-at-Arms and the pages.

Chairman Tillman then recognized Sen. Berger to explain S361.

Chairman Tillman recognized Senator Stein who moved adoption of the Proposed Committee Substitute to S361 for discussion.

With the PCS before the Committee, Chairman Tillman recognized Senator Berger, the bill's sponsor to explain.

Sen. Berger explained that S361 attempts to build on some of the reforms passed in the budget last year and also builds on some of the reforms from original bill S795 passed by the Senate last year.

Sen. Berger explained the primary provisions of the bill in Parts I, II, III, IV, V, VI, and VII.

Sen. Berger noted the attempt to address school policy and emphasized the importance of reading as the essential tool for kids to be successful in school. He explained that this bill continues the effort in maintaining high quality teachers in our classrooms.

Sen. Stein was recognized and commented on the grading system outlined on page 11, lines 2-4.

Patsy Pierce, of the General Assembly's Research Division, was recognized and explained that the calculation methodology has been revised.

Sen. Robinson was recognized and asked why teacher licensure requirements are not the same as charter schools.

Sen. Berger explained that charter schools are schools of choice so parents can remove child from school if they feel the child is not receiving adequate instruction or not progressing as the child should and place the child in a traditional public school. The requirements should be looked at in those circumstances where parents have fewer choices.

Sen. Bryant was recognized and asked when the ABCDF grading system takes effect. Sen. Berger responded it will take effect based on the scores for this year. That modification of the grading scale was based on law passed last year. Sen. Bryant then asked if there would be a trial run. Sen. Berger indicated that it had been requested to delay the implementation of the A-F grading scale.

Sen. Bryant asked about the provisions for actions on teacher contracts, renewals, and non-renewals and how it fits into the hearing process.

Kara McCraw, of the General Assembly's Research Division, was recognized and explained that teachers would be able to request a hearing once contract is up. There is an existing procedure under 115C.45 for hearings before the board.

Senator Brown was recognized and commented on the need to start measuring our schools in order to identify needs and allocating resources.

Sen. Hartsell was recognized for questions regarding contract renewal and contract termination.

Kara McCraw, of the General Assembly's Research Division, explained that the statute provides that a request can be made to the board to grant a hearing and the board in its discretion can do so and follow the judicial process for employment issues.

Chairman Tillman recognized the following for public comment.

Dr. Mark Edwards, Superintendent of the Year, Mooresville Graded School, Iredell County.

Jackie Cole, Board of Education Member, Alamance County.

Rodney Ellis, NCAE President

Sen. Parmon was recognized and asked Mr. Ellis how poor performing teachers are currently dismissed. Mr. Ellis asked NCAE's in-house attorney, Ann McColl to respond to question. Ann McColl responded that there are a wide range of tools that can be used.

Sen. Berger was recognized and thanked committee members and the public for their comments.

Sen. Rucho was recognized for motion of favorable report to the Proposed Committee Substitute, unfavorable to the original bill. The motion passed.

S361 was referred to Appropriations/Base Budget by Chairman Tillman.

Meeting adjourned.

Senator Jerry W. Tillman, Chair
Presiding

Suzanne Castleberry, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, April 10, 2013

Senator Soucek,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO RESOLUTION, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE RESOLUTION

SR **196** Honor Ruth Graham.

Draft Number:	S196-PCS85207-LG-6
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Daniel Soucek will handle SR 196



NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Thursday, April 11, 2013

Senator Soucek,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL

SB **361** Excellent Public Schools Act of 2013.

Draft Number:	S361-PCS15238-TC-9
Sequential Referral:	None
Recommended Referral:	Appropriations/Base Budget
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Philip Berger will handle SB 361



SENATE RESOLUTION 196

Sponsors:	Senators Soucek, Nesbitt (Primary Sponsors); Apodaca, Brock, Daniel, D. Davis, J. Davis, Goolsby, Gunn, Hise, McLaurin, Newton, and Sanderson.
Referred to:	Rules and Operations of the Senate.

March 6, 2013

A SENATE RESOLUTION HONORING THE MEMORY OF RUTH BELL GRAHAM AND NAMING BILLY GRAHAM NORTH CAROLINA'S FAVORITE SON.

Whereas, Billy Graham was born William Franklin Graham, Jr. on November 7, 1918, to William Franklin Graham and Morrow Coffey Graham and was reared on a dairy farm in Charlotte; and

Whereas, Ruth McCue Bell was born on June 10, 1920, to Dr. and Mrs. Nelson Bell in Qingjiang, Kiangsu, China, where her parents were serving as medical missionaries at the Presbyterian Hospital; and

Whereas, Billy Graham attended the Florida Bible Institute from 1937 to 1940, graduating in 1940, and was ordained to the ministry in 1939 by a church in the Southern Baptist Convention; and

Whereas, Billy Graham and Ruth McCue Bell met while attending Wheaton College in Illinois and were married shortly after their graduation on August 13, 1943; and

Whereas, after a few years, Billy and Ruth Graham moved to Montreat, North Carolina, where they raised five children, Virginia, Anne, Ruth, Franklin, and Nelson; and

Whereas, Billy Graham served as pastor of The Village Church in Western Springs, Illinois, from 1943 to 1945; as a member of Youth for Christ International, where he ministered to young people and military personnel from 1945 to 1950; and as President of Northwestern Schools, a liberal arts college, Bible school, and theological seminary, from 1947 to 1952; and

Whereas, after World War II, Billy Graham preached throughout the United States and Europe and attained international prominence as an evangelist through a series of crusades that began in 1949; and

Whereas, since 1950, Billy Graham has conducted his ministry through the Billy Graham Evangelistic Association (BGEA), reaching multitudes of people by means of a weekly radio program, "Hour of Decision"; a newspaper column, "My Answer"; televised crusades; articles published in "Decision" magazine; and evangelistic films produced and distributed by World Wide Pictures and now reaching millions through the BGEA Web site and the Billy Graham Library in Charlotte; and

Whereas, over the years, Billy Graham has preached to live audiences of nearly 215 million people in more than 185 countries and territories and has preached to an estimated 2.2 billion people through television and technology; and

Whereas, a renowned humanitarian and philanthropist, Billy Graham has tried to help those in need through his work with the World Emergency Relief Fund, which gives financial assistance to disaster victims, and the "Love in Action" committees, which collected and distributed food and clothing in BGEA crusade cities; and

Whereas, Billy Graham has received numerous awards and honorary degrees, including the North Carolina Award for Public Service in 1986 and the Presidential Medal of Freedom in 1983; and Honorary Knighthood (KBE) from Her Majesty the Queen of England in 2001 for his international contribution to civic and religious life over 60 years; and

Whereas, Billy and Ruth Graham were both awarded the Congressional Gold Medal for "outstanding and lasting contributions to morality, racial equality, family, philanthropy, and religion" in 1996; and

Whereas, Billy Graham received the Big Brother of the Year Award in 1966 for his work on behalf of the welfare of children and the Ronald Reagan Presidential Foundation Freedom Award in 2000 for monumental and lasting contributions to the cause of freedom; and

Whereas, Billy Graham has opposed racial discrimination and, in the 1950s and 1960s, never held a segregated meeting but conducted fully integrated crusades; and

Whereas, Billy Graham was cited by the George Washington Carver Memorial Institute for his contributions to race relations in 1964 and was recognized by the Anti-Defamation League of the B'nai B'rith in 1969 and the National Conference of Christians and Jews in 1971 for his efforts to foster a better understanding among all faiths; and

Whereas, Billy Graham has counseled 12 Presidents beginning with President Harry S. Truman through President Barack Obama and has participated in nine Presidential inaugurations, more than any man of American history; and

Whereas, Billy Graham has been referred to as the "Pastor of Presidents"; and

Whereas, Billy Graham has also counseled world leaders and has participated in many historic occasions; and

Whereas, Billy Graham has been called upon as the "nation's pastor" during times of national crisis. He spoke at the National Cathedral service in Washington, DC, three days after the 9/11 attack in 2001, as the nation and world watched and listened. Five Presidents, including George W. Bush, Bill Clinton, George H. Bush, Jimmy Carter, and Gerald Ford, and their wives were in the audience; and

Whereas, Billy Graham has written more than 31 books, all of which have become best sellers, including his books, "Just As I Am," an autobiography published in 1997 and "Nearing Home" published in 2011; and

Whereas, Ruth Graham was also an author, writing or cowriting over 14 books, including "Sitting by My Laughing Fire," "Legacy of a Pack Rat," and "Prodigals and Those Who Love Them"; and

Whereas, Ruth Graham helped to establish the Ruth and Billy Graham Children's Health Center in Asheville; and

Whereas, on June 14, 2007, Billy Graham lost his partner and closest confidant, Ruth Bell Graham, who died at the age of 87; and

Whereas, in 2012, Billy Graham was listed on "The Ten Most Admired Men in the World" for the 56th time. He was first selected in 1955. According to the latest List, Reverend Graham was tied as Number 3 with Mitt Romney, George W. Bush, and Pope Benedict XVI behind President Barack Obama and Nelson Mandela; and

Whereas, admired and beloved by both Christians and non-Christians, Billy Graham continues to inspire the world with his good works; and

Whereas, there have been many great North Carolinians, but few have impacted the world more than Billy Graham; and

Whereas, Billy Graham, having served our State and country as a faithful and fearless soldier of the cross, having carried the Gospel of Christ for more than 70 years throughout the world, is proud to call himself a Tar Heel and to make North Carolina his home; Now, therefore,

Be it resolved by the Senate:

SECTION 1. The Senate honors the memory of Ruth Bell Graham, who made significant contributions to our State and nation through her partnership with her husband in marriage and ministry.

SECTION 2. The Senate honors and names Billy Graham as North Carolina's Favorite Son.

SECTION 3. The Senate requests the Governor to set a day to recognize and honor Billy Graham as North Carolina's Favorite Son.

SECTION 4. This resolution is effective upon adoption.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE RESOLUTION 196
PROPOSED COMMITTEE SUBSTITUTE S196-CSLG-6 [v.1]

4/3/2013 4:30:21 PM

Sponsors:

Referred to:

March 6, 2013

A SENATE RESOLUTION HONORING THE MEMORY OF RUTH BELL GRAHAM AND NAMING BILLY GRAHAM NORTH CAROLINA'S FAVORITE SON.

Whereas, Billy Graham was born William Franklin Graham, Jr., on November 7, 1918, to William Franklin Graham and Morrow Coffey Graham and was reared on a dairy farm in Charlotte; and

Whereas, Ruth McCue Bell was born on June 10, 1920, to Dr. and Mrs. Nelson Bell in Qingjiang, Kiangsu, China, where her parents were serving as medical missionaries at the Presbyterian Hospital; and

Whereas, Billy Graham attended the Florida Bible Institute from 1937 to 1940, graduating in 1940, and was ordained to the ministry in 1939 by a church in the Southern Baptist Convention; and

Whereas, Billy Graham and Ruth McCue Bell met while attending Wheaton College in Illinois and were married shortly after their graduation on August 13, 1943; and

Whereas, after a few years, Billy and Ruth Graham moved to Montreat, North Carolina, where they raised five children, Virginia, Anne, Ruth, Franklin, and Nelson; and

Whereas, Billy Graham served as pastor of The Village Church in Western Springs, Illinois, from 1943 to 1945; as a member of Youth for Christ International, where he ministered to young people and military personnel from 1945 to 1950; and as President of Northwestern Schools, a liberal arts college, Bible school, and theological seminary, from 1947 to 1952; and

Whereas, after World War II, Billy Graham preached throughout the United States and Europe and attained international prominence as an evangelist through a series of Crusades that began in 1949; and

Whereas, since 1950, Billy Graham has conducted his ministry through the Billy Graham Evangelistic Association (BGEA), reaching multitudes of people by means of a weekly radio program, "Hour of Decision"; a newspaper column, "My Answer"; televised Crusades; articles published in "Decision" magazine; and evangelistic films produced and distributed by World Wide Pictures and now reaching millions through the BGEA Web site and the Billy Graham Library in Charlotte; and

Whereas, over the years, Billy Graham has preached to live audiences of nearly 215 million people in more than 185 countries and territories and has preached to an estimated 2.2 billion people through television and technology; and

Whereas, a renowned humanitarian and philanthropist, Billy Graham has tried to help those in need through his work with the World Emergency Relief Fund, which gives financial assistance to disaster victims, and the "Love in Action" committees, which collected and distributed food and clothing in BGEA crusade cities; and

Whereas, Billy Graham has received numerous awards and honorary degrees, including the North Carolina Award for Public Service in 1986 and the Presidential Medal of

Freedom in 1983; and Honorary Knighthood (KBE) from Her Majesty the Queen of England in 2001 for his international contribution to civic and religious life over 60 years; and

Whereas, Billy and Ruth Graham were both awarded the Congressional Gold Medal for "outstanding and lasting contributions to morality, racial equality, family, philanthropy, and religion" in 1996; and

Whereas, Billy Graham received the Big Brother of the Year Award in 1966 for his work on behalf of the welfare of children and the Ronald Reagan Presidential Foundation Freedom Award in 2000 for monumental and lasting contributions to the cause of freedom; and

Whereas, Billy Graham has opposed racial discrimination and, in the 1950s and 1960s, never held a segregated meeting but conducted fully integrated Crusades; and

Whereas, Billy Graham was cited by the George Washington Carver Memorial Institute for his contributions to race relations in 1964 and was recognized by the Anti-Defamation League of the B'nai B'rith in 1969 and the National Conference of Christians and Jews in 1971 for his efforts to foster a better understanding among all faiths; and

Whereas, Billy Graham has counseled 12 Presidents beginning with President Harry S. Truman through President Barack Obama and has participated in nine Presidential inaugurations, more than any man of American history; and

Whereas, Billy Graham has been referred to as the "Pastor of Presidents"; and

Whereas, Billy Graham has also counseled world leaders and has participated in many historic occasions; and

Whereas, Billy Graham has been called upon as the "nation's pastor" during times of national crisis. He spoke at the National Cathedral service in Washington, DC, three days after the 9/11 attack in 2001, as the nation and world watched and listened. Five Presidents, including George W. Bush, Bill Clinton, George H. Bush, Jimmy Carter, and Gerald Ford, and their wives were in the audience; and

Whereas, Billy Graham has written more than 31 books, all of which have become best sellers; including his books, "Just As I Am," an autobiography published in 1997, and "Nearing Home" published in 2011; and

Whereas, Ruth Graham was also an author, writing or cowriting over 14 books, including "Sitting by My Laughing Fire," "Legacy of a Pack Rat," and "Prodigals and Those Who Love Them"; and

Whereas, Ruth Graham helped to establish the Ruth and Billy Graham Children's Health Center in Asheville; and

Whereas, on June 14, 2007, Billy Graham lost his partner and closest confidante, Ruth Bell Graham, who died at the age of 87; and

Whereas, in 2012, Billy Graham was listed on "The Ten Most Admired Men in the World" for the 56th time. He was first selected in 1955. According to the latest list, Reverend Graham was tied as Number 3 with Mitt Romney, George W. Bush, and Pope Benedict XVI, behind President Barack Obama and Nelson Mandela; and

Whereas, admired and beloved by both Christians and non-Christians, Billy Graham continues to inspire the world with his good works; and

Whereas, there have been many great North Carolinians, but few have impacted the world more than Billy Graham; and

Whereas, Billy Graham, having served in all the aforementioned ways for more than 70 years in our State, our country, and throughout the world, is proud to call himself a Tar Heel and to make North Carolina his home; Now, therefore,

Be it resolved by the Senate:

SECTION 1. The Senate honors the memory of Ruth Bell Graham, who made significant contributions to our State and nation through her partnership with her husband in marriage and ministry.

SECTION 2. The Senate honors and names Billy Graham as North Carolina's Favorite Son.

SECTION 3. The Senate requests the Governor to set a day to recognize and honor Billy Graham as North Carolina's Favorite Son.

SECTION 4. This resolution is effective upon adoption.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 361
PROPOSED COMMITTEE SUBSTITUTE S361-CSTC-9 [v.13]
4/9/2013 7:35:47 PM

Short Title: Excellent Public Schools Act of 2013. (Public)

Sponsors:

Referred to:

March 20, 2013

A BILL TO BE ENTITLED

AN ACT TO PROVIDE LITERACY VOLUNTEER LEAVE TIME; MAXIMIZE INSTRUCTIONAL TIME; STRENGTHEN TEACHER EDUCATION PROGRAMS AND TEACHER LICENSURE REQUIREMENTS; ESTABLISH PLANS FOR PAY FOR EXCELLENCE; ASSIGN SCHOOL PERFORMANCE GRADES AND ADD STUDENT GROWTH COMPONENT; AND ESTABLISH TEACHER CONTRACTS.

The General Assembly of North Carolina enacts:

PART I. STATE EMPLOYEE LITERACY VOLUNTEER LEAVE TIME

SECTION 1.(a) G.S. 126-4 reads as rewritten:

"**§ 126-4. Powers and duties of State Personnel Commission.**

Subject to the approval of the Governor, the State Personnel Commission shall establish policies and rules governing each of the following:

...

(5b) A leave program that allows employees to volunteer in a literacy program in a public school for up to five hours each month.

...."

SECTION 1.(b) This section is effective when it becomes law.

PART II. MAXIMIZE INSTRUCTIONAL TIME

SECTION 2.(a) G.S. 115C-174.12(a) reads as rewritten:

"(a) The State Board of Education shall establish policies and guidelines necessary for minimizing the time students spend taking tests administered through State and local testing programs, for minimizing the frequency of field testing at any one school, and for otherwise carrying out the provisions of this Article. These policies and guidelines shall include the following:

(1) Schools shall devote no more than two days of instructional time per year to the taking of practice tests that do not have the primary purpose of assessing current student learning;

(2) Students in a school shall not be subject to field tests or national tests during the two-week period preceding the administration of end-of-grade tests, end-of-course tests, or the school's regularly scheduled final exams; and

(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.~~year.

(4) All annual assessments of student achievement adopted by the State Board of Education pursuant to G.S. 115C-174.11(c)(1) and (3) and all final exams for courses shall be administered within the final 10 instructional days of the school year for year-long courses and within the final five instructional days of the semester for semester courses. Exceptions shall be permitted to accommodate a student's individualized education program and section 504 (29 U.S.C. § 794) plans and for the administration of final exams for courses with national or international curriculae required to be held at designated times.

These policies shall reflect standard testing practices to insure reliability and validity of the sample testing. The results of the field tests shall be used in the final design of each test. The State Board of Education's policies regarding the testing of children with disabilities shall (i) provide broad accommodations and alternate methods of assessment that are consistent with a ~~child's~~ student's individualized education program and section 504 (29 U.S.C. § 794) plans, (ii) prohibit the use of statewide tests as the sole determinant of decisions about a ~~child's~~student's graduation or promotion, and (iii) provide parents with information about the Statewide Testing Program and options for ~~students~~children with disabilities. The State Board shall report its proposed policies and proposed changes in policies to the Joint Legislative Education Oversight Committee prior to adoption.

The State Board of Education may appoint an Advisory Council on Testing to assist in carrying out its responsibilities under this Article."

SECTION 2.(b) Notwithstanding the provisions of G.S. 115C-174.11(c), the State Board of Education shall report to the Joint Legislative Education Oversight Committee prior to the purchase and implementation of a new assessment instrument to assess student achievement on the Common Core State Standards, including the Common Core Smarter Balance Consortium Assessments. The State Board shall not purchase such an assessment instrument without the enactment of legislation by the General Assembly authorizing the purchase.

SECTION 2.(c) This section is effective when it becomes law and applies beginning with the 2013-2014 school year.

PART III. STRENGTHEN TEACHER LICENSURE

SECTION 3.(a) G.S. 115C-296 reads as rewritten:

"**§ 115C-296. Board sets licensure requirements; reports; lateral entry and mentor programs.**

...

(b) It is the policy of the State of North Carolina to maintain the highest quality teacher education programs and school administrator programs in order to enhance the competence of professional personnel licensed in North Carolina. To the end that teacher preparation programs are upgraded to reflect a more rigorous course of study, the State Board of Education, as lead agency in coordination and cooperation with the University Board of Governors, the Board of Community Colleges and such other public and private agencies as are necessary, shall continue to refine the several licensure requirements, standards for approval of institutions of teacher education, standards for institution-based innovative and experimental programs, standards for implementing consortium-based teacher education, and standards for improved efficiencies in the administration of the approved programs.

(1) Licensure Standards. –

a. The licensure program shall provide for initial licensure after completion of preservice training, continuing licensure after three years of teaching experience, and license renewal every five years thereafter, until the retirement of the teacher. The last license renewal

received prior to retirement shall remain in effect for five years after retirement. The licensure program shall also provide for lifetime licensure after 50 years of teaching.

b. The State Board of Education, in consultation with the Board of Governors of The University of North Carolina, shall evaluate and develop enhanced requirements for continuing licensure. The new requirements shall reflect more rigorous standards for continuing licensure and shall be aligned with high quality professional development programs that reflect State priorities for improving student achievement. Standards for continuing licensure shall include at least eight continuing education credits, with at least three credits required in a teacher's academic subject area.

c. The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall reevaluate and enhance the requirements for renewal of teacher licenses. The State Board shall consider modifications in the license renewal achievement and to make it a mechanism for teachers to renew continually their knowledge and professional skills.

(2) Teacher education programs. –

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

b. To further ensure that teacher preparation programs remain current and reflect a rigorous course of study that is aligned to State and national standards, the State Board of Education, in consultation with the Board of Governors of The University of North Carolina, shall do all of the following to ensure that students ~~preparing~~are prepared to teach in elementary ~~school~~sschools:

1. ~~(i) have~~Provide students with adequate coursework in the teaching of reading and ~~mathematics;~~mathematics.
2. ~~(ii) are assessed~~Assess students prior to ~~certification~~ licensure to determine that they possess the requisite knowledge in scientifically based reading and mathematics instruction that is aligned with the State Board's ~~expectations;~~expectations.
3. ~~(iii) continue to receive~~Continue to provide students with preparation in applying formative and summative assessments within the school and classroom setting through technology-based assessment systems available in North Carolina schools that measure and predict expected student ~~improvement; and~~improvement.
4. ~~(iv) are prepared~~Prepare students to integrate arts education across the curriculum.

c. The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall evaluate and modify, as necessary, the academic requirements of teacher preparation programs for students preparing

to teach science in middle and high schools to ensure that there is adequate preparation in issues related to science laboratory safety.

~~The State Board of Education, in consultation with the Board of Governors of The University of North Carolina, shall evaluate and develop enhanced requirements for continuing licensure. The new requirements shall reflect more rigorous standards for continuing licensure and to the extent possible shall be aligned with quality professional development programs that reflect State priorities for improving student achievement.~~

~~The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall reevaluate and enhance the requirements for renewal of teacher licenses. The State Board shall consider modifications in the license renewal achievement and to make it a mechanism for teachers to renew continually their knowledge and professional skills. The State Board shall adopt new standards for the renewal of teacher licenses by May 15, 1998.~~

d. The standards for approval of institutions of teacher education shall require that teacher education programs for all students include demonstrated competencies in (i) the identification and education of children with disabilities and (ii) positive management of student behavior and effective communication techniques for defusing and deescalating disruptive or dangerous behavior.

e. The State Board of Education shall incorporate the criteria developed in accordance with G.S. 116-74.21 for assessing proposals under the School Administrator Training Program into its school administrator program approval standards.

f. All North Carolina institutions of higher education that offer teacher education programs, masters degree programs in education, or masters degree programs in school administration shall provide annual performance reports to the State Board of Education.

~~The performance reports shall follow a common format, shall be submitted according to a plan developed by the State Board, and shall include the information required under the plan developed by the State Board.~~

(b1) The State Board of Education shall ~~develop a plan to provide a focused review of~~require teacher education ~~programs~~programs, master's degree programs in education, and master's degree programs in school administration to submit annual performance reports. The performance reports shall provide the State Board with a focused review of the programs and the current process of accrediting these programs in order to ensure that the programs produce graduates that are well prepared to teach. ~~The plan shall include the development and implementation of a school of education performance report for each teacher education program in North Carolina.~~

(1) Teacher education program performance report. – The performance report for each teacher education program in North Carolina shall follow a common format and include at least the following elements:

a. ~~(i) quality~~Quality of students entering the schools of education, including the average grade point average and average score on preprofessional skills tests that assess reading, writing, math and other ~~competencies;~~competencies.

b. ~~(ii) graduation rates;~~Graduation rates.

c. ~~(iii) time-to-graduation rates;~~Time-to-graduation rates.

d. ~~(iv) average~~Average scores of graduates on professional and content area examination for the purpose of ~~licensure;~~licensure.

e. ~~(v) percentage~~Percentage of graduates receiving initial ~~licenses;~~licenses.

f. ~~(vi) percentage~~Percentage of graduates hired as ~~teachers;~~teachers.
g. ~~(vii) percentage~~Percentage of graduates remaining in teaching for four ~~years;~~years.
h. ~~(viii) graduate~~Graduate satisfaction based on a common ~~survey; and~~survey.
i. ~~(ix) employer~~Employer satisfaction based on a common survey.
j. Teacher contribution to the academic success of students.

~~The performance reports shall follow a common format. The performance reports shall be submitted annually. The State Board of Education shall develop a plan to be implemented beginning in the 1998-99 school year to reward and sanction approved teacher education programs and masters of education programs and to revoke approval of those programs based on the performance reports and other criteria established by the State Board of Education.~~

(2) Master's degree programs in education and school administration performance report. – The State Board ~~also~~ shall ~~develop and implement a plan for~~ require submission to the State Board of annual performance reports ~~for~~from all masters degree programs in education and school administration in North Carolina. To the extent it is appropriated, the performance report shall include similar indicators to those ~~developed~~required for the performance report for teacher education ~~programs.~~programs as set forth in subdivision (1) of this subsection. The performance reports shall follow a common format.

(3) Educator preparation program report card. – The State Board shall create a higher education educator preparation program report card reflecting the information collected in the annual performance reports for each North Carolina institution offering teacher education programs and master of education programs. The report cards shall, at a minimum, summarize information reported on all of the performance indicators for the performance reports required by subdivision (1) of this subsection.

(4) Submission of annual performance reports. – ~~Both plans for performance~~ Performance reports ~~also~~ shall ~~include a method to provide the annual performance reports~~ be provided annually to the Board of Governors of The University of North Carolina, the State Board of Education, and the boards of trustees of the independent colleges. The State Board of Education shall review the schools of education performance reports and the performance reports for masters degree programs in education and school administration each year the performance reports are submitted. ~~The State Board shall submit the performance report for the 1999-2000 school year to the Joint Legislative Education Oversight Committee by December 15, 2000. Subsequent~~The performance reports and the educator preparation program report cards shall be submitted to the Joint Legislative Education Oversight Committee on an annual basis by October 1.

(5) State Board action based on performance. – The State Board of Education shall reward and sanction approved teacher education programs and master of education programs and revoke approval of those programs based on the performance reports and other criteria established by the State Board of Education.

(b2) An undergraduate student seeking a degree in teacher education must attain passing scores on a preprofessional skills test prior to admission to an approved teacher education program in a North Carolina college or university. The State Board of Education shall permit students to fulfill this requirement by achieving the prescribed minimum scores set by the State Board of Education for the Praxis I tests or by achieving the appropriate required score, as

determined by the State Board of Education, on the verbal and mathematics portions of the ~~SAT.~~SAT or ACT. The minimum combined verbal and mathematics score set by the State Board of Education for the SAT shall be ~~between 900 and 1,200.~~1,100 or greater. The minimum composite score set by the State Board of Education for the ACT shall be 24 or greater.

(c) It is the policy of the State of North Carolina to encourage lateral entry into the profession of teaching by skilled individuals from the private sector. To this end, before the 1985-86 school year begins, the State Board of Education shall develop criteria and procedures to accomplish the employment of such individuals as classroom teachers. Beginning with the 2006-2007 school year, the criteria and procedures shall include preservice training in (i) the identification and education of children with disabilities and (ii) positive management of student behavior, effective communication for defusing and deescalating disruptive or dangerous behavior, and safe and appropriate use of seclusion and restraint. Skilled individuals who choose to enter the profession of teaching laterally may be granted a ~~provisional~~lateral entry teaching license for no more than three years and shall be required to obtain licensure before contracting for a fourth year of service with any local administrative unit in this State.

...."

SECTION 3.(b) G.S. 115C-296, as rewritten by subsection (a) of this section, reads as rewritten:

"**§ 115C-296. Board sets licensure requirements; reports; lateral entry and mentor programs.**

(a) The State Board of Education shall have entire control of licensing all applicants for teaching positions in all public ~~elementary and high~~ schools of North Carolina; and it shall prescribe the rules and regulations for the renewal and extension of all licenses and shall determine and fix the salary for each grade and type of license which it authorizes.

The State Board of Education ~~may~~shall require an applicant for an initial bachelors degree ~~certificate~~license or graduate degree ~~certificate~~license to demonstrate the applicant's academic and professional preparation by achieving a prescribed minimum score on a standard examination appropriate and adequate for that purpose. Elementary Education (K-6) and special education general curriculum teachers shall also achieve a prescribed minimum score on subtests or standard examinations specific to teaching reading and mathematics. The State Board of Education shall permit an applicant to fulfill any such testing requirement before or during the applicant's second year of teaching provided the applicant took the examination at least once during the first year of teaching. The State Board of Education shall make any required standard initial licensure exam ~~sufficiently~~ rigorous and raise the prescribed minimum score as necessary to ensure that each applicant has ~~adequate~~ received high quality academic and professional preparation to ~~teach.~~teach effectively.

(a1) The State Board shall adopt policies that establish the minimum scores for any required standard examinations and other measures necessary to assess the qualifications of professional personnel as required under subsection (a) of this section. For purposes of this subsection, the State Board shall not be subject to Article 2A of Chapter 150B of the General Statutes. At least 30 days prior to changing any policy adopted under this subsection, the State Board shall provide written notice to all North Carolina schools of education and to all local boards of education. The written notice shall include the proposed revised policy.

(a2) The State Board of Education shall impose the following schedule of fees for teacher licensure and administrative changes:

(1) Application for demographic or administrative changes to a license, $30.00.

(2) Application for a duplicate license or for copies of documents in the licensure files, $30.00.

(3) Application for a renewal, extension, addition, upgrade, and variation to a license, $55.00.

(4) Initial application for New, In-State Approved Program Graduate, $55.00.
(5) Initial application for Out-of-State license, $85.00.
(6) All other applications, $85.00.

The applicant must pay the fee at the time the application is submitted.

(b) It is the policy of the State of North Carolina to maintain the highest quality teacher education programs and school administrator programs in order to enhance the competence of professional personnel licensed in North Carolina. To the end that teacher preparation programs are upgraded to reflect a more rigorous course of study, the State Board of Education, as lead agency in coordination and cooperation with the University Board of Governors, the Board of Community Colleges and such other public and private agencies as are necessary, shall continue to refine the several licensure requirements, standards for approval of institutions of teacher education, standards for institution-based innovative and experimental programs, standards for implementing consortium-based teacher education, and standards for improved efficiencies in the administration of the approved programs.

(1) Licensure standards. –

a. The licensure program shall provide for initial licensure after completion of preservice training, continuing licensure after three years of teaching experience, and license renewal every five years thereafter, until the retirement of the teacher. The last license renewal received prior to retirement shall remain in effect for five years after retirement. The licensure program shall also provide for lifetime licensure after 50 years of teaching.

b. The State Board of Education, in consultation with the Board of Governors of The University of North Carolina, shall evaluate and develop enhanced requirements for continuing licensure. The new requirements shall reflect more rigorous standards for continuing licensure and shall be aligned with high quality professional development programs that reflect State priorities for improving student achievement. Standards for continuing licensure shall include at least eight continuing education credits, with at least three credits required in the teacher's academic subject areas. Standards for continuing licensure for elementary and middle school teachers shall include at least three continuing education credits related to literacy. Literacy renewal credits shall include evidence-based assessment, diagnosis, and intervention strategies for students not demonstrating reading proficiency. Oral language, phonemic and phonological awareness, phonics, vocabulary, fluency, and comprehension shall be addressed in literacy-related activities leading to license renewal for elementary school teachers.

c. The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall reevaluate and enhance the requirements for renewal of teacher licenses. The State Board shall consider modifications in the license renewal achievement and to make it a mechanism for teachers to renew continually their knowledge and professional skills.

(2) Teacher education programs. –

a. The State Board of Education, as lead agency in coordination with the Board of Governors of The University of North Carolina, the North Carolina Independent Colleges and Universities, and any other

public and private agencies as necessary, shall continue to raise standards for entry into teacher education programs.

b. To further ensure that teacher preparation programs remain current and reflect a rigorous course of study that is aligned to State and national standards, the State Board of Education, in consultation with the Board of Governors of The University of North Carolina, shall do all of the following to ensure that students are prepared to teach in elementary schools:

1. Provide students with adequate coursework in the teaching of reading and mathematics.
2. Assess students prior to licensure to determine that they possess the requisite knowledge in scientifically based reading and mathematics instruction that is aligned with the State Board's expectations.
3. Continue to provide students with preparation in applying formative and summative assessments within the school and classroom setting through technology-based assessment systems available in North Carolina schools that measure and predict expected student improvement.
4. Prepare students to integrate arts education across the curriculum.

c. The State Board of Education, in consultation with local boards of education and the Board of Governors of The University of North Carolina, shall evaluate and modify, as necessary, the academic requirements of teacher preparation programs for students preparing to teach science in middle and high schools to ensure that there is adequate preparation in issues related to science laboratory safety.

d. The standards for approval of institutions of teacher education shall require that teacher education programs for all students include the following demonstrated ~~competencies~~competencies:

1. ~~in~~All teacher education programs. –
   I. ~~(i) the~~The identification and education of children with ~~disabilities and~~disabilities.
   II. ~~(ii) positive~~Positive management of student behavior and effective communication techniques for defusing and deescalating disruptive or dangerous behavior.
2. Elementary and special education general curriculum teacher education programs. –
   I. Teaching of reading, including a substantive understanding of reading as a process involving oral language, phonological and phonemic awareness, phonics, fluency, vocabulary, and comprehension.
   II. Evidence-based assessment and diagnosis of specific areas of difficulty with reading development and of reading deficiencies.
   III. Appropriate application of instructional supports and services and reading interventions to ensure reading proficiency for all students.

e. The State Board of Education shall incorporate the criteria developed in accordance with G.S. 116-74.21 for assessing proposals under the

School Administrator Training Program into its school administrator program approval standards.

f. All North Carolina institutions of higher education that offer teacher education programs, masters degree programs in education, or masters degree programs in school administration shall provide annual performance reports to the State Board of Education.

...."

SECTION 3.(c) The State Board of Education shall develop a plan to require the schools of education to measure performance and provide an annual report on the demonstrated competencies included in their elementary and special education general curriculum teacher education programs on (i) teaching of reading, including a substantive understanding of reading as a process involving oral language, phonological and phonemic awareness, phonics, fluency, vocabulary, and comprehension; (ii) evidence-based assessment and diagnosis of specific areas of difficulty with reading development and of reading deficiencies; and (iii) appropriate application of instructional supports and services and reading interventions to ensure reading proficiency for all students. The plan shall address requiring this information to be included in the annual performance reports to the State Board and the higher education educator preparation program report cards required by G.S. 115C-296, as enacted by this act. The State Board shall report to the Joint Legislative Education Oversight Committee, on or before March 15, 2014, on the plan to include this information in the performance reports required for the 2014-2015 school year.

SECTION 3.(d) This section is effective when the act becomes law. Section 3.(a) applies beginning with the 2013-2014 school year. Section 3.(b) applies beginning with the 2014-2015 school year.

For teachers who are in their fourth or fifth year of their current five-year license renewal cycle, the changes required by G.S. 115C-296(b)(1)b., as enacted by Section 3.(a) and Section 3.(b), shall apply beginning with the first year of their next five-year license renewal cycle.

PART IV. SCHOOL PERFORMANCE GRADES

SECTION 4.(a) Section 7A.3(e) of S.L. 2012-142 is repealed.

SECTION 4.(b) Article 8 of Chapter 115C of the General Statutes is amended by adding a new Part to read:

"Part 1B. School Performance.

"**§ 115C-83.11. School performance scores, grades, and measure of student growth.**

(a) The State Board of Education shall award school performance scores, grades, and a measure of student growth as required by G.S. 115C-12(9)c1., calculated as provided in this section.

(b) Performance Composite Calculation. – In calculating the overall school performance score earned by schools, the State Board of Education shall (i) utilize a performance composite approach to weigh the performance elements based on the number of students measured by any given performance element and (ii) proportionally adjust the scale to account for the absence of a school performance element for award of scores to a school that does not have a measure of one of the school performance elements annually assessed for the grades taught at that school.

(c) Elementary and Middle Schools Performance Elements. – For schools serving students in kindergarten through eighth grade, the overall school performance score shall be calculated based on the sum of the following school performance elements that are weighted proportionally. The score shall be calculated as follows:

(1) One point for each percent of students who score at or above proficient on annual assessments for mathematics in grades three through eight.

(2) One point for each percent of students who score at or above proficient on annual assessments for reading in grades three through eight.

(3) One point for each percent of students who score at or above proficient on annual assessments for science in grades five and eight.

(4) One point for each percent of students who score at or above proficient in Algebra I/Integrated Math I, English II, and Biology end-of-course tests.

(d) High Schools Performance Elements. – The school performance score earned by schools serving students in ninth through twelfth grades shall be calculated based on the sum of seven school performance elements that are weighted proportionally and grouped into three categories in the calculation of the total performance grade. The scores in each category shall be calculated as follows:

(1) Testing. –

a. One point for each percent of students who score at or above proficient on annual assessments for mathematics.

b. One point for each percent of students who score at or above proficient on annual assessments for English.

c. One point for each percent of students who score at or above proficient on annual assessments for biology.

(2) College/career readiness. –

a. One point for each percent of students who complete a mathematics class beyond Algebra I/Integrated Math II with a passing grade.

b. One point for each percent of students who meet benchmarks in reading and in mathematics on a nationally normed test of college readiness.

c. One point for each percent of students enrolled in Career and Technical Education courses who meet the standard when scoring at Silver, Gold, or Platinum levels on a nationally normed test of workplace readiness.

(3) Graduation rate. – One point for each percent of students who graduate within four years of entering high school.

(e) Calculation of School Performance Scores and Grades. – The State Board of Education shall calculate school performance scores by totaling the sum of points, as provided in subsections (c) and (d) of this section, and weighted proportionally, as provided in subsection (b) of this section, earned by the school and converting the sum of points to a 100-point scale. The school performance score shall be used to determine the school performance grade based on the following scale:

(1) At least 90 performance grade points for an overall school performance grade of A.

(2) At least 80 performance grade points for an overall school performance grade of B.

(3) At least 70 performance grade points for an overall school performance grade of C.

(4) At least 60 performance grade points for an overall school performance grade of D.

(5) A school that accumulates fewer than 60 points shall be assigned an overall school performance grade of F.

(f) Measure of Student Growth. – Using the Education Value-Added Assessment System (EVAAS), the State Board shall include as a part of the annual school report card a separate indicator reflecting a measure of student growth for performance on annual assessments for reading, mathematics, and science in grades three through eight and on annual assessments for mathematics, English, and biology in grades nine through twelve. Based on this

measure, the State Board shall designate that a school has (i) met, (ii) failed to meet, or (iii) exceeded expected student growth. This measure shall not be used to alter or adjust school performance scores or the school performance grade earned by a school. The student growth measure shall be clearly displayed in the annual school report card provided under G.S. 115C-12(9)c1., 115C-238.29F, and 115C-238.66.

(g) Elementary and Middle School Reading and Math Scores. – For schools serving students in kindergarten through eighth grade, the school performance scores in reading and mathematics, respectively, shall be reported separately on the annual school report card provided under G.S. 115C-12(9)c1., 115C-238.29F, and 115C-238.66."

SECTION 4.(c) G.S. 115C-12(9)c1. reads as rewritten:

"c1. To issue an annual "report card" for the State and for each local school administrative unit, assessing each unit's efforts to improve student performance based on the growth in performance of the students in each school and taking into account progress over the previous years' level of performance and the State's performance in comparison with other states. This assessment shall take into account factors that have been shown to affect student performance and that the State Board considers relevant to assess the State's efforts to improve student performance. As a part of the annual "report card" for each local school administrative unit, the State Board shall ~~award~~award, in accordance with G.S. 115C-83.11, an overall numerical school performance score on a scale of zero to ~~100~~ ~~and~~100, a corresponding letter grade of A, B, C, D, or ~~F~~F, and a separate indicator reflecting a measure of student growth earned by each school within the local school administrative unit. The school performance score and grade shall reflect student performance on annual subject-specific assessments, college and workplace readiness measures, and graduation rates. For schools serving students in any grade from kindergarten to eighth grade, separate performance scores and grades shall also be awarded based on the school performance in reading and mathematics respectively. The annual "report card" for schools serving students in third grade also shall include the number and percentage of third grade students who (i) take and pass the alternative assessment of reading comprehension; (ii) were retained in third grade for not demonstrating reading proficiency as indicated in G.S. 115C-83.7(a); and (iii) were exempt from mandatory third grade retention by category of exemption as listed in G.S. 115C-83.7(b)."

SECTION 4.(d) G.S. 115C-47(58) reads as rewritten:

"(58) To Inform the Public About the North Carolina School Report Cards Issued by the State Board of Education. – Each local board of education shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. Each local board of education shall ensure that the overall school performance ~~score and grade~~ score, grade, and a separate indicator reflecting a measure of student growth earned by each school in the local school administrative unit for the current and previous four school years is prominently displayed on the Web site of the local school administrative unit. If any school in the local school administrative unit is awarded a grade of D or F, the local board of education shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school."

SECTION 4.(e) G.S. 115C-238.29F(l) reads as rewritten:

"(l) North Carolina School Report Cards. – A charter school shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. A charter school shall ensure that the overall school performance ~~score and grade~~ score, grade, and a separate indicator reflecting a measure of student growth earned by the charter school for the current and previous four school years is prominently displayed on the school Web site. If a charter school is awarded a grade of D or F, the charter school shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school."

SECTION 4.(f) G.S. 115C-238.66(11) reads as rewritten:

"(11) North Carolina School Report Cards. – A regional school shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. A regional school shall ensure that the overall school performance ~~score and grade~~ score, grade, and a separate indicator reflecting a measure of student growth earned by the regional school for the current and previous four school years is prominently displayed on the school Web site. If a regional school is awarded a grade of D or F, the regional school shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school."

SECTION 4.(g) This section is effective when it becomes law and applies beginning with the 2012-2013 school year.

PART V. PAY FOR EXCELLENCE

SECTION 5.(a) When a robust evaluation instrument and process that accurately assesses and evaluates the effectiveness of teachers, especially in the area of student growth, is wholly implemented in North Carolina, it is the intent of the General Assembly that the evaluation instrument and process be utilized in the implementation of a plan of performance pay for teachers in this State.

SECTION 5.(b) This section is effective when it becomes law.

PART VI. TEACHER CONTRACTS

SECTION 6.(a) G.S. 115C-325 is repealed.

SECTION 6.(b) Part 3 of Article 22 of Chapter 115C of the General Statutes is amended by adding new sections to read:

"**§ 115C-325.1. Definitions.**

As used in this Part, the following definitions apply:

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

(2) "Demote" means to reduce the salary of a person who is classified or paid by the State Board of Education as a classroom teacher or as a school administrator during the time of the contract. The word "demote" does not include (i) a suspension without pay pursuant to G.S. 115C-325.5(a); (ii) the elimination or reduction of bonus payments, including merit-based supplements, or a systemwide modification in the amount of any applicable local supplement; (iii) any reduction in salary that results from the elimination of a special duty, such as the duty of an athletic coach or a choral director, or (iv) any reduction of pay as compared to a prior term of contract.

(3) "Disciplinary suspension" means a final decision to suspend a teacher or school administrator without pay for no more than 60 days under G.S. 115C-325.5(b).

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

(5) "Teacher" means a person meeting each of the following requirements:

a. Who holds at least one of the following licenses issued by the State Board of Education:

1. A current standard professional educator's license.

2. A current lateral entry teaching license.

3. A regular, not expired, vocational license.

b. Whose major responsibility is to teach or directly supervise teaching or who is classified by the State Board of Education or is paid either as a classroom teacher or instructional support personnel.

c. Who is employed to fill a full-time, permanent position.

(6) "Year" means a calendar year beginning July 1 and ending June 30.

"**§ 115C-325.2. Personnel files.**

(a) Maintenance of Personnel File. – The superintendent shall maintain in his or her office a personnel file for each teacher that contains any complaint, commendation, or suggestion for correction or improvement about the teacher's professional conduct, except that the superintendent may elect not to place in a teacher's file (i) a letter of complaint that contains invalid, irrelevant, outdated, or false information or (ii) a letter of complaint when there is no documentation of an attempt to resolve the issue. The complaint, commendation, or suggestion shall be signed by the person who makes it and shall be placed in the teacher's file only after five days' notice to the teacher. Any denial or explanation relating to such complaint, commendation, or suggestion that the teacher desires to make shall be placed in the file. Any teacher may petition the local board of education to remove any information from the teacher's personnel file that the teacher deems invalid, irrelevant, or outdated. The board may order the superintendent to remove said information if it finds the information is invalid, irrelevant, or outdated.

(b) Inspection of Personnel Files. – The personnel file shall be open for the teacher's inspection at all reasonable times but shall be open to other persons only in accordance with such rules and regulations as the board adopts. Any preemployment data or other information obtained about a teacher before the teacher's employment by the board may be kept in a file separate from the teacher's personnel file and need not be made available to the teacher. No data placed in the preemployment file may be introduced as evidence at a hearing on the dismissal or demotion of a teacher, except the data may be used to substantiate G.S. 115C-325.4(a)(7) or G.S. 115C-325.4(a)(14) as grounds for dismissal or demotion.

"**§ 115C-325.3. Teacher contracts.**

(a) Length of Contract. – A contract between the local board of education and a teacher who has been employed by the local board of education for less than three years shall be for a term of one school year. A contract or renewal of contract between the local board of education and a teacher who has been employed by the local board of education for three years or more shall be for a term of one, two, three, or four school years.

(b) Superintendent Recommendation to Local Board. – Local boards of education shall employ teachers upon the recommendation of the superintendent. If a superintendent intends to recommend to the local board of education that a teacher be offered a new or renewed contract, the superintendent shall submit the recommendation to the local board for action and shall include in the recommendation the length of the term of contract. A superintendent shall only recommend a teacher for a contract of a term longer than one school year if the teacher has shown effectiveness as demonstrated by proficiency on the teacher evaluation instrument. The local board may approve the superintendent's recommendation, may decide not to offer the

teacher a new or renewed contract, or may decide to offer the teacher a renewed contract for a different term than recommended by the superintendent.

(c) Dismissal During Term of Contract. - A teacher shall not be dismissed or demoted during the term of the contract except for the grounds and by the procedure set forth in G.S. 115C-325.4.

(d) Recommendation on Nonrenewal. – If a superintendent decides not to recommend that the local board of education offer a renewed contract to a teacher, the superintendent shall give the teacher written notice of the decision no later than June 1.

(e) Right to Petition for Hearing. – A teacher shall have the right to petition the local board of education for a hearing no later than ten days after receiving written notice. The local board may, in its discretion, grant a hearing regarding the superintendent's recommendation for nonrenewal. The local board of education shall notify the teacher making the petition of its decision whether to grant a hearing. If the request for a hearing is granted, the local board shall conduct a hearing pursuant to the provisions of G.S. 115C-45(c) and make a final decision on whether to offer the teacher a renewed contract. The board shall notify a teacher whose contract will not be renewed for the next school year of its decision by June 15; provided, however, if a teacher submits a request for a hearing, the board shall provide the nonrenewal notification within 10 days of the hearing or such later date upon the written consent of the superintendent and teacher. A decision not to offer a teacher a renewed contract shall not be arbitrary, capricious, discriminatory, for personal or political reasons, or on any basis prohibited by State or federal law.

(f) Failure to Offer Contract or Notify on Nonrenewal of Contract. – If a teacher fails to receive a contract offer but does not receive written notification from the superintendent of a recommendation of nonrenewal, and the teacher continues to teach in the local school administrative unit without entering into a contract with the local board, upon discovery of the absence of contract, the board by majority vote shall do one of the following:

(1) Offer the teacher a one year contract expiring no later than June 30 of the current school year.

(2) Dismiss the teacher and provide the teacher with the equivalent of one additional month's pay. A teacher dismissed as provided in this section shall be considered an at-will employee and shall not be entitled to a hearing or appeal of the dismissal.

(g) Local boards of education and teachers employed by the local board may mutually modify the terms of the contract to permit part-time employment. An individual that mutually modifies a full-time contract to permit part-time employment or enters into a part-time contract is not a teacher as defined in G.S. 115C-325.1(5).

"**§ 115C-325.4. Dismissal or demotion for cause.**

(a) Grounds. – No teacher shall be dismissed or demoted or reduced to employment on a part-time basis for disciplinary reasons during the term of the contract except for one or more of the following:

(1) Inadequate performance. In determining whether the professional performance of a teacher is adequate, consideration shall be given to regular and special evaluation reports prepared in accordance with the published policy of the employing local school administrative unit and to any published standards of performance which shall have been adopted by the board. Inadequate performance for a teacher shall mean (i) the failure to perform at a proficient level on any standard of the evaluation instrument or (ii) otherwise performing in a manner that is below standard.

(2) Immorality.

(3) Insubordination.

(4) Neglect of duty.

(5) Physical or mental incapacity.
(6) Habitual or excessive use of alcohol or nonmedical use of a controlled substance as defined in Article 5 of Chapter 90 of the General Statutes.
(7) Conviction of a felony or a crime involving moral turpitude.
(8) Advocating the overthrow of the government of the United States or of the State of North Carolina by force, violence, or other unlawful means.
(9) Failure to fulfill the duties and responsibilities imposed upon teachers or school administrators by the General Statutes of this State.
(10) Failure to comply with such reasonable requirements as the board may prescribe.
(11) Any cause which constitutes grounds for the revocation of the teacher's teaching license or the school administrator's administrator license.
(12) Failure to maintain his or her license in a current status.
(13) Failure to repay money owed to the State in accordance with the provisions of Article 60 of Chapter 143 of the General Statutes.
(14) Providing false information or knowingly omitting a material fact on an application for employment or in response to a preemployment inquiry.
(15) A justifiable decrease in the number of positions due to district reorganization, decreased enrollment, or decreased funding.

(b) Dismissal Procedure. – The procedures provided in G.S. 115C-325.6 shall be followed for dismissals, demotions, or reductions to part-time employment for disciplinary reasons for any reason specified in subsection (a) of this section.

"**§ 115C-325.5. Teacher suspension.**

(a) Immediate Suspension Without Pay. – If a superintendent believes that cause exists for dismissing a teacher for any reason specified in G.S. 115C-325.4 and that immediate suspension of the teacher is necessary, the superintendent may suspend the teacher without pay. Before suspending a teacher without pay, the superintendent shall meet with the teacher and give him or her written notice of the charges against the teacher, an explanation of the basis for the charges, and an opportunity to respond. Within five days after a suspension under this paragraph, the superintendent shall initiate a dismissal, demotion, or disciplinary suspension without pay as provided in this section. If it is finally determined that no grounds for dismissal, demotion, or disciplinary suspension without pay exist, the teacher shall be reinstated immediately, shall be paid for the period of suspension, and all records of the suspension shall be removed from the teacher's personnel file.

(b) Disciplinary Suspension Without Pay. – A teacher recommended for disciplinary suspension without pay may request a hearing before the board. The hearing shall be conducted as provided in G.S. 115C-325.7. If no request is made within 15 days, the superintendent may file his or her recommendation with the board. If, after considering the recommendation of the superintendent and the evidence adduced at the hearing if one is held, the board concludes that the grounds for the recommendation are true and substantiated by a preponderance of the evidence, the board, if it sees fit, may by resolution order such suspension.

(c) Suspension With Pay. – If a superintendent believes that cause may exist for dismissing or demoting a teacher for any reasons specified in G.S. 115C-325.4 but that additional investigation of the facts is necessary and circumstances are such that the teacher should be removed immediately from the teacher's duties, the superintendent may suspend the teacher with pay for a reasonable period of time, not to exceed 90 days. The superintendent shall notify the board of education within two days of the superintendent's action and shall notify the teacher within two days of the action and the reasons for it. If the superintendent has not initiated dismissal or demotion proceedings against the teacher within the 90-day period, the teacher shall be reinstated to the teacher's duties immediately and all records of the suspension with pay shall be removed from the teacher's personnel file at the teacher's request.

However, if the superintendent and the teacher agree to extend the 90-day period, the superintendent may initiate dismissal or demotion proceedings against the teacher at any time during the period of the extension.

"**§ 115C-325.6. Procedure for dismissal or demotion of a teacher for cause.**

(a) Recommendation of Dismissal or Demotion. – A teacher may not be dismissed, demoted, or reduced to part-time employment for disciplinary reasons during the term of the contract except upon the superintendent's recommendation based on one or more of the grounds in G.S. 115C-325.4.

(b) Notice of Recommendation. – Before recommending to a board the dismissal or demotion of a teacher, the superintendent shall give written notice to the teacher by certified mail or personal delivery of the superintendent's intention to make such recommendation and shall set forth as part of the superintendent's recommendation the grounds upon which he or she believes such dismissal or demotion is justified. The superintendent also shall meet with the teacher and provide written notice of the charges against the teacher, an explanation of the basis for the charges, and an opportunity to respond if the teacher has not done so under G.S. 115C-325.5(a). The notice shall include a statement to the effect that the teacher, within 14 days after the date of receipt of the notice, may request a hearing before the board on the superintendent's recommendation. A copy of Part 3 of Article 22 of Chapter 115C of the General Statutes shall also be sent to the teacher.

(c) Request for Hearing. – Within 14 days after receipt of the notice of recommendation, the teacher may file with the superintendent a written request for a hearing before the board on the superintendent's recommendation. The superintendent shall submit his or her recommendation to the board. Within five days after receiving the superintendent's recommendation and before taking any formal action, the board shall set a time and place for the hearing and shall notify the teacher by certified mail or personal delivery of the date, time, and place of the hearing. The time specified shall not be less than 10 nor more than 30 days after the board has notified the teacher, unless both parties agree to an extension. The hearing shall be conducted as provided in G.S. 115C-325.7.

(d) No Request for Hearing. – If the teacher does not request a hearing before the board within the 14 days provided, the superintendent may submit his or her recommendation to the board. The board, if it sees fit, may by resolution (i) reject the superintendent's recommendation or (ii) accept or modify the superintendent's recommendation and dismiss, demote, reinstate, or suspend the teacher without pay.

"**§ 115C-325.7. Hearing before board.**

(a) The following procedures shall apply for a board hearing for dismissal, demotion, reduction to part-time employment for disciplinary reasons, or disciplinary suspension without pay:

(1) The hearing shall be private.

(2) The hearing shall be conducted in accordance with reasonable rules adopted by the State Board of Education to govern such hearings.

(3) At the hearing, the teacher and the superintendent shall have the right to be present and to be heard, to be represented by counsel, and to present through witnesses any competent testimony relevant to the issue of whether grounds exist for a dismissal, demotion, reduction to part-time employment for disciplinary reasons, or disciplinary suspension without pay.

(4) Rules of evidence shall not apply to a hearing under this subsection and the board may give probative effect to evidence that is of a kind commonly relied on by reasonably prudent persons in the conduct of serious affairs.

(5) At least five days before the hearing, the superintendent shall provide to the teacher a list of witnesses the superintendent intends to present, a brief

statement of the nature of the testimony of each witness, and a copy of any documentary evidence the superintendent intends to present.

(6) At least three days before the hearing, the teacher shall provide the superintendent a list of witnesses the teacher intends to present, a brief statement of the nature of the testimony of each witness, and a copy of any documentary evidence the teacher intends to present.

(7) No new evidence may be presented at the hearing except upon a finding by the board that the new evidence is critical to the matter at issue and the party making the request could not, with reasonable diligence, have discovered and produced the evidence according to the schedule provided in this section.

(8) The board may subpoena and swear witnesses and may require them to give testimony and to produce records and documents relevant to the grounds for dismissal, demotion, reduction to part-time employment for disciplinary reasons, or disciplinary suspension without pay.

(9) The board shall decide all procedural issues, including limiting cumulative evidence, necessary for a fair and efficient hearing.

(10) The superintendent shall provide for making a transcript of the hearing. The teacher may request and shall receive at no charge a transcript of the proceedings.

"**§ 115C-325.8. Right of appeal.**

(a) A teacher who (i) has been dismissed, demoted or reduced to employment on a part-time basis for disciplinary reasons during the term of the contract as provided in G.S. 115C-325.4, or has received a disciplinary suspension without pay as provided in G.S. 115C-325.5, and (ii) requested a hearing before the local board of education, shall have a further right of appeal from the final decision of the local board of education to the superior court of the State on one or more of the following grounds that the decision:

(1) Is is in violation of constitutional provisions.

(2) Is in excess of the statutory authority or jurisdiction of the board.

(4) Was made upon unlawful procedure.

(4) Is affected by other error of law.

(5) Is unsupported by substantial evidence in view of the entire record as submitted.

(6) Is arbitrary or capricious.

(b) An appeal pursuant to this section must be filed within 30 days of notification of the final decision of the local board of education, and shall be decided on the administrative record. The superior court shall have authority to affirm or reverse the local board's decision or remand the matter to the local board of education. The superior court shall not have authority to award monetary damages or to direct the local board of education to enter into an employment contract of more than one year, ending June 30.

"**§ 115C-325.9. Teacher resignation.**

(a) Teacher Resignation Following Recommendation for Dismissal. – If a teacher has been recommended for dismissal under G.S. 115C-325.4 and the teacher chooses to resign without the written agreement of the superintendent, then:

(1) The superintendent shall report the matter to the State Board of Education.

(2) The teacher shall be deemed to have consented to (i) the placement in the teacher's personnel file of the written notice of the superintendent's intention to recommend dismissal and (ii) the release of the fact that the superintendent has reported this teacher to the State Board of Education to prospective employers, upon request. The provisions of G.S. 115C-321 shall not apply to the release of this particular information.

(3) The teacher shall be deemed to have voluntarily surrendered his or her license pending an investigation by the State Board of Education in a determination whether or not to seek action against the teacher's license. This license surrender shall not exceed 45 days from the date of resignation. Provided further that the cessation of the license surrender shall not prevent the State Board of Education from taking any further action it deems appropriate. The State Board of Education shall initiate investigation within five working days of the written notice from the superintendent and shall make a final decision as to whether to revoke or suspend the teacher's license within 45 days from the date of resignation.

(b) 30 Days' Notice Resignation Requirement. – A teacher who is not recommended for dismissal should not resign during the term of the contract without the consent of the superintendent unless he or she has given at least 30 days' notice. If a teacher who is not recommended for dismissal does resign during the term of the contract without giving at least 30 days' notice, the board may request that the State Board of Education revoke the teacher's license for the remainder of that school year. A copy of the request shall be placed in the teacher's personnel file.

"**§ 115C-325.10. Application to certain institutions.**

Notwithstanding any law or regulation to the contrary, this Part shall apply to all persons employed in teaching and related educational classes in the schools and institutions of the Departments of Health and Human Services, Public Instruction, and the Divisions of Juvenile Justice and Adult Correction of the Department of Public Safety, regardless of the age of the students.

"**§ 115C-325.11. Dismissal of school administrators and teachers employed in low-performing residential schools.**

(a) Notwithstanding any other provision of this section or any other law, this section shall govern the dismissal by the State Board of Education of teachers, principals, assistant principals, directors, supervisors, and other licensed personnel assigned to a residential school that the State Board has identified as low-performing and to which the State Board has assigned an assistance team. The State Board shall dismiss a teacher, principal, assistant principal, director, supervisor, or other licensed personnel when the State Board receives two consecutive evaluations that include written findings and recommendations regarding that person's inadequate performance from the assistance team. These findings and recommendations shall be substantial evidence of the inadequate performance of the teacher or school administrator.

(b) The State Board may dismiss a teacher, principal, assistant principal, director, supervisor, or other licensed personnel when:

(1) The State Board determines that the school has failed to make satisfactory improvement after the State Board assigned an assistance team to that school.

(2) That assistance team makes the recommendation to dismiss the teacher, principal, assistant principal, director, supervisor, or other licensed personnel for one or more grounds established in G.S. 115C-325.4 for dismissal or demotion of a teacher.

Within 30 days of any dismissal under this subsection, a teacher, principal, assistant principal, director, supervisor, or other licensed personnel may request a hearing before a panel of three members designated by the State Board. The State Board shall adopt procedures to ensure that due process rights are afforded to persons recommended for dismissal under this subsection. Decisions of the panel may be appealed on the record to the State Board.

(c) Notwithstanding any other provision of this section or any other law, this subsection shall govern the dismissal by the State Board of licensed staff members who have engaged in a remediation plan under G.S. 115C-105.38A(c) but who, after one retest, fail to meet the general

knowledge standard set by the State Board. The failure to meet the general knowledge standard after one retest shall be substantial evidence of the inadequate performance of the licensed staff member.

Within 30 days of any dismissal under this subsection, a licensed staff member may request a hearing before a panel of three members designated by the State Board. The State Board shall adopt procedures to ensure that due process rights are afforded to licensed staff members recommended for dismissal under this subsection. Decisions of the panel may be appealed on the record to the State Board.

(d) The State Board or the superintendent of a residential school may terminate the contract of a school administrator dismissed under this section. Nothing in this section shall prevent the State Board from refusing to renew the contract of any person employed in a school identified as low-performing.

(e) Neither party to a school administrator or teacher contract is entitled to damages under this section.

(f) The State Board shall have the right to subpoena witnesses and documents on behalf of any party to the proceedings under this section.

"**§ 115C-325.12. Procedure for dismissal of principals employed in low-performing schools.**

(a) Dismissal of Principals Assigned to Low-Performing Schools With Assistance Teams. – Notwithstanding any other provision of this Part or any other law, this section governs the State Board's dismissal of principals assigned to low-performing schools to which the State Board has assigned an assistance team.

(b) Authority of State Board to Dismiss Principal. – The State Board through its designee may, at any time, recommend the dismissal of any principal who is assigned to a low-performing school to which an assistance team has been assigned. The State Board through its designee shall recommend the dismissal of any principal when the State Board receives from the assistance team assigned to that principal's school two consecutive evaluations that include written findings and recommendations regarding the principal's inadequate performance.

(c) Procedures for Dismissal of Principal. –

(1) If the State Board through its designee recommends the dismissal of a principal under this section, the principal shall be suspended with pay pending a hearing before a panel of three members of the State Board. The purpose of this hearing, which shall be held within 60 days after the principal is suspended, is to determine whether the principal shall be dismissed.

(2) The panel shall order the dismissal of the principal if it determines from available information, including the findings of the assistance team, that the low performance of the school is due to the principal's inadequate performance.

(3) The panel may order the dismissal of the principal if (i) it determines that the school has not made satisfactory improvement after the State Board assigned an assistance team to that school and (ii) the assistance team makes the recommendation to dismiss the principal for one or more grounds established in G.S. 115C-325.4 for dismissal or demotion of a teacher.

(4) If the State Board or its designee recommends the dismissal of a principal before the assistance team assigned to the principal's school has evaluated that principal, the panel may order the dismissal of the principal if the panel determines from other available information that the low performance of the school is due to the principal's inadequate performance.

(5) In all hearings under this section, the burden of proof is on the principal to establish that the factors leading to the school's low performance were not

due to the principal's inadequate performance. In all hearings under this section, the burden of proof is on the State Board to establish that the school failed to make satisfactory improvement after an assistance team was assigned to the school and to establish one or more of the grounds established for dismissal or demotion of a teacher under G.S. 115C-325.4.

(6) In all hearings under this section, two consecutive evaluations that include written findings and recommendations regarding that principal's inadequate performance from the assistance team are substantial evidence of the inadequate performance of the principal.

(7) The State Board shall adopt procedures to ensure that due process rights are afforded to principals under this section. Decisions of the panel may be appealed on the record to the State Board.

(d) The State Board of Education or a local board may terminate the contract of a principal dismissed under this section.

(e) Neither party to a school administrator contract is entitled to damages under this section.

(f) The State Board shall have the right to subpoena witnesses and documents on behalf of any party to the proceedings under this section.

"**§ 115C-325.13. Procedure for dismissal of teachers employed in low-performing schools.**

(a) Notwithstanding any other provision of this Part or any other law, this section shall govern the State Board's dismissal of teachers, assistant principals, directors, and supervisors assigned to schools that the State Board has identified as low-performing and to which the State Board has assigned an assistance team under Article 8B of this Chapter. The State Board shall dismiss a teacher, assistant principal, director, or supervisor when the State Board receives two consecutive evaluations that include written findings and recommendations regarding that person's inadequate performance from the assistance team. These findings and recommendations shall be substantial evidence of the inadequate performance of the teacher, assistant principal, director, or supervisor.

(b) The State Board may dismiss a teacher, assistant principal, director, or supervisor when:

(1) The State Board determines that the school has failed to make satisfactory improvement after the State Board assigned an assistance team to that school under G.S. 115C-105.38; and

(2) That assistance team makes the recommendation to dismiss the teacher, assistant principal, director, or supervisor for one or more grounds established in G.S. 115C-325.4 for dismissal or demotion for cause.

A teacher, assistant principal, director, or supervisor may request a hearing before a panel of three members of the State Board within 30 days of any dismissal under this section. The State Board shall adopt procedures to ensure that due process rights are afforded to persons recommended for dismissal under this section. Decisions of the panel may be appealed on the record to the State Board.

(c) Notwithstanding any other provision of this Part or any other law, this section shall govern the State Board's dismissal of licensed staff members who have engaged in a remediation plan under G.S. 115C-105.38A(c) but who, after one retest, fail to meet the general knowledge standard set by the State Board. The failure to meet the general knowledge standard after one retest shall be substantial evidence of the inadequate performance of the licensed staff member.

(d) A licensed staff member may request a hearing before a panel of three members of the State Board within 30 days of any dismissal under this section. The State Board shall adopt procedures to ensure that due process rights are afforded to licensed staff members

recommended for dismissal under this section. Decisions of the panel may be appealed on the record to the State Board.

(e) The State Board of Education or a local board may terminate the contract of a teacher, assistant principal, director, or supervisor dismissed under this section.

(f) Neither party to a school administrator or teacher contract is entitled to damages under this section.

(g) The State Board shall have the right to subpoena witnesses and documents on behalf of any party to the proceedings under this section."

SECTION 6.(c) G.S. 115C-45(c) reads as rewritten:

"(c) Appeals to Board of Education and to Superior Court. – An appeal shall lie to the local board of education from any final administrative decision in the following matters:

(1) The discipline of a student under G.S. 115C-390.7, 115C-390.10, or 115C-390.11;

(2) An alleged violation of a specified federal law, State law, State Board of Education policy, State rule, or local board policy, including policies regarding grade retention of students;

(3) The terms or conditions of employment or employment status of a school employee; and

(4) Any other decision that by statute specifically provides for a right of appeal to the local board of education and for which there is no other statutory appeal procedure.

As used in this subsection, the term "final administrative decision" means a decision of a school employee from which no further appeal to a school administrator is available.

Any person aggrieved by a decision not covered under subdivisions (1) through (4) of this subsection shall have the right to appeal to the superintendent and thereafter shall have the right to petition the local board of education for a hearing, and the local board may grant a hearing regarding any final decision of school personnel within the local school administrative unit. The local board of education shall notify the person making the petition of its decision whether to grant a hearing.

In all appeals to the board it is the duty of the board of education to see that a proper notice is given to all parties concerned and that a record of the hearing is properly entered in the records of the board conducting the hearing.

The board of education may designate hearing panels composed of not less than two members of the board to hear and act upon such appeals in the name and on behalf of the board of education.

An appeal of right brought before a local board of education under subdivision (1), (2), ~~(3),~~ or (4) of this subsection may be further appealed to the superior court of the State on the grounds that the local board's decision is in violation of constitutional provisions, is in excess of the statutory authority or jurisdiction of the board, is made upon unlawful procedure, is affected by other error of law, is unsupported by substantial evidence in view of the entire record as submitted, or is arbitrary or capricious. ~~However, the right of a noncertified employee to appeal decisions of a local board under subdivision (3) of this subsection shall only apply to decisions concerning the dismissal, demotion, or suspension without pay of the noncertified employee. A noncertified employee may request and shall be entitled to receive written notice as to the reasons for the employee's dismissal, demotion, or suspension without pay. The notice shall be provided to the employee prior to any local board of education hearing on the issue. This subsection shall not alter the employment status of a noncertified employee.~~"

SECTION 6.(d) G.S. 115C-287.1 reads as rewritten:

"**§ 115C-287.1. Method of employment of principals, assistant principals, supervisors, and directors.**

(a) (1) ~~Beginning July 1, 1995, all~~All persons employed as school administrators shall be employed pursuant to this section.

~~(2) Notwithstanding G.S. 115C-287.1(a)(1), the following school administrators shall be employed pursuant to G.S. 115C-325:~~

~~a. School administrators who, as of July 1, 1995, are serving in a principal or supervisor position with career status in that position; and~~

~~b. School administrators who, as of July 1, 1995, are serving in a principal or supervisor position and who are eligible to achieve career status on or before June 30, 1997.~~

~~A school administrator shall cease to be employed pursuant to G.S. 115C-325 if the school administrator: (i) voluntarily relinquishes career status or the opportunity to achieve career status through promotion, resignation, or otherwise; or (ii) is dismissed or demoted or whose contract is not renewed pursuant to G.S. 115C-325.~~

(3) For purposes of this section, school administrator means a:

a. Principal;

b. Assistant principal;

c. Supervisor; or

d. Director,

whose major function includes the direct or indirect supervision of teaching or of any other part of the instructional program.

~~(4) Nothing in this section shall be construed to confer career status on any assistant principal or director, or to make an assistant principal eligible for career status as an assistant principal or a director eligible for career status as a director.~~

(b) Local boards of education shall employ school administrators ~~who are ineligible for career status as provided in G.S. 115C-325(c)(3),~~ upon the recommendation of the superintendent. The initial contract between a school administrator and a local board of education shall be for two to four years, ending on June 30 of the final 12 months of the contract. In the case of a subsequent contract between a principal or assistant principal and a local board of education, the contract ~~shall be for~~ may be for up to a term of four years. In the case of an initial contract between a school administrator and a local board of education, the first year of the contract may be for a period of less than 12 months provided the contract becomes effective on or before September 1. A local board of education may, with the written consent of the school administrator, extend, renew, or offer a new school administrator's contract at any time after the first 12 months of the contract so long as the term of the new, renewed, or extended contract does not exceed four years. Rolling annual contract renewals are not allowed. Nothing in this section shall be construed to prohibit the filling of an administrative position on an interim or temporary basis.

(c) The term of employment shall be stated in a written contract that shall be entered into between the local board of education and the school administrator. The school administrator shall not be dismissed or demoted during the term of the contract except for the grounds and by the procedure by which a ~~career~~ teacher may be dismissed or demoted for cause as set forth in ~~G.S. 115C-325.~~G.S. 115C-325.4.

(d) If a superintendent intends to recommend to the local board of education that the school administrator be offered a new, renewed, or extended contract, the superintendent shall submit the recommendation to the local board for action. The local board may approve the superintendent's recommendation or decide not to offer the school administrator a new, renewed, or extended school administrator's contract.

If a superintendent decides not to recommend that the local board of education offer a new, renewed, or extended school administrator's contract to the school administrator, the superintendent shall give the school administrator written notice of his or her decision ~~and the reasons for his or her decision~~ no later than May 1 of the final year of the contract. The superintendent's reasons may not be arbitrary, capricious, discriminatory, personal, ~~or political.~~political, or prohibited by State or federal law. No action by the local board or further notice to the school administrator shall be necessary unless the school administrator files with the superintendent a written request, within 10 days of receipt of the superintendent's decision, for a hearing before the local board. ~~Failure to file a timely request for a hearing shall result in a waiver of the right to appeal the superintendent's decision.~~ If a school administrator files a timely request for a hearing, the local board shall conduct a hearing pursuant to the provisions of G.S. 115C-45(c) and make a final decision on whether to offer the school administrator a new, renewed, or extended school administrator's contract.

If the local board decides not to offer the school administrator a new, renewed, or extended school administrator's contract, the local board shall notify the school administrator of its decision by June 1 of the final year of the contract. A decision not to offer the school administrator a new, renewed, or extended contract may be for any cause that is not arbitrary, capricious, discriminatory, personal, ~~or political.~~political or prohibited by State or federal law. ~~The local board's decision not to offer the school administrator a new, renewed, or extended school administrator's contract is subject to judicial review in accordance with Article 4 of Chapter 150B of the General Statutes.~~

(e) Repealed by Session Laws 1995, c. 369, s. 1.

(f) If the superintendent or the local board of education fails to notify a school administrator by June 1 of the final year of the contract that the school administrator will not be offered a new school administrator's contract, the school administrator shall be entitled to 30 days of additional employment or severance pay beyond the date the school administrator receives written notice that a new contract will not be offered.

~~(g) If, prior to appointment as a school administrator, the school administrator held career status as a teacher in the local school administrative unit in which he or she is employed as a school administrator, a school administrator shall retain career status as a teacher if the school administrator is not offered a new, renewed, or extended contract by the local board of education, unless the school administrator voluntarily relinquished that right or is dismissed or demoted pursuant to G.S. 115C-325.~~

(h) An individual who holds a provisional assistant principal's ~~certificate~~license and who is employed as an assistant principal under G.S. 115C-284(c) shall be considered a school administrator for purposes of this section. Notwithstanding subsection (b) of this section, a local board may enter into one-year contracts with a school administrator who holds a provisional assistant principal's ~~certificate.~~license. ~~If the school administrator held career status as a teacher in the local school administrative unit prior to being employed as an assistant principal and the State Board for any reason does not extend the school administrator's provisional assistant principal's certificate, the school administrator shall retain career status as a teacher unless the school administrator voluntarily relinquished that right or is dismissed or demoted under G.S. 115C-325.~~ Nothing in this subsection or G.S. 115C-284(c) shall be construed to require a local board to extend or renew the contract of a school administrator who holds a provisional assistant principal's ~~certificate.~~license."

SECTION 6.(e) The State Board of Education shall develop by rule as provided in Article 2A of Chapter 150B a model contract for use by local boards of education in awarding teacher contracts. The State Board may adopt a temporary rule for a model contract as provided in G.S. 150B-21.1 to provide a contract to local boards of education no later than January 1, 2013, but shall replace the temporary rule with a permanent rule as soon as practicable.

SECTION 6.(f) G.S. 115C-325(c)(1) is repealed effective May 1, 2013. Individuals who have not received career status prior to the 2012-2013 school year shall not be granted career status during the 2012-2013 school year. All teachers who have not been granted career status prior to the 2012-2013 shall be offered only one-year contracts, except for qualifying teachers offered a four-year contract as provided in Section 6.(g) of this act, until the 2018-2019 school year.

SECTION 6.(g) From July 1, 2013, to June 30, 2014, all superintendents shall review the performance and evaluations of all teachers who have been employed by the local board for at least three consecutive years. Based on these reviews, the superintendent shall identify and recommend to the local board twenty-five percent (25%) of those teachers employed by the local board for at least three consecutive years to be awarded four-year contracts beginning with the 2014-2015 school year. The superintendent shall not recommend to the local board any teacher for a four-year contract unless that teacher has shown effectiveness as demonstrated by proficiency on the teacher evaluation instrument. The local board of education shall review the superintendent's recommendation, and may approve that recommendation or may select other teachers as part of the twenty-five percent (25%) to offer four-year contracts, but the local board shall not offer any teacher a four-year contract unless that teacher has shown effectiveness as demonstrated by proficiency on the teacher evaluation instrument. Contract offers shall be made and accepted no later than June 30, 2014.

SECTION 6.(h) Teachers employed by a local board of education on a four-year contract beginning with the 2014-2015 school year shall receive a five hundred dollar ($500) annual pay raise for each year of the four-year contract.

SECTION 6.(i) Section 6.(a) becomes effective June 30, 2018. G.S. 115C-325 applies only to teachers with career status after June 30, 2014.

SECTION 6.(j) Section 6.(b) becomes effective July 1, 2014. G.S. 115C-325.1 through G.S. 115C-325.13, as enacted by this act, shall apply to all teachers on one or four-year contracts beginning July 1, 2014. G.S. 115C-325.1 through G.S. 115C-325.13, as enacted by this act, shall apply to all teachers employed by local boards of education or the State on or after July 1, 2018.

SECTION 6.(k) Sections 6.(c) and 6.(d) becomes effective July 1, 2014 and apply to all employees employed on or after that date.

SECTION 6.(l) Except as otherwise provided, this section is effective when it becomes law.

PART VII. TEACHER CONTRACT CONFORMING CHANGES

SECTION 7.(a) G.S. 115C-105.26(b)(2) reads as rewritten:

"(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,~~in Part 3 of Article 22 of this Chapter, health and safety codes, compulsory attendance, the minimum lengths of the school day and year, and the Uniform Education Reporting System."

SECTION 7.(b) G.S. 115C-105.37B(a)(2) reads as rewritten:

"(2) Restart model, in which the State Board of Education would authorize the local board of education to operate the school with the same exemptions from statutes and rules as a charter school authorized under Part 6A of Article 16 of this Chapter, or under the management of an educational management organization that has been selected through a rigorous review process. A school operated under this subdivision remains under the control

of the local board of education, and employees assigned to the school are employees of the local school administrative unit with the protections provided by ~~G.S. 115C-325.~~Part 3 of Article 22 of this Chapter."

SECTION 7.(c) G.S. 115C-105.38A reads as rewritten:

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

...

(d) Retesting; Dismissal. – Upon completion of the remediation plan required under subsection (c) of this section, the ~~certified~~licensed staff member shall take the general knowledge test a second time. If the ~~certified~~licensed staff member fails to acquire a passing score on the second test, the State Board shall begin a dismissal proceeding under ~~G.S. 115C-325(q)(2a).~~ G.S. 115C-325(q)(2a) or G.S. 115C-325.13.

...

(f) Other Actions Not Precluded. – Nothing in this section shall be construed to restrict or postpone the following actions:

(1) The dismissal of a principal under ~~G.S. 115C-325(q)(1);~~G.S. 115C-325.12.

(2) The dismissal of a teacher, assistant principal, director, or supervisor under ~~G.S. 115C-325(q)(2);~~G.S. 115C-325(q)(2) or G.S. 115C-325.13.

(3) The dismissal or demotion of ~~a career~~ an employee for any of the grounds listed under ~~G.S. 115C-325(e);~~ G.S. 115C-325(e) or G.S. 115C-325.4.

(4) The nonrenewal of a school administrator's or ~~probationary~~ teacher's contract of ~~employment; or~~employment.

~~(5) The decision to grant career status.~~

...."

SECTION 7.(d) G.S. 115C-105.39 reads as rewritten:

"**§ 115C-105.39. Dismissal or removal of personnel; appointment of interim superintendent.**

(a) Within 30 days of the initial identification of a school as low-performing, whether by the local school administrative unit under G.S. 115C-105.37(a1) or by the State Board under G.S. 115C-105.37(a), the superintendent shall take one of the following actions concerning the school's principal: (i) recommend to the local board that the principal be retained in the same position, (ii) recommend to the local board that the principal be retained in the same position and a plan of remediation should be developed, (iii) recommend to the local board that the principal be transferred, or (iv) proceed under ~~G.S. 115C-325~~G.S. 115C-325.4 to dismiss or demote the principal. The principal may be retained in the same position without a plan for remediation only if the principal was in that position for no more than two years before the school is identified as low-performing. The principal shall not be transferred to another principal position unless (i) it is in a school classification in which the principal previously demonstrated at least 2 years of success, (ii) there is a plan to evaluate and provide remediation to the principal for at least one year following the transfer to assure the principal does not impede student performance at the school to which the principal is being transferred; and (iii) the parents of the students at the school to which the principal is being transferred are notified. The principal shall not be transferred to another low-performing school in the local school administrative unit. If the superintendent intends to recommend demotion or dismissal, the superintendent shall notify the local board. Within 15 days of (i) receiving notification that the superintendent intends to proceed under ~~G.S. 115C-325,~~G.S. 115C-325.4 or (ii) its decision concerning the superintendent's recommendation, but no later than September 30, the local board shall submit to the State Board a written notice of the action taken and the basis for that action. If the State Board does not assign an assistance team to that school or if the State Board assigns an assistance team to that school and the superintendent proceeds under ~~G.S. 115C-325~~G.S. 115C-325.4 to dismiss or demote the principal, then the State Board shall take no further action. If the State Board assigns an assistance team to the school and the

superintendent is not proceeding under ~~G.S. 115C-325~~G.S. 115C-325.4 to dismiss or demote the principal, then the State Board shall vote to accept, reject, or modify the local board's recommendations. The State Board shall notify the local board of its action within five days. If the State Board rejects or modifies the local board's recommendations and does not recommend dismissal of the principal, the State Board's notification shall include recommended action concerning the principal's assignment or terms of employment. Upon receipt of the State Board's notification, the local board shall implement the State Board's recommended action concerning the principal's assignment or terms of employment unless the local board asks the State Board to reconsider that recommendation. The State Board shall provide an opportunity for the local board to be heard before the State Board acts on the local board's request for a reconsideration. The State Board shall vote to affirm or modify its original recommended action and shall notify the local board of its action within five days. Upon receipt of the State Board's notification, the local board shall implement the State Board's final recommended action concerning the principal's assignment or terms of employment. If the State Board rejects or modifies the local board's action and recommends dismissal of the principal, the State Board shall proceed under ~~G.S. 115C-325(q)(1).~~G.S. 115C-325.12.

(b) The State Board shall proceed under G.S. 115C-325(q)(2) or G.S. 115C-325.13 for the dismissal of teachers, assistant principals, directors, and supervisors assigned to a school identified as low-performing in accordance with ~~G.S. 115C-325(q)(2).~~G.S. 115C-325(q)(2) or G.S. 115C-325.13.

...."

SECTION 7.(e) G.S. 115C-238.68(3) reads as rewritten:

"(3) ~~Career status.~~Leave of absence from local school administrative unit. – ~~Employees of the board of directors shall not be eligible for career status.~~ If a teacher employed by a local school administrative unit makes a written request for a leave of absence to teach at the regional school, the local school administrative unit shall grant the leave for one year. For the initial year of the regional school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 45 days before the teacher would otherwise have to report for duty. After the initial year of the regional school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 90 days before the teacher would otherwise have to report for duty. A local board of education is not required to grant a request for a leave of absence or a request to extend or renew a leave of absence for a teacher who previously has received a leave of absence from that school board under this subdivision. A teacher who has career status under G.S. 115C-325 prior to receiving a leave of absence to teach at the regional school may return to a public school in the local school administrative unit with career status at the end of the leave of absence or upon the end of employment at the regional school if an appropriate position is available. If an appropriate position is unavailable, the teacher's name shall be placed on a list of available teachers in accordance with G.S. 115C-325(e)(2)."

SECTION 7.(f) G.S. 115C-276(l) reads as rewritten:

"(l) To Maintain Personnel Files and to Participate in Firing and Demoting of Staff. – The superintendent shall maintain in his or her office a personnel file for each teacher that contains complaints, commendations, or suggestions for correction or improvement about the teacher and shall participate in the firing and demoting of staff, as provided in ~~G.S. 115C-325.~~Part 3 of Article 22 of this Chapter."

SECTION 7.(g) G.S. 115C-285(7) reads as rewritten:

"(7) All persons employed as principals in the schools and institutions listed in subsection (p) of ~~G.S. 115C-325~~ G.S. 115C-325.10 shall be compensated at the same rate as are teachers in the public schools in accordance with the salary schedule adopted by the State Board of Education."

SECTION 7.(h) G.S. 115C-304 is repealed.

SECTION 7.(i) G.S. 115C-333 reads as rewritten:

"**§ 115C-333. Evaluation of licensed employees including certain superintendents; mandatory improvement plans; State board notification upon dismissal of employees.**

(a) Annual Evaluations; Low-Performing Schools. – Local school administrative units shall evaluate at least once each year all licensed employees assigned to a school that has been identified as low-performing. The evaluation shall occur early enough during the school year to provide adequate time for the development and implementation of a mandatory improvement plan if one is recommended under subsection (b) of this section. If the employee is a teacher with career status as defined under G.S. 115C-325(a)(6), or a teacher as defined under G.S. 115C-325.1(5), either the principal, the assistant principal who supervises the teacher, or an assistance team assigned under G.S. 115C-105.38 shall conduct the evaluation. If the employee is a school administrator as defined under G.S. 115C-287.1(a)(3), either the superintendent or the superintendent's designee shall conduct the evaluation.

All teachers in low-performing schools who have ~~not attained career status~~been employed for less than three consecutive years shall be observed at least three times annually by the principal or the principal's designee and at least once annually by a teacher and shall be evaluated at least once annually by a principal. This section shall not be construed to limit the duties and authority of an assistance team assigned to a low-performing school under G.S. 115C-105.38.

A local board shall use the performance standards and criteria adopted by the State Board and may adopt additional evaluation criteria and standards. All other provisions of this section shall apply if a local board uses an evaluation other than one adopted by the State Board.

(b) Mandatory Improvement Plans. –

...

(2a) If a licensed employee in a low-performing school receives a rating on any standard on an evaluation that is below proficient or otherwise represents unsatisfactory or below standard performance in an area that the licensed employee was expected to demonstrate, the individual or team that conducted the evaluation shall recommend to the superintendent that (i) the employee receive a mandatory improvement plan designed to improve the employee's ~~performance or~~ performance, (ii) the superintendent recommend to the local board that if the employee is a career status teacher the employee be dismissed or demoted and if the employee is a teacher on contract the teacher's contract not be recommended for renewal, or (iii) if the employee engaged in inappropriate conduct or performed inadequately to such a degree that such conduct or performance causes substantial harm to the educational environment that a proceeding for immediate dismissal or demotion be instituted. If the individual or team that conducted the evaluation elects not to make ~~either~~ any of the above recommendations, the said individual or team shall notify the superintendent of this decision. The superintendent shall determine whether to develop a mandatory improvement ~~plan~~plan, to not recommend renewal of the employee's contract, or to recommend a dismissal proceeding.

...

(c) Reassessment of Employee in a Low-Performing School. – After the expiration of the time period for the mandatory improvement plan under subdivision (2a) of subsection (b) of this section, the superintendent, the superintendent's designee, or the assistance team shall assess the performance of the employee of the low-performing school a second time. If the superintendent, superintendent's designee, or assistance team determines that the employee has failed to become proficient in any of the performance standards articulated in the mandatory improvement plan or demonstrate sufficient improvement toward such standards, the superintendent shall recommend that if the employee is a teacher with career status the teacher be dismissed or demoted under G.S. 115C-325, or if the employee is a teacher on contract ~~the employee~~ the employee's contract not be renewed or if the employee has engaged in inappropriate conduct or performed inadequately to such a degree that such conduct or performance causes substantial harm to the educational environment, that the employee be immediately dismissed or demoted under ~~G.S. 115C-325.~~G.S. 115C-325.4. The results of the second assessment shall constitute substantial evidence of the employee's inadequate performance.

(d) State Board Notification. – If a local board dismisses an employee of a low-performing school who is a teacher with career status for any reason except a reduction in force under G.S. 115C-325(e)(1)l., or dismisses an employee who is a teacher on contract for cause or elects to not renew an employee's contract as a result of a superintendent's recommendation under subsection (b) or (c) of this section, it shall notify the State Board of the action, and the State Board annually shall provide to all local boards the names of those individuals. If a local board hires one of these individuals, within 60 days the superintendent or the superintendent's designee shall observe the employee, develop a mandatory improvement plan to assist the employee, and submit the plan to the State Board. The State Board shall review the mandatory improvement plan and may provide comments and suggestions to the superintendent. If on the next evaluation the employee receives a rating on any standard that was identified as an area of concern on the mandatory improvement plan that is again below proficient or otherwise represents unsatisfactory or below standard performance, the local board shall notify the State Board and the State Board shall initiate a proceeding to revoke the employee's license under G.S. 115C-296(d). If on this next evaluation the employee receives at least a proficient rating on all of the performance standards that were identified as areas of concern on the mandatory improvement plan, the local board shall notify the State Board that the employee is in good standing and the State Board shall not continue to provide the individual's name to local boards under this subsection unless the employee is a teacher with career status and is subsequently dismissed under G.S. 115C-325 except for a reduction in ~~force.~~force, or the employee is a teacher on contract subsequently dismissed under G.S. 115C-325.4.

...."

SECTION 7.(j) G.S. 115C-333.1 reads as rewritten:

"**§ 115C-333.1. Evaluation of teachers in schools not identified as low-performing; mandatory improvement plans; State Board notification upon dismissal of teachers.**

(a) Annual Evaluations. – All teachers who are assigned to schools that are not designated as low-performing and who have not ~~attained career status~~been employed for at least three consecutive years shall be observed at least three times annually by the principal or the principal's designee and at least once annually by a teacher and shall be evaluated at least once annually by a principal. All teachers with career status or on a four-year contract who are assigned to schools that are not designated as low-performing shall be evaluated annually unless a local board adopts rules that allow teachers with career status or on a four-year contract to be evaluated more or less frequently, provided that such rules are not inconsistent with State or federal requirements. Local boards also may adopt rules requiring the annual

evaluation of nonlicensed employees. A local board shall use the performance standards and criteria adopted by the State Board and may adopt additional evaluation criteria and standards. All other provisions of this section shall apply if a local board uses an evaluation other than one adopted by the State Board.

...

(d) Reassessment of the Teacher. – Upon completion of a mandatory improvement plan under subsection (b) of this section, the principal shall assess the performance of the teacher a second time. The principal shall also review and consider any report provided by the qualified observer under subsection (c) of this section if one has been submitted before the end of the mandatory improvement plan period. If, after the second assessment of the teacher and consideration of any report from the qualified observer, the superintendent or superintendent's designee determines that the teacher has failed to become proficient in any of the performance standards identified as deficient in the mandatory improvement plan or demonstrate sufficient improvement toward such standards, the superintendent may recommend that a teacher with career status be dismissed or demoted under G.S. 115C-325, or if the teacher is on contract that the teacher's contract not be renewed or if the teacher has engaged in inappropriate conduct or performed inadequately to such a degree that such conduct or performance causes substantial harm to the educational environment, that the teacher be immediately dismissed or demoted under ~~G.S. 115C-325.~~G.S. 115C-325.4. The results of the second assessment produced pursuant to the terms of this subsection shall constitute substantial evidence of the teacher's inadequate performance.

(e) Dismissal Proceedings Without a Mandatory Improvement Plan. – The absence of a mandatory improvement plan as described in this section shall not prohibit a superintendent from initiating a dismissal proceeding against a teacher under the provisions of ~~G.S. 115C-325.~~ G.S. 115C-325 or G.S. 115C-325.4. However, the superintendent shall not be entitled to the substantial evidence provision in subsection (d) of this section if such mandatory improvement plan is not utilized.

(f) State Board Notification. – If a local board dismisses a teacher with career status for any reason except a reduction in force under G.S. 115C-325(e)(1)l., or dismisses a teacher on contract for cause or elects to not renew a teacher's contract as a result of a superintendent's recommendation under subsection (d) of this section, it shall notify the State Board of the action, and the State Board annually shall provide to all local boards the names of those teachers. If a local board hires one of these teachers, within 60 days the superintendent or the superintendent's designee shall observe the teacher, develop a mandatory improvement plan to assist the teacher, and submit the plan to the State Board. The State Board shall review the mandatory improvement plan and may provide comments and suggestions to the superintendent. If on the next evaluation the teacher receives a rating on any standard that was an area of concern on the mandatory improvement plan that is again below proficient or a rating that otherwise represents unsatisfactory or below standard performance, the local board shall notify the State Board, and the State Board shall initiate a proceeding to revoke the teacher's license under G.S. 115C-296(d). If on the next evaluation the teacher receives at least a proficient rating on all of the overall performance standards that were areas of concern on the mandatory improvement plan, the local board shall notify the State Board that the teacher is in good standing, and the State Board shall not continue to provide the teacher's name to local boards under this subsection unless the teacher has career status and is subsequently dismissed under G.S. 115C-325 except for a reduction in ~~force.~~force or is a teacher on contract who is subsequently dismissed under G.S. 115C-325.4. If, however, on this next evaluation the teacher receives a developing rating on any standards that were areas of concern on the mandatory improvement plan, the teacher shall have one more year to bring the rating to ~~proficient. If,~~proficient if the local board elects to renew the teacher's contract. If by the end of this second ~~year,~~year the teacher is not proficient in all standards that were areas of concern on the

mandatory improvement plan, the local board shall notify the State Board, and the State Board shall initiate a proceeding to revoke the teacher's license under G.S. 115C-296(d).

...."

SECTION 7.(k) G.S. 115C-335(b) reads as rewritten:

"(b) Training. – The State Board, in collaboration with the Board of Governors of The University of North Carolina, shall develop programs designed to train principals and superintendents in the proper administration of the employee evaluations developed by the State Board. The Board of Governors shall use the professional development programs for public school employees that are under its authority to make this training available to all principals and superintendents at locations that are geographically convenient to local school administrative units. The programs shall include methods to determine whether an employee's performance has improved student learning, the development and implementation of appropriate professional growth and mandatory improvement plans, the process for contract nonrenewal, and the dismissal process under ~~G.S. 115C-325.~~Part 3 of Article 22 of this Chapter. The Board of Governors shall ensure that the subject matter of the training programs is incorporated into the masters in school administration programs offered by the constituent institutions. The State Board, in collaboration with the Board of Governors, also shall develop in-service programs for licensed public school employees that may be included in a mandatory improvement plan created under G.S. 115C-333(b) or G.S. 115C-333.1(b). The Board of Governors shall use the professional development programs for public school employees that are under its authority to make this training available at locations that are geographically convenient to local school administrative units."

SECTION 7.(l) G.S. 115C-404(b) reads as rewritten:

"(b) Documents received under this section shall be used only to protect the safety of or to improve the education opportunities for the student or others. Information gained in accordance with G.S. 7B-3100 shall not be the sole basis for a decision to suspend or expel a student. Upon receipt of each document, the principal shall share the document with those individuals who have (i) direct guidance, teaching, or supervisory responsibility for the student, and (ii) a specific need to know in order to protect the safety of the student or others. Those individuals shall indicate in writing that they have read the document and that they agree to maintain its confidentiality. Failure to maintain the confidentiality of these documents as required by this section is grounds for the dismissal of an employee who is not employed on contract, grounds for dismissal of an employee on contract ~~not a career employee~~in accordance with G.S. 115C-325.4(a)(9), and ~~is~~ grounds for dismissal of an employee who is a career ~~employee,~~teacher in accordance with G.S. 115C-325(e)(1)i."

SECTION 7.(m) G.S. 143B-146.7(b) reads as rewritten:

"(b) At any time after the State Board identifies a school as low-performing under this Part, the ~~Secretary~~ State Board shall proceed under G.S. 115C-325(p1) or G.S. 115C-325.11 for the dismissal of ~~certificated~~licensed instructional personnel assigned to that school."

SECTION 7.(n) G.S. 143B-146.8 reads as rewritten:

"**§ 143B-146.8. Evaluation of ~~certificated~~ licensed personnel and principals; action plans; State Board notification.**

(a) Annual Evaluations; Low-Performing Schools. – The principal shall evaluate at least once each year all ~~certificated~~ licensed personnel assigned to a participating school that has been identified as low-performing but has not received an assistance team. The evaluation shall occur early enough during the school year to provide adequate time for the development and implementation of an action plan if one is recommended under subsection (b) of this section. If the employee is a teacher as defined under ~~G.S. 115C-325(a)(6),~~ G.S. 115C-325(a)(6) with career status or a teacher as defined in G.S. 115C-325.1(5) on contract, either the principal or an assessment team assigned under G.S. 143B-146.9 shall

conduct the evaluation. If the employee is a school administrator as defined under G.S. 115C-287.1(a)(3), the Superintendent shall conduct the evaluation.

Notwithstanding this subsection or any other law, the principal shall observe at least three times annually, a teacher shall observe at least once annually, and the principal shall evaluate at least once annually, all teachers who have ~~not attained career status.~~been employed for less than three consecutive years. All other employees defined as teachers under G.S. 115C-325(a)(6) with career status or teachers as defined in G.S. 115C-325.1(5) on a four-year contract who are assigned to participating schools that are not designated as low-performing shall be evaluated annually unless the ~~Secretary~~ State Board adopts rules that allow specified categories of teachers with career status or on four year contracts to be evaluated more or less frequently. The ~~Secretary~~ State Board also may adopt rules requiring the annual evaluation of ~~noncertificated~~ nonlicensed personnel. This section shall not be construed to limit the duties and authority of an assistance team assigned to a low-performing school.

~~The Secretary shall use the State Board's performance standards and criteria unless the Secretary develops an alternative evaluation that is properly validated and that includes standards and criteria similar to those adopted by the State Board. All other provisions of this section shall apply if an evaluation is used other than one adopted by the State Board.~~

(b) Action Plans. – If a ~~certificated~~ licensed employee in a participating school that has been identified as low-performing receives an unsatisfactory or below standard rating on any function of the evaluation that is related to the employee's instructional duties, the individual or team that conducted the evaluation shall recommend to the principal that: (i) the employee receive an action plan designed to improve the employee's performance; or (ii) the principal recommend ~~to the Secretary~~ that the employee who is a career teacher be dismissed or demoted as provided in G.S. 115C-325 or the employee who is a teacher on contract not be recommended for renewal; or (iii) if the employee who is a teacher on contract engages in inappropriate conduct or performs inadequately to such a degree that such conduct or performance causes substantial harm to the educational environment that a proceeding for immediate dismissal or demotion under G.S. 115C-325.4 be instituted. The principal shall determine whether to develop an action ~~plan~~plan, to not recommend renewal of the employee's contract, or to recommend a dismissal proceeding. The person who evaluated the employee or the employee's supervisor shall develop the action plan unless an assistance team or assessment team conducted the evaluation. If an assistance team or assessment team conducted the evaluation, that team shall develop the action plan in collaboration with the employee's supervisor. Action plans shall be designed to be completed within 90 instructional days or before the beginning of the next school year. The State ~~Board, in consultation with the Secretary,~~Board shall develop guidelines that include strategies to assist in evaluating ~~certificated~~ licensed personnel and developing effective action plans within the time allotted under this section. The ~~Secretary~~ State Board may adopt policies for the development and implementation of action plans or professional development plans for personnel who do not require action plans under this section.

(c) Reevaluation. – Upon completion of an action plan under subsection (b) of this section, the principal or the assessment team shall evaluate the employee a second time. If on the second evaluation the employee receives one unsatisfactory or more than one below standard rating on any function that is related to the employee's instructional duties, the principal shall recommend that the employee with career status be dismissed or demoted under G.S. 115C-325, or that an employee's contract not be renewed or if the employee engages in inappropriate conduct or performs inadequately to such a degree that such conduct or performance causes substantial harm to the educational environment, that the employee be dismissed or demoted under ~~G.S. 115C-325.~~G.S. 115C-325.4. The results of the second evaluation shall constitute substantial evidence of the employee's inadequate performance.

(d) State Board Notification. – If ~~the Secretary dismisses~~ an employee is dismissed for ~~any reason except a reduction in force under G.S. 115C-325(e)(1)l.,~~cause or an employee's contract is not renewed as a result of a superintendent's recommendation under subsection (b) or (c) of this section, the ~~Secretary shall notify the~~ State Board shall be notified of the action, and the State Board annually shall provide to all local boards of education the names of those individuals. If a local board hires one of these individuals, that local board shall proceed under G.S. 115C-333(d).

...."

SECTION 7.(o) G.S. 115C-105.38A, as amended by Section 7.(c) of this act, reads as rewritten:

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

...

(d) Retesting; Dismissal. – Upon completion of the remediation plan required under subsection (c) of this section, the licensed staff member shall take the general knowledge test a second time. If the licensed staff member fails to acquire a passing score on the second test, the State Board shall begin a dismissal proceeding under ~~G.S. 115C-325(q)(2a) or~~ G.S. 115C-325.13.

...

(f) Other Actions Not Precluded. – Nothing in this section shall be construed to restrict or postpone the following actions:

(1) The dismissal of a principal under G.S. 115C-325.12.

(2) The dismissal of a teacher, assistant principal, director, or supervisor under ~~G.S. 115C-325(q)(2) or~~ G.S. 115C-325.13.

(3) The dismissal or demotion of an employee for any of the grounds listed under ~~G.S. 115C-325(e) or~~ G.S. 115C-325.4.

(4) The nonrenewal of a school administrator's or teacher's contract of employment.

...."

SECTION 7.(p) G.S. 115C-105.39(b), as amended by Section 7.(d) of this act, reads as rewritten:

"(b) The State Board shall proceed under ~~G.S. 115C-325(q)(2) or~~ G.S. 115C-325.13 for the dismissal of teachers, assistant principals, directors, and supervisors assigned to a school identified as low-performing in accordance with ~~G.S. 115C-325(q)(2) or~~ G.S. 115C-325.13.

...."

SECTION 7.(q) G.S. 115C-238.29F(e)(3) reads as rewritten:

"(3) If a teacher employed by a local school administrative unit makes a written request for a leave of absence to teach at a charter school, the local school administrative unit shall grant the leave for one year. For the initial year of a charter school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 45 days before the teacher would otherwise have to report for duty. After the initial year of a charter school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 90 days before the teacher would otherwise have to report for duty. A local board of education is not required to grant a request for a leave of absence or a request to extend or renew a leave of absence for a teacher who previously has received a leave of absence from that school board under this subdivision. A teacher who has ~~career status under G.S. 115C-325 prior to receiving~~received a leave of absence to teach at a charter school may return to a public school in the local school administrative unit ~~with career status~~ at the end of the leave of absence or upon the end of employment at the charter school if an

appropriate position is available.~~If an appropriate position is unavailable, the teacher's name shall be placed on a list of available teachers and that teacher shall have priority on all positions for which that teacher is qualified in accordance with G.S. 115C-325(e)(2).~~"

SECTION 7.(r) G.S. 115C-238.68(3), as amended by Section 7.(e) of this act, reads as rewritten:

"(3) Leave of absence from local school administrative unit. – If a teacher employed by a local school administrative unit makes a written request for a leave of absence to teach at the regional school, the local school administrative unit shall grant the leave for one year. For the initial year of the regional school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 45 days before the teacher would otherwise have to report for duty. After the initial year of the regional school's operation, the local school administrative unit may require that the request for a leave of absence be made up to 90 days before the teacher would otherwise have to report for duty. A local board of education is not required to grant a request for a leave of absence or a request to extend or renew a leave of absence for a teacher who previously has received a leave of absence from that school board under this subdivision. A teacher who has ~~career status under G.S. 115C-325 prior to receiving~~ received a leave of absence to teach at the regional school may return to a public school in the local school administrative unit ~~with career status~~ at the end of the leave of absence or upon the end of employment at the regional school if an appropriate position is available. ~~If an appropriate position is unavailable, the teacher's name shall be placed on a list of available teachers in accordance with G.S. 115C-325(e)(2).~~"

SECTION 7.(s) G.S. 115C-333, as amended by Section 7.(j) of this act, reads as rewritten:

"**§ 115C-333. Evaluation of licensed employees including certain superintendents; mandatory improvement plans; State board notification upon dismissal of employees.**

(a) Annual Evaluations; Low-Performing Schools. – Local school administrative units shall evaluate at least once each year all licensed employees assigned to a school that has been identified as low-performing. The evaluation shall occur early enough during the school year to provide adequate time for the development and implementation of a mandatory improvement plan if one is recommended under subsection (b) of this section. If the employee is a teacher ~~with career status as defined under G.S. 115C-325(a)(6), or a teacher~~ as defined under G.S. 115C-325.1(5), either the principal, the assistant principal who supervises the teacher, or an assistance team assigned under G.S. 115C-105.38 shall conduct the evaluation. If the employee is a school administrator as defined under G.S. 115C-287.1(a)(3), either the superintendent or the superintendent's designee shall conduct the evaluation.

All teachers in low-performing schools who have been employed for less than three consecutive years shall be observed at least three times annually by the principal or the principal's designee and at least once annually by a teacher and shall be evaluated at least once annually by a principal. This section shall not be construed to limit the duties and authority of an assistance team assigned to a low-performing school under G.S. 115C-105.38.

A local board shall use the performance standards and criteria adopted by the State Board and may adopt additional evaluation criteria and standards. All other provisions of this section shall apply if a local board uses an evaluation other than one adopted by the State Board.

(b) Mandatory Improvement Plans. –

...

(2a) If a licensed employee in a low-performing school receives a rating on any standard on an evaluation that is below proficient or otherwise represents unsatisfactory or below standard performance in an area that the licensed employee was expected to demonstrate, the individual or team that conducted the evaluation shall recommend to the superintendent that (i) the employee receive a mandatory improvement plan designed to improve the employee's performance, (ii) the superintendent recommend to the local board that ~~if the employee is a career status teacher the employee be dismissed or demoted and if the employee is a teacher on contract the teacher's~~ employee's contract not be recommended for renewal, or (iii) if the employee engaged in inappropriate conduct or performed inadequately to such a degree that such conduct or performance causes substantial harm to the educational environment that a proceeding for immediate dismissal or demotion be instituted. If the individual or team that conducted the evaluation elects not to make any of the above recommendations, the said individual or team shall notify the superintendent of this decision. The superintendent shall determine whether to develop a mandatory improvement plan, to not recommend renewal of the employee's contract, or to recommend a dismissal proceeding.

...

(c) Reassessment of Employee in a Low-Performing School. – After the expiration of the time period for the mandatory improvement plan under subdivision (2a) of subsection (b) of this section, the superintendent, the superintendent's designee, or the assistance team shall assess the performance of the employee of the low-performing school a second time. If the superintendent, superintendent's designee, or assistance team determines that the employee has failed to become proficient in any of the performance standards articulated in the mandatory improvement plan or demonstrate sufficient improvement toward such standards, the superintendent shall recommend that ~~if the employee is a teacher with career status the teacher be dismissed or demoted under G.S. 115C-325, or if the employee is a teacher on contract~~ the employee's contract not be renewed or if the employee has engaged in inappropriate conduct or performed inadequately to such a degree that such conduct or performance causes substantial harm to the educational environment, that the employee be immediately dismissed or demoted under G.S. 115C-325.4. The results of the second assessment shall constitute substantial evidence of the employee's inadequate performance.

(d) State Board Notification. – If a local board dismisses an employee of a low-performing school ~~who is a teacher with career status for any reason except a reduction in force under G.S. 115C-325(e)(1)l., or dismisses an employee who is a teacher on contract~~ for cause or elects to not renew an employee's contract as a result of a superintendent's recommendation under subsection (b) or (c) of this section, it shall notify the State Board of the action, and the State Board annually shall provide to all local boards the names of those individuals. If a local board hires one of these individuals, within 60 days the superintendent or the superintendent's designee shall observe the employee, develop a mandatory improvement plan to assist the employee, and submit the plan to the State Board. The State Board shall review the mandatory improvement plan and may provide comments and suggestions to the superintendent. If on the next evaluation the employee receives a rating on any standard that was identified as an area of concern on the mandatory improvement plan that is again below proficient or otherwise represents unsatisfactory or below standard performance, the local board shall notify the State Board and the State Board shall initiate a proceeding to revoke the employee's license under G.S. 115C-296(d). If on this next evaluation the employee receives at least a proficient rating on all of the performance standards that were identified as areas of concern on the mandatory improvement plan, the local board shall notify the State Board that

the employee is in good standing and the State Board shall not continue to provide the individual's name to local boards under this subsection unless the employee is ~~a teacher with career status and is subsequently dismissed under G.S. 115C-325 except for a reduction in force, or the employee is a teacher on contract~~ subsequently dismissed under G.S. 115C-325.4.

...."

SECTION 7.(t) G.S. 115C-333.1, as amended by Section 7.(k) of this act, reads as rewritten:

"**§ 115C-333.1. Evaluation of teachers in schools not identified as low-performing; mandatory improvement plans; State Board notification upon dismissal of teachers.**

(a) Annual Evaluations. – All teachers who are assigned to schools that are not designated as low-performing and who have not been employed for at least three consecutive years shall be observed at least three times annually by the principal or the principal's designee and at least once annually by a teacher and shall be evaluated at least once annually by a principal. All teachers ~~with career status or on a four-year contract~~who have been employed for three or more years who are assigned to schools that are not designated as low-performing shall be evaluated annually unless a local board adopts rules that allow teachers ~~with career status or on a four-year contract~~employed for three or more years to be evaluated more or less frequently, provided that such rules are not inconsistent with State or federal requirements. Local boards also may adopt rules requiring the annual evaluation of nonlicensed employees. A local board shall use the performance standards and criteria adopted by the State Board and may adopt additional evaluation criteria and standards. All other provisions of this section shall apply if a local board uses an evaluation other than one adopted by the State Board.

...

(d) Reassessment of the Teacher. – Upon completion of a mandatory improvement plan under subsection (b) of this section, the principal shall assess the performance of the teacher a second time. The principal shall also review and consider any report provided by the qualified observer under subsection (c) of this section if one has been submitted before the end of the mandatory improvement plan period. If, after the second assessment of the teacher and consideration of any report from the qualified observer, the superintendent or superintendent's designee determines that the teacher has failed to become proficient in any of the performance standards identified as deficient in the mandatory improvement plan or demonstrate sufficient improvement toward such standards, the superintendent may recommend that ~~a teacher with career status be dismissed or demoted under G.S. 115C-325, or if the teacher is on contract that~~ the teacher's contract not be ~~renewed~~ renewed, or if the teacher has engaged in inappropriate conduct or performed inadequately to such a degree that such conduct or performance causes substantial harm to the educational environment, that the teacher be immediately dismissed or demoted under G.S. 115C-325.4. The results of the second assessment produced pursuant to the terms of this subsection shall constitute substantial evidence of the teacher's inadequate performance.

(e) Dismissal Proceedings Without a Mandatory Improvement Plan. – The absence of a mandatory improvement plan as described in this section shall not prohibit a superintendent from initiating a dismissal proceeding against a teacher under the provisions of ~~G.S. 115C-325 or~~ G.S. 115C-325.4. However, the superintendent shall not be entitled to the substantial evidence provision in subsection (d) of this section if such mandatory improvement plan is not utilized.

(f) State Board Notification. – If a local board dismisses a teacher~~with career status for any reason except a reduction in force under G.S. 115C-325(e)(1)l., or dismisses a teacher on contract~~ for cause or elects to not renew a teacher's contract as a result of a superintendent's recommendation under subsection (d) of this section, it shall notify the State Board of the action, and the State Board annually shall provide to all local boards the names of those

teachers. If a local board hires one of these teachers, within 60 days the superintendent or the superintendent's designee shall observe the teacher, develop a mandatory improvement plan to assist the teacher, and submit the plan to the State Board. The State Board shall review the mandatory improvement plan and may provide comments and suggestions to the superintendent. If on the next evaluation the teacher receives a rating on any standard that was an area of concern on the mandatory improvement plan that is again below proficient or a rating that otherwise represents unsatisfactory or below standard performance, the local board shall notify the State Board, and the State Board shall initiate a proceeding to revoke the teacher's license under G.S. 115C-296(d). If on the next evaluation the teacher receives at least a proficient rating on all of the overall performance standards that were areas of concern on the mandatory improvement plan, the local board shall notify the State Board that the teacher is in good standing, and the State Board shall not continue to provide the teacher's name to local boards under this subsection unless the teacher has career status and is subsequently dismissed ~~under G.S. 115C-325 except for a reduction in force or is a teacher on contract who is subsequently dismissed~~ under G.S. 115C-325.4. If, however, on this next evaluation the teacher receives a developing rating on any standards that were areas of concern on the mandatory improvement plan, ~~the teacher shall have one more year to bring the rating to proficient~~ if the local board elects to renew the teacher's contract. If by the end of this second year the teacher is not proficient in all standards that were areas of concern on the mandatory improvement plan, the local board shall notify the State Board, and the State Board shall initiate a proceeding to revoke the teacher's license under G.S. 115C-296(d).

...."

SECTION 7.(u) Article 23 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-344. Employment benefits for exchange teachers.**

An exchange teacher is a nonimmigrant alien teacher participating in an exchange visitor program designated by the United States Department of State pursuant to 22 C.F.R. Part 62 or by the United States Department of Homeland Security pursuant to 8 C.F.R. Part 214.2(q). For purposes of determining eligibility to receive employment benefits under this Chapter, including personal leave, annual vacation leave, and sick leave, an exchange teacher shall be considered a permanent teacher if employed with the expectation of at least six full consecutive monthly pay periods of employment and if employed at least 20 hours per week. An exchange teacher is not a teacher for purposes of the Teachers' and State Employees' Retirement System of North Carolina as provided in G.S. 135-1(25)."

SECTION 7.(v) G.S. 115C-404(b), as amended by Section 7.(m) of this act, reads as rewritten:

"(b) Documents received under this section shall be used only to protect the safety of or to improve the education opportunities for the student or others. Information gained in accordance with G.S. 7B-3100 shall not be the sole basis for a decision to suspend or expel a student. Upon receipt of each document, the principal shall share the document with those individuals who have (i) direct guidance, teaching, or supervisory responsibility for the student, and (ii) a specific need to know in order to protect the safety of the student or others. Those individuals shall indicate in writing that they have read the document and that they agree to maintain its confidentiality. Failure to maintain the confidentiality of these documents as required by this section is grounds for the dismissal of an employee who is not employed on ~~contract,~~contract and grounds for dismissal of an employee on contract in accordance with G.S. 115C-325.4(a)(9). ~~G.S. 115C-325.4(a)(9), and grounds for dismissal of an employee who is a career teacher in accordance with G.S. 115C-325(e)(1)i.~~"

SECTION 7.(w) G.S. 143B-146.7(b), as amended by Section 7.(n) of this act, reads as rewritten:

"(b) At any time after the State Board identifies a school as low-performing under this Part, the State Board shall proceed under ~~G.S. 115C-325(p1) or~~ G.S. 115C-325.11 for the dismissal of licensed instructional personnel assigned to that school."

SECTION 7.(x) G.S. 143B-146.8, as amended by Section 7.(o) of this act, reads as rewritten:

"§ 143B-146.8. Evaluation of licensed personnel and principals; action plans; State Board notification.

(a) Annual Evaluations; Low-Performing Schools. – The principal shall evaluate at least once each year all licensed personnel assigned to a participating school that has been identified as low-performing but has not received an assistance team. The evaluation shall occur early enough during the school year to provide adequate time for the development and implementation of an action plan if one is recommended under subsection (b) of this section. If the employee is a ~~teacher as defined under G.S. 115C-325(a)(6) with career status or a~~ teacher as defined in ~~G.S. 115C-325.1(5) on contract,~~G.S. 115C-325.1(5), either the principal or an assessment team assigned under G.S. 143B-146.9 shall conduct the evaluation. If the employee is a school administrator as defined under G.S. 115C-287.1(a)(3), the Superintendent shall conduct the evaluation.

Notwithstanding this subsection or any other law, the principal shall observe at least three times annually, a teacher shall observe at least once annually, and the principal shall evaluate at least once annually, all teachers who have been employed for less than three consecutive years. All other employees who have been employed for three or more years and are defined as teachers under ~~G.S. 115C-325(a)(6) with career status or teachers as defined in~~ G.S. 115C-325.1(5) ~~on a four-year contract~~ who are assigned to participating schools that are not designated as low-performing shall be evaluated annually unless the State Board adopts rules that allow specified categories of teachers with ~~career status or on four year contracts~~three or more years employment to be evaluated more or less frequently. The State Board also may adopt rules requiring the annual evaluation of nonlicensed personnel. This section shall not be construed to limit the duties and authority of an assistance team assigned to a low-performing school.

(b) Action Plans. – If a licensed employee in a participating school that has been identified as low-performing receives an unsatisfactory or below standard rating on any function of the evaluation that is related to the employee's instructional duties, the individual or team that conducted the evaluation shall recommend to the principal that: (i) the employee receive an action plan designed to improve the employee's performance; or (ii) ~~the principal recommend that the employee who is a career teacher be dismissed or demoted as provided in G.S. 115C-325 or the employee who is a teacher on contract~~the employee's contract not be recommended for renewal; or (iii) if the employee who is a teacher on contract engages in inappropriate conduct or performs inadequately to such a degree that such conduct or performance causes substantial harm to the educational environment that a proceeding for immediate dismissal or demotion under G.S. 115C-325.4 be instituted. The principal shall determine whether to develop an action plan, to not recommend renewal of the employee's contract, or to recommend a dismissal proceeding. The person who evaluated the employee or the employee's supervisor shall develop the action plan unless an assistance team or assessment team conducted the evaluation. If an assistance team or assessment team conducted the evaluation, that team shall develop the action plan in collaboration with the employee's supervisor. Action plans shall be designed to be completed within 90 instructional days or before the beginning of the next school year. The State Board shall develop guidelines that include strategies to assist in evaluating licensed personnel and developing effective action plans within the time allotted under this section. The State Board may adopt policies for the development and implementation of action plans or professional development plans for personnel who do not require action plans under this section.

(c) Reevaluation. – Upon completion of an action plan under subsection (b) of this section, the principal or the assessment team shall evaluate the employee a second time. If on the second evaluation the employee receives one unsatisfactory or more than one below standard rating on any function that is related to the employee's instructional duties, the principal shall recommend that the ~~employee with career status be dismissed or demoted under G.S. 115C-325, or that an employee on~~employee's contract not be ~~renewed~~ renewed, or if the employee engages in inappropriate conduct or performs inadequately to such a degree that such conduct or performance causes substantial harm to the educational environment, that the employee be dismissed or demoted under G.S. 115C-325.4. The results of the second evaluation shall constitute substantial evidence of the employee's inadequate performance.

...."

SECTION 7.(y) Sections 7.(a) through 7.(n) become effective July 1, 2014. Sections 7.(o) through 7.(x) become effective June 30, 2018.

SECTION 8. Except as otherwise provided, this act is effective when it becomes law.

SENATE BILL 361:
Excellent Public Schools Act of 2013

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	April 10, 2013
Introduced by:	Sens. Berger, Tillman, Soucek	**Prepared by:**	Kara McCraw, Patsy Pierce, Drupti Chauhan Committee Counsel
Analysis of:	PCS to First Edition S361-CSTC-9		

SUMMARY: ***Senate Bill 361 would (i) provide volunteer leave time for State employees to help with literacy; (ii) require annual assessments and final exams to be given within a certain time frame at the end of the course or school year;(iii) set additional standards for teacher licensure; (iv)make adjustments to the calculation method for "A-F" grades to schools based on performance and add a growth measure;(v) specify the General Assembly's intent for teacher performance pay, and (vi) eliminate career status and establish teacher contracts that may be for up to 4 years.***

The Proposed Committee Substitute clarifies indicators for school performance grades and makes the following changes in Sections 6 and 7:

- ***Clarifies the definition of "demote" and defines "year."***
- ***Requires that decisions to not offer superintendent and teacher contracts not be for arbitrary, capricious, discriminatory, personal, or political reasons.***
- ***Requires notice of recommendation of nonrenewal of contract be made by June 1.***
- ***Provides a process for when a teacher is not offered or notified or a nonrenewal of contract but continues teaching in that local school administrative unit (LEA).***
- ***Adds reduction in force as one of reasons that a teacher may be dismissed or demoted during the term of contract.***
- ***Clarifies and consolidates one hearing process for all employment-related hearings before local boards.***
- ***Provides a right of appeal from dismissals, demotions, disciplinary reductions to part-time employment, and disciplinary suspensions without pay during the term of a teacher's contract.***
- ***Provides a staggered implementation schedule for the elimination of career status and establishment of teacher contracts.***
- ***Provides for staggered implementation of conforming changes for the elimination of career status and establishment of teacher contracts.***

CURRENT LAW/ BILL ANALYSIS:

Part I. State Employee Volunteer Leave Time

Current Law: Under the Community Service Leave Policy established by the Office of State Personnel, employees may use one (1) hour of community service leave each week for tutoring or mentoring in a school, up to a maximum of 36 hours for the weeks that schools are in session.

Analysis: Directs the State Personnel Commission to establish a leave program that allows employees to volunteer in a literacy program in a public school for up to 5 hours each month.

Effective Date: This section would become effective when it becomes law.

Part II. Maximize Instructional Time

Current Law: There are limitations on how much time that schools can devote to practice tests as well as limitations on when field tests and national tests can be administered. Schools cannot participate in more than 2 field tests in any one grade level during a school year unless that school volunteers through a vote of the school improvement team to participate in an expanded number of field tests.

Analysis: Prohibits schools from participating in more than 2 field tests. Annual tests adopted by the SBE and all final exams for courses would have to be administered within the final 10 instructional days of the school year for year-long courses and within the final 5 instructional days of the school year for semester courses. Exceptions would be allowed for individualized education plans and section 504 plans.

Effective Date: This section would become effective when it becomes law and applies beginning with the 2013-2014 school year.

Part III. Strengthen Teacher Licensure

Current Law: The SBE sets the licensure requirements for applicants for teaching positions and may require a minimum score on a standard exam. The SBE, in consultation with the Board of Governors of The University of North Carolina, must develop requirements for continuing licensure and align them with quality professional development programs. For teacher preparation programs, the SBE, in coordination with the Board of Governors of The University of North Carolina and the State Board of Community Colleges, sets the standards for approval and must include competencies in the education of children with disabilities and positive behavior management.

Analysis: Makes clarifying changes to the statute and provides that elementary education and special education general curriculum teachers would be required to achieve a prescribed minimum score on subtests or standard exams specific to reading and mathematics. Increases the number of required credits for continuing licensure from 7.5 to 8, and specifies that at least 3 credits must be in a teacher's academic subject area, and at least 3 credits related to literacy must be earned by elementary and middle school teachers. The teacher education program performance report would have to include information on teacher contributions to the academic success of students, and the SBE would be directed to create an Educator Preparation Program Report Card that summarizes information in the teacher education program performance report. The standards for approval of teacher preparation programs would also require elementary and special education general curriculum programs to show competencies in the teaching of reading, assessment and diagnosis of areas of reading difficulty, and appropriate application of instructional supports and services. For teacher licensure candidates, the ACT could be used in addition to the SAT as a proxy for Praxis I, if the minimum score on the ACT is 24 or the minimum score on the SAT is 1100. The SBE would develop a plan to require schools of education to measure performance and report as a component of the educator preparation program report card on their students' competencies in assessing and teaching reading. The SBE would report on this plan to the JLEOC by March 15, 2014.

Effective Date: This section would become effective when it becomes law, with (i) increases in licensure renewal credits and specification of three credits in the teacher's subject area, (ii) teacher preparation program report changes, and (iii) SAT/ACT minimum score requirements applying with the 2013-2014 school year. The requirement for (i) minimum scores on reading and mathematics examinations for teacher licensure, (ii) specification of three renewal credits in literacy needed by elementary and middle school teachers, and (iii) increase of elementary and special education teacher education program approval standards would apply beginning with the 2014-2015 school year. For teachers who are in their 4th or 5th year of their current five-year license renewal cycle, increases in licensure renewal standards would apply beginning with the 1st year of their next five-year license renewal cycle.

Part IV. School Performance Grades

Current Law: The SBE must issue an annual report card for the State and each LEA assessing efforts to improve student performance. Local boards of education must ensure that their report cards are distributed widely to their local press and provided to the public. The SBE must award an overall school performance score, grade of A, B, C, D, or F to each school within an LEA as a part of the annual report card for LEAs. The school performance grade must reflect student performance on annual subject specific assessments, college and workplace readiness measures, and graduation rates. For schools serving K-8 students, separate grades must be awarded on the performance on literacy and mathematics. Local boards of education must place the overall school performance grades for each school

in its LEA on the website for the LEA. Notice must be provided in writing to parents of students enrolled in schools that obtain a grade of D or F.

Charter schools and regional schools must ensure that the report cards issued to them by the SBE are publicized widely. The performance grades must be placed prominently on each school's website and if a school receives a D or F, written notice must be provided to parents of all enrolled students.

Analysis: Codifies the school performance grade requirements and revises the calculation method of school performance grades by using a composite of required performance elements proportionally weighted based on the number of students measured by any given performance element. The scale must also be adjusted for schools not having a measure of one of the performance elements. An indicator reflecting a measure of student growth would be added to the school report card for LEAs, charter schools, and regional schools. Using EVAAS results, the SBE would designate that a school has met, exceeded, or has not met expected growth, but the growth indicator would not affect the overall school performance grade. The PCS (i) adds eighth grade scores in Algebra, English and Biology, (ii) clarifies measures of college and career readiness, and (iii) adds cross-references and clarifying language to school performance grade report card statutes.

Effective Date: This section would become effective when it becomes law and would apply beginning with the 2012-2013 school year.

Part V. Pay for Excellence

Bill Analysis: States that the intent of the General Assembly is to use the teacher evaluation instrument and process in the implementation of a plan for performance pay, once the evaluation instrument and process is robust, especially in the area of student growth.

Effective Date: This section would become effective when it becomes law.

Part VI. Teacher Contracts

Current Law: In North Carolina, teachers are eligible for career status when they have been employed by a local board of education for four consecutive years. Obtaining career status provides that the career employee may not be dismissed or demoted except if one or more statutory grounds are found. Certain procedures must be followed to dismiss or demote a career status teacher, including a right to a hearing in front of the local board of education with a further right of appeal to superior court. The procedure for the dismissal of career status teachers in schools that have been identified as low-performing by the SBE and that have been assigned assistance teams varies in that the SBE has the authority to dismiss career status teachers due to inadequate performance. Hearings must still be granted by the SBE in these cases and there are further rights to judicial review under Chapter 150B of the General Statutes.

Analysis: Part VI eliminates career status in North Carolina over a five year period and requires that all teachers be employed on contract. (Sections 6.(a) and 6.(b))

Contract Terms: Teachers employed less than 3 years by a local board could be employed on 1 year contracts. Contracts or contract renewals between a local board and teachers employed by that board for 3 or more years could be for 1, 2, 3, or 4 school years.

Contract Process: Teachers would be employed upon recommendation of the superintendent to the local board. Superintendents would also recommend contract length. Only teachers showing effectiveness as demonstrated by proficiency on the teacher evaluation instrument could be recommended for a contract of more than 1 year. Local boards of education could approve or not approve the recommendation, or decide on a different contract term. If the superintendent did not recommend contract renewal, a teacher could petition the local board of education for a hearing but granting the hearing would be in the local board's discretion. Decisions not to renew could not be for arbitrary, capricious, discriminatory, for personal or political reasons, or on any basis prohibited by State or federal law. Hearings before the board regarding contracts would not have a right of appeal to superior court.

If a local board fails to offer a renewed contract or a teacher is not notified of nonrenewal, and the teacher continues to teach in the LEA, upon discovery of the absence of contract, the board (through a majority vote) must either (i) offer the teacher a one year contract expiring no later than June 30 of the current school year or (ii) dismiss the teacher and

provide the teacher with the equivalent of one additional month's pay. A teacher dismissed as provided in this section shall be considered an at-will employee and shall not be entitled to a hearing or appeal of the dismissal.

Dismissal or Demotion for Cause: Teachers could not be dismissed or demoted during the term of the contract except for one of 15 statutorily listed grounds, substantially the same as under current law. Teachers must be provided notice of the dismissal or demotion, and the teacher may request a hearing before the local board within 14 days.

Teacher Suspension: Teachers may be suspended with or without pay. Teachers suspended without pay may request a hearing before the local board.

Board Hearing: Hearings for dismissal, demotion, disciplinary reductions to part-time employment or disciplinary suspension without pay would follow the following procedures: The hearing must be private and conducted according to reasonable rules adopted by the SBE. Both the teacher and superintendent have the right to be present and represented by counsel and to present witnesses. The rules of evidence do not apply. 5 days before the hearing, the superintendent must give the teacher a list of witnesses, a brief statement of the nature of each witness' testimony, and a copy of any documentary evidence that will be presented. The teacher must provide this same information to the superintendent 3 days before the hearing. New evidence may not be presented at the hearing unless the board finds that it is critical and could not have been found earlier.

Appeal: A teacher dismissed, demoted, reduced to part-time employment for disciplinary reasons or disciplinary suspended without pay who requested a hearing and received a final ruling before the board may appeal the decision to superior court on certain grounds. The appeal must be filed within 30 days of the local board's final decision, and decided on the administrative record. The superior court may affirm or reverse the board, or remand to the local board. The superior court may not award monetary damages to direct the local board to enter into any employment contract on more than 1 year.

Teacher Resignation Following Recommendation for Dismissal: If a teacher has been recommended for dismissal and chooses to resign without the superintendent's written consent then: (i) the superintendent must report the matter to the SBE; (ii) the teacher is deemed to have consented to the placement in his or her personnel file of the written notice of the superintendent's intention to recommend dismissal and the release of this fact that the teacher has been reported to the SBE to prospective employers upon request; and (iii) the teacher is deemed to have voluntarily surrendered his or her license pending an investigation by the SBE in determination of whether to seek action against the teacher's license.

30 Days' Notice Required for Resignation: If a teacher who has not been recommended for dismissal decides to resign during the contract term without the superintendent's consent, the teacher must give at least 30 days' notice. If the teacher does resign without giving this notice, the board may request that the SBE revoke the teacher's license for the remainder of the school year.

Dismissal of School Administrators and Teachers Employed in Low-Performing Residential Schools: The procedure would remain substantially the same as it is under current law but would make the following changes:

- Clarify that it is the SBE (rather than the Secretary of Health and Human Services) that has the authority to dismiss school administrators and teachers in residential schools that have been identified as low-performing by the SBE and have been assigned assistance teams by the SBE.
- Eliminate the provision that allowed the teacher or school administrator to seek judicial review under Chapter 150B of the General Statutes of a final decision of the SBE.

Dismissal of School Administrators and Teachers Employed in Low-Performing Schools: The procedure would remain substantially the same as it is under current law but the bill would eliminate the provision that allowed the teacher or school administrator to seek judicial review under Chapter 150B of the General Statutes of a final decision of the SBE.

School Administrators (Section 6.(d))

Current Law: Most school administrators are employed through contracts with local boards of education. Some school administrators who had or were eligible to receive career status in 1995 are employed pursuant to the teacher career status law. For those employed by contract, school administrators cannot be dismissed or demoted during the

term of the contract except for cause for one of the statutorily listed grounds. Superintendents recommend new, renewed, or extended contracts for school administrators to their local boards of education which may approve the recommendations or not. If a superintendent decides against recommending that the local board of education offer a new, renewed, or extended contract to a school administrator, then written notice of this decision and the reasons for it must be given to the school administrator. The reasons may not be arbitrary, capricious, discriminatory, personal, or political. The school administrator may file a written request for a hearing before the local board and failure to file a timely request results in a waiver of the right of appeal of the superintendent's decision. If a timely request is filed, the local board of education must conduct a hearing on the matter and its decision is subject to judicial review under Chapter 150B of the General Statutes.

Analysis: Eliminates career status for all school administrators and the right to judicial review of contract decisions of the local board of education.

Non-Licensed Employees **(Section 6.(c))**

Current Law: Non-licensed employees may appeal a decision of the local board of education to superior court regarding decisions concerning dismissal, demotion or suspension without pay. The non-licensed employee may request and be entitled to receive written notice as to the reasons for the employee's dismissal, demotion or suspension without pay and it must be provided to the employee prior to any local board of education hearing on the issue.

Analysis: Eliminates this right of appeal to superior court and would eliminate the right to written notice for the reasons for the non-licensed employee's dismissal, demotion or suspension without pay.

Implementation Timeline - Sections 6.(e) through 6.(l):

- **May 1, 2013** – Authority to award career status is repealed. Career status may not be awarded to any teacher who was not granted that status prior to the 2012-2013 school year.
- **May 1, 2013 – June 30, 2018** – Teachers without career status must be given 1 year contracts.
- **July 1, 2013 – June 30, 2014** – Superintendents must review all teachers employed by the LEA for at least 3 consecutive years. The superintendent must recommend 25% of these teachers to the local board for 4 year contracts starting in 2014-2015. The local board must review the recommendations and accept them or select other teachers as part of the 25% to offer 4 year contracts. However the local board may only offer 4 year contracts to teachers who are effective as demonstrated by proficiency on the teacher evaluation instrument. All contract offers must be made and accepted by June 30, 2014. Teachers employed on these 4 year contracts will receive a $500 annual pay raise for each year of the contract.
- **July 1, 2014** - New teacher employment law (no career status) becomes effective and applies to all teachers on 1 and 4 year contracts. Current teacher employment law (career status) remains effective for those teachers with career status.
- **June 30, 2018** - Current teacher employment law (career status) is repealed.
- **July 1, 2018** – New teacher employment law (no career status) applies to all teachers employed by local boards or the State.

Part VII – Teacher Contract Conforming Changes

Section 7 makes conforming changes to statutory references and creates a cross-reference to existing law to clarify that exchange teachers are not eligible to participate in the State retirement system.

Sections 7.(a) through 7.(n) make conforming changes to the implementation of the new teacher employment law (no career status) in Section 6, and are effective July 1, 2014. Sections 7.(o) through 7(x) make conforming changes related to the repeal of the current teacher employment law (career status) in Section 6, and are effective June 30, 2018.

Effective Date: Except as otherwise provided, the bill would become effective when it becomes law.

SCHOLASTIC
ADMINISTRATOR

10 tips, tricks, and secrets from the

"BEST" SCHOOL DISTRICT IN AMERICA

[How to copy Mooresville's success.]

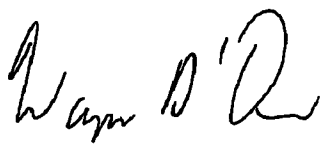


Mooresville's Magic

THE TEMPTATION WITH THIS ISSUE'S cover story, how a modest-size school district with a low per-student expenditure has turned itself into what many consider the best district in the country, is to overpromise. We could pretend the very real progress achieved in North Carolina's Mooresville Graded School District was the result of a bold decision, a charismatic leader, and a dedicated staff.

While all that happens to be true, what is also true is that the district's overnight success began five years ago. So while there's a line of educators waiting to visit the district to try to distill its success into bite-size pieces they can bring home (MacBook Airs, great superintendent, tech-savvy staff), the reason these factors work is because of the district's firm foundation, how the entire staff has bought into the mantra "Every Child, Every Day."

The realization that there's no magic answer on some level disappoints (I can't eat ice cream and lose weight?), but it also confirms what we know is true—you can't achieve quick victory with a few gadgets or even one charismatic person at the top. Mooresville's success spans a variety of measures, from graduation rates to test scores to scholarships received. But the ultimate good news is that this type of progress is replicable, if you're willing to put in the effort.



Wayne D'Orio, Executive Editor
wdorio@scholastic.com

Editorial Board

Deborah Baker, Assistant Superintendent, Brighton (NY) Central Schools

Rick Bates, Director, Information Technology, Rapid City (SD) Area Schools

Christy Chambers, President, Council of Exceptional Children, Arlington, Virginia

Thomas Floyd, Superintendent, Madison County (KY) Schools

Gwen Gross, Superintendent, Irvine (CA) Unified School District

Joe Hairston, Superintendent, Baltimore County (MD) Public Schools

Jim Hirsch, Associate Superintendent for Academic and Technology Services, Plano (TX) Independent School District

Amy Holcombe, Executive Director, Talent Development, Guilford County (NC) Schools

James Parry, Project Director, TIE education consultants

Hy C. J. Schlieve, Superintendent, Drayton (ND) Public Schools

Arthur Stellar, Superintendent, Burke County (NC) Public Schools

Robert Voors, Superintendent, Glendora (CA) Unified School District

Tim Wilson, CTO, Osseo (MN) Area Public Schools

Craig Witherspoon, Superintendent, Birmingham City (AL) Schools

Tammy Worcester, Instructional Technology Specialist, ESSDACK

SCHOLASTIC ADMINISTRATOR

WWW.SCHOLASTICADMINISTRATOR.COM
VOLUME 12•ISSUE 5

EXECUTIVE EDITOR Wayne D'Orio
DESIGN DIRECTOR Dan Schultz
MANAGING EDITOR Chris Borris
ART DIRECTOR Frank Tagariello
SENIOR EDITOR, TECHNOLOGY AND PRODUCTS Brian Nadel
CONTRIBUTING EDITORS Alexander Russo, Erich Strom
ART PRODUCTION Pamela Simmons
COPY EDITORS Barbara Gogan, Heather Hughes
PHOTO EDITOR Els Rijper
GROUP PUBLISHER/ADVERTISING DIRECTOR, EAST COAST
Michele Robinson, mrobinson@scholastic.com, 212-343-6455
SALES & MARKETING ASSOCIATE Jenna Bryerman
jbryerman@scholastic.com, 212-343-6205
NATIONAL ADVERTISING DIRECTOR, MIDWEST/WEST COAST
Lisa Hershey, lisa@livingstonmarketing.com, 607-264-5018
REGIONAL MARKETING ASSOCIATE, WEST COAST
Chrissy Bridger, chrissy@livingstonmarketing.com, 607-264-5017
MANUFACTURING & DISTRIBUTION Mimi Esguerra
ASSOCIATE DIRECTOR OF MANUFACTURING Brian Fedison
PRODUCTION MANAGER Elaine Esguerra
SENIOR AD PRODUCTION COORDINATOR Rick Gelke
VP OF FINANCE Peter Sellese
DIRECTOR OF FINANCE Chris Paquette
SENIOR FINANCIAL ANALYST Ilona Pleskach
S.V.P. SCHOLASTIC NATIONAL PARTNERSHIPS
Ann Amstutz Hayes
PRESIDENT OF CONSUMER AND PROFESSIONAL PUBLISHING Hugh Roome
PRESIDENT & CEO, SCHOLASTIC INC. Richard Robinson

Published by Scholastic Inc.
557 Broadway, New York, NY 10012-3999
(212) 343-6100
Maurice R. Robinson, Founder, 1895-1982

© Copyright 2013 by Scholastic Inc. All rights reserved. Materials in this issue may not be reproduced—unless otherwise indicated—in whole or in part in any form or format without special permission from the publisher. Microfilm or microfiche copies are available through University Microfilms, Serials, and Acquisitions Dept., 300 N. Zeeb Road, Ann Arbor, MI 48106. POSTMASTER send notices of undelivered copies to Scholastic Administr@tor, 2931 E. McCarty St., PO Box 3710, Jefferson City, MO 65102-3710. Publishing Information Postal Permit #156287. Direct all change-of-address requests to Scholastic Administr@tor, 2931 E. McCarty St., PO Box 3710, Jefferson City, MO 65102-3710. When changing address, please include an address label (or copy) from the current issue. We cannot make address changes without both the old and new addresses. Customer Service Number: (800) 724-6527. BPA INTERNATIONAL MEMBERSHIP APPLIED FOR JULY 2002. PRINTED IN THE U.S.A.

PHOTO: JEFF FUSCO

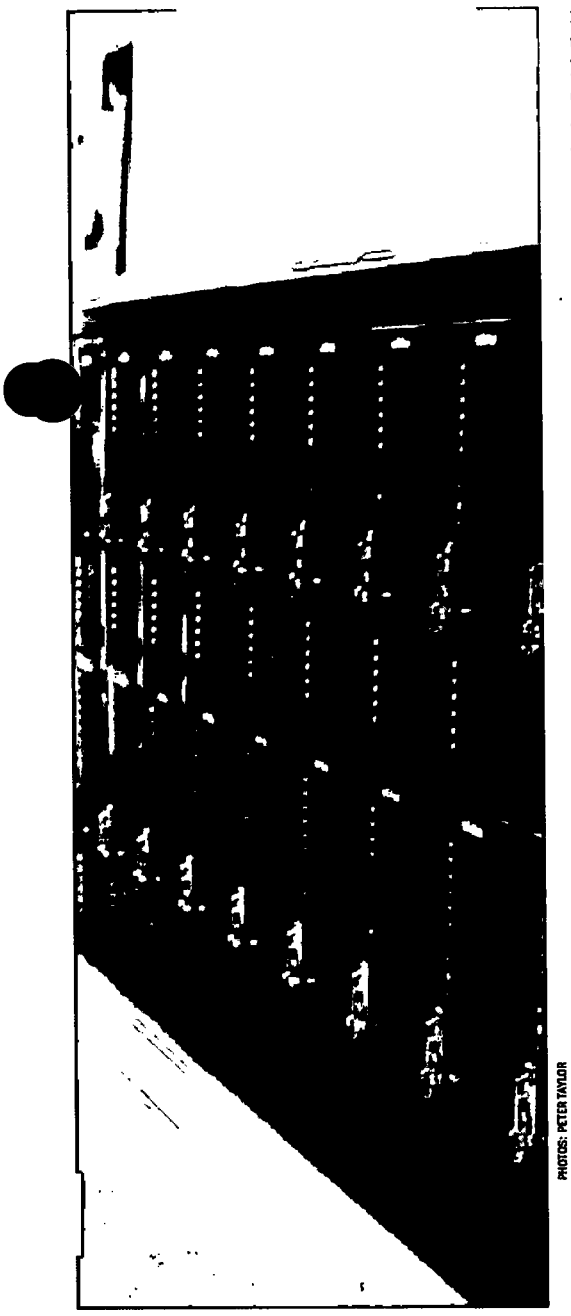
LESSONS
FROM THE BEST DISTRICT



TOP CHIEF: *Mark Edwards was just named AASA's Superintendent of the Year.*

Mooresville's MARK EDWARDS on how it took his district five years to become an overnight success. BY ELIZABETH FARRELL

IN THE COUNTRY



IF THEY HAVEN'T BEEN TOSSED ALREADY, textbooks at Mooresville Graded School District sit unused, piled in corners of classrooms. Desks are no longer neatly arranged in rows, and students rarely sit quietly and listen to extended lectures.

At Mooresville, 20 miles outside of Charlotte, North Carolina, this is the new norm. The district undertook a massive "21st Century Digital Conversion" in 2007. Students now frequently work in groups, and they use one of dozens of interactive learning platforms instead of textbooks. Rather than lecturing, teachers act as facilitators, circulating among groups or leading students in interactive lessons.

Results of this transformation are off the charts—the graduation rate for African-American students was 95 percent in 2012, up from 67 percent five years earlier. The overall graduation rate is the third highest in the state, and 88 percent of 2012 graduates are attending college, compared with 74 percent in 2007. Mooresville has accomplished this while keeping spending in check—among the state's 115 school districts, it ranks 100th in spending per student at $7,463.

Mark Edwards has spearheaded the digital conversion since taking over as superintendent in 2007. The centerpiece is a one-to-one approach—every student from fourth grade on, along with every teacher, receives a MacBook Air. (Third graders get MacBooks.) Despite the major undertaking of distributing and maintaining 5,000 laptops, Edwards made it clear to parents, teachers, administrators, and students that the digital conversion wasn't about technology. It was about preparing all of the district's students for a successful and bright future.

"Ninety percent of our visitors come here talking about hardware and leave talking about culture. This was very much about engendering a culture of caring," says Edwards. "We implemented the digital conversion to increase student achievement and close gaps between different groups of students."

The success of the eight-school, 5,600-student district has earned it numerous accolades—Edwards spoke on a White House panel and was named AASA's Superintendent of the Year





PHOTOS: PETER TAYLOR

"THE COOLEST THING EVER": *Students love the district's digital conversion, says Mooresville's Stephen Mauney. They are in charge of their learning, and a student-run IT department even handles computer repairs.*



in February. A *New York Times* front-page profile of the district in 2012—which called Mooresville the "de facto national model of the digital school"—was the most blogged education story of the year, Edwards says. Reports in *The Wall Street Journal* and on Fox News and PBS followed. In March, CoSN joined the parade, naming Mooresville as the winner of its TEAM Award. All that publicity has led to a steady stream of visitors from more than 40 states and countries. For educators with grand plans to transform their schools through technology, Mooresville has become a mecca of sorts.

Visitors to Mooresville schools may be inspired by what they see, but they probably won't get a full picture of the careful long-term efforts that made the success possible. Given the cultural shift and the moving parts involved, district leadership had to navigate a minefield of challenges to realize the digital conversion.

But before heading to North Carolina or buying thousands of computers, say veterans of the Mooresville transition, consider the following 10 lessons.

1 BUILD A FOUNDATION

AMONG THE MANY THINGS THAT are "easy to say and hard to do" is building enthusiasm among stakeholders in the schools and community, says Edwards. Before going digital, it's crucial to convince them that they have a vested interest in the success of the conversion.

"It took a good two years to build a firm foundation," says Edwards. "We needed to build trust and a sense of shared aspiration."

ABOVE: *Class sizes increased to help pay for the computers.*

BELOW: *Teachers get plenty of PD so they feel comfortable with the technology.*



He did this by emphasizing the "why" of the digital conversion. The district needed to become more focused on truly engaging students in learning and imparting skills that would equip them for real-world success. Achievement gaps, which had been widening for poor and minority students, needed to close, and graduation rates had to improve. Mooresville adopted the slogan "Every Child, Every Day" as a guiding mantra.

Edwards brought in outside education experts to explain how the conversion could transform learning and how it aligned with the skills students needed to succeed in a tech-centric economy.

Advisory councils of teachers and parents were created to consult on all aspects of the digital conversion plan. These groups still meet quarterly with school district officials.

2 FORM STRATEGIC ALLIANCES

TO PROVIDE THE RESOURCES needed for the conversion, Edwards and other district leaders reached out to a wide variety of partners. Mooresville brought in instructional technology experts from Apple and Discovery Education. Through professional development sessions and consultation, they helped teachers and administrators implement curriculum changes and new approaches to learning. Colleagues from Virginia's Henrico School District—where Edwards had previously served as superintendent and pioneered a similar initiative—offered training and advice on implementing the one-to-one program.

Community partners also joined the effort. About one third of the district's students lacked Internet access at home, so the local cable company offered discounted packages to students' families. Fifteen percent of homes still don't have Net access, according to Scott Smith, the district's chief technology officer. But by working with town officials, the district was able to secure agreements for free Wi-Fi in parks, at the local library, and in all municipal buildings; some businesses also offer free Internet access.

To provide teachers and administrators with more intensive training to help lead the conversion, the district worked with nearby Wingate University to offer three graduate degree tracks—two doctoral programs in educational leadership and a master's program in instructional technology.

3 THOROUGHLY THINK THROUGH LOGISTICS

"YOU NAME IT, WE PROBABLY discussed it," says Smith. "We played out so many different possible scenarios and challenges, and did a lot of vetting of equipment, services, and educational software programs—no decision was made lightly."

Before distributing computers, school officials created a detailed code of conduct that set clear expectations for laptop care and use. Students are required to charge their laptops at night so the devices are powered up for class time. They must use a school-issued backpack with a laptop sleeve, in addition to another protective case, for transporting their laptop between home and school. A robust firewall keeps students from accessing content that lacks redeeming

educational value—including Facebook. Students and their families are required to take introductory classes at the beginning of each year to ensure that they understand how to operate and care for their laptops.



RETHINK FUND ALLOCATION

WITH 5,000 MACBOOKS IN CIRculation, a district-wide management learning system, ongoing tech support, dozens of paid subscription software services, and new staff positions, one might think the cost of the digital conversion would have been prohibitive. But Mooresville officials insist it can be done without an influx of outside donations and grants. Though the district did receive a $250,000 start-up grant from Lowe's, it funds 98 percent of the digital conversion costs through its operating budget, which is smaller than it was five years ago.

"Basically, we did this by repurposing existing funds," says Smith. "Textbooks are pretty much out of date by the time we get them, and we eliminated some positions to create new ones. We save on other expenses as well."

When budgeting, it's important to regard equipment expenses as operating costs instead of one-time capital expenses. Mooresville leases its equipment from Apple so it can spread the cost over multiple years. According to Smith, districts can make a big mistake by buying a ton of equipment because they often don't budget for maintenance costs, and technology can quickly become obsolete.

APPLY GENTLE YET SUSTAINED PRESSURE

TO MAKE HUGE CULTURAL changes in how teachers were teaching and how students were learning, Mooresville's leadership eased teachers into the transition incrementally.

Teachers received brand-new MacBooks to take home over the winter break in the first year, with encouragement to "just try them out." The following semester, PCs that had been in every classroom were removed. High school English teachers were the first pilot group of instructors required to incorporate the Macs and learning software in their classroom instruction. Students used laptops wheeled in on carts.

Teacher enthusiasm began to build as they saw colleagues applying tech in the classroom. The following year, laptops were distributed to all 1,650 Mooresville High School students and 850 middle school students. By the beginning of the 2012–13 academic year, 4,400 of the original computers had been replaced with Airs and all students from third grade on up had their own MacBooks.

The steady pace of the transition was pivotal in convincing teachers that the digital conversion wasn't just the latest whim. Once they knew it wouldn't fizzle out, they were more willing to invest their time and effort into making the technology work for them.

"I've been a teacher, and I know, by our very nature, that we are control freaks," says Smith. "There was a lot of initial skepticism toward making this change, because it made everyone a first-year teacher all over again."

EMPOWER & EDUCATE YOUR TEACHERS

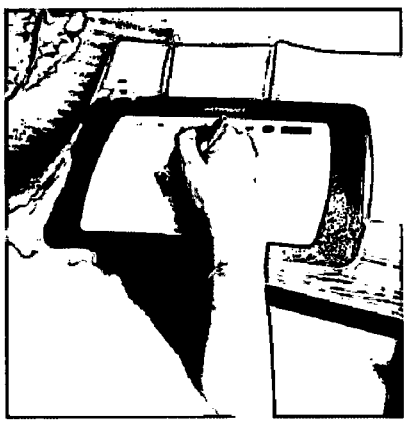
AS YOU EASE TEACHERS INTO the transition, be sure to provide meaningful, sustained professional development and the time to complete it; Edwards built 10 early-release days into the academic year for professional development.

Prior to each school year, Mooresville also offers an annual summer training institute for its teachers—more than 90 percent attend. From the beginning of the digital conversion, teachers have been encouraged to experiment and collaborate to find the most effective methods and digital learning resources.

"Anything we are asked to do, the support is there," says Felicia Bustle, principal at Mooresville Intermediate



CHANGING ROLES: *Technology helps teachers like Michael Micklow empower students to lead their own learning.*



ABOVE: *Paper and pen coexist with the district's digital tools.*

BELOW: *Mooresville hasn't bought a single textbook in the last four years.*



School. "Having the time to get together and share ideas as teachers and administrators is key. The teachers are empowered to determine which programs and approaches will best serve the students."

The district also hired instructional technology specialists to help teachers find and incorporate appropriate resources and technology-based teaching approaches to meet Common Core curriculum standards.

Furthermore, Mooresville's school and district administrators tap "leader teachers" who identify particularly effective and innovative strategies and tactics to lead training seminars for their colleagues.

"Competency is evolutional," Edwards says. "Our best teachers five years ago wouldn't be in our top 70 percent now if they didn't grow."

7 WATCH THE TRANSFORMATION

ONCE THE DISTRICT HAD CULtivated trust and enthusiasm among a critical mass of Mooresville teachers, momentum spread rapidly. The noticeable uptick in student engagement inspired the more skeptical teachers to embrace technology in their classrooms.

"The kids think it's the coolest thing ever," says Stephen Mauney, Mooresville's executive director of secondary education. "They see how it is relevant to their future, and they love that they get to explore and analyze and think creatively."

Absentee rates have plunged, and the district is seeing far fewer disciplinary problems.

And the technology saves teachers time and provides them with more insight into their students' progress: Instead of manually grading quizzes and assignments, teachers administer them digitally and analyze aggregate and individual student test scores more easily. The technology also allows for a "flipped classroom," in which teachers use class time to help students work through assignments and present new material by recording their lectures on videos that students watch as homework.

8 COLLECT & USE DATA WISELY

FOR PARENTS, TEACHERS, AND administrators, the ability to track students' progress (or lack thereof) in real time is a huge advantage of the digital conversion.

Administrators benefit from having a bird's-eye view of overall progress and can swiftly intervene when a particular school, grade level, class, or even individual student seems to be falling behind. "I know where every student is every day, and I don't have to interrupt the teacher's day to get data on specific students," says Bustle. "It makes parent meetings entirely different, as we can talk about particular assignments and assessments."

And parents no longer have to rely on their children to find out when tests are scheduled or what the results are. In most cases, if a student finishes a test at 11 A.M., parents can log in remotely to see how their child did by 11:15.

Teachers say the data yielded by the conversion has created a far more collaborative environment with their peers. Each school is required to conduct quarterly data meetings to review progress at every level, but the majority of teachers meet informally with their colleagues on a weekly basis to compare results.

9 SHARE BEST PRACTICES

SUCCESS CAN BE CHALLENGING to sustain, which is why Mooresville's leadership does not shy away from opportunities to share its experiences and best practices with education colleagues far and wide. The goal is to sustain momentum, and thus far it seems to be working. Parents like Shawn Huggins chose a two-hour round-trip commute so his 9-year-old son can attend school in Mooresville.

Teachers and administrators don't plan on leaving the district anytime soon.

"I can't imagine going back to the way it was. It would seem like going backward," says Bustle. "Teaching here has been the best experience of my life."

10 CONTINUE TO EVOLVE

THOUGH THEY ENJOY THEIR success, just about everyone involved thinks of the digital conversion as a work in progress. They know they have to remain flexible and respond quickly to changes in technology. Teachers, curriculum experts, and tech staff are constantly vetting new interactive learning platforms and open-source courseware. They are considering moving to cloud computing. Dozens of vendors are regularly monitored to make sure Mooresville receives the best deals and service.



JUST REWARDS: *Student-earned scholarships have tripled since 2006.*

Responsibility among students is reinforced through monthly digital citizenship lessons that emphasize Internet safety. Committees of parents and teachers meet regularly with district leaders to collaborate on improvements and changes, and teachers are expected to attend the annual summer training.

Administrators say that as a result of the great strides their schools have made, and the improved baseline they use to judge their progress, moving the needle even further becomes more challenging.

"We're still building the plane as we fly it, and that's always going to be the case," says Smith, Mooresville's CTO. "It's easy to get hung up on the logistics, but the important part is why we are doing this: to change the teaching and learning environment in ways that are better for the kids." ■

THREE COSN STANDOUTS: MCKAVENEY, CATOR, AND HOUSE

EDWARD MCKAVENEY: LEADING A DIGITAL REVOLUTION

One of the first technology professionals in the country to obtain the CoSN Certified Education Technology Leader designation, Edward McKaveney of Pennsylvania's Hampton Township School District has been recognized with this year's Withrow CTO Award from the Consortium for School Networking for his focus on continuous improvement with technology at all levels.

He was able to install a laptop program for all teachers, implement Wi-Fi in each school, and start a BYOD program at the high school. He has also started a biennial K–12 technology exposition and created Internet safety and security presentations.

McKaveney and his team have integrated both hardware and software throughout the district in creative ways. Elementary students use iPads, middle schoolers take engineering and design courses, and computer science students develop mobile apps.

As a Hampton graduate and resident, McKaveney is "particularly proud of our district's efforts to be a model organization and its continuous work to maintain and improve its community-centered culture of learning," he says. "I like to think that I have helped support this by developing and nurturing a subculture of technology use and innovation through the strategic development of a comprehensive infrastructure."

KAREN CATOR: "ROCK SOLID" FOR U.S. ED TECH

If creating the first National Education Technology Plan had been Karen Cator's sole achievement during her tenure at the federal DOE, it would have been time well spent. But she did a whole lot more, so it is no surprise that Cator, who is leaving her post as director of the Office of Education Technology this year, was given CoSN's Public Service Award for 2013.

The tech plan "provides a rock-solid platform for advancing the transformation of teaching and learning with the power of technology," Cator says.

Other signature projects at the DOE under Cator include the Learning Registry, which promotes the use of metadata for content and resources, enabling discovery, use, and sharing within and between portals and across the Internet; and the Connected Educators project, which provides solid research, development, and best practices for online PD.

"I hope to be remembered as providing a strong and grounded voice advocating for a vastly improved opportunity to learn for all Americans," she says.

TRACI HOUSE: FORGING AHEAD AFTER THE STORM

In the early-morning hours after a tornado ripped through Joplin, Missouri, in the spring of 2011, crushing the school district's 23-building network infrastructure, damaging nine buildings and destroying six, technology director Traci House and her team realized that payroll hadn't been run. "We knew that staff members had lost loved ones, homes, and their schools, so we did not want to be the ones to tell them that their direct deposit payroll would not be hitting their accounts," House says.

Slogging through water in the basement of the data center—though shorn of its roof, the building was standing—the team used the one working generator to power up each server until every payroll deposit had been made.

Such leadership illustrated the dedication that earned House a CoSN Special Award for IT Crisis Preparedness.

In the months that followed, House and her team pieced together a fiber-optics backbone, readied newly leased facilities, restored wireless infrastructure in damaged buildings, and even implemented a one-to-one program at the high school. And they met the superintendent's commitment to the community to reopen the schools in time for the regularly scheduled first day of classes in the fall.

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

4-10-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jackie Cole	Alam/Buerl. Schools / NCSBA
Elizabeth Brownstein	OSBM
Felice Pete	Wake County Republican Women URCA Board
Tommy Adams	NC GOP
James B. Washington	Halifax Comm. College
Bobby Watts	HALIFAX CC
Edna Wallace	NCNS
Jacob Yanicero	Sen. Brown's Office
Wendy Icely	Policy Group
[illegible]	Ed Consultant
Tammy Howard	NCDPI - Acct.
Scott Beaudry	NCDPI - Accountability
Rachel Beaulieu	NCDPI
Linda Harper	Retired Teacher
Patricia Dunne	Citizen
[illegible]	[illegible]

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

4-10-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Tom Rhodes	
Tommy Sevier	Moore and Van Allen
DT Stallings	Friday Institute, NCSU
Angel Sos	CR
PAIGE WORSHAM	NC Center for Public Policy Research
John Aldridge	Brubaker & Assoc.
JOE LANIER	NELSON MULLINS
Amy McConkey	NC Beverage Assoc.
[illegible]	NCICU
Gene Causby	NCSCA
Debbie Clary	NC Strategy Partners
Cheryl Posner-Cahill	NC School Psych Assoc
MARK EDWARDS	MOORESVILLE GRADED SCH. DIST.
Katherine Joyce	NCASA
Chris Harrison	UNC-Chapel Hill
Ariel Tichnor-Wagner	UNC-Chapel Hill
Leanne Winner	NCSBA

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

4-10-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jennifer Jones	Halifax Community College
Diane Rhodes	Halifax Community College
Mimi David-Lucas	Halifax Community College
Sherida Whalston	Halifax Community College
Jay Joiner	SoundTracs
Cory Dunn	DRNC
Debra Smith	Halifax Comm College
Iris Johnson	Halifax Community College
Laura Cobb	Halifax Community College
Betsy-Tom Brown	Halifax Community College
Calvin E. Stansbury	Halifax Community College
Kevin Kupietz	Halifax Community College
Rodney Ellis	NCAE
Marc Bernier	NCAE
Brian Lewis	NCAE
Gene McColl	NCAE
Evelyn Hawthorne	PETNC; CASNC
Dallas Brown	New Hanover County Assoc. Educators

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

4-10-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Hunter Taylor	Halifax Community College, Weldon, NC
Budd Harris	Hunt Institute
Matt Hyde	Self
Hayden Galloway	Self
Guy R Smith	Self
Matt Vishel	OW Consult
Chris Hill	NC Justice Center
George Holley	Halifax Com. College, Weldon, NC
Howard Epps	Halifax Community College
MARCUS LEWIS	HALIFAX COMMUNITY COLLEGE
Teresa Mayle	Halifax com. college
Adrienne Leche	Halifax Community College
Bob Lufkin	Halifax Community College
Martez Hill	SBE
Jami Gillespie	BEGINNINGS
Amanda Honaker	Tractmon Sanders
Sandra Wedlin	Halifax Community college

09-21-201

Doug Miskiewicz PSG

NAME	ORGANIZATION
Molly Williams	UNC Student
Allison Waller	Nelson Mullins
Terry Clark	Jr Clark
Mike Lotta	NCSE
JOE LANIER	NELSON MULLINS
Lisa Morrell	—

Senate Committee on Education/Higher Education
Wednesday, April 17, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 374	NC Public Schools Budget Flexibility Act.	Senator Tillman Senator Barringer Senator Wade
SB 243	Back to Basics. For Discussion Only	Senator Allran
HB 146	Back to Basics. For Discussion Only	Representative Hurley Representative Warren Representative Shepard

Adjournment

Senate Committee on Education/Higher Education
Wednesday, April 17, 2013 at 10:00 AM
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on April 17, 2013 in Room 544 of the Legislative Office Building. 18 members were present.

Senator Dan Soucek, Chair, presided.

Chairman Soucek called the meeting to order at 10:03AM and thanked the pages and the Sergeants-at-Arms.

Senator Robinson was recognized and moved for a favorable report to the proposed committee substitute to S374.

Chairman Soucek then recognized Senator Tillman to explain the bill. Senator Tillman related to the committee that the intent of his bill is to give local school boards near total flexibility in how they spend their state funding.

Senator Bryant was recognized and questioned what would be included in the bill's new reporting scheme.

Kris Nordstrom of the General Assembly's Fiscal Research Division responded by explaining that the new reporting scheme would simply be a new mechanism to track how the funding was allocated.

Chairman Soucek recognized Senator Tillman who opined that student scores and the reporting would constitute a measure of a district's effectiveness and explained that the scores would speak for themselves.

Senator Bryant was recognized and questioned Senator Tillman on whether he would be open to specifying clear consequences for districts that utilized different funding mechanisms and had corresponding reductions in student scores.

Senator Tillman responded that he was always open to improving the bill.

Chairman Soucek recognized Senator Stein, who questioned whether class sizes would be reported as a part of the new reporting scheme.

Drupti Chauhan of the General Assembly's Research Division responded by relating that class sizes were a part of every school's report card and would continue to be so.

Senator Stein was recognized for another question, whereby he asked Senator Tillman why funding for the new provisions from the Excellent Public Schools Act was preserved as a mandate to districts.

Senator Tillman opined that those new programs should be preserved in order to give them an opportunity to prove themselves.

Chairman Soucek then recognized Brian Lewis of the North Carolina Association of Educators, who expressed his organization's opposition to the bill and asked that it changed to a pilot program instead.

Leanne Winner of the North Carolina School Boards' Association was then recognized and expressed her organization's support for the bill.

Chairman Soucek then recognized Senator Tillman for a concluding statement. Senator Tillman clarified that no class sizes would be directly modified based on his bill. He stated his hope that districts would use funding flexibility wisely and stated that some districts may even be able to reduce class sizes, especially in the early grades.

Chairman Soucek then called for avote. The committee voted to deliver a recommendation favorable to the proposed committee substitute, unfavorable to the original bill.

Senator Allran was then recognized to explain his bill, S243. Senator Allran related to the committee that the bill would require schools to teach cursive writing.

Chairman Soucek recognized Senator Stein, who questioned the need for cursive writing and asked why cursive writing was being required instead of other forms of writing.

Senator Allran responded by opining that cursive writing was still a necessary skill.

Chairman Soucek recognized Representative Hurley, who spoke on her companion House bill, H146. She stated that her standard assumption is that anyone who prints has not learned to write properly. She related that two counties in North Carolina do not teach cursive writing.

Senator Pate was recognized and asked for clarification on the inclusion of multiplication tables in the bill.

Senator Allran responded by suggesting that memorization of multiplication tables is necessary for basic artithmetic education.

Chairman Soucek then recognized Senator Rabin, who expressed frustration with the debate on this bill, suggesting that everyone should support this bill and that cursive writing, memorization of multiplication tables and the discipline that goes along with them is necessary to avoid moral disintegration of society.

Representative Shepherd was recognized and opined that basic skills should not be left behind in the modern world.

Chairman Soucek recognized Senator Robinson, who questioned whether cursive writing was required for the writing portions of the SAT and ACT.

Patsy Pierce of the General Assembly's Research Division responded that cursive is not required.

Senator Robinson was recognized for another question and asked whether the bill would place an additional burden on teachers.

Representative Hurley responded by stating that the Department of Public Instruction would determine in which grade level cursive writing and multiplication tables were taught.

Chairman Soucek then recognized Senator Barringer, who suggested that memorization of multiplication tables is important for consumer protection.

Chairman Soucek then thanked the members and adjourned the meeting..

The meeting adjourned at 10:45AM.

Senator Dan Soucek, Chair
Presiding

John Clark, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, April 17, 2013

Senator Soucek,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL

SB **374** NC Public Schools Budget Flexibility Act.

Draft Number:	S374-PCS15251-RQ-4
Sequential Referral:	Appropriations/Base Budget
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Jerry Tillman will handle SB 374



SENATE BILL 374

Short Title:	NC Public Schools Budget Flexibility Act.	(Public)
Sponsors:	Senators Tillman, Barringer, Wade (Primary Sponsors); Apodaca, Barefoot, Cook, Hise, Newton, Rabin, and Soucek.	
Referred to:	Education/Higher Education.	

March 20, 2013

A BILL TO BE ENTITLED

AN ACT TO ENACT THE NORTH CAROLINA PUBLIC SCHOOLS BUDGET FLEXIBILITY ACT.

The General Assembly of North Carolina enacts:

PART I. TITLE

SECTION 1.1. This act shall be known as the "North Carolina Public Schools Budget Flexibility Act of 2013."

PART II. BUDGET FLEXIBILITY

ADDITIONAL AUTHORITY TO TRANSFER FUNDS

SECTION 2.1. G.S. 115C-105.25 reads as rewritten:

"**§ 115C-105.25. Budget flexibility.**

(a) Consistent with improving student performance, a local board shall provide maximum flexibility to schools in the use of funds to enable the schools to accomplish their goals.

(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 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. 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.~~

(1a) Funds for children with disabilities, career and technical education, and other purposes may be transferred only as permitted by federal law and the conditions of federal grants.

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

~~(2a) Up to three percent (3%) of State funds allocated for noninstructional support personnel may be transferred for staff development.~~

(3) No funds shall be transferred into the central office administration allotment category.

~~(4) Funds allocated for children with disabilities, for students with limited English proficiency, and for driver's education shall not be transferred.~~

~~(5) Funds allocated for classroom teachers may be transferred only for teachers of exceptional children, for teachers of at-risk students, and for authorized purposes under the textbooks allotment category and the classroom materials/instructional supplies/equipment allotment category.~~

~~(5a) Positions allocated for classroom teachers may be converted to dollar equivalents to contract for visiting international exchange teachers. These positions shall be converted at the statewide average salary for classroom teachers, including benefits. The converted funds shall be used only to cover the costs associated with bringing visiting international exchange teachers to the local school administrative unit through a State-approved visiting international exchange teacher program and supporting the visiting exchange teachers.~~

~~(6) Funds allocated for vocational education may be transferred only in accordance with any rules that the State Board of Education considers appropriate to ensure compliance with federal regulations.~~

~~(7) Funds allocated for career development shall be used in accordance with Section 17.3 of Chapter 324 of the 1995 Session Laws.~~

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

~~(9) Funds allocated in the Alternative Schools/At-Risk Student allotment shall be spent only for alternative learning programs, at-risk students, and school safety programs.~~

(10) Funds to carry out the elements of the Excellent Public Schools Act, which are contained in Sections 7A.1 and 7A.6 of S.L. 2012-145, shall not be transferred."

LOCAL FLEXIBILITY REGARDING CLASS SIZE

SECTION 2.2.(a) G.S. 115C-301 reads as rewritten:

"§ 115C-301. Allocation of teachers; class size.

(a) Request for Funds. – The State Board of Education, based upon the reports of local boards of education and such other information as the State Board may require from local boards, shall determine for each local school administrative unit the number of teachers and other instructional personnel to be included in the State budget request.

(b) Allocation of Positions. – The State Board of Education is authorized to adopt rules to allot instructional personnel and teachers, within funds appropriated.

(c) ~~Maximum~~ Class Size. – Local school administrative units shall have the maximum flexibility to use allotted teacher positions to maximize student achievement. ~~The average class size for each grade span in a local school administrative unit shall at no time exceed the funded allotment ratio of teachers to students. At the end of the second school month and for the remainder of the school year, the size of an individual class shall not exceed the allotment ratio by more than three students. At no time may the General Assembly appropriate funds for higher unit wide class averages than those for which State funds were provided during the 1984-85 school year.~~

~~(d) Maximum Teaching Load. – Students shall be assigned to classes so that from the 15th day of the school year through the end of the school year the number of students for whom teachers in grades 7 through 12 are assigned teaching responsibilities during the course of the day is no more than 150 students, except as provided in subsection (g) of this section.~~

~~(e) Alternative Maximum Class Sizes. – The State Board of Education, in its discretion, may set higher maximum class sizes and daily teaching loads for classes in music, physical education, and other similar subjects, so long as the effectiveness of the instructional programs in those areas is not thereby impaired.~~

(f) Second Month Reports. – At the end of the second month of each school year, each local board of education, through the superintendent, shall file a report for each school within the school unit with the State Board of Education. The report shall be filed in a format prescribed by the State Board of Education and shall include the organization for each school, the duties of each teacher, the size of each class, the teaching load of each teacher, and such other information as the State Board may require. As of February 1 each year, local boards of education, through the superintendent, shall report all ~~exceptions to individual class size and daily teaching load maximums~~ significant increases in class size that occur at that time.

(g) ~~Waivers and~~ Allotment Adjustments. – Local boards of education ~~shall report exceptions to the State Board of Education as provided in G.S. 115C-47(10), and shall request~~ may request allotment adjustments ~~or waivers from the standards set out above.~~ for significant increases in class size. Within 45 days of receipt of ~~reports,~~ requests, the State Board of Education, within funds available, may allot additional positions ~~or grant waivers for the excess class size or daily load.~~ if a significant increase in class size resulted from exceptional circumstances, emergencies, acts of God, large changes in student population, organizational problems caused by remote geographic location, or classes organized for a solitary curricular area, and the local board cannot organizationally correct the exception.

~~(1) If the exception resulted from (i) exceptional circumstances, emergencies, or acts of God, (ii) large changes in student population, (iii) organizational problems caused by remote geographic location, or (iv) classes organized for a solitary curricular area, and~~

~~(2) If the local board cannot organizationally correct the exception.~~

(h) State Board Rules. – The State Board of Education shall adopt rules necessary for the implementation of ~~class size and teaching load provisions.~~ this section.

~~(i) Penalty for Noncompliance. – If the State Board of Education determines that a local superintendent has willfully failed to comply with the requirements of this section, no State funds shall be allocated to pay the superintendent's salary for the period of time the superintendent is in noncompliance.~~"

SECTION 2.2.(b) G.S. 115C-47(10) reads as rewritten:

"**§ 115C-47. Powers and duties generally.**

In addition to the powers and duties designated in G.S. 115C-36, local boards of education shall have the power or duty:

...

(10) To Assure Appropriate Class Size. – It shall be the responsibility of local boards of education to assure that the teacher positions allotted by the State are used to maximize student achievement.~~class size and teaching load requirements set forth in G.S. 115C-301 are met. Any teacher who believes that the requirements of G.S. 115C-301 have not been met shall make a report to the principal and superintendent, and the superintendent shall immediately determine whether the requirements have in fact not been met. If the superintendent determines the requirements have not been met, he shall make a report to the next local board of education meeting. The local board of education shall take action to meet the requirements of the statute. If the local board cannot organizationally correct the exception and if any of the conditions set out in G.S. 115C-301(g)(1) exist, it shall immediately apply to the State Board of Education for additional personnel or a waiver of the class size requirements, as provided in G.S. 115C-301(g).~~

~~Upon notification from the State Board of Education that the reported exception does not qualify for an allotment adjustment or a waiver under provisions of G.S. 115C-301, the local board, within 30 days, shall take action necessary to correct the exception.~~

~~At the end of the second month of each school year, the local board of education, through the superintendent, shall file a report with the State Board of Education, in a format prescribed by the State Board of Education, describing the organization of each school, the duties of each teacher, the size of each class, and the teaching load of each teacher. As of February 1 each year, local boards of education, through the superintendent, shall report all exceptions to individual class size and daily teaching load maximums that exist at that time.~~

In ~~addition to assuring that the requirements of G.S. 115C-301 are met,~~ addition, each local board of education shall also have the duty to provide an adequate number of ~~classrooms to meet the requirements of that statute.~~classrooms."

SECTION 2.2.(c) G.S. 115C-276(k) reads as rewritten:

"(k) To Submit Organization Reports and Other Information to the State Board. – Each year the superintendent of each local school administrative unit shall submit to the State Board of Education statistical reports, certified by the chairman of the board of education, showing the organization of the schools in his unit and any additional information the State Board may require. At the end of the second month of school each year, local boards of education, through the superintendent, shall report school organization, employees' duties, class sizes, and teaching loads to the State Board of ~~Education as provided in G.S. 115C-47(10).~~ Education. As of February 1 each year, local boards of education, through the superintendent, shall report all ~~exceptions to individual class size and daily teaching load maximums~~ significant increases in class size that occur at that time."

PART III. TRANSPARENCY OF REPORTING ON EXPENDITURES

SECTION 3.1. G.S. 115C-105.25 is amended by adding a new subsection to read:

"(c) To ensure that parents, educators, and the general public are informed on how State funds have been used to address local educational priorities, each local school administrative unit shall publish the following information on its Web site by August 1 of each year:

(1) A description of each program report code, written in plain English, and a summary of the prior fiscal year's expenditure of State funds within each program report code.

(2) A description of each object code within a program report code, written in plain English, and a summary of the prior fiscal year's expenditure of State funds for each object code.

(3) A description of each allotment transfer that increased or decreased the initial allotment amount by more than five percent (5%) and the educational priorities that necessitated the transfer."

PART IV. EFFECTIVE DATE

SECTION 4.1. This act becomes effective July 1, 2013.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 374
PROPOSED COMMITTEE SUBSTITUTE S374-CSRQ-4 [v.1]

4/16/2013 2:56:52 PM

Short Title: NC Public Schools Budget Flexibility Act. (Public)

Sponsors:

Referred to:

March 20, 2013

A BILL TO BE ENTITLED

AN ACT TO ENACT THE NORTH CAROLINA PUBLIC SCHOOLS BUDGET FLEXIBILITY ACT.

The General Assembly of North Carolina enacts:

PART I. TITLE

SECTION 1.1. This act shall be known as the "North Carolina Public Schools Budget Flexibility Act of 2013."

PART II. BUDGET FLEXIBILITY

ADDITIONAL AUTHORITY TO TRANSFER FUNDS

SECTION 2.1. G.S. 115C-105.25 reads as rewritten:

"**§ 115C-105.25. Budget flexibility.**

(a) Consistent with improving student performance, a local board shall provide maximum flexibility to schools in the use of funds to enable the schools to accomplish their goals.

(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 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. 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.~~

(1a) Funds for children with disabilities, career and technical education, and other purposes may be transferred only as permitted by federal law and the conditions of federal grants or as provided through any rules that the State Board of Education adopts to ensure compliance with federal regulations.

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

~~(2a) Up to three percent (3%) of State funds allocated for noninstructional support personnel may be transferred for staff development.~~

(3) No funds shall be transferred into the central office administration allotment category.

~~(4) Funds allocated for children with disabilities, for students with limited English proficiency, and for driver's education shall not be transferred.~~

~~(5) Funds allocated for classroom teachers may be transferred only for teachers of exceptional children, for teachers of at-risk students, and for authorized purposes under the textbooks allotment category and the classroom materials/instructional supplies/equipment allotment category.~~

(5a) Positions allocated for classroom teachers may be converted to dollar equivalents to contract for visiting international exchange teachers. These positions shall be converted at the statewide average salary for classroom teachers, including benefits. The converted funds shall be used only to cover the costs associated with bringing visiting international exchange teachers to the local school administrative unit through a State-approved visiting international exchange teacher program and supporting the visiting exchange teachers.

~~(6) Funds allocated for vocational education may be transferred only in accordance with any rules that the State Board of Education considers appropriate to ensure compliance with federal regulations.~~

~~(7) Funds allocated for career development shall be used in accordance with Section 17.3 of Chapter 324 of the 1995 Session Laws.~~

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

~~(9) Funds allocated in the Alternative Schools/At-Risk Student allotment shall be spent only for alternative learning programs, at-risk students, and school safety programs.~~

(10) Funds to carry out the elements of the Excellent Public Schools Act, which are contained in Sections 7A.1 and 7A.6 of S.L. 2012-142, shall not be transferred."

LOCAL FLEXIBILITY REGARDING CLASS SIZE

SECTION 2.2.(a) G.S. 115C-301 reads as rewritten:

"**§ 115C-301. Allocation of teachers; class size.**

(a) Request for Funds. – The State Board of Education, based upon the reports of local boards of education and such other information as the State Board may require from local boards, shall determine for each local school administrative unit the number of teachers and other instructional personnel to be included in the State budget request.

(b) Allocation of Positions. – The State Board of Education is authorized to adopt rules to allot instructional personnel and teachers, within funds appropriated.

(c) ~~Maximum~~ Class Size. – Local school administrative units shall have the maximum flexibility to use allotted teacher positions to maximize student achievement.~~The average class size for each grade span in a local school administrative unit shall at no time exceed the funded allotment ratio of teachers to students. At the end of the second school month and for the remainder of the school year, the size of an individual class shall not exceed the allotment ratio by more than three students. At no time may the General Assembly appropriate funds for higher unit-wide class averages than those for which State funds were provided during the 1984-85 school year.~~

~~(d) Maximum Teaching Load. – Students shall be assigned to classes so that from the 15th day of the school year through the end of the school year the number of students for whom teachers in grades 7 through 12 are assigned teaching responsibilities during the course of the day is no more than 150 students, except as provided in subsection (g) of this section.~~

~~(e) Alternative Maximum Class Sizes. – The State Board of Education, in its discretion, may set higher maximum class sizes and daily teaching loads for classes in music, physical education, and other similar subjects, so long as the effectiveness of the instructional programs in those areas is not thereby impaired.~~

(f) Second Month Reports. – At the end of the second month of each school year, each local board of education, through the superintendent, shall file a report for each school within the school unit with the State Board of Education. The report shall be filed in a format prescribed by the State Board of Education and shall include the organization for each school, the duties of each teacher, the size of each class, the teaching load of each teacher, and such other information as the State Board may require. ~~As of February 1 each year, local boards of education, through the superintendent, shall report all exceptions to individual class size and daily teaching load maximums that occur at that time.~~

(g) ~~Waivers and~~ Allotment Adjustments. – Local boards of education ~~shall report exceptions to the State Board of Education as provided in G.S. 115C-47(10), and shall request~~ may request allotment adjustments and ~~or waivers from the standards set out above. Within 45 days of receipt of reports,~~ the State Board of Education, within funds available, may allot additional positions. ~~positions or grant waivers for the excess class size or daily load.~~

~~(1) If the exception resulted from (i) exceptional circumstances, emergencies, or acts of God, (ii) large changes in student population, (iii) organizational problems caused by remote geographic location, or (iv) classes organized for a solitary curricular area, and~~

~~(2) If the local board cannot organizationally correct the exception.~~

(h) State Board Rules. – The State Board of Education shall adopt rules necessary for the implementation of ~~class size and teaching load provisions.~~this section.

~~(i) Penalty for Noncompliance. – If the State Board of Education determines that a local superintendent has willfully failed to comply with the requirements of this section, no State funds shall be allocated to pay the superintendent's salary for the period of time the superintendent is in noncompliance.~~"

SECTION 2.2.(b) G.S. 115C-47(10) reads as rewritten:

"**§ 115C-47. Powers and duties generally.**

In addition to the powers and duties designated in G.S. 115C-36, local boards of education shall have the power or duty:

...

(10) To Assure Appropriate Class Size. – It shall be the responsibility of local boards of education to assure that the teacher positions allotted by the State are used to maximize student achievement.~~class size and teaching load requirements set forth in G.S. 115C-301 are met. Any teacher who believes that the requirements of G.S. 115C-301 have not been met shall make a report to the principal and superintendent, and the superintendent shall immediately determine whether the requirements have in fact not been met. If the superintendent determines the requirements have not been met, he shall make a report to the next local board of education meeting. The local board of education shall take action to meet the requirements of the statute. If the local board cannot organizationally correct the exception and if any of the conditions set out in G.S. 115C-301(g)(1) exist, it shall immediately apply to the State Board of Education for additional personnel or a waiver of the class size requirements, as provided in G.S. 115C-301(g).~~

~~Upon notification from the State Board of Education that the reported exception does not qualify for an allotment adjustment or a waiver under provisions of G.S. 115C-301, the local board, within 30 days, shall take action necessary to correct the exception.~~

~~At the end of the second month of each school year, the local board of education, through the superintendent, shall file a report with the State Board of Education, in a format prescribed by the State Board of Education, describing the organization of each school, the duties of each teacher, the size of each class, and the teaching load of each teacher. As of February 1 each year, local boards of education, through the superintendent, shall report all exceptions to individual class size and daily teaching load maximums that exist at that time.~~

In ~~addition to assuring that the requirements of G.S. 115C-301 are met,~~ addition, each local board of education shall also have the duty to provide an adequate number of ~~classrooms to meet the requirements of that statute.~~classrooms."

SECTION 2.2.(c) G.S. 115C-276(k) reads as rewritten:

"(k) To Submit Organization Reports and Other Information to the State Board. – Each year the superintendent of each local school administrative unit shall submit to the State Board of Education statistical reports, certified by the chairman of the board of education, showing the organization of the schools in his unit and any additional information the State Board may require. At the end of the second month of school each year, local boards of education, through the superintendent, shall report school organization, employees' duties, class sizes, and teaching loads to the State Board of ~~Education as provided in G.S. 115C-47(10).~~ Education. ~~As of February 1 each year, local boards of education, through the superintendent, shall report all exceptions to individual class size and daily teaching load maximums that occur at that time.~~"

PART III. TRANSPARENCY OF REPORTING ON EXPENDITURES

SECTION 3.1. G.S. 115C-105.25 is amended by adding a new subsection to read:

"(c) To ensure that parents, educators, and the general public are informed on how State funds have been used to address local educational priorities, each local school administrative unit shall publish the following information on its Web site by October 15 of each year:

(1) A description of each program report code, written in plain English, and a summary of the prior fiscal year's expenditure of State funds within each program report code.

(2) A description of each object code within a program report code, written in plain English, and a summary of the prior fiscal year's expenditure of State funds for each object code.

(3) A description of each allotment transfer that increased or decreased the initial allotment amount by more than five percent (5%) and the educational priorities that necessitated the transfer."

PART IV. EFFECTIVE DATE

SECTION 4.1. This act becomes effective July 1, 2013.

SENATE BILL 374:
NC Public Schools Budget Flexibility Act

2013-2014 General Assembly

Committee:	Senate Ref to Education/Higher Education. If fav, re-ref to Appropriations/Base Budget	**Date:**	April 17, 2013
Introduced by:	Sens. Tillman, Barringer, Wade	**Prepared by:**	Drupti Chauhan Committee Counsel
Analysis of:	PCS to First Edition S374-CSRQ-4		

SUMMARY: ***Senate Bill 374 would provide local boards of education additional authority to transfer funds between funding allotment categories; remove statutory limits on class size and teaching loads; and require local school administrative units (LEAs) to report on expenditures of State funds on their websites.***

The Proposed Committee Substitute would: (i) keep existing statutory language to allow positions allocated for classroom teachers to be converted to dollar equivalents for visiting international exchange teachers; (ii) eliminate the requirement that local boards of education report significant increases in class size to the State Board of Education (SBE) by February 1 of each year; (iii) remove the conditions that are required before the SBE can allot additional positions for excessive class size; and (iv)change the date for the web reporting of expenditures for LEAs from August 1 to October 15.

AUTHORITY TO TRANSFER FUNDS

CURRENT LAW: Local boards of education may transfer and can approve transfers of funds between funding allotment categories subject to the limitations set out in G.S. 115C-105.25. Examples of these limitations are as follows:

- Pursuant to School Improvement Plans:
  - State funds allotted for teacher assistants can only be transferred for personnel to serves students in K-3 or students primarily in K-3 when the personnel are assigned to elementary schools to serve the whole school.
  - State funds allocated for teacher assistants may be transferred to reduce class size or reduce the student-teacher ratio in K-3 if the teacher assistant positions are not filled when the decision is made through the school improvement plan or when it is expected to be implemented.
  - State funds allocated for classroom materials/instructional supplies/equipment can be transferred for textbooks or vice versa.
  - State funds allocated for noninstructional support personnel can be transferred only for teacher positions.
- Up to 3% of State funds for noninstructional support personnel can be transferred for staff development.
- Funds cannot be transferred into the central office allotment category.
- Funds for children with disabilities, students with limited English proficiency and for drivers education cannot be transferred.

- Funds for classroom teachers can only be transferred to teachers of students with disabilities, at-risk students and for authorized purposes for textbooks, classroom material, instructional supplies and equipment.

For fiscal years 2009-10 through 2012-13, the General Assembly authorized the State Board of Education (SBE) to extend emergency rules granting maximum flexibility to local school administrative units regarding the expenditure of State funds. For fiscal year 2012-13, these emergency rules prohibited only:

- The transfer of funds into central office administration
- The transfer of funds from the classroom teachers allotment to any allotment other than teacher assistants allotment
- The transfer of funds from the teacher assistants allotment to any allotment other than the classroom teachers allotment.
- Transfers of funds for children with disabilities or career and technical education that would not be permitted by federal law and the conditions of federal grants.

ANALYSIS: The PCS for Senate Bill 374 would eliminate most of the limitations on the transfer of funds between funding allotment categories. The only limitations that would remain in statute are:

- Funds for children with disabilities, career and technical education, and other purposes could only be transferred as permitted by federal law and the conditions of federal grants or as provided by any rules adpted by the SBE to ensure federal compliance.
- No funds would be allowed to be transferred into the central office administration category.
- Positions allocated for classroom teachers to be converted to dollar equivalents to contract for visiting international exchange teachers.
- Funds allocated to carry the Read to Achieve Program under the Excellent Public Schools Act could not be transferred.
- Monies allocated to fund the five additional instructional days under the Excellent Public Schools Act could not be transferred.

LOCAL FLEXIBILITY REGARDING CLASS SIZE

CURRENT LAW: G.S. 115C-301 provides that average class size for each grade span cannot exceed the funded allotment ratio of teachers to students; the size of an individual class cannot exceed the allotment ratio by more than three students; and teachers in grades 7-12 can have no more than 150 students assigned to them for teaching responsibilities. The State Board of Education (SBE) can set higher maximum class sizes and daily teaching loads in classes such as music and physical education. Local boards of education must report exceptions to individual class size and daily teaching load maximums to the SBE by February 1 of each year. Local boards of education may ask the SBE for allotment adjustments or waivers from the class size and teaching load requirements. The SBE may allocate additional position or grant waivers if the exceptions resulted from exceptional circumstances, emergencies, acts of God, large changes in student population; remote geographic location issues, or classes organized for a solitary curricular area and the local board cannot correct the exception. If the SBE determines that the exception does not qualify for an additional allotment or waiver, then the local board of education must take action to correct the exception.

If the SBE determines that a superintendent has willfully not complied with the class size requirements, no State funds can be allocated to pay the superintendent's salary for the period of time of noncompliance.

ANALYSIS: The PCS would repeal the class size and teaching load restrictions and would provide that LEAs have the maximum flexibility to use allotted teacher positions to maximize student achievement. It would (i) eliminate the requirement that local boards of education report class size exceptions to the SBE by February 1 of each year; and (ii) remove the conditions that are required before the SBE can allot additional positions for excessive class size. Local boards of education could still request allotment adjustments and the SBE could still allot additional positions.

The penalty on the superintendent's salary for noncompliance would also be repealed.

REPORTING ON STATE EXPENDITURES

ANALYSIS: LEAs must publish the following information on their websites by October 15 of each year that is written in plain English:

- A description of each program report code and summary of the prior fiscal year's expenditure of State funds within each program code.
- A description of each object code within a program report code and summary of the prior fiscal year's expenditure of State funds for each object code.
- A description of each allotment transfer that increased or decreased the initial allotment amount by more than 5% and the educational priorities that necessitated the transfer.

EFFECTIVE DATE: The bill would become effective July 1, 2013.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S 1

SENATE BILL 243*

Short Title:	Back to Basics.	(Public)
Sponsors:	Senators Allran (Primary Sponsor); Rabin and Randleman.	
Referred to:	Education/Higher Education.	

March 11, 2013

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE STATE BOARD OF EDUCATION TO ENSURE INSTRUCTION IN CURSIVE WRITING AND MEMORIZATION OF MULTIPLICATION TABLES AS A PART OF THE BASIC EDUCATION PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-81 is amended by adding new subsections to read:

"(k) Cursive Writing. – The standard course of study shall include the requirement that the public schools provide instruction in cursive writing so that students create readable documents through legible cursive handwriting by the end of fifth grade.

(l) Multiplication Tables. – The standard course of study shall include the requirement that students enrolled in public schools memorize multiplication tables to demonstrate competency in efficiently multiplying numbers."

SECTION 2. This act is effective when it becomes law and applies beginning with the 2013-2014 school year.

SENATE BILL 243:
Back to Basics

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	April 17, 2013
Introduced by:	Sen. Allran	**Prepared by:**	Denise Adams
Analysis of:	First Edition		Legislative Analyst

SUMMARY: ***Senate Bill 243 would require that instruction of cursive writing and memorization of multiplication tables be included as part of the standard course of study in public schools.***

[The First Edition of Senate Bill 243 is identical to the First Edition of House Bill 146, introduced by Reps. Hurley, Warren, Shepard, which is currently in Senate Education/Higher Education.]

CURRENT LAW: Under current law, the Basic Education Program broadly describes the education program to be offered to every child in the public schools. The North Carolina Standard Course of Study, adopted as policy by the State Board of Education, sets content standards and describes the curriculum which should be made available to every child in North Carolina's public schools.

Beginning in the 2012-2013 school year and moving forward, the new Standard Course of Study will consist of the Common Core State Standards in K-12 Mathematics and K-12 English/Language Arts (adopted by the State Board of Education in June, 2010) and the North Carolina Essential Standards standards for subjects other than K-12 Math and English/Language Arts).

These standards do not address cursive writing or require memorization of multiplication tables. Instead, the decision to provide instruction for students in cursive writing and requiring multiplication table memorization are decisions of local school districts.*

BILL ANALYSIS: Senate Bill 243 would require that instruction of cursive writing and memorization of multiplication tables be included as part of the standard course of study in public schools.

EFFECTIVE DATE: This act is effective when it becomes law and applies beginning with the 2013-2014 school year.

BACKGROUND: *Staff conducted a survey of all 115 local school districts (LEAs) to see which LEAs were teaching cursive and requiring multiplication tables. Of the 65 LEAs that responded, 62 are currently teaching cursive and 63 are requiring the memorization of multiplication tables.

O. Walker Reagan
Director

S243-SMTB-26 E1 -V1

Research Division
(919) 733-2578

HOUSE BILL 146

Short Title:	Back to Basics.	(Public)
Sponsors:	Representatives Hurley, Warren, and Shepard (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Education, if favorable, Appropriations.	

February 25, 2013

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE STATE BOARD OF EDUCATION TO ENSURE INSTRUCTION IN CURSIVE WRITING AND MEMORIZATION OF MULTIPLICATION TABLES AS A PART OF THE BASIC EDUCATION PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-81 is amended by adding new subsections to read:

"(k) Cursive Writing. – The standard course of study shall include the requirement that the public schools provide instruction in cursive writing so that students create readable documents through legible cursive handwriting by the end of fifth grade.

(l) Multiplication Tables. – The standard course of study shall include the requirement that students enrolled in public schools memorize multiplication tables to demonstrate competency in efficiently multiplying numbers."

SECTION 2. This act is effective when it becomes law and applies beginning with the 2013-2014 school year.

HOUSE BILL 146:
Back to Basics

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	April 17, 2013
Introduced by:	Reps. Hurley, Warren, Shepard	**Prepared by:**	Denise Adams
Analysis of:	First Edition		Legislative Analyst

SUMMARY: House Bill 146 would require that instruction of cursive writing and memorization of multiplication tables be included as part of the standard course of study in public schools.

[The First Edition of this bill is identical to the First Edition of S243, as introduced by Sen. Allran, which is currently in Senate Education/Higher Education.]

CURRENT LAW: Under current law, the Basic Education Program broadly describes the education program to be offered to every child in the public schools. The North Carolina Standard Course of Study, adopted as policy by the State Board of Education, sets content standards and describes the curriculum which should be made available to every child in North Carolina's public schools.

Beginning in the 2012-2013 school year and moving forward, the new Standard Course of Study will consist of the Common Core State Standards in K-12 Mathematics and K-12 English/Language Arts adopted by the State Board of Education in June, 2010) and the North Carolina Essential Standards (standards for subjects other than K-12 Math and English/Language Arts).

These standards do not address cursive writing or require memorization of multiplication tables. Instead, the decision to provide instruction for students in cursive writing and requiring multiplication table memorization are decisions of local school districts.*

BILL ANALYSIS: House Bill 146 would require that instruction of cursive writing and memorization of multiplication tables be included as part of the standard course of study in public schools.

EFFECTIVE DATE: This act is effective when it becomes law and applies beginning with the 2013-2014 school year.

BACKGROUND: *Staff conducted a survey of all 115 local school districts (LEAs) to see which LEAs were teaching cursive and requiring multiplication tables. Of the 65 LEAs that responded, 62 are currently teaching cursive and 63 are requiring the memorization of multiplication tables.

O. Walker Reagan
Director

H146-SMTB-31 E1 -V1

Research Division
(919) 733-2578

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

4-17-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Joe Donovan	SCNC
Adam Prince	NCASA
Susanna Davis	WM
Brian Lewis	NCAE
Laura Devivo	~~WSP~~ NCSR
Ashley Perkinson	Perkinson Law
Rob LaMue	RLA
Sarah Wolfe	MWCLCC
Jenna Robinson	Pope Center
Carmen Ledford	NCCHE
Audrey Hanna	NCCHE
Lauren Poe	NCCHE
Claire Ledford	NCCHE
Brenda Collins	Williford Elem School (NRMS
Katherine Ross	PPAR
Chris Hill	NC Justice Center
JAY PERENS	CSS

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

4-17-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Gene Causby	NCSCA
	NCTIA
JOE LANIER	MEZSON MULLINS
Tommy Senter	Moore and Van Allen
GALE GAINES	SREB ATLANTA GA
	OSBM
	AR/Chamber
Jason Fishkin	Senate
Jacob Yuniero	Sen Brown
	NCCHA
Leslie Hanna	NCCHE
Matt Gross	NCPC
Will Handley	Brn Lake & Assoc.
Erica Wright	NRMS
Edna Wallace	NCNS
Doug Miskiew	PSG
Townes Maxwell	PSG

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

4-17-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Karen Howard	Chatham City Schools Board
Dan Leonard	Chatham Co. Board of Education
DAVID HAMM	" " "
Lacy Shaban	Jeff Tate
Dave Moretz	UNCGA
Carol Vath	NCSPA
Cheryl Posner-Cahill	NC School Bych Assoc.
Alicia Hamilton & Children	~~Pittsford NC~~ NC CHE
Pam Herlong + children	NCCHE

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education
(Committee Name)

4-17-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Elizabeth Brownstein	OSBM
Tina Hayes	Ed. Consultant
Stacey Darrell	NCCHE
Hannah Rivell	NCCHE
Del Turner	Chatham Cty BOE
Robert L. Logan	Chatham County Schools

09-21-201

Senate Committee on Education/Higher Education
Wednesday, April 24, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 189	Amend Law Defining Home Schools.	Senator Cook Senator Barefoot Senator Sanderson
SB 243	Back to Basics.	Senator Allran
SB 516	Public School Regulatory Reform.	Senator Tillman

Adjournment

Senate Committee on Education/Higher Education
Wednesday, April 24, 2013
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on April 24, 2013 in Room 544 of the Legislative Office Building. 20 members were present.

Senator Jerry W. Tillman, Chair, presided.

Chairman Tillman called the meeting to order, welcomed Lt. Governor Dan Forest, and recognized the Sergeants-at-Arms and the pages. Chairman Tillman recognized Senator Cook to explain S189. Following the explanation of the bill, Chairman Tillman called on the following for public comment:

Mary Hannah, 15 year old homeschooler

Spencer Mason, North Carolinians for Home Education

Lynn Taylor, Lydia Taylor

After public comment, Sen. Cook answered questions posed on parts of the bill by committee members. A motion for a favorable report was made by Senator Woodard. The motion passed.

Chairman Tillman recognized Senator Allran to explain S 243. A motion for a favorable report was made by Senator Woodard. The motion passed.

Senator Tillman relinquished his chairmanship duties to Senator Soucek so that he could explain S516 for which he is the primary sponsor. A motion to adopt the Proposed Committee Substitute was made by Senator Jenkins. The motion passed. Senator Tillman, Patsy Pierce, of the General Assembly's Research Division, and Alexis Schauss, Division of School Business, DPI, answered several question proposed by committee members.

A motion for an unfavorable as to bill, but favorable as to committee substitute bill was made by Senator Pate. The PCS passed.

The meeting adjourned.

Senator Jerry W. Tillman, Chair
Presiding

Suzanne Castleberry, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, April 24, 2013

Senator Tillman,
submits the following with recommendations as to passage:

FAVORABLE

SB **189** Amend Law Defining Home Schools.

Draft Number:	None
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

SB **243** Back to Basics.

Draft Number:	None
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 2

Senator Bill Cook will handle SB 189
Senator Austin Allran will handle SB 243



NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

CORRECTED REPORT

Wednesday, April 24, 2013

Senator Soucek,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL

SB **516** Public School Regulatory Reform.

Draft Number:	S516-PCS35331-TL-17
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Jerry Tillman will handle SB 516



SENATE BILL 189*

Short Title:	Amend Law Defining Home Schools.	(Public)
Sponsors:	Senators Cook, Barefoot, Sanderson (Primary Sponsors); Brock, Curtis, Daniel, J. Davis, Goolsby, Hunt, Newton, Rabin, Tarte, Tucker, and Woodard.	
Referred to:	Education/Higher Education.	

March 6, 2013

A BILL TO BE ENTITLED

AN ACT TO AMEND THE LAW DEFINING HOME SCHOOLS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-563 reads as rewritten:

"**§ 115C-563. Definitions.**

As used in this Part or Parts 1 and 2 of this ~~section:~~Article:

(a) "Home school" means a nonpublic school ~~in which one or more~~ consisting of the children of not more than two families or ~~households receive academic instruction from parents or legal guardians, or a member of either household.~~households, where the parents or legal guardians or members of either household determine the scope and sequence of academic instruction, provide academic instruction, and determine additional sources of academic instruction.

(b) "Duly authorized representative of the State" means the Director, Division of Nonpublic Education, or his staff."

SECTION 2. This act is effective when it becomes law and applies beginning with the 2013-2014 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S 1

SENATE BILL 243*

Short Title:	Back to Basics.	(Public)
Sponsors:	Senators Allran (Primary Sponsor); Rabin and Randleman.	
Referred to:	Education/Higher Education.	

March 11, 2013

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE STATE BOARD OF EDUCATION TO ENSURE INSTRUCTION IN CURSIVE WRITING AND MEMORIZATION OF MULTIPLICATION TABLES AS A PART OF THE BASIC EDUCATION PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-81 is amended by adding new subsections to read:

"(k) Cursive Writing. – The standard course of study shall include the requirement that the public schools provide instruction in cursive writing so that students create readable documents through legible cursive handwriting by the end of fifth grade.

(l) Multiplication Tables. – The standard course of study shall include the requirement that students enrolled in public schools memorize multiplication tables to demonstrate competency in efficiently multiplying numbers."

SECTION 2. This act is effective when it becomes law and applies beginning with the 2013-2014 school year.

SENATE BILL 516

Short Title:	Public School Regulatory Reform.	(Public)
Sponsors:	Senators Tillman (Primary Sponsor); Cook, Hise, and Meredith.	
Referred to:	Education/Higher Education.	

March 28, 2013

A BILL TO BE ENTITLED

AN ACT TO STREAMLINE REPORTING REQUIREMENTS FOR PUBLIC SCHOOLS.

The General Assembly of North Carolina enacts:

PART I. CLASS-SIZE FLEXIBILITY

SECTION 1.(a) G.S. 115C-301 reads as rewritten:

"**§ 115C-301. Allocation of teachers; class size.**

(a) Request for Funds. – The State Board of Education, based upon the reports of local boards of education and such other information as the State Board may require from local boards, shall determine for each local school administrative unit the number of teachers and other instructional personnel to be included in the State budget request.

(b) Allocation of Positions. – The State Board of Education is authorized to adopt rules to allot instructional personnel and teachers, within funds appropriated.

(c) ~~Maximum~~ Class Size. – Local school administrative units shall have the maximum flexibility to use allotted teacher positions to maximize student achievement. ~~The average class size for each grade span in a local school administrative unit shall at no time exceed the funded allotment ratio of teachers to students. At the end of the second school month and for the remainder of the school year, the size of an individual class shall not exceed the allotment ratio by more than three students. At no time may the General Assembly appropriate funds for higher unit-wide class averages than those for which State funds were provided during the 1984-85 school year.~~

~~(d) Maximum Teaching Load. — Students shall be assigned to classes so that from the 15th day of the school year through the end of the school year the number of students for whom teachers in grades 7 through 12 are assigned teaching responsibilities during the course of the day is no more than 150 students, except as provided in subsection (g) of this section.~~

~~(e) Alternative Maximum Class Sizes. — The State Board of Education, in its discretion, may set higher maximum class sizes and daily teaching loads for classes in music, physical education, and other similar subjects, so long as the effectiveness of the instructional programs in those areas is not thereby impaired.~~

(f) Second Month Reports. – At the end of the second month of each school year, each local board of education, through the superintendent, shall file a report for each school within the school unit with the State Board of Education. The report shall be filed in a format prescribed by the State Board of Education and shall include the organization for each school, the duties of each teacher, the size of each class, the teaching load of each teacher, and such other information as the State Board may require. As of February 1 each year, local boards of

education, through the superintendent, shall report all ~~exceptions to individual class size and daily teaching load maximums~~ significant increases in class size that occur at that time.

(g) ~~Waivers and~~ Allotment Adjustments. – Local boards of education ~~shall report exceptions to the State Board of Education as provided in G.S. 115C-47(10), and shall request~~ may request allotment adjustments ~~or waivers from the standards set out above.~~ for significant increases in class size. Within 45 days of receipt of ~~reports,~~ requests, the State Board of Education, within funds available, may allot additional positions ~~or grant waivers for the excess class size or daily load~~ if a significant increase in class size resulted from exceptional circumstances, emergencies, acts of God, large changes in student population, organizational problems caused by remote geographic location, or classes organized for a solitary curricular area, and the local board cannot organizationally correct the exception.

~~(1) If the exception resulted from (i) exceptional circumstances, emergencies, or acts of God, (ii) large changes in student population, (iii) organizational problems caused by remote geographic location, or (iv) classes organized for a solitary curricular area, and~~

~~(2) If the local board cannot organizationally correct the exception.~~

(h) State Board Rules. – The State Board of Education shall adopt rules necessary for the implementation of ~~class size and teaching load provisions.~~this section.

~~(i) Penalty for Noncompliance. If the State Board of Education determines that a local superintendent has willfully failed to comply with the requirements of this section, no State funds shall be allocated to pay the superintendent's salary for the period of time the superintendent is in noncompliance.~~"

SECTION 1.(b) G.S. 115C-47(10) reads as rewritten:

"**§ 115C-47. Powers and duties generally.**

In addition to the powers and duties designated in G.S. 115C-36, local boards of education shall have the power or duty:

...

(10) To Assure Appropriate Class Size. – It shall be the responsibility of local boards of education to assure that the teacher positions allotted by the State are used to maximize student achievement.~~class size and teaching load requirements set forth in G.S. 115C-301 are met. Any teacher who believes that the requirements of G.S. 115C-301 have not been met shall make a report to the principal and superintendent, and the superintendent shall immediately determine whether the requirements have in fact not been met. If the superintendent determines the requirements have not been met, he shall make a report to the next local board of education meeting. The local board of education shall take action to meet the requirements of the statute. If the local board cannot organizationally correct the exception and if any of the conditions set out in G.S. 115C-301(g)(1) exist, it shall immediately apply to the State Board of Education for additional personnel or a waiver of the class size requirements, as provided in G.S. 115C-301(g).~~

~~Upon notification from the State Board of Education that the reported exception does not qualify for an allotment adjustment or a waiver under provisions of G.S. 115C-301, the local board, within 30 days, shall take action necessary to correct the exception.~~

~~At the end of the second month of each school year, the local board of education, through the superintendent, shall file a report with the State Board of Education, in a format prescribed by the State Board of Education, describing the organization of each school, the duties of each teacher, the size of each class, and the teaching load of each teacher. As of February 1 each year, local boards of education, through the superintendent, shall report~~

~~all exceptions to individual class size and daily teaching load maximums that exist at that time.~~

In ~~addition to assuring that the requirements of G.S. 115C-301 are met,~~ addition, each local board of education shall also have the duty to provide an adequate number of ~~classrooms to meet the requirements of that statute.~~classrooms."

SECTION 1.(c) G.S. 115C-276(k) reads as rewritten:

"(k) To Submit Organization Reports and Other Information to the State Board. – Each year the superintendent of each local school administrative unit shall submit to the State Board of Education statistical reports, certified by the chairman of the board of education, showing the organization of the schools in his unit and any additional information the State Board may require. At the end of the second month of school each year, local boards of education, through the superintendent, shall report school organization, employees' duties, class sizes, and teaching loads to the State Board of ~~Education as provided in G.S. 115C-47(10).~~ Education. As of February 1 each year, local boards of education, through the superintendent, shall report all ~~exceptions to individual class size and daily teaching load maximums~~ significant increases in class size that occur at that time."

PART II. ELIMINATE ESC REPORTING

SECTION 2. G.S. 96-33 is amended by adding a new subsection to read:

"(a1) Subsection (a) of this section shall not apply to local school administrative units."

PART III. CHARTER TRANSPORTATION FLEXIBILITY

SECTION 3. The State Board of Education shall revise its policy on the rules and regulations for local school administrative units related to charter transportation for school-related events and activities to remove the requirements that (i) each local school administrative unit maintain a list of companies or individuals that provide transportation services for school-related activities that are approved by the State Board of Education and (ii) the local school administrative unit must limit its ability to contract for those services to an approved list of companies or individuals.

PART IV. DISADVANTAGED STUDENT REPORT

SECTION 4. To the extent allowed by federal law, the State Board of Education shall consolidate and limit reports to the State Board by local school administrative units on data related to economically disadvantaged students, including household size and income information, to one report each school year.

PART V. IIS REPORTING

SECTION 5. G.S. 115C-12(18) reads as rewritten:

"(18) Duty to Develop and Implement a Uniform Education Reporting System, Which Shall Include Standards and Procedures for Collecting Fiscal and Personnel Information. –

a. The State Board of Education shall adopt standards and procedures for local school administrative units to provide timely, accurate, and complete fiscal and personnel information, including payroll information, on all school personnel. ~~All local school administrative units shall comply with these standards and procedures by the beginning of the 1987-88 school year.~~

b. The State Board of Education shall develop and implement a Uniform Education Reporting System that shall include requirements for collecting, processing, and reporting fiscal, personnel, and student

data, by means of electronic transfer of data files from local computers to the State Computer Center through the State Communications Network. ~~All local school administrative units shall comply with the requirements of the Uniform Education Reporting System by the beginning of the 1989-90 school year.~~

c. The State Board of Education shall comply with the provisions of G.S. 116-11(10a) to plan and implement an exchange of information between the public schools and the institutions of higher education in the State. The State Board of Education shall require local boards of education to provide to the parents of children at a school all information except for confidential information received about that school from institutions of higher education pursuant to G.S. 116-11(10a) and to make that information available to the general public.

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

e. When practicable, reporting requirements developed by the State Board of Education as part of the Uniform Education Reporting System under this subdivision shall be incorporated into the Instructional Improvement System to minimize duplicative reporting by local school administrative units."

PART VI. COMMISSION TO STUDY EXCEPTIONAL CHILDREN'S SERVICES

SECTION 6.(a) Establishment. – There is established a Commission to Study the Provision of Exceptional Children's Services in the North Carolina Public Schools (Commission).

SECTION 6.(b) Membership. – The Commission shall be composed of 12 members, as follows:

(1) Eight members appointed by the Speaker of the House of Representatives as follows:
   a. Four persons who are members of the House of Representatives at the time of appointment.
   b. A representative of the Department of Public Instruction.
   c. A school principal, as recommended by the North Carolina Association of School Administrators.

(2) Eight members appointed by the President Pro Tempore of the Senate as follows:
   a. Four persons who are members of the Senate at the time of appointment.
   b. A school system superintendent, as recommended by the North Carolina Association of School Administrators.
   c. A local school board member, as recommended by the North Carolina School Boards Association.

The Commission shall have two cochairs, one designated by the President Pro Tempore of the Senate and one designated by the Speaker of the House of Representatives from among their appointees. The Commission shall meet upon the call of the cochairs. Vacancies shall be filled by the appointing authority. A quorum of the Commission shall be a majority of the members.

SECTION 6.(c) Duties. – The Commission shall review all aspects of the exceptional children's services delivered by local school administrative units in North Carolina and oversight of those services by the Department of Public Instruction. The Commission shall recommend ways to limit reporting requirements and compliance measures for local school administrative units and individual schools by identifying areas in which State requirements exceed federal law requirements. In developing these recommendations, the Commission shall examine at least all of the following:

(1) Forms and paperwork required by the Department of Public Instruction, Division of Exceptional Children (Division), to be submitted by Individualized Education Program (IEP) teams.

(2) The alignment of requirements imposed on the local school administrative units by the Division's Continuous Improvement Performance Plan (CIPP) with the federal requirements of the State Performance Plan and the Annual Performance Report.

(3) Student performance assessments and alternative assessments required by the State Board of Education.

(4) Class size and caseload requirements for children with disabilities.

(5) Unfunded fiscal impacts of reporting and compliance measures imposed on local school administrative units.

SECTION 6.(d) Compensation; Administration. – Members of the Commission shall receive subsistence and travel allowances at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate. With the prior approval of the Legislative Services Task Force, the Legislative Services Officer shall assign professional and clerical staff to assist in the work of the Commission. With the prior approval of the Legislative Services Commission, the Commission may hold its meetings in the State Legislative Building or the Legislative Office Building. The Commission may also meet at various locations around the State in order to promote greater public participation in its deliberations. The Commission, while in the discharge of its official duties, may exercise all the powers provided under the provisions of G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4, including the power to request all officers, agents, agencies, and departments of the State to provide any information, data, or documents within their possession, ascertainable from their records, or otherwise available to them and the power to subpoena witnesses.

SECTION 6.(e) Report. – The Commission shall report its findings and recommendations to the Joint Legislative Education Oversight Committee no later than March 15, 2014. The Commission shall terminate upon the filing of its final report.

PART VII. ELIMINATE PERSONAL EDUCATION PLANS

SECTION 7.(a) G.S. 115C-105.41 is repealed.

SECTION 7.(b) G.S. 115C-83.9(a) reads as rewritten:

"(a) Parents or guardians shall be notified in writing, and in a timely manner, that the student shall be retained, unless he or she is exempt from mandatory retention for good cause, if the student is not demonstrating reading proficiency by the end of third grade. Parents or guardians shall receive this notice when a kindergarten, first, second, or third grade student (i) is demonstrating difficulty with reading development; or (ii) is not reading at grade ~~level; or (iii) has a personal education plan under G.S. 115C-105.41.~~level."

PART VIII. EFFECTIVE DATE

SECTION 8. This act is effective when it becomes law and applies beginning with the 2013-2014 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 516
PROPOSED COMMITTEE SUBSTITUTE S516-CSTL-17 [v.6]

4/23/2013 1:54:51 PM

Short Title: Public School Regulatory Reform. (Public)

Sponsors:

Referred to:

March 28, 2013

A BILL TO BE ENTITLED

AN ACT TO STREAMLINE REPORTING REQUIREMENTS FOR PUBLIC SCHOOLS.

The General Assembly of North Carolina enacts:

PART I. ELIMINATE ESC REPORTING

SECTION 1. G.S. 96-33 is amended by adding a new subsection to read:

"(a1) Subsection (a) of this section shall not apply to local school administrative units."

PART II. DISADVANTAGED STUDENT REPORT

SECTION 2. To the extent allowed by federal law, the State Board of Education shall consolidate and limit reports to the State Board by local school administrative units on data related to economically disadvantaged students, including household size and income information, to one report each school year.

PART III. IIS REPORTING

SECTION 3(a) The Department of Public Instruction shall comply with G.S. 115C-12(9)(i) and not require as a separate submission at least all of the following reports to reduce unnecessary reporting requirements for local school administrative units:

(1) The Principal's Monthly Report (PMR) Final, required by the 30th of each month.
(2) The LEA Vacancy Report, required by October 20th each year.
(3) The Professional Personnel Activity Report (PPAR), required annually.
(4) The Pupils in membership by Race and Sex, required annually by October 31st.
(5) The Report of School Sales of Textbooks and Used Books, required annually by October 31st.
(6) The School Activity Report (SAR), required annually.

SECTION 3(b) The Department of Public Instruction may collect any information contained in the reports eliminated in accordance with subsection (a) of this section that is necessary for compliance with State or federal law through the implementation of the PowerSchool application or any other component of the Instructional Improvement System (IIS) developed by the Department of Public Instruction.

SECTION 3(c) G.S. 115C-12(18) reads as rewritten:

"(18) Duty to Develop and Implement a Uniform Education Reporting System, Which Shall Include Standards and Procedures for Collecting Fiscal and Personnel Information. –

a. The State Board of Education shall adopt standards and procedures for local school administrative units to provide timely, accurate, and complete fiscal and personnel information, including payroll information, on all school personnel. ~~All local school administrative units shall comply with these standards and procedures by the beginning of the 1987-88 school year.~~

b. The State Board of Education shall develop and implement a Uniform Education Reporting System that shall include requirements for collecting, processing, and reporting fiscal, personnel, and student data, by means of electronic transfer of data files from local computers to the State Computer Center through the State Communications Network. ~~All local school administrative units shall comply with the requirements of the Uniform Education Reporting System by the beginning of the 1989-90 school year.~~

c. The State Board of Education shall comply with the provisions of G.S. 116-11(10a) to plan and implement an exchange of information between the public schools and the institutions of higher education in the State. The State Board of Education shall require local boards of education to provide to the parents of children at a school all information except for confidential information received about that school from institutions of higher education pursuant to G.S. 116-11(10a) and to make that information available to the general public.

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

e. When practicable, reporting requirements developed by the State Board of Education as part of the Uniform Education Reporting System under this subdivision shall be incorporated into the Instructional Improvement System to minimize duplicative reporting by local school administrative units."

PART IV. COMMISSION TO STUDY EXCEPTIONAL CHILDREN'S SERVICES

SECTION 4.(a) Establishment. – There is established a Commission to Study the Provision of Exceptional Children's Services in the North Carolina Public Schools (Commission).

SECTION 4.(b) Membership. – The Commission shall be composed of 14 members, as follows:

(1) Seven members appointed by the Speaker of the House of Representatives as follows:

a. Four persons who are members of the House of Representatives at the time of appointment.

b. A representative of the Department of Public Instruction.

c. An exceptional children's program director, as recommended by the North Carolina Association of School Administrators.
d. A member of an advocacy group which works on behalf of children with disabilities, as recommended by Disability Rights North Carolina.

(2) Seven members appointed by the President Pro Tempore of the Senate as follows:
a. Four persons who are members of the Senate at the time of appointment.
b. A school system superintendent, as recommended by the North Carolina Association of School Administrators.
c. An attorney with experience in education law related to public school services for exceptional children, as recommended by the North Carolina Council of School Attorneys.
d. A member of an advocacy group which works on behalf of children with disabilities, as recommended by the Exceptional Children's Advocacy Center.

The Commission shall have two cochairs, one designated by the President Pro Tempore of the Senate and one designated by the Speaker of the House of Representatives from among their appointees. The Commission shall meet upon the call of the cochairs. Vacancies shall be filled by the appointing authority. A quorum of the Commission shall be a majority of the members.

SECTION 4.(c) Duties. – The Commission shall review all aspects of the exceptional children's services delivered by local school administrative units in North Carolina and oversight of those services by the Department of Public Instruction. The Commission shall recommend ways to limit reporting requirements and compliance measures for local school administrative units and individual schools by identifying areas in which State requirements exceed federal law requirements. In developing these recommendations, the Commission shall examine at least all of the following:

(1) Forms and paperwork required by the Department of Public Instruction, Division of Exceptional Children (Division), to be submitted by Individualized Education Program (IEP) teams.
(2) The alignment of requirements imposed on the local school administrative units by the Division's Continuous Improvement Performance Plan (CIPP) with the federal requirements of the State Performance Plan and the Annual Performance Report.
(3) Student performance assessments and alternative assessments required by the State Board of Education.
(4) Class size and caseload requirements for children with disabilities.
(5) Unfunded fiscal impacts of reporting and compliance measures imposed on local school administrative units.
(6) Conduct a cost study on the cost to educate students with disabilities and then use that information to make recommendations to the General Assembly on revisions that are needed to the current State allotment formulae for various components of the exceptional children's program operated by the local school administrative units.

SECTION 4.(d) Compensation; Administration. – Members of the Commission shall receive subsistence and travel allowances at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate. With the prior approval of the Legislative Services Task Force, the Legislative Services Officer shall assign professional and clerical staff to assist in the work of the Commission. With the prior approval of the Legislative Services Commission, the

Commission may hold its meetings in the State Legislative Building or the Legislative Office Building. The Commission may also meet at various locations around the State in order to promote greater public participation in its deliberations. The Commission, while in the discharge of its official duties, may exercise all the powers provided under the provisions of G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4, including the power to request all officers, agents, agencies, and departments of the State to provide any information, data, or documents within their possession, ascertainable from their records, or otherwise available to them and the power to subpoena witnesses.

SECTION 4.(e) Report. – The Commission shall report its findings and recommendations to the Joint Legislative Education Oversight Committee no later than March 15, 2014. The Commission shall terminate upon the filing of its final report.

PART V. ELIMINATE PERSONAL EDUCATION PLAN REPORTING

SECTION 5. G.S. 115C-105.41(a) reads as rewritten:

"**§ 115C-105.41. Students who have been placed at risk of academic failure; personal education plans; transition teams and transition plans.**

(a) In order to implement Part 1A of Article 8 of this Chapter, local school administrative units shall identify students who are at risk for academic failure and who are not successfully progressing toward grade promotion and graduation, beginning in kindergarten. Identification shall occur as early as can reasonably be done and can be based on grades, observations, diagnostic and formative assessments, State assessments, and other factors, including reading on grade level, that impact student performance that teachers and administrators consider appropriate, without having to await the results of end-of-grade or end-of-course tests. No later than the end of the first quarter, or after a teacher has had up to nine weeks of instructional time with a student, a personal education plan for academic improvement with focused intervention and performance benchmarks shall be developed or updated for any student at risk of academic failure who is not performing at least at grade level, as identified by the State end-of-grade test and other factors noted above. Focused instructional supports and services, reading interventions, and accelerated activities should include evidence-based practices that meet the needs of students and may include coaching, mentoring, tutoring, summer school, Saturday school, and extended days. Local school administrative units shall provide these activities free of charge to students. Local school administrative units shall also provide transportation free of charge to all students for whom transportation is necessary for participation in these activities.

Local school administrative units shall give notice of the personal education plan and a copy of the personal education plan to the student's parent or guardian. Parents should be included in the implementation and ongoing review of personal education plans. If a student's school report card provides all the information required in a personal education plan, then no further personal education plan is mandated for the student.

~~Local school administrative units shall certify that they have complied with this section annually to the State Board of Education. The State Board of Education shall periodically review data on the progress of identified students and report to the Joint Legislative Education Oversight Committee.~~

No cause of action for monetary damages shall arise from the failure to provide or implement a personal education plan under this section."

PART VI. EFFECTIVE DATE

SECTION 8. This act is effective when it becomes law and applies beginning with the 2013-2014 school year.

SENATE BILL 516:
Public School Regulatory Reform

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	April 24, 2013
Introduced by:	Sen. Tillman	**Prepared by:**	Patsy Pierce
Analysis of:	PCS to First Edition S516-CSTL-17		Committee Staff

SUMMARY: ***Senate Bill 516 would (i) remove statutory limits on class size and teaching loads, (ii) exempt local school administrative units from reporting to the Labor and Economic Analysis Division, (iii) direct the State Board of Education to revise chartered bus policies, (iv) reduce disadvantaged student reports to one per year; (v) incorporate Uniform Education Reporting System requirements into the Instructional Improvement System; (vi) establish a commission to study exceptional children's services, and (vii) eliminate personal education plans.***

The PCS for SB 516 removes the sections related to ending class size limits, chartered bus policy changes, and eliminating personal education plans. The PCS also (i) eliminates certain reports, (ii) adds two members to the exceptional children's study commission, and (iii) eliminates the reporting requirements for personal education plans.

CURRENT LAW/BILL ANALYSIS:

Part I. Eliminate ESC Reporting

Current Law: G.S. 96-33 requires all State and local government agencies receiving State or federal funding to provide job training, education, and placement programs to provide requested information to the Labor and Economic Analysis Division for input into the common follow-up information management system.

Bill Analysis: The PCS would exempt local school administrative units from this requirement.

Part II. Disadvantaged Student Report

Background: Two State Board of Education (SBE) policies, GCS-C-005 and GCS-C-021, currently require local school administrative units to report to the SBE on December 1 and April 1 of each year on data related to economically disadvantaged students.

Bill Analysis: The PCS would provide that to the extent required by federal law, these reports only need to be filed with the SBE once a school year.

Part III. IIS Reporting

Background: The Instructional Improvement System (IIS), along with the student information system (PowerSchool) will provide portals for students, teachers, parents, and school and district administrators to access data and resources to inform decision-making related to instruction, assessment, and career and college goals. (Source: http://www.dpi.state.nc.us/homebase/improvement/).

Current Law: G.S. 115C-12(18) provides that one of the powers and duties of the SBE is to develop and implement a Uniform Education Reporting System (UERS) to gather, process, and report fiscal, personnel and student data by means of electronic transfer from local computers to the State Computer Center. The SBE also shares information with institutions of higher education. The USER is to be used

by the General Assembly to determine State, local, and federal expenditures for personnel, textbooks, supplies, equipment, capital outlays, at-risk students, and other purposes.

Bill Analysis: The PCS eliminates several reports and directs DPI to collect the information contained in those reports, if necessary to comply with State or federal law, through the IIS. The PCS also directs the SBE to incorporate the reporting requirements under the UERS into the IIS, whenever practicable.

Part IV. Commission to Study Exceptional Children's Services

Bill Analysis: A Commission to study the provision of exceptional children's services in NC Public Schools would be established. The Commission would be composed of 14 members, 7 appointed by the Speaker of the House of Representatives and 7 appointed by the President Pro Tempore of the Senate. The members appointed by the Speaker would include 4 members of the House, a DPI representative, an exceptional children's program director, and a member of an exceptional children's advocacy group. The President Pro Temp's appointees would include 4 members of the Senate, a school system superintendent, an attorney with exceptional children's education law experience, and an exceptional children's advocacy group representative. The duties of the Commission would include reviewing all aspects of exceptional children's services and recommend ways to limit reporting requirements and compliance measures. The Commission would conduct a study on the cost to educate students with disabilities and examine:

1. Individualized Education Program (IEP) forms and paperwork.

2. Alignment of DPI's Continuous Improvement Performance Plan to the federal State Performance Plan and Annual Performance Report.

3. Student performance assessments and alternative assessments required by the SBE.

4. Requirements for class sizes and caseload requirements for children with disabilities.

5. Unfunded fiscal impacts of reporting and compliance measures.

The Commission would receive subsistence and travel support, clerical and staff support, and could meet in the Legislative Buildings or in various locations around the State. The Commission would report its findings and recommendations, including recommendations on revisions to exceptional children funding, to the Joint Legislative Education Oversight Committee no later than March 15, 2014. The Commission would terminate upon filings its final report.

Part V. Eliminate Personal Education Plan Reporting.

Current Law: G.S. 115C-105.41 provides for personal education plans (PEP) for students who are at risk for academic failure beginning in kindergarten. A PEP is developed based on a student's grades, informal and formal assessments and details the focused instructional supports needed by the student. Local school administrative units give a copy of PEPs to parents and parents are included in the implementation and review of the plan. If a student's report card contains all the required information that would be in a PEP, then that report card can serve as the PEP. Local school administrative units are required to annually certify to the SBE that they have developed and implemented PEPs for at-risk students. The SBE reviews the data on the progress of identified students and reports to the Joint Legislative Education Oversight Committee. No cause of action for monetary damages can arise from the failure to provide or implement a PEP.

Bill Analysis: The PCS removes the reporting requirement for local school administrative units and the SBE.

EFFECTIVE DATE: This act is effective when it becomes law and applies beginning with the 2-13-2014 school year.

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

4-24-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Leanne E Winner	NCSBA
Katherine Joyce	NCASA
Gene Causby	NCSCA
Todd O'Brien	PTFPNC
[illegible]	NCSNA
Townes Maxwell	PSG
C Wentz	Barringer
Barbara Braybay	Warrenton, NC Warren Co. Bd. of Education
Linda T. Mason	Warren County Schools 109 Cousin Lucy's Lane Warrenton NC 27589
Ray V. Spain	Warren County Schools Warrenton, NC
Alicia Schauss	NCDPI
Rachel Beaulieu	NCDPI
Maria Pitre-Martin	NCDPI
Jacqueline Twiggs	ACT, Inc.
Audrey Hanna	NCCHE
Mary C. Hamilton	NCCHE
Lena Hensley	NCCHE

09-21-201

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

4-24-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[illegible]	Ed Consultant
Jacob Yaniero	Sen Brown
Mike Olsen	NCSHLEAF.ORG
Carolyn Hawthorne	ETHOS
April Long	UNC
Cheyenne English	UNC
Mark Freeman	NCHE
Annaliese Dolph	Dolph Law
Pam Harley + children	NCCHE / homeschooler
Brian Lewis	NCAE

09-21-201

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

4-24-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Karin Lawin, Peyton and Sarah	homeschool mother
Jamie Upton, Alyssa, Peyton	Thomas homeschool mother + daughters
Elizabeth Hamilton	OSBM
J Mill	SBE
Ira Wolfe	OPI

09-21-201

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

4-24-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Buddy Harris	Hunt Institute
~~Casandra Skinner~~	NCACC
Wendi Hilton Josiah, Spirit and Charity	Homeschool Teacher
Lynne M Taylor, Lydia Taylor	Homeschool veteran
Melissa Platero Ashley	Homeschool mother
Bill Pengelee	DOA
Sarah Miller	self
Rhonda Jodoin	DOA
Leanne Knight	Homeschool mother
Rev. MARK CREECH	CAL
Debbie Mason	NCHE
SPENCER MASON	NORTH CAROLINIANS for Home ED.
Mari Fitz-Wynn	North Carolinians for Home Education
Carmen Ledford: Mary Hanna - NCCHE	
Jennifer Mauney	NCCHE
Brenda Brown	NCCHE
Jamie King Tuguay	NCEL

09-21-201

Senate Committee on Education/Higher Education
Wednesday, May 1, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 320	Improve Ed. for Children Who Are Deaf.	Senator Daniel Senator Newton Senator Bryant

Adjournment

Senate Committee on Education/Higher Education
Wednesday, May 1, 2013 at 10:00 AM
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on May 1, 2013 in Room 544 of the Legislative Office Building. 18 members were present.

Senator Dan Soucek, Chair, presided.

Chairman Soucek called the meeting to order at 10:05AM and thanked the pages and the Sergeants-at-Arms.

Senator Cook was recognized and moved for adoption of a proposed committee substitute (PCS) to S320. The PCS was adopted.

Chairman Soucek then recognized Senator Daniel to explain the bill. Senator Daniel explained that the bill is intended to help improve educational outcomes for deaf students.

Senator Bryant was recognized and related her role in shaping the bill and moved for a favorable report.

Chairman Soucek recognized Megan Katz of the North Carolina Chapter of the Alexander Graham Bell Association, who expressed her opposition to the bill and complained that her organization had not been involved in constructing the legislation.

Julia Adams of the North Carolina ARC was recognized next and expressed her organization's support of the bill.

Chairman Soucek then recognized Senator Stein for a question of Ms. Katz. He asked what issues specifically led her to oppose the bill.

Ms. Katz responded by suggesting that the bill did not deal properly with individualized education program (IEP) creation for deaf students.

Senator Daniel was recognized and commented that in his work on the bill, there was every intent to work with all interested parties.

Chairman Soucek recognized Senator Bryant who then highlighted parts of the bill that deal directly with Ms. Katz's concerns.

Chairman Soucek then called for a vote on Senator Bryant's motion. The committee adopted a favorable report to the PCS and an unfavorable report to the original bill.

Chairman Soucek thanked the members and then adjourned the meeting.

The meeting adjourned at 10:19AM.

Senator Dan Soucek, Chair
Presiding

John Clark, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, May 01, 2013

Senator Soucek,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL

SB **320** Improve Ed. for Children Who Are Deaf.

Draft Number:	S320-PCS85214-TL-21
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Warren Daniel will handle SB 320



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

SENATE BILL 320*
Corrected Copy 3/18/13

Short Title:	Improve Ed. for Children Who Are Deaf.	(Public)
Sponsors:	Senators Daniel, Newton, and Bryant (Primary Sponsors).	
Referred to:	Education/Higher Education.	

March 14, 2013

A BILL TO BE ENTITLED

AN ACT TO IMPROVE EDUCATIONAL OUTCOMES FOR NORTH CAROLINA CHILDREN WHO ARE DEAF OR HARD OF HEARING.

Whereas, children with low-incidence disabilities, as a group, make up approximately one percent (1%) of the total statewide enrollment in public schools; and

Whereas, children with low-incidence disabilities may require highly specialized services, equipment, and materials from the age of onset; and

Whereas, the acquisition of language is essential to the achievement of literacy and academic success; and

Whereas, children who are deaf or hard of hearing, regardless of communication modality, are entitled to the same opportunity to achieve grade and age-level literacy as other children; and

Whereas, skill in signing or speaking does not guarantee skill in reading and writing, and reading and writing must be taught using the mode of the individual child's communication; and

Whereas, children who have a solid language base, regardless of whether it is spoken or signed, become better readers than those who do not; and

Whereas, all children who come to school and who are not proficient in reading and writing English, including children whose spoken language is not English and children who use non-English American Sign Language (ASL) or other combined signing systems, must receive specialized instruction in order to read and write English; and

Whereas, some children who are deaf or hard of hearing and who are not proficient in reading and writing English may be eligible for special education services if an Individualized Education Program (IEP) team determines the child's hearing loss is the reason the child has not obtained proficiency in reading and writing English; and

Whereas, some children who are deaf or hard of hearing require instruction from highly qualified and certified personnel who can communicate using the individual child's communication mode; and

Whereas, children who are deaf or hard of hearing may be classified as having a primary disability other than hearing loss for purposes of special education and, therefore, may not be tracked within existing Department of Public Instruction databases as having a hearing loss, thus making it challenging to monitor their language development and literacy achievement; and

Whereas, children who are deaf or hard of hearing may be best served by having opportunities to interact with a sufficient number of same language and communication mode peers who are of the same age and ability level; and

Whereas, it is desirable for children who are deaf or hard of hearing to have opportunities to interact with adult role models who are deaf or hard of hearing; and

Whereas, children who are deaf or hard of hearing should be offered equal opportunity to benefit from all services and programs at their school; and

Whereas, North Carolina has adopted the Common Core State and NC Essential Standards; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The State Board of Education shall do at least all of the following to improve the educational outcomes for North Carolina children who are deaf or hard of hearing:

(1) Develop assessment procedures and protocols to measure, at least annually or more frequently if specified in a child's Individualized Education Program (IEP), the acquisition of language skills necessary for literacy using linguistically and culturally appropriate assessment tools. The results of these assessments shall be used to determine whether further support and services, if any, are needed for a child.

(2) Require an IEP team to use the Comprehensive Exceptional Children Accountability System, Communication Plan Worksheet for Student Who is Deaf or Hard of Hearing, to document (i) the team's consideration of the language and communication needs of the individual child as the IEP is developed, (ii) the placement decisions made for that child, and (iii) the team's review, at least annually, of the child's placement and language and communication needs.

(3) Ensure that personnel who are highly qualified in the education of children who are deaf or hard of hearing are available to meet the unique needs of each child, including interactions in the child's language and communication modality to meet academic and social goals.

(4) Develop and implement strategies to ensure that parents of a child who is deaf and hard of hearing know they are entitled to request that the child's IEP team consider placement of their child in a residential setting and, if such a request is made, that a representative from one of the two North Carolina residential/day program schools for the deaf shall be a member of the IEP team.

SECTION 2. The Department of Health and Human Services and other State agencies and organizations upon the request of the Department of Public Instruction (DPI) shall make databases containing information on children under the age of 22 who are diagnosed as deaf or hard of hearing available to DPI. DPI shall use this information to develop and maintain a statewide data tracking system for the purpose of coordinating with other State agencies and organizations and ensuring literacy achievement for all such children who are deaf or hard of hearing.

SECTION 3. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 320*
Corrected Copy 3/18/13
PROPOSED COMMITTEE SUBSTITUTE S320-CSTL-21 [v.1]
4/29/2013 4:05:42 PM

Short Title: Improve Ed. for Children Who Are Deaf. (Public)

Sponsors:

Referred to:

March 14, 2013

A BILL TO BE ENTITLED

AN ACT TO IMPROVE EDUCATIONAL OUTCOMES FOR NORTH CAROLINA CHILDREN WHO ARE DEAF OR HARD OF HEARING.

Whereas, children with low-incidence disabilities, as a group, make up approximately one percent (1%) of the total statewide enrollment in public schools; and

Whereas, children with low-incidence disabilities may require highly specialized services, equipment, and materials from the age of onset; and

Whereas, the acquisition of language is essential to the achievement of literacy and academic success; and

Whereas, children who are deaf or hard of hearing, regardless of communication modality, are entitled to the same opportunity to achieve grade and age-level literacy as other children; and

Whereas, skill in signing or speaking does not guarantee skill in reading and writing, and reading and writing must be taught using the mode of the individual child's communication; and

Whereas, children who have a solid language base, regardless of whether it is spoken or signed, become better readers than those who do not; and

Whereas, all children who come to school and who are not proficient in reading and writing English, including children whose spoken language is not English and children who use non-English American Sign Language (ASL) or other combined signing systems, must receive specialized instruction in order to read and write English; and

Whereas, some children who are deaf or hard of hearing and who are not proficient in reading and writing English may be eligible for special education services if an Individualized Education Program (IEP) team determines the child's hearing loss is the reason the child has not obtained proficiency in reading and writing English; and

Whereas, some children who are deaf or hard of hearing require instruction from highly qualified and certified personnel who can communicate using the individual child's communication mode; and

Whereas, children who are deaf or hard of hearing may be classified as having a primary disability other than hearing loss for purposes of special education and, therefore, may not be tracked within existing Department of Public Instruction databases as having a hearing loss, thus making it challenging to monitor their language development and literacy achievement; and

Whereas, children who are deaf or hard of hearing may be best served by having opportunities to interact with a sufficient number of same language and communication mode peers who are of the same age and ability level; and

Whereas, it is desirable for children who are deaf or hard of hearing to have opportunities to interact with adult role models who are deaf or hard of hearing; and

Whereas, children who are deaf or hard of hearing should be offered equal opportunity to benefit from all services and programs at their school; and

Whereas, North Carolina has adopted the Common Core State and NC Essential Standards; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The State Board of Education shall do at least all of the following to improve the educational outcomes for North Carolina children who are deaf or hard of hearing:

(1) Develop assessment procedures and protocols to measure, at least annually or more frequently if specified in a child's Individualized Education Program (IEP), the acquisition of language skills necessary for literacy using linguistically and culturally appropriate assessment tools. The results of these assessments shall be used to determine whether further support and services, if any, are needed for a child.

(2) Require an IEP team to use the Communication Plan Worksheet for Student Who is Deaf or Hard of Hearing to document (i) the team's consideration of the language and communication needs of the individual child as the IEP is developed, reviewed, or revised, (ii) data to be used in the placement decisions made for that child, and (iii) the team's review, at least annually, of the child's placement and language and communication needs.

(3) Ensure that personnel who are highly qualified in the education of children who are deaf or hard of hearing are available to meet the unique needs of each child, including interactions in the child's language and communication modality to meet academic and social goals.

(4) Develop and implement strategies to ensure that parents of a child who is deaf and hard of hearing know they are entitled to request that the child's IEP team consider placement of their child in a residential setting and, if such a request is made, that a representative from one of the two North Carolina residential/day program schools for the deaf shall be a member of the IEP team.

SECTION 2. The Department of Health and Human Services and other State agencies and organizations upon the request of the Department of Public Instruction (DPI) shall make databases containing information on children under the age of 22 who are diagnosed as deaf or hard of hearing available to DPI. DPI shall use this information to develop and maintain a statewide data tracking system for the purpose of coordinating with other State agencies and organizations and ensuring literacy achievement for all such children who are deaf or hard of hearing.

SECTION 3. This act is effective when it becomes law.

SENATE BILL 320:
Improve Ed. for Children Who Are Deaf

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	May 1, 2013
Introduced by:	Sens. Daniel, Newton, Bryant	**Prepared by:**	Patsy Pierce
Analysis of:	PCS to Second Edition S320-CSTL-21		Legislative Analyst

Summary: Senate Bill 320 would direct the State Board of Education to improve the educational outcomes for children who are deaf and hard of hearing by ensuring (i) culturally and linguistically appropriate annual literacy assessment, (ii) IEP team documentation processes, (iii) availability of highly qualified personnel, and (iv) parental rights to request residential school placement. The bill would also direct the Department of Health and Human Services to make relevant information available to the Department of Public Instruction. The Proposed Committee Substitute (PCS) would remove a reference to the Comprehensive Exceptional Children Accountability System which is not used by all local school administrative units. Individualized Education Program (IEP) teams would be required to use the Communication Plan Worksheet for Student Who is Deaf or Hard of Hearing to document IEP team processes.

CURRENT LAW: The federal Individuals with Disabilities Education Act (IDEA) and Article 9 of Chapter 115C of the General Statutes ensure the right of a "free appropriate public education" provided in the "least restrictive environment" to children with disabilities ages three through twenty-one years. G.S. 115C-106.2(c) provides that the State Board of Education may set standards for the education of children with disabilities that are higher than those required by IDEA.

BILL ANALYSIS: The PCS for Senate Bill 320 would direct the State Board of Education to improve the educational ›mes for children who or deaf or hard of hearing by:

- Developing culturally and linguistically appropriate assessment procedures to at least annually assess literacy skills, and to address the outcomes of the annual assessment.
- Requiring an individualized education program (IEP) team to use the Communication Plan Worksheet for Students Who Are Deaf and Hard of Hearing to document the child's (i) language and communication needs as IEPs are developed, reviewed, and revised, (ii) data used in placement decisions, and (iii) annual review of needs and placement.
- Ensuring availability of highly qualified personnel to meet the unique needs of each child, including interactions in the child's language and communication modality to meet academic and social goals.
- Ensuring that parents know their right to request the IEP team to consider residential placement, and if this request is made, that a representative from one of the residential schools/day programs be made a member of the IEP team.

The PCS for Senate Bill 320 would also direct the Department of Health and Human Services and other State agencies and organizations to make their databases containing information on children birth to twenty-two years who are deaf and hard of hearing available to the Department of Public Instruction (DPI), upon DPI's request. DPI would use this information to develop and maintain a statewide data tracking system to coordinate State agency and organization efforts to ensure literacy achievement for all children who are deaf and hard of hearing.

EFFECTIVE DATE: This act is effective when it becomes law.

BACKGROUND: The Department of Public Instruction (DPI) reports that as of December 2012, there were 180 children who are deaf, and 1958 children who are hearing impaired, ages 3-21 years being educated in the public schools. Of this total, 70 children who are deaf and 110 who are hearing impaired are placed in NC's residential schools/day ›ams.

VISITOR REGISTRATION SHEET

Ed / Higher Ed
(Committee Name)

5-1-13
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
John Hood	MFJS
Katherine Joyce	NCASA
Jay Boyette	Pr Citizen
Brad Toffolo	Citizen
C Wentz	Staff
R Beadle	NCDPI
C. Garvin	Sierra Club
Neal Robbins	NC DENR

09-21-201

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

5-1-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Megan Katz	NCAG Bell Raleigh NC
Annaliese Dolph	Dolph Law
Julia Adams	The Arc of NC / NCARF
Sherry Thomas	NC DPI
[signature]	NCSNA
Gene Causby	NCSCA
Tim MacDowell	Pr. College

Senate Committee on Education/Higher Education
Wednesday, May 8, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 370	Respect for Student Prayer/Religious Activity.	Senator Bingham Senator Daniel Senator Hise
SB 444	UNC/Cherokee Language.	Senator Brock Senator J. Davis
SB 719	Student Organizations/Rights & Recognition.	Senator Soucek

Presentations

Other Business

Adjournment

Senate Committee on Education/Higher Education
Wednesday, May 8, 2013
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on May 8, 2013 in Room 544 of the Legislative Office Building. 17 members were present.

Senator Jerry W. Tillman, Chair, presided.

Chairman Tillman called the meeting to order and recognized the Sergeants-at-Arms and the pages. Chairman Tillman called on Senator Brock to explain S444. Senator Robinson made a motion for a favorable report. The motion passed.

A motion to adopt the Proposed Committee Substitute for S719 was made by Senator Newton. The motion passed. Senator Soucek was recognized to explain the bill. Committee members discussed the bill, and several questions were answered by Senator Soucek and Drupti Chauhan, of the General Assembly's Research Division.

Senator Stein asked staff what the current law is. Drupti Chauhan explained that there is no current state law on this issue. Senator Stein asked Drew Moretz, UNC General Administration, how this statute differs from current practices for the UNC University System. Drew Moretz explained that student groups lead their own affairs.

Sen. Bryant asked staff if there is any federal case law. Kara McCraw, of the General Assembly's Research Division, responded there was a U.S. Supreme Court case in 2010 that involved the University of California, Hastings Law School.

Sen. Soucek commented that one of the purposes of S719 was to create guidance and uniformity.

Chairman Tillman recognized Tami Fitzgerald, NC Values Coalition, for public comment.

Sen. Newton made a motion for an unfavorable as to bill, but favorable as to committee substitute bill. The motion passed.

A motion to adopt the Proposed Committee Substitute for S370 was made by Senator Newton. The motion passed. Senator Daniel put forth an amendment and explained the amendment. A motion for the adoption of the amendment was made by Senator Davis. The motion passed. Committee members discussed the bill, and several questions were answered by Senator Daniel and Kara McCraw, of the General Assembly's Research Division. Senator Bingham was recognized to speak on the bill.

Chairman Tillman recognized the following for public comment:

Reverend Mark Creech, Executive Director of Christian Action League of NC

Tami Fitzgerald, NC Values Coalition

Leanne Winner, North Carolina School Boards Association

Senator Cook made a motion for an unfavorable as to bill, but favorable as to committee substitute bill. The motion passed.

The meeting adjourned.

Sen. Jerry W. Tillman, Chair
Presiding

Suzanne Castleberry, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, May 08, 2013

Senator Tillman,
submits the following with recommendations as to passage:

FAVORABLE

SB **444** UNC/Cherokee Language.

Draft Number:	None
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Andrew Brock will handle SB 444



NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, May 08, 2013

Senator Tillman,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL

SB **719** Student Organizations/Rights & Recognition.

Draft Number:	S719-PCS75318-RQ-10
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes

TOTAL REPORTED: 1

Senator Daniel Soucek will handle SB 719



NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, May 08, 2013

Senator Tillman,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL

SB **370** Respect for Student Prayer.

Draft Number:	S370-PCS15264-TC-23
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes

TOTAL REPORTED: 1

Senator Warren Daniel will handle SB 370



SENATE BILL 444

Short Title:	UNC/Cherokee Language.	(Public)
Sponsors:	Senators Brock and J. Davis (Primary Sponsors).	
Referred to:	Education/Higher Education.	

March 27, 2013

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA TO RECOGNIZE THE CHEROKEE LANGUAGE AS A LANGUAGE FOR WHICH A STUDENT MAY SATISFY A FOREIGN LANGUAGE COURSE REQUIREMENT FOR DEGREE COMPLETION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116-11 is amended by adding a new subdivision to read:

"(4c) The Board of Governors shall require each constituent institution to develop and implement a policy that recognizes the Cherokee language as a language for which a student may satisfy the foreign language course requirement for degree completion at the institution."

SECTION 2. This act is effective when it becomes law and applies to the 2013-2014 academic year and each subsequent year.

SENATE BILL 444:
UNC/Cherokee Language

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	May 8, 2013
Introduced by:	Sens. Brock, J. Davis	**Prepared by:**	Patsy Pierce
Analysis of:	First Edition		Legislative Analyst

SUMMARY: ***Senate Bill 444 would require each constituent institution of The University of North Carolina to recognize the Cherokee language as a language for which a student may satisfy the foreign course language requirement for degree completion at the constituent institution.***

BILL ANALYSIS: Senate Bill 444 would direct the Board of Governors at The University of North Carolina to require each constituent institution to develop and implement a policy that would recognize the Cherokee language as a language for which students may satisfy the foreign language course requirement at that campus.

EFFECTIVE DATE: The bill would become effective when it becomes law and would apply to the 2013-2014 academic year and each subsequent year.

BACKGROUND: According to UNC General Administration, UNC-Chapel Hill and Western Carolina University are currently offering Cherokee language courses. Both of these campuses allow students to obtain language credit for the Cherokee language to fulfill their foreign language requirements for a degree program.

Campuses have the authority to set their own policies for foreign language requirements for various degree programs. For example, on some campuses such as UNC-Asheville, when a particular language is not offered, the student's level of fluency or expertise is determined by the faculty with the assistance of someone on campus or in the community. The university then would waive the requirement for the student to take a foreign language but would not grant the student course credit. UNC-Asheville uses a similar policy for students taking placement exams for languages that are taught on the campus. If a student demonstrates proficiency, the student is granted an exemption from the university's foreign language requirement for degree completion but does not receive academic credit.

O. Walker Reagan
Director

S444-SMTL-51 E1 -V2

Research Division
(919) 733-2578

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

SENATE BILL 719

Short Title:	Student Organizations/Rights & Recognition.	(Public)
Sponsors:	Senators Soucek (Primary Sponsor); Barefoot, Daniel, Meredith, Newton, and Rabin.	
Referred to:	Education/Higher Education.	

April 4, 2013

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT STUDENT ORGANIZATIONS AT CONSTITUENT INSTITUTIONS MAY DETERMINE THE ORGANIZATION'S CORE FUNCTIONS AND RESOLVE ANY DISPUTES OF THE ORGANIZATION.

The General Assembly of North Carolina enacts:

SECTION 1. Part 3 of Article 1 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"**§ 116-40.12. Student organizations; rights and recognition.**

(a) To the extent allowed by State and federal law, a student organization may determine that ordering the organization's internal affairs, selecting the organization's leaders, defining the organization's doctrines, and resolving the organization's disputes are in furtherance of the organization's mission and that only persons committed to that mission should conduct such activities.

(b) No constituent institution that has granted recognition of and access to any student organization or group shall discriminate against any such student organization or group that exercises its rights pursuant to subsection (a) of this section."

SECTION 2. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 719
PROPOSED COMMITTEE SUBSTITUTE S719-CSRQ-10 [v.3]

5/7/2013 3:28:46 PM

Short Title: Student Organizations/Rights & Recognition. (Public)

Sponsors:

Referred to:

April 4, 2013

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT STUDENT ORGANIZATIONS AT CONSTITUENT INSTITUTIONS AND COMMUNITY COLLEGES MAY DETERMINE THE ORGANIZATION'S CORE FUNCTIONS AND RESOLVE ANY DISPUTES OF THE ORGANIZATION AND TO PROHIBIT CONSTITUENT INSTITUTIONS AND COMMUNITY COLLEGES FROM DENYING RECOGNITION TO ORGANIZATIONS FOR EXERCISING THESE RIGHTS.

The General Assembly of North Carolina enacts:

SECTION 1. Part 3 of Article 1 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"**§ 116-40.12. Student organizations; rights and recognition.**

(a) No constituent institution that grants recognition to any student organization shall deny recognition to a student organization or deny to a student organization access to programs, funding, facilities, or other privileges associated with official recognition otherwise available to another student organization, on the basis of the organization's exercise of its rights pursuant to subsection (b).

(b) To the extent allowed by State and federal law, a religious or political student organization may, in conformity with the organization's established written doctrines expressing the organization's faith or mission: (i) determine that only persons professing the faith or mission of the group and comporting themselves in conformity with are qualified to serve as leaders of that organization, (ii) order its internal affairs according to the established written doctrines, and (iii) resolve the organization's disputes according to the established written doctrines."

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

"**§ 115D-20.2. Student organizations; rights and recognition.**

(a) No community college that grants recognition to any student organization shall deny recognition to a student organization or deny to a student organization access to programs, funding, facilities, or other privileges associated with official recognition otherwise available to another student organization, on the basis of the organization's exercise of its rights pursuant to subsection (b).

(b) To the extent allowed by State and federal law, a religious or political student organization may, in conformity with the organization's established written doctrines expressing the organization's faith or mission: (i) determine that only persons professing the faith or mission of the group and comporting themselves in conformity with are qualified to serve as leaders of that organization, (ii) order its internal affairs according to the established

written doctrines, and (iii) resolve the organization's disputes according to the established written doctrines."

SECTION 3. This act is effective when it becomes law.

SENATE BILL 370

Short Title:	Respect for Student Prayer.	(Public)
Sponsors:	Senators Bingham, Daniel, Hise (Primary Sponsors); Allran, Barefoot, Brock, Cook, Curtis, D. Davis, J. Davis, Goolsby, Jackson, Newton, Rabin, Randleman, Sanderson, and Soucek.	
Referred to:	Education/Higher Education.	

March 20, 2013

A BILL TO BE ENTITLED

AN ACT TO CLARIFY STUDENT RIGHTS TO PRAY IN SCHOOL, TO PROHIBIT PRAYER OFFICIALLY SANCTIONED BY SCHOOLS IN ACCORDANCE WITH THE UNITED STATES CONSTITUTION, AND TO REQUIRE SCHOOL EMPLOYEES TO DEMONSTRATE APPROPRIATE RESPECT FOR STUDENT-INITIATED AND STUDENT-LED PRAYERS IN EXTRACURRICULAR ACTIVITIES, INCLUDING INTERSCHOLASTIC ATHLETICS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-47(29b) reads as rewritten:

"(29b) To Ensure Freedom of Religion. – No local board of education shall have a policy of denying, or that effectively prevents participation in, prayer in public schools by individuals on a voluntary basis, except when necessary to maintain order and discipline. No local board of education shall encourage or require any person to participate in prayer or influence the form or content of any prayer in public schools. Policies of local boards regarding free expression of religion shall reflect the following:

a. A student may pray silently at any time or audibly during noninstructional time when the student is free to pursue other activities if the prayer is voluntary and unofficial and does not interfere with teachers, school activities, or other students.

b. Prayer officially sanctioned by the school or school officials is not permitted during the school day and prior to, during, or after extracurricular school events, including athletic events, regardless of whether (i) the prayer is led or offered by a school employee, clergy, parent, or student; (ii) the prayer is nondenominational; or (iii) participation in the prayer is voluntary and optional.

c. Students may gather for prayers before, during, or after an extracurricular activity, including interscholastic athletics, if the prayers are student-initiated and student-led and those students voluntarily participating in the prayer do not pressure other students to participate. School employees supervising extracurricular activities, including coaches, may be present during the student-initiated and student-led prayer and, if present, shall demonstrate appropriate respect and may adopt a respectful posture.

This subdivision shall not be construed to direct any local board of education to take any action in violation of the Constitutions of North Carolina or the United ~~States.~~States, including prevention of or denial of participation in constitutionally protected prayer in public schools."

SECTION 2. This act is effective when it becomes law.

SENATE BILL 370:
Respect for Student Prayer

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	May 8, 2013
Introduced by:	Sens. Bingham, Daniel, Hise	**Prepared by:**	Kara McCraw and Drupti Chauhan Committee Counsel
Analysis of:	PCS to First Edition S370-CSTC-23		

SUMMARY: SB 370 would require local boards of education to include in policy the following requirements related to prayer in schools:

- ***Freedom of students to pray at school, including at extracurricular events.***
- ***Impermissibility of officially sanctioned prayer led by school officials.***
- ***Requirement that school employees supervising extracurricular events demonstrate appropriate respect for student-led prayer.***

The Proposed Committee Substitute (PCS) would: set out the specific rights of students to engage in prayer and religious activity; create administrative remedies and a cause of action for complaints regarding the exercise of religious activity; set forth the parameters for religious activity by school personnel; provide that officially sanctioned school prayer is prohibited.

CURRENT LAW: G.S. 115C-47(29b) prohibits local boards of education from having a policy that would deny or effectively prevent participation in prayer in public schools by individuals on a voluntary basis, except when necessary to maintain order and discipline. The statute also requires that local boards of education not encourage or require any person to participate in prayer or influence the form or content of any prayer in public schools. The statute indicates that no local board should take actions in violation of the US or NC Constitutions.

The Elementary and Secondary Education Act ("ESEA") of 1965, as amended by the No Child Left Behind Act of 2001, requires the Secretary of Education to issue guidance on constitutionally protected prayer in public elementary and secondary schools, and requires that, as a condition of receiving ESEA funds, a local school administrative units must certify in writing to the Department of Public Instruction annually that it has no policy that prevents, or otherwise denies participation in, constitutionally protected prayer in public schools in conformity with the issued guidance. The Guidance provides the following instruction to public schools:

"Prayer During Noninstructional Time - Students may pray when not engaged in school activities or instruction, subject to the same rules designed to prevent material disruption of the educational program that are applied to other privately initiated expressive activities. Among other things, students may read their Bibles or other scriptures, say grace before meals, and pray or study religious materials with fellow students during recess, the lunch hour, or other noninstructional time to the same extent that they may engage in nonreligious activities. While school authorities may impose rules of order and pedagogical restrictions on student activities, they may not discriminate against student prayer or religious speech in applying such rules and restrictions."

"Organized Prayer Groups and Activities - Students may organize prayer groups, religious clubs, and "see you at the pole" gatherings before school to the same extent that students are permitted to organize other non-curricular student activities groups. Such groups must be given the same access to school facilities for assembling as is given to other non-curricular groups, without discrimination because of the religious content of their expression. School authorities possess substantial discretion concerning whether to permit the use of school media for student dvertising or announcements regarding non-curricular activities. However, where student groups that meet for onreligious activities are permitted to advertise or announce their meetings—for example, by advertising in a

student newspaper, making announcements on a student activities bulletin board or public address system, or handing out leaflets—school authorities may not discriminate against groups who meet to pray. School authorities may disclaim sponsorship of non-curricular groups and events, provided they administer such disclaimers in a manner that neither favors nor disfavors groups that meet to engage in prayer or religious speech."

"Religious Expression and Prayer in Class Assignments - Students may express their beliefs about religion in homework, artwork, and other written and oral assignments free from discrimination based on the religious content of their submissions. Such home and classroom work should be judged by ordinary academic standards of substance and relevance and against other legitimate pedagogical concerns identified by the school. Thus, if a teacher's assignment involves writing a poem, the work of a student who submits a poem in the form of a prayer (for example, a psalm) should be judged on the basis of academic standards (such as literary quality) and neither penalized nor rewarded on account of its religious content."

"Student Assemblies and Extracurricular Events - Student speakers at student assemblies and extracurricular activities such as sporting events may not be selected on a basis that either favors or disfavors religious speech. Where student speakers are selected on the basis of genuinely neutral, evenhanded criteria and retain primary control over the content of their expression, that expression is not attributable to the school and therefore may not be restricted because of its religious (or anti-religious) content. By contrast, where school officials determine or substantially control the content of what is expressed, such speech is attributable to the school and may not include prayer or other specifically religious (or anti-religious) content. To avoid any mistaken perception that a school endorses student speech that is not in fact attributable to the school, school officials may make appropriate, neutral disclaimers to clarify that such speech (whether religious or nonreligious) is the speaker's and not the school's."

"Teachers, Administrators, and other School Employees - When acting in their official capacities as representatives of the state, teachers, school administrators, and other school employees are prohibited by the Establishment Clause from encouraging or discouraging prayer, and from actively participating in such activity with students. Teachers may, however, take part in religious activities where the overall context makes clear that they are not participating in their official capacities. Before school or during lunch, for example, teachers may meet with other teachers for prayer or Bible study to the same extent that they may engage in other conversation or nonreligious activities. Similarly, teachers may participate in their personal capacities in privately sponsored baccalaureate ceremonies."

BILL ANALYSIS: The PCS for SB 370 would create a new Article to address Prayer and Religious Activity and do the following:

Students Right to Engage in Prayer and Religious Activity

Students would be allowed to do any of the following:

- Pray alone or with other students to the same extent as a student is allowed to vocally or silently reflect or speak on nonreligious matters.
- Express, speak to and share religious viewpoints to the same extent as if they were nonreligious viewpoints.
- Possess or distribute religious literature subject to reasonable time, place, and manner restrictions to the same extent as nonreligious literature.
- Organize prayer groups and religious gatherings before, during, and after school to the same extent as students are permitted to organize non-curricular student activities and be given the same access to school facilities as well as advertise or announce meetings of the groups.
- Express beliefs about religion in homework, artwork, and other assignments free from discrimination based on the religious content of the submission which would be judged by ordinary academic standards of substance and relevance.

A student may be prohibited from any of the above activities if the actions of the student would do any of the following:

- Infringe on the rights of the school to maintain order and discipline; prevent disruption of the educational process; and determine the educational curriculum and assignments.
- Harass other persons or coerce other students to participate in the activity or otherwise infringe on the rights of other persons.

Administrative Remedies and Cause of Action for Complaints Regarding Exercise of Religious Activity

If a student alleges that a right established under the Article has been violated, the following procedure must be followed:

- The student or the parent or guardian must state the complaint to the principal who must meet with them if requested.
- The student or the parent or guardian may make a complaint in writing to the superintendent of the local school administrative unit (LEA) and the superintendent must investigate and take action to ensure the alleged violated of the rights of the student is resolved within 30 days of receiving the written complaint.
- If the superintendent fails to resolve the concerns within 30 days, an appeal may be made to the local board of education.
- If no resolution is found, then a cause of action may be brought in the superior court of the county in which the LEA is located but no action can be brought in court until the administrative remedies have been exhausted.

A student who prevails in a court claim brought under this Article would be entitled to reasonable attorney fees and court costs.

The Attorney General must intervene and provide legal defense for any actions that include claims challenging the constitutionality of the Article.

Religious Activity for School Personnel

The PCS provides that nothing in the Article would be construed to support, encourage, or permit a teacher, administrator, or other employee of the local board of education to lead, direct, or encourage any religious or anti-religious activity in violation of the First Amendment of the US Constitution.

Local boards of education would not be allowed to prohibit school personnel from participating in religious activities on school grounds that are initiated by students at reasonable times before or after the instructional day as long as the activities are voluntary for all parties and do not conflict with the responsibilities or work assignments of the personnel.

School employees supervising extracurricular activities, including coaches would be allowed to be present while a student or group of students voluntarily praying. If they are present, they must demonstrate appropriate respect and may adopt a respectful posture.

Local boards of education may allow school personnel to participate in other constitutionally permissible religious activities on school grounds.

Officially Sanctioned School Prayer Prohibited

Prayer officially sanctioned by a school or school officials would not be permitted during the school day and prior to, during, or after extracurricular school events, including athletic events even if the prayer is nondenominational or participation is voluntary and optional.

EFFECTIVE DATE: SB 370 would become effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 370

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

S370-ATC-56 [v.1]

Comm. Sub. [YES]
Amends Title [YES]
First Edition

Date _____,2013

Senator Daniel

moves to amend the bill on page 1, lines 5-6, by rewriting those lines to read:

"RIGHTS; AND TO CLARIFY RELIGIOUS ACTIVITY FOR SCHOOL PERSONNEL.";

and on page 3, line 5, by rewriting that line to read:

"in G.S. 115C-407.30, and if present, shall not be disrespectful of the student exercise of such rights and may adopt a";

and on page 3, lines 10-15 by deleting those lines;

and on page 3, line 16, by substituting the following for the citation on that line:

"**§ 115C-407.33.**".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

S370-ATC-56-V-1

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

5-8-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
	NCNA
	MVA
Jacob Yaniero	Sen. Brown
	OSBM
Adam Brueggemann	OSBM
	NCSBA
	PENC; CISNC
Laura McGee	NC Values
	CS
	Ed Committee
Greg Causby	NCSCA
	NCICU
Adam Prideaux	NCASA
Calvin Dennis	News 14
	BEGINNINGS
Marce Johnson	NCAE
Sarah Preston	ACLU-NC

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

5-8-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Dew Morris	UNC-GA
Betty Baker	UNC Charlotte
Mike Tarrant	UNCG
Michelle Brooks	ECU
[illegible]	[illegible]
Rachel Bentley	NCSDP
Lydia Daniel	citizen
Brenna Daniel	" "
Linda Daniel	General public
Julia Daniel	" "
Sam Poltar	Governor's Page
[illegible]	
Rev. MARIE CREECH	CAL
[illegible]	[illegible]
[illegible]	UNC
Andy Chase	KMA
Chris Hall	NC Justice Center

09-21-201

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

5-8-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Brian Lewis	NCAE
Howard N Lee	Lee Trust
Sheria Reid	SOG/LRS
Evelyn Hawthorne	PSNC CBSNC
John Jyr	CIC

09-21-201

VISITOR REGISTRATION SHEET

Ed/ Higher Ed

(Committee Name)

5-8-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Patrice Rankin	ncACE
Marty McCall	UNC
Mady Sweeney	NCCCS

09-21-201

Senate Committee on Education/Higher Education
Wednesday, May 15, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 236	Counties Responsible for School Construction.	Senator Hunt Senator Apodaca Senator Brunstetter Senator Daniel Senator Hise Senator Brown
SB 674	Prohibit Costly Local Government Litigation. For Discussion Only	

Adjournment

Senate Committee on Education/Higher Education
Wednesday, May 15, 2013 at 10:00 AM
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on May 15, 2013 in Room 544 of the Legislative Office Building. 20 members were present.

Senator Dan Soucek, Chair, presided.

Chairman Soucek called the meeting to order at 10:07AM and thanked the Sergeants-at-Arms and the pages.

Senator Tillman was then recognized and moved for adoption of the proposed committee substitute to Senate Bill 236. The motion passed and the PCS was adopted.

Chairman Soucek then recognized Senator Hunt to explain the bill. Senator Hunt explained that the bill would give County Commissioners the option to assume responsibility for construction and ownership of school property.

Following Senator Hunt's explanation, Senator Cook was recognized for an amendment. Senator Cook explained that his amendment was designed to clarify that mobile classroom units would be included in the bill's intent.

Chairman Soucek called for a vote on the amendment and the amendment was adopted.

Senator Curtis was then recognized for an amendment. He explained that his amendment was crafted to remove Iredell County from the bill.

Chairman Soucek called for a vote on the amendment and the amendment was adopted.

Senator Hartsell was recognized for a question and asked Senator Hunt how the bill would affect the Kannapolis City Schools. He related that Kannapolis City Schools is located only partially in Rowan County, which is included in the bill.

Drupti Chauhan of the General Assembly's Research Division responded by noting that in their opinion, the bill did not clearly deal with a situation involving districts that straddle county lines.

Chairman Soucek then recognized Senator Stein, who offered an amendment. He explained that his amendment was crafted to remove Wake County from the bill.

Senator Hunt was recognized and expressed his opposition to the bill, citing the support of the Wake County commissioners. He noted that members of the County commission are predominately businessmen, where members of the Wake County School Board are not.

Chairman Soucek then recognized Senator Stein who argued that staff members hired by the board, rather than the board itself deals with business matters and emphasized that while the Wake County Commissioners support the bill, the Wake County School Board does not.

Senator Hunt was recognized again and expressed that he is more comfortable having the commissioners oversee school construction than the School boards.

Chairman Soucek called for a vote on the amendment and the amendment failed.

He then recognized Senator Robinson, who offered an amendment to remove Guilford County.

Senator Wade was recognized and expressed her opposition to the amendment and related that the Guilford County Commissioners support the bill.

Chairman Soucek then recognized Rebecca Buffington of the Guilford County School Board, who spoke in support of Senator Robinson's amendment.

Senator Wade was recognized again and reiterated her opposition to the amendment.

Chairman Soucek called for a vote on the amendment and the amendment failed.

He then recognized Senator Hartsell, who offered an amendment specifically to exclude the Kannapolis School District from the bill.

Chairman Soucek recognized Senator Stein, who asked Senator Hunt whether he supported Senator Hartsell's amendment.

Senator Hunt responded that he had no objection to it.

Senator Stein was recognized and opined that Senator Hunt's bill was truly a good bill; it should apply to the entire State.

Chairman Soucek called for a vote on the amendment and the amendment passed.

He then called on Christine Kushner of the Wake County School Board, who expressed her opposition to the bill and asked the members to vote against the bill.

Joe Bryan of the Wake County Commission was then recognized and expressed his support for the bill and related the support of the Commission as a whole.

Davie County Commissioner and former Davie County School Board member Terry Renegar was then recognized and expressed his opposition to the bill.

Chairman Soucek then called on David Thompson of the North Carolina County Commissioners Association, who expressed his organization's support of the bill.

Chairman Soucek then called for a vote on the Proposed Committee Substitute to S236 as amended. The committee adopted a report favorable to the proposed committee substitute as amended, rolled into a new proposed committee substitute, with a favorable report to the new committee substitute and an unfavorable report to the original bill.

Chairman Soucek then announced that the committee would hear S674 for discussion only and Senator Tillman moved for adoption of the proposed committee substitute for purposes of discussion. The PCS was adopted for discussion.

Senator Daniel was recognized to explain his bill. He related to the committee that the purpose of the bill was to restrict the ability of school boards to sue their respective county commissions.

Chairman Soucek recognized Senator Bryant, who questioned what the school boards would have to prove during potential litigation.

Kara McCraw of the General Assembly's Research Division explained that the Leandro case was instructive in making the provision of a "sound, basic education," the burden of proof.

Chairman Soucek then recognized Senator Robinson, who expressed her opposition to the bill, stating that she preferred collaboration between county commissions and school boards.

Senator Brown was then recognized and he expressed his support of the bill opining that litigation makes difficult situations impossible.

Chairman Soucek then recognized Senator Newton, who asked Senator Daniel how much money had been spent on similar litigation.

Senator Daniel replied that he had not seen any statistics on that issue, but read a list of situations that warranted mediation.

Chairman Soucek recognized Senator Stein who inquired about whether a list of situations progressing to litigation existed.

Leanne Winner of the School Boards Association was recognized and she told the committee members that no data on litigation is kept, but related that she only remembered four or five cases in her memory.

Chairman Soucek then recognized Senator Wade, who thanked Senator Daniel for the bill, related her experience as a Guilford County Commissioner and said that Guilford County had been threatened by their school board with litigation.

Senator Cook was also recognized and added a note that Beaufort County had been involved in this type of litigation and related that hundreds of thousands of dollars had been wasted on the litigation.

Senator Daniel was then recognized for a concluding statement. Senator Daniel thanked the members and opined that litigation between school boards and county commissioners could only produce negative effects.

Chairman Soucek then thanked the members and adjourned the meeting.

The meeting adjourned at 10:51AM.

Senator Dan Soucek, Chair
Presiding

John Clark, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, May 15, 2013

Senator Soucek,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL

SB **236** Counties Responsible for School Construction.

Draft Number:	S236-PCS85234-TC-27
Sequential Referral:	Finance
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Neal Hunt will handle SB 236



SENATE BILL 236

Short Title:	Counties Responsible for School Construction.	(Public)
Sponsors:	Senators Hunt, Apodaca, Brunstetter (Primary Sponsors); Hise, Rabin, Tarte, and Tucker.	
Referred to:	Education/Higher Education.	

March 11, 2013

A BILL TO BE ENTITLED

AN ACT AUTHORIZING COUNTIES TO ASSUME RESPONSIBILITY FOR CONSTRUCTION, IMPROVEMENT, OWNERSHIP, AND ACQUISITION OF PUBLIC SCHOOL PROPERTY.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 153A of the General Statutes is amended by adding a new section to read:

"**§ 153A-158.1A. Authority to assume responsibility for construction, improvement, ownership, and acquisition of public school property.**

(a) Scope. – This section applies only in a county that elects by resolution to assume responsibility for some or all of owning, siting, acquiring, constructing, equipping, expanding, improving, repairing, and renovating property for use by a named school administrative unit located wholly within the county but only to the extent and under the terms and conditions specified in the board of county commissioners' resolution. If such election is made, that school administrative unit shall no longer exercise such power for any construction, improvement, ownership, or acquisition of any property for which the county has made that election; the election may, however, leave the school administrative unit with responsibility for equipment and for maintenance and repairs in categories or amounts named in the resolution.

Any responsibility for school property transferred by resolution pursuant to this section shall be for a minimum period of 10 years, renewable by subsequent resolution of the board of commissioners in 10-year increments.

(b) Construction or Improvement by County. – A county may by resolution elect to construct, equip, expand, improve, repair, renovate, or otherwise make available property for use by a school administrative unit within the county. The county shall consult the board of education in the siting, design, construction, equipping, expansion, improvement, or renovation of the property.

(c) Ownership of School Property. – A county may by resolution provide that any interest in real property or school capital funds presently held by the board of education shall vest in the county. A county may also by resolution provide that any interest in real property or school capital funds acquired for the use of a school administrative unit in the future shall vest in the county. A copy of any such resolution shall be certified by the clerk of the board of commissioners and sent to the clerk of the board of education. The board of education shall, within 30 days of entry of the resolution, execute any documents or deeds necessary to

effectuate the transfer under the exact terms set forth in the resolution. The county shall pay the costs of executing the documents or deeds and effectuating the transfer.

As used in this section:

(1) Interest in real property includes, but is not limited to, (i) fixtures, (ii) leaseholds, and (iii) other capital assets.

(2) School capital funds includes, but is not limited to, all or part of (i) funds appropriated to the school capital outlay fund and (ii) funds allocated for school capital from the Public School Building Capital Fund to the county or to local school administrative units located wholly within that county in accordance with G.S. 115C-546.2(a) and (d).

(d) Insurance of Public School Property. – For school property affected by a resolution entered pursuant to this section, a county may elect to (i) leave current risk management programs operated by the school board in place, (ii) secure insurance from the system of insurance operated by the State Board of Education pursuant to Article 38 of Chapter 115C of the General Statutes, (iii) secure insurance from other sources, or (iv) utilize any combination of these options.

Moneys paid to a county pursuant to contracts of insurance against loss of capital assets through fire or casualty shall be used to repair or replace the damaged asset or if the asset is not repaired or replaced, placed to the credit of the county capital outlay fund for public schools for appropriation at some future time.

(e) Liability. – A county shall not be liable for the acts or omissions of school employees in or on school property owned, acquired, leased, or improved by the county by a resolution entered pursuant to this section.

(f) Use of School Property. – Any interest in school property, whether real or personal, acquired by a county under the provisions of this section shall be conclusively presumed to be for the exclusive use by the school administrative unit for public school purposes to the same extent as if the property were owned by the school administrative unit. Therefore, property acquired by a county from a board of education under the provisions of the act shall not constitute the exercise of eminent domain power and shall not otherwise entitle the board of education or school administrative unit to any funds or other consideration for any property so acquired by or transferred to the county.

For school property affected by a resolution entered pursuant to this section, the board of education shall continue to have the exclusive authority to determine whether and when such school property is unnecessary or undesirable for public school purposes, in which event the board of education shall so inform the county board of commissioners. The county shall then either (i) dispose of the property and use the proceeds to reduce the county's bonded indebtedness for schools or for school capital outlay purposes or (ii) use the property for nonschool purposes and use an amount negotiated by the two boards as the fair market value of the property to reduce the county's bonded indebtedness for schools or for school capital outlay purposes."

SECTION 2. G.S. 115C-207(2) reads as rewritten:

"**§ 115C-207. Authority and responsibility of local boards of education.**

Every local board of education that uses State funds to implement programs under this Article shall:

(1) Develop programs and plans for increased community involvement in the public schools based upon policies and guidelines adopted by the State Board of Education.

(1a) Develop policies and programs designed to encourage the use of community-based academic booster organizations, which may be known as Community Achievement Network – Developing Our Educational Resources (CAN DOER) organizations, to provide tutoring and other

appropriate services to encourage and support student academic achievement.

(1b) Develop policies and/or procedures for approving the use of volunteer organizations and for approving the use of individual volunteers.

(1c) Develop policies and/or procedures designed to make information available to parents and students about what tutoring and other academic support services are available to students in the community or through school volunteers or other community organizations.

(2) Develop programs and plans for increased community use of public school facilities based upon policies and guidelines adopted by the State Board of Education. If a county has assumed ownership of school property pursuant to G.S. 153A-158.2, the local board of education shall permit the use of that property by nonschool groups, only as authorized by the county commissioners.

(3) Establish rules governing the implementation of such programs and plans in its public schools and submit these rules along with adopted programs and plans to the State Board of Education for approval by the State Board of Education.

Programs and plans developed by a local board of education may provide for the establishment of one or more community schools advisory councils for the public schools under the board's jurisdiction and for the employment of one or more community schools coordinators. The local board of education shall establish the terms and conditions of employment for the community schools coordinators.

Every local board of education using State funds to implement a community schools program under this Article may enter into agreements with other local boards of education, agencies and institutions for the joint development of plans and programs and the joint expenditure of these State funds."

SECTION 3. G.S. 115C-426 reads as rewritten:

"**§ 115C-426. Uniform budget format.**

...

(f) ~~The~~ Except as otherwise provided in subsection (f1) of this section, the capital outlay fund shall include appropriations for:

(1) The acquisition of real property for school purposes, including but not limited to school sites, playgrounds, athletic fields, administrative headquarters, and garages.

(2) The acquisition, construction, reconstruction, enlargement, renovation, or replacement of buildings and other structures, including but not limited to buildings for classrooms and laboratories, physical and vocational educational purposes, libraries, auditoriums, gymnasiums, administrative offices, storage, and vehicle maintenance.

(3) The acquisition or replacement of furniture and furnishings, instructional apparatus, data-processing equipment, business machines, and similar items of furnishings and equipment.

(4) The acquisition of school buses as additions to the fleet.

(5) The acquisition of activity buses and other motor vehicles.

(6) Such other objects of expenditure as may be assigned to the capital outlay fund by the uniform budget format.

The cost of acquiring or constructing a new building, or reconstructing, enlarging, or renovating an existing building, shall include the cost of all real property and interests in real property, and all plants, works, appurtenances, structures, facilities, furnishings, machinery, and equipment necessary or useful in connection therewith; financing charges; the cost of plans,

specifications, studies, reports, and surveys; legal expenses; and all other costs necessary or incidental to the construction, reconstruction, enlargement, or renovation.

No contract for the purchase of a site shall be executed nor any funds expended therefor without the approval of the board of county commissioners as to the amount to be spent for the site; and in case of a disagreement between a board of education and a board of county commissioners as to the amount to be spent for the site, the procedure provided in G.S. 115C-431 shall, insofar as the same may be applicable, be used to settle the disagreement.

Appropriations in the capital outlay fund shall be funded by revenues made available for capital outlay purposes by the State Board of Education and the board of county commissioners, supplemental taxes levied by or on behalf of the local school administrative unit pursuant to a local act or G.S. 115C-501 to 115C-511, the proceeds of the sale of capital assets, the proceeds of claims against fire and casualty insurance policies, and other sources.

(f1) To the extent that a county has assumed responsibility for the ownership, acquisition, construction, and improvement of school property pursuant to G.S. 153A-158.2, the capital outlay shall not include appropriations for those purposes.

...."

SECTION 4. G.S. 115C-431 reads as rewritten:

"**§ 115C-431. Procedure for resolution of dispute between board of education and board of county commissioners.**

(a) If the board of education determines that the amount of money appropriated to the local current expense fund, or the capital outlay fund, or both, by the board of county commissioners is not ~~sufficient~~ sufficient, when added to the moneys appropriated by the county for school capital projects for which the county has assumed responsibility pursuant to G.S. 153A-158.1A, to support a system of free public schools, the chairman of the board of education and the chairman of the board of county commissioners shall arrange a joint meeting of the two boards to be held within seven days after the day of the county commissioners' decision on the school appropriations.

Prior to the joint meeting, the Senior Resident Superior Court Judge shall appoint a mediator unless the boards agree to jointly select a mediator. The mediator shall preside at the joint meeting and shall act as a neutral facilitator of disclosures of factual information, statements of positions and contentions, and efforts to negotiate an agreement settling the boards' differences.

At the joint meeting, the entire school budget shall be considered carefully and judiciously, and the two boards shall make a good-faith attempt to resolve the differences that have arisen between them.

...

(f) This section shall not apply to a county's election to assume responsibility for the construction, improvement, ownership, and acquisition of school property responsibility pursuant to G.S. 153A-158.1A."

SECTION 5. G.S. 115C-517 reads as rewritten:

"**§ 115C-517. Acquisition of sites.**

Local boards of education or boards of county commissioners acting pursuant to G.S. 153A-158.1 or G.S. 153A-158.1A may acquire suitable sites for schoolhouses or other school facilities either within or without the local school administrative unit; but no school may be operated by a local school administrative unit outside its own boundaries, although other school facilities such as repair shops, may be operated outside the boundaries of the local school administrative unit. Whenever any such board of education is unable to acquire or enlarge a suitable site or right-of-way for a school, school building, school bus garage or for a parking area or access road suitable for school buses or for other school facilities by gift or purchase, condemnation proceedings to acquire same may be instituted by such board under the provisions of Chapter 40A of the General Statutes, and the determination of the local board of

education of the land necessary for such purposes shall be conclusive. A board of county commissioners may acquire such property pursuant to G.S. 153A-158.1 or G.S. 153-158.1A."

SECTION 6. G.S. 115C-519 reads as rewritten:

"**§ 115C-519. Deeds to property.**

All deeds to school property owned by a local board of education shall, after registration, be delivered to the superintendent of the local school administrative unit in which the property is ~~located~~ located, and ~~he~~ the superintendent shall provide a safe place for preserving all such deeds. All deeds to school property owned by a county shall, after registration, be delivered to the clerk of board of county commissioners, and the clerk shall provide a safe place for preserving all such deeds."

SECTION 7. G.S. 115C-521 reads as rewritten:

"**§ 115C-521. Erection of school buildings.**

(a) It shall be the duty of local boards of education to provide classroom facilities adequate to meet the requirements of G.S. 115C-47(10) and 115C-301. Local boards of education shall submit their long-range plans for meeting school facility needs to the State Board of Education by January 1, 1988, and every five years thereafter.

In developing these plans, local boards of education shall consider the costs and feasibility of renovating old school buildings instead of replacing them. For school facilities for which a county has assumed responsibility pursuant to G.S. 153A-158.1A, the county shall provide the local board of education with information necessary for this consideration.

(b) It shall be the duty of the boards of education of the several local school administrative school units of the State to make provisions for the public school term by providing adequate school buildings equipped with suitable school furniture and apparatus. The needs and the cost of those buildings, equipment, and apparatus, except those for which the county has assumed responsibility pursuant to G.S. 153A-158.1A, shall be presented each year when the school budget is submitted to the respective tax-levying authorities. The boards of commissioners shall be given a reasonable time to provide the funds which they, upon investigation, shall find to be necessary for providing their respective units with buildings suitably equipped, and it shall be the duty of the several boards of county commissioners to provide funds for the same.

Upon determination by a local board of education that the existing permanent school building does not have sufficient classrooms to house the pupil enrollment anticipated for the school, the local board of education may acquire and use as temporary classrooms for the operation of the school, relocatable or mobile classroom units, whether built on the lot or ~~not, which~~not. If the county has assumed responsibility pursuant to G.S. 153A-158.1A for providing such classrooms, the county may acquire these units. These units and method of use shall meet the approval of the School Planning Division of the State Board of ~~Education,~~ Education and ~~which units~~ shall comply with all applicable requirements of the North Carolina State Building Code and of the local building and electrical codes applicable to the area in which the school is located. These units shall also be anchored in a manner required to assure their structural safety in severe weather. The acquisition and installation of these units shall be subject in all respects to the provisions of Chapter 143 of the General Statutes. The provisions of Chapter 87, Article 1, of the General Statutes, shall not apply to persons, firms or corporations engaged in the sale or furnishing to local boards of education or boards of county commissioners and the delivery and installation upon school sites of classroom trailers as a single building unit or of relocatable or mobile classrooms delivered in less than four units or sections.

(c) The building of all new school buildings and the repairing of all old school buildings shall be under the control and direction of, and by contract with, the board of education for which the building and repairing is ~~done.~~done, or if the county has assumed responsibility pursuant to G.S. 153A-158.1A for such activities, under the control and direction of, and by contract with the county. If a board of education or a board of county commissioners

is considering building a new school building to replace an existing school building, the board shall not invest any construction money in the new building unless it submits to the State Superintendent and the State Superintendent submits to the North Carolina Historical Commission an analysis that compares the costs and feasibility of building the new building and of renovating the existing building and that clearly indicates the desirability of building the new building. No board of education or board of county commissioners shall invest any money in any new building until it has (i) developed plans based upon a consideration of the State Board's facilities guidelines, (ii) submitted these plans to the State Board for its review and comments, and (iii) reviewed the plans based upon a consideration of the comments it receives from the State Board. No local board of education or board of county commissioners shall contract for more money than is made available for the erection of a new building. However, this subsection shall not be construed so as to prevent boards of education from investing any money in buildings that are being constructed pursuant to a continuing contract of construction as provided for in G.S. 115C-441(c). All contracts for buildings shall be in writing and all buildings shall be inspected, received, and approved by the local superintendent and the architect before full payment is made therefor. Nothing in this subsection shall prohibit boards of education from repairing and altering buildings with the help of janitors and other regular employees of the board.

In the design and construction of new school buildings and in the renovation of existing school buildings that are required to be designed by an architect or engineer under G.S. 133-1.1, the local board of education or the board of county commissioners shall participate in the planning and review process of the Energy Guidelines for School Design and Construction that are developed and maintained by the Department of Public Instruction and shall adopt local energy-use goals for building design and operation that take into account local conditions in an effort to reduce the impact of operation costs on local and State budgets. In the design and construction of new school facilities and in the repair and renovation of existing school facilities, the local board of education or the board of county commissioners shall consider the placement and design of windows to use the climate of North Carolina for both light and ventilation in case of power shortages. A local board shall also consider the installation of solar energy systems in the school facilities whenever practicable.

In the case of any school buildings erected, repaired, or equipped with any money loaned or granted by the State to any local school administrative unit, no board of education or board of county commissioners, if the county has assumed responsibility pursuant to G.S. 153A-158.1A for such activities, shall invest any money until it has (i) developed plans based upon a consideration of the State Board's facilities guidelines, (ii) submitted these plans to the State Board for its review and comments, and (iii) reviewed the plans based upon a consideration of the comments it receives from the State Board.

(c1) No local board of education or board of county commissioners shall apply for a certificate of occupancy for any new middle or high school building until the plans for the science laboratory areas of the building have been reviewed and approved to meet accepted safety standards for school science laboratories and related preparation rooms and stockrooms. The review and approval of the plans may be done by the State Board of Education or by any other entity that is licensed or authorized by the State Board to do so.

(d) Local boards of education shall make no contract for the erection of any school building unless the site upon which it is located is owned in fee simple by the board: Provided, that the board of education of a local school administrative unit, with the approval of the board of county commissioners, may appropriate funds to aid in the establishment of a school facility and the operation thereof in an adjoining local school administrative unit when a written agreement between the boards of education of the administrative units involved has been reached and the same recorded in the minutes of the boards, whereby children from the

administrative unit making the appropriations shall be entitled to attend the school so established.

In all cases where title to property has been vested in the trustees of a special charter district which has been abolished and has not been reorganized, title to the property shall be vested in the local board of education of the county embracing the former special charter district.

(e) The State Board of Education shall establish within the Department of Public Instruction a central clearinghouse for access by local boards of education or boards of county commissioners that may want to use a prototype design in the construction of school facilities. The State Board shall compile necessary publications and a computer database to distribute information on prototype designs to local school administrative ~~units.~~ units and to counties that have assumed responsibility for construction of school facilities pursuant to G.S. 153A-158.1A. All architects and engineers registered in North Carolina may submit plans for inclusion in the computer database and these plans may be accessed by any person. The original architect of record or engineer of record shall retain ownership and liability for a prototype design. The State Board may adopt rules it considers necessary to implement this subsection."

SECTION 8. G.S. 115C-524 reads as rewritten:

"**§ 115C-524. Repair of school property; use of buildings for other than school purposes.**

(a) Repair of school buildings is subject to the provisions of G.S. 115C-521(c) and (d).

(b) It shall be the duty of local boards of education and tax-levying authorities, in order to safeguard the investment made in public schools, to keep all school buildings in good repair to the end that all public school property shall be taken care of and be at all times in proper condition for use. It shall be the duty of all principals, teachers, and janitors to report to their respective boards of education immediately any unsanitary condition, damage to school property, or needed repair. All principals, teachers, and janitors shall be held responsible for the safekeeping of the buildings during the school session and all breakage and damage shall be repaired by those responsible for same, and where any principal or teacher shall permit damage to the public school buildings by lack of proper discipline of pupils, such principal or teacher shall be held responsible for such damage: Provided, principals and teachers shall not be held responsible for damage that they could not have prevented by reasonable supervision in the performance of their duties.

Notwithstanding the provisions of G.S. 115C-263 and 115C-264, local boards of education may adopt rules and regulations under which they may enter into agreements permitting non-school groups to use school real and personal property, except for school buses, for other than school purposes so long as such use is consistent with the proper preservation and care of the public school property. If a county has assumed ownership of school property pursuant to G.S. 153A-158.2, the local board of education shall permit the use of that property by nonschool groups, only as authorized by the county commissioners. No liability shall attach to any board of education, individually or collectively, or any board of commissioners, individually or collectively, for personal injury suffered by reason of the use of such school property pursuant to such agreements."

SECTION 9. G.S. 115C-526 reads as rewritten:

"**§ 115C-526. Reward for information leading to arrest of persons damaging school property.**

Local boards of education and counties are authorized and empowered to offer and pay rewards in an amount not exceeding three hundred dollars ($300.00) for information leading to the arrest and conviction of any persons who willfully deface, damage, destroy or commit acts of vandalism or larceny of, the property belonging to the public school system or the county under the jurisdiction of and administered by any local board of education."

SECTION 10. G.S. 115C-530 reads as rewritten:

"**§ 115C-530. Operational leases of school buildings and school facilities.**

(a) Local boards of education or counties acting pursuant to G.S. 153A-158.1A may enter into operational leases of real or personal property for use as school buildings or school facilities. Operational leases entered into by local boards of education for terms of less than three years shall not be subject to the approval of the board of county commissioners. Operational leases entered into by local boards of education for terms of three years or longer, including periods that may be added to the original term through the exercise of options to renew or extend, are permitted if all of the following conditions are met:

(1) The budget resolution includes an appropriation authorizing the current fiscal year's portion of the obligation.

(2) An unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the lease for the current fiscal year.

(3) The leases are approved by a resolution adopted by the board of county commissioners. If an operational lease is approved by the board of county commissioners, in each year the county commissioners shall appropriate sufficient funds to meet the amounts to be paid during the fiscal year under the lease.

(4) Any construction, repair, or renovation of the property is in compliance with the requirements of G.S. 115C-521(c) relating to energy guidelines.

For purposes of this section, an operational lease is defined according to generally accepted accounting principles and may be for new or existing buildings.

(b) Local boards of education or counties acting pursuant to G.S. 153A-158.1A may enter into contracts for the construction, repair, or renovation of leased property if (i) the budget resolution includes an appropriation authorizing the obligation, (ii) an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year, and (iii) the construction, repair, or renovation is in compliance with the requirements of G.S. 115C-521(c) relating to energy guidelines. Construction, repair, or renovation work undertaken or contracted by a private developer is subject to the requirements of Article 8 of Chapter 143 of the General Statutes. Contracts for new construction and renovation entered into by a local board of education that are subject to the bidding requirements of G.S. 143-129(a) and which do not constitute continuing contracts for capital outlay must be approved by the board of county commissioners.

(c) Operational leases and contracts entered into under this section are subject to approval by the Local Government Commission under Article 8 of Chapter 159 of the General Statutes if they meet the standards set out in G.S. 159-148(a)(1), 159-148(a)(2), and 159-148(a)(3). For purposes of determining whether the standards set out in G.S. 159-148(a)(3) have been met, only the five hundred thousand dollar ($500,000) threshold shall apply."

SECTION 11. G.S. 115C-533 reads as rewritten:

"**§ 115C-533. Duty of State Board to operate insurance system.**

The State Board shall have the duty to manage and operate a system of insurance for public school property. The State Board shall make this insurance available to counties for school property owned by counties under the same terms and conditions as if the school administrative unit had owned such property."

SECTION 12. G.S. 115C-534(a) reads as rewritten:

"**§ 115C-534. Duty to insure property.**

(a) The board of every local school administrative unit in the public school system of this ~~State,~~ State or the county commissioners if the county has ownership of a school building, in order to safeguard the investment made in public schools, shall:

(1) Insure and keep insured to the extent of not less than seventy-five percent (75%) of the current insurable value as determined by the insurer and the

insured of each of its insurable buildings against fire, lightning and the perils embraced in extended coverage.

(2) Insure and keep insured adequately the equipment and contents of said building."

SECTION 13. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 236
PROPOSED COMMITTEE SUBSTITUTE S236-CSTC-27 [v.9]
5/14/2013 5:41:26 PM

Short Title: Counties Responsible for School Construction. (Local)

Sponsors:

Referred to:

March 11, 2013

A BILL TO BE ENTITLED

AN ACT AUTHORIZING COUNTIES TO ASSUME RESPONSIBILITY FOR CONSTRUCTION, IMPROVEMENT, OWNERSHIP, AND ACQUISITION OF PUBLIC SCHOOL PROPERTY.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 153A of the General Statutes is amended by adding a new section to read:

"**§ 153A-158.1A. Authority to assume responsibility for construction, improvement, ownership, and acquisition of public school property.**

(a) Scope. – This section applies only in a county that elects by resolution to assume responsibility for some or all of owning, siting, acquiring, constructing, equipping, expanding, improving, repairing, and renovating property for use by a named school administrative unit located wholly within the county but only to the extent and under the terms and conditions specified in the board of county commissioners' resolution. If such election is made, that school administrative unit shall no longer exercise such power for any construction, improvement, ownership, or acquisition of any property for which the county has made that election; the election may, however, leave the school administrative unit with responsibility for equipment and for maintenance and repairs in categories or amounts named in the resolution.

Any responsibility for school property transferred by resolution pursuant to this section shall be for a minimum period of 10 years, renewable by subsequent resolution of the board of commissioners in 10-year increments.

(b) Construction or Improvement by County. – A county may by resolution elect to construct, equip, expand, improve, repair, renovate, or otherwise make available property for use by a school administrative unit within the county. The county shall consult the board of education in the siting, design, construction, equipping, expansion, improvement, or renovation of the property.

(c) Ownership of School Property. – A county may by resolution provide that any interest in real property or school capital funds presently held by the board of education shall vest in the county. A county may also by resolution provide that any interest in real property or school capital funds acquired for the use of a school administrative unit in the future shall vest in the county. A copy of any such resolution shall be certified by the clerk of the board of commissioners and sent to the clerk of the board of education. The board of education shall, within 30 days of entry of the resolution, execute any documents or deeds necessary to effectuate the transfer under the exact terms set forth in the resolution. The county shall pay the costs of executing the documents or deeds and effectuating the transfer.

As used in this section:

(1) Interest in real property includes, but is not limited to, (i) fixtures, (ii) leaseholds, and (iii) other capital assets.

(2) School capital funds includes, but is not limited to, all or part of (i) funds appropriated to the school capital outlay fund as provided in G.S. 115-426(f)(1) and (2). and (ii) funds allocated for school capital from the Public School Building Capital Fund to the county or to local school administrative units located wholly within that county in accordance with G.S. 115C-546.2(a) and (d).

(d) Insurance of Public School Property. – For school property affected by a resolution entered pursuant to this section, a county may elect to (i) leave current risk management programs operated by the local board of education in place, (ii) secure insurance from the system of insurance operated by the State Board of Education pursuant to Article 38 of Chapter 115C of the General Statutes, (iii) secure insurance from other sources, or (iv) utilize any combination of these options.

Moneys paid to a county pursuant to contracts of insurance against loss of capital assets through fire or casualty shall be used to repair or replace the damaged asset or if the asset is not repaired or replaced, placed to the credit of the county capital outlay fund for public schools for appropriation at some future time.

(e) Liability. – A county shall not be liable for the acts or omissions of school employees in or on school property owned, acquired, leased, or improved by the county by a resolution entered pursuant to this section.

(f) Use of School Property. – Any interest in school property, whether real or personal, acquired by a county under the provisions of this section shall be conclusively presumed to be for the exclusive use of the school administrative unit for public school purposes to the same extent as if the property were owned by the local board of education. Therefore, property acquired by a county from a board of education under the provisions of the act shall not constitute the exercise of eminent domain power and shall not otherwise entitle the board of education or school administrative unit to any funds or other consideration for any property so acquired by or transferred to the county.

For school property affected by a resolution entered pursuant to this section, the board of education shall continue to have the exclusive authority to determine whether and when such school property is unnecessary or undesirable for public school purposes, in which event the board of education shall so inform the county board of commissioners. The county shall then either (i) dispose of the property and use the proceeds to reduce the county's bonded indebtedness for schools or for school capital outlay purposes or (ii) use the property for nonschool purposes and use an amount negotiated by the two boards as the fair market value of the property to reduce the county's bonded indebtedness for schools or for school capital outlay purposes."

SECTION 2. G.S. 115C-207(2) reads as rewritten:

"**§ 115C-207. Authority and responsibility of local boards of education.**

Every local board of education that uses State funds to implement programs under this Article shall:

(1) Develop programs and plans for increased community involvement in the public schools based upon policies and guidelines adopted by the State Board of Education.

(1a) Develop policies and programs designed to encourage the use of community-based academic booster organizations, which may be known as Community Achievement Network – Developing Our Educational Resources (CAN DOER) organizations, to provide tutoring and other appropriate services to encourage and support student academic achievement.

(1b) Develop policies and/or procedures for approving the use of volunteer organizations and for approving the use of individual volunteers.

(1c) Develop policies and/or procedures designed to make information available to parents and students about what tutoring and other academic support services are available to students in the community or through school volunteers or other community organizations.

(2) Develop programs and plans for increased community use of public school facilities based upon policies and guidelines adopted by the State Board of Education. If a county has assumed ownership of school property pursuant to G.S. 153A-158.1A, the local board of education shall permit the use of that property by nonschool groups, only as authorized by the county commissioners.

(3) Establish rules governing the implementation of such programs and plans in its public schools and submit these rules along with adopted programs and plans to the State Board of Education for approval by the State Board of Education.

Programs and plans developed by a local board of education may provide for the establishment of one or more community schools advisory councils for the public schools under the board's jurisdiction and for the employment of one or more community schools coordinators. The local board of education shall establish the terms and conditions of employment for the community schools coordinators.

Every local board of education using State funds to implement a community schools program under this Article may enter into agreements with other local boards of education, agencies and institutions for the joint development of plans and programs and the joint expenditure of these State funds."

SECTION 3. G.S. 115C-426 reads as rewritten:

"§ 115C-426. Uniform budget format.

...

(f) ~~The~~ Except as otherwise provided in subsection (f1) of this section, the capital outlay fund shall include appropriations for:

(1) The acquisition of real property for school purposes, including but not limited to school sites, playgrounds, athletic fields, administrative headquarters, and garages.

(2) The acquisition, construction, reconstruction, enlargement, renovation, or replacement of buildings and other structures, including but not limited to buildings for classrooms and laboratories, physical and vocational educational purposes, libraries, auditoriums, gymnasiums, administrative offices, storage, and vehicle maintenance.

(3) The acquisition or replacement of furniture and furnishings, instructional apparatus, data-processing equipment, business machines, and similar items of furnishings and equipment.

(4) The acquisition of school buses as additions to the fleet.

(5) The acquisition of activity buses and other motor vehicles.

(6) Such other objects of expenditure as may be assigned to the capital outlay fund by the uniform budget format.

The cost of acquiring or constructing a new building, or reconstructing, enlarging, or renovating an existing building, shall include the cost of all real property and interests in real property, and all plants, works, appurtenances, structures, facilities, furnishings, machinery, and equipment necessary or useful in connection therewith; financing charges; the cost of plans, specifications, studies, reports, and surveys; legal expenses; and all other costs necessary or incidental to the construction, reconstruction, enlargement, or renovation.

No contract for the purchase of a site shall be executed nor any funds expended therefor without the approval of the board of county commissioners as to the amount to be spent for the site; and in case of a disagreement between a board of education and a board of county commissioners as to the amount to be spent for the site, the procedure provided in G.S. 115C-431 shall, insofar as the same may be applicable, be used to settle the disagreement.

Appropriations in the capital outlay fund shall be funded by revenues made available for capital outlay purposes by the State Board of Education and the board of county commissioners, supplemental taxes levied by or on behalf of the local school administrative unit pursuant to a local act or G.S. 115C-501 to 115C-511, the proceeds of the sale of capital assets, the proceeds of claims against fire and casualty insurance policies, and other sources.

(f1) To the extent that a county has assumed responsibility for the ownership, acquisition, construction, and improvement of school property pursuant to G.S. 153A-158.1A, the capital outlay shall not include appropriations for those purposes provided in subsections (f)(1) and (f)(2) of this section.

...."

SECTION 4. G.S. 115C-431 reads as rewritten:

"**§ 115C-431. Procedure for resolution of dispute between board of education and board of county commissioners.**

(a) If the board of education determines that the amount of money appropriated to the local current expense fund, or the capital outlay fund, or both, by the board of county commissioners is not ~~sufficient~~ sufficient, when added to the moneys appropriated by the county for school capital projects for which the county has assumed responsibility pursuant to G.S. 153A-158.1A, to support a system of free public schools, the chairman of the board of education and the chairman of the board of county commissioners shall arrange a joint meeting of the two boards to be held within seven days after the day of the county commissioners' decision on the school appropriations.

Prior to the joint meeting, the Senior Resident Superior Court Judge shall appoint a mediator unless the boards agree to jointly select a mediator. The mediator shall preside at the joint meeting and shall act as a neutral facilitator of disclosures of factual information, statements of positions and contentions, and efforts to negotiate an agreement settling the boards' differences.

At the joint meeting, the entire school budget shall be considered carefully and judiciously, and the two boards shall make a good-faith attempt to resolve the differences that have arisen between them.

...

(f) If a county has assumed responsibility for the ownership, acquisition, construction, and improvement of school property pursuant to G.S. 153A-158.1A, the section shall not apply to disputes over capital outlay funds as provided in G.S. 115C-426(f)(1) and (f)(2)."

SECTION 5. G.S. 115C-517 reads as rewritten:

"**§ 115C-517. Acquisition of sites.**

Local boards of education or boards of county commissioners acting pursuant to G.S. 153A-158.1 or G.S. 153A-158.1A may acquire suitable sites for schoolhouses or other school facilities either within or without the local school administrative unit; but no school may be operated by a local school administrative unit outside its own boundaries, although other school facilities such as repair shops, may be operated outside the boundaries of the local school administrative unit. Whenever any such local board of education is unable to acquire or enlarge a suitable site or right-of-way for a school, school building, school bus garage or for a parking area or access road suitable for school buses or for other school facilities by gift or purchase, condemnation proceedings to acquire same may be instituted by such board under the provisions of Chapter 40A of the General Statutes, and the determination of the local board of

education of the land necessary for such purposes shall be conclusive. A board of county commissioners may acquire such property pursuant to G.S. 153A-158.1 or G.S. 153-158.1A."

SECTION 6. G.S. 115C-519 reads as rewritten:

"**§ 115C-519. Deeds to property.**

All deeds to school property owned by a local board of education shall, after registration, be delivered to the superintendent of the local school administrative unit in which the property is ~~located~~ located, and ~~he~~ the superintendent shall provide a safe place for preserving all such deeds. All deeds to school property owned by a county shall, after registration, be delivered to the clerk of the board of county commissioners, and the clerk shall provide a safe place for preserving all such deeds."

SECTION 7. G.S. 115C-521 reads as rewritten:

"**§ 115C-521. Erection of school buildings.**

(a) It shall be the duty of local boards of education to provide classroom facilities adequate to meet the requirements of G.S. 115C-47(10) and 115C-301. Local boards of education shall submit their long-range plans for meeting school facility needs to the State Board of Education by January 1, 1988, and every five years thereafter.

In developing these plans, local boards of education shall consider the costs and feasibility of renovating old school buildings instead of replacing them. For school facilities for which a county has assumed responsibility pursuant to G.S. 153A-158.1A, the county shall provide the local board of education with information necessary for this consideration.

(b) It shall be the duty of the boards of education of the several local school administrative school units of the State to make provisions for the public school term by providing adequate school buildings equipped with suitable school furniture and apparatus. The needs and the cost of those buildings, equipment, and apparatus, except those for which the county has assumed responsibility pursuant to G.S. 153A-158.1A, shall be presented each year when the school budget is submitted to the respective tax-levying authorities. If the county has assumed responsibility pursuant to G.S. 153A-158.1A for school buildings, the local board of education shall present each year, concurrent with submission of the school budget, the needs for school buildings necessary to provide adequate provisions for the public school term. The boards of commissioners shall be given a reasonable time to provide the funds which they, upon investigation, shall find to be necessary for providing their respective units with buildings suitably equipped, and it shall be the duty of the several boards of county commissioners to provide funds for the same. If the county has assumed responsibility pursuant to G.S. 153A-158.1A for school buildings and there is a dispute regarding whether adequate school buildings have been provided for the public school term by the county, the local board of education and county commissioners may resolve the dispute using the mediation process provided in G.S. 115C-431(a) and (b).

Upon determination by a local board of education that the existing permanent school building does not have sufficient classrooms to house the pupil enrollment anticipated for the school, the local board of education may acquire and use as temporary classrooms for the operation of the school, relocatable or mobile classroom units, whether built on the lot or ~~not, which~~not. If the county has assumed responsibility pursuant to G.S. 153A-158.1A for providing such classrooms, the county may acquire these units, upon notice of a determination by the local board of education that the existing permanent school building does not have sufficient classrooms to house the pupil enrollment anticipated for the school. These units and method of use shall meet the approval of the School Planning Division of the State Board of ~~Education,~~ Education and ~~which units~~ shall comply with all applicable requirements of the North Carolina State Building Code and of the local building and electrical codes applicable to the area in which the school is located. These units shall also be anchored in a manner required to assure their structural safety in severe weather. The acquisition and installation of these units shall be subject in all respects to the provisions of Chapter 143 of the General Statutes. The provisions

of Chapter 87, Article 1, of the General Statutes, shall not apply to persons, firms or corporations engaged in the sale or furnishing to local boards of education or boards of county commissioners and the delivery and installation upon school sites of classroom trailers as a single building unit or of relocatable or mobile classrooms delivered in less than four units or sections.

(c) The building of all new school buildings and the repairing of all old school buildings shall be under the control and direction of, and by contract with, the board of education for which the building and repairing is ~~done.~~done, or if the county has assumed responsibility pursuant to G.S. 153A-158.1A for such activities, under the control and direction of, and by contract with the county. If a board of education or a board of county commissioners is considering building a new school building to replace an existing school building, the board shall not invest any construction money in the new building unless it submits to the State Superintendent and the State Superintendent submits to the North Carolina Historical Commission an analysis that compares the costs and feasibility of building the new building and of renovating the existing building and that clearly indicates the desirability of building the new building. No board of education or board of county commissioners shall invest any money in any new building until it has (i) developed plans based upon a consideration of the State Board's facilities guidelines, (ii) submitted these plans to the State Board for its review and comments, and (iii) reviewed the plans based upon a consideration of the comments it receives from the State Board. No local board of education or board of county commissioners shall contract for more money than is made available for the erection of a new building. However, this subsection shall not be construed so as to prevent boards of education from investing any money in buildings that are being constructed pursuant to a continuing contract of construction as provided for in G.S. 115C-441(c). All contracts for buildings shall be in writing and all buildings shall be inspected, received, and approved by the local superintendent and the architect before full payment is made therefor. Nothing in this subsection shall prohibit boards of education from repairing and altering buildings with the help of janitors and other regular employees of the board.

In the design and construction of new school buildings and in the renovation of existing school buildings that are required to be designed by an architect or engineer under G.S. 133-1.1, the local board of education or the board of county commissioners shall participate in the planning and review process of the Energy Guidelines for School Design and Construction that are developed and maintained by the Department of Public Instruction and shall adopt local energy-use goals for building design and operation that take into account local conditions in an effort to reduce the impact of operation costs on local and State budgets. In the design and construction of new school facilities and in the repair and renovation of existing school facilities, the local board of education or the board of county commissioners shall consider the placement and design of windows to use the climate of North Carolina for both light and ventilation in case of power shortages. A local board shall also consider the installation of solar energy systems in the school facilities whenever practicable.

In the case of any school buildings erected, repaired, or equipped with any money loaned or granted by the State to any local school administrative unit, no board of education or board of county commissioners, if the county has assumed responsibility pursuant to G.S. 153A-158.1A for such activities, shall invest any money until it has (i) developed plans based upon a consideration of the State Board's facilities guidelines, (ii) submitted these plans to the State Board for its review and comments, and (iii) reviewed the plans based upon a consideration of the comments it receives from the State Board.

(c1) No local board of education or board of county commissioners shall apply for a certificate of occupancy for any new middle or high school building until the plans for the science laboratory areas of the building have been reviewed and approved to meet accepted safety standards for school science laboratories and related preparation rooms and stockrooms.

The review and approval of the plans may be done by the State Board of Education or by any other entity that is licensed or authorized by the State Board to do so.

(d) Local boards of education shall make no contract for the erection of any school building unless the site upon which it is located is owned in fee simple by the board: Provided, that the board of education of a local school administrative unit, with the approval of the board of county commissioners, may appropriate funds to aid in the establishment of a school facility and the operation thereof in an adjoining local school administrative unit when a written agreement between the boards of education of the administrative units involved has been reached and the same recorded in the minutes of the boards, whereby children from the administrative unit making the appropriations shall be entitled to attend the school so established.

In all cases where title to property has been vested in the trustees of a special charter district which has been abolished and has not been reorganized, title to the property shall be vested in the local board of education of the county embracing the former special charter district.

(e) The State Board of Education shall establish within the Department of Public Instruction a central clearinghouse for access by local boards of education or boards of county commissioners that may want to use a prototype design in the construction of school facilities. The State Board shall compile necessary publications and a computer database to distribute information on prototype designs to local school administrative ~~units.~~ units and to counties that have assumed responsibility for construction of school facilities pursuant to G.S. 153A-158.1A. All architects and engineers registered in North Carolina may submit plans for inclusion in the computer database and these plans may be accessed by any person. The original architect of record or engineer of record shall retain ownership and liability for a prototype design. The State Board may adopt rules it considers necessary to implement this subsection."

SECTION 8. G.S. 115C-524 reads as rewritten:

"**§ 115C-524. Repair of school property; use of buildings for other than school purposes.**

(a) Repair of school buildings is subject to the provisions of G.S. 115C-521(c) and (d).

(b) It shall be the duty of local boards of education and tax-levying authorities, in order to safeguard the investment made in public schools, to keep all school buildings in good repair to the end that all public school property shall be taken care of and be at all times in proper condition for use. It shall be the duty of all principals, teachers, and janitors to report to their respective boards of education immediately any unsanitary condition, damage to school property, or needed repair. All principals, teachers, and janitors shall be held responsible for the safekeeping of the buildings during the school session and all breakage and damage shall be repaired by those responsible for same, and where any principal or teacher shall permit damage to the public school buildings by lack of proper discipline of pupils, such principal or teacher shall be held responsible for such damage: Provided, principals and teachers shall not be held responsible for damage that they could not have prevented by reasonable supervision in the performance of their duties.

Notwithstanding the provisions of G.S. 115C-263 and 115C-264, local boards of education may adopt rules and regulations under which they may enter into agreements permitting non-school groups to use school real and personal property, except for school buses, for other than school purposes so long as such use is consistent with the proper preservation and care of the public school property. If a county has assumed ownership of school property pursuant to G.S. 153A-158.1A, the local board of education shall permit the use of that property by nonschool groups, only as authorized by the county commissioners. No liability shall attach to any board of education, individually or collectively, or any board of commissioners, individually or collectively, for personal injury suffered by reason of the use of such school property pursuant to such agreements."

SECTION 9. G.S. 115C-526 reads as rewritten:

"§ 115C-526. Reward for information leading to arrest of persons damaging school property.

Local boards of education and counties are authorized and empowered to offer and pay rewards in an amount not exceeding three hundred dollars ($300.00) for information leading to the arrest and conviction of any persons who willfully deface, damage, destroy or commit acts of vandalism or larceny of, the property belonging to the public school system or the county under the jurisdiction of and administered by any local board of education."

SECTION 10. G.S. 115C-530 reads as rewritten:

"**§ 115C-530. Operational leases of school buildings and school facilities.**

(a) Local boards of education or counties acting pursuant to G.S. 153A-158.1A may enter into operational leases of real or personal property for use as school buildings or school facilities. Operational leases entered into by local boards of education for terms of less than three years shall not be subject to the approval of the board of county commissioners. Operational leases entered into by local boards of education for terms of three years or longer, including periods that may be added to the original term through the exercise of options to renew or extend, are permitted if all of the following conditions are met:

(1) The budget resolution includes an appropriation authorizing the current fiscal year's portion of the obligation.

(2) An unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the lease for the current fiscal year.

(3) The leases are approved by a resolution adopted by the board of county commissioners. If an operational lease is approved by the board of county commissioners, in each year the county commissioners shall appropriate sufficient funds to meet the amounts to be paid during the fiscal year under the lease.

(4) Any construction, repair, or renovation of the property is in compliance with the requirements of G.S. 115C-521(c) relating to energy guidelines.

For purposes of this section, an operational lease is defined according to generally accepted accounting principles and may be for new or existing buildings.

(b) Local boards of education or counties acting pursuant to G.S. 153A-158.1A may enter into contracts for the construction, repair, or renovation of leased property if (i) the budget resolution includes an appropriation authorizing the obligation, (ii) an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year, and (iii) the construction, repair, or renovation is in compliance with the requirements of G.S. 115C-521(c) relating to energy guidelines. Construction, repair, or renovation work undertaken or contracted by a private developer is subject to the requirements of Article 8 of Chapter 143 of the General Statutes. Contracts for new construction and renovation entered into by a local board of education that are subject to the bidding requirements of G.S. 143-129(a) and which do not constitute continuing contracts for capital outlay must be approved by the board of county commissioners.

(c) Operational leases and contracts entered into under this section are subject to approval by the Local Government Commission under Article 8 of Chapter 159 of the General Statutes if they meet the standards set out in G.S. 159-148(a)(1), 159-148(a)(2), and 159-148(a)(3). For purposes of determining whether the standards set out in G.S. 159-148(a)(3) have been met, only the five hundred thousand dollar ($500,000) threshold shall apply."

SECTION 11. G.S. 115C-533 reads as rewritten:

"**§ 115C-533. Duty of State Board to operate insurance system.**

The State Board shall have the duty to manage and operate a system of insurance for public school property. The State Board shall make this insurance available to counties for school

property owned by counties under the same terms and conditions as if the school administrative unit had owned such property."

SECTION 12. G.S. 115C-534(a) reads as rewritten:

"**§ 115C-534. Duty to insure property.**

(a) The local board of every local school administrative unit in the public school system of this ~~State,~~ State or the board of county commissioners if the county has ownership of a school building, in order to safeguard the investment made in public schools, shall:

(1) Insure and keep insured to the extent of not less than seventy-five percent (75%) of the current insurable value as determined by the insurer and the insured of each of its insurable buildings against fire, lightning and the perils embraced in extended coverage.

(2) Insure and keep insured adequately the equipment and contents of said building."

SECTION 13. This act shall apply only in the following counties: Beaufort, Dare, Davie, Guilford, Harnett, Iredell, Lee, Rockingham, Rowan, and Wake.

SECTION 14. This act is effective when it becomes law.

SENATE BILL 236:
Counties Responsible for School Construction

2013-2014 General Assembly

Committee:	Senate Ref to Education/Higher Education. If fav, re-ref to Finance	**Date:**	May 15, 2013
Introduced by:	Sens. Hunt, Apodaca, Brunstetter	**Prepared by:**	Kara McCraw and Drupti Chauhan Committee Counsel
Analysis of:	PCS to First Edition S236-CSTC-27		

SUMMARY: ***Senate Bill 236 would allow counties to be responsible for the construction, improvement, ownership and acquisition of public school property.***

The Proposed Committee Substitute would turn the bill into a local bill that would apply to the following counties: Beaufort, Dare, Davie, Guilford, Harnett, Iredell, Lee, Rockingham, Rowan, and Wake.

It would also make the following changes: (i) clarify that the counties would be responsible for the construction, improvement, ownership, and acquisition of only real property and buildings and other structures and not items such as furnishings and buses; (ii) provide that local boards of education can present the needs for school buildings concurrent with the submission of the school budget; (iii) clarify that disputes regarding whether adequate school buildings have been provided be resolved using mediation

CURRENT LAW: Local boards of education acquire and own public school properties primarily with funds appropriated to them by local boards of county commissioners. The local boards of education are also responsible for repairs and renovations of public school property. Counties may acquire interest in real or personal property within the county for use by a local school administrative unit (LEA) but only upon the request of the local board of education of that LEA and after a public hearing.

BILL ANALYSIS:

Section 1—County Ownership of School Property: Senate Bill 236 would allow certain counties to elect by resolution to assume some or all of the responsibility for the owing, siting, acquiring, constructing, equipping, expanding, improving, repairing, and renovating of property for use by an LEA located entirely within the county. The resolution of the county commissioners must specify the terms and conditions under which the county assumes such responsibilities and can leave the LEA with the responsibility of equipment and for maintenance and repairs in categories or amounts named in the resolution. Any responsibility transferred by resolution to the county must be for a minimum of 10 years and is renewable by a subsequent resolution of the board of county commissioners in 10 year increments. Items such as furnishings and school buses would not be included in any transfer.

Consultation with LEA: The county must consult the local board of education in the siting, design, construction, equipping, expansion, improvement, or renovation of the property.

Property presently held by LEA: The county resolution may provide that any interest in real property or school capital funds presently held by the local board of education vests in the county and that any future interests in real property acquired for the use of an LEA also vest in the county. Within 30 days of the resolution, the local board of education must execute any documents or deeds needed to effectuate

the transfer under the exact terms in the resolution. The county must pay for the costs of executing documents or deeds and effectuating the transfer.

Insurance of Public School Property: A county can elect to leave current risk management programs operated by the local board of education in place; secure insurance from the insurance system operated by the State Board of Education; secure insurance from other sources; or use any combination of these options. Funds paid to a county through insurance against loss of capital assets through fire or casualty must be used to repair or replace the damaged asset or placed to the credit of the county capital outlay fund for public schools for future appropriation.

Liability: A county is not liable for the acts or omissions of the school employees in or on school property owned, acquired, leased or improved by a county by the resolution.

Use of School Property: Any real or personal interest in school property acquired by a county through the resolution would be conclusively presumed to be for the exclusive use by the LEA for public school purposes to the same extent as if it were owned by the LEA. Any property acquired by the county from the LEA would not constitute the exercise of eminent domain and would not entitle the LEA or local board of education to any funds or other consideration for property acquired by the county through such a transfer.

Property No Longer Needed by LEA: For school property affected by a resolution, the local board of education would continue to have the exclusive authority to determine whether and when the school property is unnecessary or undesirable for public school purposes. When so informed by the local board of education, the county would then either dispose of the property and use the proceeds to reduce the county's bonded indebtedness for schools or for public school capital outlay purposes or use the property for non-school purposes and use an amount negotiated by both boards as the fair market value of the property to reduce the county's bonded indebtedness for schools or for public school capital outlay purposes.

Section 2—Use by Non-School Groups: If a county has assumed ownership of school property, then the local board of education would be able to permit the use of that property by non-school groups only as authorized by the county commissioners.

Section 3—Capital Outlay Fund: To the extent that a county has assumed responsibility for the ownership, acquisition, construction, and improvement of school property through the resolution, the capital outlay fund would not include appropriations for those purposes.

Section 4—Dispute Resolution Between the 2 Boards: This section would make conforming changes and would provide that the procedure for dispute resolution between the local board of education and board of county commissioners regarding funding would not apply to disputes over capital outlay funds for public school buildings if the county has assumed that responsibility by resolution.

Sections 5 and 6—Conforming Changes

Section 7—Erection of School Buildings: Local boards of education are required to submit long range plans for meeting school facility needs to the State Board of Education every five years and must consider the costs and feasibility of renovating old school buildings instead of replacing them. Local boards of education are responsible for providing adequate school buildings, and must provide those needs and costs as a part of the annual budget resolution to the county commissioners. This section would provide that if the county has assumed responsibility for the school buildings, the local board of education would present the needs for school buildings along with the submission of the school budg Any disputes on the adequacy of school buildings would be resolved through mediation. The section would also make conforming changes.

Sections 8, 9, and 10—Conforming Changes

Section 11—State Board of Education Insurance System: The State Board of Education would be required to make its system of insurance for public school property available to counties for school property owned by the counties under the same terms and conditions that the LEA would have received if it had owned such property.

Section 12—Duty to Insure Property: The county would be required to insure any school building that it owns.

Section 13—The bill would only apply to the following counties: Beaufort, Dare, Davie, Guilford, Harnett, Iredell, Lee, Rockingham, Rowan, and Wake.

EFFECTIVE DATE: The bill would become effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 236

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

S236-ATC-68 [v.1]

Comm. Sub. [YES]
Amends Title [NO]
S236-CSTC-27

Date _____,2013

Senator _____

moves to amend the bill on page 5, line 45, by rewriting that line to read:

"classrooms to house the pupil enrollment anticipated for the school. If there is a dispute over the sufficiency of classrooms and need for mobile units between the local board and county commissioners, the local board of education and county commissioners may resolve the dispute using the mediation process provided in G.S. 115C-431(a) and (b). These units and method of".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 236

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

S236-ATC-67 [v.2]

Comm. Sub. [YES]
Amends Title [NO]
S236-CSTC-27

Date _____,2013

Senator Curtis

moves to amend the bill on page 9, line 15, by rewriting that line to read:

"Davie, Guilford, Harnett, Lee, Rockingham, Rowan, and Wake.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 236

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

S236-ATC-64 [v.2]

Comm. Sub. [YES]
Amends Title [NO]
S263-CSTC-27

Date _____,2013

Senator Stein

moves to amend the bill on page 9, line 15, by rewriting that line to read:

"Davie, Guilford, Harnett, Iredell, Lee, Rockingham, and Rowan.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 236

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

S236-ARQ-27 [v.1]

Comm. Sub. [YES]
Amends Title [NO]
S236-CSTC-27

Date _____,2013

Senator Robinson

moves to amend the bill on page 9, line 15 by rewriting that line to read:

"Davie, Harnett, Iredell, Lee, Rockingham, Rowan, and Wake.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 236

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

S236-ATC-69 [v.1]

Comm. Sub. [YES]
Amends Title [NO]
S263-CSTC-27

Date _____,2013

Senator Hartsell

moves to amend the bill on page 9, line 15, by adding at the end of that sentence the following:

"This act shall not apply to the Kannapolis City School System.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

5-15-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jason Fishish	Senate
Erica Bost	Citizen of Davie County
Tom Bryan	Davie County
Robert Wisecarver	Davie County Commissioners
Kay Emanuel	School of Government
Anna L. Bonham	Iredell-Statesville Schools
Kenny Miller	Iredell Statesville Schools
Wendy Horne	Davie Co. Board of Educ.
Darrin Hartness	DAVIE CO. SCHOOLS
Barbara Owens	Chair Davie Co. School Board
Evelyn Hawthorne	PENCISNC
Richard W. Pridgen	Wayne County Board of Education
John Grantham	Wayne County Board of Education
Giovanni Wade	Dare Co. Board of Education
George Wilson	Davie Co.
CARL HUMPHREY	Davie Co. Commissioner
BRADY JOHNSON	IREDELL-STATESVILLE SCHOOLS
Marcia Tran	NCACC

09-21-201

Name	Firm or Agency and address

VISITOR REGISTRATION SHEET

Ed/Higher Ed

(Committee Name)

5-15-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
DAVID THOMPSON	NCACC
Laurie Graves	FSP
Paul Matthews	Wake Co Commissioner
Denise Foreman	Wake County
Larry Putnam	Burke County
R.L. Icard	Burke County Schools
Randy Burns	Burke County Schools
Alissa Willett	NCACC
Tanae Sump-McLean	Mooresville Graded School Dist.
JACK HOKE	NC School Superintendents' Association
Katherine Joyce	NCASA
Kevin G. Leonard	NCACC
Edna Booth	NCBSA
Susan Blackwell	Nash-Rocky Mount Schools
Evelyn Bullock	Nash Rocky Mount Schools 930 Eastern Ave Nashville, NC 27856
Eric Cunningham	Nash Rocky Mount Schools 930 Eastern Ave Nashville NC 27856
Paige Sayles	Franklin County Schools

09-21-201

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

5-15-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Steve Jones	Asheboro City Schools - Asheboro NC
Frank Everhart	Davie County
Dave Simpson	CACC
James Rowles	Taxpayer, Davie Co
Rachel Helm	Mocksville, Davie County
Mathew Gunnet	NCACC
Casandra Skinner	NCACC
Randy D. McDaniel, Sr.	Resident - Davie County
Tamera Brogan	Lee Co BOE
Christine Krishner	Wake BoE
Jim Martin	Wake BoE
Bill Fletcher	Wake BoE
Theresa Todd	CR
Angela Sams	CR
Todd Adams	Kannapolis City Schools BOE
Will Crabtree	Kannapolis City Schools
Kevin Gregory	Harnett County Schools BOE

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

5-15-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
James Ray Bryant	Harnett County BoE
Julia Lee	Crowder Consulting, Raleigh
Johanna Reese	NCACC
Rebecca Buffington	Guilford Co. Board of Ed.
Linda Welborn	Guilford Co Board of Ed.
Kenneth Phelps	Dept of Public Instruction
Stanley Williams	Warren County Schools
Elizabeth Hamento	OSBM
Becky Jenkins	CCGC
Will Grantham	MWC
Charles Hedgepeth	Halifax Co Board of Ed
Gene Causby	NCCCA
Michelle Brooks	ECU
Mary Shuping	NCCCS
Amy Lee	Citizen
Lettice Rhodes	citizen
Joni Allen	BEGINNINGS
Andy Walsh	SAS

09-21-201

Name	Firm or Agency:
Chad Fuller	Davie County BOE
TERRY RENEGAR	DAVIE CO. COMM.
Eddie Ingram	Franklin Co. Schools
Jeff HOLLAMON	Onslow Co. Schools

VISITOR REGISTRATION SHEET

Senate Education — 5/15/13

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
L. Grant Canipe	Appalachian State
Susan McCrook	Appalachian State Univ
G. Dale Russell	Appalachian State University
DAVID WARD	LOWES'

VISITOR REGISTRATION SHEET

Senate Education — 5/15/13

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Adam Linker	NC Justice Center
Chris Hill	NC Justice Center
Jeff Joyce	AOC/CofC
DAVID BARNES	Electric Cities
Tim Seisler	Raleigh NC
Don Phipps	Beaufort Cnty Schools Washington NC
Cindy Winstead	Beaufort County Schools, Washington NC

Senate Committee on Education/Higher Education
Wednesday, May 29, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 146	Back to Basics.	Representative Hurley Representative Warren Representative Shepard
HB 317	Improve Ed. for Children Who Are Deaf.	Representative Blackwell Representative Farmer-Butterfield Representative Holloway Representative S. Martin
HB 537	Edenton-Chowan Sch. Bd. Terms.	Representative Steinburg
HB 591	Reporting and Terms for Long. Data Board.	Representative Blackwell Representative Holloway Representative Johnson Representative Jordan
HB 903	UNC & Comm. College Credit Transfers.	Representative Johnson Representative Starnes

Presentations

Other Business

Adjournment

Senate Committee on Education/Higher Education
Wednesday, May 29, 2013
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on May 29, 2013 in Room 544 of the Legislative Office Building. 17 members were present.

Senator Jerry W. Tillman, Chair, presided.

Chairman Tillman called the meeting to order and recognized the Sergeants-at-Arms and the pages. Chairman Tillman recognized Representative Blackwell to explain H317. Senator Daniel offered an amendment. A motion to roll the amendment into the PCS was made. A motion for a favorable report was made by Senator Daniel. The motion passed.

Representative Blackwell was recognized to explain H591. Senator Woodard made a motion for a favorable report. The motion passed.

Representative Hurley was recognized to explain H146. Senator Allran made a motion for a favorable report. The motion passed.

Representative Steinburg was recognized to explain H537. Senator Cook made a motion for a favorable report. The motion passed.

Representative Starnes was recognized to explain H903. Committee members discussed the bill, and questions were answered by Representative Starnes and Senator Tillman.

Chairman Tillman recognized Dr. Sharon Morrissey, NC Community College System, for comment. Senator Apodaca made a motion for a favorable report. The motion passed.

The meeting adjourned.

Senator Jerry W. Tillman, Chair
Presiding

Suzanne Castleberry, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, May 29, 2013

Senator Tillman,
submits the following with recommendations as to passage:

FAVORABLE

HB **146** Back to Basics.
Draft Number: None
Sequential Referral: None
Recommended Referral: None
Long Title Amended: No

HB **537** Edenton-Chowan Sch. Bd. Terms.
Draft Number: None
Sequential Referral: None
Recommended Referral: State and Local Government
Long Title Amended: No

HB **591** Reporting and Terms for Longitudinal Data Board.
Draft Number: None
Sequential Referral: None
Recommended Referral: None
Long Title Amended: No

HB **903** **(CS#1)** UNC & Comm. College Credit Transfers.
Draft Number: None
Sequential Referral: None
Recommended Referral: None
Long Title Amended: No

TOTAL REPORTED: 4

Senator Austin Allran will handle HB 146
Senator Bill Cook will handle HB 537
Senator Warren Daniel will handle HB 591
Senator Jerry Tillman will handle HB 903



HOUSE BILL 317*
Committee Substitute Favorable 3/27/13

Short Title: Improve Ed. for Children Who Are Deaf. (Public)

Sponsors:

Referred to:

March 18, 2013

A BILL TO BE ENTITLED

AN ACT TO IMPROVE EDUCATIONAL OUTCOMES FOR NORTH CAROLINA CHILDREN WHO ARE DEAF OR HARD OF HEARING.

Whereas, children with low-incidence disabilities, as a group, make up approximately one percent (1%) of the total statewide enrollment in public schools; and

Whereas, children with low-incidence disabilities may require highly specialized services, equipment, and materials from the age of onset; and

Whereas, the acquisition of language is essential to the achievement of literacy and academic success; and

Whereas, children who are deaf or hard of hearing, regardless of communication modality, are entitled to the same opportunity to achieve grade and age-level literacy as other children; and

Whereas, skill in signing or speaking does not guarantee skill in reading and writing, and reading and writing must be taught using the mode of the individual child's communication; and

Whereas, children who have a solid language base, regardless of whether it is spoken or signed, become better readers than those who do not; and

Whereas, all children who come to school and who are not proficient in reading and writing English, including children whose spoken language is not English and children who use non-English American Sign Language (ASL) or other combined signing systems, must receive specialized instruction in order to read and write English; and

Whereas, some children who are deaf or hard of hearing and who are not proficient in reading and writing English may be eligible for special education services if an Individualized Education Program (IEP) team determines the child's hearing loss is the reason the child has not obtained proficiency in reading and writing English; and

Whereas, some children who are deaf or hard of hearing require instruction from highly qualified and certified personnel who can communicate using the individual child's communication mode; and

Whereas, children who are deaf or hard of hearing may be classified as having a primary disability other than hearing loss for purposes of special education and, therefore, may not be tracked within existing Department of Public Instruction databases as having a hearing loss, thus making it challenging to monitor their language development and literacy achievement; and

Whereas, children who are deaf or hard of hearing may be best served by having opportunities to interact with a sufficient number of same language and communication mode peers who are of the same age and ability level; and

Whereas, it is desirable for children who are deaf or hard of hearing to have opportunities to interact with adult role models who are deaf or hard of hearing; and

Whereas, children who are deaf or hard of hearing should be offered equal opportunity to benefit from all services and programs at their school; and

Whereas, North Carolina has adopted the Common Core State and NC Essential Standards; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The State Board of Education shall do at least all of the following to improve the educational outcomes for North Carolina children who are deaf or hard of hearing:

(1) Develop assessment procedures and protocols to measure, at least annually or more frequently if specified in a child's Individualized Education Program (IEP), the acquisition of language skills necessary for literacy using linguistically and culturally appropriate assessment tools. The results of these assessments shall be used to determine whether further support and services, if any, are needed for a child.

(2) Require an IEP team to use the Communication Plan Worksheet for Student Who is Deaf or Hard of Hearing to document (i) the team's consideration of the language and communication needs of the individual child as the IEP is developed, reviewed, or revised, (ii) data to be used in the placement decisions made for that child, and (iii) the team's review, at least annually, of the child's placement and language and communication needs.

(3) Ensure that personnel who are highly qualified in the education of children who are deaf or hard of hearing are available to meet the unique needs of each child, including interactions in the child's language and communication modality to meet academic and social goals.

(4) Develop and implement strategies to ensure that parents of a child who is deaf and hard of hearing know they are entitled to request that the child's IEP team consider placement of their child in a residential setting and, if such a request is made, that a representative from one of the two North Carolina residential/day program schools for the deaf shall be a member of the IEP team.

SECTION 2. The Department of Health and Human Services and other State agencies and organizations upon the request of the Department of Public Instruction (DPI) shall make databases containing information on children under the age of 22 who are diagnosed as deaf or hard of hearing available to DPI. DPI shall use this information to develop and maintain a statewide data tracking system for the purpose of coordinating with other State agencies and organizations and ensuring literacy achievement for all such children who are deaf or hard of hearing.

SECTION 3. This act is effective when it becomes law.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 317*

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

H317-ATB-22 [v.1]

Comm. Sub. [NO]
Amends Title [NO]
Second Edition

Date _____,2013

Senator _____

moves to amend the bill on page 2, line 27, by replacing the word "and" with the word "or".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

HOUSE BILL 317:
Improve Ed. for Children Who Are Deaf

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	May 29, 2013
Introduced by:	Reps. Blackwell, Farmer-Butterfield, Holloway, Martin	**Prepared by:**	Denise Adams Legislative Analyst*
Analysis of:	Second Edition		

SUMMARY: House Bill 317 would direct the State Board of Education to improve the educational outcomes for children who are deaf and hard of hearing by ensuring (i) culturally and linguistically appropriate annual literacy assessment, (ii) IEP team documentation processes, (iii) availability of highly qualified personnel, and (iv) parental rights to request residential school placement. The bill would also direct the Dept. of Health and Human Services to make relevant information available to the Dept. of Public Instruction.

CURRENT LAW: The federal Individuals with Disabilities Education Act (IDEA) and Article 9 of Chapter 115C of the General Statutes ensure the right of a "free appropriate public education" provided in the "least restrictive environment" to children with disabilities ages three through twenty-one years. G.S. 115C-106.2(c) provides that the State Board of Education may set standards for the education of children with disabilities that are higher than those required by IDEA.

BILL ANALYSIS: House Bill 317 would direct the State Board of Education to improve the educational outcomes for children who or deaf or hard of hearing by:

- Developing culturally and linguistically appropriate assessment procedures to at least annually assess literacy skills, and to address the outcomes of the annual assessment.
- Requiring an individualized education program (IEP) team to use the Communication Plan Worksheet for Students Who Are Deaf and Hard of Hearing to document the child's (i) language and communication needs as IEPs are developed, reviewed, and revised, (ii) data used in placement decisions, and (iii) annual review of needs and placement.
- Ensuring availability of highly qualified personnel to meet the unique needs, including interactions in the child's language and communication modality to meet academic and social goals.
- Ensuring that parents know their right to request the IEP team to consider residential placement, and if this request is made, that a representative from one of the residential schools/day programs be made a member of the IEP team.

House Bill 317 would also direct the Department of Health and Human Services and other State agencies and organizations to make their databases containing information on children birth to twenty-two years who are deaf and hard of hearing available to the Department of Public Instruction (DPI), upon DPI's request. DPI would use this information to develop and maintain a statewide data tracking system to coordinate State agency and organization efforts to ensure literacy achievement for all children who are deaf and hard of hearing.

EFFECTIVE DATE: This act is effective when it becomes law.

O. Walker Reagan
Director

H317-SMTB-48 E2 -V2

Research Division
(919) 733-2578

BACKGROUND: The Department of Public Instruction (DPI) reports that as of December 2012, there were 180 children who are deaf, and 1958 children who are hearing impaired, ages 3-21 years being educated in the public schools. Of this total, 70 children who are deaf and 110 who are hearing impaired are placed in NC's residential schools/day programs.

**Patsy Pierce, Legislative Analyst for House Education, substantially contributed to this summary.*

HOUSE BILL 591

Short Title:	Reporting and Terms for Long. Data Board.	(Public)
Sponsors:	Representatives Blackwell, Holloway, Johnson, and Jordan (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Rules, Calendar, and Operations of the House.	

April 9, 2013

A BILL TO BE ENTITLED

AN ACT TO SPECIFY THE TERM OF OFFICE FOR APPOINTED MEMBERS OF THE NORTH CAROLINA LONGITUDINAL DATA SYSTEM BOARD, TO MAKE THE STATE INFORMATION OFFICER CHAIR OF THE NORTH CAROLINA LONGITUDINAL DATA SYSTEM BOARD, TO SPECIFY THE TIMES FOR MEETING OF THE NORTH CAROLINA LONGITUDINAL DATA SYSTEM BOARD, AND TO REQUIRE QUARTERLY REPORTING OF PROGRESS ON THE NORTH CAROLINA LONGITUDINAL DATA SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116E-3(a)(10) reads as rewritten:

"(10) The State Chief Information ~~Officer, or the Officer's designee.~~Officer."

SECTION 2. G.S. 116E-3(b) reads as rewritten:

"(b) Appointed members of the Board shall serve terms of four years. Terms of appointed members shall begin May 1, 2013, and every four years thereafter. Appointed members may be reappointed but shall not serve more than two consecutive terms. Vacancies among appointed members shall be filled by the appointing entity and shall be for the remainder of the vacant term."

SECTION 3. G.S. 116E-3(c) reads as rewritten:

"(c) The chair of the Board shall be the State Chief Information Officer. The Board shall elect from the appointed members ~~a chair and~~ a vice-chair for a term of two years.~~A chair may serve no more than two consecutive terms.~~"

SECTION 4. G.S. 116E-3 is amended by adding a new subsection to read:

"(e) The Board shall hold an initial meeting upon appointment of a majority of the appointed members. The Board shall meet at least quarterly, but may meet more frequently upon the call of the chair."

SECTION 5. G.S. 116E-4(c) reads as rewritten:

"(c) The Board shall report ~~annually~~ quarterly to the Joint Legislative Education Oversight Committee, the Joint Legislative Commission on Governmental Operations, and the Joint Legislative Committee on Information Technology beginning May 31.~~by December 15.~~ The report shall include the following:

(1) An update on the implementation of the System's activities.
(2) Any proposed or planned expansion of System data.
(3) Any other recommendations made by the Board, including the most effective and efficient configuration for the System."

SECTION 6. This act is effective when it becomes law.

HOUSE BILL 591:
Reporting and Terms for Long. Data Board

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	May 29, 2013
Introduced by:	Reps. Blackwell, Holloway, Johnson, Jordan	**Prepared by:**	Kara McCraw*
Analysis of:	First Edition		Committee Counsel

SUMMARY: House Bill 591 would make statutory changes to the reporting requirements and membership of the governing board of the North Carolina Longitudinal Data System.

CURRENT LAW: The North Carolina Longitudinal Data System and its governing board were established by legislation passed in 2012 (S.L. 2012-133). The System is a statewide data system containing individual-level student data and workforce data to facilitate and enable exchange of student data among agencies, generate timely and accurate information to improve the education system and guide decision making, and facilitate and enable the linkage of student data and workforce data. Powers and duties of the Board include developing an implementation plan for the System, providing oversight, and establishing and overseeing compliance with privacy laws.

BILL ANALYSIS: House Bill 591 would make the following changes pertaining to the Board:

- Deletes option for State Chief Information Officer (State CIO) to designate someone to sit on the Board in the place of the State CIO.
- Specifies that appointed members' terms would begin on May 1, 2013, and every four years thereafter.
- Provides that the chair of the Board would be the State CIO (currently the chair is to be elected by the Board from the appointed members.)
- Specifies meeting times – The Board would be required to hold an initial meeting upon appointment of a majority of the appointed members. The Board would be required to meet quarterly, but could meet more frequently upon call of the chair.
- Changes reporting requirements – The Board would be required to report quarterly (currently annually), and would have to report to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Committee on Information Technology (in addition to the current requirement to report to the Joint Legislative Education Oversight Committee.)

EFFECTIVE DATE: The act would be effective when it becomes law.

**This summary was substantially contributed to by Wendy Ray Graf, House Rules Committee Counsel*

O. Walker Reagan
Director

H591-SMTC-46 E1 -V1

Research Division
(919) 733-2578

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

HOUSE BILL 146

Short Title:	Back to Basics.	(Public)
Sponsors:	Representatives Hurley, Warren, and Shepard (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Education, if favorable, Appropriations.	

February 25, 2013

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE STATE BOARD OF EDUCATION TO ENSURE INSTRUCTION IN CURSIVE WRITING AND MEMORIZATION OF MULTIPLICATION TABLES AS A PART OF THE BASIC EDUCATION PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-81 is amended by adding new subsections to read:

"(k) Cursive Writing. – The standard course of study shall include the requirement that the public schools provide instruction in cursive writing so that students create readable documents through legible cursive handwriting by the end of fifth grade.

(l) Multiplication Tables. – The standard course of study shall include the requirement that students enrolled in public schools memorize multiplication tables to demonstrate competency in efficiently multiplying numbers."

SECTION 2. This act is effective when it becomes law and applies beginning with the 2013-2014 school year.

HOUSE BILL 146:
Back to Basics

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	May 29, 2013
Introduced by:	Reps. Hurley, Warren, Shepard	**Prepared by:**	Kara McCraw*
Analysis of:	First Edition		Committee Counsel

SUMMARY: House Bill 146 would require that instruction of cursive writing and memorization of multiplication tables be included as part of the standard course of study in public schools.

[As introduced, this bill was identical to S243, as introduced by Sen. Allran, which is currently in House Education.]

CURRENT LAW: Under current law, the Basic Education Program broadly describes the education program to be offered to every child in the public schools. The North Carolina Standard Course of Study, adopted as policy by the State Board of Education, sets content standards and describes the curriculum which should be made available to every child in North Carolina's public schools.

Beginning in the 2012-2013 school year and moving forward, the new Standard Course of Study will consist of the Common Core State Standards in K-12 Mathematics and K-12 English/Language Arts (adopted by the State Board of Education in June, 2010) and the North Carolina Essential Standards (standards for subjects other than K-12 Math and English/Language Arts).

These standards do not address cursive writing or require memorization of multiplication tables. Instead, he decision to provide instruction for students in cursive writing and requiring multiplication table memorization are decisions of local school districts.

BILL ANALYSIS: House Bill 146 would require that instruction of cursive writing and memorization of multiplication tables be included as part of the standard course of study in public schools.

EFFECTIVE DATE: This act is effective when it becomes law and applies beginning with the 2013-2014 school year.

BACKGROUND: Staff conducted a survey of all 115 local school districts (LEAs) to see which LEAs were teaching cursive and requiring multiplication tables. Of the 65 LEAs that responded, 62 are currently teaching cursive and 63 are requiring the memorization of multiplication tables.

HB 146 was heard for discussion in Senate Education on April 24, 2013 when its companion, SB 243, received a favorable report from the committee.

**This summary was substantially contributed to by Denise Adams, Legislative Analyst.*

O. Walker Reagan
Director

H146-SMTC-43 E1 -V1

Research Division
(919) 733-2578

HOUSE BILL 537

Short Title:	Edenton-Chowan Sch. Bd. Terms.	(Local)
Sponsors:	Representative Steinburg (Primary Sponsor). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Education.	

April 4, 2013

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR FOUR-YEAR TERMS RATHER THAN SIX-YEAR TERMS FOR THE MEMBERS OF THE EDENTON-CHOWAN BOARD OF EDUCATION AND CHANGE THE ELECTION SCHEDULE FOR ONE DISTRICT SEAT.

The General Assembly of North Carolina enacts:

SECTION 1. Section 1 of Chapter 974, Session Laws of 1973, as amended by Chapter 103 of the 1989 Session Laws, reads as rewritten:

"Section 1. The Edenton-Chowan Board of Education shall consist of seven members who shall serve for terms of ~~six~~four years each. In the general election to be held for county officers in ~~1990,~~2014 and biennially thereafter, there shall be elected members of the Edenton-Chowan Board of Education to take the place of the members whose terms next expire. They shall be elected in accordance with this act and Chapter 30, Session Laws of 1967, to the extent that that act does not conflict with this act, and said election shall be non-partisan."

SECTION 2. Section 1.5 of Chapter 974, Session Laws of 1973, as amended by Chapter 103 of the 1989 Session Laws, reads as rewritten:

"Sec. 1.5. In ~~1990~~2014 and each ~~six~~four years thereafter, one member shall be elected ~~from seat 1 of District 2 and one member~~ from seat 1 of District ~~3,~~3 for ~~six-year terms.~~a four-year term. In ~~1992~~2016 and each ~~six~~four years thereafter, one member shall be elected from seat 1 of District ~~1~~1, one member from seat 1 of District 2, and one member from seat 2 of District 3, for ~~six-year~~four-year terms. In ~~1994~~2018 and each ~~six~~four years thereafter, one member shall be elected from seat 2 of District 1, one member from seat 2 of District 2, and one member at-large, for ~~six-year~~four-year terms."

SECTION 3. Notwithstanding any other provision of law, in the 2014 election, one member shall be elected to fill seat 1 of District 2 on the Edenton-Chowan Board of Education to serve a term of two years. In 2016 and each four years thereafter, one member shall be elected to fill seat 1 of District 2 for a four-year term in accordance with Section 1.5 of Chapter 974, Session Laws of 1973, as amended by Chapter 103 of the 1989 Session Laws and as amended by this act.

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

HOUSE BILL 537:
Edenton-Chowan Sch. Bd. Terms

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	May 29, 2013
Introduced by:	Rep. Steinburg	**Prepared by:**	Denise Adams*
Analysis of:	First Edition		Legislative Analyst

SUMMARY: HB 537 would reduce the terms of office for members of the Edenton-Chowan Board of Education from 6 years to 4 years.

CURRENT LAW: S.L. 1973-974, as amended by S.L. 1989-103, provides the process for elections of members of the Edenton-Chowan Board of Education. The board has 7 members elected on a non-partisan basis at the general election in even-numbered years. One member is elected from the county at-large. The remaining members are elected by district, with two members each elected from three districts. Members serve staggered 6 year terms of office, with members from the following seats being elected at the same time:

- Seat 1 of District 2 and Seat 1 of District 3 (terms expire 2014)
- Seat 1 of District 1 and Seat 2 of District 3 (terms expire 2016)
- Seat 2 of District 1, Seat 2 of District 2, and the at-large seat (terms expire 2018)
-

BILL ANALYSIS: HB 537 would decrease the terms of office for members of the Edenton-Chowan Board of Education from 6 years to 4 years as terms expire for current board members as follows:

- 2014 election
  - Seat 1 of District 2 – 2 year term
  - Seat 1 of District 3 - 4 year term
- 2016 election and thereafter
  - Seat 1 of District 2 – 4 year term
  - Seat 1 of District 1 – 4 year term
  - Seat 2 of District 3 – 4 year term
- 2018 election and thereafter
  - Seat 1 of District 3 – 4 year term
  - Seat 2 of District 1 – 4 year term
  - Seat 2 of District 2 – 4 year term
  - At-large seat - 4 year term

EFFECTIVE DATE: HB 537 would become effective when it becomes law, but may not be implemented until the session law has received 'preclearance' approval under Section 5 of the Voting Rights Act of 1965 by the U.S. Department of Justice as Chowan County is one of 40 counties in North Carolina subject to Section 5.

**Kara McCraw, Counsel to House Education, substantially contributed to this summary.*

O. Walker Reagan
Director

H537-SMTB-49 E1 -V1

Research Division
(919) 733-2578

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H 2

HOUSE BILL 903
Committee Substitute Favorable 4/30/13

Short Title: UNC & Comm. College Credit Transfers. (Public)

Sponsors:

Referred to:

April 15, 2013

A BILL TO BE ENTITLED

AN ACT TO REQUIRE ALL CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA TO FULLY ADHERE TO THE COMPREHENSIVE ARTICULATION AGREEMENT WITH THE NORTH CAROLINA COMMUNITY COLLEGE SYSTEM REGARDING THE TRANSFER OF COURSES AND ACADEMIC CREDITS BETWEEN THE TWO SYSTEMS AND THE ADMISSION OF TRANSFER STUDENTS AND TO DIRECT THE UNIVERSITY OF NORTH CAROLINA AND THE NORTH CAROLINA COMMUNITY COLLEGE SYSTEM TO REPORT BIANNUALLY REGARDING THE AGREEMENT TO THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116-11 is amended by adding a new subdivision to read:

"(10c) The Board of Governors shall require each constituent institution to adhere fully to the Comprehensive Articulation Agreement between The University of North Carolina and the North Carolina Community College System that addresses the transfer of courses and academic credits between the two systems and the admission of transfer students. The Board of Governors shall further ensure that the agreement is applied consistently among the constituent institutions. The University of North Carolina and the North Carolina Community College System shall conduct biannual joint reviews of the Comprehensive Articulation Agreement to ensure that the agreement is fair, current, and relevant for all students and institutions and shall report their findings to the Joint Legislative Education Oversight Committee, including all revisions to the Comprehensive Articulation Agreement and reports of noncompliance by November 1 of each year. The University of North Carolina and the North Carolina Community College System shall also jointly develop an articulation agreement advising tool for students, parents, and faculty to simplify the course transfer and admissions process."

SECTION 2. This act is effective when it becomes law.

HOUSE BILL 903:
UNC & Comm. College Credit Transfers

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	May 29, 2013
Introduced by:	Reps. Johnson, Starnes	**Prepared by:**	Patsy Pierce
Analysis of:	Second Edition		Legislative Analyst*

SUMMARY: ***House Bill 903 would require: (i) the constituent institutions of The University of North Carolina (UNC) to fully comply with the Comprehensive Articulation Agreement (CAA); (ii) UNC and the North Carolina Community College System (NCCCS) to conduct biannual reviews of the CAA and report their findings to the Joint Legislative Education Oversight Committee by November 1 of each year; and (iii) UNC and NCCCS to develop an articulation agreement advising tool for students, parents, and faculty.***

CURRENT LAW and BACKGROUND: In 1995, the General Assembly directed the Board of Governors of The University of North Carolina (BOG) and the State Board of Community Colleges (SBCC) to develop a plan for the transfer of credits between the institutions of the NCCCS and UNC constituent institutions which resulted in the CAA. In order to meet the basic requirements of the CAA, a student must: (i) graduate from a North Carolina community college with an AA or AS degree or complete the 44 hour general education CAA core; (ii) have an overall GPA of 2.0; and (iii) must have a grade of "C" or better in all CAA courses. If the student has met the requirements of the CAA, the student: (i) is guaranteed admission to one of the constituent institutions of UNC but not to a specific constituent institution or to a specific major; (ii) has fulfilled the lower-division general education requirements of the UNC campus to which the student is admitted; and (iii) will receive at least 64 semester hours of credit upon admission to the UNC campus and transfer with "Junior Status".

presentation to the Joint Legislative Education Oversight Committee in September 2012, UNC and NCCCS stated ..... they have started working on improving the transfer process as well as updating and revising the CAA. A CAA Steering Committee was appointed in April 2012 and it is developing work plans and timelines. Their expected outcomes include highly-structured NCCCS transfer pathways that lead to major fields of study at UNC constituent institutions; fewer NCCCS first-year elective options to help keep students on track; improved transfer course mapping technology tools; improved transfer advising capacity; and more students completing AA or AS degrees before transferring. According to the presentation, a revised CAA should be implemented by the Fall of 2014 and they plan to develop a process and schedule for a regular ongoing evidence based review and update of the CAA. The presentation may be found at:

http://www.ncleg.net/documentsites/committees/JLEOC/Committee%20Meetings/2011-2012%20Committee%20Meetings/September%2011,%202012/Comprehensive%20Articulation%20Agreement%20-%20Sharon%20Morrissey%20and%20Suzanne%20Ortega.pdf

BILL ANALYSIS: HB 903 would require: (i) the UNC constituent institutions to fully comply with the CAA; (ii) the BOG to ensure that it is applied consistently through the UNC system; and (iii) both UNC and NCCCS to conduct biannual joint reviews of the CAA to ensure that it is fair, current, and relevant for the students and the institutions. UNC and NCCCS would have to report findings to the Joint Legislative Education Oversight Committee by November 1 of each year and include revisions to the CAA as well as reports of noncompliance with the CAA. Finally, the bill would direct UNC and the NCCCS to jointly develop an articulation agreement tool for students, parents, and faculty to simplify the course transfer and admissions process.

EFFECTIVE DATE: The bill would become effective when it becomes law.

**Drupti Chauhan, Committee Counsel, substantially contributed to this summary.*

O. Walker Reagan
Director

H903-SMTL-61 E2 -V3

Research Division
(919) 733-2578

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

5-29-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Gene Causby	NCSCA
Doug Peters	CSS
Morgan Cunningham	NCGA Intern
Edna Wallace	NCNS
Jim Stegall	NCPCSA
Towner Maxwell	PSG
Laura S. Keim	NC Alexander Graham Bell Assoc.
[illegible]	NCACC
Leanne Winner	NCSBA
Robert Pridemore	NCATSA
Emily [illegible]	NCPAPA
Katherine Ross	PPAB
JAY PETERS	CSS
Tim McDonnell	NCICU
Hope Williams	NCICU
Evelyn Hawthorne	PENC; CISNC
Dave Simpkins	CAGC

09-21-201

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

5-29-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Glenn A. Jones	National Heritage
Tam Stilwell	NCSBE
Rachel Bentley	NCPPI
Tom Watson	NCDPI
Adam Breeggemann	OSBM
Elizabeth Groenestein	OSBM
[signature]	OSBM
Kay Emanuel	School of Government
Sharon Morrissey	NCCCS
Chris Hill	NC Justice Center
Annaliese Dolph	Dolph Law
Ed Shuford	Brooks Pierce
Rich Glaze	Hunt
Michelle Frazier	MFS
Sarah Wolfe	MWC LLC
Mike Tarrant	UNCG

09-21-201

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

5-29-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[signature]	Ed Consultant
Eric Guckian	Education Advisor to Governor
[signature]	SEARC

09-21-201

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

5-29-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mike Carnevale	NCBA
	NCFPC
	CSS

09-21-201

Senate Committee on Education/Higher Education
Wednesday, June 5, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 587	OCS/ECS/Exemption From ACT.	Representative Whitmire Representative Holloway Representative Blackwell Representative Glazier
HB 255	UNC Tuition Surcharge/Advance Notice.	Representative Glazier Representative Johnson Representative Holloway
HB 691	Limit Soldiers CC Tuition.	Representative Szoka Representative Hastings Representative Malone Representative Martin, S.
HB 754	Lease Purchase of Real Property/Comm. Coll.	Representative Johnson Representative Starnes

Adjournment

Senate Committee on Education/Higher Education
Wednesday, June 5, 2013 at 10:00 AM
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on June 5, 2013 in Room 544 of the Legislative Office Building. 15 members were present.

Senator Dan Soucek, Chair, presided.

Chairman Soucek called the meeting to order at 10:02AM and thanked the Sergeants-at-Arms and the pages.

He then called forward Representative Whitmire to explain H587 and accepted a motion from Senator Brown for adoption of a Proposed Committee Substitute (PCS). The committee adopted the PCS and following a brief explanation, Senator Cook moved for a favorable report to the PCS.

Chairman Soucek called for a vote and the committee voted to adopt a favorable report to the proposed committee substitute and an unfavorable report to the original bill.

He then called on Representative Glazier to explain H255 and accepted a motion from Senator Curtis for adoption of a PCS.

Following Rep. Glazier's brief explanation of the bill, Senator Robinson was recognized and thanked Rep. Glazier for the bill.

Chairman Soucek then recognized Senator Bryant, who moved for a favorable report to the PCS. Upon calling for a vote, the committee voted to adopt a favorable report to the proposed committee substitute and an unfavorable report to the original bill.

Representative Szoka was then called forward to explain H691. Following another brief explanation, Senator Brown was recognized and moved for a favorable report.

Chairman Soucek called for a vote and the committee adopted a favorable report.

Representative Starnes was then recognized to explain H754.

Following his explanation, Senator Cook was recognized for a question of Representative Starnes. He questioned how this bill would affect the current situation for Community Colleges.

Representative Starnes responded by indicating that within the current process, Community Colleges are not permitted to enter into lease purchase agreements and that this bill would lift that prohibition.

Chairman Soucek recognized Senator Pate, who indicated that he had been contacted by the Community Colleges, who are in support of the bill and further moved for a favorable report.

Calling for a vote, the committee adopted a favorable report to the bill.

Chairman Soucek then thanked the members and adjourned the meeting.

The meeting adjourned at 10:10AM.

Senator Dan Soucek, Chair
Presiding

John Clark, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, June 05, 2013

Senator Soucek,
submits the following with recommendations as to passage:

FAVORABLE

HB **691** **(CS#1)** Limit Soldiers CC Tuition.

Draft Number:	None
Sequential Referral:	Appropriations/Base Budget
Recommended Referral:	None
Long Title Amended:	No

HB **754** **(CS#1)** Lease Purchase of Real Property/Comm. Coll.

Draft Number:	None
Sequential Referral:	Finance
Recommended Referral:	None
Long Title Amended:	No

UNFAVORABLE AS TO COMMITTEE SUBSTITUTE BILL NO. 1, BUT FAVORABLE AS TO SENATE COMMITTEE SUBSTITUTE BILL

HB **255** **(CS#1)** UNC Tuition Surcharge/Advance Notice.

Draft Number:	H255-PCS70445-TB-25
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

HB **587** **(CS#1)** OCS/ECS/Exemption From ACT.

Draft Number:	H587-PCS10423-TL-25
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes

TOTAL REPORTED: 4

Senator Wesley Meredith will handle HB 691
Senator Daniel Soucek will handle HB 754
Senator Jerry Tillman will handle HB 255
Senator Daniel Soucek will handle HB 587



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H 3

HOUSE BILL 587
Committee Substitute Favorable 4/17/13
Third Edition Engrossed 4/18/13

Short Title: OCS/ECS/Exemption From ACT. (Public)

Sponsors:

Referred to:

April 8, 2013

A BILL TO BE ENTITLED

AN ACT TO EXEMPT STUDENTS ENROLLED IN THE OCCUPATIONAL COURSE OF STUDY AND THE EXTENDED COURSE OF STUDY FROM THE ACT AND ACT PRECURSOR TESTING REQUIREMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-174.11(c)(4) reads as rewritten:

"(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. The State Board shall not require the administration of the ACT test or any precursor test to the ACT test, such as PLAN or EXPLORE to a student who is enrolled in the Occupational Course of Study or the Extended Course of Study who (i) does not score at or above grade level on any State-approved end-of-course tests and (ii) has a written parental request for exemption. The State Board of Education shall ensure that parents of students enrolled in the Occupational Course of Study or the Extended Course of Study in all public schools, including charter and regional schools have the necessary information to make informed decisions regarding participation in the ACT and aligned precursor tests. The State Board may develop alternative assessment measures for these students."

SECTION 2. G.S. 115C-174.22 reads as rewritten:

"**§ 115C-174.22. Tools for student learning.**

To the extent funds are made available for this purpose, and except as otherwise provided in G.S. 115C-174.11(c)(4), the State Board shall plan for and require the administration of diagnostic tests 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."

SECTION 3. The State Board of Education shall apply to the U.S. Department of Education for an amendment to the federal waiver obtained by the State Board regarding accountability measures under the Elementary and Secondary Education Act, 20 U.S.C. § 6311, to implement the requirements of this act.

SECTION 4. Sections 1 and 2 of this act become effective September 1, 2014, or upon the approval of the waiver amendment required to be submitted to the U.S. Department of Education in accordance with Section 3 of this act, whichever occurs earlier. The remainder of this act is effective when it becomes law.

HOUSE BILL 255
Committee Substitute Favorable 3/19/13

Short Title: UNC Tuition Surcharge/Advance Notice. (Public)

Sponsors:

Referred to:

March 11, 2013

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT CERTAIN COURSES AND ACADEMIC CREDIT HOURS TRANSFERRED TO A CONSTITUENT INSTITUTION SHALL NOT BE INCLUDED IN THE CALCULATION OF CREDIT HOURS FOR PURPOSES OF THE TUITION SURCHARGE AND TO REQUIRE THAT UNIFORM PROCEDURES BE IMPLEMENTED IN THE UNIVERSITY OF NORTH CAROLINA SYSTEM TO PROVIDE APPROPRIATE ADVANCE NOTICE TO A STUDENT WHEN THE STUDENT IS APPROACHING THE CREDIT HOUR LIMIT REGARDING THE TUITION SURCHARGE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116-143.7 reads as rewritten:

"**§ 116-143.7. Tuition surcharge.**

(a) The Board of Governors of The University of North Carolina shall impose a fifty percent (50%) tuition surcharge on students who take more than 140 degree credit hours to complete a baccalaureate degree in a four-year program or more than one hundred ten percent (110%) of the credit hours necessary to complete a baccalaureate degree in any program officially designated by the Board of Governors as a five-year program. Courses and credit hours taken include those taken at that constituent institution ~~or~~ and those taken at another constituent institution or a community college under the jurisdiction of the State Board of Community Colleges accepted for transfer. In calculating the number of degree credit hours taken:

(1) Included are courses that a student:
  a. Fails.
  b. Does not complete unless the course was officially dropped by the student pursuant to the academic policy of the appropriate constituent institution.

(2) Excluded are credit hours earned through:
  a. The College Board's Advanced Placement Program, CLEP examinations, or similar programs.
  b. Institutional advanced placement, course validation, or any similar procedure for awarding course credit.
  c. Summer term or extension programs.
  d. Courses and credit hours transferred and accepted for credit from an institution of higher education that is not a constituent institution or a community college that is not under the jurisdiction of the State Board of Community Colleges.

(b) No surcharge shall be imposed on any student who exceeds the degree credit hour limits within the equivalent of four academic years of regular term enrollment or within five academic years of regular term enrollment in a degree program officially designated by the Board of Governors as a five-year program.

(c) Upon application by a student, the tuition surcharge shall be waived 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 waiver provided by this subsection.

(d) Each constituent institution shall implement procedures to notify students and parents regarding the tuition surcharge and to provide appropriate advance notice to a student when the student is approaching the credit hour limit regarding the tuition surcharge. The procedures shall comply with the tuition surcharge notification principles established by the Board of Governors."

SECTION 2. G.S. 116-11 is amended by adding a new subdivision to read:

"(7a) The Board of Governors shall develop a uniform core set of notification principles regarding the tuition surcharge, including a process for each campus to notify students and parents at orientation and through each semester's tuition statements and a process to provide appropriate advance notification to a student when the student is approaching the credit hour limit regarding the tuition surcharge. The Board of Governors shall direct each constituent institution to implement these procedures."

SECTION 3. This act is effective when it becomes law and applies to the 2013 fall academic semester and each subsequent academic semester.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H 2

HOUSE BILL 691
Committee Substitute Favorable 5/8/13

Short Title: Limit Soldiers CC Tuition. (Public)

Sponsors:

Referred to:

April 11, 2013

A BILL TO BE ENTITLED

AN ACT TO LIMIT COMMUNITY COLLEGE TUITION FOR REENROLLING ACTIVE DUTY SERVICE MEMBERS SO THAT THE MAXIMUM RATE SHALL NOT EXCEED AVAILABLE FEDERAL TUITION ASSISTANCE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116-143.3 is amended by adding a new subsection to read:

"(b3) Notwithstanding G.S. 115D-5(b), if the amount of the out-of-state tuition rate for a community college exceeds the amount of tuition assistance available from the federal government, as set forth in the U.S. Department of Defense Directive, 1322.08E, promulgated pursuant to 10 U.S.C. §§ 2005 and 2007, for active duty members of the Armed Forces, the amount by which the out-of-state tuition rate exceeds the amount of the federal tuition assistance available to the institution or active duty member of the Armed Forces shall be waived, provided all of the following conditions are met:

(1) The active duty member of the Armed Forces was enrolled in a degree or other program at a community college and charged the in-State tuition rate at the time of deployment or reassignment.

(2) The active duty member of the Armed Forces was not able to remain continuously enrolled in the degree or other program at the community college due to deployment or reassignment.

(3) The active duty member of the Armed Forces reenrolls in the degree or other program at the community college in which the member was enrolled at the time the member was deployed or reassigned within 18 months of deployment or reassignment.

(4) The active duty member of the Armed Forces does not otherwise qualify for the in-State tuition rate.

The amount of tuition charged to an active duty member of the Armed Forces eligible to receive this waiver shall not be lower than the in-State tuition rate."

SECTION 2. This act becomes effective July 1, 2013.

HOUSE BILL 691:
Limit Soldiers CC Tuition

2013-2014 General Assembly

Committee:	Senate Ref to Education/Higher Education. If fav, re-ref to Appropriations/Base Budget	**Date:**	June 5, 2013
Introduced by:	Reps. Szoka, Hastings, Malone, Martin, S.	**Prepared by:**	Drupti Chauhan*
Analysis of:	Second Edition		Committee Counsel

SUMMARY: ***House Bill 691 would waive the difference in cost between the out-of-state tuition rate and the amount of tuition assistance available from the Department of Defense for active duty members of the Armed Forces if certain conditions are met.***

CURRENT LAW: Under current law, any active duty member of the Armed Forces who qualifies for admission to the UNC system or a community college, but does not qualify as a resident for in-state tuition purposes, is eligible to be charged in-State tuition while stationed in North Carolina. If the member is reassigned outside of the State, the member continues to be eligible for in-State tuition as long as the member is continuously enrolled in the degree or other program in which the member was enrolled at the time the member is reassigned.

BILL ANALYSIS: House Bill 691 adds a new subsection to G.S. 116-143.3, the statute governing tuition of Armed Forces personnel and their dependents. The bill provides that if the amount of the out-of-state tuition rate for a community college exceeds the amount of federal tuition assistance available from the federal government for active duty members of the Armed Forces, the cost difference will be waived if all of the following conditions are met:

1. The active duty member of the Armed Forces (member) was enrolled in a degree or other program and receiving in-State tuition at the time of deployment or reassignment.
2. The member was not able to remain continuously enrolled in the degree or other program at the community college due to deployment or reassignment.
3. The member reenrolls in the same degree or other program at the community college in which the member was enrolled at the time the member was deployed or reassigned within 18 months of deployment or reassignment.
4. The member does not otherwise qualify for the in-State tuition rate.

The bill also provides that the amount of tuition charged to an active duty member of the Armed Forces eligible to receive this waiver must not be lower than the in-State tuition rate.

EFFECTIVE DATE: This act becomes effective July 1, 2013.

BACKGROUND: Currently, the Department of Defense tuition assistance pays up to $250 per credit hour. The current out-of-state tuition cost per credit hour at the community college is $261.

**Denise Adams, policy analyst for the House and Senate Education Committees, significantly contributed to this summary.*

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

HOUSE BILL 754
Committee Substitute Favorable 4/30/13

Short Title: Lease Purchase of Real Property/Comm. Coll. (Public)

Sponsors:

Referred to:

April 11, 2013

A BILL TO BE ENTITLED

AN ACT AUTHORIZING COMMUNITY COLLEGES TO ACQUIRE REAL PROPERTY BY LEASE PURCHASE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115D-58.15 reads as rewritten:

"**§ 115D-58.15. Lease purchase and installment purchase contracts for ~~equipment.~~equipment and real property.**

(a) Authority. – ~~The~~ Notwithstanding any other provision of law to the contrary, the board of trustees of a community college may use lease purchase or installment purchase contracts to purchase or finance the purchase of equipment or real 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. The source of funds for lease purchase or installment purchase contracts for real property shall be local funds. 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 or indirectly to secure any moneys due under a contract authorized by this section."

SECTION 2. G.S. 115D-20(11) reads as rewritten:

"(11) To enter into lease purchase and installment purchase contracts for equipment and real property under G.S. 115D-58.15."

SECTION 3. This act becomes effective July 1, 2013.

HOUSE BILL 754:
Lease Purchase of Real Property/Comm. Coll

2013-2014 General Assembly

Committee:	Senate Ref to Education/Higher Education. If fav, re-ref to Finance	**Date:**	June 5, 2013
Introduced by:	Reps. Johnson, Starnes	**Prepared by:**	Kara McCraw* Committee Counsel
Analysis of:	Second Edition		

SUMMARY: ***The 2nd Edition of House Bill 754 would authorize community colleges to acquire real property by lease purchase.***

CURRENT LAW: Boards of trustees of community colleges may use lease purchase or installment purchase contracts to buy or finance the purchase of equipment using either State funds or local funds. For a contract that is (i) is for more than $100,000 or is for term of more than three years and (ii) is to be paid with from **State** funds, the contract must be approved by resolution of the State Board of Community Colleges (SBCC).

For a contract that (i) is for more than $100,000 or is for term of more than three years and (ii) is to be paid with from **local** funds, the contract must be approved by resolution of the tax-levying authority. The tax-levying authority must acknowledge in writing that an appropriation may be required to meet the obligations of the contract.

The Local Government Commission must also approve a contract that must be approved by a tax-levying authority if the contract: (i) extends for five or more years from the date of the contract; (ii) obligates the board of trustees to pay money to another, regardless of whether the payee is a party to the contract; and (iii) obligates the board of trustees to pay $500,000 or more over the full term of the contract.

Deficiency judgments cannot be rendered against any board of trustees, any tax-levying authority, the SBCC or the State of North Carolina in any action for a breach of a lease purchase or installment purchase contract. The taxing power of a tax-levying authority and the State is not and may not be pledged directly or indirectly to secure any funds due under a lease purchase or installment purchase contract.

BILL ANALYSIS: HB 754 would authorize the board of trustees of a community college to use local funds for lease purchase or installment purchase contracts to buy real property. All other aspects of the current law would remain in place, including the requirement for a resolution from the tax-levying authority for contracts using local funds that are more than $100,000 or for more than 3 years, and approval by the Local Government Commission if the criteria set out above are met.

EFFECTIVE DATE: The bill would become effective July 1, 2013.

BACKGROUND: The 2nd Edition of HB 754 is identical to Section 10.11 of SB 402 (the Appropriations Act of 2013) as passed by the Senate.

**This summary was substantially contributed to by Drupti Chauhan, Committee Counsel.*

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

6-5-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Cassandra Skinner	NCACC
Rebecca Tinkler	NCACC
Mary Shuping	NCCCS
Jennifer Haygood	NCCCS
Drew Moritz	UNCGA
Hannah Trader	~~NA~~ ALCUMNS
Alex Boyce	CSS
Morgan Cunningham	Senator Brown Intern
Adam Prideaux	NCABA
Zane Stilwell	NC SBE
Joni Allen	BEGINNINGS

09-21-201

VISITOR REGISTRATION SHEET

Ed / Higher Ed

(Committee Name)

6-5-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kelsey McGaha	Rep. Whitmire's Intern
Joyce Peters	CSS
Yolanda Smith	Cap. Access
Camara Harris	MCH
[illegible]	DHHS — DPH
JAY PETERS	CSS
Leane Winn	NCSBA
Erin Ehrhardt	Governor's Office
Kay Emanuel	School of Gov.
Meredith Flowe	Self-Help
Edna Wallace	NCNB
Katherine Joyce	NCASA

09-21-201

Senate Committee on Education/Higher Education
Wednesday, June 12, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 57	Child Nutrition Program Solvency and Support.	Representative Howard
HB 868	Resid. School Changes.	Representative Farmer-Butterfield Representative Blackwell Representative S. Martin Representative Tolson

Adjournment

Senate Committee on Education/Higher Education
Wednesday, June 12, 2013 at 10:00 AM
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on June 12, 2013 in Room 544 of the Legislative Office Building. 15 members were present.

Senator Chad Barefoot, Vice-Chair, presided.

Chairman Barefoot called the meeting to order and thanked the Sergeants-at-Arms and the pages.

Senator Tillman was then recognized for a motion to adopt a proposed committee substitute (PCS) to House Bill 57. The motion carried.

Chairman Barefoot then recognized Representative Howard to explain the bill.

Following her brief explanation, Senator Tillman was recognized and moved for a favorable recommendation to the PCS and an unfavorable recommendation to the original bill. The motion carried and the committee adopted a favorable recommendation to the PCS and an unfavorable recommendation to the original bill.

Chairman Barefoot then recognized a motion from Senator Bryant to adopt a PCS to H868. The motion carried and Chairman Barefoot called on Representative Farmer-Butterfield to explain the bill.

Following her explanation, Senator Bryant was recognized and asked about whether the Department of Public Instruction's concerns had been addressed relative to the rule-making process.

Chairman Barefoot recognized Representative Farmer-Butterfield who clarified that the Department of Public Instruction was seeking to be exempt from the rule-making process and opined that the Senate would likely not have heard the bill had that exemption remained in the bill.

Senator Pate was then recognized and asked whether the bill would have any impact on the ongoing negotiations with regard to the Dorothea Dix property. Representative Farmer-Butterfield responded that H868 had no impact on the Dorothea Dix property.

Chairman Barefoot then recognized Representative Cook, who moved for a recommendation favorable to the PCS. Calling for a vote, the committee voted to adopt a favorable recommendation to the PCS and an unfavorable recommendation to the original bill.

Chairman Barefoot then adjourned the meeting.

The meeting adjourned at 10:10AM.

Senator Chad Barefoot, Vice-Chair
Presiding

John Clark, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, June 12, 2013

Senator Soucek,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO SENATE COMMITTEE SUBSTITUTE BILL

HB **868** Resid. School Changes.

Draft Number:	H868-PCS70456-TB-26
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

UNFAVORABLE AS TO COMMITTEE SUBSTITUTE BILL NO. 1, BUT FAVORABLE AS TO SENATE COMMITTEE SUBSTITUTE BILL

HB **57** **(CS#1)** Child Nutrition Program Solvency and Support.

Draft Number:	H57-PCS80378-TL-34
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 2

Senator John Barefoot will handle HB 868
Senator Jerry Tillman will handle HB 57



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H D

HOUSE BILL 57*

Committee Substitute Favorable 3/13/13
PROPOSED SENATE COMMITTEE SUBSTITUTE H57-CSTL-34 [v.1]
6/11/2013 2:33:51 PM

Short Title: Child Nutrition Program Solvency and Support. (Public)

Sponsors:

Referred to:

February 5, 2013

A BILL TO BE ENTITLED

AN ACT (1) TO PROHIBIT LOCAL SCHOOL ADMINISTRATIVE UNITS FROM ASSESSING INDIRECT COSTS TO A CHILD NUTRITION PROGRAM UNLESS THE PROGRAM IS FINANCIALLY SOLVENT AND (2) TO PROMOTE OPTIMAL PRICING FOR CHILD NUTRITION PROGRAM FOODS AND SUPPLIES, AS RECOMMENDED BY THE JOINT LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE BASED ON RECOMMENDATIONS FROM THE PROGRAM EVALUATION DIVISION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-450 reads as rewritten:

"**§ 115C-450. School food services.**

(a) School food services shall be included in the budget of each local school administrative unit and the State Board of Education shall provide for school food services in the uniform budget format required by G.S. 115C-426.

(b) No local school administrative unit shall assess indirect costs to a child nutrition program unless the program has a minimum of one month's operating balance. One month's operating balance shall be derived from net cash resources divided by one month's operating costs. "Net cash resources" means all monies, as determined in accordance with the State agency's established accounting system, that are available to or have accrued to a school food authority's nonprofit child nutrition account at any given time, less cash payables and other liabilities. When calculating the average month's operating balance, the Department of Public Instruction shall use the complete and final figures obtained from the annual financial report from each child nutrition program's operation. An average month's operating balance shall be calculated and published by the Department of Public Instruction for each child nutrition program and shall be equal to the average of the three prior fiscal years' monthly operating balances. If complete and final financial reports for a given year are not yet available for a child nutrition program, the Department of Public Instruction may use projected figures but shall update the published average month's operating balance once complete and final financial reports become available. As used in this subsection, the term "indirect costs" is as defined in the United States Office of Budget and Management Circular A-87, as revised, and the term "net cash resources" is as defined in 7 C.F.R. § 210.2."

SECTION 2. The North Carolina Procurement Alliance shall promote optimal pricing for child nutrition program foods and supplies.

SECTION 3. This act becomes effective July 1, 2013.

HOUSE BILL 57:
Child Nutrition Program Solvency and Support

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	June 12, 2013
Introduced by:	Rep. Howard	**Prepared by:**	Patsy Pierce
Analysis of:	PCS to Second Edition H157-CSTL-34		Legislative Analyst

SUMMARY: House Bill 57 would prohibit local school administrative units (LEAs) from assessing indirect costs to their child nutrition program unless the program's food services account balance is greater than an average month's cost of operation for the program. House Bill 57 would also require (i) the North Carolina Procurement Alliance to promote optimal pricing for program foods and supplies, and (ii) the Department of Public Instruction to report each year by October 1 to the Joint Legislative Education Oversight Committee on the annual savings achieved through LEAs' participation in the North Carolina Procurement Alliance.

The PCS for House Bill 57 would prohibit LEAs from assessing indirect costs to the child nutrition program unless the program has a minimum of one month's operating balance. The PCS would remove the reporting requirement on annual savings achieved through the North Carolina Procurement Alliance.

The PCS for House Bill 57 is identical to the version of Senate Bill 193 that passed out of the Senate on May 13, 2013.

CURRENT LAW: G.S. 115C-450 directs LEAs to include food services in their budgets and the State Board of Education to provide for school food services in the uniform budget format.

BILL ANALYSIS: The PCS for House Bill 57 would prohibit LEAs from assessing indirect costs to their child nutrition program unless the program has at least one month's operating balance. One month's operating balance is equal to the net cash resources divided by one month's operating costs. Net cash resources include all monies that have accrued, or are available to, a school's food authority's nonprofit child nutrition account less cash payables and other liabilities. The PCS would direct the Department of Public Instruction to calculate and publish the average month's operating balance using final figures obtained from the annual financial report from each child nutrition program. The average month's operating balance would be equal to the average of three prior fiscal years' monthly operating balances. The PCS would direct the North Carolina Procurement Alliance to promote optimal pricing for child nutrition program food and supplies.

EFFECTIVE DATE: This act would become effective on July 1, 2013.

BACKGROUND: The PCS for House Bill 57 would implement Recommendation 1 of the Program Evaluation Division's Report Number 2011-06, "*Child Nutrition Programs Challenged to Meet Nutrition Standards, Maintain Participation, and Remain Solvent*," dated October 12, 2011 ("Report"). As discussed in the Report, some LEA's have charged school lunch programs for indirect administrative costs when a school lunch program has less than one month's operating expenses available, leading to financial solvency issues. The report also recommends that program solvency should be based on a rolling three-year average of the number of months' operating balance.

The North Carolina Child Nutrition Procurement Alliance is a voluntary group of 87 LEA's that consolidate purchasing 900+ food and supply products for federally-funded child nutrition programs. The Alliance members receive better product and supply pricing due to higher volume product purchases and standardized bid specifications. The Alliance members opened their first bids in May 2009.

Jan Paul and Greg Roney, Research Division, and Ryan Blackledge, Bill Drafting Division, substantially contributed to this summary.

HOUSE BILL 868

Short Title:	Resid. School Changes.	(Public)
Sponsors:	Representatives Farmer-Butterfield, Blackwell, Martin, and Tolson (Primary Sponsors). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Education.	

April 15, 2013

A BILL TO BE ENTITLED

AN ACT TO REPEAL UNNECESSARY STATUTES, MAKE CONFORMING CHANGES TO THE GENERAL STATUTES, AND CLARIFY OPERATION AND OVERSIGHT OF CERTAIN RESIDENTIAL SCHOOLS FORMERLY GOVERNED BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1. Part 30 of Article 3 of Chapter 143B of the General Statutes is repealed.

SECTION 2. Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 9C.

"Residential Schools for Visually Impaired and Hearing Impaired Students.

"**§ 115C-150.11. State Board of Education as governing agency.**

(a) The State Board of Education shall be the sole governing agency for administration and oversight of the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf (hereinafter the "residential schools" for the purposes of this Article).

"**§ 115C-150.12. Rule making.**

(a) The State Board of Education shall adopt, at a minimum, the following rules necessary for the carrying out of all duties and responsibilities of this Article with the input and recommendation of the Executive Director of Residential Schools:

(1) Codes of conduct and appeals provisions for students.

(2) Policies and procedures for academic performance and academic discipline.

(3) Rules setting reasonable fees and charges for extracurricular activities, transportation for extracurricular activities, and athletics.

In adopting these rules, the State Board shall be exempt from the provisions of Chapter 150B of the General Statutes. However, the State Board shall give notice of the adoption of the rules 30 days in advance of their adoption and shall provide an opportunity for comment by interested parties."

SECTION 3. G.S. 143B-146.1(b) reads as rewritten:

"(b) The following definitions apply in this Part:

(1) ABC's Program or Program. – The School-Based Management and Accountability Program developed by the State Board.

(2) Department. – The Department of Health and Human Services.

(3) Instructional personnel. – Assistant principals, teachers, instructional personnel, instructional support personnel, and teacher assistants employed in a residential school.

(4) Participating school. – A residential ~~school~~school, except as otherwise provided in Article 9C of Chapter 115C, that is required to participate in the ABC's Program.

(5) Residential school personnel. – The individuals included in G.S. 143B-146.16(a)(2).

(6) Schools. – The residential schools under the control of the Secretary.

(7) Secretary. – The Secretary of Health and Human Services.

(8) State Board. – The State Board of Education.

~~(9) Superintendent. – The Superintendent of the Office of Education Services of the Department of Health and Human Services.~~"

SECTION 4. G.S. 143B-146.2(a) reads as rewritten:

"(a) ~~The Governor Morehead School and the schools for the deaf shall participate in the ABC's Program.~~ The Secretary, in consultation with the General Assembly and the State Board, may designate ~~other~~ residential schools that must participate in the ABC's Program. The primary goal of the ABC's Program is to improve student performance. The Program is based upon an accountability, recognition, assistance, and intervention process in order to hold each participating school, its principal, and the instructional personnel accountable for improved student performance in that school."

SECTION 5. G.S. 143B-146.8(f) reads as rewritten:

"(f) Evaluation of Principals. – Each year the Secretary ~~or the Superintendent~~ shall evaluate the principals."

SECTION 6. G.S. 143B-146.15 reads as rewritten:

"**§ 143B-146.15. Duty to report certain acts to law enforcement.**

When the principal has personal knowledge or actual notice from residential school personnel or other reliable source that an act has occurred on school property involving assault resulting in serious personal injury, sexual assault, sexual offense, rape, kidnapping, indecent liberties with a minor, assault involving the use of a weapon, possession of a firearm in violation of the law, possession of a weapon in violation of the law, or possession of a controlled substance in violation of the law, the principal shall immediately report the act to the appropriate local law enforcement agency. Failure to report under this section is a Class 3 misdemeanor. For purposes of this section, "school property" shall include any building, bus, campus, grounds, recreational area, or athletic field, in the charge of the principal or while the student is under the supervision of school personnel. It is the intent of the General Assembly that the principal notify the Secretary ~~or the Superintendent~~ of any report made to law enforcement under this section."

SECTION 7. G.S. 143B-146.21 reads as rewritten:

"**§ 143B-146.21. Policies, reports, and other miscellaneous provisions.**

(a) The Secretary of Health and Human Services shall consult with the State Board of Education in its implementation of this act as it pertains to improving the educational programs at the residential schools. The Secretary also shall fully inform and consult with the chairs of the Appropriations Subcommittees on Education and Health and Human Services of the Senate and the House of Representatives on a regular basis as the Secretary carries out his duties under this act.

~~(b) The Secretary of Health and Human Services shall adopt policies and offer training opportunities to ensure that personnel who provide direct services to children in the State schools for the deaf become proficient in sign language within two years of their initial date of employment or within two years of the effective date of this act, whichever occurs later. This~~

~~subsection shall not apply to preschool personnel in any oral, auditory, or cued speech preschool.~~

(c) The Department of Public Instruction, the Board of Governors of The University of North Carolina, and the State Board of Community Colleges shall offer and communicate the availability of professional development ~~opportunities, including those to improve sign language skills,~~ opportunities to the personnel assigned to the ~~State's~~ residential ~~schools, particularly the Governor Morehead School and the schools for the deaf.~~schools.

(d) The Secretary of Health and Human Services shall adopt policies to ensure that students of the residential schools are given priority to residing in the independent living facilities on each school's campus.

(e) The Secretary of Health and Human Services, in consultation with the Office of State Personnel, shall set the salary supplement paid to teachers, instructional support personnel, and school-based administrators who are employed in the programs operated by the Department of Health and Human Services and are licensed by the State Board of Education. The salary supplement shall be at least five percent (5%), but not more than the percentage supplement they would receive if they were employed in the local school administrative unit where the job site is located. These salary supplements shall not be paid to central office staff. Nothing in this subsection shall be construed to include "merit pay" under the term "salary supplement"."

SECTION 8. Unless inconsistent with the provisions of Article 9C of Chapter 115C of the General Statutes, as enacted by Section 2 of this act, the rules adopted pursuant to former Part 30 of Article 3 or any other statutory provisions of Chapter 143B of the General Statutes, prior to amendment by this act, governing the Governor Morehead School, the North Carolina School for the Deaf, and the Eastern North Carolina School for the Deaf shall remain in effect until superseded by rules adopted under Article 9C of Chapter 115C of the General Statutes, as enacted by Section 2 of this act.

SECTION 9. Notwithstanding G.S. 143C-6-4, the State Board of Education may reorganize, if necessary, staffing of the residential schools to meet needed functions.

SECTION 10.(a) Notwithstanding Section 10.21A of S.L. 2010-31 and G.S. 115C-150.11, as enacted by this act, the Department of Health and Human Services shall continue to be responsible for the maintenance and repair of all buildings, grounds, and facilities of the Governor Morehead School and for providing utilities for the Governor Morehead School, provided that the Department of Health and Human Services may enter into a memorandum of understanding with the State Board of Education for the State Board to assume any of those responsibilities.

SECTION 10.(b) Notwithstanding Section 10.21A of S.L. 2010-31 and G.S. 115C-150.11, as enacted by this act, the Department of Health and Human Services shall continue to be responsible for information technology support for Eastern North Carolina School for the Deaf, the North Carolina School for the Deaf, and the Governor Morehead School, provided the Department of Health and Human Services may enter into a memorandum of understanding with the State Board of Education for the State Board to assume any of those responsibilities.

SECTION 11. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H D

HOUSE BILL 868
PROPOSED COMMITTEE SUBSTITUTE H868-CSTC-28 [v.16]

6/11/2013 5:33:34 PM

Short Title: Resid. School Changes. (Public)

Sponsors:

Referred to:

April 15, 2013

A BILL TO BE ENTITLED

AN ACT TO REPEAL UNNECESSARY STATUTES, MAKE CONFORMING CHANGES TO THE GENERAL STATUTES, AND CLARIFY OPERATION AND OVERSIGHT OF CERTAIN RESIDENTIAL SCHOOLS FORMERLY GOVERNED BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S.115C-383 is repealed.

SECTION 1.(b) Part 9A of Article 3 of Chapter 143B of the General Statutes is repealed.

SECTION 1.(c) Part 30 of Article 3 of Chapter 143B of the General Statutes is repealed.

SECTION 2. Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 9C.

" Schools for Students with Visual and Hearing Impairments.

"**§ 115C-150.11. State Board of Education as governing agency.**

The State Board of Education shall be the sole governing agency for the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf. The Department of Public Instruction shall be responsible for the administration and oversight of a school governed by this Article.

"**§ 115C-150.12. Applicability of Chapter.**

Except as otherwise provided, the requirements of this Chapter shall apply to the schools governed by this Article.

"**§ 115C-150.13. Rule-making.**

(a) The State Board of Education shall adopt rules necessary for the Department of Public Instruction to implement this Article, including, at a minimum, rules to address eligibility for admission criteria. In determining rules for admission criteria, the State Board of Education shall take into account the following factors:

(1) State and federal laws.

(2) Optimal academic and communicative outcomes for the child.

(3) Parental input and choice.

(4) Recommendations in a child's Individualized Education Program (IEP).

(b) Rules shall be adopted in accordance with Chapter 150B of the General Statutes.

"**§ 115C-150.14. Tuition and room and board.**

Only children who are residents of North Carolina are entitled to free tuition and room and board at a school governed by this Article."

SECTION 3. G.S. 143B-138.1(b) reads as rewritten:

"(b) All functions, powers, duties, and obligations previously vested in the following commissions, boards, councils, committees, or subunits of the Department of Human Resources are transferred to and vested in the Department of Health and Human Services by a Type II transfer, as defined in G.S. 143A-6:

(1) Respite Care Program.
(2) Governor's Advisory Council on Aging.
(3) Commission for the Blind.
(4) Professional Advisory Committee.
(5) Consumer and Advocacy Advisory Committee for the Blind.
(6) Commission for Mental Health, Developmental Disabilities, and Substance Abuse Services.
(7) Social Services Commission.
(8) Child Day Care Commission.
(9) Medical Care Commission.
(10) Emergency Medical Services Advisory Council.
~~(11) Board of Directors of the Governor Morehead School.~~
~~(12) Board of Directors for the North Carolina Schools for the Deaf.~~
(13) North Carolina Council for the Hearing Impaired.
(14) Repealed by Session Laws 2002, ch. 126, s. 10.10D(c), effective October 1, 2002.
(15) Council on Developmental Disabilities."

SECTION 4. G.S. 143B-146.1(b) reads as rewritten:

"(b) The following definitions apply in this Part:

(1) ABC's Program or Program. – The School-Based Management and Accountability Program developed by the State Board.
(2) Department. – The Department of Health and Human Services.
(3) Instructional personnel. – Assistant principals, teachers, instructional personnel, instructional support personnel, and teacher assistants employed in a residential school.
(4) Participating school. – A residential school that is required to participate in the ABC's Program.
(4a) Residential school. – A school operated by the Department of Health and Human Services that provides residential services to students. For the purposes of this Part, "residential school" does not include a school operated pursuant to Article 9C of Chapter 115C.
(5) Residential school personnel. – The individuals included in G.S. 143B-146.16(a)(2).
(6) Schools. – The residential schools under the control of the Secretary.
(7) Secretary. – The Secretary of Health and Human Services.
(8) State Board. – The State Board of Education.
~~(9) Superintendent. – The Superintendent of the Office of Education Services of the Department of Health and Human Services.~~"

SECTION 5. G.S. 143B-146.2(a) reads as rewritten:

"(a) ~~The Governor Morehead School and the schools for the deaf shall participate in the ABC's Program.~~ The Secretary, in consultation with the General Assembly and the State Board, may designate ~~other~~ residential schools that must participate in the ABC's Program. The primary goal of the ABC's Program is to improve student performance. The Program is based upon an accountability, recognition, assistance, and intervention process in order to hold each participating school, its principal, and the instructional personnel accountable for improved student performance in that school."

SECTION 6. G.S. 143B-146.8(f) reads as rewritten:

"(f) Evaluation of Principals. – Each year the Secretary ~~or the Superintendent~~ shall evaluate the principals."

SECTION 7. G.S. 143B-146.15 reads as rewritten:

"**§ 143B-146.15. Duty to report certain acts to law enforcement.**

When the principal has personal knowledge or actual notice from residential school personnel or other reliable source that an act has occurred on school property involving assault resulting in serious personal injury, sexual assault, sexual offense, rape, kidnapping, indecent liberties with a minor, assault involving the use of a weapon, possession of a firearm in violation of the law, possession of a weapon in violation of the law, or possession of a controlled substance in violation of the law, the principal shall immediately report the act to the appropriate local law enforcement agency. Failure to report under this section is a Class 3 misdemeanor. For purposes of this section, "school property" shall include any building, bus, campus, grounds, recreational area, or athletic field, in the charge of the principal or while the student is under the supervision of school personnel. It is the intent of the General Assembly that the principal notify the Secretary ~~or the Superintendent~~ of any report made to law enforcement under this section."

SECTION 8. G.S. 143B-146.21 reads as rewritten:

"**§ 143B-146.21. Policies, reports, and other miscellaneous provisions.**

(a) The Secretary of Health and Human Services shall consult with the State Board of Education in its implementation of this act as it pertains to improving the educational programs at the residential schools. The Secretary also shall fully inform and consult with the chairs of the Appropriations Subcommittees on Education and Health and Human Services of the Senate and the House of Representatives on a regular basis as the Secretary carries out his duties under this act.

~~(b) The Secretary of Health and Human Services shall adopt policies and offer training opportunities to ensure that personnel who provide direct services to children in the State schools for the deaf become proficient in sign language within two years of their initial date of employment or within two years of the effective date of this act, whichever occurs later. This subsection shall not apply to preschool personnel in any oral, auditory, or cued speech preschool.~~

(c) The Department of Public Instruction, the Board of Governors of The University of North Carolina, and the State Board of Community Colleges shall offer and communicate the availability of professional development ~~opportunities, including those to improve sign language skills,~~ opportunities to the personnel assigned to the ~~State's~~ residential ~~schools, particularly the Governor Morehead School and the schools for the deaf.~~schools.

(d) The Secretary of Health and Human Services shall adopt policies to ensure that students of the residential schools are given priority to residing in the independent living facilities on each school's campus.

(e) The Secretary of Health and Human Services, in consultation with the Office of State Personnel, shall set the salary supplement paid to teachers, instructional support personnel, and school-based administrators who are employed in the programs operated by the Department of Health and Human Services and are licensed by the State Board of Education. The salary supplement shall be at least five percent (5%), but not more than the percentage supplement they would receive if they were employed in the local school administrative unit where the job site is located. These salary supplements shall not be paid to central office staff. Nothing in this subsection shall be construed to include "merit pay" under the term "salary supplement"."

SECTION 9. Unless inconsistent with the provisions of Article 9C of Chapter 115C of the General Statutes, as enacted by Section 2 of this act, the rules adopted pursuant to former Part 9A or Part 30 of Article 3, or any other statutory provisions of Chapter 143B of the

General Statutes, prior to amendment by this act, governing the Governor Morehead School, the North Carolina School for the Deaf, and the Eastern North Carolina School for the Deaf shall remain in effect until superseded by rules adopted under Article 9C of Chapter 115C of the General Statutes, as enacted by Section 2 of this act.

SECTION 10. Notwithstanding G.S. 143C-6-4, the Department of Public Instruction may reorganize, if necessary, staffing of the Governor Morehead School, the North Carolina School for the Deaf, and the Eastern North Carolina School for the Deaf to meet needed functions.

SECTION 11.(a) Notwithstanding Section 10.21A of S.L. 2010-31 and G.S. 115C-150.11, as enacted by this act, the Department of Health and Human Services shall continue to be responsible for the maintenance and repair of all buildings, grounds, and facilities of the Governor Morehead School and for providing utilities for the Governor Morehead School, provided that the Department of Health and Human Services may enter into a memorandum of understanding with the Department of Public Instruction for the Department of Public Instruction to assume any of those responsibilities.

SECTION 11.(b) Notwithstanding Section 10.21A of S.L. 2010-31 and G.S. 115C-150.11, as enacted by this act, the Department of Health and Human Services shall continue to be responsible for information technology support for Eastern North Carolina School for the Deaf, the North Carolina School for the Deaf, and the Governor Morehead School, provided the Department of Health and Human Services may enter into a memorandum of understanding with the Department of Public Instruction for the Department of Public Instruction to assume any of those responsibilities.

SECTION 12.(a) The Department of Public Instruction shall study and develop recommendations on educational options, including residential services, for students with visual and hearing impairments. The Department of Public Instruction shall report its findings and recommendations from the study to the Joint Legislative Education Oversight Committee on or before January 1, 2014.

SECTION 12.(b) Prior to the initial adoption of rules required by Section 2 of this act, the Department of Public Instruction and the State Board of Education shall present a draft of the proposed rules to the Joint Legislative Education Oversight Committee on or before January 1, 2014.

SECTION 13. This act is effective when it becomes law.

HOUSE BILL 868:
Resid. School Changes

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	June 12, 2013
Introduced by:	Reps. Farmer-Butterfield, Blackwell, S. Martin, Tolson	**Prepared by:**	Denise Adams Legislative Analyst
Analysis of:	PCS to First Edition H868-CSTC-28		

SUMMARY: ***House Bill 868 would enact a new Article 9C in Chapter 115C of the General Statutes to make the State Board of Education (SBE) the governing agency of the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf. House Bill 868 would also repeal unnecessary statutes and make other conforming changes to the statutes governing these three schools.***

The PCS to House Bill 868 would clarify that the Department of Public Instruction (DPI) would be responsible for the administration of the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf. The PCS would require the SBE to adopt rules necessary for DPI to implement the new Article and would require DPI and the SBE to present a draft of the proposed rules to the Joint Legislative Education Oversight Committee prior to the adoption of the rules.

CURRENT LAW and BACKGROUND:

The 2010 Appropriations Act (S.L. 2010-31) transferred the administration of the North Carolina School for the Deaf, the Eastern North Carolina School for the Deaf, and the Governor Morehead School for the Blind from the Department of Health and Human Services (DHHS) to DPI, effective July 1, 2011. Corresponding changes to the statutes governing these three schools were not made.

BILL ANALYSIS:

Sections 1 would repeal the statutes that established the Governor Morehead School for the Blind and the two schools for the deaf and that placed them under the authority of DHHS.

Section 2 would create a new Article 9C of Chapter 115C of the General Statutes to establish the SBE as the governing agency of the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf. The SBE would be required to adopt rules necessary for DPI to implement the new Article 9C and specifies 4 factors that the SBE must use in determining admission criteria for these three schools: (i) State and federal laws, (ii) optimal academic and communicative outcomes for the child, (iii) parental input and choice, and (iv) recommendations in a child's Individualized Education Program (IEP). The SBE must adopt the rules in accordance with the Administrative Procedure Act.

Sections 3-8 would make conforming changes by repealing unnecessary and outdated statutory citations.

Section 9 would provide that current rules governing the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf would remain in effect until superseded by rules adopted by the SBE.

Section 10 would allow DPI to reorganize, if necessary, the staffing at the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf.

Section 11 would provide that DHHS continue to be responsible for the utilities and the maintenance and repair of buildings, grounds, and facilities at the Governor Morehead School. DHHS would also continue to be responsible for information technology support at all three schools. DHHS may enter into a memorandum of understanding with DPI for DPI to assume any of these responsibilities.

Section 12 would require DPI to study and develop recommendations on educational options, including residential services, for students with visual and hearing impairments. DPI must report its findings and recommendations to the Joint Legislative Education Oversight Committee on or before January 1, 2014. Section 12 would also provide that, prior to the initial adoption of rules, DPI and the SBE must present a draft of the proposed rules to the Joint Legislative Education Oversight Committee on or before January 1, 2014.

EFFECTIVE DATE: This act is effective when it becomes law.

VISITOR REGISTRATION SHEET

Education/Higher Education

(Committee Name)

6-12-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Terry Stoops	John Locke Foundation
Jill Grattan	MWC
TJ Bradpee	NP
Mark Lanier	UNC Wilmington
[illegible]	BEAC
Jane Stilwell	NCSBE
[illegible] gray	Governor's Office
Michelle Brooks	ECU
John Hardin	MFS
[illegible]	

09-21-201

VISITOR REGISTRATION SHEET
Education/Higher Education

(Committee Name)
6-12-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Gene Caveby	NCSCA
Susan Harrison	NCDTSEA
Katherine Joyce	NCASA
Leanne Winner	NCSBA
Adam Priddy	NCAE
Starla Tanner	NCCU
Deb Saunders-White	NCCU
Lynne Harvey	NC DPI
Dave Schuler	CAGC
Rachel Benfield	NCDPI
Sherry Thomas	NC DPI
Laura McGee	NC Values
Janet Johnson	NCDPI

Senate Committee on Education/Higher Education
Wednesday, June 19, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SJR 15	Honor Jean Preston.	Senator Apodaca Senator Brown Senator D. Davis
SB 474	Net-Zero Energy Schools. For Discussion Only	Senator Meredith Senator Walters
HB 249	Substitute Teacher Deduction/Personal Leave.	Representative Holloway Representative Glazier Representative Blackwell Representative Elmore
HB 269	Children w/Disabilities Scholarship Grants. For Discussion Only	Representative Jordan Representative Brandon Representative Jones Representative Stam
HB 767	Corporal Pruitt Rainey Brass to Class Act.	Representative Murry Representative Whitmire Representative Szoka Representative Pierce

Presentations

Other Business

Adjournment

Senate Committee on Education/Higher Education
Wednesday, June 19, 2013
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on June 19, 2013 in Room 544 of the Legislative Office Building. 17 members were present.

Senator Jerry W. Tillman, Chair, presided.

Chairman Tillman called the meeting to order and recognized the Sergeants-at-Arms and the pages. A motion to adopt the Proposed Committee Substitute for Senate Joint Resolution 15 was made by Senator Davis. The motion passed. Several committee members spoke favorable of SJR 15. Senator Pate made a motion for the adoption of the resolution. The motion for an unfavorable as to joint resolution, but favorable as to committee substitute joint resolution passed.

A motion to adopt the Proposed Committee Substitute for S474 was made by Senator Parmon. The motion passed. With the PCS before the members, Senator Meredith, the primary sponsor, referenced a handout representing a pie chart for Sandy Grove Middle School for the members to review. Drupti Chauhan, of the General Assembly's Research Division, was recognized to explain the bill.

Chairman Tillman recognized the following for public comment:

Robbie Ferris, SFLA Architects,

Patrick Ballantine, Robinson for Advancement

Leanne Winner, NC School Boards Association

Chairman Tillman noted that cross-over had passed and S474 was not eligible for a vote. S474 was for discussion only.

Several committee members had questions regarding the leased delivery. Robbie Ferris was recognized by Chairman Tillman to address the questions posed by committee members. In addition, Chairman Tillman recognized Kathy Hawkins, Duke Energy, to address a utility question.

Chairman Tillman recognized Representative Holloway to explain H249. A motion for a favorable report was made by Senator Cook. The motion passed.

Chairman Tillman recognized Representative Jones to explain H269. Representative Brandon was recognized to address questions posed by committee members. Kris Nordstrom, of the General Assembly Fiscal Research Division, was recognized to address the fiscal implications of H269.

Representative Stam was recognized to answer questions and explain issues related to accountability and reimbursements. There was not a vote on H269; the bill was for discussion only.

The meeting adjourned.

Senator Jerry W. Tillman, Chair
Presiding

Suzanne Castleberry, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, June 19, 2013

Senator Tillman,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO JOINT RESOLUTION, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE JOINT RESOLUTION

SJR **15** Honor Jean Preston.

Draft Number:	S15-PCS75350-LG-1
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Tom Apodaca will handle SJR 15



NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, June 19, 2013

Senator Tillman,
submits the following with recommendations as to passage:

FAVORABLE

HB **249** **(CS#1)** Substitute Teacher Deduction/Personal Leave.

Draft Number:	None
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Jerry Tillman will handle HB 249



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S 3

SENATE JOINT RESOLUTION 15
Corrected Copy 4/9/13
Corrected Copy 4/15/13

Sponsors:	Senators Apodaca, Brown, D. Davis (Primary Sponsors); Allran, Barefoot, P. Berger, Bingham, Brock, Brunstetter, Bryant, Clodfelter, Cook, Daniel, J. Davis, Ford, Goolsby, Graham, Gunn, Harrington, Hartsell, Hise, Hunt, Jackson, Jenkins, Kinnaird, McLaurin, Meredith, Pate, Randleman, Rucho, Sanderson, Soucek, Stein, Tillman, Tucker, Wade, and Walters.
Referred to:	Rules and Operations of the Senate.

January 31, 2013

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF JEAN ROUSE PRESTON, FORMER MEMBER OF THE GENERAL ASSEMBLY.

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The General Assembly honors the life and memory of Jean Rouse Preston and expresses its appreciation for the service she rendered to her community and the State of North Carolina.

SECTION 2. The General Assembly extends its deepest sympathy to the family of Jean Rouse Preston for the loss of a beloved family member.

SECTION 3. The Secretary of State shall transmit a certified copy of this resolution to the family of Jean Rouse Preston.

SECTION 4. This resolution is effective upon ratification.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE JOINT RESOLUTION 15
PROPOSED COMMITTEE SUBSTITUTE S15-CSLG-1 [v.9]

6/18/2013 11:34:10 AM

Sponsors:

Referred to:

January 31, 2013

A JOINT RESOLUTION HONORING THE LIFE AND MEMORY OF JEAN ROUSE PRESTON, FORMER MEMBER OF THE GENERAL ASSEMBLY.

Whereas, Jean Rouse Preston was born May 25, 1935, in Greene County, to Marvin Wayne and Emma Mae Kearney Rouse; and

Whereas, Jean Rouse Preston graduated from Snow Hill High School in 1953, attended Flora MacDonald College from 1953 to 1955, earned a bachelor's degree in Business Education in 1957 and a master's degree in Education in 1973 from East Carolina University; and

Whereas, Jean Rouse Preston furthered her education by completing the Public Manager Program at the North Carolina State Personnel Development Center in 1989; and

Whereas, Jean Rouse Preston was a lifelong educator, teaching business education in the Wilson County and Greene County Schools and at Lenoir Community College, and later serving as the Director of Reading for K-12 students and the Program Administrator for Children with Special Needs in Greene County; and

Whereas, prior to her retirement, Jean Rouse Preston served as Principal and Director of Education for the Barnes School at the Caswell Center in Kinston; and

Whereas, Jean Rouse Preston made her home in Carteret County after retiring from the field of education; and

Whereas, Jean Rouse Preston served with honor and distinction in the North Carolina General Assembly, as a member of the House of Representatives for seven terms between 1993 and 2006, where she represented the people of Carteret, Jones, and Onslow Counties, and as a member of the Senate for three terms between 2007 and 2012, where she represented the people of Carteret, Craven, and Pamlico Counties; and

Whereas, during her tenure in the General Assembly, Jean Preston Rouse was an advocate for education, serving as vice-chair of the House Appropriations Subcommittee on Education and House Committee on Education and as co-chair of the Senate Committee on Education/Higher Education and the Senate Subcommittee on Education/Higher Education; and

Whereas, Jean Rouse Preston was a member of the Cape Carteret Presbyterian Church; and

Whereas, Jean Rouse Preston was named one of the "One Hundred Incredible East Carolina University Women" in 2007 and received the Covenant with North Carolina Children Award in 2005; and

Whereas, Jean Rouse Preston died on January 10, 2013, at the age of 77; and

Whereas, prior to her death, Jean Rouse lost husband, Hugh Forbes Hardy; husband, Colonel John Edward Preston; and daughter, Lisa Forbes Hardy; and

Whereas, Jean Rouse Preston is survived by daughter, Suzanne Hardy Castleberry; and two grandchildren, Cameron and Parker; Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

SECTION 1. The General Assembly honors the life and memory of Jean Rouse Preston and expresses its appreciation for the service she rendered to her community and the State of North Carolina.

SECTION 2. The General Assembly extends its deepest sympathy to the family of Jean Rouse Preston for the loss of a beloved family member.

SECTION 3. The Secretary of State shall transmit a certified copy of this resolution to the family of Jean Rouse Preston.

SECTION 4. This resolution is effective upon ratification.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S 1

SENATE BILL 474

Short Title:	Net-Zero Energy Schools.	(Public)
Sponsors:	Senators Meredith, Walters (Primary Sponsors); Clark and Kinnaird.	
Referred to:	Education/Higher Education.	

March 28, 2013

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR THE CONSTRUCTION, LEASING, AND OPERATION OF NET-ZERO ENERGY SCHOOL FACILITIES THAT WILL PRODUCE RENEWABLE ENERGY SUFFICIENT TO RETURN ENERGY BACK TO THE UTILITY GRID EQUAL TO THAT CONSUMED BY THE SCHOOL.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-530 reads as rewritten:

"**§ 115C-530. ~~Operational~~ Operating leases of school buildings and school facilities.**

(a) Local boards of education may enter into ~~operational~~ operating leases of real or personal property for use as school buildings or school facilities. ~~Operational~~ Operating leases for terms of less than three years shall not be subject to the approval of the board of county commissioners. ~~Operational~~ Operating leases for terms of three years or longer, including periods that may be added to the original term through the exercise of options to renew or extend, are permitted if all of the following conditions are met:

(1) The budget resolution includes an appropriation authorizing the current fiscal year's portion of the obligation.

(2) An unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the lease for the current fiscal year.

(3) The leases are approved by a resolution adopted by the board of county commissioners. If an ~~operational~~ operating lease is approved by the board of county commissioners, in each year the county commissioners shall appropriate sufficient funds to meet the amounts to be paid during the fiscal year under the lease.

(4) Any construction, repair, or renovation of the property is in compliance with the requirements of G.S. 115C-521(c) relating to energy guidelines.

For purposes of this section, an ~~operational~~ operating lease is defined according to generally accepted accounting principles and may be for new or existing buildings.

(b) Local boards of education may enter into contracts for the construction, repair, or renovation of leased property if (i) the budget resolution includes an appropriation authorizing the obligation, (ii) an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year, and (iii) the construction, repair, or renovation is in compliance with the requirements of G.S. 115C-521(c) relating to energy guidelines. Construction, repair, or renovation work undertaken or contracted by a private developer is subject to the requirements of Article 8 of Chapter 143 of the General Statutes. Contracts for new construction and renovation that are

subject to the bidding requirements of G.S. 143-129(a) and which do not constitute continuing contracts for capital outlay must be approved by the board of county commissioners.

(b1) Net-Zero Energy Schools. – Local boards of education may enter into an operating lease for design and construction of a net-zero energy school. For purposes of this section, a "net-zero energy school" is a school designed to include sufficient renewable energy generation on the school site to equal one hundred five percent (105%) of the school's estimated entire annual electrical consumption. The annual energy consumption shall be determined by meeting all requirements of ASHRAE (American Society of Heating, Refrigeration and Air Conditioning Engineers) Standard 90.1-2007 "Energy Standard for Buildings Except Low-Rise Residential Buildings," Appendix-G "Performance Rating Method." The school shall be served by the utility that provides service in the territory where the school is located in the manner prescribed by G.S. 62-133.11.

(b2) In approving an operating lease for a net-zero energy school, the county commissioners may make the following additional provisions as an incentive for the conservation of energy and the use of clean and renewable energy sources:

(1) This section applies to operating leases for net-zero energy schools (a "Qualifying Lease") where (i) in the resolution approving such operating lease the county board of commissioners has expressly and irrevocably elected to have the provisions of this section apply and (ii) the payment schedule for the periodic payments due under the operating lease (the "Covered Payments") has been received by the State Treasurer. This section does not apply to any other operating leases or other obligations of a county or a school administrative unit.

(2) Whenever the lessor, or its assignee (collectively the "Covered Payee"), under Qualifying Lease has not received a Covered Payment by the fifth day immediately following the due date for such Covered Payment, the Covered Payee shall notify the State Treasurer by telephone, facsimile, or other similar communication, followed by written verification of the payment status. The State Treasurer shall immediately contact the school administrative unit and the county wherein such unit is located and determine whether the school administrative unit will make the payment not later than the fifth day after such notice.

(3) If the school administrative unit indicates that it will not make the payment timely, the State Treasurer shall forward the amount in immediately available funds to the Covered Payee necessary to make Covered Payment and shall withhold that amount from any payments due from the State to such school administrative unit or the county in which such unit is located from any source that is not restricted. If the amount payable currently is insufficient to pay the amount necessary, the State Treasurer shall withhold amounts from any future payments, including payments to be made in a succeeding fiscal year, until the total amount of the Covered Payment has been withheld.

(4) The State Treasurer shall notify the school finance officer of the school administrative unit and the county finance officer of the county in which such unit is located of amounts withheld and payments made pursuant to this section.

(5) The General Assembly covenants that it will not impair the obligations of contracts entered into under the provisions of this section; however, nothing in this subsection is to be construed to require the State to continue the payment of State allocations or distributions to any school administrative unit or the county in which such unit is located, or to limit or prohibit the

State from repealing, amending, or modifying any law relating to the amount of State allocation or payments to the school administrative unit or the county in which it is located or the manner or timing of the payments. Nothing in this section is deemed or construed to create a debt of the State with respect to Covered Payments within the meaning of any State constitutional provision or to create any liability except to the extent provided in this section.

(6) Whenever the State Treasurer is required by this section to make a payment to a Covered Payee on behalf of a school administrative unit or the county in which such unit is located, the State Treasurer or the designee of the State Treasurer shall initiate an audit of the school administrative unit or the county in which such unit is located to determine the reason for failure to make a Covered Payment and to assist the school administrative unit or the county in which such unit is located, if necessary, in developing and implementing measures to assure that future payments will be made when due.

(c) ~~Operational~~ Operating leases and contracts entered into under this section are subject to approval by the Local Government Commission under Article 8 of Chapter 159 of the General Statutes if they meet the standards set out in G.S. 159-148(a)(1), 159-148(a)(2), and 159-148(a)(3). For purposes of determining whether the standards set out in G.S. 159-148(a)(3) have been met, only the five hundred thousand dollar ($500,000) threshold shall apply."

SECTION 2. Article 7 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"**§ 62-133.11. Net-zero energy schools.**

(a) Definitions. – For purposes of this section, "electric power supplier" means a public utility, an electric membership corporation, or a municipality that sells electric power to retail electric power customers in the State.

(b) Interconnection With Electric Power Supplier. – When a local educational authority enters into an operating lease for a net-zero energy school as set forth in G.S. 115C-530(b1), the electric power supplier providing electric service in the territory where the school is located shall provide service to the school for a maximum fee of four hundred dollars ($400.00) per month, escalated annually starting in 2013 at the consumer price index. Services provided by the electric power supplier shall include operation, maintenance, and replacement of interconnection facilities sufficient to carry the electrical load at the interconnection point; and related electric power supplier services including meter reading and accounting. The party entering into the net-zero energy lease agreement with the local educational authority shall compensate the electric power supplier for the actual direct costs of initial distribution, transformer, and interconnection facilities on the secondary side of the transformer. These interconnection costs shall not exceed what the electric power supplier would charge any other customer for a similar interconnection.

(c) Purchase and Sale of Electricity. – The net-zero energy school shall be interconnected with the electric power supplier providing service in the territory where the school is located to provide power to the net-zero energy school and to allow the electricity generated by the equipment located at the school to be exported to the electric distribution system. At the end of each annual billing period of the service contract with the electric power supplier, the electricity generated at the net-zero energy school shall be netted against the power received from the electric power supplier, and the net-zero energy school or its owner shall be invoiced for electricity according to the annual difference between the amount of electricity the electric power supplier delivered to the net-zero energy school and the amount of electricity generated at the net-zero energy school and delivered to the electric distribution

system. To the extent that the generation equipment at the net-zero energy school does not generate more electricity than is delivered, the electric power supplier may charge the net-zero energy school for the net electric power delivered during the annual billing period at the peak energy rate in effect at the end of that period. If the net-zero energy school generates net excess electricity, the electric power supplier shall not be required to pay for the net excess electricity. The electric power supplier shall be required to enter into a contract with the owner of the net-zero energy school that meets the requirements set forth in subsection (d) of this section.

(d) Contract Terms. – The power purchase contract between the electric power supplier and the owner of the net-zero energy school shall include the following terms:

(1) The owner of the net-zero energy school shall be paid by the electric power supplier the fixed amount of not less than forty dollars ($40.00) per gross MWh for (i) electricity generated by a renewable energy resource, as defined in G.S. 62-133.8(a)(8), at the net-zero energy school and (ii) energy saved through energy efficiency measures at the net-zero energy school.

(2) The term of the contract shall be for a period of not less than 20 years from the date the school initially meets the definition of a net-zero energy school pursuant to G.S. 115C-530(b1).

(3) Payments under the contract shall be made no less frequently than annually.

(4) The baseline to be utilized for the calculation of MWh savings due to the installation of energy conserving measures shall be energy-use intensity benchmarks from the most current Commercial Buildings Energy Consumption Survey.

(5) Payments shall (i) be considered the purchase of a Renewable Energy Certificate under G.S. 62-133.8 for each MWh of energy generated or saved and (ii) not be deemed a payment for electricity.

(e) Standby Generation Authorized. – The net-zero energy school or its owner may operate either renewable or nonrenewable on-site standby generation up to the prime capacity of the net-zero energy school, in conjunction with the installed on-site renewable resource generation, and such standby generating equipment shall be included in the electric power supplier's load management, demand response, or interruptible rate program designed to reduce the electric power supplier's peak loads on the same terms and conditions as are made available to other customers of the electric power supplier participating in those programs."

SECTION 3. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 474
PROPOSED COMMITTEE SUBSTITUTE S474-CSRQ-18 [v.4]

6/18/2013 3:37:28 PM

Short Title: Net-Zero Energy Schools. (Public)

Sponsors:

Referred to:

March 28, 2013

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR THE CONSTRUCTION, LEASING, AND OPERATION OF NET-ZERO ENERGY SCHOOL FACILITIES THAT WILL PRODUCE RENEWABLE ENERGY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-530 reads as rewritten:

"**§ 115C-530. ~~Operational~~ Operating leases of school buildings and school facilities.**

(a) Local boards of education may enter into ~~operational~~ operating leases of real or personal property for use as school buildings or school facilities. ~~Operational~~ Operating leases for terms of less than three years shall not be subject to the approval of the board of county commissioners. ~~Operational~~ Operating leases for terms of three years or longer, including periods that may be added to the original term through the exercise of options to renew or extend, are permitted if all of the following conditions are met:

(1) The budget resolution includes an appropriation authorizing the current fiscal year's portion of the obligation.

(2) An unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the lease for the current fiscal year.

(3) The leases are approved by a resolution adopted by the board of county commissioners. If an ~~operational~~ operating lease is approved by the board of county commissioners, in each year the county commissioners shall appropriate sufficient funds to meet the amounts to be paid during the fiscal year under the lease.

(4) Any construction, repair, or renovation of the property is in compliance with the requirements of G.S. 115C-521(c) relating to energy guidelines.

For purposes of this section, an ~~operational~~ operating lease is defined according to generally accepted accounting principles and may be for new or existing buildings.

(b) Local boards of education may enter into contracts for the construction, repair, or renovation of leased property if (i) the budget resolution includes an appropriation authorizing the obligation, (ii) an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year, and (iii) the construction, repair, or renovation is in compliance with the requirements of G.S. 115C-521(c) relating to energy guidelines. Construction, repair, or renovation work undertaken or contracted by a private developer is subject to the requirements of Article 8 of Chapter 143 of the General Statutes. Contracts for new construction and renovation that are

subject to the bidding requirements of G.S. 143-129(a) and which do not constitute continuing contracts for capital outlay must be approved by the board of county commissioners.

(b1) Net-Zero Energy Schools. – Local boards of education may enter into an operating lease for design and construction of a net-zero energy school. For purposes of this section, a "net-zero energy school" is a school designed to include sufficient renewable energy generation on the school site to equal one hundred five percent (105%) of the school's estimated entire annual electrical consumption. The annual energy consumption shall be determined by meeting all requirements of ASHRAE (American Society of Heating, Refrigeration and Air Conditioning Engineers) Standard 90.1-2007 "Energy Standard for Buildings Except Low-Rise Residential Buildings," Appendix-G "Performance Rating Method."

(b2) Approval by Local Board of Education. – A local board of education, before entering into an operating lease pursuant to this section, shall adopt a resolution as provided in this subsection. Before adopting the resolution, the local board of education shall publish a notice of its intent to enter into an operating lease at least 10 days in advance of the date of the meeting at which the action is contemplated and in a newspaper having general circulation within the geographic area served by the local board of education. The notice shall include, at a minimum, the date, time, and place of the meeting, a description in brief and general terms of the subject of the agreement, the name of the other party to the lease, and an indication of the board's intent to take action to authorize the lease at the indicated meeting. The resolution shall provide the following:

(1) That entering into the operating lease for one or more specified buildings or facilities is in the local school administrative unit's best interests under all the circumstances. In making this evaluation, the local board of education may consider the time, cost, and quality of design, engineering, and construction, including the time required to begin and the time required to complete a particular activity; occupancy costs, including lease payments, life cycle maintenance, repair, and energy costs; and any other factors the board deems relevant.

(2) That the private developer is qualified to provide, either alone or in conjunction with other identified and associated persons, the products and services called for under the proposed operating lease and any related agreements. The local board of education shall make this determination taking into account any factors the local board of education deems relevant, including the knowledge, skill, and reputation of the provider and its associated persons, the goals and plans of providers for utilization of minority business enterprises, and the costs to be incurred by the local board of education.

(c) ~~Operational~~ Operating leases and contracts entered into under this section are subject to approval by the Local Government Commission under Article 8 of Chapter 159 of the General Statutes if they meet the standards set out in G.S. 159-148(a)(1), 159-148(a)(2), and 159-148(a)(3). For purposes of determining whether the standards set out in G.S. 159-148(a)(3) have been met, only the five hundred thousand dollar ($500,000) threshold shall apply."

SECTION 2. Article 7 of Chapter 62 of the General Statutes is amended by adding a new section to read:

"**§ 62-133.13. Net-zero energy schools.**

(a) The net-zero energy school shall produce tradable instruments in the form of Renewable Energy Certificates (RECs) as defined in G.S. 62-133.8. For the sixty month period commencing with the date the net-zero energy school is first used as a public school, the Utilities Commission shall assign credit based on the development tier designation given to the county where the net-zero energy school is located pursuant to G.S. 143B-437.08 as follows:

(1) Tier one counties. – The Utilities Commission shall assign credit of 30 RECs for each megawatt hour of electricity or equivalent as defined under G.S. 62-133.8(a)(6).

(2) Tier two counties. – The Utilities Commission shall assign credit of 25 RECs for each megawatt hour of electricity or equivalent as defined under G.S 62-133.8(a)(6).

(3) Tier three counties. – The Utilities Commission shall assign credit of 20 RECs for each megawatt hour of electricity or equivalent as defined under G.S. 62-133.8(a)(6).

(b) RECs generated by a net-zero energy school may be utilized to comply with G.S. 62-133.8(b), (c),(d), (e) or (f); provided the owner of the net-zero energy school makes an election upon the initial registration of the RECs as to the characterization of such RECs for the purposes of G.S. 62-133.8. Thereafter, RECs generated by the net-zero energy school shall be classified according to the school's primary underlying renewable energy resource as defined in G.S. 62-133.8(a)(8)."

SECTION 3. This act is effective when it becomes law.

SENATE BILL 474:
Net-Zero Energy Schools

2013-2014 General Assembly

Committee:	Senate Ref to Education/Higher Education. If fav, re-ref to Commerce. If fav, re-ref to Finance	**Date:**	June 19, 2013
Introduced by:	Sens. Meredith, Walters	**Prepared by:**	Drupti Chauhan Committee Counsel
Analysis of:	PCS to First Edition S474-CSRQ-18		

SUMMARY: ***Senate Bill 474 would provide for the construction, leasing and operation of net-zero energy schools designed to produce an amount of renewable energy to return to the utility grid that would be equal to the amount consumed by the school.***

The Proposed Committee Substitute (PCS) would (i) allow the local board of education to approve an operating lease for a net-zero energy school and removes language from the original bill that listed the incentives that local board of county commissioners could provide in approving operating leases for net-zero energy schools; (ii) require local boards of education to adopt a resolution before entering into any operating lease; and (iii) provide that net-zero energy schools produce renewable energy certificates (RECs) and remove language from the original bill that provided for the net-zero energy school to purchase and sell electricity from the electric power supplier to which it was connected.

SECTION 1

CURRENT LAW: Local boards of education can enter into operating leases of real or personal property for use as school buildings or school facilities for terms of 3 years or less and not be subject to the approval of the boards of county commissioners. For operating leases that are 3 years or longer, certain statutory requirements must be met including approval by a resolution adopted by the board of county commissioners. Local boards of education may also enter into contracts for the construction, repair, or renovation of leased property if certain statutory requirements are met.

BILL ANALYSIS: The PCS for Senate Bill 474 would allow local boards of education to enter into operating leases for the design and construction of a "net-zero" energy school.

A net-zero energy school is defined as: "a school designed to include sufficient renewable energy generation on the school site to equal one hundred five percent (105%) of the school's estimated entire annual electrical consumption."

The PCS would provide that local boards of education must adopt a resolution before entering into any operating lease. Before adopting the resolution, the local board must publish a notice of intent to enter into an operating lease at 10 days in advance of the date of the meeting at which the resolution will be discussed and in a newspaper having general circulation within the geographic area served by the local board of education.

The resolution would be required to have the following information: (i) that entering into the operating lease is in the best interest of the local school administrative unit and (ii) that the private developer is qualified to provide the products and services in the operating lease.

SECTION 2

BILL ANALYSIS: The PCS would provide that net-zero energy schools must produce tradable instruments in the form of Renewable Energy Certificates (RECs). A REC is the equivalent of one megawatt of electricity generated from renewable energy. For the first 60 months of a net-zero energy school, the Utilities Commission must assign enhanced credit for each REC based on the development tier designation given to the county where the net-zero energy school is located:

- For Tier 1 counties—30 RECs for each megawatt hour of electricity or equivalent.
- For Tier 2 counties—25 RECs for each megawatt hour of electricity or equivalent.
- For Tier 3 counties—20 RECs for each megawatt hour of electricity or equivalent.

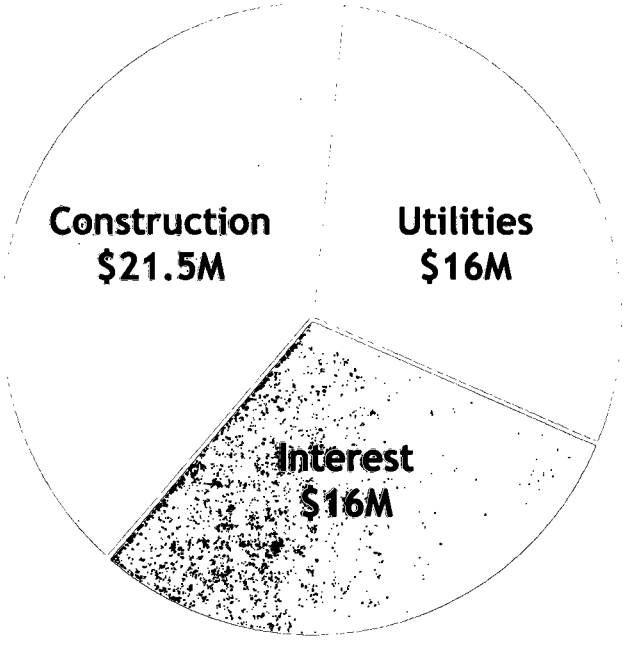
RECs generated by net-zero energy schools can be used by electric power suppliers to comply with the requirements of the renewable energy and energy efficiency portfolio standard (REPS) if the owner of the net-zero energy school makes an election as to the characterization of the RECs. The REPS requires that electric power suppliers operating within the State provide a percentage of power from renewable energy resources as a portion of their overall provision of electricity. RECs generated by a net-zero energy school must be classified according to the school's primary underlying renewable energy resource.

EFFECTIVE DATE: The bill would become effective when it becomes law.

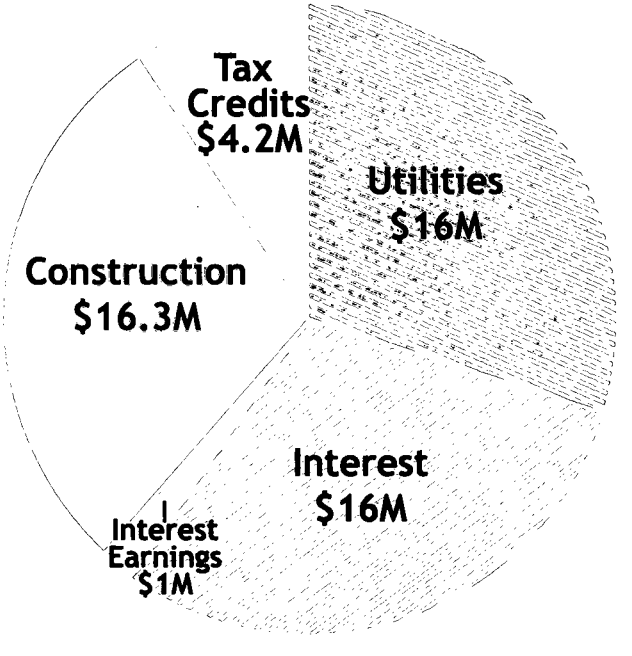
Sandy Grove Middle School



NATION'S 1ST "NET-POSITIVE," PRIVATELY OWNED, LEASED PUBLIC SCHOOL



Traditional Delivery
$53.5M



Leased Delivery
$16.3M

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H 2

HOUSE BILL 249
Committee Substitute Favorable 3/19/13

Short Title: Substitute Teacher Deduction/Personal Leave. (Public)

Sponsors:

Referred to:

March 7, 2013

A BILL TO BE ENTITLED

AN ACT TO REQUIRE LOCAL SCHOOL ADMINISTRATIVE UNITS TO REFUND THE SUBSTITUTE DEDUCTION TO A TEACHER TAKING PERSONAL LEAVE IF NO SUBSTITUTE IS HIRED FOR THAT TEACHER.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-302.1(d) reads as rewritten:

"(d) Personal Leave. – Teachers earn personal leave at the rate of .20 days for each full month of employment not to exceed two days per year. Personal leave may be accumulated without any applicable maximum until June 30 of each year. A teacher may carry forward to July 1 a maximum of five days of personal leave; the remainder of the teacher's personal leave shall be converted to sick leave on June 30. At the time of retirement, a teacher may also convert accumulated personal leave to sick leave for creditable service towards retirement.

Personal leave may be used only upon the authorization of the teacher's immediate supervisor. A teacher shall not take personal leave on the first day the teacher is required to report for the school year, on a required teacher workday, on days scheduled for State testing, or on the day before or the day after a holiday or scheduled vacation day, unless the request is approved by the principal. On all other days, if the request is made at least five days in advance, the request shall be automatically granted subject to the availability of a substitute teacher, and the teacher cannot be required to provide a reason for the request. Teachers may transfer personal leave days between local school administrative units. The local school administrative unit shall credit a teacher who has separated from service and is reemployed within 60 months from the date of separation with all personal leave accumulated at the time of separation. Local school administrative units shall not advance personal leave. ~~Teachers using personal leave receive full salary less the required substitute deduction, except for teachers using personal leave on non-protected teacher workdays.~~ Teachers using personal leave on ~~non-protected~~ teacher workdays shall receive full salary. Teachers using personal leave on other days shall receive full salary less the required substitute deduction. If, however, no substitute is hired for a teacher, the substitute reduction shall be refunded to that teacher."

SECTION 2. This act is effective when it becomes law and applies beginning with the 2013-2014 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

HOUSE BILL 269

Committee Substitute Favorable 4/17/13
Committee Substitute #2 Favorable 5/8/13
Fourth Edition Engrossed 5/15/13

Short Title: Children w/Disabilities Scholarship Grants. (Public)

Sponsors:

Referred to:

March 12, 2013

A BILL TO BE ENTITLED

AN ACT TO CREATE SPECIAL EDUCATION SCHOLARSHIP GRANTS FOR CHILDREN WITH DISABILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-151.33 is repealed.

SECTION 2. Section 2 of S.L. 2011-395 is repealed.

SECTION 3. G.S. 105-160.3(b)(11) is repealed.

SECTION 4. Article 9 of Chapter 115C of the General Statutes is amended by adding a new Part to read:

"Part 1H. Special Education Scholarship Grants for Children With Disabilities.

"**§ 115C-112.2. Definitions.**

The following definitions apply in this Part:

(1) Authority. – The North Carolina State Education Assistance Authority.

(2) Eligible student. – A child with a disability under the age of 22 who meets all of the following criteria:

a. Requires an individualized education plan.

b. Receives special education or related services on a daily basis.

c. Has not been placed in a nonpublic school or facility by a public agency at public expense.

d. Has not spent any time enrolled in a postsecondary institution as a full-time student taking at least 12 hours of academic credit.

e. Has not received a high school diploma.

f. Meets at least one of the following requirements:

1. Was enrolled in a North Carolina public school during the previous semester.

2. Received special education or related services through the North Carolina public schools as a preschool child with a disability during the previous semester.

3. Received a scholarship grant for the previous semester.

4. Is eligible for initial enrollment in kindergarten or the first grade in a North Carolina public school.

(3) Nonpublic school. – A school that meets the requirements of Part 1, 2, or 3 of Article 39 of this Chapter as identified by the Division of Nonpublic Education, Department of Administration.

(4) Scholarship grants. – Grants awarded by the Authority to eligible students.

"**§ 115C-112.3. Scholarship grants.**

(a) The Authority shall make available no later than May 1 annually applications to eligible students for the award of scholarship grants to attend any nonpublic school and to receive special education and related services in a nonpublic school setting. Information about scholarship grants and the application process shall be made available on the Authority's Web site. The Authority shall give priority in awarding scholarship grants to eligible students who received a scholarship grant during the previous semester. Except as otherwise provided by the Authority for prior scholarship grant recipients, scholarship grants shall be awarded to eligible students in the order in which the applications are received.

(b) Scholarship grants awarded to eligible students shall be for amounts of not more than three thousand dollars ($3,000) per semester per eligible student. Eligible students awarded grants may not be enrolled in a public school. Scholarship grants shall be awarded only for the reimbursement of tuition and special education and related services, including those services provided to home schooled students. Parents may only receive reimbursement for tuition if the parent provides documentation that the student was enrolled in nonpublic school for no less than 75 days of the semester for which the parent seeks reimbursement. Parents may only receive reimbursement for related services provided to home schooled students if the parent provides documentation that the student received related services for no less than 75 days of the semester for which the parent seeks reimbursement. The Authority shall notify parents in writing of their eligibility to receive scholarship grants for costs that will be incurred during the spring semester of the following year by December 1 and for costs incurred during the fall semester of that year by July 1. Following the conclusion of each school semester, the parent of an eligible student shall submit to the Authority any receipts or other documentation approved by the Authority to demonstrate the costs incurred during the semester as well as documentation that the student was enrolled in the nonpublic school for no less than 75 days of the semester for which the parent seeks reimbursement for tuition or documentation that related services were provided to a home schooled student for no less than 75 days of the semester for which the parent seeks reimbursement for related services. The Authority shall award a scholarship grant in the amount of costs demonstrated by the parent up to the maximum amount. If the costs incurred by the parent do not meet the maximum amount, the Authority shall use the remainder of those funds for the award of scholarship grants to eligible students for the following semester. The Authority shall award scholarship grants to the parents of eligible students at least semiannually.

(c) After an eligible student's initial receipt of a scholarship grant, the Authority shall ensure that the student is reevaluated at least every three years by the local educational agency in order to verify that the student continues to be a child with a disability.

(d) The Authority shall establish rules and regulations for the administration and awarding of scholarship grants.

"**§ 115C-112.4. Verification of eligibility.**

(a) The Authority may seek verification of information on any application for scholarship grants from eligible students. If a parent fails to cooperate with verification efforts, the Authority shall revoke the award of the scholarship grant to the eligible student.

(b) Parents of applicants for scholarship grants shall authorize the Authority to access any information held by the local educational agency that is needed for verification efforts.

"**§ 115C-112.5. Authority reporting requirements.**

(a) The Authority shall report to the Department of Public Instruction annually, no later than August 1, on the number of students who (i) received scholarship grants for the previous school year and (ii) were enrolled in a local school administrative unit or charter school for the semester prior to the semester for which a scholarship grant was awarded. The Department of Public Instruction shall adjust the allotments of local school administrative units and charter

schools based on the number of students awarded a scholarship grant who attended a local school administrative unit or charter school during the semester prior to the semester for which the scholarship grant was awarded. The amount of the adjustment shall equal the average per pupil allocation for average daily membership from the local school administrative unit or charter school.

(b) The Authority shall report annually, no later than October 1, to the Joint Legislative Education Oversight Committee on the following:

(1) Total number, age, and grade level of eligible students receiving scholarship grants.

(2) Total amount of scholarship grant funding awarded.

(3) Nonpublic schools in which scholarship grant recipients are enrolled and the number of scholarship grant students at that school.

(4) The type of special education or related services for which scholarship grants were awarded."

SECTION 5.(a) There is appropriated from the General Fund to the North Carolina State Education Assistance Authority (NCSEAA) the sum of three million six hundred seventy thousand five hundred dollars ($3,670,500) for the 2013-2014 fiscal year and the sum of four million three hundred forty-one thousand dollars ($4,341,000) for the 2014-2015 fiscal year in recurring funds to implement the requirements of this act. Of the funds appropriated to NCSEAA under this section, NCSEAA shall use the sum of three million dollars ($3,000,000) for fiscal year 2013-2014 and the sum of three million dollars ($3,000,000) for fiscal year 2014-2015 to award scholarship grants to eligible students. Any unexpended funds for this purpose shall not revert at the end of each fiscal year but shall remain available to award scholarship grants to eligible students.

The remainder of the funds, up to six hundred seventy thousand five hundred dollars ($670,500) for fiscal year 2013-2014 and up to one million three hundred forty-one thousand dollars ($1,341,000) for fiscal year 2014-2015 shall be transferred to the North Carolina Department of Public Instruction to conduct reevaluations of eligible students as required by G.S. 115C-112.3(c), as enacted by this act.

SECTION 5.(b) Of the funds appropriated to NCSEAA to be used for the award of scholarship grants to eligible students under subsection (a) of this section, for fiscal year 2013-2014, NCSEAA may retain up to two hundred thousand dollars ($200,000) for administrative costs associated with the scholarship grant program. For fiscal year 2014-2015 and subsequent years, NCSEAA may retain up to two percent (2%) annually for administrative costs associated with the scholarship grant program.

SECTION 5.(c) Nothing in this act shall require the General Assembly to appropriate funds to implement it. Subsections (a) and (b) of this section become effective only if those funds are appropriated by the Current Operations and Capital Improvement Act of 2013.

SECTION 6.(a) Article 32D of Chapter 115C of the General Statutes is repealed.

SECTION 6.(b) The State Controller shall transfer the fund balance from the Fund for Special Education and Related Services to Nontax Budget Code 19978 (Intra State Transfers) or the appropriate budget code as determined by the State Controller to support General Fund Appropriations for the 2013-2014 fiscal year.

SECTION 7. Notwithstanding the definition for "eligible student" set forth in G.S. 115C-112.2, as enacted by this act, a child who is otherwise eligible to receive a scholarship grant for the spring semester of the 2013-2014 school year is deemed to have met the requirements of G.S. 115C-112.2(2)f., as enacted by this act, if the child is a dependent child for whom a taxpayer is allowed a credit for the fall semester of the 2013-2014 school year under G.S. 105-151.33 and the taxpayer affirms, under oath, that the taxpayer will claim the credit for that semester. Notwithstanding G.S. 105-259(b), the Department of Revenue shall

furnish, upon request, to the Authority a list of claimants that received a credit pursuant to G.S. 105-151.33 for the taxable year beginning on or after January 1, 2013.

SECTION 8. Sections 1, 2, and 3 of this act are effective for taxable years beginning on or after January 1, 2014. This act does not affect the rights or liabilities of the State, a taxpayer, or another person arising under a statute amended or repealed by this act before the effective date of its amendment or repeal; nor does it affect the right to any refund or credit of a tax that accrued under the amended or repealed statute before the effective date of its amendment or repeal. Sections 5 and 6 of this act become effective July 1, 2013. The remainder of this act is effective when it becomes law and applies beginning with the spring semester of the 2013-2014 school year. Notwithstanding the requirement to make applications available by May 1 in G.S. 115C-112.3(a), as enacted by this act, applications for the 2014 spring semester shall be made available no later than October 1, 2013, and the Authority shall notify parents in writing of the eligibility as soon as practicable.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H D

HOUSE BILL 269
Committee Substitute Favorable 4/17/13
Committee Substitute #2 Favorable 5/8/13
Fourth Edition Engrossed 5/15/13
PROPOSED SENATE COMMITTEE SUBSTITUTE H269-PCS80403-TC-40

Short Title: Children w/Disabilities Scholarship Grants. (Public)

Sponsors:

Referred to:

March 12, 2013

A BILL TO BE ENTITLED

AN ACT TO CREATE SPECIAL EDUCATION SCHOLARSHIP GRANTS FOR CHILDREN WITH DISABILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-151.33 is repealed.

SECTION 2. Section 2 of S.L. 2011-395 is repealed.

SECTION 3. G.S. 105-160.3(b)(11) is repealed.

SECTION 4. Article 9 of Chapter 115C of the General Statutes is amended by adding a new Part to read:

"Part 1H. Special Education Scholarship Grants for Children With Disabilities.

"**§ 115C-112.2. Definitions.**

The following definitions apply in this Part:

(1) Authority. – The North Carolina State Education Assistance Authority.

(2) Eligible student. – A child with a disability under the age of 22 who meets all of the following criteria:

a. Requires an Individualized Education Plan.

b. Receives special education or related services on a daily basis.

c. Has not been placed in a nonpublic school or facility by a public agency at public expense.

d. Has not spent any time enrolled in a postsecondary institution as a full-time student taking at least 12 hours of academic credit.

e. Has not received a high school diploma.

f. Meets at least one of the following requirements:

1. Was enrolled in a North Carolina public school during the previous semester.

2. Received special education or related services through the North Carolina public schools as a preschool child with a disability during the previous semester.

3. Received a scholarship grant for the previous semester.

4. Is eligible for initial enrollment in kindergarten or the first grade in a North Carolina public school.

(3) Nonpublic school. – A school that meets the requirements of Part 1, 2, or 3 of Article 39 of this Chapter as identified by the Division of Nonpublic Education, Department of Administration.

(4) Scholarship grants. – Grants awarded by the Authority to eligible students.

"**§ 115C-112.3. Scholarship grants.**

(a) The Authority shall make available no later than May 1 annually applications to eligible students for the award of scholarship grants to attend any nonpublic school and to receive special education and related services in a nonpublic school setting. Information about scholarship grants and the application process shall be made available on the Authority's Web site. The Authority shall give priority in awarding scholarship grants to eligible students who received a scholarship grant during the previous semester. Except as otherwise provided by the Authority for prior scholarship grant recipients, scholarship grants shall be awarded to eligible students in the order in which the applications are received.

(b) Scholarship grants awarded to eligible students shall be for amounts of not more than three thousand dollars ($3,000) per semester per eligible student. Eligible students awarded grants may not be enrolled in a public school. Scholarship grants shall be awarded only for the reimbursement of tuition and special education and related services, including those services provided to home schooled students. Parents may only receive reimbursement for tuition if the parent provides documentation that the student was enrolled in nonpublic school for no less than 75 days of the semester for which the parent seeks reimbursement. Parents may only receive reimbursement for related services provided to home schooled students if the parent provides documentation that the student received related services for no less than 75 days of the semester for which the parent seeks reimbursement. The Authority shall notify parents in writing of their eligibility to receive scholarship grants for costs that will be incurred during the spring semester of the following year by December 1 and for costs incurred during the fall semester of that year by July 1. Following the conclusion of each school semester, the parent of an eligible student shall submit to the Authority any receipts or other documentation approved by the Authority to demonstrate the costs incurred during the semester as well as documentation that the student was enrolled in the nonpublic school for no less than 75 days of the semester for which the parent seeks reimbursement for tuition or documentation that related services were provided to a home schooled student for no less than 75 days of the semester for which the parent seeks reimbursement for related services. The Authority shall award a scholarship grant in the amount of costs demonstrated by the parent up to the maximum amount. If the costs incurred by the parent do not meet the maximum amount, the Authority shall use the remainder of those funds for the award of scholarship grants to eligible students for the following semester. The Authority shall award scholarship grants to the parents of eligible students at least semiannually.

(c) After an eligible student's initial receipt of a scholarship grant, the Authority shall ensure that the student is reevaluated at least every three years by the local educational agency in order to verify that the student continues to be a child with a disability.

(d) The Authority shall establish rules and regulations for the administration and awarding of scholarship grants.

"**§ 115C-112.4. Verification of eligibility.**

(a) The Authority may seek verification of information on any application for scholarship grants from eligible students. If a parent fails to cooperate with verification efforts, the Authority shall revoke the award of the scholarship grant to the eligible student.

(b) Parents of applicants for scholarship grants shall authorize the Authority to access any information held by the local educational agency that is needed for verification efforts.

"**§ 115C-112.5. Authority reporting requirements.**

(a) The Authority shall report annually, no later than October 1, to the Joint Legislative Education Oversight Committee on the Special Education Scholarship Grants for Children with Disabilities.

(b) The annual report shall include all of the following information:

(1) Total number, age, and grade level of eligible students receiving scholarship grants.

(2) Total amount of scholarship grant funding awarded.

(3) Nonpublic schools in which scholarship grant recipients are enrolled and the number of scholarship grant students at that school.

(4) The type of special education or related services for which scholarship grants were awarded."

SECTION 5.(a) There is appropriated from the General Fund to the North Carolina State Education Assistance Authority (NCSEAA) the sum of three million six hundred seventy thousand five hundred dollars ($3,670,500) for the 2013-2014 fiscal year and the sum of four million three hundred forty-one thousand dollars ($4,341,000) for the 2014-2015 fiscal year in recurring funds to implement the requirements of this act. Of the funds appropriated to NCSEAA under this section, NCSEAA shall use the sum of three million dollars ($3,000,000) for fiscal year 2013-2014 and the sum of three million dollars ($3,000,000) for fiscal year 2014-2015 to award scholarship grants to eligible students. Any unexpended funds for this purpose shall not revert at the end of each fiscal year but shall remain available to award scholarship grants to eligible students.

The remainder of the funds, up to six hundred seventy thousand five hundred dollars ($670,500) for fiscal year 2013-2014 and up to one million three hundred forty-one thousand dollars ($1,341,000) for fiscal year 2014-2015 shall be transferred to the North Carolina Department of Public Instruction to conduct reevaluations of eligible students as required by G.S. 115C-112.3(c), as enacted by this act.

SECTION 5.(b) Of the funds appropriated to NCSEAA to be used for the award of scholarship grants to eligible students under subsection (a) of this section, for fiscal year 2013-2014, NCSEAA may retain up to two hundred thousand dollars ($200,000) for administrative costs associated with the scholarship grant program. For fiscal year 2014-2015 and subsequent years, NCSEAA may retain up to two percent (2%) annually for administrative costs associated with the scholarship grant program.

SECTION 5.(c) Nothing in this act shall require the General Assembly to appropriate funds to implement it. Subsections (a) and (b) of this section become effective only if those funds are appropriated by the Current Operations and Capital Improvements Appropriations Act of 2013.

SECTION 6.(a) Article 32D of Chapter 115C of the General Statutes is repealed.

SECTION 6.(b) The State Controller shall transfer the fund balance from the Fund for Special Education and Related Services to Nontax Budget Code 19978 (Intrastate Transfers) or the appropriate budget code as determined by the State Controller to support General Fund appropriations for the 2013-2014 fiscal year.

SECTION 7. Notwithstanding the definition for "eligible student" set forth in G.S. 115C-112.2, as enacted by this act, a child who is otherwise eligible to receive a scholarship grant for the spring semester of the 2013-2014 school year is deemed to have met the requirements of G.S. 115C-112.2(2)f., as enacted by this act, if the child is a dependent child for whom a taxpayer is allowed a credit for the fall semester of the 2013-2014 school year under G.S. 105-151.33 and the taxpayer affirms, under oath, that the taxpayer will claim the credit for that semester. Notwithstanding G.S. 105-259(b), the Department of Revenue shall furnish, upon request, to the Authority a list of claimants that received a credit pursuant to G.S. 105-151.33 for the taxable year beginning on or after January 1, 2013.

SECTION 8. Sections 1, 2, and 3 of this act are effective for taxable years beginning on or after January 1, 2014. This act does not affect the rights or liabilities of the State, a taxpayer, or another person arising under a statute amended or repealed by this act before the effective date of its amendment or repeal; nor does it affect the right to any refund or credit of a tax that accrued under the amended or repealed statute before the effective date of its amendment or repeal. Sections 5 and 6 of this act become effective July 1, 2013. The remainder of this act is effective when it becomes law and applies beginning with the spring semester of the 2013-2014 school year. Notwithstanding the requirement to make applications available by May 1 in G.S. 115C-112.3(a), as enacted by this act, applications for the 2014 spring semester shall be made available no later than October 1, 2013, and the Authority shall notify parents in writing of the eligibility as soon as practicable.

VISITOR REGISTRATION SHEET

Ed/Higher Ed

(Committee Name)

6-19-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jim Willis	UNC-CH
Andy Chase	KMA
Mike Tarrant	UNCG
Nikki Bokee	UNCG
Henry M Lancaster D	LCA
Casandra Skinner	NCACC
Marion Yarnell	K+L Gates
Julia Allen	Gaston College
Pat Skinner	Gaston College
Courtney Dupree	C G Emanuel Group
Angie Main	NKPC

09-21-201

VISITOR REGISTRATION SHEET

Ed/Higher Ed

(Committee Name)

6-19-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
SOLARI	DST
Tim Romocki	DST
Bill Hussey	DPI
Dave Simpson	CAUC
TONY WIKE	Public Staff
Dianna Downey	Public Staff NCUC
Julie Robinson	NCSEA
Betsy McCorkle	NCSEA
Dan Conrad	NCUC
Jonathan Pruitt	UNC GA
Drew Moretz	UNC GA
Jim Stegall	NC Public Charter Schools Association
Evelyn Hawthorne	PENC; CSNC
Monica Foreman	NCAE
Doug Taggart	NC DPI
Alex Badger	CSS
Will Grantham	MLRC

09-21-201

VISITOR REGISTRATION SHEET

Ed/Higher Ed

(Committee Name)

6-19-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Rachel Bearkie	NCDPI
Chris Hill	NC Justice Center
George Smith	NP
Brian M	Mac L
Sarah Smith	NP
TJ Brybee	NP
Jake Carter	NC Chamber
Rochelle Guilford	7408 Grist Mill Rd, Raleigh 27615
Linda Liles	Reedy Creek MS, Cary, 27513

09-21-201

VISITOR REGISTRATION SHEET

Ed/Higher Ed

(Committee Name)

6-19-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Gene Causby	NCSCA
Tammy Stevens	NCPC
Tim McEachran	PEFNC
Leanne Winner	NCSBA
Jacqueline Twiggs	ACT, Inc.
[illegible] TAYLOR	DPI
[illegible]	BCI
ROBBIE FERRIS	SFCA
Laura McGee	NC Values
Alexis Schaaf	NLDPI
Adam Pridemore	NCASA
Kathryn Joyce	NCASA
Emily Doyle	NCPAPA
Bubb FORD	NC Poultry Fed
Henry Jones	Jordan Price
Chris EMANUEL	THE C.G. EMANUEL GROUP
Zane Stilwell	NCSBE

09-21-201

Senate Committee on Education/Higher Education
Wednesday, June 26, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 250	Charter School Enrollment.	Representative Hardister Representative Brandon Representative Stam Representative Lambeth
HB 269	Children w/Disabilities Scholarship Grants.	Representative Jordan Representative Brandon Representative Jones Representative Stam
HB 767	Brass to Class Act.	Representative Murry Representative Whitmire Representative Szoka Representative Pierce

Adjournment

Senate Committee on Education/Higher Education
Wednesday, June 26, 2013 at 10:00 AM
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on June 26, 2013 in Room 544 of the Legislative Office Building. 20 members were present.

Senator Dan Soucek, Chair, presided.

Chairman Soucek called the meeting to order and thanked the Sergeants-at-Arms and the Pages.

Announcing that the committee would consider the bills in reverse numerical order, Chairman Soucek accepted a motion from Senator Stein to consider the Proposed Committee Substitute (PCS) to H767.

The motion passed and Representative Murry was recognized to explain the bill. He reminded members that the bill had been discussed in a previous meeting and explained that the PCS adds a stipend for veterans transitioning to prospective teachers.

Adopting the motion of Senator Jenkins, the committee adopted a favorable report to the PCS and an unfavorable report to the original bill.

Chairman Soucek then accepted a motion from Senator Newton for adoption of a PCS to H269.

The motion passed and Representative Jones was recognized to explain the bill. He also reminded members that the bill had been discussed previously and that he would endeavor to answer any questions.

Senator Parmon was recognized and questioned how many students would be able to benefit from the program.

Kris Nordstrom of the General Assembly's Fiscal Research Division answered that the number of students is determined by the program's funding. Students are awarded the benefit until the funding runs out.

Senator Tillman was recognized and questioned whether the costs of the program had been calculated correctly since many of the students involved would be in the system until age 21.

Representative Stam was recognized to answer and related that the calculations are unchanged as the benefit parameters are unchanged in the bill, only the means of funding, from a tax credit to a scholarship grant, is changed.

Senator Bryant was recognized and questioned the handling of documentation.

Representative Stam responded and indicated that since the program is no longer tax-related, the documentation would no longer be handled by the Department of Revenue, but rather would be handled by the SEAA.

Senator Bryant was recognized again and asked about monitoring.

Representative Stam responded that monitoring is unchanged and that the primary goal of the bill is to open the program to more families, since poor families did not pay enough tax to benefit from the existing tax credit.

Senator Stein was recognized and opined that the only practical way to add new families is to add funding to the program.

Senator Brown was then recognized and questioned how students were selected for the program.

Representative Stam replied by stating that the bill did not affect student selection and expressed his hope that as the program continues to be successful that it will be expanded.

Senator Robinson was recognized and asked about the income requirement changes in the bill.

Representative Stam clarified that the existing tax credit has a reverse income restriction in the sense that only people paying sufficient tax could benefit. Under the proposed grant program, anyone could benefit regardless of income.

Senator Robinson was recognized again and asked about the program's accountability as opposed to an IEP.

Chairman Soucek responded that since that is unchanged in the bill; those questions should be addressed outside the meeting.

Donald Bryson from Americans for Prosperity was recognized from the gallery and spoke in support of the bill.

Senator Davis was recognized and asked Representative Stam to confirm that aside from the funding changes, there were no substantive changes in the bill as to how the program would be administered.

Representative Stam stated that the only change was to make students eligible after one semester as opposed to one year.

Chairman Soucek called for a vote on Senator Tillman's motion for a favorable report and the committee voted to adopt a favorable report to the PCS and an unfavorable report to the original bill.

Moving to the final bill, Chairman Soucek asked for and received a motion to adopt a PCS to H250 from Senator Newton.

The motion was adopted and Representative Hardister was recognized to explain the bill.

Following a brief explanation, Senator Cook offered an amendment to the PCS. He explained that the amendment would allow siblings of former students to be given priority in charter schools.

Chairman Soucek recognized Senator Woodard, who questioned whether the program amounted to a legacy or alumni system.

Representative Hardister was recognized and stated that he disagreed.

Senator Stein was recognized and opined that the charter school's lottery program should be fair and that it should not give preference to alumnus families that were lucky in a previous lottery.

Representative Hardister was recognized, again stated his disagreement and emphasized that the decision on whether to offer preference would be up to the charter school's board.

Chairman Soucek called for a vote on the amendment and the amendment passed.

With the PCS as amended before the committee, Chairman Soucek recognized Leanne Winner of the North Carolina School Boards Association, who expressed her organization's opposition to allowing charter schools to grow without expressed approval of the State Board of Education.

Senator Tillman was recognized and expressed his disagreement with Ms. Winner suggesting rather that charter schools go where parents need choice.

Debbie Clary of the Alliance for Charter Schools spoke in support of the bill and specifically in support of allowing charters to add grades.

Senator Newton moved for a favorable report to the PCS as amended.

The committee voted to adopt the motion and gave a favorable report to the PCS as amended, rolled into a new PCS, with a favorable report to the new committee substitute and an unfavorable report to the original bill.

With no further business before the committee, Chairman Soucek then adjourned the meeting.

The meeting adjourned at 10:50AM.

Senator Dan Soucek, Chair
Presiding

John Clark, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

CORRECTED REPORT #1

Wednesday, June 26, 2013

Senator Soucek,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO COMMITTEE SUBSTITUTE BILL NO. 1, BUT FAVORABLE AS TO SENATE COMMITTEE SUBSTITUTE BILL

HB **250** **(CS#1)** Charter School Enrollment.

Draft Number:	H250-PCS80404-RQ-21
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes

UNFAVORABLE AS TO COMMITTEE SUBSTITUTE BILL NO. 2, BUT FAVORABLE AS TO SENATE COMMITTEE SUBSTITUTE BILL

HB **269** **(CS#2)** Children w/Disabilities Scholarship Grants.

Draft Number:	H269-PCS80403-TC-40
Sequential Referral:	Finance
Recommended Referral:	None
Long Title Amended:	No

HB **767** **(CS#2)** Brass to Class Act.

Draft Number:	H767-PCS70476-TB-29
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes

TOTAL REPORTED: 3

Senator Norman Sanderson will handle HB 250
Senator Jerry Tillman will handle HB 269
Senator David Curtis will handle HB 767



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H 4

HOUSE BILL 767
Committee Substitute Favorable 5/2/13
Committee Substitute #2 Favorable 5/16/13
Fourth Edition Engrossed 5/16/13

Short Title: Brass to Class Act. (Public)

Sponsors:

Referred to:

April 11, 2013

A BILL TO BE ENTITLED

AN ACT ENACTING THE BRASS TO CLASS ACT, WHICH DIRECTS THE STATE BOARD OF EDUCATION TO ESTABLISH RULES FOR AWARDING CREDIT FOR PRIOR WORK EXPERIENCE GIVEN TO CERTAIN VETERANS FOR THE PURPOSE OF PLACING THEM ON STATE SALARY SCHEDULES.

Whereas, formal education and training for both officers and enlisted ranks includes a tremendous breadth and depth of credentialed, technical, and vocational training which is applied operationally for years with additional follow-up support and continuing education; and

Whereas, in addition to technical and vocational training, many military members who spend more than one tour and certainly multiple tours in uniform take one or several professional military education courses of study; and

Whereas, select members of the military complete unique, rigorous programs that are the envy of some of the best graduate and post-graduate institutions in the United States, and these professional military education programs are college programs and certainly worthy of credit; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The State Board of Education shall establish rules for awarding credit for salary purposes to principals, assistant principals, and teachers who served in the Armed Forces of the United States and who have retired or who have received an Honorable Discharge. The rules shall include the following provisions:

(1) One full year of experience credit shall be awarded for each year of full-time relevant nonteaching work experience completed (i) while on active military duty in the Armed Forces of the United States and (ii) after earning a bachelor's degree.

(2) One full year of experience credit shall be awarded for each two years of full-time relevant nonteaching work experience completed (i) while on active duty in the Armed Forces of the United States and (ii) before earning a bachelor's degree.

(3) One full year of experience credit shall be awarded for every two years of full-time instructional or leadership training while on active military duty in the Armed Forces of the United States, regardless of academic degree held while participating in the training.

SECTION 2. The State Board of Education shall establish specific criteria within the rules for determining the relevance of nonteaching work experience earned while on active

military duty that shall be credited toward an individual's total licensure experience rating for salary purposes. The criteria shall include the following components:

(1) A clearly defined process to explore, identify, recognize, and quantify the breadth and depth of career experiences, formal professional military education, and pertinent credentials of military veterans.

(2) A transparent and timely decision-making process for awarding complete credit for pertinent experience and education.

(3) A process for reviewing and accepting military transcripts and corresponding American Council on Education (ACE) recommendations for awarding academic and experiential credit.

SECTION 3. The State Board of Education shall study (i) the costs and benefits of providing student teaching stipends with an associated minimum professional teaching requirement to individuals who served in the Armed Forces of the United States and who have retired or who have received an Honorable Discharge and who are pursuing a teacher or school administrator license and (ii) potential reductions in teacher and school administrator licensure requirements for those individuals who are certified instructors.

SECTION 4. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by December 9, 2013, on (i) the rules drafted to implement this act and (ii) the results of the study as provided in Section 3 of this act.

SECTION 5. This act is effective when it becomes law and applies to military veterans employed by local school administrative units in the 2014-2015 school year and beyond.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H D

HOUSE BILL 767

Committee Substitute Favorable 5/2/13
Committee Substitute #2 Favorable 5/16/13
Fourth Edition Engrossed 5/16/13
PROPOSED SENATE COMMITTEE SUBSTITUTE H767-CSTB-29 [v.4]
6/25/2013 4:33:16 PM

Short Title: Corporal Pruitt Rainey Brass to Class Act. (Public)

Sponsors:

Referred to:

April 11, 2013

A BILL TO BE ENTITLED

AN ACT ENACTING THE CORPORAL PRUITT RAINEY BRASS TO CLASS ACT, WHICH DIRECTS THE STATE BOARD OF EDUCATION TO ESTABLISH RULES FOR AWARDING CREDIT FOR PRIOR WORK EXPERIENCE GIVEN TO CERTAIN VETERANS FOR THE PURPOSE OF PLACING THEM ON STATE SALARY SCHEDULES.

Whereas, formal education and training for both officers and enlisted ranks includes a tremendous breadth and depth of credentialed, technical, and vocational training which is applied operationally for years with additional follow-up support and continuing education; and

Whereas, in addition to technical and vocational training, many military members who spend more than one tour and certainly multiple tours in uniform take one or several professional military education courses of study; and

Whereas, select members of the military complete unique, rigorous programs that are the envy of some of the best graduate and post-graduate institutions in the United States, and these professional military education programs are college programs and certainly worthy of credit;

Whereas Corporal Pruitt Rainey, North Carolina native and star high school wrestler, served during Operation Enduring Freedom and wished to become a physical education teacher and wrestling coach but was killed in action at the age of 22 on July 13, 2008 in the Battle of Wanat, Afghanistan, this act is named in his memory; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The State Board of Education shall establish rules for awarding credit for salary purposes to principals, assistant principals, and teachers who served in the Armed Forces of the United States and who have retired or who have received an Honorable Discharge. The rules shall include the following provisions:

(1) One full year of experience credit shall be awarded for each year of full-time relevant nonteaching work experience completed (i) while on active military duty in the Armed Forces of the United States and (ii) after earning a bachelor's degree.

(2) One full year of experience credit shall be awarded for each two years of full-time relevant nonteaching work experience completed (i) while on active duty in the Armed Forces of the United States and (ii) before earning a bachelor's degree.

(3) One full year of experience credit shall be awarded for every two years of full-time instructional or leadership duties while on active military duty in the Armed Forces of the United States, regardless of academic degree held while in instruction or leadership roles.

SECTION 2. The State Board of Education shall establish specific criteria within the rules for determining the relevance of nonteaching work experience earned while on active military duty that shall be credited toward an individual's total licensure experience rating for salary purposes. The criteria shall include the following components:

(1) A clearly defined process to explore, identify, recognize, and quantify the breadth and depth of career experiences, formal professional military education, and pertinent credentials of military veterans.

(2) A transparent and timely decision-making process for awarding complete credit for pertinent experience and education.

(3) A process for reviewing and accepting military transcripts and corresponding American Council on Education (ACE) recommendations for awarding academic and experiential credit.

SECTION 3. The State Board shall have continuing authority to cap nonteaching experience credit for Junior Reserve Officer Training Corps instructors as their pay formula includes both a State and federal funding component.

SECTION 4. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by February 28, 2014, on the rules drafted to implement this act.

SECTION 5. This act is effective when it becomes law and applies to military veterans initially employed by local school administrative units in the 2014-2015 school year and beyond.

HOUSE BILL 767:
Corporal Pruitt Rainey Brass to Class Act

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	June 26, 2013
Introduced by:	Reps. Murry, Whitmire, Szoka, Pierce	**Prepared by:**	Denise Adams and Patsy Pierce, Legislative Analysts
Analysis of:	PCS to Fourth Edition 11767-CSTB-29		

SUMMARY: ***House Bill 767 would direct the State Board of Education (SBE) to develop rules and criteria to award experience credit for relevant nonteaching work experience to former members of the Armed Forces. The SBE would also establish a process for reviewing and accepting military transcripts and would study (i) providing student teaching stipends and (ii) reducing licensure requirements for military veterans who are pursuing a teacher or school administrator license. The SBE would report to the Joint Legislative Education Oversight Committee by December 9, 2013 on the rules drafted to implement this act and on the results of the study.***

The PCS makes the following changes:

- ***Renames the act the Corporal Pruitt Rainey Brass to Class Act in memory of a North Carolina soldier who wished to be a physical education teacher but was killed in action on July 13, 2008 in the Battle of Wanat, Afghanistan.***
- ***Removes the SBE study on (i) providing student teaching stipends and (ii) reducing licensure requirements for military veterans who are pursuing a teacher or school administrator license.***
- ***Changes the date the SBE would have to report to the Joint Legislative Education Oversight Committee to February 28, 2014 on the rules drafted to implement this act.***
- ***Clarifies the SBE would have continuing authority to cap nonteaching experience credit for Junior Reserve Officer Training Corp (JROTC) instructors and that the act applies to military veterans initially employed by LEAs in the 14-15 school year and beyond.***

CURRENT LAW/BACKGROUND: G.S. 115C-296 provides that the SBE has control of licensing all applicants for teaching positions in all public schools in North Carolina. The SBE is required to prescribe the rules and regulations for the renewal and extension of all licenses and to determine and fix the salary for each grade and type of license it authorizes.

Lateral Entry: G.S. 115C-296(c) establishes that it is the policy of the State of North Carolina to encourage lateral entry into the profession of teaching by skilled individuals. The SBE is required to develop criteria and procedures to accomplish the employment of such individuals as classroom teachers. Skilled individuals who choose to enter the profession of teaching laterally may be granted a provisional teaching license for no more than three years and shall be required to obtain licensure before contracting for a fourth year of services with any local administrative unity in this state. For additional information on lateral entry: http://www.ncpublicschools.org/licensure/lateral/

Troops to Teachers: North Carolina also provides a Troops to Teachers (TTT) program to assist eligible military personnel with the transition to a career as a public school teacher. TTT Offices provide interested individuals with information, counseling, and assistance on certification requirements, routes to state certification and employment possibilities. For more information: http://www.ncpublicschools.org/troops/

Experience Credit – An educator's licensure experience rating determines placement on the North Carolina Public Schools Salary Schedules. The level of an individual's education and the attainment of certain certifications also influence salary. There are situations in which nonteaching work experience can be credited toward an individual's licensure experience rating. Military experience is awarded up to a maximum of 10 years for JROTC instructors, based on a minimum of 20 years of service and retirement from the military service.

BILL ANALYSIS:

Section 1 of the PCS would direct the SBE to establish rules for awarding credit for salary purposes to principals, assistant principals, and teachers who served in the Armed Forces of the United States and who have retired, or who have received an Honorable Discharge. Rules developed by the SBE must include the following:

- One full year of experience credit awarded for each year of full-time relevant nonteaching work experience obtained while on active military duty in the Armed Forces of the United States by individuals with at least a bachelor's degree.
- One full year of experience credit awarded for each two years of full-time relevant nonteaching work experience obtained while on active duty in the Armed Forces of the United States by individuals without a bachelor's degree.
- One full year of experience credit awarded for every two years of full-time instructional or leadership duties while on active duty in the Armed Forces of the United States, regardless of academic degree held while in instruction or leadership roles.

Section 2 of the PCS would require the SBE to establish criteria within the rules for determining the relevance of nonteaching work experience earned while on active military duty to be credited towards an individual's total licensure experience rating. The criteria must provide the following:

- A clearly defined process to explore, identify, recognize, and quantify the breadth and depth of career experiences, formal professional military education, and pertinent credentials of military veterans.
- A transparent and timely decision-making process for awarding complete credit for pertinent experience and education.
- A process for reviewing and accepting military transcripts and corresponding American Council on Education (ACE) recommendations for awarding academic and experiential credit.

Section 3 of the PCS would clarify that the SBE would have continuing authority to cap nonteaching experience credit for Junior Reserve Officer Training Corps instructors as their pay formula includes both a State and federal funding component.

Section 4 would require the SBE to report, by February 28, 2014, to the Joint Legislative Oversight Committee on the rules drafted to implement this bill.

EFFECTIVE DATE: This act is effective when it becomes law and applies to military veterans initially employed by local school administrative units in the 2014-2015 school year and beyond.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H 4

HOUSE BILL 269
Committee Substitute Favorable 4/17/13
Committee Substitute #2 Favorable 5/8/13
Fourth Edition Engrossed 5/15/13

Short Title: Children w/Disabilities Scholarship Grants. (Public)

Sponsors:

Referred to:

March 12, 2013

A BILL TO BE ENTITLED

AN ACT TO CREATE SPECIAL EDUCATION SCHOLARSHIP GRANTS FOR CHILDREN WITH DISABILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-151.33 is repealed.

SECTION 2. Section 2 of S.L. 2011-395 is repealed.

SECTION 3. G.S. 105-160.3(b)(11) is repealed.

SECTION 4. Article 9 of Chapter 115C of the General Statutes is amended by adding a new Part to read:

"Part 1H. Special Education Scholarship Grants for Children With Disabilities.

"**§ 115C-112.2. Definitions.**

The following definitions apply in this Part:

(1) Authority. – The North Carolina State Education Assistance Authority.

(2) Eligible student. – A child with a disability under the age of 22 who meets all of the following criteria:

a. Requires an individualized education plan.

b. Receives special education or related services on a daily basis.

c. Has not been placed in a nonpublic school or facility by a public agency at public expense.

d. Has not spent any time enrolled in a postsecondary institution as a full-time student taking at least 12 hours of academic credit.

e. Has not received a high school diploma.

f. Meets at least one of the following requirements:

1. Was enrolled in a North Carolina public school during the previous semester.

2. Received special education or related services through the North Carolina public schools as a preschool child with a disability during the previous semester.

3. Received a scholarship grant for the previous semester.

4. Is eligible for initial enrollment in kindergarten or the first grade in a North Carolina public school.

(3) Nonpublic school. – A school that meets the requirements of Part 1, 2, or 3 of Article 39 of this Chapter as identified by the Division of Nonpublic Education, Department of Administration.

(4) Scholarship grants. – Grants awarded by the Authority to eligible students.

"**§ 115C-112.3. Scholarship grants.**

(a) The Authority shall make available no later than May 1 annually applications to eligible students for the award of scholarship grants to attend any nonpublic school and to receive special education and related services in a nonpublic school setting. Information about scholarship grants and the application process shall be made available on the Authority's Web site. The Authority shall give priority in awarding scholarship grants to eligible students who received a scholarship grant during the previous semester. Except as otherwise provided by the Authority for prior scholarship grant recipients, scholarship grants shall be awarded to eligible students in the order in which the applications are received.

(b) Scholarship grants awarded to eligible students shall be for amounts of not more than three thousand dollars ($3,000) per semester per eligible student. Eligible students awarded grants may not be enrolled in a public school. Scholarship grants shall be awarded only for the reimbursement of tuition and special education and related services, including those services provided to home schooled students. Parents may only receive reimbursement for tuition if the parent provides documentation that the student was enrolled in nonpublic school for no less than 75 days of the semester for which the parent seeks reimbursement. Parents may only receive reimbursement for related services provided to home schooled students if the parent provides documentation that the student received related services for no less than 75 days of the semester for which the parent seeks reimbursement. The Authority shall notify parents in writing of their eligibility to receive scholarship grants for costs that will be incurred during the spring semester of the following year by December 1 and for costs incurred during the fall semester of that year by July 1. Following the conclusion of each school semester, the parent of an eligible student shall submit to the Authority any receipts or other documentation approved by the Authority to demonstrate the costs incurred during the semester as well as documentation that the student was enrolled in the nonpublic school for no less than 75 days of the semester for which the parent seeks reimbursement for tuition or documentation that related services were provided to a home schooled student for no less than 75 days of the semester for which the parent seeks reimbursement for related services. The Authority shall award a scholarship grant in the amount of costs demonstrated by the parent up to the maximum amount. If the costs incurred by the parent do not meet the maximum amount, the Authority shall use the remainder of those funds for the award of scholarship grants to eligible students for the following semester. The Authority shall award scholarship grants to the parents of eligible students at least semiannually.

(c) After an eligible student's initial receipt of a scholarship grant, the Authority shall ensure that the student is reevaluated at least every three years by the local educational agency in order to verify that the student continues to be a child with a disability.

(d) The Authority shall establish rules and regulations for the administration and awarding of scholarship grants.

"**§ 115C-112.4. Verification of eligibility.**

(a) The Authority may seek verification of information on any application for scholarship grants from eligible students. If a parent fails to cooperate with verification efforts, the Authority shall revoke the award of the scholarship grant to the eligible student.

(b) Parents of applicants for scholarship grants shall authorize the Authority to access any information held by the local educational agency that is needed for verification efforts.

"**§ 115C-112.5. Authority reporting requirements.**

(a) The Authority shall report to the Department of Public Instruction annually, no later than August 1, on the number of students who (i) received scholarship grants for the previous school year and (ii) were enrolled in a local school administrative unit or charter school for the semester prior to the semester for which a scholarship grant was awarded. The Department of Public Instruction shall adjust the allotments of local school administrative units and charter

schools based on the number of students awarded a scholarship grant who attended a local school administrative unit or charter school during the semester prior to the semester for which the scholarship grant was awarded. The amount of the adjustment shall equal the average per pupil allocation for average daily membership from the local school administrative unit or charter school.

(b) The Authority shall report annually, no later than October 1, to the Joint Legislative Education Oversight Committee on the following:

(1) Total number, age, and grade level of eligible students receiving scholarship grants.

(2) Total amount of scholarship grant funding awarded.

(3) Nonpublic schools in which scholarship grant recipients are enrolled and the number of scholarship grant students at that school.

(4) The type of special education or related services for which scholarship grants were awarded."

SECTION 5.(a) There is appropriated from the General Fund to the North Carolina State Education Assistance Authority (NCSEAA) the sum of three million six hundred seventy thousand five hundred dollars ($3,670,500) for the 2013-2014 fiscal year and the sum of four million three hundred forty-one thousand dollars ($4,341,000) for the 2014-2015 fiscal year in recurring funds to implement the requirements of this act. Of the funds appropriated to NCSEAA under this section, NCSEAA shall use the sum of three million dollars ($3,000,000) for fiscal year 2013-2014 and the sum of three million dollars ($3,000,000) for fiscal year 2014-2015 to award scholarship grants to eligible students. Any unexpended funds for this purpose shall not revert at the end of each fiscal year but shall remain available to award scholarship grants to eligible students.

The remainder of the funds, up to six hundred seventy thousand five hundred dollars ($670,500) for fiscal year 2013-2014 and up to one million three hundred forty-one thousand dollars ($1,341,000) for fiscal year 2014-2015 shall be transferred to the North Carolina Department of Public Instruction to conduct reevaluations of eligible students as required by G.S. 115C-112.3(c), as enacted by this act.

SECTION 5.(b) Of the funds appropriated to NCSEAA to be used for the award of scholarship grants to eligible students under subsection (a) of this section, for fiscal year 2013-2014, NCSEAA may retain up to two hundred thousand dollars ($200,000) for administrative costs associated with the scholarship grant program. For fiscal year 2014-2015 and subsequent years, NCSEAA may retain up to two percent (2%) annually for administrative costs associated with the scholarship grant program.

SECTION 5.(c) Nothing in this act shall require the General Assembly to appropriate funds to implement it. Subsections (a) and (b) of this section become effective only if those funds are appropriated by the Current Operations and Capital Improvement Act of 2013.

SECTION 6.(a) Article 32D of Chapter 115C of the General Statutes is repealed.

SECTION 6.(b) The State Controller shall transfer the fund balance from the Fund for Special Education and Related Services to Nontax Budget Code 19978 (Intra State Transfers) or the appropriate budget code as determined by the State Controller to support General Fund Appropriations for the 2013-2014 fiscal year.

SECTION 7. Notwithstanding the definition for "eligible student" set forth in G.S. 115C-112.2, as enacted by this act, a child who is otherwise eligible to receive a scholarship grant for the spring semester of the 2013-2014 school year is deemed to have met the requirements of G.S. 115C-112.2(2)f., as enacted by this act, if the child is a dependent child for whom a taxpayer is allowed a credit for the fall semester of the 2013-2014 school year under G.S. 105-151.33 and the taxpayer affirms, under oath, that the taxpayer will claim the credit for that semester. Notwithstanding G.S. 105-259(b), the Department of Revenue shall

furnish, upon request, to the Authority a list of claimants that received a credit pursuant to G.S. 105-151.33 for the taxable year beginning on or after January 1, 2013.

SECTION 8. Sections 1, 2, and 3 of this act are effective for taxable years beginning on or after January 1, 2014. This act does not affect the rights or liabilities of the State, a taxpayer, or another person arising under a statute amended or repealed by this act before the effective date of its amendment or repeal; nor does it affect the right to any refund or credit of a tax that accrued under the amended or repealed statute before the effective date of its amendment or repeal. Sections 5 and 6 of this act become effective July 1, 2013. The remainder of this act is effective when it becomes law and applies beginning with the spring semester of the 2013-2014 school year. Notwithstanding the requirement to make applications available by May 1 in G.S. 115C-112.3(a), as enacted by this act, applications for the 2014 spring semester shall be made available no later than October 1, 2013, and the Authority shall notify parents in writing of the eligibility as soon as practicable.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H D

HOUSE BILL 269

Committee Substitute Favorable 4/17/13
Committee Substitute #2 Favorable 5/8/13
Fourth Edition Engrossed 5/15/13
PROPOSED SENATE COMMITTEE SUBSTITUTE H269-CSTC-40 [v.1]
6/25/2013 2:24:50 PM

Short Title: Children w/Disabilities Scholarship Grants. (Public)

Sponsors:

Referred to:

March 12, 2013

A BILL TO BE ENTITLED

AN ACT TO CREATE SPECIAL EDUCATION SCHOLARSHIP GRANTS FOR CHILDREN WITH DISABILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-151.33 is repealed.

SECTION 2. Section 2 of S.L. 2011-395 is repealed.

SECTION 3. G.S. 105-160.3(b)(11) is repealed.

SECTION 4. Article 9 of Chapter 115C of the General Statutes is amended by adding a new Part to read:

"Part 111. Special Education Scholarship Grants for Children With Disabilities.

"**§ 115C-112.2. Definitions.**

The following definitions apply in this Part:

(1) Authority. – The North Carolina State Education Assistance Authority.

(2) Eligible student. – A child with a disability under the age of 22 who meets all of the following criteria:

a. Requires an individualized education plan.

b. Receives special education or related services on a daily basis.

c. Has not been placed in a nonpublic school or facility by a public agency at public expense.

d. Has not spent any time enrolled in a postsecondary institution as a full-time student taking at least 12 hours of academic credit.

e. Has not received a high school diploma.

f. Meets at least one of the following requirements:

1. Was enrolled in a North Carolina public school during the previous semester.

2. Received special education or related services through the North Carolina public schools as a preschool child with a disability during the previous semester.

3. Received a scholarship grant for the previous semester.

4. Is eligible for initial enrollment in kindergarten or the first grade in a North Carolina public school.

(3) Nonpublic school. - A school that meets the requirements of Part 1, 2, or 3 of Article 39 of this Chapter as identified by the Division of Nonpublic Education, Department of Administration.

(4) Scholarship grants. - Grants awarded by the Authority to eligible students.

"**§ 115C-112.3. Scholarship grants.**

(a) The Authority shall make available no later than May 1 annually applications to eligible students for the award of scholarship grants to attend any nonpublic school and to receive special education and related services in a nonpublic school setting. Information about scholarship grants and the application process shall be made available on the Authority's Web site. The Authority shall give priority in awarding scholarship grants to eligible students who received a scholarship grant during the previous semester. Except as otherwise provided by the Authority for prior scholarship grant recipients, scholarship grants shall be awarded to eligible students in the order in which the applications are received.

(b) Scholarship grants awarded to eligible students shall be for amounts of not more than three thousand dollars ($3,000) per semester per eligible student. Eligible students awarded grants may not be enrolled in a public school. Scholarship grants shall be awarded only for the reimbursement of tuition and special education and related services, including those services provided to home schooled students. Parents may only receive reimbursement for tuition if the parent provides documentation that the student was enrolled in nonpublic school for no less than 75 days of the semester for which the parent seeks reimbursement. Parents may only receive reimbursement for related services provided to home schooled students if the parent provides documentation that the student received related services for no less than 75 days of the semester for which the parent seeks reimbursement. The Authority shall notify parents in writing of their eligibility to receive scholarship grants for costs that will be incurred during the spring semester of the following year by December 1 and for costs incurred during the fall semester of that year by July 1. Following the conclusion of each school semester, the parent of an eligible student shall submit to the Authority any receipts or other documentation approved by the Authority to demonstrate the costs incurred during the semester as well as documentation that the student was enrolled in the nonpublic school for no less than 75 days of the semester for which the parent seeks reimbursement for tuition or documentation that related services were provided to a home schooled student for no less than 75 days of the semester for which the parent seeks reimbursement for related services. The Authority shall award a scholarship grant in the amount of costs demonstrated by the parent up to the maximum amount. If the costs incurred by the parent do not meet the maximum amount, the Authority shall use the remainder of those funds for the award of scholarship grants to eligible students for the following semester. The Authority shall award scholarship grants to the parents of eligible students at least semiannually.

(c) After an eligible student's initial receipt of a scholarship grant, the Authority shall ensure that the student is reevaluated at least every three years by the local educational agency in order to verify that the student continues to be a child with a disability.

(d) The Authority shall establish rules and regulations for the administration and awarding of scholarship grants.

"**§ 115C-112.4. Verification of eligibility.**

(a) The Authority may seek verification of information on any application for scholarship grants from eligible students. If a parent fails to cooperate with verification efforts, the Authority shall revoke the award of the scholarship grant to the eligible student.

(b) Parents of applicants for scholarship grants shall authorize the Authority to access any information held by the local educational agency that is needed for verification efforts.

"**§ 115C-112.5. Authority reporting requirements.**

(a) The Authority shall report annually, no later than October 1, to the Joint Legislative Education Oversight Committee on the Special Education Scholarship Grants for Children with Disabilities.

(b) The annual report shall include all of the following information:

(1) Total number, age, and grade level of eligible students receiving scholarship grants.

(2) Total amount of scholarship grant funding awarded.

(3) Nonpublic schools in which scholarship grant recipients are enrolled and the number of scholarship grant students at that school.

(4) The type of special education or related services for which scholarship grants were awarded."

SECTION 5.(a) There is appropriated from the General Fund to the North Carolina State Education Assistance Authority (NCSEAA) the sum of three million six hundred seventy thousand five hundred dollars ($3,670,500) for the 2013-2014 fiscal year and the sum of four million three hundred forty-one thousand dollars ($4,341,000) for the 2014-2015 fiscal year in recurring funds to implement the requirements of this act. Of the funds appropriated to NCSEAA under this section, NCSEAA shall use the sum of three million dollars ($3,000,000) for fiscal year 2013-2014 and the sum of three million dollars ($3,000,000) for fiscal year 2014-2015 to award scholarship grants to eligible students. Any unexpended funds for this purpose shall not revert at the end of each fiscal year but shall remain available to award scholarship grants to eligible students.

The remainder of the funds, up to six hundred seventy thousand five hundred dollars ($670,500) for fiscal year 2013-2014 and up to one million three hundred forty-one thousand dollars ($1,341,000) for fiscal year 2014-2015 shall be transferred to the North Carolina Department of Public Instruction to conduct reevaluations of eligible students as required by G.S. 115C-112.3(c), as enacted by this act.

SECTION 5.(b) Of the funds appropriated to NCSEAA to be used for the award of scholarship grants to eligible students under subsection (a) of this section, for fiscal year 2013-2014, NCSEAA may retain up to two hundred thousand dollars ($200,000) for administrative costs associated with the scholarship grant program. For fiscal year 2014-2015 and subsequent years, NCSEAA may retain up to two percent (2%) annually for administrative costs associated with the scholarship grant program.

SECTION 5.(c) Nothing in this act shall require the General Assembly to appropriate funds to implement it. Subsections (a) and (b) of this section become effective only if those funds are appropriated by the Current Operations and Capital Improvement Act of 2013.

SECTION 6.(a) Article 32D of Chapter 115C of the General Statutes is repealed.

SECTION 6.(b) The State Controller shall transfer the fund balance from the Fund for Special Education and Related Services to Nontax Budget Code 19978 (Intra State Transfers) or the appropriate budget code as determined by the State Controller to support General Fund Appropriations for the 2013-2014 fiscal year.

SECTION 7. Notwithstanding the definition for "eligible student" set forth in G.S. 115C-112.2, as enacted by this act, a child who is otherwise eligible to receive a scholarship grant for the spring semester of the 2013-2014 school year is deemed to have met the requirements of G.S. 115C-112.2(2)f., as enacted by this act, if the child is a dependent child for whom a taxpayer is allowed a credit for the fall semester of the 2013-2014 school year under G.S. 105-151.33 and the taxpayer affirms, under oath, that the taxpayer will claim the credit for that semester. Notwithstanding G.S. 105-259(b), the Department of Revenue shall furnish, upon request, to the Authority a list of claimants that received a credit pursuant to G.S. 105-151.33 for the taxable year beginning on or after January 1, 2013.

SECTION 8. Sections 1, 2, and 3 of this act are effective for taxable years beginning on or after January 1, 2014. This act does not affect the rights or liabilities of the State, a taxpayer, or another person arising under a statute amended or repealed by this act before the effective date of its amendment or repeal; nor does it affect the right to any refund or credit of a tax that accrued under the amended or repealed statute before the effective date of its amendment or repeal. Sections 5 and 6 of this act become effective July 1, 2013. The remainder of this act is effective when it becomes law and applies beginning with the spring semester of the 2013-2014 school year. Notwithstanding the requirement to make applications available by May 1 in G.S. 115C-112.3(a), as enacted by this act, applications for the 2014 spring semester shall be made available no later than October 1, 2013, and the Authority shall notify parents in writing of the eligibility as soon as practicable.

HOUSE BILL 269:
Children w/Disabilities Scholarship Grants

2013-2014 General Assembly

Committee:	Senate Ref to Education/Higher Education. If fav, re-ref to Finance	**Date:**	June 26, 2013
Introduced by:	Reps. Jordan, Brandon, Jones, Stam	**Prepared by:**	Kara McCraw and Drupti Chauhan Committee Counsel
Analysis of:	PCS to Fourth Edition 11269-CSTC-40		

SUMMARY: ***House Bill 269 would create the special education scholarship grants for children with disabilities.***

The PCS would remove a provision that requires reporting by the State Education Assistance Authority annually to the Department of Public Instruction on students awarded scholarship grants by local school administrative unit or charter school.

CURRENT LAW: A taxpayer is entitled to an education expenses tax credit of up to $3,000 per semester for tuition and special education and related services expenses for each "eligible dependent child" who is a resident of North Carolina and who enrolled for one or two semesters during the taxable year in grades kindergarten-12 at either (i) a nonpublic school or (ii) a public school where tuition is charged for the child's enrollment. For home schools, the credit is equal to the amount the taxpayer paid for special education and related services expenses, not to exceed $3,000 per semester.

Qualifications for the Tax Credit. – In order for a child to be an "eligible dependent child," all of the following criteria must be met:

- The child must be a child with a disability who requires an individualized education program (IEP) under Article 9 of Chapter 115C of the General Statutes (Education of Students with Disabilities) and the federal Individuals with Disabilities Education Improvement Act (IDEA), 20 U.S.C. § 1400 et seq. (2004), as amended. The child must be reevaluated every three years by a local educational agency to verify that the child continues to be a child with a disability. Local educational agencies are not responsible for implementing IEPs for children in parentally placed nonpublic schools.
- The child must receive special education or related services on a daily basis.
- The child must be a child for whom the taxpayer is entitled to deduct a personal exemption under section 151(c) of the Internal Code for the taxable year.

For the initial eligibility for the tax credit during the first five years that the credit is available, the eligible dependent child must have been enrolled for at least the preceding two semesters in a public school or receiving special education or related services through the public schools as a preschool child with a disability. This initial eligibility requirement is reduced to one semester beginning for taxable years on or after January 1, 2016.

Disqualifications for the Tax Credit. – A taxpayer does not qualify for the education expenses tax credit for any semester when the taxpayer's otherwise eligible dependent child was:

- Placed in a nonpublic school or facility by a public agency at public expense.
- Enrolled for any time as a full-time student taking at least 12 hours of academic credit at a postsecondary educational institution.

- 22 years of age or older during the entire semester or graduated from high school prior to the end of the semester.

Reduction of the Tax Credit. – The amount of the education expenses tax credit is reduced for any semester in which the eligible dependent child spent any time enrolled in a public school. The amount of the reduction is equal to the percentage of the semester that the eligible dependent child was enrolled in a public school.

Carryforward of the Tax Credit. – Any unused portion of the credit may be carried forward for 3 succeeding years.

Fund for Special Education and Related Services. – The Fund for Special Education and Related Services (Fund) is a special revenue fund where monies in the Fund are to be used only for special education and related services for children with disabilities, to reimburse local educational agencies for conducting reevaluations for continued eligibility, and to develop revised individualized education programs for children with disabilities. At the end of each fiscal year, the Secretary of Revenue must transfer to the Fund from the net individual income tax collections an amount equal to $2,000, multiplied by the number of education expenses tax credits taken during the fiscal year. Interest and other investment income earned by the Fund accrue to it and monies in the Fund do not revert.

BILL ANALYSIS:

HB 269 would repeal the current tax credit for children with disabilities as well as the Fund for Special Education and Related Services. It would create the following new program in Article 9 of Chapter 115C of the General Statutes (Education of Children with Disabilities). All terms defined for that Article would apply in this bill, including the definitions for child with a disability, IEPs, and special education and related services.

Special Education Scholarship Grants (grants) – The program would provide grants of not more than $3000 per semester to eligible students for reimbursement of tuition and special education and related services. Priority would be given in awarding grants to students who received a grant in the previous semester. Otherwise, grants would be awarded to eligible students in the order in which applications are received.

Scholarship Grant Eligibility - A child with a disability under the age of 22 who meets all of the following requirements would be eligible for a scholarship grant:

- Requires an individualized education plan.
- Receives special education or related services on a daily basis.
- Has not been placed in a nonpublic school or facility by a public agency at public expense.
- Has not spent any time enrolled in a postsecondary institution as a full-time student taking at least 12 academic credit hours.
- Has not received a high school diploma.
- Meets one of the following requirements:
  - Was enrolled in a NC public school during the previous semester.
  - Received special education or related services through the NC public schools as a preschool child with a disability during the previous semester.
  - Received a scholarship grant for the previous semester, or received a tax credit for students with disabilities as provided in G.S. 105-151.33 for the fall semester of the 2013-2014 school year.
  - Is eligible for enrollment in kindergarten or the first grade in a NC public school.

Administration - The State Education Assistance Authority (SEAA) would administer the scholarship grants.

- **Timeline of awards** - Applications would be made available by May 1 to eligible students. Awards of grants for fall semester will be made by July 1, and awards for spring semester will be made by December 1.
- **Reimbursement Documentation** - At the end of each semester, parents will submit receipts or other documentation to the SEAA for reimbursement up to the maximum amount of the grant. Parents must provide documentation that the student was enrolled in nonpublic school or was homeschooled and receiving related services for no less than 75 days of the semester for which the parent seeks reimbursement.
- **Verification of Eligibility** – The SEAA may seek verification on information on applications and may revoke grants if parents fail to cooperate with verification efforts. Parents must authorize the SEAA to access information held by the local educational agency.
- **Reevaluation** - After an initial award, students must be reevaluated by the local educational agency every three years to verify the student continues to be a child with a disability.

Reporting – The SEAA must report to the Joint Legislative Education Oversight Committee annually no later than October 1 on the following:

- Total number, age, and grade level of students receiving grants.
- Total amount of grant funding awarded.
- Nonpublic schools in which grant recipients are enrolled, and number of grant students at those schools
- Types of special education or related services for which grants were awarded.

Appropriations: $3,670,500 is appropriated to the SEAA for the 2013-2014 fiscal year, and $4,341,000 in recurring funds is appropriated to the SEAA for the 2014-2015 fiscal year to implement the act. Of those funds, $3,000,000 per year must be used by the SEAA to fund grants to eligible students. Unexpended funds do not revert and remain available to award grants. The remainders of the funds are transferred to DPI to conduct evaluation of eligible students. The SEAA may retain up to $200,000 of the funds for grants for administrative costs in fiscal year 2013-2014. For fiscal year 2014-2015 and subsequent years, the SEAA may retain 2% annually for administrative costs.

EFFECTIVE DATE: The repeal of the current tax credit (Sections 1, 2, and 3) is effective for taxable years beginning on or after January 1, 2014. The scholarship grant program (Section 4), is effective when it becomes law and applies beginning with the spring semester of the 2013-2014 school year. Sections 5 and 6, concerning appropriations and fund transfers, are effective July 1, 2013. Initial applications for the 2014 spring semester must be made available no later than October 1, 2014 and parents notified of awards as soon as practicable. The bill specifies that nothing in the act requires the General Assembly to appropriate funds to implement it. The appropriations would become effective only if those funds are appropriated by the Current Operations and Capital Improvement Act of 2013.

BACKGROUND: The House Appropriations Committee Report on the Continuation, Expansion, and Capital Budgets for House Committee Substitute for Senate Bill 402, 6/11/2013 appropriates the funds required for HB 269. Approximately six states have scholarship grant programs for students with disabilities: Florida, Georgia, Louisiana, Ohio, Oklahoma, and Utah.

HOUSE BILL 250
Committee Substitute Favorable 3/19/13
Third Edition Engrossed 3/20/13

Short Title: Charter School Enrollment. (Public)

Sponsors:

Referred to:

March 7, 2013

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR ENROLLMENT PRIORITY AND PROCEDURES FOR CERTAIN STUDENTS APPLYING TO CHARTER SCHOOLS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-238.29F(g) reads as rewritten:

"(g) Admission Requirements. –

(1) Any child who is qualified under the laws of this State for admission to a public school is qualified for admission to a charter school.

(2) No local board of education shall require any student enrolled in the local school administrative unit to attend a charter school.

(3) Admission to a charter school shall not be determined according to the school attendance area in which a student resides, except that any local school administrative unit in which a public school converts to a charter school shall give admission preference to students who reside within the former attendance area of that school.

(4) Admission to a charter school shall not be determined according to the local school administrative unit in which a student resides.

(5) A charter school shall not discriminate against any student on the basis of ethnicity, national origin, gender, or disability. Except as otherwise provided by law or the mission of the school as set out in the charter, the school shall not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, gender, national origin, religion, or ancestry. The charter school may give enrollment priority to (i) siblings of currently enrolled students who were admitted to the charter school in a previous ~~year~~ year, ~~and~~ (ii) to children of the school's principal, teachers, and teacher ~~assistants.~~assistants, or (iii) to children of all school employees. For the purposes of this subdivision, "siblings" includes half siblings, stepsiblings, and children residing in a family foster home. In addition, and only for its first three years ~~year~~ of operation, the charter school may give enrollment priority to children of the initial members of the charter school's board of directors, so long as ~~(i)~~ these children are limited to no more than ten percent (10%) of the school's total enrollment or to 20 students, whichever is ~~less, and (ii) the charter school is not a former public or private school.~~less. If ~~multiple birth~~ siblings apply for admission to a charter school and a lottery is needed under G.S. 115C-238.29F(g)(6), the

charter school ~~shall~~ may enter one surname into the lottery to represent all of the ~~multiple birth siblings.~~siblings applying at the same time. If that surname of the ~~multiple birth~~ siblings is selected, then all of the ~~multiple birth~~ siblings shall be admitted. If multiple birth siblings apply for admission to a charter school and a lottery is needed under G.S. 115C-238.29F(g)(6), the charter school shall enter one surname into the lottery to represent all of the multiple birth siblings applying at the same time. If that surname of the multiple birth siblings is selected, then all of the multiple birth siblings shall be admitted. Within one year after the charter school begins operation, the population of the school shall reasonably reflect the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located. The school shall be subject to any court-ordered desegregation plan in effect for the local school administrative unit.

(5a) A charter school may give enrollment priority to a student who was enrolled in the charter school within the two previous school years but left the school (i) to participate in extraordinary educational opportunities available to the student, such as a study abroad program or a competitive admission residential program or (ii) because of the vocational opportunities of the student's parent.

(6) During each period of enrollment, the charter school shall enroll an eligible student who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, students shall be accepted by lot. Once enrolled, students are not required to reapply in subsequent enrollment periods.

(7) Notwithstanding any law to the contrary, a charter school may refuse admission to any student who has been expelled or suspended from a public school under G.S. 115C-390.5 through G.S. 115C-390.11 until the period of suspension or expulsion has expired."

SECTION 2. This act is effective when it becomes law and applies beginning with the 2013-2014 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H D

HOUSE BILL 250
Committee Substitute Favorable 3/19/13
Third Edition Engrossed 3/20/13
PROPOSED SENATE COMMITTEE SUBSTITUTE H250-CSRQ-21 [v.2]
6/25/2013 3:03:59 PM

Short Title: Charter School Enrollment & Charter Revisions. (Public)

Sponsors:

Referred to:

March 7, 2013

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR ENROLLMENT PRIORITY AND PROCEDURES FOR CERTAIN STUDENTS APPLYING TO CHARTER SCHOOLS AND TO MAKE CHANGES AS TO WHAT QUALIFIES AS A MATERIAL REVISION TO A CHARTER APPLICATION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-238.29F(g) reads as rewritten:

"(g) Admission Requirements. –

(1) Any child who is qualified under the laws of this State for admission to a public school is qualified for admission to a charter school.

(2) No local board of education shall require any student enrolled in the local school administrative unit to attend a charter school.

(3) Admission to a charter school shall not be determined according to the school attendance area in which a student resides, except that any local school administrative unit in which a public school converts to a charter school shall give admission preference to students who reside within the former attendance area of that school.

(4) Admission to a charter school shall not be determined according to the local school administrative unit in which a student resides.

(5) A charter school shall not discriminate against any student on the basis of ethnicity, national origin, gender, or disability. Except as otherwise provided by law or the mission of the school as set out in the charter, the school shall not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, gender, national origin, religion, or ancestry. Within one year after the charter school begins operation, the population of the school shall reasonably reflect the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located. The school shall be subject to any court-ordered desegregation plan in effect for the local school administrative unit.

(5a) The charter school may give enrollment priority to any of the following:

a. ~~siblings~~Siblings of currently enrolled students who were admitted to the charter school in a previous ~~year and~~ year. For the purposes of this subsection, the term "siblings" includes any of the following who reside in the same household: half siblings, stepsiblings, and children residing in a family foster home.

b. ~~to children~~Limited to no more than ten percent (10%) of the school's total enrollment, the following:

1. Children of the school's ~~principal, teachers, and teacher assistants.~~full-time employees.

2. ~~In addition, and only for~~ For its first year of operation, ~~the charter school may give enrollment priority to~~ children of the initial members of the charter school's board of directors, so long as ~~(i) these children are limited to no more than ten percent (10%) of the school's total enrollment or to 20 students, whichever is less, and (ii)~~ the charter school is not a former public or private school.

c. A student who was enrolled in the charter school within the two previous school years but left the school (i) to participate in an academic study abroad program or a competitive admission residential program, or (ii) because of the vocational opportunities of the student's parent.

(5b) Lottery procedures for siblings.

a. If ~~multiple birth~~ siblings apply for admission to a charter school and a lottery is needed under G.S. 115C-238.29F(g)(6), the charter school ~~shall~~ may enter one surname into the lottery to represent all of the ~~multiple birth siblings.~~siblings applying at the same time. If that surname of the ~~multiple birth~~ siblings is selected, then all of the ~~multiple birth~~ siblings shall be admitted.

b. If multiple birth siblings apply for admission to a charter school and a lottery is needed under G.S. 115C-238.29F(g)(6), the charter school shall enter one surname into the lottery to represent all of the multiple birth siblings applying at the same time. If that surname of the multiple birth siblings is selected, then all of the multiple birth siblings shall be admitted.

~~Within one year after the charter school begins operation, the population of the school shall reasonably reflect the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located. The school shall be subject to any court-ordered desegregation plan in effect for the local school administrative unit.~~

(6) During each period of enrollment, the charter school shall enroll an eligible student who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, students shall be accepted by lot. Once enrolled, students are not required to reapply in subsequent enrollment periods.

(7) Notwithstanding any law to the contrary, a charter school may refuse admission to any student who has been expelled or suspended from a public school under G.S. 115C-390.5 through G.S. 115C-390.11 until the period of suspension or expulsion has expired."

SECTION 2. G.S. 115C-238.29D reads as rewritten:

"§ 115C-238.29D. Final approval of applications for charter schools.

(a) The State Board may grant final approval of an application if it finds that the application meets the requirements set out in this Part or adopted by the State Board of Education and that granting the application would achieve one or more of the purposes set out in G.S. 115C-238.29A. The State Board shall act by March 15 of a calendar year on all applications and appeals it receives prior to February 15 of that calendar year.

(b) Repealed by Session Laws 2011-164, s. 2(a), effective July 1, 2011.

(c) The State Board of Education may authorize a school before the applicant has secured its space, equipment, facilities, and personnel if the applicant indicates the authority is necessary for it to raise working capital. The State Board shall not allocate any funds to the school until the school has obtained space.

(d) The State Board of Education may grant the initial charter for a period not to exceed 10 years and may renew the charter upon the request of the chartering entity for subsequent periods not to exceed 10 years each. The State Board of Education shall review the operations of each charter school at least once every five years to ensure that the school is meeting the expected academic, financial, and governance standards.

(e) A material revision of the provisions of a charter application shall be made only upon the approval of the State Board of Education.

~~It shall not be considered a material revision of a charter application and shall not require the prior approval of the State Board for a charter school to increase its enrollment during the charter school's second year of operation and annually thereafter (i) by up to twenty percent (20%) of the school's previous year's enrollment or (ii) in accordance with planned growth as authorized in the charter. Other~~ Except as provided in subsection (f) of this section, enrollment growth shall be considered a material revision of the charter application, and the State Board may approve such additional enrollment growth of greater than twenty percent (20%) only if the State Board finds ~~that:~~all of the following:

(1) The actual enrollment of the charter school is within ten percent (10%) of its maximum authorized ~~enrollment;~~enrollment.

(2) The charter school has commitments for ninety percent (90%) of the requested maximum ~~growth;~~growth.

(3) The board of education of the local school administrative unit in which the charter school is located has had an opportunity to be heard by the State Board of Education on any adverse impact the proposed growth would have on the unit's ability to provide a sound basic education to its ~~students;~~students.

(4) The charter school is not currently identified as ~~low-performing;~~low-performing.

(5) The charter school meets generally accepted standards of fiscal ~~management; and~~management.

(6) It is otherwise appropriate to approve the enrollment growth.

(f) It shall not be considered a material revision of a charter application and shall not require prior approval of the State Board for a charter school to do any of the following:

(i) Increase its enrollment during the charter school's second year of operation and annually thereafter by up to twenty percent (20%) of the school's previous year's enrollment.

(ii) Increase its enrollment during the charter school's second year of operation and annually thereafter in accordance with planned growth as authorized in its charter.

(iii) Expand to offer grades four and five if the charter school has previously been authorized to offer grades kindergarten through third grade.

(v) Expand to offer grades seven and eight if the charter school has previously been authorized to offer grade six.

(vi) Expand to offer grades ten, eleven, and twelve if the charter school has previously been authorized to offer grade nine."

SECTION 3. This act is effective when it becomes law and applies beginning with the 2013-2014 school year.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 250

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

_____ATC-79 [v.3]

Page 1 of 1

Comm. Sub. [YES]
Amends Title [NO]
H250-CSRQ-21

Date June 26 ,2013

Senator Cook

moves to amend the bill on page 2, lines 5-6 by inserting between those lines:

"b. Siblings of students who have completed the highest grade level offered by that school and who were enrolled in at least four grade levels offered by the charter school or, if less than four grades are offered, in the maximum number of grades offered by the charter school.";

and on page 2, line 6, by changing the designation "b." to "c.";

and on page 2, line 17, by changing the designation "c." to "d.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

UNKNOWN-ATC-79-V-3

HOUSE BILL 250:
Charter School Enrollment

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	June 26, 2013
Introduced by:	Reps. Hardister, Brandon, Stam, Lambeth	**Prepared by:**	Drupti Chauhan and Kara McCraw Committee Counsel
Analysis of:	PCS to Third Edition H250-CSRQ-21		

SUMMARY: ***House Bill 250 would make changes to the enrollment priority and procedure for charter schools.***

The Proposed Committee Substitute would (i) remove the preference for all school employees and substitutes a preference for all full-time employees; (ii) clarify the definition of siblings; (iii) limit the children of employees and boards of directors to 10% of total enrollment; and (iv) make changes as to what qualifies as a material revision to a charter application.

CURRENT LAW: G.S. 115C-238.29F(g) provides the admission requirements for charter schools. Any child in North Carolina eligible to attend public schools is eligible to attend any charter school in the State, regardless of where the child resides. If the number of applications for a charter school exceeds the capacity of the program, an admissions lottery must be held. Multiple birth siblings may be placed into the lottery under one surname. Once admitted, students are not required to reapply.

The statute allows charter schools to provide enrollment priority of the following students:

- Siblings of currently enrolled students admitted to the charter school in the previous year.
- Children of the school's principal, teachers, and teacher assistants.
- In the first year of operation, to the children of the initial members of the charter school's board of directors, if those children are no more than 10% of the school or 20 students and the charter school is not a former public or private school.
- Students in the former attendance area of a public school converted to a charter school.

Under G.S. 115C-238.29D, the following increases in enrollment during the charter school's 2nd year of operation and annually thereafter are not considered material revisions of charter applications that require approval from the State Board of Education:

- Increases up to 20% of the school's previous year's enrollment or
- Increases in enrollment in accordance with planned growth as allowed in the charter.

BILL ANALYSIS:

Section 1:

The PCS would do the following:

- Define the term "sibling" to include half siblings, stepsiblings, and children residing in a family foster home if they all reside in the same household.
- Allow a charter school to give enrollment priority for children of full-time employees.

- Add a limitation for the enrollment priority allowed for children of full-time employees and children of the initial members of the board of directors in the first year of the school's operation to 10% of the school's total enrollment.
- Create a new class of enrollment priority for students who were enrolled in the charter school within the two previous school years but left the school either:
  - To participate in an academic study abroad program or a competitive admission residential program, or
  - Because of the vocational opportunities of the student's parents.
- Allow a charter school to enter all siblings into the lottery together under one surname.

The PCS would also make a technical reorganization of the admission requirements for charter schools.

Section 2:

The PCS would provide the following are also not material revisions requiring State Board of Education approval:

- Expansions to offer grades 4 and 5 if the charter school has previously been authorized to offer grades kindergarten through grade 3.
- Expansions to offer grades 7 and 8 if the charter school has previously been authorized to offer grade 6.
- Expansions to offer grades, 10, 11, and 12 if the charter school has previously been authorized to offer grade 9.

EFFECTIVE DATE: The bill would become effective when it becomes law and would apply beginning with the 2013-2014 school year.

VISITOR REGISTRATION SHEET
Education/Higher Education

(Committee Name)
June 26, 2013

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Katherine Joyce	NCASA
Andrew Medlar	Capstrat
Leeann Wimis	NCSBA
Camera Hardy	MVA
Alex Badger	CSS
Meredith Howe	Self-Help
Shannon Pearce	CAA
Jeff Molloy	NCDPI
Lannelle Jeter	NCDPI
Alexis Schwartz	DPI
Zane Stilwell	NC SBE
Mark Lanier	UNCW
Gene Causby	NCSCA
Barbara Hurst	NCRTC
Townes Maxwell	PSG
Joanne Stevens	SNANC / School nurses
[illegible]	[illegible]

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education

(Committee Name)

June 26, 2013

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jennifer Mahan	ASNC
Hope Chadwick	LA
Doug Juggard	DPI, Trips to Teachers
Nikki Baker	JNCBA
Anna Beavin Gravely	AFP
Julia Adams	The Arc of NC / NCARF
Chris Hill	NC Justice Center
Jim Stegall	NC Public Charter Schools Association
Commander Wanda D. Autrey 4th Dist. Delegate, DAV	NC Guilford County Chapter Disabled American Veterans #20
Matt Gray	NCK

09-21-201

Senate Committee on Education/Higher Education
Wednesday, July 10, 2013, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 512	Comm. Coll. Trustee Appointments/Lee Co.	Representative Stone

Adjournment

Senate Committee on Education/Higher Education
Wednesday, July 10. 2013
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on July 10, 2013 in Room 544 of the Legislative Office Building. 16 members were present.

Senator Jerry W. Tillman, Chair, presided.

Chairman Tillman called the meeting to order and recognized the Sergeants-at-Arms and the pages. Chairman Tillman recognized Senator Robinson who made a motion to adopt the Proposed Committee Substitute for H512. The motion passed. With the PCS before the committee members, Representative Stone was recognized to explain H512. Questions asked by committee members were answered by Representative Stone, the primary sponsor and Lee County Board of Education member, Tamara Brogan.

Chairman Tillman recognized Senator Jenkins, who asked if the current process complies with the North Carolina General Statute. Kara McCraw, of the General Assembly Research Division, responded that the current process used by the Central Carolina Board does not comply with the General Statutes.

Chairman Tillman recognized the following for public comment:

Tamara Brogan, Lee County Board of Education Member

Jim Womack, Lee County Board of Commissioner

Charlie Parks, Chair, Lee County Board of Commissioners

Senator Rucho moved for an unfavorable as to bill, but favorable as to senate committee substitute bill. The motion passed.

The meeting adjourned.

Senator Jerry W. Tillman, Chair
Presiding

Suzanne Castleberry, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, July 10, 2013

Senator Tillman,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO SENATE COMMITTEE SUBSTITUTE BILL

HB **512** Comm. Coll. Trustee Appointments/Lee Co.

Draft Number:	H512-PCS30594-TC-42
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes

TOTAL REPORTED: 1

Senator Ronald Rabin will handle HB 512



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H D

HOUSE BILL 512
PROPOSED SENATE COMMITTEE SUBSTITUTE H512-CSTC-42 [v.7]

7/9/2013 5:50:30 PM

Short Title: Central Carolina Com. Coll. Trustee Elections. (Local)

Sponsors:

Referred to:

April 3, 2013

A BILL TO BE ENTITLED

AN ACT TO CORRECT ELECTIONS MADE OUTSIDE OF STATUTORY AUTHORITY TO THE BOARD OF TRUSTEES OF CENTRAL CAROLINA COMMUNITY COLLEGE.

The General Assembly of North Carolina enacts:

SECTION 1. The terms of all individuals elected solely by the Lee County Board of Education to the Board of Trustees of Central Carolina Community College shall expire effective August 1, 2013.

SECTION 2. No later than August 1, 2013, as required by G.S. 115D-12(a) for elections to Group One of the board of trustees for a community college, four trustees shall be jointly elected to the Central Carolina Community College Board of Trustees by the Board of Education of Chatham County, the Board of Education of Lee County, and the Board of Education of Harnett County, with each board having one vote in the election of each trustee. No board of education shall elect a member of the board of education or any person employed by the board of education to serve as a trustee. No board of education shall reelect an individual elected solely by the Lee County Board of Education whose term expires August 1, 2013, as provided in Section 1 of this act, to one of the terms of office provided in Section 3 of this act.

SECTION 3. The four trustees elected as provided in Section 2 of this act shall serve the following terms:

(1) One trustee shall be elected to a one year term expiring July 1, 2014, and quadrennially thereafter.

(2) One trustee shall be elected to a two year term expiring July 1, 2015, and quadrennially thereafter.

(3) One trustee shall be elected to a three year term expiring July 1, 2016, and quadrennially thereafter.

(4) One trustee shall be elected to a four year term expiring July 1, 2017, and quadrennially thereafter.

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

HOUSE BILL 512

Short Title:	Comm. Coll. Trustee Appointments/Lee Co.	(Local)
Sponsors:	Representative Stone (Primary Sponsor). *For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*	
Referred to:	Education.	

April 3, 2013

A BILL TO BE ENTITLED

AN ACT TO CHANGE THE MANNER OF SELECTION OF CERTAIN MEMBERS OF THE BOARD OF TRUSTEES OF CENTRAL CAROLINA COMMUNITY COLLEGE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115D-12(a) reads as rewritten:

"(a) Each community college established or operated pursuant to this Chapter shall be governed by a board of trustees consisting of 13 members, or of additional members if selected according to the special procedure prescribed by the third paragraph of this subsection, who shall be selected by the following agencies. No member of the General Assembly may be appointed to a local board of trustees for a community college.

Group One – four ~~trustees, elected by the board of education of the public school administrative unit located in the administrative area of the institution. If there are two or more public school administrative units, whether city or county units, or both, located within the administrative area, the trustees shall be elected jointly by all of the boards of education of those units, each board having one vote in the election of each trustee, except as provided in G.S. 115D-59. No board of education shall elect a member of the board of education or any person employed by the board of education to serve as a trustee, however, any such person currently serving on a board of trustees shall be permitted to fulfill the unexpired portion of the trustee's current term.~~trustees who reside in Lee County, elected by the board of commissioners of that county. No more than one trustee from Group One may be a member of the board of county commissioners.

Group Two – four trustees, elected by the board of commissioners of the county in which the institution is located. Provided, however, if the administrative area of the institution is composed of two or more counties, the trustees shall be elected jointly by the boards of commissioners of all those counties, each board having one vote in the election of each trustee. Provided, also, the county commissioners of the county in which the community college has established a satellite campus may elect an additional two members if the board of trustees of the community college agrees. No more than one trustee from Group Two may be a member of a board of county commissioners. Should the boards of education or the boards of commissioners involved be unable to agree on one or more trustees the senior resident superior court judge in the superior court district or set of districts as defined in G.S. 7A-41.1 where the institution is located shall fill the position or positions by appointment.

Group Three – four trustees, appointed by the Governor.

Group Four – the president of the student government or the chairman of the executive board of the student body of each community college established pursuant to G.S. 115D shall be an ex officio nonvoting member of the board of trustees of each said institution.

SECTION 2. This act applies only to Central Carolina Community College.

SECTION 3. This act is effective when it becomes law and applies to appointments to terms beginning on or after July 1, 2013.

HOUSE BILL 512:
Central Carolina Com. Coll. Trustee Elections

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	July 10, 2013
Introduced by:	Rep. Stone	**Prepared by:**	Kara McCraw Committee Counsel
Analysis of:	PCS to First Edition H512-CSTC-42		

SUMMARY: ***HB 512 would eliminate the 4 appointments of the local boards of education to the board of trustees of Central Carolina Community College (CCCC) and instead provide those 4 appointments to the Lee County Board of Commissioners.***

The PCS for HB 512 would remove 4 members of the CCCC Board of Trustees not appointed in conformity with statutory law, and require reappointment of those positions as required by statute.

CURRENT LAW: G.S. 115D-12 establishes the local boards of trustees for community colleges. There are thirteen members on each board, including the president of the student body as an ex officio member. The remaining twelve members are appointed in groups of four respectively by the following entities:

- **Group 1**: Elected jointly by the board(s) of education of the local school administrative unit(s) located in the administrative area of the institution.
- **Group 2**: Elected jointly by the board(s) of commissioners of the county or counties in the administrative area of the institution.
- **Group 3**: Elected by the Governor.

BILL ANALYSIS: The PCS for HB 512 would cause the terms of the Group 1 members of the CCCC Board of Trustees elected solely by the Lee County Board of Education to expire on August 1, 2013. The Boards of Education of Chatham, Harnett, and Lee would be required to jointly elect replacements for Group 1 by August 1, 2013 in staggered terms. Appointments thereafter would be for 4 year terms. For new appointments, the Boards of Education may not reelect individuals currently serving in Group 1 whose terms expire August 1, 2013.

EFFECTIVE DATE: HB 512 would become effective when it becomes law.

BACKGROUND: CCCC has an administrative service area covering Chatham, Harnett, and Lee Counties. Currently, only the Lee County Board of Education elects trustees to Group 1 of the Board of Trustees. G.S. 115D-12 allows for variance of elections by local boards of education to boards of trustees by a contract approved by the State Board of Community Colleges, but no record of approval of an administrative area contract for CCCC has been found by the State Board of Community Colleges or CCCC.

O. Walker Reagan
Director

H512-SMTC-59 CSTC-42 -V7

Research Division
(919) 733-2578

VISITOR REGISTRATION SHEET

Ed/Higher Ed

(Committee Name)

7-10-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jim Womack	Commissioner Lee County
Charlie Parks	Chair Commissioner Lee County
Adam Pridemore	NCASA
Katherine Joyce	NCASA
Dawnecia Fosta	USC School of Social Work
Eric Spitler	Senate Intern
Chris Hill	NC Justice Center
Margie Freeman	NCAE

09-21-201

VISITOR REGISTRATION SHEET

Ed/Higher Ed

(Committee Name)

7-10-13

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Dillon Kosofsky	Governors. Page 114 Ventura ct Mooresville NC
[illegible]	NCJCU
Tamara Brogan	Lee Co. BOE
Debbie Clary	NCSP

09-21-201

Senate Committee on Education/Higher Education
Wednesday, May 28, 2014, 9:00 AM
643 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 230	Clarify Read to Achieve/Sch. Perform. Grades.	Representative Malone Representative S. Martin Representative Brody Representative Samuelson

Presentations

Other Business

Adjournment

Senate Committee on Education/Higher Education
Wednesday, May 28, 2014 at 9:00 AM
Room 643 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 9:00 AM on May 28, 2014 in Room 643 of the Legislative Office Building. Twenty-five members were present.

Senator Jerry W. Tillman, Chair, presided.

Senator Tillman called the meeting to order and recognized the pages and the sergeants-at-arms.

Senator Brown was recognized; he moved adoption of a Proposed Committee Substitute (PCS) for discussion on **HB 230 Clarify Read to Achieve/Sch. Perform Grades. (Representatives Malone, S. Martin, Brody, Samuelson)**. Senator Berger was recognized and explained that the PCS is an effort to address some concerns expressed about the Read to Achieve bill that is currently state law. Senator Berger indicated that there are several technical aspects of the bill and recognized Patsy Pierce, Research Division, to explain the PCS. Following the explanation, Senator Berger was recognized to further outline the purpose of the changes. Following questions from the committee members, Senator Stein was recognized and he offered an amendment and the amendment passed. Senator Tarte was recognized and offered an amendment and the amendment passed.

Following discussion and questions from the committee members, Chairman Tillman recognized Suzanne Templeton, Wake County, parent of a kindergartner and 3rd grader at Lacy Elementary. Ms. Templeton expressed concerns over the hours spent on standardized testing instead of inspired learning.

Chairman Tillman then recognized Senator Apodaca. Senator Apodaca moved for a favorable report to the PCS as amended, rolled into a new PCS, with a favorable report to the new committee substitute and an unfavorable report to the original bill and the motion passed.

With no further business, Chairman Tillman adjourned the meeting.

Senator Jerry W. Tillman, Chair
Presiding

Suzanne Castleberry, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, May 28, 2014

Senator Tillman,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO SENATE COMMITTEE SUBSTITUTE BILL

HB **230** Amend Law Defining Home Schools.

Draft Number:	H230-PCS40220-TL-45
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes

TOTAL REPORTED: 1

Senator Philip Berger will handle HB 230



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H D

HOUSE BILL 230*
PROPOSED SENATE COMMITTEE SUBSTITUTE H230-CSTL-45 [v.3]

5/23/2014 5:16:21 PM

Short Title: Clarify Read to Achieve/Sch. Perform. Grades. (Public)

Sponsors:

Referred to:

March 7, 2013

A BILL TO BE ENTITLED

AN ACT TO CLARIFY PROVISIONS OF THE READ TO ACHIEVE ACT AND SCHOOL PERFORMANCE GRADES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-83.3(2) reads as rewritten:

"(2) "Alternative assessment" means a valid and reliable standardized assessment of reading comprehension, approved by the State Board of Education, that is not the same test as the State-approved standardized test of reading comprehension administered to third grade students. The State Board of Education shall (i) provide several valid and reliable alternative assessments to local school administrative units upon request, (ii) approve valid and reliable alternative assessments submitted by local school administrative units, and (iii) establish achievement level ranges for each approved alternative assessment. The State Board of Education shall annually review all alternative assessments to ensure ongoing relevance, validity, and reliability."

SECTION 2. G.S. 115C-83.3(8) reads as rewritten:

"(8) "Student reading portfolio" means a compilation of independently produced student work selected by the student's teacher, beginning during the first half of the school year, and signed by the teacher and principal, as an accurate picture of the student's reading ability. The student reading portfolio shall include an organized collection of evidence of the student's mastery of the State's reading standards that are assessed by the State-approved standardized test of reading comprehension administered to third grade students. For each benchmark, there shall be three examples of student work demonstrating mastery by a grade of seventy percent (70%) or above."

SECTION 3. G.S. 115C-83.3(9) reads as rewritten:

"(9) ~~"Summer reading~~"Reading camp" means an additional educational program outside of the instructional calendar provided by the local school administrative unit to any student who does not demonstrate reading proficiency. Parents or guardians of the student not demonstrating reading proficiency shall make the final decision regarding the student's ~~summer~~ reading camp attendance. ~~Summer~~ Reading camps shall (i) ~~be six to eight weeks long, four or five days per week; (ii) include at least three hours of instructional time per day; (iii)~~ offer at least 72 hours of reading instruction to yield positive reading outcomes for participants; (ii) be taught by compensated, licensed teachers selected based on demonstrated student outcomes in reading proficiency; and ~~(iv) allow~~(iii) allow volunteer mentors to read with ~~students.~~students at times other than during the 72 hours of reading instruction. The 72 hours of reading instruction shall be provided over no less than three weeks for students in schools using calendars other than year-round calendars."

SECTION 4. G.S. 115C-83.5(d) reads as rewritten:

"(d) The kindergarten entry assessment shall (i) address the five essential domains of school readiness: language and literacy development, cognition and general knowledge, approaches toward learning, physical well-being and motor development, and social and emotional ~~development.~~ development and (ii) yield both qualitative and quantitative data in each of these domains. Data obtained through administration of the kindergarten entry assessment shall be used to populate relevant fields in a longitudinal data base. The language and literacy component of the kindergarten entry assessment may be used as a formative and diagnostic reading assessment as provided in G.S. 115C-83.6."

SECTION 5. G.S. 115C-83.7(b) reads as rewritten:

"(b) Students may be exempt from mandatory retention in third grade for good cause, but shall continue to be eligible to participate in reading camps, receive instructional supports and services and reading interventions appropriate for their age and reading level. Good cause exemptions shall be limited to the following:

(1) Limited English Proficient students with less than two ~~years~~ school years of instruction in an English as a Second Language program.

(2) Students with disabilities, as defined in ~~G.S. 115C-106.3(1), whose individualized education program indicates the use of alternative assessments and reading interventions.~~ G.S. 115C-106.3(1), and whose individualized education program indicates (i) the use of the NCEXTEND1 alternate assessment, (ii) at least a two school year delay in educational performance, or (iii) receipt of intensive reading interventions for at least two school years.

(3) Students who demonstrate reading proficiency appropriate for third grade students on an alternative assessment approved by the State Board of Education. ~~Teachers may administer alternative assessment following the administration of the State approved standardized test of reading comprehension typically given to third grade students at the end of the school year or after a student's participation in the local school administrative unit's summer reading camp.~~

(4) Students who demonstrate, through a student reading portfolio, reading proficiency appropriate for third grade students. ~~Teachers may submit the student reading portfolio at the end of the school year or after a student's participation in the local school administrative unit's summer reading camp. The student~~Student reading portfolio and review ~~process~~ processes used by local school administrative units shall be ~~established~~ approved by the State Board of Education.

(5) Students who have (i) received reading intervention and (ii) previously been retained more than once in kindergarten, first, second, or third grades.

SECTION 6. G.S. 115C-83.8 reads as rewritten:

"(a) Parents or guardians of ~~Students~~ students not demonstrating reading proficiency shall be ~~enrolled~~ encouraged to enroll their student in a ~~summer~~ reading camp provided by the local school administrative ~~unit prior to being retained.~~unit. ~~Students who demonstrate reading proficiency on an alternative assessment of reading comprehension or student reading portfolio after completing a summer reading camp shall be promoted to the fourth grade. Students who do not demonstrate reading proficiency on these measures after completing a summer reading camp shall be retained under G.S. 115C-83.7(a) and provided with the instruction listed in subsection (b) of this section during the retained year.~~ Parents or guardians of a student not demonstrating reading proficiency shall make the final decision regarding a student's reading camp attendance. Local school administrative units shall provide at least one opportunity for students not participating in a reading camp to demonstrate reading proficiency appropriate for

third grade students on an alternative assessment or through a student reading portfolio process approved by the State Board of Education prior to retaining the student.

(b) Students retained under G.S. 115C-83.7(a) shall be provided with a teacher selected based on demonstrated student outcomes in reading proficiency and placed in an accelerated reading class or a transitional third and fourth grade class combination, as appropriate. Classroom instruction shall include at least 90 minutes of daily, uninterrupted, evidence-based reading instruction, not to include independent reading time, and other appropriate instructional supports and services and reading interventions.

(c) The State Board of Education shall establish a midyear promotion policy for any student retained under G.S. 115C-83.7(a) who, by November 1, demonstrates reading proficiency through administration of the alternative assessment of reading comprehension or student reading portfolio review. Principals shall use the provisions under G.S. 115C-288(a) to grade and classify students demonstrating reading proficiency after the November 1 midyear promotion deadline.

(d) Repealed by Session Laws 2013-360, s. 8.30, effective July 1, 2013.

(e) Parents or guardians of students who have been retained twice under the provisions of G.S. 115C-83.7(a) shall be offered supplemental tutoring for the retained student in evidence-based reading services outside the instructional day. "

SECTION 7. G.S. 115C-83.9 reads as rewritten:

"§ 115C-83.9. Notification requirements to parents and guardians.

(a) Parents or guardians shall be notified in writing, and in a timely manner, that the student shall be retained, unless he or she is exempt from mandatory retention for good cause, if the student is not demonstrating reading proficiency by the end of third grade. Parents or guardians shall receive this notice when a kindergarten, first, second, or third grade student (i) is demonstrating difficulty with reading development; (ii) is not reading at grade level; or (iii) has a personal education plan under G.S. 115C-105.41.

(b) Parents or guardians of any student who is to be retained under the provisions of G.S. 115C-83.7(a) shall be notified in writing of the reason the student is not eligible for a good cause exemption as provided in G.S. 115C-83.7(b). Written notification shall also include a description of proposed reading interventions that will be provided to the student to remediate identified areas of reading deficiency.

(c) Parents or guardians of students retained under G.S. 115C-83.7(a) shall receive at least monthly written reports on student progress toward reading proficiency. The evaluation of the student's progress shall be based upon the student's classroom work, observations, tests, assessments, and other relevant information.

(d) Teachers and principals shall provide ~~opportunities~~ opportunities, including but not limited to information sessions, to discuss with parents and guardians the notifications listed in this section."

SECTION 8. Part 1A. of Article 8 of Chapter 115C is amended by adding a new section to read:

"§ 115C-83.11. Continued support for students demonstrating reading proficiency.

(a) Parents or guardians of a student demonstrating reading proficiency appropriate for a third grade student as provided under G.S. 115C-83.7, may choose to enroll the student in the reading camp as defined in G.S. 115C-83.3(9), but may be charged an attendance fee. Local boards of education may establish a fee amount be equal to the per student program cost of participating in the reading camp, not to exceed $825.

(b) Priority enrollment in the reading camp is for students not demonstrating reading proficiency as provided under G.S. 115C-83.8. Local boards of education shall establish application procedures and enrollment priorities for reading camps for students demonstrating reading proficiency."

SECTION 9. G.S. 115C-238.29F(d1) reads as rewritten:

"(d1) Reading Proficiency and Student Promotion. –

(1) Students in the third grade shall be retained if the student fails to demonstrate reading proficiency by reading at or above the third grade level as demonstrated by the results of the State-approved standardized test of reading comprehension administered to third grade students. The charter school shall provide reading interventions to retained students to remediate reading deficiency, which may include 90 minutes of daily, uninterrupted, evidence-based reading instruction, accelerated reading classes, transition classes containing third and fourth grade students, and summer reading camps.

(2) Students may be exempt from mandatory retention in third grade for good cause but shall continue to receive instructional supports and services and reading interventions appropriate for their age and reading level. Good cause exemptions shall be limited to the following:

a. Limited English Proficient students with less than two school years of instruction in an English as a Second Language program.

b. Students with disabilities, as defined in G.S. 115C-106.3(1), and whose individualized education program indicates ~~the use of alternative assessments and reading interventions.~~(i) the use of the NCEXTEND1 alternate assessment, (ii) at least a two school year delay in educational performance, or (iii) receipt of intensive reading interventions for at least two school years.

c. Students who demonstrate reading proficiency appropriate for third grade students on an alternative assessment of reading comprehension. The charter school shall notify the State Board of Education of the alternative assessment used to demonstrate reading proficiency.

d. Students who demonstrate, through a student reading portfolio, reading proficiency appropriate for third grade students.

e. Students who have (i) received reading intervention and (ii) previously been retained more than once in kindergarten, first, second, or third grades.

....".

SECTION 10. The State Board of Education shall implement the developmental screening instrument as provided in G.S. 115C-83.5 in each school in a local school administrative unit enrolling kindergarten students, and according to the approved time line for the administration of the Kindergarten Entry Assessment as provided under Section 3.9 of S.L. 2013-363. Additional components of the Kindergarten Entry Assessment shall be fully implemented in each school in a local school administrative unit enrolling kindergarten students beginning with the 2016-2017 school year.

SECTION 11. The title of Part 5 of Article 10A of Chapter 115C reads as rewritten:

"CAREER AND COLLEGE READINESS."

SECTION 12. G.S. 115C-83.4A is recodified in Part 5 of Article 10A of Chapter 115C of the General Statutes as G.S. 115C-174.26.

SECTION 13. G.S. 115C-83.15 (b) reads as rewritten:

"(b) Calculation of the School Achievement Score. – In calculating the overall school achievement score earned by schools, the State Board of Education shall total the sum of points earned by a school on all of the following indicators that are measured for that school:

(1) One point for each percent of students who score at or above proficient on annual assessments for mathematics in grades three through eight.

(2) One point for each percent of students who score at or above proficient on annual assessments for reading in grades three through eight.
(3) One point for each percent of students who score at or above proficient on annual assessments for science in grades five and eight.
(4) One point for each percent of students who score at or above proficient on the Algebra I or Integrated Math I end-of-course test.
(5) One point for each percent of students who score at or above proficient on the English II end-of-course test.
(6) One point for each percent of students who score at or above proficient on the Biology end-of-course test.
(7) One point for each percent of students who complete Algebra II or Integrated Math III with a passing grade.
(8) One point for each percent of students who achieve the minimum score required for admission into a constituent institution of The University of North Carolina on a nationally normed test of college readiness.
(9) One point for each percent of students enrolled in Career and Technical Education courses who meet the standard when scoring at Silver, Gold, or Platinum levels on a nationally normed test of workplace readiness.
(10) One point for each percent of students who graduate within four years of entering high school.

~~Each school achievement indicator shall be of equal value when used to determine the overall school achievement score.~~ In calculating the overall school achievement score earned by schools, the State Board of Education shall (i) use a composite approach to weigh the achievement elements based on the number of students measured by any given achievement element and (ii) proportionally adjust the scale to account for the absence of a school achievement element for award of scores to a school that does not have a measure of one of the school achievement elements annually assessed for the grades taught at that school. The overall school achievement score shall be translated to a 100-point scale and used for school reporting purposes as provided in G.S. 115C-12(9)c1., 115C-238.29F, and 115C-238.66."

SECTION 14. G.S. 115C-83.15(d) reads as rewritten:

"(d) Calculation of the School Performance Scores and Grades. – ~~For schools exceeding or not meeting expected school growth, the~~The State Board of Education shall use EVAAS to calculate the school performance score by adding the school achievement score, as provided in subsection (b) of this section, and the school growth score, as provided in subsection (c) of this section, earned by a school. The school achievement score shall account for eighty percent (80%), and the school growth score shall account for twenty percent (20%) of the total sum. ~~For schools meeting expected growth, and with a school achievement score of eighty percent (80%) or higher, the school performance score shall solely reflect the achievement score. For schools meeting expected growth, and with a school achievement score below eighty percent (80%), the school achievement score shall account for eighty percent (80%), and the school growth score shall account for twenty percent (20%) of the total sum.~~ If a school has met expected growth and inclusion of the school's growth score reduces the school's performance score and grade, a school may choose to use the school achievement score solely to calculate the performance score and grade. For all schools, the total school performance score shall be converted to a 100-point scale and used to determine a school performance grade based on the following scale:

(1) A school performance score of at least 90 is equivalent to an overall school performance grade of A.
(2) A school performance score of at least 80 is equivalent to an overall school performance grade of B.

(3) A school performance score of at least 70 is equivalent to an overall school performance grade of C.
(4) A school performance score of at least 60 is equivalent to an overall school performance grade of D.
(5) A school performance score of less than 60 points is equivalent to an overall school performance grade of F."

SECTION 15. Notwithstanding G.S. 115C-83.15(d), for the 2013-2014 school year only, for all schools the total school performance score shall be converted to a 100-point scale and used to determine a school performance grade based on the following scale:

(1) A school performance score of at least 85 is equivalent to an overall school performance grade of A.
(2) A school performance score of at least 70 is equivalent to an overall school performance grade of B.
(3) A school performance score of at least 55 is equivalent to an overall school performance grade of C.
(4) A school performance score of at least 40 is equivalent to an overall school performance grade of D.
(5) A school performance score of less than 40 points is equivalent to an overall school performance grade of F.

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

HOUSE BILL 230:
Clarify Read to Achieve/Sch. Perform. Grades

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	May 28, 2014
Introduced by:	Reps. Malone, S. Martin, Brody, Samuelson	**Prepared by:**	Patsy Pierce
Analysis of:	PCS to First Edition H230-CSTL-45		Legislative Analyst

SUMMARY: ***The original House Bill 230 would amend the definition of a home school to allow children taught in home schools to receive academic instruction from sources other than parents or guardians. The same language that is in House Bill 230 was passed in Senate Bill 189 (S.L. 2013-57).***

The PCS for House Bill 230 would make several clarifying changes to the Read to Achieve program including providing flexibility for local school administrative units (LEAs) when implementing reading camps, alternative assessments, and student reading portfolios. Additional students with individualized education programs (IEPs) would be exempt from mandatory retention. The PCS would change the scale for calculating A-F school performance grades from a 10-point to a 15-point scale for the 2013-2014 school year.

CURRENT LAW: Part 1A of Chapter 115C of the General Statutes establishes the Read to Achieve program. The Program requires that a student who fails to demonstrate third grade reading proficiency on a State-approved standardized test of reading comprehension must be retained in third grade, unless the student meets one of certain good cause exemptions to the retention requirement. Exemptions include limited English proficiency, disability, demonstrated proficiency on an alternative reading test or student portfolio, or multiple retentions. Retained students are enrolled in summer reading camps, and may be promoted upon a showing of reading proficiency on an alternative assessment. Retained students are provided with a successful reading teacher in an accelerated reading or transitional 3rd-4th grade classroom where specific reading instruction takes place. Students demonstrating reading proficiency by November 1 may be promoted midyear under a policy developed by the SBE. Parents must be notified of third grade retention policies, and must be given monthly written reports regarding student progress for retained students.

Part 1B of Chapter 115C establishes the calculation methodology for school achievement, growth, performance scores and grades.

BILL ANALYSIS:

Section 1 directs the State Board of Education to (i) provide several valid and reliable alternative assessments, (ii) approve valid and reliable alternative assessments submitted by LEAs, (iii) establish achievement levels for approved alternative assessments, and (iv) annually review alternative assessments.

Section 2 allows the student reading portfolio to begin to be compiled during the first half of the school year.

Section 3 provides that reading camps will be provided for at least 72 hours over a period of no less than 3 weeks.

Section 4 requires the Kindergarten Entry Assessment to yield both qualitative and quantitative data.
Section 5 clarifies the good cause exemptions from mandatory retention by specifying school years of English instruction for Limited English Proficient students, and a two year delay in educational performance or a two year history of intensive reading intervention for students with IEPs. This section also provides flexibility as to when an alternative assessment may be administered and allows LEAs to develop their own student reading portfolio process. The process must be approved by the State Board of Education.
Section 6 clarifies that parents or guardians make the final decision regarding a retained student's participation in reading camp and that local school systems must provide at least one opportunity for students not participating in reading camp to demonstrate proficiency prior to being retained. This Section also clarifies that a principal can promote a student when he or she demonstrates proficiency, even after the midyear promotion cutoff date.
Section 7 adds that teachers and principals may offer information sessions for parents or guardians about a student's difficulty with reading development and possibility of retention.
Section 8 allows LEAs to admit reading proficient students to reading camp, but may charge an enrollment fee of up to $825.
Section 9 adds the new good cause exemption language to the charter school statutes.
Section 10 directs the State Board of Education to implement the developmental screening (literacy and mathematics) in half of the LEAs during the 2014-2015 school year, and in all of the LEAs by the 2015-2016 school year.
Sections 11-12 make a technical correction to move a misplaced section of the statutes to the appropriate location.
Sections 13-15 change the school achievement score methodology to a composite approach, clarify that, if the growth score depresses the achievement score for schools meeting expected growth, then just the achievement score can be used to calculate performance, and for the 2013-2014 school year, a 15-point rather than a 10-point scale would be used to assign school performance letter grades of A-F.

EFFECTIVE DATE: This act is effective when it becomes law.

BACKGROUND: The Read to Achieve Program and School Performance Grades requirements were enacted through the Excellent Public Schools Act of 2012 and amended in 2013.

Read to Achieve

We are both parents of third grade students this school year. Additionally, we are immersed in K-12 public policy through our professions. We felt our personal insights combined with our professional expertise would be helpful in improving NC's Read to Achieve law. We are doing this on our own and these are our personal reflections and do not necessarily reflect the views of our organizations. – Dr. Terry Stoops and Leanne E. Winner

Agreed Upon Goals

1. Every student needs to be reading at grade level by the beginning of 4th grade, unless the student has an identified exceptionality that would make this goal unattainable.
2. Students should come to school excited to learn.
3. Students should develop a lifelong love of reading.

Implications of the Implementation of Read to Achieve in 2013-14

The amount of testing and assessing:

1. Combined with various local and state testing requirements, has taken away too much instructional time;
2. Has increased anxiety and frustration for struggling students; and
3. Has created an atmosphere where children dislike reading.

The current portfolio process established by DPI takes a minimum of 18 hours for a student to successfully complete. Many school districts require students who have not been exempted or successfully demonstrated that they can read at or above a third grade level to be continually reassessed on reading portfolio passages, even when the teacher knows that the child cannot successfully complete the passages. This is taking away valuable instructional time – time that could be used to teach reading strategies. In addition, students subjected to this regimen acquire more negative feelings about themselves, learning, and school.

There still appears to be debate between the DPI and LEAs about the grade appropriateness of the reading passages for the portfolio. Obviously, it is a debate that should have been settled prior to the implementation of Read to Achieve.

In many districts the portfolio process is merely a test and does not provide supplemental data that could be used to improve reading instruction.

Just because a student has met Read to Achieve requirements does not mean that they are grade-level readers. For example, there are students that happened to have a "good day" and thus satisfied one of the pathways for showing third-grade reading competency, even though both the parent(s) and school officials know that the child really does need help with reading. Additionally, some children are exempted out because of exceptionalities (special education).

Finally, the M-class assessments are taking away too much instructional time at the beginning of the school year. There should be enough information from the second grade assessments for teachers to begin the school year. Moreover, teachers are not at a point where they are giving students assignments.

Suggested Changes

1. Allow parents of children who "barely" demonstrated proficiency, that is, those who score a low Level 3 or who were exempted because of exceptionalities, to elect to participate in the summer reading camps.
2. Provide flexibility to LEAs to offer summer reading camps or reading enrichment opportunities at other times of the year (weekends, spring break, etc.) for struggling readers in grades K-2. In order for this to be successful additional funding may be necessary.
3. Remove the retention requirement for those who attended the summer reading camp, while adding an attendance requirement. If the student is still not proficient upon completion of the camp, add a requirement that students must receive additional reading services in fourth-grade.
4. Within the first 30-45 days, principals should be required to have a meeting with parents to explain Read to Achieve and its implications.
5. Require parents who are opting out of the summer reading camp to provide a school approved plan for getting their child up to grade level over the summer.
6. Allow LEAs to apply to the SBE to trade out some of the M-class assessments for other tests or assessments that the LEA believes to be equally or more valuable.
7. Reinstate the five teacher workdays that were eliminated in 2004 so that teachers can get sufficient professional development and/or provide for staggered entry for students so that proper assessing of students can take place without taking instructional time away from other students. Alternatively, teachers should be allowed to use end of year assessments and tests from the previous year as a starting point for the new school year instead of repeating the process in the subsequent year.
8. Change the definition for the exemption for special education students because the Extend 2 designation sunsets at the end of this school year. Additional consideration should be given to students that were not included this school year but have learning disabilities associated with reading.
9. Either change the definition of portfolio so that it is a compilation of work that the child is already completing or significantly change the number of passages that a student needs to complete to successfully demonstrate mastery.
10. If the portfolios continue to include reading passages, allow teachers to administer the passages in the fall semester. Current DPI guidelines require that the passages can only be administered in the spring.
11. Allow teachers to discontinue the use of the portfolio passages for children that they know cannot demonstrate mastery of the standard(s) being tested.
12. Have a third party, rather than NC State University who wrote the passages, validate the grade appropriateness of the portfolio passages.
13. Either make permanent the alternative assessments that were approved by the SBE or require that the SBE consider alternative assessments no later than their August meeting.

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

(Please type or use ballpoint pen)

EDITION No. _____

H. B. No. 230 DATE 5/28/14

S. B. No. _____ Amendment No. _____ (to be filled in by Principal Clerk)

COMMITTEE SUBSTITUTE H230-CSSL-45 [v.3]

Rep.) Stein

Sen.)

1 moves to amend the bill on page 1, line 21

2 ( ) WHICH CHANGES THE TITLE

3 by inserting the following sentence after the word "students":

4 "A single piece of evidence may show mastery of up to

5 two standards."

6

7

8

9

10

11

12

13

14

15

16

17

18

19

SIGNED _____

ADOPTED _____ FAILED _____ TABLED _____

PRINCIPAL CLERK'S OFFICE (FOR ENGROSSMENT)

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 230*

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

H230-ARQ-58 [v.2]

Comm. Sub. [YES]
Amends Title [YES]
H230-CSTL-45[v.3]

Date _____,2014

Senator Tarte

moves to amend the bill on page 1, line 3 by rewriting the line to read:

"PERFORMANCE GRADES AND TO EXPAND THE TESTING WINDOW FOR ONE YEAR.";

And on page 6, lines 19-20 by adding the following between the lines:

"**SECTION 16.** For the 2014-2015 school year only, local boards of education may apply for waivers from the requirements in G.S. 115C-174.12(4) which limit the administration of final exams for year-long courses to the final 10 instructional days of the school year and the final 5 instructional days of the semester for semester courses. Local boards of education shall apply for these waivers to the State Board of Education by September 1, 2014. The State Board of Education shall grant the waivers for up to 5 additional days in order to allow the administration of final exams for year-long courses within the final 15 instructional days of the school year and for semester courses within the final 10 instructional days of the semester. By October 1, 2014, the State Board of Education shall notify the local boards of education whether the requested waivers have been granted.";

And on page 6, line 20 by rewriting the line to read:

"**SECTION 17.** This act is effective when it becomes law. Section 16 of this act applies only for the 2014-2015 school year.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

VISITOR REGISTRATION SHEET
Education/Higher Education

(Committee Name)
5/28/14

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mary Shuping	NCCCS
[signature]	NCFPC
Anna Beamon Gracey	NCFPC-Admin
Suzanne Templeton	Parent
Leanne Winner	NCSBA
Terry Stoops	John Locke Foundation
Ben Coley	Higher Ed Works
Gretchen Cleavely	NCDPI
Marge Freman	NCAE
Marika Lesesh	Play Again Therapy, Morg. NC
Alisha Baker	Cleveland County Schools
Adrienne Fletcher	Cleveland County Schools
Lisa Gulledge	NC OTA
Amy Mahle	NCOTA
Brad Myers	NC Occupational Therapy Assoc.
Carol Fairs	NC Occupational Therapy Assoc.
Megan Edwards	NC OTA

09-21-201

VISITOR REGISTRATION SHEET
Education/Higher Education

(Committee Name)
5/28/14

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Joni Allen	BEGINNINGS
Emily Doyle	NCPAPA
Adam Pridemore	NCASA
Frank Till	Cumberland County Schools
[illegible]	NCASA
Caroline Stutts	NC DPI
David A. Brown	UNC School of Gov't
Meaghan Lewis	NC Chamber
Sarah Preston	ACLU-NC
Stephen Hunter	NCAFP
Karey Harwood	PSFNC
Amanda Core	NCOTA
Lisa Pezticavich	NCOTA
Lisa Wehofer	NCOTA
Stacy Wilson	NCOTA
Coy Reid	Catawba Co. SO
Penny Hewlett	School Bd Dir.

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education

(Committee Name)

5/28/14

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Elizabeth Hudgins	CFTF
Sarah Wolfe	MWC
Therese Vick	BREDL
Hayes Griggs	CCNC

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education

(Committee Name)

5/28/14

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Wayne Townsend	NC Occupational Therapy Assoc.

09-21-201

Senate Committee on Education/Higher Education
Wednesday, June 4, 2014, 1:00 PM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 793	Charter School Modifications.	Senator Tillman Senator Cook
SB 812	Replace Common Core To Meet NC's Needs.	Senator Soucek Senator Tillman
SB 815	Ensuring Privacy of Student Records.	Senator Barefoot Senator Brock Senator Soucek

Adjournment

Senate Committee on Education/Higher Education
Wednesday, June 4, 2014 at 1:00 PM
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 1:00 PM on June 4, 2014 in Room 544 of the Legislative Office Building. Twenty members were present.

Senator Dan Soucek, Chair, presided.

Chairman Soucek called the meeting to order at 1:05PM and proceeded to recognize and thank the pages and the sergeants-at-arms.

Senator Cook was then recognized; he moved adoption of a Proposed Committee Substitute (PCS) for discussion on **SB 793 Charter School Modifications (Senators Tillman, Cook).** Chairman Soucek then recognized Senator Tillman, who asked Drupti Chauhan of the General Assembly's Research Division to explain the PCS. Following the explanation, Senator Tillman briefly described the background of the legislation. Following brief questions from the committee members, Chairman Soucek then announced that the bill would be held over until the next committee meeting.

Chairman Soucek then recognized Senator Curtis who moved adoption of a PCS for discussion to **SB 815 Ensuring Privacy of Student Records (Senators Barefoot, Brock, Soucek).** Senator Barefoot was then recognized and asked Kara McCraw of the General Assembly's Research Division to explain the PCS. Following the explanation, Senator Barefoot outlined the goals behind the legislation. Senator Brown moved for a favorable report to the PCS with an unfavorable report to the original bill and the motion passed.

Senator Pate was then recognized and moved for adoption of a PCS for discussion to **SB 812 Replace CCSS w/NC's Higher Academ. Standards (Senators Soucek, Tillman).** Senator Tillman was then recognized and he offered an amendment, which along with the remainder of the PCS, he asked Patsy Pierce of the General Assembly's Research Division to explain. Senator Tillman moved for adoption of his amendment and the motion passed. Following questions from the committee members, Mr. Mark Jewel of the North Carolina Association of Educators was recognized; he spoke in opposition to the bill. Ms. Kim Fink of the Coastal Carolina Taxpayers Association was then recognized; she spoke in favor of the bill. Senator Cook moved for a favorable report to the PCS and an unfavorable report to the original bill; the motion passed.

With no further business, Chairman Soucek adjourned the meeting.

The meeting adjourned at 1:58PM.

Senator Dan Soucek, Chair
Presiding

John Clark, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, June 04, 2014

Senator Soucek,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL

SB **812** Replace Common Core To Meet NCs Needs.

Draft Number:	S812-PCS45179-TL-46
Sequential Referral:	Appropriations/Base Budget
Recommended Referral:	None
Long Title Amended:	Yes

SB **815** Ensuring Privacy of Student Records.

Draft Number:	S815-PCS45178-TC-48
Sequential Referral:	Judiciary I
Recommended Referral:	None
Long Title Amended:	Yes

TOTAL REPORTED: 2

Senator Daniel Soucek will handle SB 812
Senator John Barefoot will handle SB 815



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 793*
PROPOSED COMMITTEE SUBSTITUTE S793-CSTC-46 [v.5]

6/2/2014 4:20:00 PM

Short Title: Charter School Modifications. (Public)

Sponsors:

Referred to:

May 20, 2014

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE PROCESS FOR REVIEW OF CHARTER APPLICATIONS BY THE NORTH CAROLINA CHARTER SCHOOLS ADVISORY BOARD; TO PROVIDE FOR ADOPTION OF TIMELINES AND APPLICATIONS FOR THE CHARTER APPLICATION PROCESS AND EXEMPT THE STATE BOARD OF EDUCATION FROM RULEMAKING FOR THIS PROCESS; TO RAISE THE APPLICATION FEE FOR CHARTER APPLICATIONS; TO CLARIFY THE APPEALS PROCESS FOR DENIALS OF CHARTER APPLICATIONS; AND TO CLARIFY THAT CHARTERS WITH THE MISSION OF SINGLE GENDER EDUCATION MAY LIMIT ADMISSION ON THE BASIS OF GENDER.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-238.29A(b) reads as rewritten:

"(b) North Carolina Charter Schools Advisory Board. –

(1) Advisory Board. – There is created the North Carolina Charter Schools Advisory Board, hereinafter referred to in this Part as the Advisory Board. The Advisory Board shall be located administratively within the Department of Public Instruction and shall report to the State Board of Education.

...

(10) Powers and duties. – The Advisory Board shall have the following duties:

a. To make recommendations to the State Board of Education on the adoption of rules regarding all aspects of charter school operation, including time lines, standards, and criteria for acceptance and approval of applications, monitoring of charter schools, and grounds for revocation of charters.

b. To review applications and make recommendations to the State Board for final approval of charter applications.

c. To make recommendations to the State Board on actions regarding a charter school, including renewals of charters, nonrenewals of charters, and revocations of charters.

d. To undertake any other duties and responsibilities as assigned by the State Board.

(11) Application review and recommendation. – The Advisory Board application review and recommendation process shall include, at a minimum, the following:

a. The Advisory Board shall make written decisions setting forth the grounds for an initial recommendation of nonapproval of an

application that includes specific reasons for the initial recommendation of nonapproval. The Advisory Board shall notify applicants in writing of the initial recommendation of nonapproval.

b. Within 10 business days of receipt of the initial recommendation of nonapproval, an applicant may respond to the Advisory Board in writing regarding the initial recommendation and may provide supplemental written information in response to the specific reasons included in the initial recommendation. Within 10 days of notice of the written initial recommendation of nonapproval, an applicant may also request the opportunity to address the Advisory Board on the initial recommendation of nonapproval, in the discretion of the Advisory Board, at the next scheduled meeting.

c. The Advisory Board shall make a final written recommendation of approval or nonapproval of all applicants that includes specific reasons for the recommendation.

d. If, following receipt and consideration of any information provided by the applicant pursuant to sub-subdivision b. of this subdivision, the Advisory Board makes a written final recommendation of nonapproval for an application to the State Board, the Advisory Board shall notify the applicant in writing. Within 10 business days of receipt of the final recommendation of nonapproval, an applicant may (i) submit information in writing to the State Board regarding the final recommendation of nonapproval and may provide supplemental written information in response to the specific reasons included in the recommendation, and (ii) may petition the State Board for a hearing in the discretion of the State Board to be held prior to consideration of final approval of applications by the State Board."

SECTION 2. G.S. 115C-238.29B reads as rewritten:

"§ 115C-238.29B. Eligible applicants; schedule for review of applications; contents of applications; submission of applications for approval.

(a) Any nonprofit corporation seeking to establish a charter school may apply to establish a charter school. If the applicant seeks to convert a public school to a charter school, the application shall include a statement signed by a majority of the teachers and instructional support personnel currently employed at the school indicating that they favor the conversion and evidence that a significant number of parents of children enrolled in the school favor conversion.

(a1) The State Board of Education shall adopt a schedule each year for the review of charter school applications that includes at least the following information:

(1) The deadline for the submission of applications to indicate the intent of applicants to apply for a charter.

(2) The deadline for the submission of the charter school applications.

(3) The timeline for review of the applications.

(4) The timeline for interviews with selected applicants.

(5) The dates for meetings of the Advisory Board to make final recommendations to the State Board.

(a2) The State Board shall adopt a charter school application form and an evaluation rubric for the review of applications contemporaneously with the adoption of the schedule required by subsection (a1) of this section. The State Board shall publish on its website the following information:

(1) The schedule for review of charter school applications.

(2) The application form.
(3) The evaluation rubric.
(4) Any related policies and procedures to ensure that the information is readily accessible to the public and potential charter school applicants.

(a3) The State Board of Education or, when applicable, the Advisory Board, may alter any dates set forth in the schedule adopted pursuant to subsection (a2) of this section if a majority of the applicable Board finds that extenuating circumstances make it impractical or impossible to comply with the schedule or specific deadlines. As soon as practicable following the vote to alter the dates, the State Board or the Advisory Board will inform the public and applicants of the changes through electronic communications, publication on the State Board's website, and any other available media to ensure adequate dissemination of the changes.

(a4) Charter school application requirements adopted by the State Board of Education shall be binding on all applicants seeking a charter. Failure to adhere to the requirements set forth in this section and those requirements set forth by the State Board as adopted pursuant to this section shall disqualify the application from consideration by the State Board for that application cycle.

(a5) For the purposes of adopting the charter school application schedule, charter school application form, and evaluation rubric pursuant to this section, the State Board of Education shall not be required to comply with Article 2A of Chapter 150B of the General Statutes.

...

(c) The State Board shall ~~establish reasonable fees of no less than five hundred dollars ($500.00) and no more than~~ assess a fee of one thousand dollars ($1,000) for initial and renewal charter ~~applications, in accordance with Article 2A of Chapter 150B of the General Statutes.~~applications. No application fee shall be refunded in the event the application is rejected or the charter is revoked."

SECTION 3. G.S. 115C-238.29D reads as rewritten:

"§ 115C-238.29D. Final approval of applications for charter ~~schools.~~schools; material revisions of charters.

(a) The State Board may grant final approval of an application if it finds the following:
~~(i)~~(1) ~~that the~~ The application meets the requirements set out in this Part and such other requirements as may be adopted by the State Board of ~~Education.~~Education.
~~(ii)~~(2) ~~that the~~ The applicant has the ability to operate the school and would be likely to operate the school in an educationally and economically sound ~~manner, and~~manner.
~~(iii)~~(3) ~~that granting~~Granting the application would achieve one or more of the purposes set out in G.S. 115C-238.29A.

~~The State Board shall act by January 15 of a calendar year on all applications and appeals it receives prior to a date established by the Office of Charter Schools for receipt of applications in the prior calendar year.~~ In reviewing applications for the establishment of charter schools within a local school administrative unit, the State Board is encouraged to give preference to applications that demonstrate the capability to provide comprehensive learning experiences to students identified by the applicants as at risk of academic failure.

(a1) The State Board shall make final decisions on the approval or denial of applications by August 15 of a calendar year on all applications it receives prior to a date established by the Office of Charter Schools for receipt of applications in the prior calendar year. The State Board may make the final decision for approval contingent upon the successful completion of a planning year prior to enrollment of students. Final decisions of the State Board of Education denying a charter application may be appealed by commencement of a contested case in the Office of Administrative Hearings, as provided in Article 3 of Chapter 150B of the General Statutes.

...."

SECTION 4. G.S. 115C-238.29F is amended by adding a new subsection to read:

...

"(b1) A charter school shall not discriminate against any student on the basis of ethnicity, national origin, gender, or disability."

SECTION 5. G.S. 115C-238.29F(g)(5) reads as rewritten:

"(5) ~~A charter school shall not discriminate against any student on the basis of ethnicity, national origin, gender, or disability.~~ Except as otherwise provided by law or the mission of the school as set out in the charter, the school shall not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, ~~gender,~~ national origin, religion, or ancestry. A charter school whose mission is single gender education may limit admission on the basis of gender. Within one year after the charter school begins operation, the charter school shall make efforts for the population of the school to reasonably reflect the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located. The school shall be subject to any court-ordered desegregation plan in effect for the local school administrative unit."

SECTION 6. G.S. 150B-1(d) is amended by adding a new subdivision to read:

"(d) Exemptions from Rule Making. -- Article 2A of this Chapter does not apply to the following:

...

(26) The State Board of Education with respect to adopting the application schedule and the charter school application form and evaluation rubric pursuant to G.S. 115C-238.29B."

SECTION 7. The Revisor of Statutes is authorized to renumber and recodify Part 6A of Article 16 of Chapter 115C of the General Statutes to a more suitable location.

SECTION 8. This act is effective when it becomes law and applies beginning with the 2014-2015 school year.

SENATE BILL 793:
Charter School Modifications

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	June 4, 2014
Introduced by:	Sens. Tillman, Cook	**Prepared by:**	Drupti Chauhan/Kara McCraw
Analysis of:	PCS to First Edition S793-CSTC-46		Committee Counsel

SUMMARY: ***Senate Bill 793 would require (i) the Charter School Advisory Board (Advisory Board) to make specific factual written decisions regarding their recommendations and allow charter school applicants to petition the Advisory Board and the State Board of Education (SBE) on adverse recommendations and decisions regarding their applications; (ii) the SBE to assess a fee of $1,000 for the initial and renewal charter applications; (iii) the SBE to adopt rules in accordance with Article 2A of Chapter 150B of the General Statutes regarding all aspects of charter school operations; and (iv) the SBE to make final decisions on the approval or denial of charter applications by June 15. It would also provide that the charter school and its board of directors are subject to the public records and open meetings laws but that charter school employee personnel records are subject to the public records laws in the same manner as employees of traditional public schools.***

The Proposed Committee Substitute (PCS) for Senate Bill 793 would make the following changes:

- ***Require that the Advisory Board make written decisions with specific reasons for a recommendation of nonapproval of a charter application and allow an applicant to make a request to address the Advisory Board on its initial recommendation.***
- ***Provide that the SBE adopt a schedule for the review of charter applications and the process for approval of charter applications but require a final decision by August 15.***
- ***Remove the provision that stated that the SBE must adopt rules on all aspects of charter school operations and provide that the SBE is exempt from Article 2A of Chapter 150B of the General Statutes regarding rule-making with respect to the charter school application schedule, application form and evaluation rubric.***
- ***Clarify that charters with the mission of single gender education could limit admission on the basis of gender.***
- ***Remove the provision that stated that the charter school and its board of directors are subject to the public records and open meetings laws.***

CURRENT LAW and BILL ANALYSIS:

Section 1 – Bill Analysis: The PCS would provide specific requirements for the Advisory Board's review and recommendation process for charter school applications, including:

- Written decisions with specific reasons would be provided for initial recommendation of nonapproval of charter applications.
- Applicants could respond to the Advisory Board regarding the recommendation of nonapproval by providing supplemental written information and also request the opportunity to address the Advisory Board. The Advisory Board would have the discretion on whether or not to grant the request.
- The Advisory Board would make a final written recommendation of approvals and nonapprovals with specific reasons for the recommendation.

- If the Advisory Board makes a written final recommendation of nonapproval of a charter application to the SBE, then the applicant must be notified in writing and the applicant may then submit further information to the SBE and may petition the SBE for a hearing. The SBE would have the discretion on whether or not to grant the hearing.

Section 2 – Current Law: The SBE may establish initial and renewal charter applications fees of not less than $500.00 but not more than $1000.00.

Bill Analysis: The SBE would have to adopt a schedule each year for the review of charter school applications that includes the following information:

- Deadlines for the submission of both intent to apply and charter school applications.
- The timeline for review of the application and the timeline for interviews with selected applicants.
- The dates for meetings of the Advisory Board to make final recommendations to the SBE.

The SBE would have to adopt a charter school application form and evaluation rubric for the review of the applications at the same time as the adoption of the schedule and place all of these items on its website along with any related policies and procedures.

Dates set out in the schedule could be altered if extenuating circumstances occurred and the public and applicants would be required to be notified as soon as possible.

Charter school application requirements adopted by the SBE would be binding on all applicants and failure to adhere to the requirements would disqualify applicants from consideration for that application cycle.

The SBE would have to establish the fee for initial and renewal applications at $1,000.00.

Section 3 – Current Law: The SBE must act by January 15 each year on all charter school applications and appeals received by an established date.

Bill Analysis: The SBE would make a final decision on the approval or denial of charter applications by August 15 of a calendar year on applications it receives by an established date for receipt of applications in the prior calendar year. The SBE could make the final decision for approval contingent on the successful completion of a planning year before students are enrolled. Final decision of the SBE denying an application could be appealed through a contested case hearing under Article 3 of Chapter 150B of the General Statutes.

Sections 4 and 5 – Current Law: Charter schools are not allowed to discriminate on the basis of gender. Except as provided by law or the mission of the charter school, a charter school may not limit admission to students on the basis of gender.

Bill Analysis: The PCS would clarify that a charter school could limit admission on the basis of gender if the school's mission was single gender education.

Section 6 – Current Law: The SBE must adopt rules under Article 2A of Chapter 150B of the General Statutes.

Bill Analysis: The SBE would be exempt from rule-making for the purposes of adopting the charter school application schedule, application form and evaluation rubric.

Section 7 – Bill Analysis: The Revisor of Statutes is authorized to renumber and recodify the Part governing charter schools in Chapter 115C of the General Statutes.

EFFECTIVE DATE: The bill would become effective when it becomes law and would apply beginning with the 2014-2015 school year.

BACKGROUND: The original bill was a recommendation of the Joint Legislative Education Oversight Committee.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 812*
PROPOSED COMMITTEE SUBSTITUTE S812-CSTL-46 [v.10]

6/3/2014 6:31:28 PM

Short Title: Maintain State Auth. Over Academic Standards. (Public)

Sponsors:

Referred to:

May 21, 2014

A BILL TO BE ENTITLED

AN ACT TO PRESERVE NORTH CAROLINA'S PROPER CONSTITUTIONAL AUTHORITY OVER ALL ACADEMIC STANDARDS AND TO ENSURE THAT STANDARDS ARE ROBUST AND APPROPRIATE, AND THAT THEY ENABLE STUDENTS TO SUCCEED ACADEMICALLY AND PROFESSIONALLY.

Whereas, under the United States Constitution, public education is a power reserved to states; and

Whereas, the North Carolina Constitution directs the State Board of Education to supervise and administer the free public school system, subject to laws enacted by the General Assembly; and

Whereas, both the North Carolina Constitution and the North Carolina General Statutes recognize that academic standards should be developed and established by the State Board of Education to meet North Carolina's needs; and

Whereas, the North Carolina General Statutes direct the State Board of Education to adopt and modify academic standards for the public schools;

Whereas, the North Carolina General Statutes also grant local school boards broad discretion and authority with respect to specific curricular decisions and academic programs, as long as they align with the standards adopted by the State Board of Education; and

Whereas, implementation of standards that are not tailored to the needs of North Carolina's students would be costly, inefficient and ineffective; and

Whereas, North Carolina's standards must be age-level and developmentally appropriate; and

Whereas, the adoption and implementation of demanding, robust academic standards is essential for providing high-quality education to our students and for fostering a competitive economy for the future of our State; now therefore

The General Assembly of North Carolina enacts:

SECTION 1.(a) The State Board of Education shall:

(1) Continue to exercise its authority under the North Carolina Constitution and G.S. 115C-12(9c) to adopt academic standards for the public schools.

(2) Conduct a comprehensive review of all English Language Arts and Mathematics standards that were adopted under G.S. 115C-12(9c) and propose modifications to ensure that they meet all of the following criteria:

a. Increase students' level of academic achievement;

b. Meet and reflect North Carolina's priorities;

c. Are age and developmentally appropriate;

d. Are understandable to parents and teachers;

e. Will be among the highest standards in the nation.

(3) Prior to making changes to the standards, consult with the Academic Standards Review Commission, which is established in Section 2 of this act.

SECTION 1.(b) Academic standards adopted by the State Board of Education under G.S. 115C-12(9c) shall continue to be named and referred to as the "North Carolina Standard Course of Study," reflecting emphasis on North Carolina's needs and priorities.

SECTION 1.(c) The State Board shall ensure that the implementation of this section is consistent with federal law and the conditions of federal grants.

SECTION 2.(a) There is established the Academic Standards Review Commission. The Commission shall be located administratively in the Department of Administration but shall exercise all its prescribed statutory powers independently of the Department of Administration.

SECTION 2.(b) The Commission shall be composed of nine members as follows:

(1) Three members appointed by the President Pro Tempore of the Senate. The President Pro Tempore shall consider, but is not limited to, appointing representatives from the following groups in these appointments: parents of students enrolled in the public schools; Mathematics and English Language Arts teachers; Mathematics and English Language Arts curriculum experts, members of the business community, members of the post-secondary education community who are qualified to assure the alignment of standards to career and college readiness, and individuals who have demonstrated expertise in the development or implementation of standards or psychometrics.

(2) Three members appointed by the Speaker of the House of Representatives. The Speaker of the House of Representatives shall consider, but is not limited to, appointing representatives from the following groups in these appointments: parents of students enrolled in the public schools; Mathematics and English Language Arts teachers; Mathematics and English Language Arts curriculum experts, members of the business community, members of the post-secondary education community who are qualified to assure the alignment of standards to career and college readiness, and individuals who have demonstrated expertise in the development or implementation of standards or psychometrics.

(3) Two members of the State Board of Education, which include the Chair or the Chair's designee and another member, as appointed by the Chair, representing the State Board's Task Force on Summative Assessment.

(4) One member appointed by the Governor.

The Commission shall meet on the call of the Chair of the State Board of Education no later than September 1, 2014. The co-chairs of the Commission shall be elected during the first meeting from among the members of the Commission, by the members of the Commission.

Commission appointees shall be citizens of North Carolina

SECTION 2.(c) The Commission shall:

(1) Conduct a comprehensive review of all English Language Arts and Mathematics standards that were adopted by the State Board of Education under G.S. 115C-12(9c) and propose modifications to ensure that they meet all of the following criteria:

a. Increase students' level of academic achievement;

b. Meet and reflect North Carolina's priorities;

c. Are age and developmentally appropriate;

d. Are understandable to parents and teachers;

e. Will be among the highest standards in the nation.

(2) As soon as practicable upon convening, and at any time prior to termination, recommend changes and modifications to these academic standards to the State Board of Education.

(3) Recommend to the State Board of Education assessments aligned to proposed changes and modification that would also reduce the number of high-stakes assessments administered to public schools.

(4) Consider the impact on educators, including the need for professional development, when making any of the recommendations required in this section.

The Commission shall assemble content experts to assist it in evaluating the rigor of academic standards. The Commission shall also involve interested stakeholders in this process and otherwise ensure that the process is transparent.

SECTION 2.(d) The Commission shall meet upon the call of the co-chairs. A quorum of the Commission shall be seven members. Any vacancy on the Commission shall be filled by the appointing authority.

The Commission shall hold its first meeting no later than September 1, 2014.

SECTION 2.(e) The Commission may contract for professional, clerical, and consultant services. The Commission may also contract with an individual who has an excellent national reputation in the area of school standards and assessments to facilitate the work of the Commission. Professional and clerical staff positions for the Commission may be filled by persons whose services are loaned to the Commission to fulfill the work of the Commission.

SECTION 2.(f) The Department of Administration shall provide meeting rooms, telephones, office space, equipment, and supplies to the Commission and shall be reimbursed from the Commission's budget.

SECTION 2.(g) Commission members shall receive per diem, subsistence, and travel allowances in accordance with G.S. 138-5, 138-6, or 120-3.1, as appropriate.

SECTION 2.(h) Upon the request of the Commission, all State departments and agencies and local government and their subdivisions shall furnish the Commission with any information in their possession or available to them.

SECTION 2.(i) The Commission shall make a final report of its findings and recommendations to the State Board of Education, the Joint Legislative Education Oversight Committee and the 2016 Session of the 2015 General Assembly. The Commission shall terminate on December 31, 2015, or the filing of its final report, whichever occurs first.

SECTION 3. G.S. 115C-174.11(c)(3) is repealed.

SECTION 4. G.S. 115C-12(39) reads as rewritten:

"(39) Power to Accredit Schools. – Upon the request of a local board of education, the State Board of Education shall evaluate schools in local school administrative units to determine whether the education provided by those schools meets acceptable levels of quality. The State Board shall adopt rigorous academic standards for accreditation after consideration of (i) the standards of regional and national accrediting agencies, (ii) ~~the Common Core Standards adopted by the National Governors Association Center for Best Practices and the Council of Chief State School Officers.~~ the academic standards adopted in accordance with subdivision (9c.) of this section, and (iii) other information it deems appropriate.

The local school administrative unit shall compensate the State Board for the actual costs of the accreditation process."

SECTION 5. The State Board of Education shall report to the Joint Legislative Education Oversight Committee prior to the acquisition and implementation of a new

assessment instrument to assess student achievement on the academic standards adopted pursuant to G.S. 115C-12(9c), including the Common Core Smarter Balanced Consortium Assessments and the PARCC Assessment developed by the Partnership for Assessment of Readiness of College and Careers. The assessments shall be nationally normed, aligned with the North Carolina Standard Course of Study, and field tested. Examples of appropriate assessment models would include, but not be limited to, the SAT, ACT Aspire, and the NAEP. The State Board shall not acquire or implement such an assessment instrument without the enactment of legislation by the General Assembly authorizing the purchase.

SECTION 6. Local Boards of Education shall continue to provide for the efficient teaching of the course content required by the standard course of study as provided under G.S. 115C-47(12). The current standard course of study remains in effect until official notice is provided to all public school teachers, administrators, and parents or guardians of students enrolled in the public schools of any changes made in the standard course of study by the State Board of Education.

SECTION 7. There is appropriated from the General Fund to the Department of Administration the sum of two hundred fifty thousand dollars ($250,000) for the 2014-2015 fiscal year to implement Section 2 of this act.

SECTION 8. This act becomes effective July 1, 2014.

SENATE BILL 812:
Maintain State Auth. Over State Standards

2013-2014 General Assembly

Committee:	Senate Ref to Education/Higher Education. If fav, re-ref to Appropriations/Base Budget	**Date:**	June 4, 2014
Introduced by:	Sens. Soucek, Tillman	**Prepared by:**	Patsy Pierce Legislative Analyst Shanna Rivera, Legal Intern
Analysis of:	PCS to First Edition S812-CSTL-46		

SUMMARY: ***As introduced, Senate Bill 812 directs the State Board of Education (SBE) to exercise its statutory authority and conduct a comprehensive review of the English Language Arts and Mathematics standards. Prior to making changes to the standards, the SBE must consult with the Academic Standards Review Commission. The bill establishes the Academic Standards Review Commission (Commission) comprised of 17 members, one of which is a Senator appointed by the President Pro Tempore of the Senate and one of which is a Representative appointed by the Speaker of the House of Representatives, who will serve as co-chairs of the Commission. The Commission must draft a final report of its findings and recommendations to the SBE, the Joint Legislative Education Oversight Committee, and the 2016 Regular Session of the 2015 General Assembly, and must assemble content experts to assist in the evaluation. There is an appropriation of $250,000 for the 2014-2015 fiscal year for the Commission to conduct its work. The Commission must begin meeting no later than September 1, 2014.***

The bill would also repeal the SBE's participation in the development of the Common Core standards, and prohibits the SBE from purchasing or using any Common Core assessments without enactment of legislation authorizing the purchase.

The PCS for Senate Bill 812 would reduce the numbers of members of the Academic Standards Review Commission to nine members by removing elected officials. Local boards of education would continue to implement the current standard course of study until notice is provided to all public school teachers, administrators, and parents by the SBE.

CURRENT LAW: G.S. 115C-12(9c) directs the SBE to develop a comprehensive plan to review content standards and the standard course of study in the core academic areas. The SBE must also develop and implement an ongoing process to align State programs and support materials with the revised academic content standards for each core academic area on a regular basis.

G.S. 115C-174.11(c)(3) directs the SBE to participate in the development of the Common Core State Standards in union with the consortium of other states, review national assessments developed by both multistate consortia, and implement the assessments that the SBE deems most appropriate to assess student achievement on the Common Core State Standards.

G.S. 115C-12(39) directs the SBE to adopt rigorous academic standards for accreditation of local school administrative units after consideration of the standards of regional and national accrediting agencies, the Common Core Standards, and other information the SBE deems appropriate.

G.S. 115C-47(12) directs local boards of education to implement the Basic Education Program in accordance with rules adopted by the SBE that includes provision for the efficient teaching of the course content required by the Basic Education Program, including the standard course of study.

BILL ANALYSIS:

Section 1 of the PCS would direct the SBE to review and propose modifications to the English Language Arts and Mathematics standards through its statutory authority, but prior to making any changes to these standards, the SBE would have to consult with the Academic Standards Review Commission. Academic standards would be referred to as the North Carolina Standard Course of Study.

Section 2 of the PCS would establish the Academic Standards Review Commission (Commission) which would be administratively located in the Department of Administration. The Commission would be composed of nine members as follows: three members appointed by the Speaker of the House of Representatives and three members appointed by the President Pro Tempore of the Senate. These appointees may represent parents of students in public schools, English Language Arts and Mathematics teachers and curricular experts, members of the business community, the higher education community, and individuals with expertise in standards implementation. Two members of the SBE would be appointed by the Chair of the SBE, including the chair (or designee), and a member of the SBE who represents the SBE's Task Force on Summative Assessments. An additional member of the Commission would be appointed by the Governor. The Commission co-chairs would be elected from, and by, the members. The Commission would complete a comprehensive review of the English Language Arts and Mathematics standards, recommend changes to the standards and reductions in high-stakes assessments aligned to the standards to the SBE. The Commission is directed to consider the impact on educators, including professional development needs when making recommendations. The Commission should begin meeting by September 1, 2014, and may contract with a facilitator.

The Commission would make a final report of its findings and recommendations to the SBE, the Joint Legislative Education Oversight Committee, and the 2016 Session of the 2015 General Assembly. The Commission would terminate upon the filing of its final report, or on December 31, 2015, whichever occurs first.

Section 3 of the PCS would repeal a current statute, G.S. 115C-174.11(c)(3) that directs the SBE to continue to participate in the development of the Common Core State Standards, and **Section 4** would repeal the link to the Common Core in the accreditation process of local school administrative units by the SBE.

Section 5 of the PCS would prohibit the SBE from purchasing or implementing any assessments aligned to the Common Core without legislative action.

Section 6 would direct local boards of education to continue to provide for effective teaching of the current standard course of study until the SBE issues an official notice of changes to the standard course of study.

Section 7 appropriates $250,000 for the 2014-2015 fiscal year for the Commission to conduct its work.

EFFECTIVE DATE: This act becomes effective July 1, 2014.

BACKGROUND: The Common Core State Standards in English Language Arts and in Mathematics were developed by the National Governor's Association and the Council of Chief State School Officers in 2009. The State Board of Education adopted these standards in 2010. The NCGA Legislative Research Commission approved a study committee on the Common Core State Standards. This Committee met four times from December 2013-April 2014.

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 812*

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

S812-ATL-47 [v.2]

Comm. Sub. [YES]
Amends Title [NO]
S812-CSTL-36(v. 10)

Date _____,2014

Senator Tillman

moves to amend the bill on page 2, line 13 by deleting the word "nine" and substituting the number "11";

and on page 2, line 14 by deleting the word "Three" and substituting the word "Four";

and on page 2, line 24 by deleting the word "Three" and substituting the word "Four";

and on page 2, line 42, by deleting that line;

and on page 3, line 15 by deleting the word "seven" and substituting the word "nine";

and on page 3, line 35 by rewriting the line to read:

"terminate on December 31, 2015, or upon the filing of its final report, whichever occurs first.";

and on page 4, line 6, by adding the phrase "the ITBS" after the phrase "to,".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ✓ FAILED _____ TABLED _____

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 815
PROPOSED COMMITTEE SUBSTITUTE S815-CSTC-48 [v.2]
6/3/2014 3:47:52 PM

Short Title: Ensuring Privacy of Student Records. (Public)

Sponsors:

Referred to:

May 21, 2014

THE BILL TO BE ENTITLED
AN ACT TO ENSURE THE PRIVACY AND SECURITY OF STUDENT EDUCATIONAL RECORDS.

The General Assembly of North Carolina enacts:

PART I: ENSURE SECURITY OF STUDENT RECORDS

SECTION 1. Article 29 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-402.5. Student Data System Security.**

(a) Definitions. – The following definitions apply in this section:

(1) Aggregate student data. – Data collected or reported at the group, cohort, or institutional level.

(2) De-identified student data. – A student dataset in which parent and student personal or indirect identifiers, including the unique student identifier, have been removed.

(3) FERPA. – The federal Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g.

(4) Personally identifiable student data. – Includes, but is not limited to the following:

a. Student name.

b. Name of the student's parent or other family members.

c. Address of the student or student's family.

d. Personal identifier, such as the student's social security number or unique student identifier.

e. Other indirect identifiers, such as the student's date of birth, place of birth, and mother's maiden name.

f. Other information that, alone or in combination, is linked or linkable to a specific student that would allow a reasonable person in the school community, who does not have personal knowledge of the relevant circumstances, to identify the student with reasonable certainty.

g. Information requested by a person who the Department of Public Instruction or local school administrative unit reasonably believes

knows the identity of the student to whom the education record relates.

(5) Student data system. – The student information management system used by the State Board of Education and Department of Public Instruction as part of the Uniform Education Reporting Systems for collection and reporting of student data from local boards of education.

(b) Security of student data system. – To ensure student data accessibility, transparency, and accountability relating to the student data system, the State Board of Education shall do all of the following:

(1) Create and make publicly available a data inventory and index of data elements with definitions of individual student data fields in the student data system, including but not limited to:

a. Any personally identifiable student data required to be reported by State and federal education mandates.

b. Any other individual student data which has been proposed for inclusion in the student data system, with a statement regarding the purpose or reason for the proposed collection.

(2) Develop rules to comply with all relevant State and federal privacy laws and policies that apply to personally identifiable student data in the student data system, including but not limited to FERPA and other relevant privacy laws and policies. At a minimum, the rules shall include the following:

a. Restrictions on access to personally identifiable student data in the student data system to the following individuals:

1. Authorized staff of the State Board of Education and Department of Public Instruction and the contractors working on behalf of the Department who require such access to perform their assigned duties.

2. Authorized North Carolina public school administrators, teachers, and other school personnel and contractors working on behalf of the board of the North Carolina public school who require such access to perform their assigned duties.

3. Students and their parents or legal guardians.

4. Authorized staff of other State agencies and contractors working on behalf of those State agencies as required by law and governed by interagency data-sharing agreements.

b. Criteria for approval of research and data requests for personally identifiable student data in the student data system made to the State Board of Education from State or local agencies, researchers working on behalf of the Department, and the public.

(3) Prohibit the transfer of personally identifiable student data in the student data system to individuals other than those identified in subdivision (2) of this subsection, unless otherwise permitted by law and authorized by rules adopted under this section. Such rules shall authorize the release of personally identifiable data out of state to schools or educational agencies when a student enrolls in a school out of state or a local school administrative unit seeks help with locating a student formerly enrolled in this State who is now enrolled out of state.

(4) Develop a detailed data security plan for the student data system that includes all of the following:

a. Guidelines for authorizing access to the student data system and to individual student data, including guidelines for authentication of authorized access.
b. Privacy compliance standards.
c. Privacy and security audits.
d. Breach planning, notification, and procedures.
e. Data retention and disposition policies.
f. Data security policies, including electronic, physical, and administrative safeguards such as data encryption and training of employees.

(5) Ensure routine and ongoing compliance by the Department of Public Instruction with FERPA, other relevant privacy laws and policies, and the privacy and security rules, policies, and procedures developed under the authority of this section related to personally identifiable student data in the student data system, including the performance of compliance audits within the Department.

(6) Ensure that any contracts for the student data system that include de-identified student data or personally identifiable student data and are outsourced to private contractors include express provisions that safeguard privacy and security and include penalties for noncompliance.

(7) Notify the Governor and the General Assembly annually by October 1 of the following:

a. New student data, whether aggregate data, de-identified data, or personally identifiable student data, included or proposed for inclusion in the student data system for the current school year.
b. Changes to existing data collections for the student data system required for any reason, including changes to federal reporting requirements made by the United States Department of Education.

(c) Restricting on student data collection. – The following information about student or student's families shall not be collected in nor reported as part of the student data system:

(1) Biometric information.
(2) Political affiliation.
(3) Religion.
(4) Voting history."

PART II: INCREASE TRANSPARENCY ON STUDENT PRIVACY ISSUES

SECTION 2. Article 29 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-402.15. Parental Notification Regarding Rights to Student Records and Opt Out Opportunities.**

(a) Annual Parental Notification. – Local boards of education shall annually provide parents, by a method reasonably designed to provide actual notice, information on parental rights under State and federal law with regards to student records and opt out opportunities for disclosure of directory information as provided under the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g, and notice and opt out opportunities for surveys covered by the Protection of Pupil Rights Amendment, 20 U.S.C. § 1232h.

(b) Notice Content. – The notice shall include information on parental rights under State and federal law to:

(1) Inspect and review education records.
(2) Seek to amend inaccurate education records.

(3) Provide written consent prior to disclosure of personally identifiable information from education records, except as otherwise provided by law. Information shall be included on disclosure of directory information, and parental rights to opt-out of disclosure of directory information.

(4) File a complaint with the U.S. Department of Education concerning alleged failures to comply with the Family Educational Rights and Privacy Act.

(5) Receive notice and the opportunity to opt out prior to the participation of the student in a protected information survey under 20 U.S.C. § 1232h."

PART III: EFFECTIVE DATE

SECTION 3. This act is effective when it becomes law. Annual notice requirements to parents required by Section 2 apply beginning with the 2014-2015 school year.

SENATE BILL 815:
Ensuring Privacy of Student Records

2013-2014 General Assembly

Committee:	Senate Re-ref to Education/Higher Education. If fav, re-ref to Judiciary I	**Date:**	June 4, 2014
Introduced by:	Sens. Barefoot, Brock, Soucek	**Prepared by:**	Kara McCraw Committee Counsel
Analysis of:	PCS to First Edition S815-CSTC-48		

SUMMARY: ***SB 815 would require the State Board of Education to make publically available information regarding the student data system, create rules and plans to ensure privacy and security of individual student data in the student data system, and restrict collection of certain data in the student data system. The proposed legislation would also require local boards of education to provide notice on parental rights and opt-out opportunities regarding student records and participation in certain surveys.***

The PCS would:

- ***Clarify that individuals under contract to educational agencies could receive access to student data as required to perform assigned duties.***
- ***Clarify that all NC public school personnel could receive access to student data as required to perform assigned duties.***
- ***Remove requirement that contracts provide special safeguards for aggregate data.***
- ***Prohibit restrictions on data collection of certain items in the student data system about students and their families, and adding voting history as an item that may not be collected.***
- ***Remove the requirement that local boards of education consider use of a model notice from the US Department of Education for annual parental notification of rights regarding student records.***

CURRENT LAW: The federal Family Educational Rights and Privacy Act (FERPA) (20 U.S.C. § 1232g; 34 CFR Part 99) requires confidentiality of student education records by educational institutions receiving federal funds. FERPA provides certain rights to parents and students who are 18 years of age or older with respect to the student's education records. These rights include providing written consent before the school discloses personally identifiable information (PII) from the student's education records, except to the extent that FERPA authorizes disclosure without consent. The rights also include the right to "opt-out" of disclosure of directory information which FERPA otherwise allows schools to disclose without consent. Directory information can include items such as the student's name, address, telephone, date and place of birth, and interscholastic activity participation.

The federal Protection of Pupil Rights Amendment (PPRA) (20 U.S.C. § 1232h; 34 CFR Part 98) requires schools to obtain written parental consent before minor students are required to participate in any Department of Education funded survey, analysis, or evaluation that reveals information on items such as political affiliations, mental or psychological problems, sex behavior or attitudes and religious practices, affiliations, or beliefs. PPRA also requires parents receive notice and an opportunity to opt a student out of (i) any other protected information survey, regardless of funding; (ii) certain physical exams or screenings required as a condition of attendance, and (iii) activities involving collection,

disclosure, or use of personal information obtained from students for marketing or to sell or otherwise distribute the information to others.

BILL ANALYSIS: The PCS for SB 815 would require the following:

Part I: Ensure Security of Student Records

Requirements: The State Board of Education (SBE) must:

- Create and make public a data inventory and data elements index for the student data system (system) used for collection and reporting of student data to the SBE by local boards of education. This would include any personally identifiable student data required to be reported to the State or federal government.
- Develop rules to comply with relevant State and federal privacy laws and policies, including the federal Family Educational Rights and Privacy Act (FERPA). These rules must include restriction on access to personally identifiable student data in the student data system to appropriate individuals, and criteria for approval of research and data requests.
- Prohibit transfer of personally identifiable student data unless otherwise allowed by law.
- Develop a data security plan for the system covering access, privacy compliance, audits, breach planning, data retention and disposition, and data security policies.
- Ensure ongoing compliance by the Department of Public Instruction in privacy laws, rules, and policies, including performance of compliance audits.
- Ensure contracts governing databases, assessments, or instructional supports which include student data that are outsourced to private vendors have express provisions safeguarding privacy and security and include noncompliance penalties.
- Notify the Governor and General Assembly annually on new student data to be included and changes to existing data collection.

Prohibitions: The following items about the student or student's family would be prohibited from collection in the student data system: biometric information; political affiliation; religion; and voting history.

Part II: Increase Transparency on Student Privacy Issues

Local boards of education would be required to annually provide parents, through a method reasonably designed to provide actual notice, information on parental rights under federal and State law regarding student records and opt out opportunities for directory information under FERPA and surveys covered by the PPRA.

EFFECTIVE DATE: The proposed legislation would become effective when it becomes law, and the annual notice requirement would apply beginning with the 2014-2015 school year.

VISITOR REGISTRATION SHEET

SENATE COMMITTEE ON EDUCATION/HIGHER EDUCATION

JUNE 4, 2014

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Chris Hill	NC Justice Center
Ben Coley	Umbrella Co.
Matt Ellinwood	NC Justice Center
Julie White	NCMNC
Rhiannon Bell	NCMNC
JAY W. RAGLEY	CONNECTIONS FOR CHILDREN
Edna Wallace	NCAIS
PAIGE WORTHAM	NC Center for Public Policy Research
Rachel Bealin	NCDPI
Rudy Hayes	HMA Institute
Amanda Honaker	Troutman Sanders
Deb Clary	NC Strategy Partners
Richard Stevens	Smith Anderson
Chris McClure	Brooks Pierce
Isabell Villa-Garcia	NCSBA
JENNIFER SCHRAND	
Tiffany Birkner	Pro anti common core bills

09-21-201

VISITOR REGISTRATION SHEET

SENATE COMMITTEE ON EDUCATION/HIGHER EDUCATION

JUNE 4, 2014

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mark Jewell	NCAE
Michele Castillo	9004 Concord Hill Raleigh NC 27613
ANTHONY RODRIGUEZ	NC PUBLIC CHARTER SCHOOLS ASSOC. CHARLOTTE, NC
Christina Mango	NC Public Charter Schools Assoc.
Eddie Goodwin	"
Amy Lee	Raleigh, NC
Alastair Macaulay	Cornerstone Solutions
Caroline McCullen	SAS
John D. Dunning	NC Ready for Success
Rebecca Spruill	Office of State Treasurer
Kendra Cotton	DST
Richard Thompson	DCCAT
[illegible]	Ed Consultant
Meredith Flowe	Self-Help
JOHN JOHNSTON	Greater Raleigh Chamber
Mason Matthews	Hillsborough, NC / NCSSM
Vicki Boyer	League of Women Voters

09-21-201

VISITOR REGISTRATION SHEET

SENATE COMMITTEE ON EDUCATION/HIGHER EDUCATION

JUNE 4, 2014

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sarah Wolfe	MWC
Terry Stoops	John Locke Foundation
Melissa Barnes	Civitas Institute
Bob Luebke	" "
Pam Deardorff	NCRSP
Tony Presnell	NCRSP
Gene Causby	NCSCA
Elizabeth Biser	Brooks Pierce
Katie Hagar	BEST NC
Brenda Berg	BEST NC
Aileen Garland	DPI
[illegible]	School Bow
Carmen Ledford	NCCHS
Louis M. Fabrizio	NCDPI
Joel Medley	NCDPI
Micah Khater	PSFNC
Karey Harwood	PSFNC

09-21-201

VISITOR REGISTRATION SHEET

SENATE COMMITTEE ON EDUCATION/HIGHER EDUCATION

JUNE 4, 2014

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jacqueline Twiggs	ACT, Inc.
William Stirling	Brooker and Associates
Leslie Mills	
Cameron Hardy	NCGA
Evelyn Hawthorne	EH-GR
Gretchen Cherry	NCDPI
T Kickler	
Katherine Joyce	NCASA
Adam Pridemore	NCASA
Sarah Chappell	Disability Rights NC
Emily Atkinson	GRCC
Trey Rabon	AT&T
Robin Kendall	NACSA
Marguerite Creel	Wake Co. Taxpayers Association
Olivia Perm	Hunt Institute
Franklin Freeman, Jr.	MWC
Tara Redmon	OSBM

09-21-201

VISITOR REGISTRATION SHEET

Name of Committee | Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Nellie Greer	Concerned Women for America
Katherine Hearn	Concerned Women for America-NC
Leeme Wynn	NCSBA
Angie Harris	Ward and Smith

VISITOR REGISTRATION SHEET

Name of Committee **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kim + Glenn Fink	CCTA 646 Goose Creek Rd New Bern NC 28562
HAL & RAYNOR JAMES 305 CALICO DR. NEW BERN, NC, 28560	COASTAL CAROLINA TAXPAYERS ASSOC,
Bob & Mary Griswold 4160 Cinnamon Run New Bern	COASTAL CAROLINA TAXPAYERS ASSOC
Rick Hopkins	Coastal Carolina Taxpayers Assoc. New Bern, NC
TERRIE WINTER	CCTA NEW BERN, NC
Gladys Suessle	Coastal Carolina Taxpayers Assoc New Bern, NC
Heather Barrett	W&S
D-M	SNS
Kelly Mc	WNCT

Senate Committee on Education/Higher Education
Wednesday, June 11, 2014, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
SB 793	Charter School Modifications.	Senator Tillman Senator Cook
HB 1060	Military Student Identifier.	Representative Holloway Representative Johnson Representative Horn Representative G. Martin

Adjournment

Senate Committee on Education/Higher Education
Wednesday, June 11, 2014 at 10:00 AM
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on June 11, 2014 in Room 544 of the Legislative Office Building. Twenty members were present.

Senator Dan Soucek, Chair, presided.

Chairman Soucek called the meeting to order at 10:05AM and then recognized and thanked the pages and sergeants-at-arms.

Representative Grier Martin was then recognized to explain **HB 1060 Military Student Identifier. (Representatives Holloway, Johnson, Horn, G. Martin).** Following his brief explanation; Senator Brown thanked Rep. Martin and moved for a favorable report. The motion passed.

Chairman Soucek then recognized Senator Woodard, who moved adoption for discussion of a Proposed Committee Substitute (PCS) to **SB 793 Charter School Modifications. (Senators Tillman, Cook).** Senator Tillman was then recognized and asked Drupti Chauhan of the General Assembly's Research Division to explain the provisions of the PCS. Following brief questions from members of the committee, Senator Cook was recognized and moved for a favorable report to the PCS with an unfavorable report to the original bill. The motion passed.

With no further business before the committee, Chairman Soucek adjourned the meeting.

The meeting adjourned at 10:21AM.

Senator Dan Soucek, Chair
Presiding

John Clark, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, June 11, 2014

Senator Soucek,
submits the following with recommendations as to passage:

FAVORABLE

HB **1060** Military Student Identifier.

Draft Number:	None
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	No

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL

SB **793** Charter School Modifications.

Draft Number:	S793-PCS15447-TC-46
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes

TOTAL REPORTED: 2

Senator Daniel Soucek will handle HB 1060
Senator Jerry Tillman will handle SB 793



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 793*
PROPOSED COMMITTEE SUBSTITUTE S793-CSTC-46 [v.11]

6/10/2014 5:52:04 PM

Short Title: Charter School Modifications. (Public)

Sponsors:

Referred to:

May 20, 2014

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT A TEACHER EMPLOYED BY A CHARTER SCHOOL MAY SERVE AS A NONVOTING MEMBER OF THE BOARD OF DIRECTORS FOR THE CHARTER SCHOOL; TO REQUIRE CHARTER RENEWALS TO BE FOR TEN YEARS; TO CLARIFY THAT CHARTERS WITH THE MISSION OF SINGLE GENDER EDUCATION MAY LIMIT ADMISSION ON THE BASIS OF GENDER; TO MAKE CHARTER SCHOOLS SUBJECT TO REQUIREMENTS OF THE OPEN MEETINGS AND PUBLIC RECORDS LAWS; AND TO CLARIFY THE BIDDING PROCESS FOR THE ASSUMPTION OF A CHARTER SCHOOLS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-238.29B(b) reads as rewritten:

"(b) The application shall contain at least the following information:

...

(3) The governance structure of the school including the names of the initial members of the board of directors of the nonprofit, tax-exempt corporation and the process to be followed by the school to ensure parental involvement. A teacher employed by the board of directors to teach in the charter school may serve as non-voting member of the board of directors for the charter school.

...."

SECTION 2. G.S. 115C-238.29D(d) reads as rewritten:

"(d) The State Board of Education may grant the initial charter for a period not to exceed 10 ~~years and~~ years. The State Board of Education may renew the charter upon the request of the chartering entity for subsequent periods ~~not to exceed~~ of 10 years each. The renewal may be for less than 10 years if one of the following applies:

(1) The charter school has not provided financially sound audits for the prior three years.

(2) The charter school's student academic outcomes for the past three years have not been comparable to the academic outcomes of students in the local school administrative unit in which the charter school is located.

The State Board of Education shall review the operations of each charter school at least once every five years to ensure that the school is meeting the expected academic, financial, and governance standards."

SECTION 3. G.S. 115C-238.29F is amended by adding a new subsection to read:

"(b1) A charter school shall not discriminate against any student on the basis of ethnicity, national origin, gender, or disability."

SECTION 4. G.S. 115C-238.29F(g)(5) reads as rewritten:

"(5) ~~A charter school shall not discriminate against any student on the basis of ethnicity, national origin, gender, or disability.~~ Except as otherwise provided by law or the mission of the school as set out in the charter, the school shall not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, ~~gender,~~ national origin, religion, or ancestry. A charter school whose mission is single gender education may limit admission on the basis of gender. Within one year after the charter school begins operation, the charter school shall make efforts for the population of the school to reasonably reflect the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located. The school shall be subject to any court-ordered desegregation plan in effect for the local school administrative unit."

SECTION 5. G.S. 115C-238.29F is amended by adding a new subsection to read:

"(m) The charter school, and board of directors of the private nonprofit corporation that operates the charter school, are subject to the Public Records Act, Chapter 132 of the General Statutes, and the Open Meetings Law, Article 33C of Chapter 143 of the General Statutes. Notwithstanding the requirements of Chapter 132 of the General Statutes, inspection of charter school employee personnel records shall be subject to the requirements of Article 21A of this Chapter."

SECTION 6. Upon recommendations by the Office of Charter Schools and the Charter Schools Advisory Board and pursuant to G.S. 115C-239.29G(a1)(2), the State Board of Education shall adopt a process and rules for the competitive bid process for the assumption of a charter school that shows inadequate performance. At a minimum, the State Board shall require interested entities to meet the following criteria:

a. Have operated another charter school in the State for 5 years.
b. Can provide three years of financially sound audits for the charter school they are currently operating in the State.
c. Have student academic outcomes that are comparable to the academic outcomes of students in the local school administrative unit in which the currently operating charter school is located.

The State Board of Education shall adopt rules and procedures required by this Section by January 15, 2015 and report to the Joint Legislative Education Oversight Committee by February 1, 2015.

SECTION 7. The Revisor of Statutes is authorized to renumber and recodify Part 6A of Article 16 of Chapter 115C of the General Statutes to a more suitable location.

SECTION 8. This act is effective when it becomes law and applies beginning with the 2014-2015 school year.

SENATE BILL 793:
Charter School Modifications

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	June 11, 2014
Introduced by:	Sens. Tillman, Cook	**Prepared by:**	Drupti Chauhan and Kara McCraw Committee Counsel
Analysis of:	PCS to First Edition		

SUMMARY: Senate Bill 793 would make various changes to the laws governing charter schools.

The Proposed Committee Substitute (PCS) for Senate Bill 793 would do the following:

- ***Remove provisions related to: (i) requiring the Charter School Advisory Board to make written decisions on recommendations and allowing charter applicants to petition on adverse recommendations and decisions; (ii) requiring the State Board of Education (SBE) to assess a $1,000 fee for initial and renewal charter applications; (iii) requiring the SBE to adopt rules in accordance with Chapter 150B regarding charter school operations; and (iv) requiring the SBE make final decisions on charter applications by June 15.***
- ***Provide that a teacher employed by the board of directors to teach in a charter school may serve as a non-voting member of the board of directors of the charter school.***
- ***Require that the SBE grant charter renewals for 10 years unless specific conditions exist that warrant a renewal for less than 10 years.***
- ***Clarify that charters with the mission of single gender education could limit admission on the basis of gender.***
- ***Provide that the charter school and its board of directors are subject to the public records and open meetings laws but that charter school employee personnel records are subject to the public records laws in the same manner as employees of traditional public schools.***
- ***Clarify that the SBE must adopt a process and rules for a competitive bid process for the assumption of a charter school that shows inadequate progress.***

CURRENT LAW and BILL ANALYSIS:

Section 1 – Bill Analysis: The PCS would specify that a teacher employed by the board of directors of a charter school to teach in the charter school may serve as a non-voting member of that board of directors.

Section 2 – Current Law: The SBE may grant renewal charters for up to 10 years.

Bill Analysis: For any charter renewals the SBE grants, the time period for the term of the renewal charter would have to be for 10 years unless one of the following applies:

- The charter school has not provided financially sound audits for the prior 3 years.
- The charter school's student academic outcomes for the past 3 years have not been comparable to the academic outcomes of students in the local school administrative unit in which the charter school is located.

Sections 3 and 4 – Current Law: Charter schools are not allowed to discriminate on the basis of gender. Except as provided by law or the mission of the charter school, a charter school may not limit admission to students on the basis of gender.

Bill Analysis: The PCS would clarify that a charter school could limit admission on the basis of gender if the school's mission was single gender education.

Section 5 – Current Law: The charter school statutes do no address the issue of whether charter schools are subject to open meeting laws and public records laws.

Bill Analysis: The PCS would provide that a charter school and the board of directors are subject to the Public Records Act and the Open Meetings Law. Charter school employee personnel records would be subject to the public records laws in the same manner as employees of traditional public schools.

Section 6 – Current Law: G.S. 115C-238.29G(a1)(2) requires the SBE to develop rules for a competitive bid process for the assumption of a charter that has been in operation for more than 5 years but has inadequate student performance. The assumption of the charter would be by a new entity and include all aspects of the operations of the charter school.

Bill Analysis: The SBE would be required to adopt a process and rules for a competitive bid process for the assumption of a charter school that shows inadequate progress. The SBE would have to require that interested entities meet at least the following criteria: (i) have operated another charter school in the State for 5 years; (ii) can provide 3 years of financially sound audits for the charter school they are currently operating; and (iii) have student academic outcomes that are comparable to the academic outcomes of students in the local school administrative unit in which the currently operating charter school is located.

Section 7 – Bill Analysis: The Revisor of Statutes is authorized to renumber and recodify the Part governing charter schools in Chapter 115C of the General Statutes.

EFFECTIVE DATE: The bill would become effective when it becomes law and would apply beginning with the 2014-2015 school year.

BACKGROUND: The original bill was a recommendation of the Joint Legislative Education Oversight Committee.

HOUSE BILL 1060:
Military Student Identifier

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	June 11, 2014
Introduced by:	Reps. Holloway, Johnson, Horn, G. Martin	**Prepared by:**	Kara McCraw Committee Counsel and Shanna Rivera, Legal Extern
Analysis of:	First Edition		

SUMMARY: ***House Bill 1060 would require the State Board of Education to develop an annual identification process for local school administrative units to identify military-connected students using the Uniform Education Reporting System.***

[As introduced, this bill was identical to S771, as introduced by Sens. Tillman, Pate, which is currently in Senate Education/Higher Education.]

CURRENT LAW: Under G.S. 115C-288(m), principals are currently required to develop a procedure for identifying students who have immediate family members serving in the active or reserve components of the Armed Forces in order to better serve their unique needs.

BILL ANALYSIS: House Bill 1060 would require the State Board of Education to develop an annual identification process for local school administrative units (LEAs) to identify military-connected tudents using the Uniform Education Reporting System. Military-connected students would be defined s students who have a parent, step-parent, sibling, or any other person who resides in the same household serving in the active or reserve components of the Armed Forces.

House Bill 1060 would also make conforming changes to G.S. 115C-288(m).

EFFECTIVE DATE: Section 2 of the act would become effective July 1, 2015. The remainder of the act would become effective when it becomes law, with the annual identification requirement for local school administrative required beginning with the 2015-2016 academic year. However, LEAs would be permitted to use the Uniform Education Reporting System to commence the annual identification of military-connected students beginning with the 2014-2015 academic year.

BACKGROUND: This bill is a recommendation of the Joint Legislative Education Oversight Committee. A representative of the U.S. Department of Defense, in a presentation to the Joint Legislative Education Oversight Committee, provided information that an identifier assists in gathering information where military-connected students attend school and, over time, their academic performance. Data would be available to schools and districts to provide awareness at the school and classroom level of students that may be affected by the deployment or service of a parent, or by frequent moves.

VISITOR REGISTRATION SHEET

Education/Higher Education

(Committee Name)

6-11-14

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kaitlin Rothecker	McGuire Woods
Sandy CASTRO	CharterSchoolsUSA
Laura DeVivo	WCSR
Elizabeth Biser	Brooks Pierce
Annette Ethridge	Crowder Consulting
Richard Peterson	Sen. Pate's Office
William Stanley	Brunker and Associates
CASANDRA SKINNER	NCACC
	Henderson Co
Ghazi Hassan	Forsyth Co.
Vicki Bayer	
Karen Harwood	PFNC
Sheria Reid	School of Gov/LRS
Jimmy Broughton	Womble Carlyle

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education

(Committee Name)

6-11-14

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Deanna Townsend-Smith	DPI
Jeff Moore	Commerce / DWS
Meaghan Lewis	NC chamber
John Goodman	NC chamber
Doug Taggart	DPI
Louis M. Fabrizio	DPI
Gretchen Cleevely	DPI
Sarah Muscutt	NC New Schools
Edna Wallace	NCNS
Adam Pridemore	NCASA
John T Mabry Jr	Lightning Bolt Media
Deb Clary	NCSP
Carol Horne	Public Schools First NC
Mary E. Turner	Sen. Krawiec

09-21-201

SENATE PAGES ATTENDING

COMMITTEE: Health Care ROOM: 544

DATE: 6-11 TIME: 11AM

PLEASE PRINT LEGIBILY!!!!!!!!!!!!....*or else!*

Page Name	Hometown	Sponsoring Senator
1. Andrew Gaddy	Chapel Hill	Berger
2. Amandaspence	Raleigh	Krawcic
3. ~~Laura Payne~~	~~Lexington~~	~~Berghaum~~
4. Deirdre Logan	Durham	McKissick
5. Marika Samuelsson	Selma	Robinson
6. Maribelle Scoggin	Raleigh	Berger
7. Alton Gaylon	Raleigh	Blue
8. Matthew Stevens	Cornelius	Ford
9. Mackin Boylan	Raleigh	Hunt
10. Robert Edwards	Charlotte	Jenkins

Do not add names below the grid.

Pages: Present this form to either the Committee Clerk at the meeting or to the Sergeant-at-Arms.

Senate Committee on Education/Higher Education
Wednesday, June 18, 2014, 10:00 AM
544 Legislative Office Building

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills

BILL NO.	SHORT TITLE	SPONSOR
HB 712	Clarifying Changes/Special Ed Scholarships.	Representative Glazier Representative Stam Representative Jackson
SB 761	Credit for Military Training.	Senator Meredith Senator Rabin
SB 818	Establish Education Endowment Fund.	Senator Tillman

Presentations

Other Business

Adjournment

Senate Committee on Education/Higher Education
Wednesday, June 18, 2014 at 10:00 AM
Room 544 of the Legislative Office Building

MINUTES

The Senate Committee on Education/Higher Education met at 10:00 AM on June 18, 2014 in Room 544 of the Legislative Office Building. Twenty-one members were present.

Senator Jerry W. Tillman, Chair, presided.

Chairman Tillman called the meeting to order and recognized the pages and sergeants-at-arms.

Senator Rabin was recognized and moved adoption of a Proposed Committee Substitute (PCS) for **SB 761 Credit for Military Training (Senators Meredith, Rabin).** Senator Rabin was recognized and explained SB 761. Following the explanation, Senator Davis was recognized and moved for a favorable report to the PCS with an unfavorable report to the original bill and the motion passed.

Chairman Tillman relinquished his chairmanship to Senator Soucek.

Chairman Soucek recognized Senator Tillman to explain the PCS for **SB 818 Establish Education Endowment Fund (Senator Tillman).** Following questions from the committee members, Senator Curtis was recognized and moved for a favorable report to the PCS with an unfavorable report to the original bill with a recommendation that it be re-referred to the Finance Committee and the motion passed.

Chairman Soucek relinquished his chairmanship to Senator Tillman.

Chairman Tillman recognized Senator Wade who moved adoption of a PCS for discussion on **HB 712 Clarifying Changes/Special Ed Scholarships (Representatives Glazier, Stam, Jackson).** Senator Barringer was recognized to explain the bill.

Following the explanation and questions from committee members, Chairman Tillman recognized Julia Adams, Assistant Director of Government Relations, ARC of NC and the lobbyist for Autism Society of NC; she spoke in favor of the bill.

Following additional questions from committee members, Chairman Tillman recognized Richard Stevens, Anderson Law Firm, and lobbyist for the NC Association of Independent Schools; he spoke in favor of the bill.

After discussion from committee members and questions directed to the Research Division Staff, Chairman Tillman recognized Senator Jenkins who made a motion to move for a favorable report to the PCS and an unfavorable report to the original bill and the motion passed.

With no further business, Chairman Tillman adjourned the meeting.

The meeting adjourned at 10:43 am.

Senator Jerry W. Tillman, Chair
Presiding

Suzanne Castleberry, Committee Clerk

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

CORRECTED REPORT #1

Wednesday, June 18, 2014

Senator Tillman,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL

SB **761** Credit for Military Training.

Draft Number:	S761-PCS45197-TL-47
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes

SB **818** Establish Education Endowment Fund.

Draft Number:	S818-PCS35561-TBf-32
Sequential Referral:	Appropriations/Base Budget
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 2

Senator Ronald Rabin will handle SB 761
Senator Jerry Tillman will handle SB 818

CMR1061-V-4

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

EDUCATION/HIGHER EDUCATION COMMITTEE REPORT
Senator Soucek, Co-Chair
Senator Tillman, Co-Chair

Wednesday, June 18, 2014

Senator Tillman,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO COMMITTEE SUBSTITUTE BILL NO. 1, BUT FAVORABLE AS TO SENATE COMMITTEE SUBSTITUTE BILL

HB **712** **(CS#1)** Clarify Expert Witness Compensation.

Draft Number:	H712-PCS10587-TC-49
Sequential Referral:	None
Recommended Referral:	None
Long Title Amended:	Yes

TOTAL REPORTED: 1

Senator Tamara Barringer will handle HB 712



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 761*
PROPOSED COMMITTEE SUBSTITUTE S761-CSTL-47 [v.6]
6/17/2014 5:45:06 PM

Short Title: Credit for Military Training. (Public)

Sponsors:

Referred to:

May 15, 2014

A BILL TO BE ENTITLED

AN ACT TO ENHANCE THE EFFECTIVENESS OF THE OCCUPATIONAL LICENSING OF MILITARY SERVICE MEMBERS AND VETERANS, AND TO DIRECT THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA AND THE STATE BOARD OF COMMUNITY COLLEGES TO SUBMIT A PLAN THAT WILL ENSURE THAT COLLEGE CREDITS ARE UNIFORMLY GRANTED TO STUDENTS WITH MILITARY TRAINING.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 93B-15.1 reads as rewritten:

"**§ 93B-15.1. Licensure for individuals with military training and experience; licensure by endorsement for military spouses; temporary license.**

(a) Notwithstanding any other provision of law, an occupational licensing board, as defined in G.S. 93B-1, shall issue a license, certification, or registration to a military-trained applicant to allow the applicant to lawfully practice the applicant's occupation in this State if, upon application to an occupational licensing board, the applicant satisfies the following conditions:

(1) Has been awarded a military occupational specialty and has done all of the following at a level that is substantially equivalent to or exceeds the requirements for licensure, certification, or registration of the occupational licensing board from which the applicant is seeking licensure, certification, or registration in this State: completed a military program of training, completed testing or equivalent training and experience, ~~experience as determined by the board,~~ and performed in the occupational specialty.

(2) Has engaged in the active practice of the occupation for which the person is seeking a license, certification, or permit from the occupational licensing board in this State for at least two of the five years preceding the date of the application under this section.

(3) Has not committed any act in any jurisdiction that would have constituted grounds for refusal, suspension, or revocation of a license to practice that occupation in this State at the time the act was committed.

(4) Pays any fees required by the occupational licensing board for which the applicant is seeking licensure, certification, or registration in this State.

(a1) No later than 30 days following receipt of an application, an occupational licensing board shall notify an applicant when the applicant's military training or experience does not satisfy the requirements for licensure, certification, or registration and shall specify the criteria

or requirements that the board determined that the applicant failed to meet and the basis for that determination.

(b) Notwithstanding any other provision of law, an occupational licensing board, as defined in G.S. 93B-1, shall issue a license, certification, or registration to a military spouse to allow the military spouse to lawfully practice the military spouse's occupation in this State if, upon application to an occupational licensing board, the military spouse satisfies the following conditions:

(1) Holds a current license, certification, or registration from another jurisdiction, and that jurisdiction's requirements for licensure, certification, or registration are substantially equivalent to or exceed the requirements for licensure, certification, or registration of the occupational licensing board for which the applicant is seeking licensure, certification, or registration in this State.

(2) Can demonstrate competency in the occupation through methods as determined by the Board, such as having completed continuing education units or having had recent experience for at least two of the five years preceding the date of the application under this section.

(3) Has not committed any act in any jurisdiction that would have constituted grounds for refusal, suspension, or revocation of a license to practice that occupation in this State at the time the act was committed.

(4) Is in good standing and has not been disciplined by the agency that had jurisdiction to issue the license, certification, or permit.

(5) Pays any fees required by the occupational licensing board for which the applicant is seeking licensure, certification, or registration in this State.

(c) All relevant experience of a military service member in the discharge of official duties or, for a military spouse, all relevant experience, including full-time and part-time experience, regardless of whether in a paid or volunteer capacity, shall be credited in the calculation of years of practice in an occupation as required under subsection (a) or (b) of this section.

(c1) Each occupational licensing board shall publish a document that lists the specific criteria or requirements for licensure, registration, or certification by the board, with a description of the criteria or requirements that are satisfied by military training or experience as provided in this section, and any necessary documentation needed for obtaining the credit or satisfying the requirement. The information required by this subsection shall be published on the occupational licensing board's Web site and the Web site of the North Carolina Division of Veterans Affairs.

...."

SECTION 2. Each occupational licensing board shall contact training offices at military installations, or any other federal offices that provide information on military occupational specialties and training, for the purpose of (i) acquiring information necessary for an adequate understanding of military training and job requirements and (ii) assisting in determining the applicability and correlation of military training and experience to the criteria and requirements for licensure, certification, or registration. No later than September 1, 2014, each occupational licensing board shall submit a report to the cochairs of the Legislative Research Commission Study Committee on Civilian Credit for Military Training and State Adjutant Selection Criteria with the status of the document required by Section 1 of this act and the results of their consultation with military training officials as required by this section.

SECTION 3. The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall jointly develop a plan for implementing a uniform system of granting course credits to all students enrolled in constituent institutions of The University of North Carolina and all students enrolled in State community colleges based on

the students' military training or experience. The plan shall include a description of the procedure to be utilized in evaluating military training or experience and its correlation to school course credits and the process for the transfer of course credits between constituent institutions and community colleges when course credit has been granted by any institution or community college based upon military training or experience. As part of the plan, the Board of Governors of The University of North Carolina, in consultation with the State Board of Community Colleges, shall consider a process for recognizing Associate of Arts or Associate of Science degrees granted by institutions that are participants in the Servicemembers Opportunity Colleges Consortium or the Community College of the Air Force.

No later than September 1, 2014, the Board of Governors of The University of North Carolina and the State Board of Community Colleges shall provide a report to the Joint Legislative Education Oversight Committee, the cochairs of the House Homeland Security, Military, and Veterans Affairs Committee, and the cochairs of the Legislative Research Commission Study Committee on Civilian Credit for Military Training on the progress toward developing the plan required by this section. No later than January 1, 2015, the Board of Governors of The University of North Carolina and the State Board of Community Colleges shall submit the plan and any recommendations to the Joint Legislative Education Oversight Committee, the cochairs of the House Homeland Security, Military, and Veterans Affairs Committee, and the cochairs of the Legislative Research Commission Study Committee on Civilian Credit for Military Training and State Adjutant Selection Criteria.

SECTION 4. The Board of Governors of The University of North Carolina and the State Board of Community Colleges, through the North Carolina Community College System Office, shall consult with the North Carolina National Guard Education and Employment Center, the North Carolina Department of Commerce, the North Carolina Department of Labor, and any other state or federal agencies as appropriate, to do the following: (i) study "Knowledge Gap Fulfillment," the continuation, development, and creation of programs that provide maximum credit for military training or experience that meet North Carolina licensing, certification, or credential standards; (ii) identify job development programs that require the same Military Occupational Skills (MOS) or share the same aptitude skills required to complete the program; (iii) identify existing Veterans Administration (VA) approved nondegree programs conducted in other states that have a high employment demand in North Carolina; (iv) determine the ability of State community colleges or other training centers to conduct these nondegree programs; and (v) identify and develop similar short-term programs that meet North Carolina specific high employment technical career fields. A consideration in all program studies in this section shall be VA approval for educational benefits with the North Carolina State Approval Agency. The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall report to the Joint Legislative Education Oversight Committee, the cochairs of the House Homeland Security, Military, and Veterans Affairs Committee, and the cochairs of the Legislative Research Commission Study Committee on Civilian Credit for Military Training and State Adjutant Selection Criteria with recommendations and any proposed legislation no later than December 15, 2014.

SECTION 5. Section 1 of this act becomes effective January 1, 2015. The remainder of this act is effective when it becomes law.

SENATE BILL 761: Credit for Military Training

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	June 18, 2014
Introduced by:	Sens. Meredith, Rabin	**Prepared by:**	Patsy Pierce
Analysis of:	PCS to First Edition S761-CSTL-47		Legislative Analyst

SUMMARY: ***Senate Bill 761 directs occupational licensing boards to (i) provide notification to applicants within 30 days of denial of allowable credit for military training or experience, (ii) publish licensure requirements and how these may be met with military training or experience, and (iii) consult with relevant federal offices to gain information to assist with credit-for-military training or experience equivalency determination. Each occupational licensing board in the State would submit a report by September 1, 2014 to the LRC on Civilian Credit for Military Training and State Adjutant General Selection Criteria regarding implementation of these activities. The bill would also direct the UNC Board of Governors (BOG) to work with the State Board of Community Colleges (SBCC) to jointly develop a plan to implement a uniform system of granting course credits based on military training or experience. These Boards would report to several NCGA committees by January 1, 2015 on this plan. The SBCC would (i) study and establish programs to provide maximum credit for military training or experience, (ii) implement Veterans Administration (VA) approved non-degree programs in North Carolina, and (iii) report to several NCGA committees by October 1, 2014 with recommendations to these ends.***

The PCS for Senate Bill 761 would require the UNC Board of Governors to work with the SBCC, through the Community College System Office, to establish programs to provide maximum credit for military training or experience and to possibly implement VA approved non-degree programs in North Carolina. The reporting date for this study is changed to December 15, 2014.

CURRENT LAW: G.S. 93B-15.1 requires occupational licensing boards to issue occupational licenses, certifications or registrations to military-trained applicants and military-spouses if the following requirements are met:

- A military-trained applicant must have been awarded a military occupational specialty; completed a military program of training and testing or equivalent training and experience as determined by the board; performed in that specialty at a level that is substantially equivalent to or exceeds the requirements for licensure; and, engaged in the active practice of the occupation for at least two of the five years preceding the date of the application.
- A military spouse applicant must hold a current license from another jurisdiction that has requirements for licensure substantially equivalent to or exceeding the requirements for licensure; demonstrate competency in the occupation through methods as determined by the occupational licensing board; and be in good standing and not be disciplined by the agency that had jurisdiction to issue the license.

Both military-trained applicants and spouses must pay any fees required by the occupational licensing board and have not committed any act in any jurisdiction that would have constituted grounds for refusal, suspension, or revocation of a license, if the act occurred in NC. All relevant experience in the discharge of official duties for the military-trained applicant and all relevant experience including part

time, full time, paid and volunteer experience for the military spouse will be credited in the calculation of required years of practice.

BILL ANALYSIS:

Section 1 of the PCS for Senate Bill 761 would require an occupational licensing board to notify an applicant within 30 days following receipt of an application, when the applicant's military training or experience does not satisfy licensure, certification, or registration requirements, and identify the basis for this determination. Occupational licensing boards would also be required to publish on their websites, and on the NC Division of Veterans Affairs website, specific requirements for licensure, certification and registrations and how these requirements may be met with military training or experience, and what the documentation requirements are for meeting the requirements.

Section 2 of the PCS for Senate Bill 761 would require occupational licensing boards to contact military training and other relevant federal offices to gain additional knowledge that would assist with military training and job experience equivalency determinations. Each occupational licensing board in the State would submit a report by September 1, 2014 to cochairs of the LRC on Civilian Credit for Military Training and State Adjutant General Selection Criteria that includes the list of requirements as described in Section 1, and the results of their consultations as described in this Section.

Section 3 of the PCS would direct the Board of Governors of The University of North Carolina and the State Board of Community Colleges to jointly develop a plan for implementing a uniform system of granting course credits based on military training or experience. The plan would include a description of the processes for credit-for-training/experience determination, and credit transfer from community colleges to constituent institutions. As a part of the plan the Boards would consider a process for recognizing Associate of Arts or Associate of Sciences degrees from institutions participating in the Servicemembers Opportunity Colleges Consortium or the Community College of the Air Force. By September 1, 2014 the Boards would report on their progress in developing the plan described in this Section to the Joint Legislative Education Oversight Committee, the cochairs of the House Homeland Security, Military, and Veterans Affairs committee, and to the cochairs of the Legislative Research Commission Study Committee on Civilian Credit for Military Training and State Adjutant General Selection Criteria.

Section 4 of the PCS would direct the Board of Governors of The University of North Carolina and the State Board of Community Colleges, through the Systems Office, to consult with the NC National Guard Education and Employment Center, Department of Commerce, Department of Labor, and any other relevant State or federal agencies to (i) provide maximum credit for military training or experience, (ii) identify job development programs that require Military Occupational Skills, (iii) identify VA approved non-degree programs conducted in other states that have a high employment demand in NC, the capacity to offer these programs in NC, and develop similar programs in NC. The Boards would report on recommendations and any proposed legislation by December 15, 2014 to the Joint Legislative Education Oversight Committee, the cochairs of the House Homeland Security, Military, and Veterans Affairs Committee, and to the cochairs of the Legislative Research Commission Study Committee on Civilian Credit for Military Training and State Adjutant General Selection Criteria.

EFFECTIVE DATE: Section 1 becomes effective on January 1, 2015. This remainder of the act is effective when it becomes law.

BACKGROUND: As originally introduced, this bill was a recommendation of the LRC study committee on Civilian Credit for Military Training and State Adjutant General Selection Criteria. The committee report is available in the Legislative Library or online at http://ncleg.net/Library/studies/2014/lrc2014civilianmilitary.pdf.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

S D

SENATE BILL 818
PROPOSED COMMITTEE SUBSTITUTE S818-CSTBf-32 [v.1]

6/16/2014 6:07:01 PM

Short Title: Establish Education Endowment Fund. (Public)

Sponsors:

Referred to:

May 21, 2014

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH AND DEDICATE FUNDS FOR THE NORTH CAROLINA EDUCATION ENDOWMENT FUND TO PROVIDE ADDITIONAL SUPPORT AND FUNDING FOR K-12 PUBLIC SCHOOLS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 32E.

"North Carolina Education Endowment Fund.

"**§ 115C-472.16. Establishment of the North Carolina Education Endowment Fund.**

(a) There is established the North Carolina Education Endowment Fund. The Fund shall be a special fund consisting of (i) moneys credited to it under G.S. 20-81.12 from the sale of "I Support Teachers" special registration plates; (ii) proceeds of any gifts, grants, or contributions to the State that are specifically designated for inclusion in the Fund; (iii) appropriations made to it by the General Assembly; and (iv) interest accrued to it thereon. Moneys in the Fund shall be available for expenditure only upon an act of appropriation by the General Assembly.

(b) The General Assembly shall only appropriate moneys in the North Carolina Education Endowment Fund for teacher compensation that is related directly to improving student academic outcomes in the public schools of the State."

SECTION 2. G.S. 20-79.4(b) is amended by adding a new subdivision to read:

"(b) Types. – The Division shall issue the following types of special registration plates:

...

() I Support Teachers. - Issuable to the registered owner of a motor vehicle in accordance with G.S. 20-81.12. The plate shall have a gray chalkboard background with "I SUPPORT TEACHERS" written in white chalk across the top of the plate, and an image of a red apple shall be in the lower left corner with the letters "ABC" appearing in white chalk over the apple."

SECTION 3. G.S. 20-81.12(b12) reads as rewritten:

"(b12) I Support ~~Public Schools~~ Teachers Plates. – The Division must receive 300 or more applications for athe I Support ~~Public Schools~~ Teachers plate before the plate may be developed. The Division shall transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of I Support ~~Public Schools~~ Teachers plates to the ~~Fund for the Reduction of Class Size in Public Schools created pursuant to G.S. 115C-472.10.~~North Carolina Education Endowment Fund established pursuant to G.S. 115C-472.16."

SECTION 4. G.S. 20-79.7 reads as rewritten:

"**§ 20-79.7. Fees for special registration plates and distribution of the fees.**

...

(a1) Fees. – All other special registration plates are subject to the regular motor vehicle registration fee in G.S. 20-87 or G.S. 20-88 plus an additional fee in the following amount:

Special Plate	Additional Fee Amount
...	
Harley Owners' Group	$20.00
I Support Teachers	$20.00
Jaycees	$20.00
...	
Special Forces Association	$20.00
~~Support Public Schools~~	~~$20.00~~
US Equine Rescue League	$20.00
...	

(b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and Cultural Attraction Plate Account are established within the Highway Fund. The Division must credit the additional fee imposed for the special registration plates listed in subsection (a) of this section among the Special Registration Plate Account (SRPA), the Collegiate and Cultural Attraction Plate Account (CCAPA), the Clean Water Management Trust Fund (CWMTF), which is established under G.S. 113A-253, and the Parks and Recreation Trust Fund, which is established under G.S. 113-44.15, as follows:

Special Plate	SRPA	CCAPA	NHTF	PRTF
...				
In-State Collegiate Insignia	$10	$15	0	0
I Support Teachers	$10	$10	0	0
Jaycees	$10	$10	0	0
...				
Support Our Troops	$10	$20	0	0
~~Support Public Schools~~	~~$10~~	~~$10~~	~~0~~	~~0~~
Support Soccer	$10	$15	0	0

...."

SECTION 5. G.S. 20-63(b1) reads as rewritten:

"(b1) The following special registration plates do not have to be a "First in Flight" plate as provided in subsection (b) of this section. The design of the plates that are not "First in Flight" plates must be developed in accordance with G.S. 20-79.4(a3). For special plates authorized in G.S. 20-79.7 on or after July 1, 2013, the Division may not issue the plate on a background under this subsection unless it receives at least 200 applications for the plate in addition to the applications required under G.S. 20-79.4 or G.S. 20-81.12.

...

(43) Mountains-to-Sea Trail, Inc.

(44) I Support Teachers."

SECTION 6. The Revisor of Statutes is authorized to alphabetize, number, and renumber the special registration plates listed in G.S. 20-79.4(b) to ensure that all the special registration plates are listed in alphabetical order and numbered accordingly.

SECTION 7. Article 32C of Chapter 115C of the General Statutes is repealed.

SECTION 8. Article 9 of Subchapter I of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-269.7. Contribution of income tax refund or payment to the North Carolina Education Endowment Fund.**

Any taxpayer entitled to a refund of income taxes under Article 4 of this Chapter, or any taxpayer who desires to make a contribution, may elect to contribute all or part of the refund or

may make a contribution to the North Carolina Education Endowment Fund established pursuant to G.S. 115C-472.16 to be used in accordance with that statute. The Secretary shall provide appropriate language and space on the income tax form in which to make the election or contribution. The taxpayer's election or contribution becomes irrevocable upon filing the taxpayer's income tax return for the taxable year. The Secretary shall transmit the amounts designated pursuant to this section to the State Treasurer for credit to the North Carolina Education Endowment Fund."

SECTION 9. Section 8 of this act is effective for taxable years beginning on or after January 1, 2014. The remainder of this act becomes effective July 1, 2014.

SENATE BILL 818:
Establish Education Endowment Fund

2013-2014 General Assembly

Committee:	Senate Ref to Education/Higher Education. If fav, re-ref to Appropriations/Base Budget	**Date:**	June 18, 2014
Introduced by:	Sen. Tillman	**Prepared by:**	Denise Adams
Analysis of:	PCS to First Edition S818-CSTBf-32		Legislative Analyst

SUMMARY: ***As introduced, Senate Bill 818 would establish the North Carolina Education Endowment Fund as a special fund to be used solely for teacher compensation related directly to improving student academic outcomes in the public schools. Revenue for this Fund could be generated from several sources, including the sale of "I Support Teachers" special registration plates, corporate and income tax deductions, and the designation of tax refunds.***

The PCS would remove the language authorizing individual and corporate income tax deductions made to the Fund. The PCS clarifies the additional cost of the "I Support Teachers" special registration plate would be $20.00, and makes other clarifying and conforming changes.

CURRENT LAW: G.S. 20-79.4 provides that upon application and payment of the required registration fees, a person may obtain from the Division of Motor Vehicles (DMV) a special registration plate for a motor vehicle registered in that person's name if the person qualifies for the registration plate. Currently, DMV is authorized to issue approximately 250 specialized registration plates. The issuance of most specialized registration plates is contingent upon the receipt of at least 300 applications for that particular plate. In general, the fee for a specialized registration plate is the regular vehicle registration fee plus an additional fee ranging from $10 to $30. If the additional fee for certain plates is more than $10, the first $10 goes to the special registration plate fund and the remainder is transferred quarterly to designated beneficiaries of the additional fee amount.

There is not currently an "I Support Teachers" plate nor is there currently a North Carolina Education Endowment Fund. There is currently a Fund for the Reduction of Class Size in Public Schools under Article 32C of Chapter 115C of the General Statutes. This fund, under the control and direction of the State Board of Education, would have consisted of moneys credited from the sale of a specialized registration plate, "Support Public Schools". However, the "Support Public Schools" plate did not receive the requisite number of required applications to be produced and did not generate any revenue for that Fund.

BILL ANALYSIS: The PCS for Senate Bill 818 would do the following:

Section 1 would establish the North Carolina Education Endowment Fund (Fund) as a special fund consisting of (i) moneys from the sale of "I Support Teachers" special registration plates, (ii) proceeds of gifts, grants, or contributions to the State designated for inclusion into the Fund, (iii) appropriations made by the General Assembly, and (iv) accrued interest. Expenditures would only be made upon an appropriation of the General Assembly and may only be made for teacher compensation that is related directly to improving student academic outcomes in the public schools.

Section 2 would authorize DMV to issue a new specialized registration plate, "I Support Teachers." This new plate should have a gray chalkboard background with "I SUPPORT TEACHERS" written in white chalk across the top of the plate and an image of a red apple in the lower left corner with the letters "ABC" appearing in white chalk above the apple.

Section 3 would replace the "Support Public Schools" plate with the "I Support Teachers" plate, and would provide that DMV must receive 300 or more applications for the "I Support Teachers" plate before the plate may be developed. DMV would be authorized to transfer quarterly the money in the Collegiate and Cultural Attraction Plate Account derived from the sale of the plate to the North Carolina Education Endowment Fund.

Section 4 would clarify that the cost of an "I Support Teachers" specialized registration plate is the regular motor vehicle registration fee plus an additional fee of $20. $10 of the $20 fee would be credited to the Special Registration Plate Account (SRPA) and $10 to the Collegiate and Cultural Attraction Plate Account (CCAPA).

Section 5 would add the "I Support Teachers" specialized registration plate to the list of plates that do not have to be a "First in Flight" plate under G.S. 20-63(b1). For specialized plates authorized under this section after July 1, 2013, DMV may not issue a plate unless it receives an additional 200 applications for the plate. A total of 500 applications will be needed before DMV can begin issuing this plate.

Section 6 would direct the Revisor of Statutes to alphabetize, number, and renumber all the specialized registration plates listed in G.S. 20-79.4(b) to ensure the plates are listed in alphabetical order and numbered accordingly.

Section 7 would repeal Article 32C of Chapter 115C of the General Statutes which created the Fund for the Reduction of Class Size in Public Schools.

Section 8 would direct the Secretary of Revenue to provide appropriate language and space on the income tax form so that taxpayers may elect to contribute all or part of their tax refund to the North Carolina Education Endowment Fund.

EFFECTIVE DATE: Section 8 of the PCS is effective for taxable years beginning on or after January 1, 2014. The remainder of the PCS becomes effective July 1, 2014.

BACKGROUND: The PCS for Senate Bill 818 is identical to Section 8.11 of the third edition of Senate Bill 744 (as the budget passed the Senate).

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H D

HOUSE BILL 712

Committee Substitute Favorable 5/1/13
PROPOSED SENATE COMMITTEE SUBSTITUTE H712-CSTC-49 [v.4]
6/17/2014 12:41:39 PM

Short Title: Clarifying Changes/Special Ed Scholarships. (Public)

Sponsors:

Referred to:

April 11, 2013

A BILL TO BE ENTITLED

AN ACT TO REVISE AND CLARIFY THE SPECIAL EDUCATION SCHOLARSHIPS FOR CHILDREN WITH DISABILITIES AND TO EXEMPT CERTAIN SCHOOLS FROM CHILD CARE LICENSURE REQUIREMENTS.

The General Assembly of North Carolina enacts:

SECTION 1. Part 1H of Article 9 of Chapter 115C of the General Statutes is retitled as "Special Education Scholarships for Children with Disabilities."

SECTION 2. G.S. 115C-112.5 reads as rewritten:

"**§ 115C-112.5. Definitions.**

The following definitions apply in this Part:

(1) Authority. – The North Carolina State Education Assistance Authority.

(1a) Child with a disability. - As defined in G.S. 115C-106.3(1).

(1b) Disability. – As defined in G.S. 115C-106.3(2).

(1c) Educational Technology. – As defined by the Authority, an item, piece of equipment, material, product, or system which may be purchased commercially off the shelf, modified, or customized and that is used primarily for educational purposes for a child with a disability.

(2) Eligible student. – A child ~~with a disability~~ under the age of 22 who meets all of the following criteria:

a. ~~Requires an Individualized Education Plan.~~Is a child with a disability.

b. ~~Receives special education or related services on a daily basis.~~Is eligible to attend a North Carolina public school pursuant to G.S. 115C-366.

c. Has not been placed in a nonpublic school or facility by a public agency at public expense.

d. Has not ~~spent any time~~been enrolled in a postsecondary institution as a full-time student taking at least 12 hours of academic credit.

e. Has not received a high school diploma.

f. Meets at least one of the following requirements:

1. Was enrolled in a North Carolina public school during the previous semester.

2. Received special education or related services through the North Carolina public schools as a preschool child with a disability during the previous semester.

3. ~~Received~~ Was approved for a scholarship ~~grant~~ for the previous semester.
4. ~~Is eligible for initial enrollment in kindergarten or the first grade in a North Carolina public school.~~ Is a child who is identified as a child with a disability prior to the end of the year of initial enrollment in kindergarten or first grade. An award by the Authority based on eligibility under this sub-sub-subdivision shall be conditional. If documentation is not provided to the Authority that the child is a child with a disability prior to the end of the year of initial enrollment (i) no reimbursement shall be awarded and (ii) the child shall not qualify the following year as an eligible student under sub-sub-subdivision 3. of this section.

(3) Nonpublic school. – A school that meets the requirements of Part 1, 2, or 3 of Article 39 of this Chapter as identified by the Division of Nonpublic Education, Department of Administration.

(3a) Related services. – As defined in G.S. 115C-106.3(18).

(4) ~~Scholarship grants.~~Scholarships. – ~~Grants~~ Funds awarded by the Authority to eligible ~~students.~~students to be used to receive special education on a daily basis while attending either a nonpublic school or a North Carolina public school for which payment of tuition is required.

(5) Special education. – Specially designed instruction to meet the unique needs of a child with a disability. The term includes instruction in physical education and instruction conducted in a classroom, the home, a hospital or institution, and other settings."

SECTION 3. G.S. 115C-112.6 reads as rewritten:

"**§ 115C-112.6. ~~Scholarship grants.~~Scholarships.**

(a) Scholarship applications. – The Authority shall make available no later than May 1 annually applications to eligible students for the award of ~~scholarship grants to attend any nonpublic school and to receive special education and related services in a nonpublic school setting.~~ scholarships. Information about ~~scholarship grants~~scholarships and the application process shall be made available on the Authority's Web site. The Authority shall give priority in awarding ~~scholarship grants~~scholarships to eligible students who received a scholarship ~~grant~~ during the previous semester. Except as otherwise provided by the Authority for prior scholarship ~~grant~~ recipients, ~~scholarship grants~~scholarships shall be awarded to eligible students in the order in which the applications are received.

(a1) Web site availability. – Information about scholarships and the application process shall be made available on the Authority's Web site. The Authority shall also include information on the Web site notifying parents that federal regulations adopted under IDEA provide that no parentally-placed private school child with a disability has an individual right to receive some or all of the special education and related services that the child would receive if enrolled in a public school.

(b) Scholarship awards. – ~~Scholarship grants~~Scholarships awarded to eligible students shall be for amounts of not more than three thousand dollars ($3,000) per semester per eligible student. Eligible students awarded ~~grants~~ scholarships may not be enrolled in a public ~~school.~~school to which that student has been assigned as provided in G.S. 115C-366. ~~Scholarship grants~~Scholarships shall be awarded only for the reimbursement of ~~tuition and special education and related services,~~tuition, special education, related services, and educational technology, as provided in subsection (b1) of this section. ~~including those services provided to home schooled students.~~ The Authority shall notify parents in writing of their eligibility to receive scholarships for costs that will be incurred during the spring semester of

the following year by December 1 and for costs incurred during the fall semester of that year by July 1.

(b1) Scholarship reimbursements. – Scholarship reimbursement shall be provided as follows:

(1) Preapproval process. – Prior to the start of each school semester, the parent of an eligible student may submit documentation of the tuition, special education, related services, or educational technology the parent anticipates incurring costs on in that semester for preapproval by the Authority.

(2) Reimbursement submissions. – Following the conclusion of each school semester, the parent of an eligible student shall submit to the Authority any receipts or other documentation approved by the Authority to demonstrate the costs incurred during the semester. In addition, parents shall provide documentation of the following to seek reimbursement:

(a) Tuition reimbursement. – Parents may only receive reimbursement for tuition if the parent provides documentation that the student was enrolled in nonpublic school or public school for which payment of tuition is required for no less than 75 days of the semester for which the parent seeks reimbursement. Tuition reimbursement shall not be provided for home schooled students.

(b) Special education reimbursement. – Parents may only receive reimbursement for special education if the parent provides documentation that the student received special education for no less than 75 days of the semester for which the parent seeks reimbursement. Special education reimbursement shall not be provided for special education instruction provided to a home schooled student by a member of the household of a homeschool, as defined in G.S. 115C-563(a).

(c) Related services reimbursement. – Parents may only receive reimbursement for related services if the parent provides documentation that the student also received special education for no less than 75 days of the semester for which the parent seeks reimbursement for the related services. Related services reimbursement shall not be provided for related services provided to a home schooled student by a member of the household of a homeschool, as defined in G.S. 115C-563(a).

(d) Educational technology reimbursement. – Parents may only receive reimbursement for educational technology if the parent provides documentation that the student used the educational technology for no less than 75 days of the semester for which the parent seeks reimbursement.

~~Parents may only receive reimbursement for related services provided to home schooled students if the parent provides documentation that the student received related services for no less than 75 days of the semester for which the parent seeks reimbursement. The Authority shall notify parents in writing of their eligibility to receive scholarship grants for costs that will be incurred during the spring semester of the following year by December 1 and for costs incurred during the fall semester of that year by July 1. Following the conclusion of each school semester, the parent of an eligible student shall submit to the Authority any receipts or other documentation approved by the Authority to demonstrate the costs incurred during the semester as well as documentation that the student was enrolled in the nonpublic school for no less than 75 days of the semester for which the parent seeks reimbursement for tuition or~~

~~documentation that related services were provided to a home-schooled student for no less than 75 days of the semester for which the parent seeks reimbursement for related services.~~

(3) Scholarship award. – The Authority shall award a scholarship ~~grant~~ in the amount of costs demonstrated by the parent up to the maximum amount. If the costs incurred by the parent do not meet the maximum amount, the Authority shall use the remainder of those funds for the award of ~~scholarship grants~~scholarships to eligible students for the following semester. The Authority shall award ~~scholarship grants~~scholarships to the parents of eligible students at least semiannually.

(c) Student reevaluation. – After an eligible student's initial receipt of a ~~scholarship grant,~~scholarship, the Authority shall ensure that the student is reevaluated at least every three years by the local educational agency in order to verify that the student continues to be a child with a disability.

(d) Rulemaking. – The Authority shall establish rules and regulations for the administration and awarding of ~~scholarship grants.~~scholarships. The Authority shall annually develop a list of educational technology for which scholarships may be used and shall provide scholarship recipients with information about the list.

SECTION 4. G.S. 115C-112.6 is amended by adding a new subsection to read:

"(e) Public Records Exception. – Scholarship applications and personally identifiable information related to eligible students receiving scholarships shall not be a public record under Chapter 132 of the General Statutes. For the purposes of this section, personally identifiable information means any information directly related to a student or members of a student's household, including the name, birthdate, address, social security number, telephone number, email address, financial information or any other information or identification number that would provide information about a specific student or members of a specific student's household."

SECTION 5. G.S. 115C-112.7 reads as rewritten:

"**§ 115C-112.7. Verification of eligibility.**

(a) The Authority may seek verification of information on any application for ~~scholarship grants~~scholarships from eligible students. If a parent fails to cooperate with verification efforts, the Authority shall revoke the award of the scholarship ~~grant~~ to the eligible student.

(b) Parents of applicants for ~~scholarship grants~~scholarships shall authorize the Authority to access any information held by the local educational agency that is needed for verification efforts."

SECTION 6. G.S. 115C-112.7 reads as rewritten:

"**§ 115C-112.8. Authority reporting requirements.**

(a) The Authority shall report annually, no later than October 1, to the Joint Legislative Education Oversight Committee on the Special Education ~~Scholarship Grants~~Scholarships for Children with Disabilities.

(b) The annual report shall include all of the following information:

(1) Total number, age, and grade level of eligible students receiving ~~scholarship grants.~~scholarships.

(2) Total amount of scholarship ~~grant~~ funding awarded.

(3) Nonpublic schools in which scholarship ~~grant~~ recipients are enrolled and the number of scholarship ~~grant~~ students at that school.

(4) The type of special education or related services for which ~~scholarship grants~~scholarships were awarded."

SECTION 7. Article 9 of Chapter 115 of the General Statutes is amended by adding a new section to read:

"**§ G.S. 115C-112.9. Duties of State Board of Education.**

(a) The State Board, as part of its duty to monitor all local educational agencies to determine compliance with this Article and IDEA as provided in G.S. 115C-107.4, shall ensure that local educational agencies do the following:

(1) Conduct evaluations requested by a child's parent or guardian of suspected children with disabilities, as defined in G.S. 115C-107.3, in a timely manner as required by IDEA.

(2) Provide reevaluations to identified children with disabilities receiving scholarships as provided in Part 1H of this Article at the request of the parent or guardian to ensure compliance with G.S. 115C-112.6(c)."

SECTION 8. G.S. 110-86 reads as rewritten:

"**§ 110-86. Definitions.**

Unless the context or subject matter otherwise requires, the terms or phrases used in this Article shall be defined as follows:

...

(2) Child care. – A program or arrangement where three or more children less than 13 years old, who do not reside where the care is provided, receive care on a regular basis of at least once per week for more than four hours but less than 24 hours per day from persons other than their guardians or full-time custodians, or from persons not related to them by birth, marriage, or adoption. Child care does not include the following:

...

f. Nonpublic schools described in Part 2 of Article 39 of Chapter 115C of the General Statutes that are accredited by national or regional accrediting agencies with early childhood standards and that operate (i) a child care facility as defined in subdivision (3) of this section for less than six and one-half hours per day either on or off the school ~~site;~~site, or (ii) a child care facility for more than six and one-half hours per day, but do not receive NC Pre-K or child care subsidy funding;

...."

SECTION 9. Section 4 of this act becomes effective July 29, 2013. The remainder of this act is effective when it becomes law and Sections 1 through 7 apply to grants awarded beginning with the 2014-2015 school year.

HOUSE BILL 712:
Clarifying Changes/Special Ed Scholarships

2013-2014 General Assembly

Committee:	Senate Education/Higher Education	**Date:**	June 18, 2014
Introduced by:	Reps. Glazier, Stam, Jackson	**Prepared by:**	Drupti Chauhan and Patsy Pierce Committee Staff
Analysis of:	PCS to Second Edition H712-CSTC-49		

SUMMARY: ***House Bill 712 clarifies that a court award of compensation to an expert witness is limited to compensation for actual time spent providing testimony at trial, deposition, or other proceedings.***

The Proposed Committee Substitute (PCS) for House Bill 712 removes the provisions related to expert witness compensation and would do the following: (i) make revisions to the definitions of terms that apply to the Special Education Scholarship Grants for Children with Disabilities; (ii) clarify information that must be made available; (iii) provide more detailed requirements for scholarship reimbursements; (iv) provide for a public records exemption on student data; (v) ensure that evaluations and re-evaluations for children with disabilities are conducted; and (vi) makes changes to the definition of child care.

CURRENT LAW for Sections 1-7: In 2013, the General Assembly repealed the tax credit for children with disabilities and the related Fund for Special Education and Related Services and created a new program entitled the Special Education Scholarship Grants for Children with Disabilities (disability scholarships) that provides up to $3,000 per semester to eligible students for reimbursement of tuition and special education and related services. To be eligible for a disability scholarship, a child with a disability under the age of 22 must meet the following requirements:

- Require an individualized education plan.
- Receive special education or related services on a daily basis.
- Meet one of the following requirements:
  - Was enrolled in a North Carolina public school during the previous semester.
  - Received special education or related services through the North Carolina public schools as a preschool child with a disability during the previous semester.
  - Received a scholarship grant for the previous semester.
  - Be eligible for initial enrollment in kindergarten or the first grade in a North Carolina public school.

A child with a disability is not eligible if the child has been placed in a nonpublic school or facility by a public agency at public expense, has been enrolled in a postsecondary institution as a full-time student, or has received a high school diploma. To remain eligible, a child must be reevaluated by the local educational agency every three years to verify that the child continues to have a disability.

The State Education Assistance Authority (SEAA) administers the disability scholarships with priority given in awarding grants to students who received a grant in the previous semester and then all others in the order in which applications are received. Parents must submit receipts or other documentation to the

SEAA at the end of each semester for reimbursement up to the maximum amount of the grant. Parents also must provide documentation that the student was enrolled in nonpublic school or was homeschooled and receiving related services for no less than 75 days of the semester for which the parent seeks reimbursement.

BILL ANALYSIS for Sections 1-7:

Sections 1 and 2 of the PCS would retitle the "Special Education Scholarship Grants for Children with Disabilities" to the "Special Education Scholarships for Children with Disabilities" and make revisions to the definitions that apply to the disability scholarships that include:

- Adding a definition for "educational technology" to mean a piece of equipment, material, product, or system which may be bought off of the shelf, modified or customized and is used primarily for educational purposes for a child with a disability. The SEAA would be required to develop a list of educational technology for which disability scholarship funds may be used.
- Amending the definition of disability scholarships to provide that the money may be used by eligible students to receive special education on a daily basis while attending either a non-public school or a North Carolina public school for which payment of tuition is required.
- Adding a definition for "special education" to mean specially designed instruction to meet the needs of a child with a disability and include instruction in physical education and instruction in a classroom, home, hospital, or institution and other settings.
- Making the following changes to eligibility:
  - Deleting the requirement that the child with a disability have an individualized education plan.
  - Deleting the requirement that the student be a child with a disability who receives special education or related services on a daily basis in order to be eligible.
  - Adding the requirement that the student be a child with a disability who is eligible to attend a public school in this State under the admissions statute (G.S. 115C-366).
  - Clarifying, among the 4 alternative requirements for eligibility, the following:
    - The student was approved for a disability scholarship for previous semester.
    - The student is identified as a child with a disability before the end of the initial year of enrollment in kindergarten or first grade. If this alternative is used to meet eligibility, then the award of the disability will be conditional. If documentation is not provided to the SEAA before the end of the year of initial enrollment that the student is a child with a disability then (i) no reimbursement can be awarded and (ii) the student will not meet the requirement in the following year for having been approved for a disability scholarship in the previous year.

Section 3 of the PCS would make the following changes:

- Clarify that the SEAA must include information on its website that federal regulations under the Individuals with Disabilities in Education Act (IDEA) stating that a child with a disability who has been parentally placed in a private school does not have an individual right to receive some or all of the special education and related services the child would have received if enrolled in a public school.
- Clarify that disability scholarships can only be awarded for reimbursement for (i) tuition; (ii) special education, (iii) related services; and (iv) educational technology.

- Provide that documentation for anticipated costs for each of the above 4 items may be submitted to the SEAA before the start of a school semester for preapproval by the SEAA.
- Clarify that documentation must be provided for specific types of reimbursement:
  - Tuition reimbursement – requires proof that the student was enrolled in a nonpublic school or public school charging tuition for 75 days of the semester.
  - Special education reimbursement – requires proof that the student received special education for 75 days of the semester. Cannot be provided for home schooled student if the special education instruction was provided by a member of the student's household.
  - Related services reimbursement – requires proof that the student also received special education for 75 days of the same semester as the related services. Cannot be provided for a home schooled student if the related services were provided by a member of the student's household.
  - Educational technology reimbursement – requires proof that student used the educational technology for 75 days of the semester.

Section 4 of the PCS would provide that applications for the disability scholarships and personally identifiable information related to eligible students receiving the disability scholarships are not public records. Personally identifiable information includes the following: information directly related to a student or members of the student's household including the name, birthdate, address, social security number, telephone number, email address, financial information, or any other information or identification number that would provide information about a specific student or the members of the student's household.

Sections 5 and 6 make technical conforming changes.

Section 7 would direct the State Board of Education to ensure that the local school administrative units do the following:

- Conduct timely evaluations requested by the parent of a child suspected to be a child with a disability.
- Provide reevaluations to children identified with disabilities receiving disability scholarships at the request of the parent to ensure the parent is in compliance with the requirements of the disability scholarship program.

CURRENT LAW for Section 8:

G.S. 110-86 defines terms related to licensed child care, and specifies that nonpublic schools that are nationally or regionally accredited and operate a child care facility for less than six and one-half hours per day would not have to be licensed.

BILL ANALYSIS FOR Section 8:

Section 8 of the PCS would exempt a nonpublic school that does not receive NC Pre-K or child care subsidy funding from licensure requirements, even if the school operates a child care facility for more than 6.5 hours per day.

EFFECTIVE DATE: Section 4 of the bill (which addresses the public records exemption) becomes effective July 29, 2013. The remainder of the bill is effective when it becomes law. Sections 1-7 apply to disability scholarships that are awarded beginning with the 2014-2015 school year.

VISITOR REGISTRATION SHEET

Education/Higher Education

(Committee Name)

6-18-14

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[signature]	Ed Consultant
[signature]	Smith Anderson
Kaitlin Rutherford	McGuireWoods
LeKisha Jordan	Governor's Office
Otto Katt	Governor's Office
Whitaker Brown	Governor's Office
Brady Bender	Gov's Office
Donna Beard	Citizen
Christin Panchi	Rep. Stam's Office
Amy O'Neal	Rep. Stam's office
Jennifer Mahan	ASNC
Julia Adams	Arc NC, MARC, NCARF, ASNC
Elizabeth [illegible]	OSBM
[signature]	OSBM
Jeff Moore	NC Commerce
Sara Salisbury	NC DOJ
Katie Hagan	BEST NC

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education

(Committee Name)

6-18-14

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
INDIRA DAMMU	NCNS
Corye Dunn	SRNC
Adam Prademac	NCASA
Isabel-Villa-Garcia	NCSBA
Sheria Reid	School of Govt
Annette Ethridge	Crowder Consulting
Joni Allen	BEGINNINGS
Pat Skinner	Gaston College

09-21-201

VISITOR REGISTRATION SHEET
Education/Higher Education

(Committee Name)
6-18-14

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Michelle Brooks	East Carolina University
Corey Carter	UNC Asheville
Meredith Whitfield	Western Carolina University
Mary Shuping	NCCCS
Vicki Beyer	League of Women Voters
Ben Coley	Higher Ed Works
Amy Womble	Cary, NC
Melissa Wargo	Western Carolina University
Jonathan Keppler	UNC GA
RB Lamm	RLA
Maddy Sweitzer	RLA
Meaghan Lewis	NC chamber
Julie Hochsztein	NCACC
Lt Col Robert Carver	NC National Guard
Terrence Wilson	ACLU-NC
Ed Smith	BP
Edna Wallace	NCNS

09-21-201

VISITOR REGISTRATION SHEET

Education/Higher Education

(Committee Name)

6-18-14

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kara Wells	arts NC
Gene Causby	NCSCA
Lacy Presnell	NCRSP
Richard Thompson	NCCAT
Khari Garvin	NC HSSCO
Erin Gray	Office of Governor
Leanne Winner	NCSBA
Tom Mundell	NCICU
Christian McDonald	Intern Stevens Lobby
Joanne Stevens	NCNA

09-21-201