2015-2016

HOUSE APPROPRIATIONS – EDUCATION

MINUTES

HOUSE COMMITTEE ON EDUCATION APPROPRIATIONS

2015 - 2016 SESSION

Clerks: Dixie Riehm, Pattie Fleming, Emma Shelby, Kevin Wilkinson



Rep. Blackwell
Chairman



Rep. Bryan
Chairman



Rep. Holloway
Chairman



Rep. Horn
Chairman



Rep. Gill
Vice Chairman



Rep. Glazier
Vice Chairman



Rep. Stam
Vice Chairman



Rep. Whitmire
Vice Chairman



Rep. L. Bell



Rep. Brockman



Rep. Conrad



Rep. Elmore



Rep. Fraley



Rep. Lucas



Rep. Michaux

HOUSE MEETING ATTENDANCE

APPROPRIATIONS SUB-COMMITTEE ON EDUCATION

DATES	02/11/15	02/24/15	03/04/15	03/11/15	03/18/15	04/01/15	05/14/15	05/14/15	06/30/15	07/01/15					
Rep. Hugh Blackwell, Chair	X	X	X	X	X	X	X	X	X	X					
Rep. Rob Bryan, Chair	X	X	X	X	X		X	X	X						
Rep. Bryan Holloway, Chair	X	X	X		X		X	X	X	X					
Rep. Craig Horn, Chair	X	X	X	X	X	X	X	X	X	X					
Rep. Rosa Gill, Vice-Chair	X	X	X	X	X	X	X	X	X	X					
Rep. Rick Glazier, Vice-Chair	X	X				X	X	X	X	X					
Rep. Paul Stam, Vice-Chair	X	X	X		X	X	X	X	X	X					
Rep. Chris Whitmire, Vice-Chair	X	X			X	X	X	X	X	X					
Rep. Larry Bell	X	X	X	X	X	X	X	X	X	X					
Rep. Cecil Brockman	X	X	X	X		X	X	X	X	X					
Rep. Debra Conrad	X	X	X		X	X	X	X	X	X					
Rep. Jeffrey Elmore	X	X		X		X	X	X	X						
Rep. John Fraley	X	X	X	X	X	X	X	X	X	X					
Rep. Marvin Lucas	X	X	X	X	X		X	X	X	X					
Rep. Mickey Michaux	X	X	X	X	X	X	X	X	X						

SENATE JOINT MEETING ATTENDANCE
WHEN COMMITTEES WERE CHAIRED BY HOUSE

APPROPRIATIONS COMMITTEE ON EDUCATION

DATES	02/11/15	02/24/15	03/04/15	03/11/15	03/18/15							
SEN. TOM APODACA, CHAIR												
SEN. CHAD BAREFOOT, CHAIR	X		X	X	X							
SEN. DAN SOUCEK, CHAIR	X		X	X	X							
SEN. DAVID L. CURTIS	X	X	X	X	X							
SEN. DON DAVIS		X	X	X	X							
SEN. FLETCHER HARTSELL, JR			X									
SEN. BOB RUCHO		X	X									
SEN. ERICA SMITH-INGRAM			X		X							
SEN. JERRY W. TILLMAN		X	X	X								
SEN. JOYCE WADDELL	X	X	X	X	X							

List of Frequently Used Education Acronyms and Abbreviations

ADM	Average Daily Membership (a measure of student headcount)
AIG	Academically or Intellectually Gifted
AP	Advanced Placement
Approps / Ed Approps	Appropriations Committee / Education Appropriations Subcommittee
ASU	Appalachian State University
BOG	University of North Carolina Board of Governors
CC	Community College
Con Ed	Continuing Education
CTE	Career & Technical Education
CWD	Children with Disabilities
DPI	Department of Public Instruction
DSSF	Disadvantaged Student Supplemental Funding
ECSU	Elizabeth City State University
ECU	East Carolina University
Ed	Education
FRD / Fiscal	Fiscal Research Division
FSU	Fayetteville State University
FTE	Full-Time Equivalent (either referring to students or employees)
FY	Fiscal Year
G.S.	General Statute
IDEA	Individuals with Disabilities Education Act
IPEDS	Integrated Post-secondary Education Data System
LEA	Local Education Agency (local school district)
LEP	Limited English Proficiency
NAEP	National Assessment of Educational Progress
NBPTS	National Board for Professional Teaching Standards
NCA&T	NC Agricultural and Technical State University
NCCAT	North Carolina Center for the Advancement of Teaching
NCCCS	North Carolina Community College System

List of Frequently Used Education Acronyms and Abbreviations

NCCU	North Carolina Central University
NCGA/GA	NC General Assembly
NCICU	North Carolina Independent Colleges and Universities
NCLB	No Child Left Behind
NCSU	North Carolina State University
NCVPS	North Carolina Virtual Public School
NR	Nonrecurring
R	Recurring
RttT	Race to the Top
SBCC	State Board of Community Colleges
SEAA	NC State Education Assistance Authority
Sec.	Section number (in a bill)
S.L.	Session Law
SP	Special Provision
System Office	NCCCS System Office
TAs	Teacher Assistants
TFA	Teach for America
UNC	The University of North Carolina System. Occasionally, UNC-Chapel Hill.
UNC-A	University of North Carolina at Asheville
UNC-C	University of North Carolina at Charlotte
UNC-CH	University of North Carolina at Chapel Hill
UNC-G	University of North Carolina at Greensboro
UNC-GA, GA	UNC - General Administration
UNC-P	University of North Carolina at Pembroke
UNC-SA	University of North Carolina School of the Arts
UNC-W	University of North Carolina at Wilmington
WCU	Western Carolina University
WSSU	Winston-Salem State University

GLOSSARY OF FREQUENTLY USED FISCAL TERMS

ALLOCATION OR ALLOTMENT: The method of distribution for State and federal funds to local education agencies or community colleges. Each has a specific distribution formula and specific rules governing allowable use of funds.

APPROPRIATION: An action by the General Assembly authorizing the withdrawal of money from the State treasury. An enactment by the General Assembly that authorizes, specifies, or otherwise provides that funds may be used for a particular purpose is not an appropriation.

AUTHORIZED BUDGET: The funds appropriated by the General Assembly updated to reflect line-item reallocations allowed by the State Budget Act and approved by the Office of State Budget and Management.

AVERAGE DAILY MEMBERSHIP (ADM): Metric used to measure public school student headcount. This metric is most applicable for the purposes of determining State funding allotments provided to local school districts.

BIENNIUM: The two fiscal years beginning on July 1 of each odd-numbered year and ending on June 30 of the next odd-numbered year.

BOILERPLATE: Special provisions (budgetary language) that are typically repeated year after year in the budget bill.

CARRY-FORWARD: Funds that are appropriated but unspent which, by authorized budget revision, are brought forward for expenditure in the following fiscal year.

CERTIFIED BUDGET: The budget as enacted by the General Assembly including adjustments made for (i) distributions to State agencies from statewide reserves appropriated by the General Assembly, (ii) distributions of reserves appropriated to a specific agency by the General Assembly, and (iii) organizational or budget changes directed by the General Assembly but left to the Director of the Budget to carry out.

CONTINUATION (BASE) BUDGET: The budgeted amounts for operating funds required to carry on already established programs at the level of support approved by the previous General Assembly.

DEPARTMENTAL RECEIPTS: Fees, licenses, federal funds, grants, fines, penalties, tuition, and other similar collections or credits generated by State agencies in the course of performing their governmental functions and that are not defined as tax proceeds or nontax revenues. Departmental receipts may include moneys transferred into a fiscal year from a prior fiscal year.

ENCUMBRANCE: A financial obligation created by a purchase order, contract, salary commitment, unearned or prepaid collections for services provided by the State, or other legally binding agreement.

EXPENDITURE: The spending of funds by a State entity or agency.

FULL-TIME EQUIVALENT (FTE) (Employee Measure): A unit used to quantify staffing. One FTE (1.0) is a full-year, 40-hour-per-week position.

FULL-TIME EQUIVALENT (FTE) (Student Measure): In the Community College System, FTE is used as a standard way of measuring students. One FTE represents 16 student membership hours per week for 16 weeks or 256 student membership hours for each semester enrolled.

GENERAL FUND: The main source of operating funds for the State. This is the fund to which revenues are deposited that are not designated for special purposes and are therefore available to support the general operations of the State government.

LAPSED SALARY: Surplus funds that accrue because a position is vacant due to delays in hiring, resignations, terminations, or retirements. Lapsed salary surpluses are *one-time* funds that accumulate only while a position vacancy exists.

LOCAL EDUCATION AGENCY (LEA): One of several terms used to denote a local school system, along with local school administrative unit and school district. North Carolina has 115 LEAs.

NEGATIVE RESERVE: A method by which a budget reduction is imposed without detailing the specific lines of expenditure to be decreased.

NET GENERAL FUND APPROPRIATION: The appropriation of the General Fund's general purpose revenue. For a specific budget or program, the net general fund appropriation equals total requirements (or expenditures) minus receipts.

NON-RECURRING: Term used to denote one-time revenues, expenditures, or reductions.

RECURRING: Term used to denote revenues, expenditures, or reductions that will be continuing.

REQUIREMENTS: The total amount of funds budgeted to fund a program or budget line. For any given program or budget line, requirements minus receipts equal the net appropriated amount.

REVERSIONS: The unexpended, unencumbered balance of an appropriation at fiscal year-end that reverts, as required by law, to the fund from which the appropriation was made.

SALARY RESERVE: Unobligated or surplus funds generated by a position being filled at a salary less than the budgeted salary authorized by the General Assembly.

SPECIAL PROVISIONS: Language contained in the Appropriation Bill pertaining to State fiscal matters, the management, evaluation, and oversight of State government programs or policy, and the expenditure of appropriations contained in the Bill.

SPECIAL FUNDS: Accounts to which revenues are deposited that are designated for a specific purpose and remain in the account until expended for that purpose. Special Funds do not have General Funds directly appropriated to them. By definition, money in a special fund does not revert at the end of the fiscal year.

TRUST FUNDS: Accounts consisting of resources received and held by the State as trusted to be expended or invested in accordance with the conditions of the trust. In other words, Trust Funds are accounts where the State acts as a trustee. The State can only execute the terms of the trust; it cannot change the purpose for which the trust was created.

AGENDA

JOINT MEETING: HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION AND SENATE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION/HIGHER EDUCATION

February 11, 2015 8:30 a.m.
Legislative Office Building - Room 423

House Subcommittee Co-Chairs
Rep. Hugh Blackwell
Rep. Rob Bryan
Rep. Bryan Holloway
Rep. D. Craig Horn

Senate Subcommittee Co-Chairs
Sen. Tom Apodaca
Sen. Chad Barefoot
Sen. Dan Soucek

House Subcommittee Vice-Chairs
Rep. Rosa Gill
Rep. Rick Glazier
Rep. Paul Stam
Rep. Chris Whitmire

House Subcommittee Members
Rep. Larry Bell
Rep. Cecil Brockman
Rep. Debra Conrad
Rep. Jeffrey Elmore
Rep. John Fraley
Rep. Marvin Lucas
Rep. Henry M. Michaux Jr.

Senate Subcommittee Members
Sen. David Curtis
Sen. Don Davis
Sen. Fletcher Hartsell Jr.
Sen. Bob Rucho
Sen. Erica Smith-Ingram
Sen. Jerry Tillman
Sen. Joyce Waddell

I.	**Welcome & Opening Remarks**	Representative Hugh Blackwell, Presiding Co-Chair
II.	**Committee Member Introductions**	
III.	**Overview of Education Appropriations Subcommittee**	Brian Matteson Fiscal Research Division
IV.	**Education Budgets in Brief**	Kristopher Nordstrom, Mark Bondo, Brett Altman Fiscal Research Division
	Adjourn	**NEXT MEETING: February 17, 2015**

House Committee on Appropriations, Education
Wednesday, February 11, 2015 at 8:30 AM
Room 423 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Education met at 8:30 AM on February 11, 2015 in Room 423 of the Legislative Office Building. Representatives L. Bell, Blackwell, Brockman, Bryan, Conrad, Elmore, Fraley, Gill, Glazier, Holloway, Horn, Lucas, Michaux, Stam, and Whitmire attended. Senators Barefoot, Curtis, Hartsell, Soucek and Waddell were also in attendance. Staff from Fiscal Research was Brian Matteson, Kris Nordstrom, Brett Altman and Mark Bondo. Research Department staff in attendance was Drupti Chauhan, Kara McCraw and Denise Huntley-Adams. Leslie Karkanawi from Bill Drafting was also present. Visitor registration sheets are provided. (Attachment 1)

Representative Hugh Blackwell, Chair, presided. He introduced the Sergeant at Arms from the House and Senate as well as the visiting pages from each chamber. (Attachment 2) Following the welcome and opening remarks by Chairman Blackwell, committee members introduced themselves to attendees.

Brian Matteson, FRD, provided an overview of the committee's responsibilities and operations as well as a brief explanation of the 2015-17 budget process. (Attachment 3) He noted that the House will take the lead on budget preparation for this session. The committee will meet jointly until it receives the Governor's recommended adjustments to the budget, at which point in time, the House and Senate will likely meet independently until ready for joint conference.

A summary of the budget for public schools for fiscal year 2014-15 followed. (Attachment 4) The handout and accompanying presentations by FRD staff addressed the budgets of K-12, community colleges and the University of North Carolina System in respect to the amount of money budgeted for FY 2014-15, the current allocation of funds and an overview of what happened in the education budget over the last biennium.

There being no further business, Chairman Blackwell called the meeting adjourned at 9:15 AM.

Representative Hugh Blackwell, Chair
Presiding

Dixie Riehm, Committee Clerk

VISITOR REGISTRATION SHEET

Joint Committee on Appropriation Education — 2/11/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Bruce Mildwurf	NCSBA
Adam Pridemore	NCASA
Elizabeth Dennett	The Hunt Institute
Jackson Cozart	NSS
Richard Thompson	NCCPI
Jonathon Kappler	UNC GA
Andrea Pate	"
Drew Moretz	UNC GA
Nick Goettsch	OSBM
Bryan Conrad	OSBM
Jenna A. Robinson	Pope Center

VISITOR REGISTRATION SHEET

Joint Committee on Appropriation Education — 2/11/2015
Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mary Stuping	NCCCS
Rachel Bearden	NCDPI
Jackson Stancil	LCS
Cheryl Posner-Cahill	NC School Psych Assoc
Martez Hill	NC State Bd of Educ

VISITOR REGISTRATION SHEET

Joint Committee on Appropriation Education — 2/11/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Katherine Joyce	NCASA
Douglas Holbrook	NC SBA
Tom West	NCICU
Vicki Bayer	self
Grady O'Brien	Staff
Gregg Sinders	staff
Aaron Fleming	staff
Zane Stilwell	NC SBE
Lindsay Wagner	NC Policy Watch

VISITOR REGISTRATION SHEET

Joint Committee on Appropriation Education — 2/11/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Julie Badbum	NCGA - Sen. Apodaca
[illegible]	NCICU
Anna [illegible]	NC Family Action

Committee Sergeants at Arms

NAME OF COMMITTEE Joint Committee on Appropriation Education

DATE: 2/11/2015 Room: 423

House Sgt-At Arms:

1. Name: Charles Godwin
2. Name: Dean Marshbourne
3. Name: Bill Morris
4. Name: Chris Moran
5. Name:

Senate Sgt-At Arms:

1. Name: Canton Lewis
2. Name: Anderson Meadows
3. Name: Marcus Kitts
4. Name:
5. Name:

Union Lewis
Anderson Meadows
Marcus Kitts

PAGES ATTENDING

Senate

Date: & Time 8:30 2-11-15

Committee: Appropriations - Education Room: 423

PLEASE PRINT LEGIBILY!!!!!

Page Name	Hometown	Sponsoring Senator
1 Ben Marklin	Mocksville	Senator Brock
2		
3		
4		
5		
6		
7		
8		
9		

Do not add additional names below the grid.

Pages: Please present this form to either the Committee Clerk at the meeting or a Sgt. at Arms.

House and Senate Appropriations Chairs' Guidance for Subcommittee Chairs

February 4, 2015

Subcommittee Work

- Conduct joint educational meetings beginning Tuesday, February 10 (see below)
- Rotate presiding over meetings
- Maintain transparency by having open meetings and posting documents to committee websites
- Consult other subcommittees for items that cross multiple agencies
- Refer certain items to the Full Chairs
  - Salary-related items, debt service, capital or other Statewide issues
- Plan to check in with the Full Chairs on your progress reviewing agencies and programs

Joint Educational Meetings

- Evaluate agencies by looking at the programs and services they provide. For each program/service, look at:
  - Does this program fulfill a Constitutional requirement?
  - Is this program required by federal mandate? State mandate?
  - Is this program appropriately funded to complete its mission?
    - Do program outcomes justify expenditures?
    - If funding is too high, reduce funding.
    - If funding is too low,
      - eliminate the program
        OR
      - increase funding so that core services can be provided
  - For mandatory programs, are there ways to manage growth and reduce expenditures?
  - For non-mandatory programs, can priority or rank order be given to them?

- Where appropriate, look at long-term issues that may be addressed by more than one program.
  - Is the set of services or programs the State offers an effective way to address the issue?
  - Can some programs be eliminated?
  - Can the savings from those programs be used more effectively to run other programs?

- Use evaluations that are already available: NC GEAR report, Program Evaluation Division reports, study committee reports, audits, and agency reports submitted to Gov Ops, oversight committees, or Fiscal Research.

Public Schools FY 2014-15 Summary

How Much Is There?

FY 2014-15 Certified Budget

Expenditures:	$11,535,567,149
Receipts:	$3,364,531,340
Appropriation:	$8,171,035,809

Source: BD 307 Certified Budget, December 2014

Where Does It Go?

Nearly all of the funds appropriated to public schools are allotted to local education agencies (LEAs) for the operation of K-12 classrooms, with the exception of funding for the Residential Schools for the Deaf and Blind and related services, the North Carolina Center for the Advancement of Teaching, and the operating budgets for the Department of Public Instruction (DPI) and State Board of Education. Direct support to LEAs is over 99% of the total public schools budget.

The five largest State funding allotments are:

- **Classroom Teachers** ($2.846 B): Provides LEAs guaranteed teaching positions based on recommended class size levels. This budgeted amount supports over 66,000 positions.
- **Children with Disabilities** ($688 M): Funds a program of support for students with an identified disability (CWD) in the public schools. The eligible CWD headcount for FY 2014-15 is 174,232 students and the allotment provides roughly $3,927 per student.
- **Teacher Assistants** ($355 M): Provides LEAs with roughly $1,170 per student in grades K-3. Funds may be used to support TAs or classroom teachers only.
- **Noninstructional Support** ($366 M): Provides LEAs with roughly $240 per student in grades K-12. Funds may be used to support clerical, custodial, substitute, or other staff.
- **Instructional Support** ($348 M): Provides LEAs 1 guaranteed position for every 218 ADM to fund nurses, counselors, psychologists, media specialists, social workers, and librarians. This budgeted amount supports 7,010 positions.
- **Note**: The above amounts are from the December 2014 certified budget and have already been reduced for the statutorily-required transfer to charter schools. The amounts do not include matching benefits costs for Classroom Teachers and Instructional Support guaranteed positions.

What Happened Last Biennium?

- **LEA Adjustment:** Eliminated the LEA Adjustment, or negative reserve, in FY 2013-14 through a combination of specific allotment decreases and additional appropriations.
- **Teacher Salary Increases:** Provided $282 million in FY 2014-15 to increase Classroom Teacher salaries by an average of 7% and remodeled the experience-based salary schedule from 30 steps to 6 tiers.
- **Opportunity Scholarships:** Authorized scholarship grants of $4,200 per year for eligible low-income students to attend nonpublic schools with State support.
- **School Performance Grades:** Established the formula (80% performance, 20% growth) for performance grades and required the first grades to be published this month.

North Carolina Community College System FY 2014-15 Summary

How Much Is There?

FY 2014-15 Certified Budget	
Expenditures:	1,494,243,930
Receipts:	$444,189,265
Appropriation:	$1,050,054,665

Source: Certified Budget, December 2014

Where Does It Go?

Ninety-eight percent (98%) of the NC Community College System budget flows to the community colleges either directly or as student aid. The majority of that funding goes out as formula funding, based on the number and type of full-time equivalent (or FTE) students at each college.

Major allocations include:

- **Tiered Instruction Funding** ($759 M): Curriculum ($668 M) and continuing education ($91 M) funding is allocated on a tiered funding basis. Tier 1A includes curriculum and continuing education budget FTE in health care and technical education courses in priority occupations that have documented skills gaps and pay higher wages. Tier 1B includes budget FTE in other high cost areas of health care, technical education, lab-based science and college-level math courses. Tier 2 includes all other curriculum budget FTE, Basic Skills budget FTE, and continuing education courses mapped to a third-party credential, certification, or industry-designed curriculum. Tier 3 includes all other continuing education.
- **Basic Skills Block Grant** ($74 M): Basic skills FTE are funded at the Tier 2 rate. Additionally, colleges receive additional funds based on student progress and GED attainment.
- **Institutional & Academic Support** ($483 M): Funding allocated for the management and administration costs of the institution, including student support and academic program support. Funding includes a base allotment, an enrollment allotment, and a multi-campus allotment.
- **Performance-Based Funding Allocations** ($18 M): Funding allocated based on institutional performance on a number of accountability measures and performance standards.
- **Categorical Allocations** ($74 M): There are a number of smaller, categorical allocations that fund the following: Equipment and instructional resources, Federal Vocational Education, child care, small business centers, and, the Customized Training program.

What Happened Last Biennium?

- **Enrollment Model Funding Change:** The legislature modified the enrollment funding model so that budget FTE is now calculated based on the higher of the prior year's enrollment or the average of the prior two years, resulting in a $20 million reduction due to declining enrollments.
- **Addition of Fourth Tier to Funding Model:** The FY 2014-15 budget provided $15 million to expand the tiered funding model.
- **Performance-Based Funding:** Directed the implementation of a system for allocating funds to colleges based on institutional performance.
- **Yellow Ribbon G.I. Education Enhancement Program:** Provided $1 million in forward funding to match federal funds to reduce tuition costs for non-resident veterans. This program funds the gap between non-resident tuition rates and the Post 9/11 G.I. Bill benefit, which funds only up to the resident tuition rate.

University of North Carolina System FY 2014-15 Summary

How Much Is There?

FY 2014-15 Certified Budget	
Expenditures:	$4,370,660,431
Receipts:	$1,721,681,364
Appropriation:	$2,648,979,067

Source: Certified Budget, December 2014

Where Does It Go?

Eighty-nine percent (89%) of the UNC budget flows directly to the campuses; the remaining eleven percent (11%) funds UNC General Administration, Financial Aid to Private College Students, and UNC Need-Based Financial Aid, and other non-campus-specific programs. Existing funding is allocated based on historical appropriations; in recent years, most new funding has been allocated to campuses based on the UNC Enrollment Growth Funding Model. The model is based on projected student credit hours and functions as follows:

- Divides courses into four categories that are funded at varying levels (e.g., philosophy courses are funded at a lower amount than nursing or engineering courses).
- Divides courses into three degree levels (i.e., undergraduate, master's, and doctoral) that are funded at varying levels.
- Calculates the cost of instructors' salaries and fringe benefits; support staff; libraries; and general institutional support needed to support increased enrollment.
- **Note**: The North Carolina School for Science and Mathematics, the UNC School of the Arts, and seven professional schools across four UNC campuses use a separate FTE-based model to calculate their requested enrollment growth.

What Happened Last Biennium?

- **Management Flexibility Reduction:** Reduced UNC's budget by $66 million in FY 2013-14 and $76 million in FY 2014 in the form of a management flexibility reduction.
- **Hospital and Medical School Spending:** Eliminated a $15 million appropriation to UNC Hospitals that was used to support the UNC School of Medicine.
- **Non-Resident Tuition Increases:** Increased tuition for non-resident undergraduates by 12% and reduced the General Fund budget by $27 million
- **Financial Aid**: Altered the funding of the Need Based Grant program so that the program is forward funded, meaning that changes to the scholarship amounts do not impact current year recipients.
- **Yellow-Ribbon**: Provided $5 million for the state match required for the Yellow-Ribbon program. This program funds the gap between non-resident tuition rates and the Post 9/11 G.I. Bill scholarship, which funds only up to the resident tuition rate.

Education Appropriations Subcommittee Overview

Joint Subcommittee on Education Appropriations
February 11, 2015

FISCAL RESEARCH DIVISION

Presentation Outline

1. Committee Operations
2. Fiscal Research Division
3. Budget Process

Committee Operations

- The Full Appropriations Committees are divided into subcommittees by budget area.
- The Education Appropriations Subcommittees are responsible for developing the budgets for:
  - Public schools
  - North Carolina Community College System
  - The University of North Carolina System
  - Private colleges and schools (State appropriations issues only)

Committee Operations

- Meeting jointly for the next several weeks to hear educational presentations about the agencies' budgets.
  - House and Senate will each meet separately to create their versions of the budget after the joint work is complete.
- Meetings will provide committee members a base of knowledge on which to make informed budget decisions.
- Please ask questions.

Committee Operations

- Committee folders contain:

Left Side	Right Side
Committee membership	Daily presentation
Glossary	
List of acronyms	
Guidance for Joint meetings	

- The right side of the folders will be emptied after each presentation is finished. Items on the left will remain in the folders.

Fiscal Research Division

- FRD is a nonpartisan, professional staff serving all 170 members of the NCGA.
- Powers and duties include:
  - Analyzing requests and recommendations for appropriations;
  - Examining State operations and recommending efficiencies;
  - Conducting special studies; and
  - Reviewing and evaluating compliance with legislative directives.

Fiscal Research Division

- Primary responsibilities during Session are:
  - Staffing the Appropriation committees.
  - Preparing fiscal notes as necessary.
- FRD is organized in teams by subject area.
- Work with the Bill Drafting and Research Divisions to provide staff support for the budget process.

Our main goal is to help you make informed decisions.

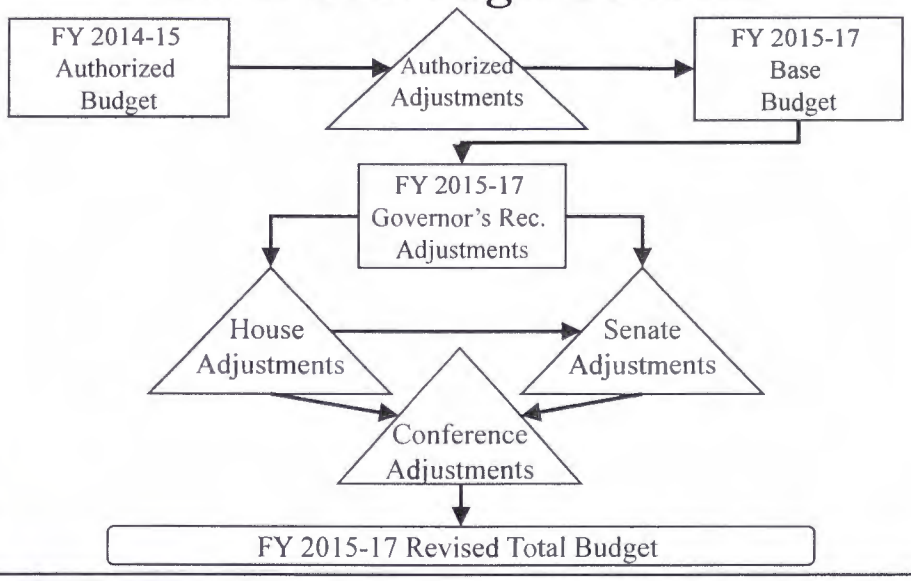
NCGA Central Staff

Fiscal Research	Bill Drafting	Research
Higher Education	UNC System	All ED Sectors
Brett Altman	Emily Johnson	Denise Adams
Mark Bondo		Drupti Chauhan
	Community Colleges	Kara McCraw
Public Schools	& Public Schools	
Brian Matteson	Leslie Karkanawi	
Kris Nordstrom	Sarah Fuerst	

Budget Process

- NC has a biennial budget.
- In the long session, the NCGA passes a two-year budget.
- In the short session, typically adjustments are made to the second year of the biennial budget.
- House and Senate rotate preparation. The House takes the lead for the 2015 Session.

2015-17 Budget Process



Contact Information

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919-733-4910

Room 619, Legislative Office Building

AGENDA

JOINT MEETING: HOUSE APPROPRIATIONS COMMITTEE ON EDUCATION AND SENATE APPROPRIATIONS COMMITTEE ON EDUCATION/HIGHER EDUCATION

February 24, 2015 8:30 a.m.
Legislative Office Building - Room 423

House Committee Co-Chairs
Rep. Hugh Blackwell
Rep. Rob Bryan
Rep. Bryan Holloway
Rep. D. Craig Horn

Senate Committee Co-Chairs
Sen. Tom Apodaca
Sen. Chad Barefoot
Sen. Dan Soucek

House Committee Vice-Chairs
Rep. Rosa Gill
Rep. Rick Glazier
Rep. Paul Stam
Rep. Chris Whitmire

House Committee Members
Rep. Larry Bell
Rep. Cecil Brockman
Rep. Debra Conrad
Rep. Jeffrey Elmore
Rep. John Fraley
Rep. Marvin Lucas
Rep. Henry M. Michaux Jr.

Senate Committee Members
Sen. David Curtis
Sen. Don Davis
Sen. Fletcher Hartsell Jr.
Sen. Bob Rucho
Sen. Erica Smith-Ingram
Sen. Jerry Tillman
Sen. Joyce Waddell

I.	**Welcome & Opening Remarks**	Representative Rob Bryan Presiding Co-Chair
II.	**Introduction to North Carolina Public Schools Budget**	Kristopher Nordstrom Fiscal Research Division
	Adjourn	**NEXT MEETING: February 25, 2015**

House Committee on Appropriations, Education
Tuesday, February 24, 2015 at 8:30 AM
Room 423 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Education met at 8:30 AM on February 24, 2015 in Room 423 of the Legislative Office Building. Representatives Blackwell, Bryan, Holloway, Horn, Gill, Glazier, Stam, Whitmire, Bell, Brockman, Conrad, Elmore, Fraley, Lucas, Michaux and Senators Curtis, Davis, Rucho, Smith-Ingram, Tillman, and Waddell attended.

Representative Rob Bryan, Chair, presided and called the meeting to order at 8:34 a.m.

Chairman Bryan introduced the Sergeant-at-Arms Staff and pages for the meeting.

Chairman Bryan recognized Kristopher Nordstrom, Fiscal Research Division NCGA to present:
Introduction to North Carolina Schools Budget; see attached

The meeting adjourned at 9:18 a.m.

Representative Rob Bryan, Chair
Presiding

Kevin Wilkinson, Committee Clerk

Committee Sergeants at Arms

NAME OF COMMITTEE Joint Comm. on Appropriation of Education

DATE: 2/24/2015 Room: 423

House Sgt-At Arms:

1. Name: Charles Godwin
2. Name: Rey Cooke
3. Name: Dean Marshbourne
4. Name:
5. Name:

Senate Sgt-At Arms:

1. Name: Dale Huff
2. Name: Hal Roach
3. Name:
4. Name:
5. Name:

SENATE PAGES ATTENDING

COMMITTEE: Joint Approps. - Education

DATE: 2-24, TIME: 8:30, ROOM: 423

Pages: Please print legibly.....*or else!!!!!!!!!!!!!!!!*

Page Name	Hometown	Sponsoring Senator
1 Riley Klocke	Gastonia	Harrington
2		
3		
4		
5		
6		
7		
8		
9		

Do not add additional names below the grid.

Pages: Please present this form to either the Committee Clerk at the meeting or a Sgt. at Arms.

VISITOR REGISTRATION SHEET

Joint Comm. on Appropriation Education — 2/24/2015
Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Hope Williams	NCICU
Fred Aikens	Ofc of Senator Blue
P. Angelica Simmons	Office of Senator Erica Smith-Ingram
Rachel Bentley	NCDPI
David Collins	SEANC
Cindy Long	Student Support Services
Dick Carlson	
Jonathan Kappler	UNC GA
Eric Moore	NCDPI
M Hill	NCSBE
Peg Murphy	

VISITOR REGISTRATION SHEET

Joint Comm. on Appropriation Education — 2/24/2015
Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
[illegible]	CCS
Alex Leonards	EDNC
Elizabeth Drownsteel	Hunt Institute
Douglas Holbrook	NCSBA
Anna Brannon Brawley	NC Family Action
Colin Seeberger	Young Invincibles
Bruce Muldrow	NCSBA

VISITOR REGISTRATION SHEET

Joint Comm. on Appropriation Education — 2/24/2015
Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Lindsay Wagner	NC Policy Watch
Ashley Parkerson	Parkerson Law
Evelyn Tenebroure	EHGR
Jeff Price	DPI

Introduction to North Carolina's Public Schools Budget



Kristopher Nordstrom
Fiscal Research Division

February 24, 2015

FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Takeaways

1. Provide some context before deeper dive into budget
2. Define key terms
3. Delineate State and local responsibilities
4. Review diverse characteristics of NC's school districts

NC Public Schools—Key Facts

- NC public schools divided into 115 local education agencies (LEAs)
  - 89 counties where county/LEA boundaries the same
  - 11 counties with multiple "county" and "city" LEAs



FISCAL RESEARCH DIVISION

NC Public Schools—Key Facts

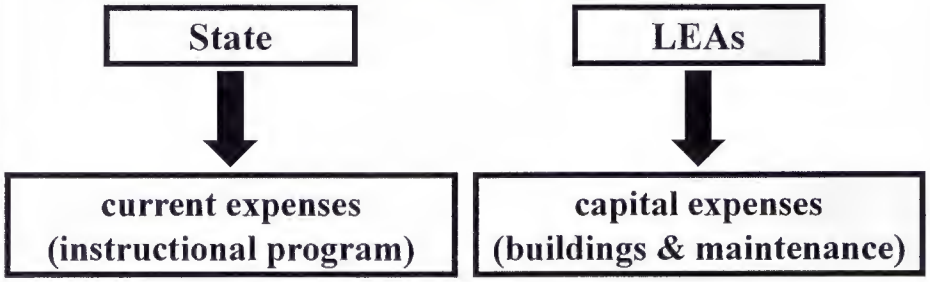
Constitutional Responsibilities

- North Carolina Constitution:
  - "The General Assembly shall provide by taxation and otherwise for a general and uniform system of **free public schools**…"
  - "The General Assembly **may assign to units of local government such responsibility for the financial support of the free public schools** as it may deem appropriate. The governing boards of units of local government…may use local revenues to add to or supplement any public school or post-secondary school program."

NC Public Schools—Key Facts

Delineation of Funding Responsibilities

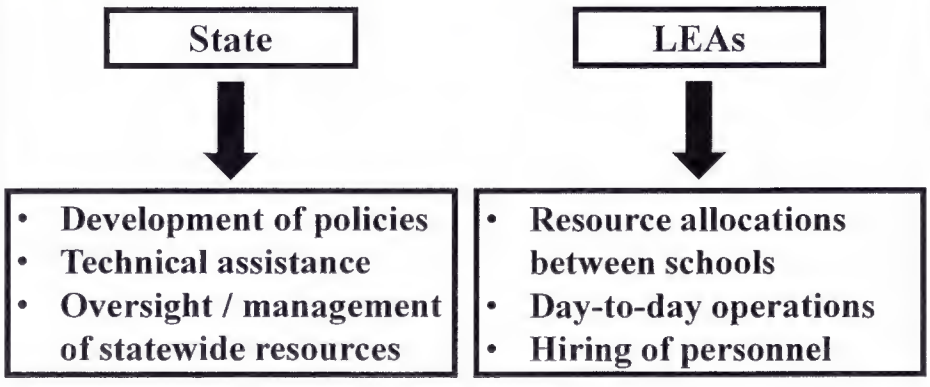
- 1933 School Machinery Act



- Now delineated in G.S. 115C-408(b)

NC Public Schools—Key Facts

Delineation of Operational Responsibilities



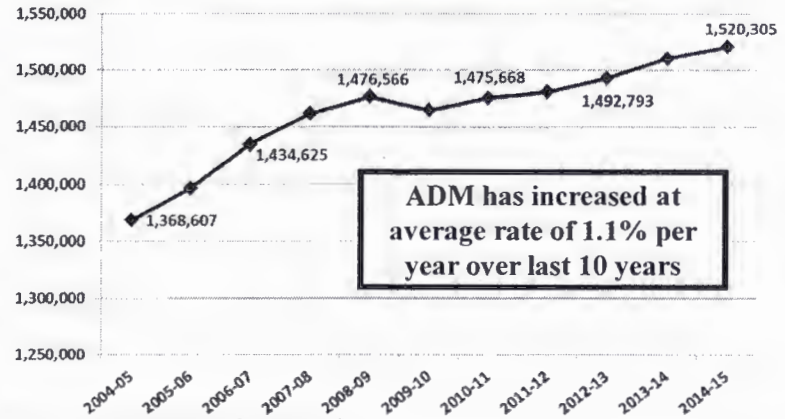
NC Public Schools—Key Facts

School Characteristics	
Total Schools	2,584
Traditional Schools	2,434
Charter Schools	149
Regional Schools	1

Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

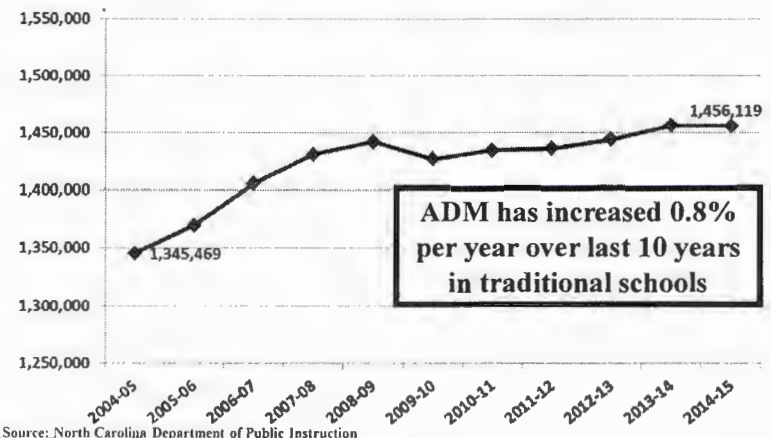
Average Daily Membership



Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

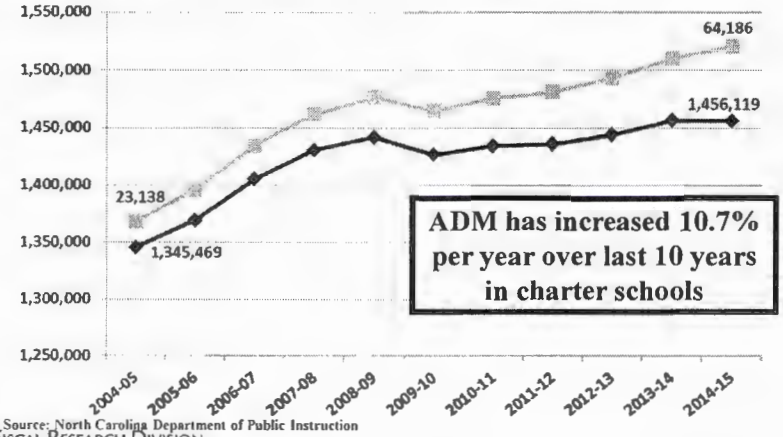
Average Daily Membership



Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

Average Daily Membership



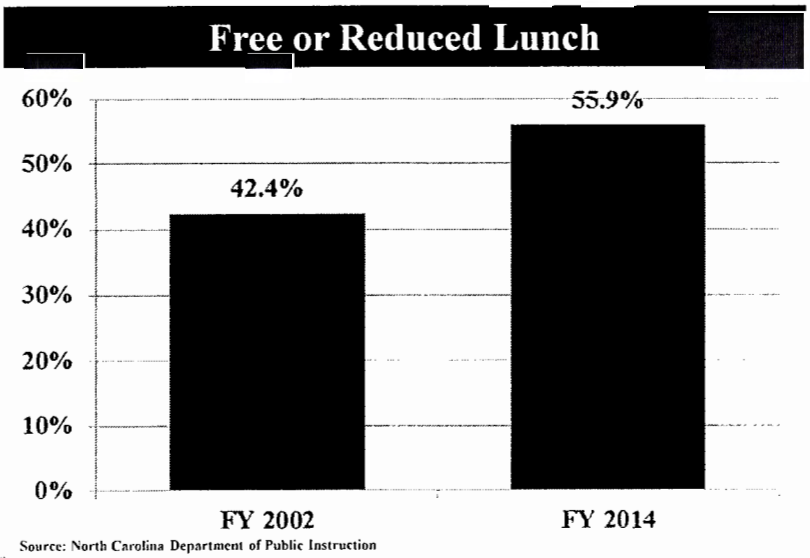
Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

Student Characteristics		
Statewide ADM	1,520,305	100%
Traditional Schools ADM	1,456,119	96%
Charter Schools ADM	64,186	4%
Free or Reduced Lunch	836,349	56%
Limited English Proficient	99,542	7%
Children with Disabilities	180,719	12%

Source: North Carolina Department of Public Instruction

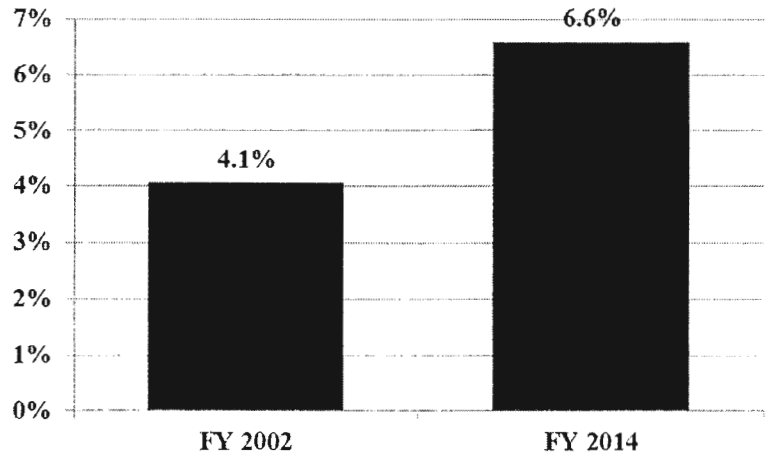
NC Public Schools—Key Facts



Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

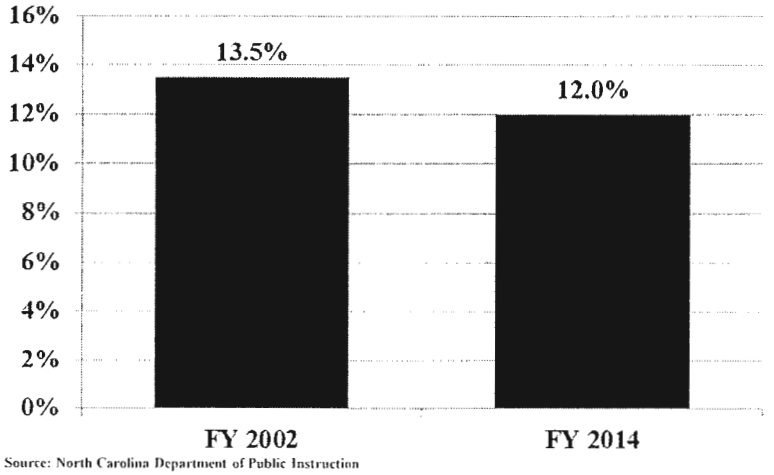
Limited English Proficient



Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

Children with Disabilities



Source: North Carolina Department of Public Instruction

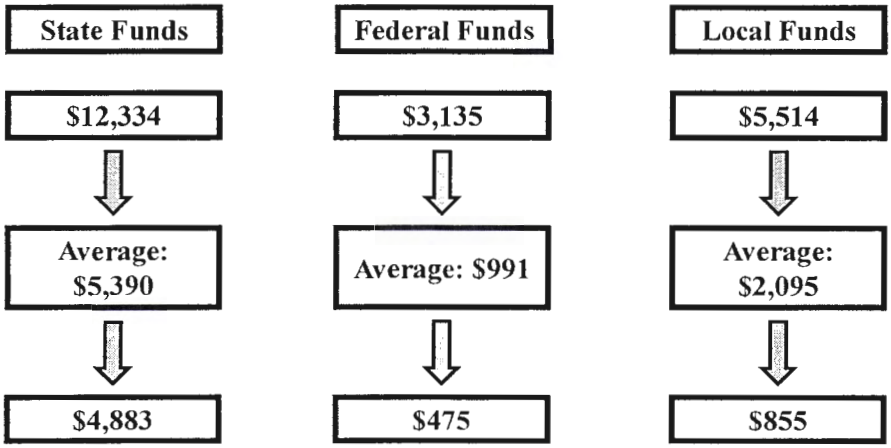
NC Public Schools—Key Facts

LEA Characteristics

- LEAs vary greatly
  - Size
    - Over 50% of students are in the 13 largest LEAs
    - 41 LEAs with less than 4,000 students
  - Wealth – ability to generate local funding for schools
  - Student needs
    - LEP
    - CWD
    - Poverty

NC Public Schools—Key Facts

FY 13-14 Per Pupil Expenditures



Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

Charter Schools

LEAs with the Highest Number of Charter Students	Students
Mecklenburg County	13,139
Wake County	8,555
Durham County	5,237
Guilford County	4,631
Forsyth County	2,632

LEAs with the Highest % of Charter Students	Percent
Halifax County	19.7%
Person County	19.1%
Pamlico County	17.3%
Northampton County	16.1%
Edgecombe County	15.8%

Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

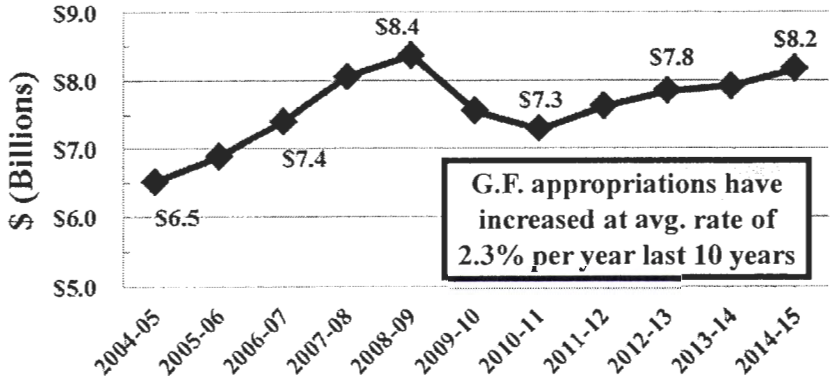
Public Schools FY 2013-14 Current Expense Expenditures by Source



Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

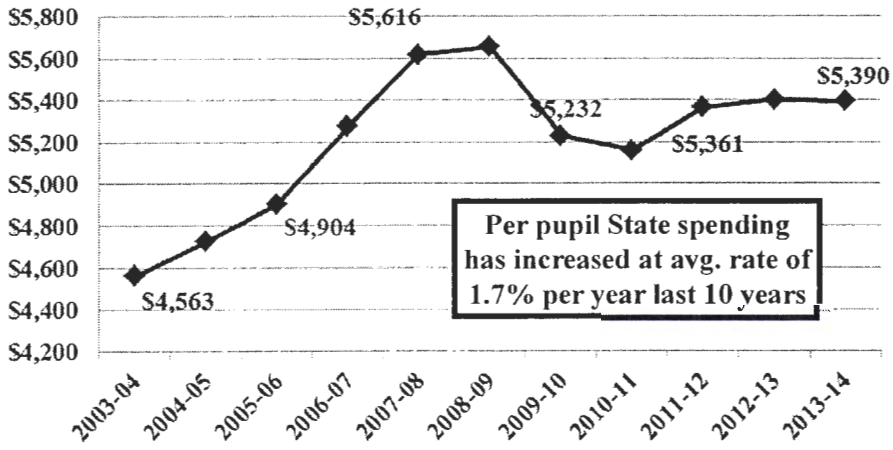
State Public Schools General Fund Appropriations



Source: Fiscal Research Division

NC Public Schools—Key Facts

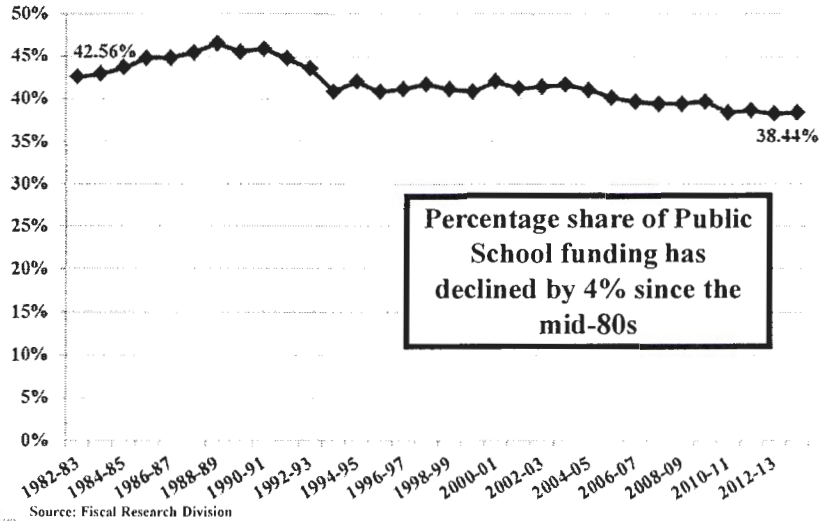
State Expenditures per Pupil



Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

% of State General Fund Appropriations allocated to Public Schools



Percentage share of Public School funding has declined by 4% since the mid-80s

Source: Fiscal Research Division

NC Public Schools—Key Facts

NC Per Pupil Revenue vs. Rest of US (FY 10-11)

Total: $8,875 (49th)

State: $5,158 (28th)

Local: $2,282 (48th)

Federal: $1,435 (34th)

Source: US Department of Education, NCES, data from FY 2010-11

NC Public Schools—Key Facts

Additional Resources

- **DPI website**: http://www.ncpublicschools.org/
  - Data & reports (Highlights & Statistical Profile): http://www.ncpublicschools.org/fbs/resources/data/
  - School report cards: http://www.ncreportcards.org/src/
  - Manuals: http://www.ncpublicschools.org/fbs/resources/manuals/
- **FRD website:** http://www.ncleg.net/fiscalresearch/
  - Budget documents and summaries
  - Topical reports

NC Public Schools—Key Facts

Additional Resources

- **Brian Matteson:** **brianm@ncleg.net**
  (919) 733-4910
- **Kristopher Nordstrom:** **kristophern@ncleg.net**
  (919) 733-4910

Questions?

North Carolina LEA Characteristics, FY 2013-14

LEA Name	ADM	Per Student Expenditures				FRL	LEP	CWD	Grad Rate	% NBPTS	Avg. Salary Supplement
		State	Fed	Local	Total						
State Average	**12,664**	**$5,390**	**$991**	**$2,095**	**$8,477**	**56%**	**7%**	**12%**	**84%**	**15%**	**$3,553**
Alamance-Burlington	22,690	$5,176	$1,006	$1,846	$8,029	58%	10%	11%	79%	12%	$3,497
Alexander County	5,374	$5,680	$1,001	$1,570	$8,251	53%	3%	14%	85%	23%	$2,429
Alleghany County	1,397	$7,069	$1,266	$3,204	$11,538	64%	7%	12%	92%	21%	$200
Anson County	3,673	$7,028	$1,784	$1,234	$10,047	77%	2%	16%	79%	12%	$594
Ashe County	3,196	$6,503	$1,126	$1,775	$9,403	64%	4%	14%	87%	19%	$300
Avery County	2,164	$7,068	$1,376	$2,205	$10,649	63%	6%	14%	95%	15%	$1,229
Beaufort County	7,039	$5,617	$1,326	$1,915	$8,857	66%	6%	13%	80%	14%	$1,490
Bertie County	2,984	$7,748	$1,999	$1,453	$11,200	86%	1%	12%	84%	9%	$0
Bladen County	4,985	$6,282	$1,641	$1,819	$9,742	74%	6%	11%	76%	9%	$804
Brunswick County	12,668	$5,254	$1,049	$2,814	$9,117	62%	4%	11%	82%	13%	$2,438
Buncombe County	25,782	$5,266	$905	$2,209	$8,380	56%	6%	13%	83%	25%	$3,662
Asheville City	4,331	$5,459	$1,271	$4,484	$11,213	47%	2%	12%	87%	23%	$3,524
Burke County	12,891	$5,583	$1,171	$1,549	$8,304	62%	8%	15%	91%	19%	$2,225
Cabarrus County	30,743	$4,943	$618	$1,862	$7,423	42%	6%	11%	88%	14%	$2,509
Kannapolis City	5,320	$5,295	$1,243	$2,030	$8,568	74%	10%	14%	83%	19%	$2,107
Caldwell County	12,375	$5,948	$950	$1,526	$8,424	60%	3%	12%	91%	23%	$1,674
Camden County	1,920	$6,714	$487	$1,519	$8,720	35%	0%	12%	80%	19%	$1,864
Carteret County	8,579	$5,511	$836	$2,751	$9,098	43%	2%	13%	88%	18%	$2,311
Caswell County	2,811	$6,857	$1,252	$1,275	$9,385	66%	1%	14%	77%	15%	$0
Catawba County	17,055	$5,233	$937	$1,945	$8,115	52%	7%	11%	91%	19%	$2,913
Hickory City	4,407	$5,490	$1,161	$1,834	$8,485	64%	11%	10%	84%	12%	$2,837
Newton-Conover	3,000	$5,197	$949	$2,329	$8,476	65%	10%	11%	93%	11%	$2,742
Chatham County	8,310	$5,358	$885	$3,195	$9,439	50%	16%	13%	82%	16%	$4,000
Cherokee County	3,377	$5,953	$1,296	$2,279	$9,528	66%	1%	13%	91%	21%	$1,000
Edenton/Chowan	2,238	$6,685	$1,340	$2,525	$10,549	64%	2%	14%	79%	31%	$1,158
Clay County	1,323	$7,482	$960	$1,659	$10,100	56%	2%	13%	91%	25%	$0
Cleveland County	15,453	$5,792	$1,115	$2,145	$9,052	64%	2%	13%	85%	19%	$1,635
Columbus County	6,356	$6,212	$1,445	$989	$8,646	74%	3%	11%	83%	11%	$1,403
Whiteville City	2,317	$6,398	$1,886	$1,247	$9,531	72%	4%	10%	77%	17%	$2,136
Craven County	14,829	$5,225	$1,264	$1,611	$8,100	57%	4%	11%	86%	11%	$2,200
Cumberland County	51,774	$5,041	$1,192	$1,792	$8,025	60%	2%	13%	81%	6%	$3,569
Currituck County	3,842	$5,419	$665	$2,832	$8,916	39%	1%	10%	86%	15%	$3,234

North Carolina LEA Characteristics, FY 2013-14

LEA Name	ADM	Per Student Expenditures				FRL	LEP	CWD	Grad Rate	% NBPTS	Avg. Salary Supplement
		State	Fed	Local	Total						
State Average	**12,664**	**$5,390**	**$991**	**$2,095**	**$8,477**	**56%**	**7%**	**12%**	**84%**	**15%**	**$3,553**
Dare County	4,932	$5,541	$712	$4,425	$10,679	42%	6%	10%	93%	26%	$4,196
Davidson County	20,062	$5,172	$710	$1,400	$7,282	46%	2%	12%	85%	13%	$2,448
Lexington City	3,156	$6,143	$1,573	$1,912	$9,628	86%	15%	11%	81%	11%	$3,265
Thomasville City	2,472	$5,927	$2,166	$1,867	$9,960	89%	13%	9%	73%	9%	$2,308
Davie County	6,489	$5,448	$826	$1,972	$8,247	45%	4%	12%	88%	21%	$2,200
Duplin County	9,581	$5,896	$1,182	$1,657	$8,734	72%	18%	9%	78%	9%	$1,905
Durham County	33,114	$5,411	$1,117	$3,461	$9,989	64%	14%	13%	82%	11%	$5,195
Edgecombe County	6,679	$6,537	$1,558	$1,179	$9,274	81%	4%	11%	78%	15%	$1,570
Forsyth County	53,789	$5,243	$1,044	$2,344	$8,631	57%	11%	12%	84%	11%	$4,555
Franklin County	8,671	$5,748	$849	$1,689	$8,285	63%	5%	11%	85%	11%	$2,700
Gaston County	31,166	$4,997	$997	$1,559	$7,553	61%	5%	13%	84%	13%	$2,177
Gates County	1,740	$7,772	$899	$1,937	$10,608	54%	0%	14%	83%	15%	$550
Graham County	1,209	$7,638	$1,569	$1,952	$11,159	63%	1%	13%	82%	20%	$0
Granville County	8,512	$5,724	$780	$2,001	$8,505	55%	5%	11%	79%	11%	$2,752
Greene County	3,182	$7,074	$1,691	$1,256	$10,021	75%	15%	11%	87%	18%	$1,000
Guilford County	72,895	$5,212	$1,105	$2,895	$9,212	60%	8%	13%	89%	12%	$4,653
Halifax County	3,427	$6,770	$3,135	$1,116	$11,021	91%	1%	14%	75%	4%	$0
Roanoke Rapids City	3,116	$5,860	$951	$1,802	$8,613	60%	3%	13%	79%	21%	$2,081
Weldon City	978	$7,229	$1,862	$3,065	$12,156	86%	0%	11%	78%	1%	$0
Harnett County	20,813	$5,514	$930	$1,609	$8,053	58%	6%	11%	79%	7%	$2,238
Haywood County	7,564	$5,480	$943	$2,481	$8,904	55%	3%	15%	84%	22%	$1,816
Henderson County	13,547	$5,286	$991	$1,838	$8,115	54%	10%	12%	90%	25%	$3,029
Hertford County	3,041	$7,252	$1,481	$1,859	$10,593	82%	2%	13%	76%	8%	$1,124
Hoke County	8,247	$5,923	$1,015	$1,040	$7,979	69%	7%	12%	71%	3%	$2,675
Hyde County	566	$12,334	$1,418	$2,864	$16,615	80%	7%	17%	82%	17%	$650
Iredell-Statesville	21,452	$4,903	$720	$2,762	$8,384	44%	5%	9%	89%	13%	$2,477
Mooresville City	6,000	$4,898	$553	$2,635	$8,087	40%	3%	11%	90%	17%	$3,101
Jackson County	3,645	$5,685	$1,025	$2,082	$8,792	60%	4%	14%	88%	21%	$199
Johnston County	33,786	$5,247	$867	$1,850	$7,964	47%	9%	14%	85%	12%	$3,785
Jones County	1,169	$9,024	$1,624	$1,970	$12,618	80%	3%	11%	83%	13%	$2,230
Lee County	9,918	$5,275	$914	$1,721	$7,910	66%	12%	11%	88%	9%	$2,788
Lenoir County	9,079	$5,775	$1,217	$1,301	$8,293	73%	5%	15%	77%	15%	$1,500

North Carolina LEA Characteristics, FY 2013-14

LEA Name	ADM	Per Student Expenditures				FRL	LEP	CWD	Grad Rate	% NBPTS	Avg. Salary Supplement
		State	Fed	Local	Total						
State Average	**12,664**	**$5,390**	**$991**	**$2,095**	**$8,477**	**56%**	**7%**	**12%**	**84%**	**15%**	**$3,553**
Lincoln County	11,688	$5,235	$802	$1,792	$7,829	50%	3%	13%	88%	15%	$2,928
Macon County	4,402	$5,948	$1,028	$2,247	$9,223	65%	7%	16%	88%	19%	$784
Madison County	2,602	$6,863	$1,026	$1,417	$9,306	60%	1%	13%	80%	8%	$0
Martin County	3,500	$7,052	$1,385	$1,930	$10,367	71%	2%	15%	77%	14%	$1,200
Mcdowell County	6,430	$5,904	$1,310	$1,475	$8,689	66%	6%	14%	77%	17%	$923
Mecklenburg County	144,470	$4,902	$934	$2,208	$8,044	56%	11%	9%	85%	16%	$6,083
Mitchell County	2,018	$7,444	$1,009	$1,471	$9,925	58%	4%	15%	79%	30%	$100
Montgomery County	4,158	$6,148	$1,339	$1,715	$9,202	74%	12%	12%	86%	14%	$1,408
Moore County	12,828	$5,085	$830	$2,230	$8,145	45%	3%	11%	88%	15%	$3,144
Nash-Rocky Mount	16,369	$5,627	$1,014	$1,500	$8,141	70%	5%	13%	77%	12%	$2,542
New Hanover County	25,815	$5,170	$937	$2,802	$8,909	49%	4%	11%	81%	19%	$3,101
Northampton County	2,121	$8,108	$2,060	$1,717	$11,886	87%	2%	12%	71%	3%	$1,148
Onslow County	25,428	$5,026	$799	$2,259	$8,083	46%	1%	13%	89%	11%	$3,742
Orange County	7,501	$5,370	$711	$3,521	$9,602	42%	7%	15%	86%	24%	$4,881
Chapel Hill-Carrboro	12,256	$4,883	$475	$5,514	$10,872	27%	11%	9%	91%	23%	$6,441
Pamlico County	1,282	$7,998	$1,374	$2,148	$11,520	63%	1%	17%	87%	10%	$1,500
Pasquotank County	5,794	$5,934	$1,008	$2,103	$9,045	65%	2%	14%	85%	13%	$1,687
Pender County	8,691	$5,235	$858	$1,768	$7,861	56%	4%	11%	88%	16%	$2,381
Perquimans County	1,811	$6,874	$1,149	$1,904	$9,927	62%	1%	15%	92%	23%	$802
Person County	4,739	$5,891	$1,055	$1,973	$8,919	64%	2%	13%	76%	22%	$3,744
Pitt County	23,845	$5,249	$1,076	$1,765	$8,090	61%	4%	11%	83%	17%	$1,808
Polk County	2,303	$6,697	$1,051	$3,313	$11,061	59%	3%	13%	83%	19%	$2,409
Randolph County	18,399	$5,413	$807	$1,579	$7,798	57%	6%	11%	87%	17%	$2,645
Asheboro City	4,798	$5,654	$1,460	$2,210	$9,325	75%	19%	10%	86%	13%	$2,506
Richmond County	7,664	$5,951	$1,322	$1,133	$8,406	77%	5%	11%	79%	9%	$1,005
Robeson County	23,915	$6,317	$1,954	$855	$9,126	84%	6%	15%	85%	5%	$1,819
Rockingham County	13,388	$5,757	$958	$2,081	$8,797	60%	4%	14%	76%	15%	$2,043
Rowan-Salisbury	19,925	$5,429	$1,186	$2,027	$8,642	63%	7%	11%	81%	13%	$2,297
Rutherford County	8,650	$5,804	$1,376	$1,508	$8,688	70%	2%	15%	79%	18%	$1,100
Sampson County	8,661	$5,943	$1,217	$1,457	$8,617	72%	15%	11%	80%	8%	$3,126
Clinton City	3,013	$5,656	$1,248	$2,038	$8,942	72%	8%	8%	85%	10%	$4,010
Scotland County	6,122	$6,447	$1,467	$1,859	$9,773	79%	1%	16%	78%	16%	$1,998

North Carolina LEA Characteristics, FY 2013-14

LEA Name	ADM	Per Student Expenditures				FRL	LEP	CWD	Grad Rate	% NBPTS	Avg. Salary Supplement
		State	Fed	Local	Total						
State Average	**12,664**	**$5,390**	**$991**	**$2,095**	**$8,477**	**56%**	**7%**	**12%**	**84%**	**15%**	**$3,553**
Stanly County	8,763	$5,792	$956	$1,439	$8,187	55%	3%	18%	81%	19%	$1,872
Stokes County	6,731	$6,162	$1,008	$1,965	$9,135	50%	1%	18%	86%	12%	$1,613
Surry County	8,380	$5,765	$1,117	$1,554	$8,436	62%	9%	12%	87%	16%	$1,256
Elkin City	1,234	$6,417	$875	$1,940	$9,231	44%	8%	10%	89%	24%	$2,100
Mount Airy City	1,726	$6,025	$1,435	$2,070	$9,531	57%	6%	14%	90%	12%	$1,594
Swain County	1,982	$7,034	$1,293	$1,719	$10,045	64%	1%	15%	84%	18%	$2,000
Transylvania County	3,584	$5,622	$1,199	$3,129	$9,950	60%	2%	13%	80%	21%	$3,220
Tyrrell County	579	$12,221	$1,891	$1,543	$15,655	73%	8%	15%	88%	12%	$1,000
Union County	40,797	$4,883	$617	$2,112	$7,611	35%	6%	10%	93%	14%	$3,065
Vance County	6,809	$6,670	$1,546	$1,307	$9,523	87%	7%	14%	73%	8%	$2,463
Wake County	153,803	$5,027	$634	$2,219	$7,880	37%	8%	12%	83%	19%	$6,204
Warren County	2,390	$7,145	$2,007	$1,999	$11,151	81%	3%	14%	72%	9%	$633
Washington County	1,736	$7,722	$2,258	$1,700	$11,680	81%	4%	10%	83%	6%	$0
Watauga County	4,465	$5,744	$746	$3,220	$9,711	40%	2%	16%	87%	26%	$2,355
Wayne County	19,256	$5,588	$1,103	$1,226	$7,917	65%	8%	14%	80%	13%	$2,607
Wilkes County	9,866	$5,576	$1,062	$1,666	$8,303	64%	5%	12%	89%	16%	$2,151
Wilson County	12,531	$5,447	$967	$1,455	$7,869	67%	5%	9%	78%	14%	$3,466
Yadkin County	5,623	$6,112	$1,028	$1,429	$8,569	56%	7%	13%	87%	10%	$2,925
Yancey County	2,289	$6,555	$1,226	$1,692	$9,474	58%	5%	15%	92%	27%	$300

Introduction to North Carolina's Public Schools Budget



Kristopher Nordstrom
Fiscal Research Division

February 24, 2015

FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Takeaways

1. Provide some context before deeper dive into budget

2. Define key terms

3. Delineate State and local responsibilities

4. Review diverse characteristics of NC's school districts

NC Public Schools—Key Facts

- NC public schools divided into 115 local education agencies (LEAs)
  - 89 counties where county/LEA boundaries the same
  - 11 counties with multiple "county" and "city" LEAs



NC Public Schools—Key Facts

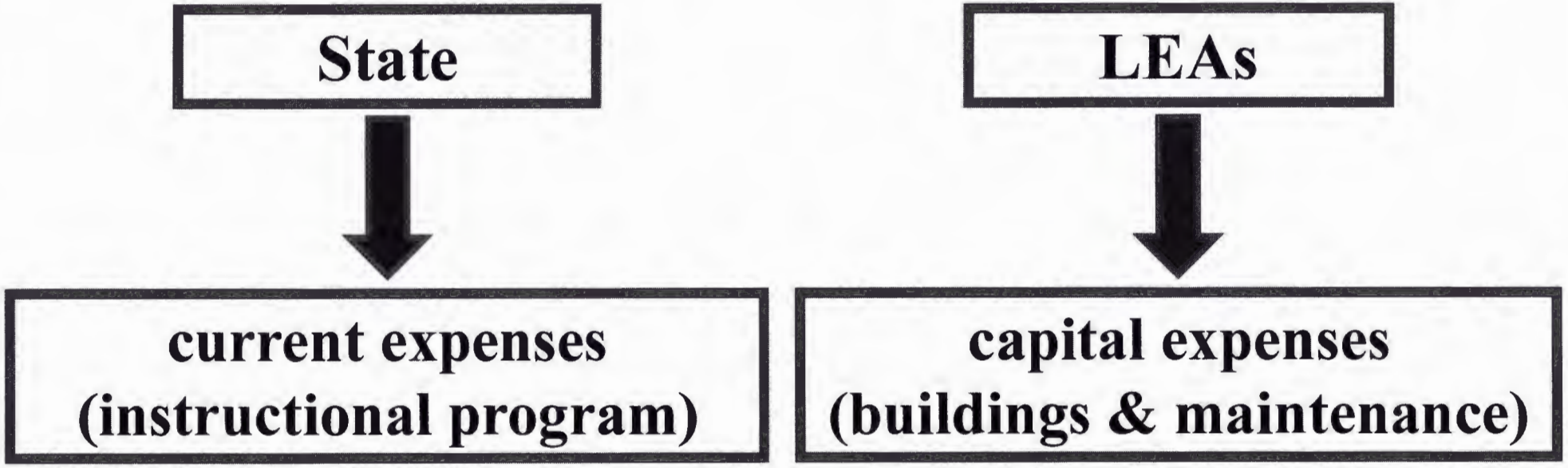
Constitutional Responsibilities

- North Carolina Constitution:
  - "The General Assembly shall provide by taxation and otherwise for a general and uniform system of **free public schools**…"
  - "The General Assembly **may assign to units of local government such responsibility for the financial support of the free public schools** as it may deem appropriate. The governing boards of units of local government…may use local revenues to add to or supplement any public school or post-secondary school program."

NC Public Schools—Key Facts

Delineation of Funding Responsibilities

- 1933 School Machinery Act



- Now delineated in G.S. 115C-408(b)

NC Public Schools—Key Facts

Delineation of Operational Responsibilities

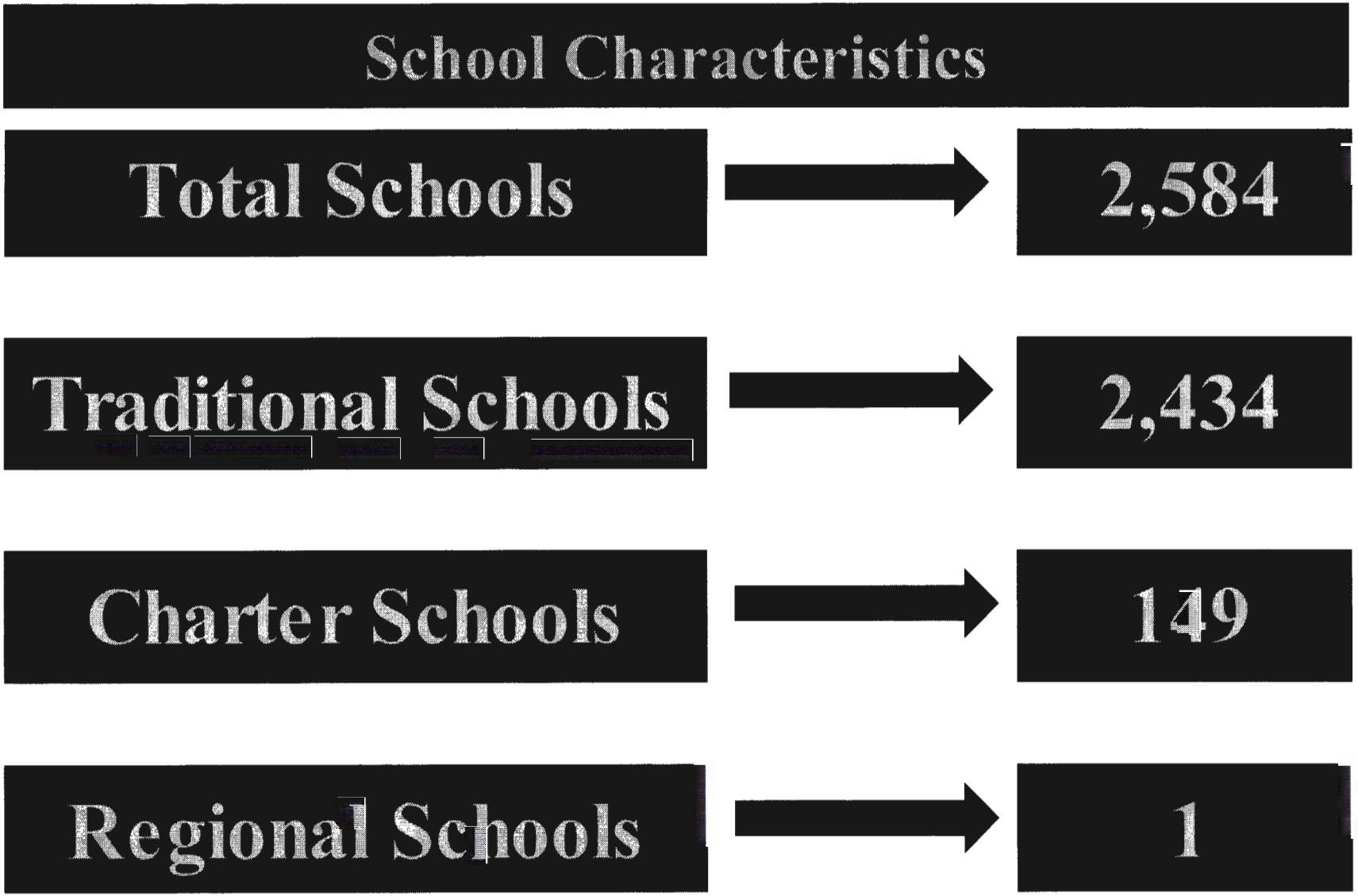
State

- **Development of policies**
- **Technical assistance**
- **Oversight / management of statewide resources**

LEAs

- **Resource allocations between schools**
- **Day-to-day operations**
- **Hiring of personnel**

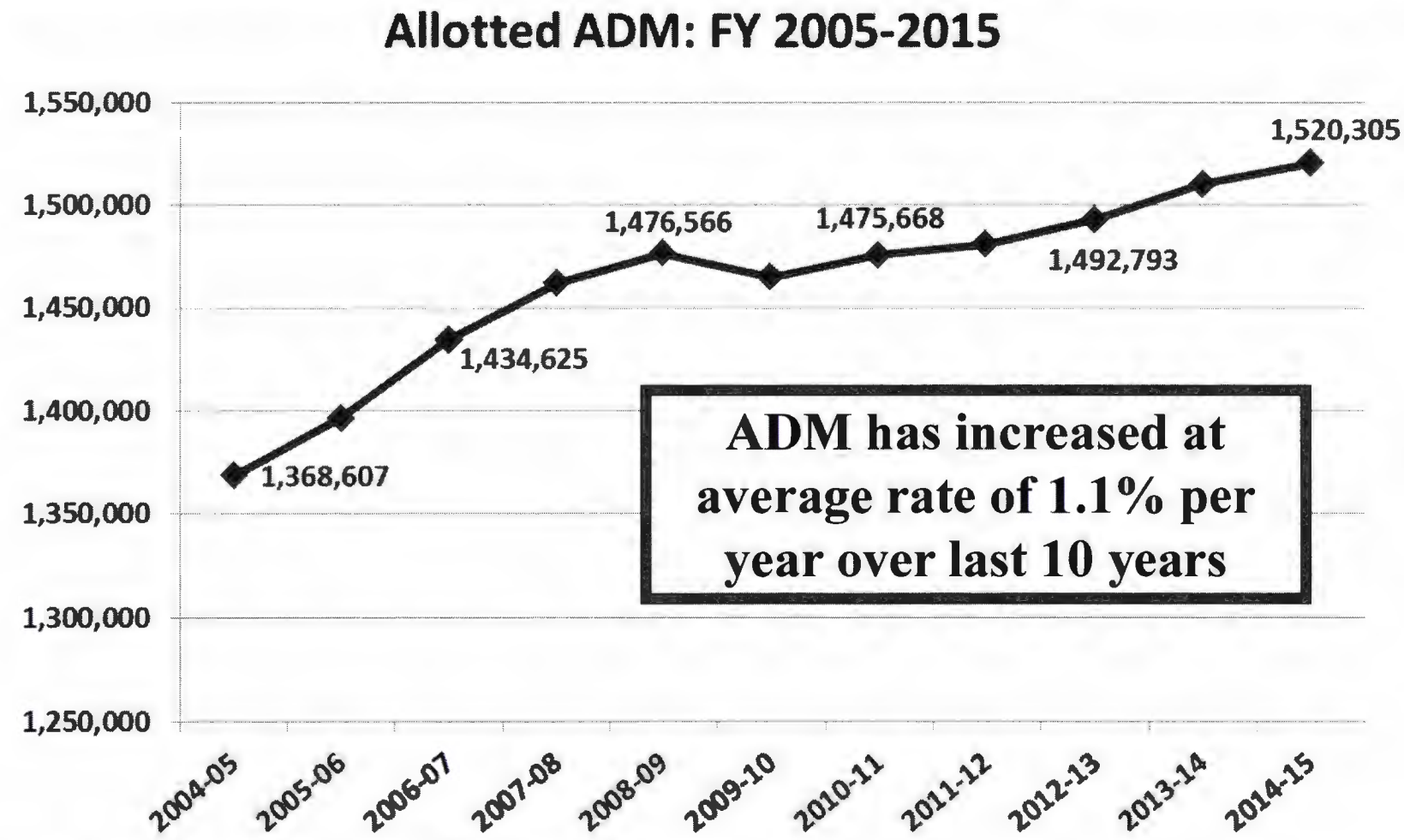
NC Public Schools—Key Facts



Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

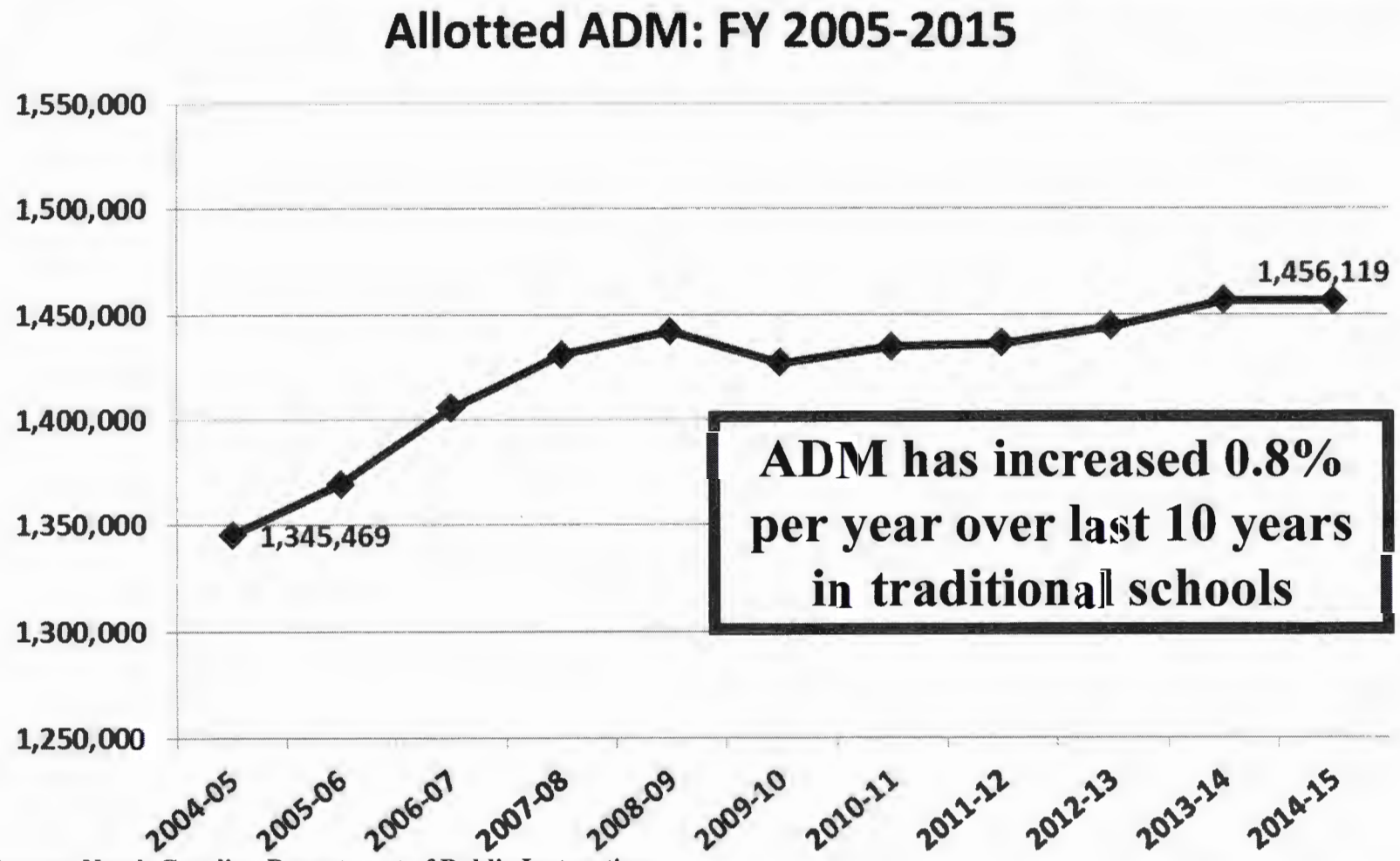
Average Daily Membership



Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

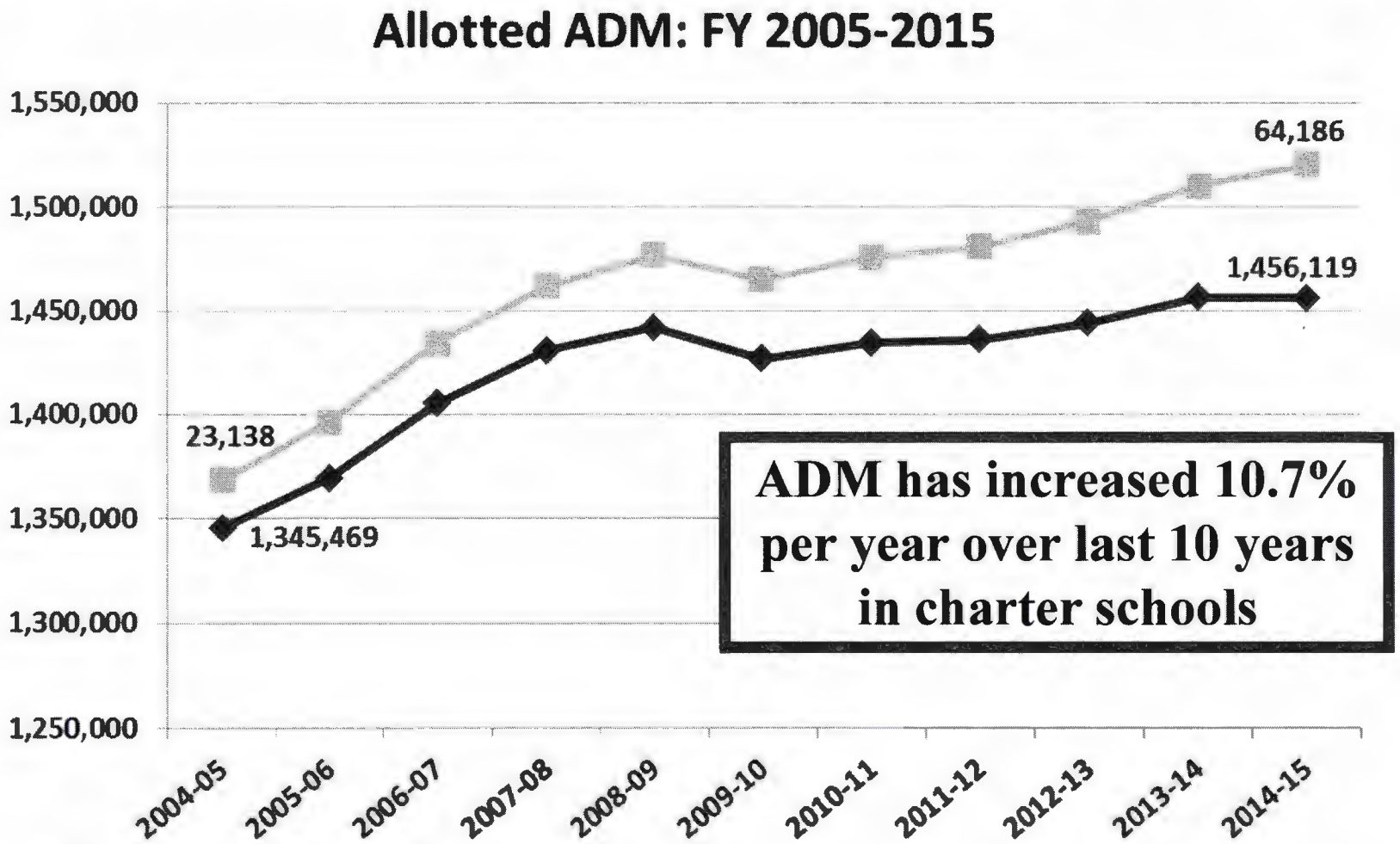
Average Daily Membership



Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

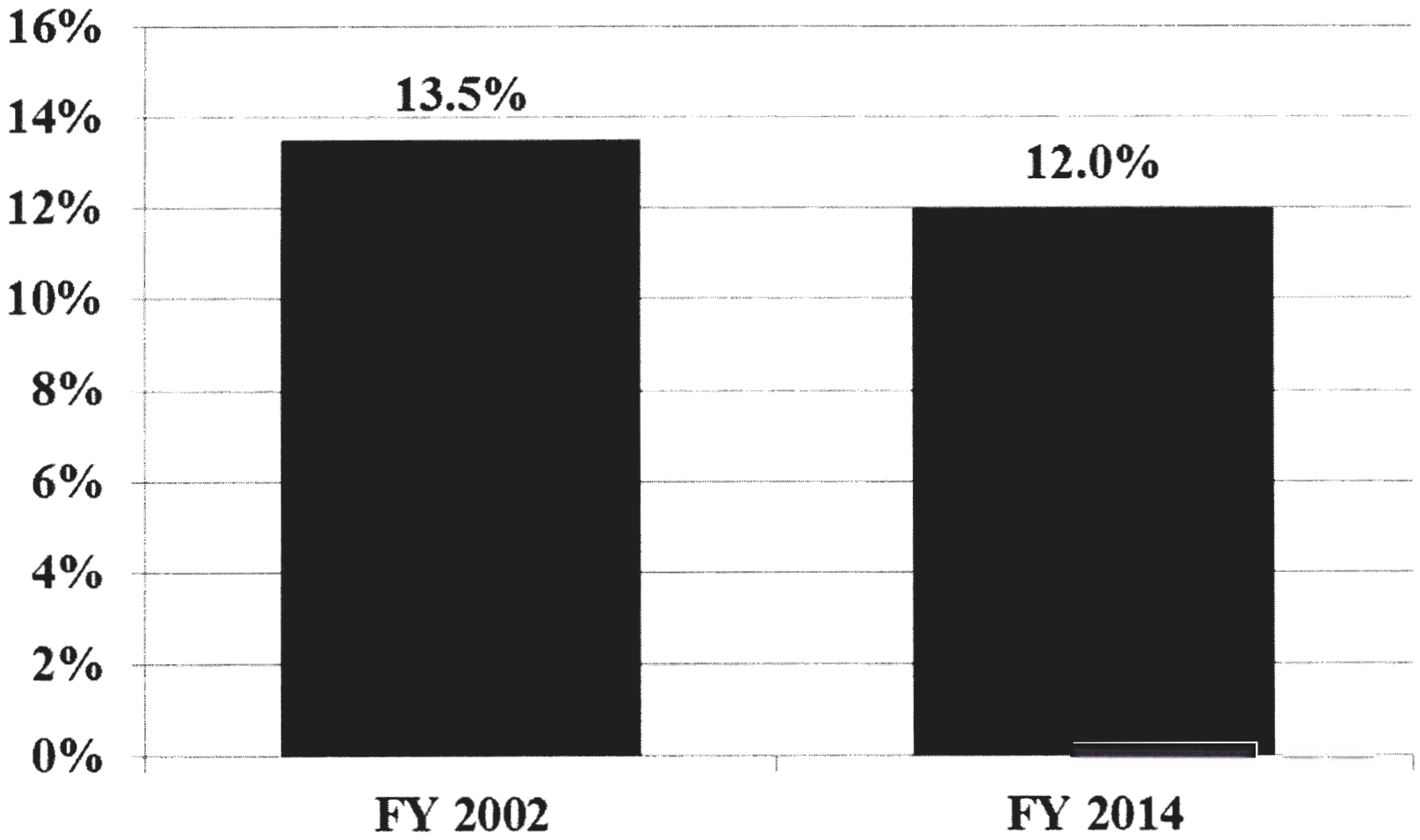
Average Daily Membership



Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

Children with Disabilities



Source: North Carolina Department of Public Instruction

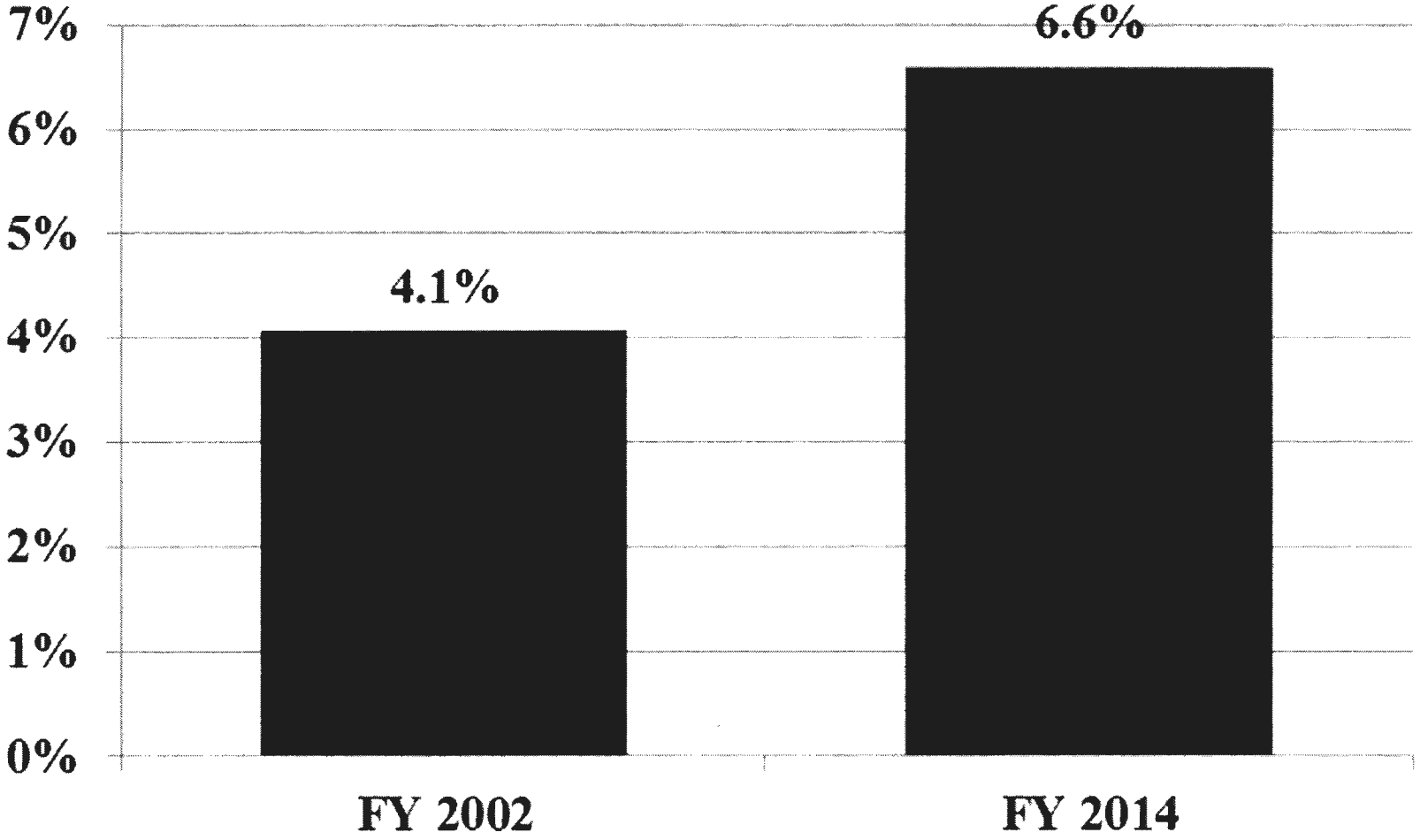
NC Public Schools—Key Facts

LEA Characteristics

- LEAs vary greatly
  - Size
    - Over 50% of students are in the 13 largest LEAs
    - 41 LEAs with less than 4,000 students
  - Wealth – ability to generate local funding for schools
  - Student needs
    - LEP
    - CWD
    - Poverty

NC Public Schools—Key Facts

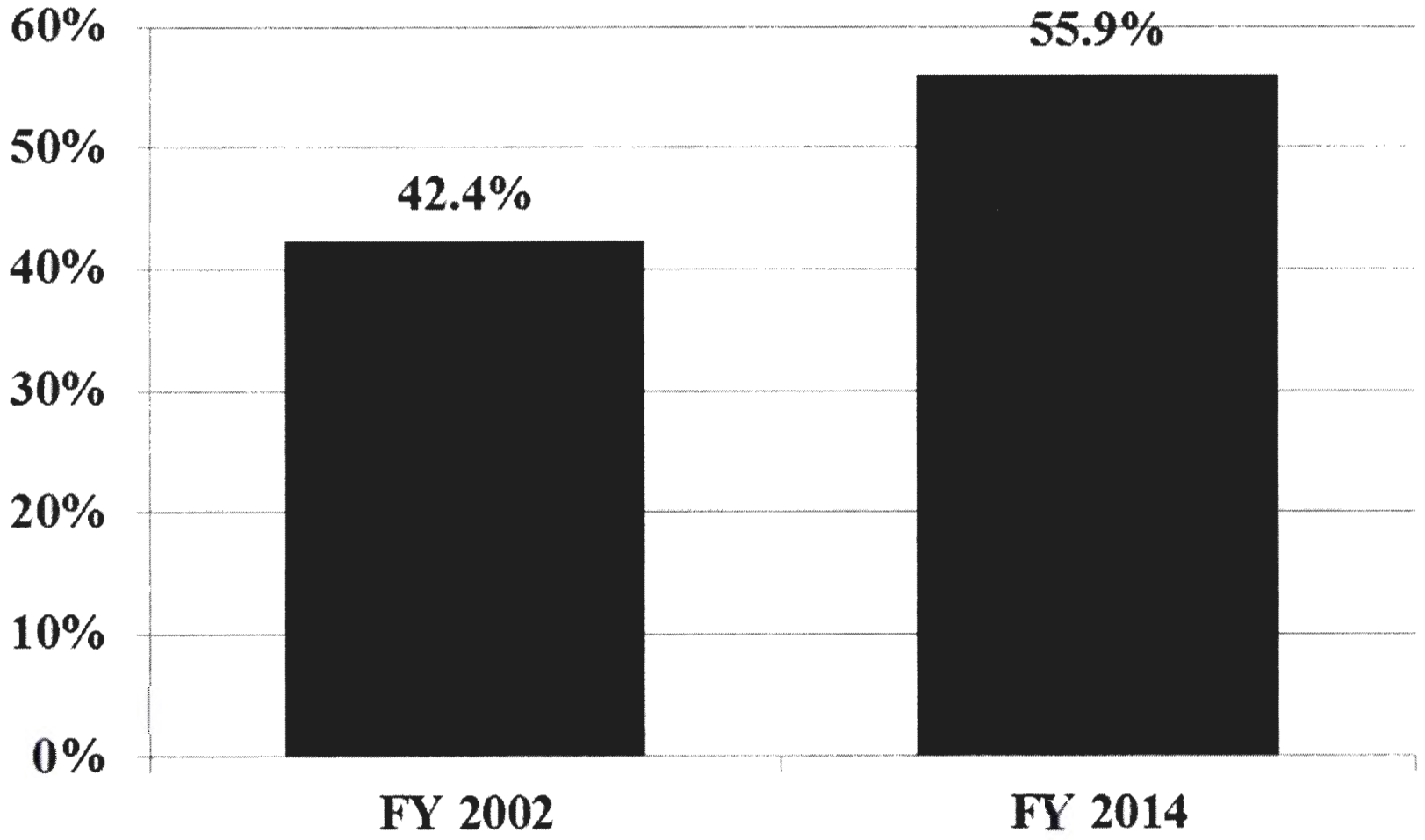
Limited English Proficient



Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

Free or Reduced Lunch



Source: North Carolina Department of Public Instruction

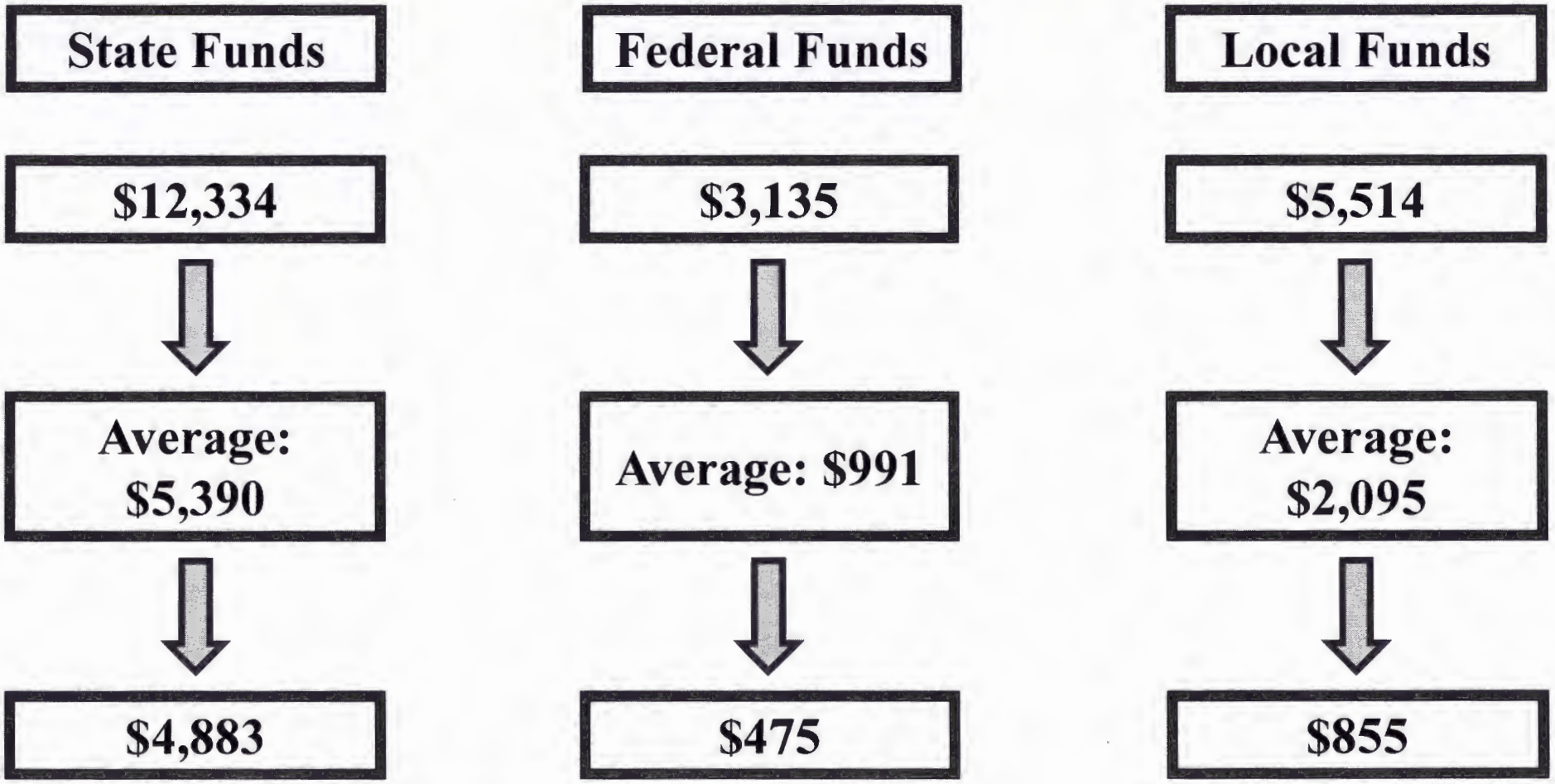
NC Public Schools—Key Facts

Student Characteristics		
Statewide ADM	1,520,305	100%
Traditional Schools ADM	1,456,119	96%
Charter Schools ADM	64,186	4%
Free or Reduced Lunch	836,349	56%
Limited English Proficient	99,542	7%
Children with Disabilities	180,719	12%

Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

FY 13-14 Per Pupil Expenditures



Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

Charter Schools

LEAs with the Highest Number of Charter Students	Students
Mecklenburg County	13,139
Wake County	8,555
Durham County	5,237
Guilford County	4,631
Forsyth County	2,632

LEAs with the Highest % of Charter Students	Percent
Halifax County	19.7%
Person County	19.1%
Pamlico County	17.3%
Northampton County	16.1%
Edgecombe County	15.8%

Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

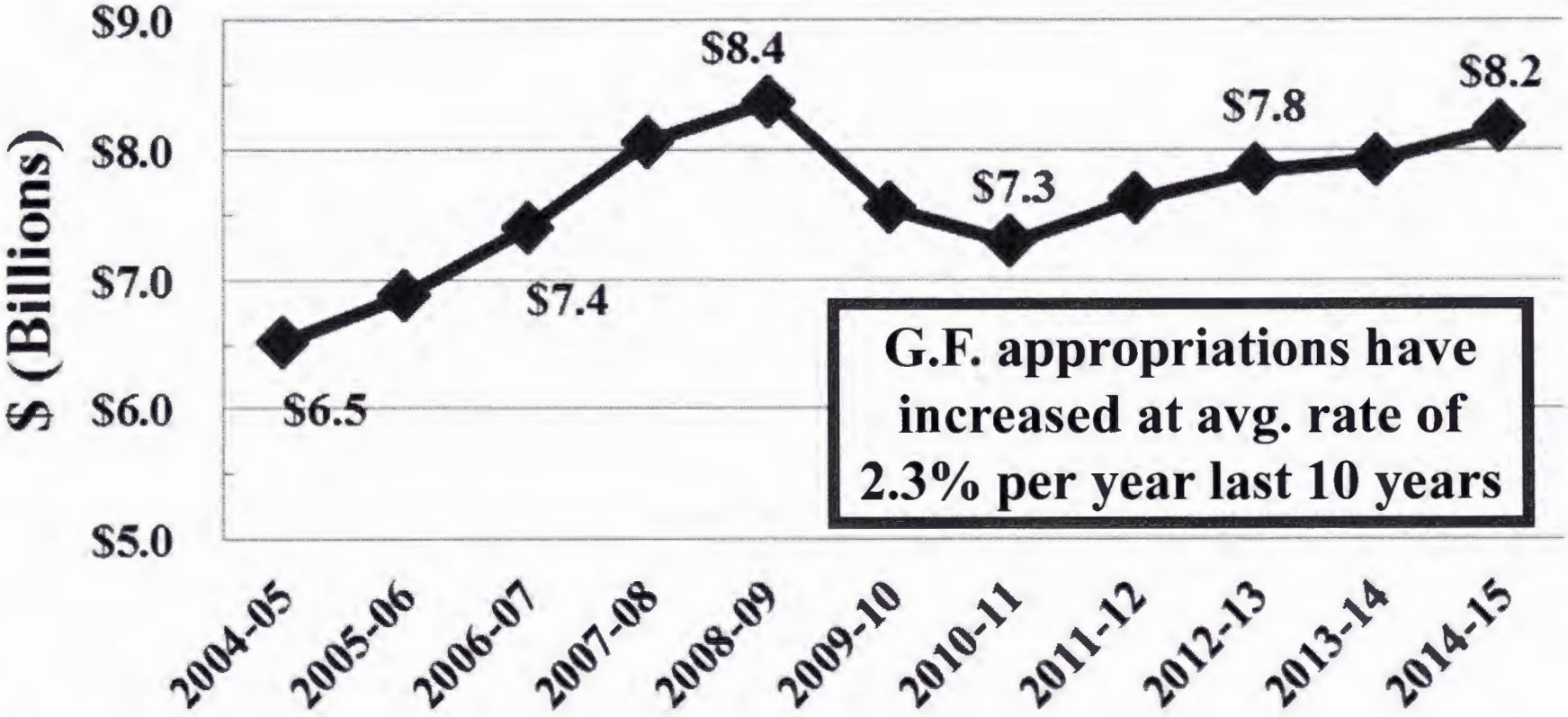
Public Schools FY 2013-14 Current Expense Expenditures by Source



Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

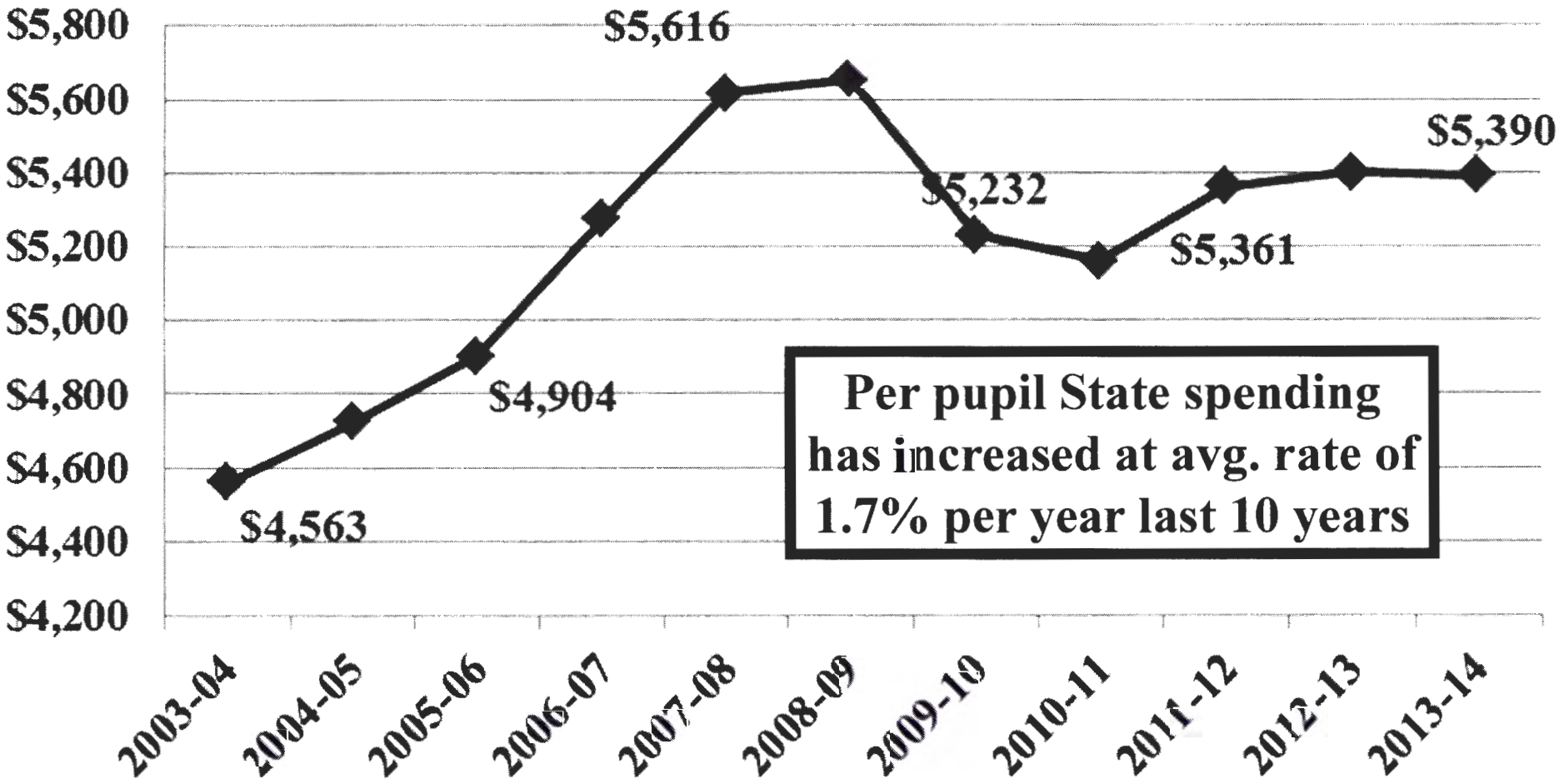
State Public Schools
General Fund Appropriations



Source: Fiscal Research Division

NC Public Schools—Key Facts

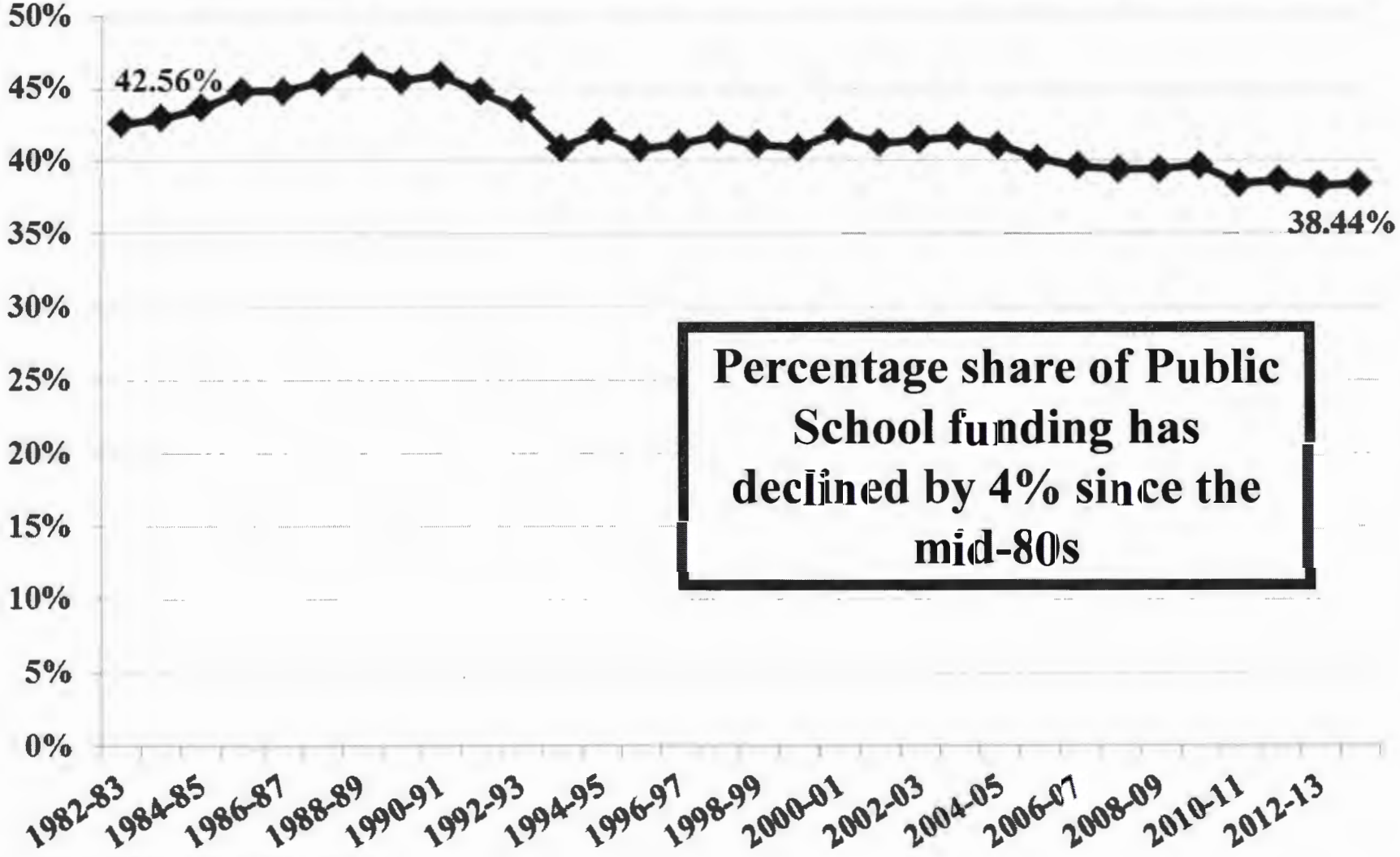
State Expenditures per Pupil



Source: North Carolina Department of Public Instruction

NC Public Schools—Key Facts

% of State General Fund Appropriations allocated to Public Schools



Source: Fiscal Research Division

NC Public Schools—Key Facts

NC Per Pupil Revenue vs. Rest of US (FY 10-11)

Total: $8,875 (49th)

State: $5,158 (28th)

Local: $2,282 (48th)

Federal: $1,435 (34th)

Source: US Department of Education, NCES, data from FY 2010-11

NC Public Schools—Key Facts

Additional Resources

- **DPI website**: http://www.ncpublicschools.org/
  - Data & reports (Highlights & Statistical Profile): http://www.ncpublicschools.org/fbs/resources/data/
  - School report cards: http://www.ncreportcards.org/src/
  - Manuals: http://www.ncpublicschools.org/fbs/resources/manuals/
- **FRD website:** http://www.ncleg.net/fiscalresearch/
  - Budget documents and summaries
  - Topical reports

NC Public Schools—Key Facts

Additional Resources

- **Brian Matteson:** **brianm@ncleg.net**

  (919) 733-4910

- **Kristopher Nordstrom:** **kristophern@ncleg.net**

  (919) 733-4910

Questions?

NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

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

DAY & DATE: Wednesday, March 4, 2015
TIME: **8:30 AM**
LOCATION: **423 LOB**
COMMENTS: **Chairman Rep. Bryan Holloway, presiding.**

Respectfully,

Representative Hugh Blackwell, Co-Chair
Representative Rob Bryan, Co-Chair
Representative Bryan R. Holloway, Co-Chair
Representative D. Craig Horn, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 1:38 PM on Wednesday, October 14, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Emma Shelby (Committee Assistant)

AGENDA

JOINT MEETING: HOUSE APPROPRIATIONS COMMITTEE ON EDUCATION AND SENATE APPROPRIATIONS COMMITTEE ON EDUCATION/HIGHER EDUCATION

March 4, 2015 8:30 a.m.
Legislative Office Building - Room 423

House Committee Co-Chairs
Rep. Hugh Blackwell
Rep. Rob Bryan
Rep. Bryan Holloway
Rep. D. Craig Horn

Senate Committee Co-Chairs
Sen. Tom Apodaca
Sen. Chad Barefoot
Sen. Dan Soucek

House Committee Vice-Chairs
Rep. Rosa Gill
Rep. Rick Glazier
Rep. Paul Stam
Rep. Chris Whitmire

House Committee Members
Rep. Larry Bell
Rep. Cecil Brockman
Rep. Debra Conrad
Rep. Jeffrey Elmore
Rep. John Fraley
Rep. Marvin Lucas
Rep. Henry M. Michaux Jr.

Senate Committee Members
Sen. David Curtis
Sen. Don Davis
Sen. Fletcher Hartsell Jr.
Sen. Bob Rucho
Sen. Erica Smith-Ingram
Sen. Jerry Tillman
Sen. Joyce Waddell

I.	**Welcome & Opening Remarks**	Representative Bryan Holloway Presiding Co-Chair
II.	**Funding North Carolina's Public Schools**	Brian Matteson Fiscal Research Division
	Adjourn	**NEXT MEETING: March 5, 2015**

MINUTES

Appropriations Sub-Committee Meeting on Education

Wednesday, March 4, 2015
8:30 a.m.
Room 423, Legislative Office Building

The House Committee on Education – Universities met on Wednesday, March 4h, 2015 at 8:30 a.m. in room 423 of the Legislative Office Building. The following members were present: Representatives Blackwell, Bryan, Holloway, and Horn, Co-Chairs; Representatives Gill, Stam, Bell, Brockman, Conrad, Fraley, Lucas, and Michaux. The following Senators were present: Senators Barefoot and Soucek, Co-Chairs; Senators Curtis, Davis, Hartsell, Rucho, Smith-Ingram, Tillman, and Waddell. A visitor registration is attached and made part of these minutes. (Attachment I)

Representative Holloway, Chair, called the meeting to order at 8:36 a.m. He introduced the pages and the Sergeant of Arms staff (Attachment II).

Representative Holloway recognized Brian Matteson, from the Financial Research Division of staff, to continue with his presentation of "Funding North Carolina's Public Schools" (Attachment III) from the meeting the day before; Mr. Matteson picked back up on slide #20.

After a lengthy discussion, Representative Holloway moved that the meeting adjourn and resume the presentation on the following day.

There being no further business, the meeting adjourned at 10:35 a.m.

Respectfully submitted,

Representative Holloway, Co-Chair

Emrna Shelby, Committee Assistant

Attachments

VISITOR REGISTRATION SHEET

Joint Comm., Appropriation, Education — 3/4/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
P. Angelicia Simmons	General Assembly (Sen. Erica Smith-Ingram)
Drew Maltz	UNC GA
Susan McCrady	Appalachian State
Erin Gray	GOV's Office

VISITOR REGISTRATION SHEET

Joint Comm., Appropriation, Education — 3/4/15
Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Cheryl Posner-Cahill	NC School Psych Assoc
Paul Toglevar	Inform Ed
Jackson Jefferies	CCS
Joshua Cozart	NSS
Austin Pruitt	Perkinson
Nick Goettsch	OSBM
Jesse Saffron	Pope Center
Greg Carter	NCIA
Erin Fleck	Senate Staff
Philip Barefoot	McGuire Woods
Terry Yeargan	DPR Const. / East Carolina BOT

VISITOR REGISTRATION SHEET

Joint Comm., Appropriation, Education — 3/4/15
Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Elizabeth Groves	OSBM
Alexis Schauss	NCDPI
Eric Moore	NCDPI
Philip Price	NCDPI
Rachel Bradley	"
Alex Granados	EDNC
Tim Hurley	Teach For America
Lisa Apodaca	LA
Douglas Holbrook	NCSBA
Helen Pridmore	NCASA
Bruce Mildwurf	NCSBA

VISITOR REGISTRATION SHEET

Joint Comm., Appropriation, Education — 3/4/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Tom West	NCICU
JOEL MAMARO	BEGINNINGS
Zane Stilwell	NC SBE
Wendy Kelly	Forus Carolina

Committee Sergeants at Arms

NAME OF COMMITTEE Appropriations on Education

DATE: 3/4/2015 Room: 423

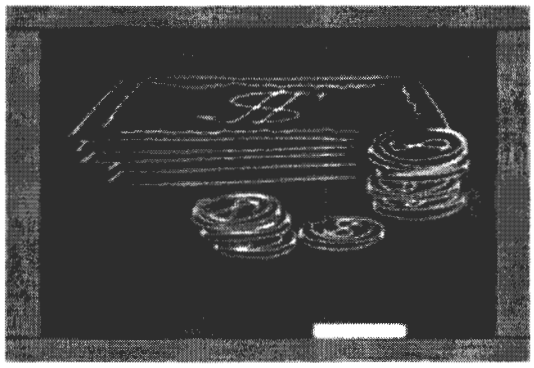
House Sgt-At Arms:

1. Name: Charles Godwin
2. Name: Dean Mashburn
3. Name: Ray Cook

Senate Sgt-At Arms:

1. Name: Anderson Meadows
2. Name: Marcus Kitts

Funding North Carolina's Public Schools



Brian Matteson
Fiscal Research Division
March 3, 2015

FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Key Takeaways

- State Public Schools funding is distributed to Local Education Agencies (LEAs) through allotments
- Allotments are distributed based on funding formulas that typically utilize student headcount and other targeted factors
- Most State support is directed at all types of districts and students, but certain allotments address disparate student and district characteristics

Average Daily Membership

Average Daily Membership

- Most allotments are provided to LEAs on the basis of allotted Average Daily Membership (ADM)
- Membership = being on the current roll at a school ("expected to be there")
  - Not the same as attendance
- ADM =

$$\frac{\text{daily sum of all students in membership for a month}}{\text{total days in month}}$$

Determining Allotted ADM

Each winter, DPI follows these 5 steps for determining total allotted ADM for the next year:

1) For each LEA, compare **current year actual** ADM in month 1 and month 2 of school year (example: for building FY 2014-15 budget, look first at FY 2013-14 ADM)

2) Identify the **higher** figure **("Best 1 of 2")**

September 2013: 20,417 **Vs.** **October 2013: 20,520**

Determining Allotted ADM-Part 2

3) Compare the figure from step 2 to a statistical projection of ADM for the coming year

October 2013: 20,520 **Vs.** **Projected 2014-15: 20,249**

4) The higher number is the **allotted ADM** for that LEA in the coming year. (note: an LEA's budgeted ADM can be no lower than the prior-year actual)

Determining Allotted ADM-Part 3

5) Sum the allotted ADM figures for all of the LEAs:

Statewide Total Allotted ADM

2014-15 Allotted ADM: 1,520,305

Allotments

Basis for Public Schools Funding

Allotments

- **Allotments** – The way the money goes out the door to the LEAs
- Each allotment is driven by a formula
- There are 20+ major State allotments
- Instead of funding specific programs, creates pool of funds from which the LEA can deliver a range of services

State Funding Allotments

- Largely three types of allotments
  - **Base allotments**: go to all LEAs, predominantly on the basis of ADM
  - **Allotments addressing student characteristics**: funding based on relative populations of certain student characteristics
  - **Allotments addressing LEA characteristics**: funding based on LEA size or wealth

Base Allotments

State Funding—Base Allotments

- Base allotments represent 79% of State allocations
- Base allotments provide a foundation of public school operational support
  - Funds flow to all 115 LEAs
  - ADM is the primary determinant of fund allocation
- Most Base allotments support positions
  - Instead of dollar allocations, LEAs receive months of employment or 10- and 12-month positions
  - State pays the salary and benefits of employee regardless of person's placement on salary schedule

Base Allotments Guaranteed Positions

Classroom Teachers

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
2,758,250,828	3,017,215,584	34.8%

- **Purpose:** Provides LEAs guaranteed funding (salaries & benefits) to cover 10-month positions for classroom teachers
- **Formula:** LEAs provided positions based on the allotted ADM by grade spans
- **Note:** Other allotments also support teachers. Partially supported by Lottery funds (2014: $255M)

Classroom Teachers

Class-size Ratios

2014-15 Grade Spans	Teacher Allotment Ratio	Class-Size Average Ratio for the LEA	Individual Class-Size Maximum
K	1:18	1:21	1:24
1-3	1:17	1:21	1:24
4-6	1:24	--	--
7-8	1:23	--	--
9	1:26.5	--	--
10-12	1:29	--	--

- Average class-size and individual class-size limits in grades 4-12 were eliminated in 2013

Classroom Teachers

Statewide Salary Schedule

		110% of A	112% of A	122% of A
Creditable Experience	A Schedule	M Schedule	NBPTS "A"	NBPTS "M"
0-4	$ 33,000	$ 36,300	$ 36,960	$ 40,260
5-9	36,500	40,150	40,880	44,530
10-14	40,000	44,000	44,800	48,800
15-19	43,500	47,850	48,720	53,070
20-24	46,500	51,150	52,080	56,730
25+	50,000	55,000	56,000	61,000

- Teacher must be paid at least the amount called for by her/his placement on Statewide schedule
- Annual salary based on 10-month schedule

Classroom Teachers

Statewide Salary Schedule

Creditable Experience	A Schedule	110% of A M Schedule	112% of A NBPTS "A"	122% of A NBPTS "M"
0-4	$ 33,000	$ 36,300	$ 36,960	$ 40,260
5-9	36,500	40,150	40,880	44,530
10-14	40,000	44,000	44,800	48,800
15-19	43,500	47,850	48,720	53,070
20-24	46,500	51,150	52,080	56,730
25+	50,000	55,000	56,000	61,000

- LEAs may supplement pay from local funds
- State supplements base salary for Master's (10%) and NBPTS certification (12%)

Classroom Teachers

Statewide Salary Schedule

Creditable Experience	M+$126/mo Advanced (6th Yr.)	NBPTS M +$126/mo Advanced (w/NBPTS)	M+$253/mo PhD	NBPTS M +$253/mo PhD (w/NBPTS)
0-4	$ 37,560	$ 41,520	$ 38,830	$ 42,790
5-9	41,410	45,790	42,680	47,060
10-14	45,260	50,060	46,530	51,330
15-19	49,110	54,330	50,380	55,600
20-24	52,410	57,990	53,680	59,260
25+	56,260	62,260	57,530	63,530

- Also get supplement for advanced degrees and PhDs

Classroom Teachers

How Does NC Budget Guaranteed Positions?

- Guaranteed positions don't have known fixed cost
- Use 6th pay period actual for estimating next fiscal year's projected costs

2014-15 Classroom Teaching Positions Required: 69,156.5 **X** **2013-14 6th PP Avg. Salary (& Leg Inc.): $43,515**

= **2014-15 Budget: $3,017,215,584**

Classroom Teachers

What is the Rationale for Guaranteed Positions?

- LEAs can hire best candidate regardless of salary
- Eliminates possible incentives to:
  - Discourage teachers from securing advanced degrees or certification
  - Replace effective, experienced teachers with unproven, initially licensed teachers

Classroom Teachers

Major Changes in Prior Biennium

- Modified Allotment Ratios
  - 2013: All ratios increased to eliminate LEA Adjustment
  - 2014: K-1 ratios reduced by 1 student per teacher
- Revised Salary Schedule
  - Collapsed from 30+ steps to 6 tiers
  - Average 7% raise provided in 2014
  - Longevity eliminated

Classroom Teachers

Major Changes in Prior Biennium

- Master's supplement eliminated, except for teachers that :
  - Received it prior to the 2014-15 school year, or
  - Completed at least one class towards a Master's program as of 8/1/2013

Instructional Support

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
327,218,072	347,645,151	4.0%

- **Purpose:** Supports 10-month positions for counselors, social workers and other instructional support personnel
- **Formula:** 1 position per every 218.55 in ADM

Career and Technical Education

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
296,431,205	313,278,979	3.6%

- **Purpose:** Provides guaranteed months of employment to fund CTE teacher salaries and benefits
- **Formula:** 50 months of employment per LEA with remaining funds distributed based on grade 8-12 ADM

School Building Administration

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
236,288,914	237,206,208	2.7%

- **Purpose:** Provides guaranteed funding to support 12-month positions for principals, and months of employment for assistant principals

- **Formula:**
  - Principals: 1 position for each school where ADM > 100 or 7+ state-paid teachers/inst. support (until 2011)
  - Assistant Principals: 1 month of employment per every 98.53 in ADM

Personnel Benefits

ALLOTMENT	2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
SOCIAL SECURITY	276,791,459	298,677,480	3.4%
STATE RETIREMENT	531,912,925	592,254,740	6.8%
MEDICAL INSURANCE	449,265,348	467,898,252	5.4%
SHORT TERM DISABILITY	7,077,920	7,077,920	0.1%
LONGEVITY	85,817,204	50,699,521	0.6%
ANNUAL LEAVE	47,211,431	47,211,431	0.5%
WORKERS COMP	48,205,026	48,205,026	0.6%
UNEMPLOYMENT	19,339,358	19,339,358	0.2%

- Personnel benefits are provided based on the number of positions, and the requirements of the specific benefit

Base Dollar Allotments

Teacher Assistants

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
453,579,630	376,107,530	4.3%

- **Purpose:** Provides funding for teacher assistants' salaries and benefits
- **Formula:** $727 per K-3 ADM
- **2014 LEGISLATIVE ACTION:**
  - Funding reduced by $110M R (partially offset by $25 M nonrecurring appropriation)
  - Lottery receipts now provide $113M of total funding

Central Office Administration

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
95,461,616	94,386,875	1.1%

- **Purpose:** Provides funding for central office personnel salaries and benefits
- **Formula:** Base formula has changed so many times over last 20 years that this position allotment now functions as a dollar allotment

Noninstructional Support Personnel

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
357,078,745	367,330,979	4.2%

- **Purpose:** Supports clerical, custodians, substitute teachers, and other personnel or purposes
- **Formula:** $240.19 per ADM
- **NOTE:** Partially supported by Civil Fines and Forfeitures (FY 2014-15: $132 million)

Instructional Supplies/Classroom Materials

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
43,813,919	43,815,896	0.5%

- **Purpose:** Provides funds for classroom supplies and materials
- **Formula:** $28.38 per ADM plus $2.69 per ADM in grades 8 and 9 for PSAT Testing

Career and Technical Education: Pgm. Supp.

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
20,284,738	20,664,365	0.2%

- **Purpose:** Provides funding to assist LEAs in expanding, improving, modernizing, and developing quality CTE programs
- **Formula:** Base of $10,000 per LEA with remaining funds distributed based on grade 8-12 ADM ($33.97 per ADM)

Textbooks

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
23,169,585	24,265,721	0.3%

- **Purpose:** Provides funds for textbooks and instructional content in paper and digital form
- **Formula:** $14.86 per ADM in grades K-12

Transportation

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
443,107,735	455,864,208	5.3%

- **Purpose:** Provides funds for transportation to and from school
  - Bus drivers and other personnel
  - Fuel
  - Maintenance
  - Contract Transportation
- **Formula:** Based on pupils transported and "budget rating"

School Buses

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
38,448,088	43,567,191	0.5%

- **Purpose:** Supports yellow school bus replacement for the existing bus fleet (not for growth)
- **Formula:** Subject to availability of funds, policy is to replace all yellow buses exceeding 20 years or 250,000 miles of service, with certain exceptions:
  - May not replace with less than 150,000 miles
  - Only replace less than 15 years old if over 300,000 miles

School Buses

Major Changes in Prior Biennium

- Formula Revision (Sec 8.11, S.L. 2013-360)
  - Prior to 2013, buses were previously replaced at either 20 years or 200,000 miles in service
  - New process provides opportunity for LEAs to derive benefit from keep vehicles in service
    - $2,000 bonus payment for retention during initial eligibility, up to 23 years in service
- Funding adjusted to meet lower costs of new replacement requirements

Allotments Addressing Student Characteristics

Allotments Addressing Student Characteristics

- These allotments represent 16% of State allocations
- They are intended to enhance service delivery to specific populations of students
- Resources are provided solely through dollar allotments

Children with Disabilities—School-aged

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
652,938,371	687,603,386	7.9%

- **Purpose:** Provide a program of support to benefit students with identified disabilities in public schools from ages 5-21
- **Formula:** $3,927 per identified student up to a 12.5% maximum identified LEA student cap

Children with Disabilities—Other Programs

ALLOTMENT	2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
Preschool Children	52,520,194	54,627,017	0.6%
Behavioral Support	11,389,915	11,808,375	0.1%
Group Homes	4,439,538	4,700,583	0.1%
Developmental Day Care	19,449,417	20,593,043	0.2%
Community Residency Ctrs	4,571,640	4,840,452	0.1%

Preschool Children

- **Purpose:** Support local programs which address unique needs of this population
- **Formula:** Dollar equivalent of classroom teacher plus $3,117 per 3, 4 and pre-K5 year-old identified student

Other Programs (available by LEA application)

Academically or Intellectually Gifted

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
74,737,262	77,880,694	0.9%

- **Purpose:** Supports differentiated services to students with outstanding capability

- **Formula:** Total LEA Funding =

4% of LEA's ADM X Per-Pupil Funding Factor (FY 2014-15: $1,281)

At-Risk Student Services

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
283,726,446	291,183,097	3.4%

- **Purpose:** Provide services/positions such as:
  - alternative instruction
  - dropout prevention
  - school safety officers (SSOs)
  - summer school instruction
  - remediation
  - alcohol/drug prevention

At-Risk Student Services Formula

- **Formula:** Every LEA receives the following:

  1. Funding equivalent to an School Safety Officer salary ($37,838) per high school

  2. Remaining funds allocated based 50% on Federal Title I headcount ($329.77/pupil) and 50% on allotted ADM ($88.37/pupil)

  NOTE: Each LEA must receive at least the equivalent of two teachers and two instructional support personnel ($249,288).

At-Risk Student Services

Major Changes in Prior Biennium

- **After School Program (Sec 8.19, S.L. 2014-100)**
  - Set-aside $5 million from At-Risk allotment
  - Created new competitive grant activity intended to improve after school quality
    - Available to LEAs and non-profits partnering with LEAs
    - Maximum award is $500,000
    - Student population served must be ≥ 70% Free or Reduced Lunch-eligible

Disadvantaged Student Supplemental Funding

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
81,704,803	85,488,650	1.0%

- **Purpose:** Provides supplemental funding to LEAs to enhance capacity to address the needs of disadvantaged students

- **Formula:** Distributed to all LEAs on a per-student basis, factoring in certain student characteristics and the relative wealth of the county

Limited English Proficiency

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
75,741,495	77,647,338	0.9%

- **Purpose:** Provides funding to LEAs to serve students not proficient in English

- **Formula:** Funding provided for up to 10.6% of total LEA ADM. Each LEA receives dollar equivalent of a teacher assistant position, with remaining funds allocated 50% on 3-year weighted average LEP headcount and 50% on LEP concentration.

Excellent Public Schools Act

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
33,513,559	36,617,010	0.4%

- **Purpose:** Funds support multiple activities authorized by S.L. 2012-142 (2012 Approps Act)

- Major Activities Include:
  - Reading Camps for students not demonstrating proficiency
  - Formative Diagnostic Assessment for all K-3 students
  - Kindergarten Entry Assessment for all entering Kindergarteners

Allotments Addressing District Characteristics

Allotments Addressing District Characteristics

- These allotments represent 3% of State allocations
- They are intended to address economic and geographic conditions of school districts
- Resources are provided solely through dollar allotments

Low Wealth Supplemental Funding

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
212,464,471	215,621,537	2.5%

- **Purpose:** Provides funding for counties that have below State-average ability to generate local revenue to support public schools
- **Formula:** Only LEAs with wealth of less than the State average qualify. Qualifying LEAs can receive up to the amount required to bring that LEA up to the Statewide average local revenue per student; dependent on LEA funding effort

Small County Supplemental Funding

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
44,815,205	47,543,689	0.5%

- **Purpose:** Provides additional support for small LEAs to compensate for diseconomies of scale
- **Formula:** Funds are provided to County LEAs based on ADM

Small County Supplemental Funding

Small County Funding Parameters

ADM Range	Funding	ADM Range	Funding
Less than 600	$1,710,000	2,001-2,300	$1,560,000
601-1,300	$1,820,000	2,301-2,600	$1,470,000
1,301-1,700	$1,548,700	2,601-2,800	$1,498,000
1,701-2,000	$1,600,000	2,801-3,200	$1,548,000

Small County Supplemental Funding

Major Changes in Prior Biennium

- 2 Formula Revisions
  - 2013: Phased out antecedent formula that provided funding based on 7 different factors in favor of formula recommended by independent consultants
  - 2014: Revised 2013 formula change to provide specific dollar amount tied to district size
- Implications of Changes
  - LEAs with more than 3,200 students no longer eligible
  - 5 year graduated phase-out provided to newly ineligible districts

Child and Family Support Teams

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
9,523,985	10,051,540	0.1%

- **Purpose:** A combination of positions (nurses) and dollars (social workers) to coordinate services among educational and human service agencies working with at-risk children and their families.
- **Formula:** Positions and dollars distributed between the 79 designated schools

Miscellaneous Programs

Cooperative and Innovative Programs

ALLOTMENT	2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
Cooperative & Innovative HS	23,111,478	25,402,716	0.3%
C & I Virtual HS	1,000,000	1,000,000	0.0%

- This program provides high school students the opportunity to earn college credit while in high school
- There are 79 CIHSs that receive direct supplemental appropriations from the NCGA, with 6 opening in FY 2014-2015

Technology Programs

ALLOTMENT	2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
School Technology Fund	18,000,000	24,000,000	0.3%
Connectivity	19,919,762	19,919,762	0.2%

- School Technology Fund
  - Allocated on $/ADM Basis (FY 2014-15: $15.79/ADM)
  - Supported by Civil Fines & Forfeitures ($18m) and Indian Gaming Education Revenue Fund ($6m)
  - Used for hardware, software but not personnel
- Connectivity
  - Funds support the enhancement of school technology infrastructure and internet service costs

FY 2013-15 Newly Authorized Activities

ALLOTMENT	2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
Middle School Safety Officers	7,000,000	7,000,000	0.1%
Panic Alarms	2,000,000	900,000	0.0%
NC Advanced Placement (AP) Partnership	1,500,000	1,500,000	0.0%
AP/International Baccalaureate Test Fees	-	10,831,184	0.1%
Career Technical Education Testing Fees	1,252,157	1,302,243	0.0%
Psychiatric Residential Treatment Facilities	-	3,200,000	0.0%

Miscellaneous Programs

ALLOTMENT	2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
Driver Education*	26,056,736	26,461,843	0.3%
EVAAS	2,995,000	2,795,000	0.0%
Liability Insurance	3,145,000	3,145,000	0.0%
Reserve ADM Contingency	2,618,500	2,618,500	0.0%
School Breakfast	2,017,761	2,017,761	0.0%
Small Speciality High Schools	4,017,304	4,017,304	0.0%
Testing	15,862,981	15,994,747	0.2%
Tort Claims	5,211,964	5,211,964	0.1%
Uniform Education Reporting System	10,258,861	10,258,861	0.1%

*Driver Training funding was made non-recurring in the 2014 Appropriations Act. Without legislative action, there will be no State support for this activity in FY 2015-16.

Directed Grants

ALLOTMENT	2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
Teach for America	6,000,000	6,000,000	0.1%
Communities in Schools	1,446,750	2,446,750	0.0%
Beginnings for Parents	919,730	919,730	0.0%

Charter School Funding

- Charter Schools are entitled to both State and local K-12 funding per G.S. 115C-238.29
- State funding
  - Charter school receives same per-pupil share of State operational funding as its co-located LEA
    - EXCEPTION: 1st yr. of operations, allotments are reduced from student's prior LEA to fund charter
- Local funding
  - LEA must provide to the charter, on behalf of each charter school student from the LEA, "an amount equal to the LEA's per pupil local current expense appropriation"

Charter School Funding

State Charter School Funding: 2008-2014

Fiscal Year	Funded ADM	State Funding	$/ADM
2007-08	32,266	$169,192,779	$5,244
2008-09	35,870	$190,593,495	$5,484
2009-10	38,449	$187,726,898	$5,061
2010-11	41,716	$201,748,380	$5,050
2011-12	45,094	$228,291,552	$5,063
2012-13	49,245	$256,417,175	$5,178
2013-14	58,192	$301,899,873	$5,188

Source: Department of Public Instruction (Highlights), 2008-2014

Charter and Traditional School Comparison

ISSUE	CHARTERS	TRADITIONALS
Governance	Board of directors	Local board of education
Funding Allocations	State, federal and local dollars allocated to the school – based on the domicile of the student and the location of the school.	Allocations are made to the LEA which then decides how to distribute funds across its schools.
Funds for Facilities	State and local funds may be used for operational or financing leases for real property, but not to obtain any other interest in real property. No separate State funds for capital.	Separate capital funds available at local level.
Direct Appropriations from County	Not authorized.	Allowed.
Funding Flexibility	Funds are pooled at the school and generally are not required to be spent according to the specific purpose for which allocated.	Funds may be transferred between allotment categories, subject to some limitations, including limits set by federal law, limits on transfers into Central Office and out of Read to Achieve funds.
Teacher Tenure Law	Does not apply.	Applies, but is being phased out. Effective 2018, all teachers will be hired on definite term contracts.
Teacher Licensure	50% of teachers must hold teaching license. All teachers must be college graduates if teach math, science, social studies or language arts.	All teachers must be licensed or eligible to be licensed within specific time period.

Charter and Traditional School Comparison

ISSUE	CHARTERS	TRADITIONALS
Teacher/Principal Salaries	Negotiated.	Based on State salary schedules.
Retirement/Health Plan	One-time opportunity to opt to participate	Must participate.
School Calendar	At least 185 days or 1025 hours of instruction.	At least 185 days or 1025 hours of instructions, additional requirements including mandatory start and end dates.
Accountability	SBE has authority to terminate, not renew or have charter assumed if charter has had charter for 5 years and has had 1) no growth and, 2) annual performance composites below 60% in any 2 out of 3 year period. SBE also has ability to terminate, not renew or allow charter assumption if specific grounds occur, including failure to meet the student performance requirements contained in the charter.	SBE can dismiss teachers, principals and suspend the local board of education for continually low-performing schools. SBE can also authorize local board of education to operate a low performing school as a charter school with employees still being employed by the local board of education or close the school and re-assign students to higher achieving schools in the school system.
State Testing	Required.	Required.
Standard Course of Study	Not required.	Required.

Charter and Traditional School Comparison

ISSUE	CHARTERS	TRADITIONALS
Read to Achieve	Must retain students who have not demonstrated grade level proficiency on third grade EOG and provide reading interventions for retained students.	Must administer developmental screenings and diagnostic assessments prior to 3rd grade, must retain students who have not demonstrated grade level proficiency on third grade EOG, and must provide specified reading interventions for retained students.
Students with Disabilities	Subject to laws governing students with disabilities.	Subject to laws governing students with disabilities.
Student Discipline	Must follow student discipline laws, but may exclude student and return to traditional school under terms of charter after due process.	Must follow student discipline laws; no option to "return" somewhere else, but may place students in alternative school setting within LEA.
Student Transportation	Not required. Must have plan so transportation is not a barrier for attendance within LEA where charter is located.	Not required, but if provided, subject to regulation and requirements of statutes and State Board of Education.
School Nutrition	Not required.	Required to the extent practicable.
Admission	By application. Open to any eligible student. Lottery process when applications exceed spaces, some preference categories allowed. Students not required to reside in LEA where charter school is located.	Required for any student who is domiciled in LEA. LEA is not required to enroll students not domiciled in the LEA. LEA determines attendance zones.

Opportunity Scholarships

- Authorized in 2013, supports scholarships of up to $4,200 for attending private school
- Student eligibility is determined by:
  - Prior attendance in a NC public school
  - Family income at or below 185% of the federal poverty guidelines (increasing to 250% in FY 15-16)
- Program administered by the NC State Educational Assistance Authority (NCSEAA)
  - $10.8 M provided in the UNC section of the budget
  - $2.2 M dispersed on behalf of 1,103 students attending 192 schools for the fall 2014-15 semester

Other State Fund Sources

NC Lottery Proceeds for Education

- Lottery Act no longer proscribes program-level distributions:
  - 2013 Appropriations Act change
  - NCGA had overridden distributions since FY 2009-10
  - Funds support education programs in all sectors

Program/Allotment	2014-15 Enacted Budget	
	$	% Total
Classroom Teachers	254,586,185	44%
Teacher Assistants	113,318,880	19%
NC Pre-K	75,535,709	13%
School Capital	100,000,000	17%
Scholarships (Needy Students)	30,450,000	5%
UNC Need-Based Aid	10,744,733	2%
Total, Lottery	**584,635,507**	**100%**

Other Major State Funding Sources

- Fines and Forfeitures
  - Constitutional requirement for Revenue, Transportation and other penalties to be used to support Public Schools
  - Proceeds (14-15 Budget: $150 m) directed to School Technology Fund and Noninstructional Personnel Support
- Department of Revenue Transfer
  - 14-15 Budget: $53 million
  - Implemented in FY 06-07 to offset elimination of LEA's refund eligibility for the State portion of Sales and Use Tax
- Highway Fund Transfer
  - 14-15 Budget: $27 million
  - Only State source of Driver Training funding

State Public School Capital Fund

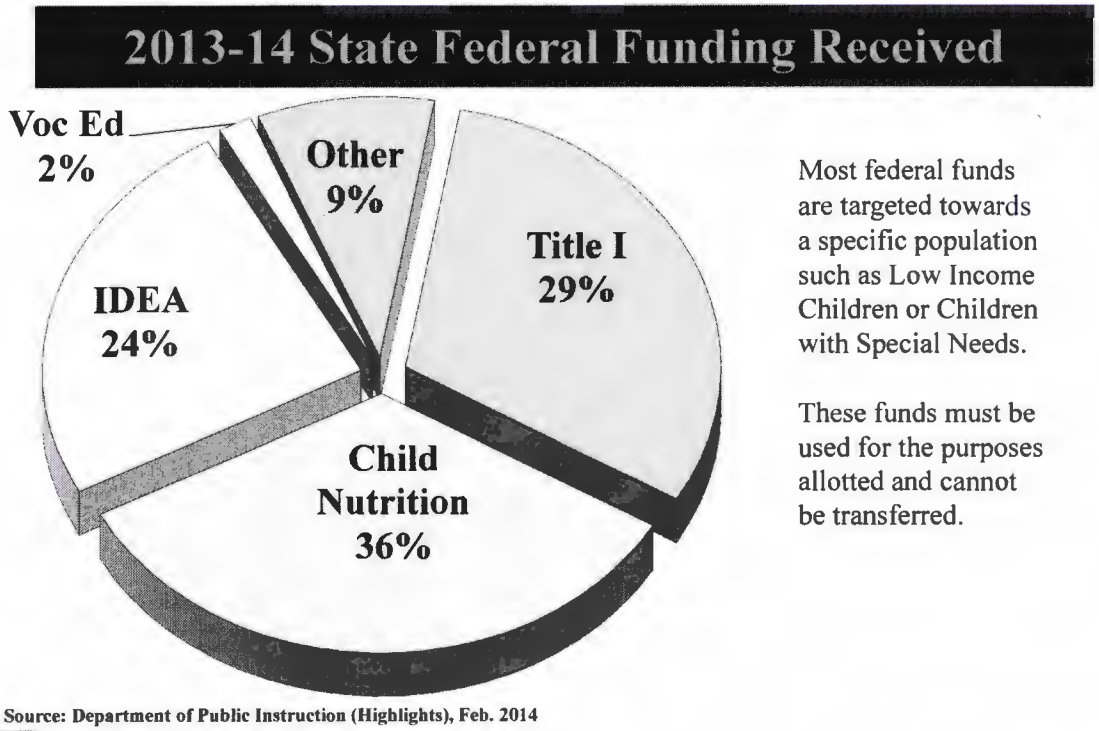
- Pub. Sch. Building Capital Fund
  - Includes annual Lottery ($100M) and prior Corporate Income Tax allocations for school capital
  - Corporate Income Tax (ADM Fund) set-aside (7.25% of tax) eliminated in the 2013 Appropriations Act
  - While funds are held at county level, proceeds may not support charter school real property acquisition

Federal Fund Sources

Federal K-12 Fund Sources

- Most programs are included in State budget, but General Assembly lacks authority to modify program requirements
- Federal grants may be spent over a 27-month period, so expenditures best measure of impact
- Federal funds are typically 10% of a LEA's current expense budget

Federal K-12 Fund Sources



Most federal funds are targeted towards a specific population such as Low Income Children or Children with Special Needs.

These funds must be used for the purposes allotted and cannot be transferred.

Source: Department of Public Instruction (Highlights), Feb. 2014

FY 2013-14 Federal K-12 Fund Sources

	State Aid
No Child Left Behind	
School Improvement Grants	$ 12,930,242
Title I College and Career Ready Students	366,768,719
Title I College and Career Ready Students School Improvement	8,364,262
Migrant	4,595,954
Neglected and Delinquent	1,865,903
21st Century Community Learning Centers	28,631,494
English Language Acquisition	12,900,979
Rural and Low-Income Schools	5,156,549
Improving Teacher Quality	46,969,099
Mathematics and Science Partnerships	4,241,593
Education for Homeless Children and Youth	1,303,288
Total NCLB	**$ 493,728,082**
Individuals With Disabilities Education Act	
Special Education - Grants to States	293,455,908
Special Education - Preschool Grants	8,733,190
State Program Improvement	1,218,467
Total IDEA	**$ 303,407,565**

FY 2013-14 Federal K-12 Fund Sources

Perkins IV		
Career and Technical Education Basic	18,430,655	
Transfer to Community Colleges	10,824,894	
Transfer to Dept. of Juvenile Justice and Delinquency	50,000	
Total Perkins	**$ 29,305,549**	
Miscellaneous		
Abstinence Education	809,762	
Child Nutrition Food Services	473,429,700	Est.
Child Nutrition Fresh Fruits and Vegetables	4,037,042	
Total Miscellaneous	**$ 477,466,742**	

Questions?

Pattie Fleming (Rep. Craig Horn)

From: Pattie Fleming (Rep. Craig Horn)
Sent: Wednesday, March 04, 2015 10:35 AM
To: Pattie Fleming (Rep. Craig Horn)
Subject: <NCGA> House Appropriations, Education Committee Meeting Notice for Wednesday, March 11, 2015 at 8:30 AM - CORRECTED #1 (Joint)
Attachments: Add Meeting to Calendar_LINC_.ics

Corrected #1:

NORTH CAROLINA HOUSE OF REPRESENTATIVES
JOINT COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

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

DAY & DATE: Wednesday, March 11, 2015
TIME: **8:30 AM**
LOCATION: **423 LOB**
COMMENTS: **NOTE DATE CHANGE. This is a Joint Meeting with Senate. Representative Horn will be chairing.**

Respectfully,

Representative Hugh Blackwell, Co-Chair
Representative Rob Bryan, Co-Chair
Representative Bryan R. Holloway, Co-Chair
Representative D. Craig Horn, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 10:33 AM on Wednesday, March 04, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Pattie Fleming (Committee Assistant)

AGENDA

JOINT MEETING: HOUSE APPROPRIATIONS COMMITTEE ON EDUCATION AND SENATE APPROPRIATIONS COMMITTEE ON EDUCATION/HIGHER EDUCATION

March 11, 2015 8:30 a.m.
Legislative Office Building - Room 423

House Committee Co-Chairs
Rep. Hugh Blackwell
Rep. Rob Bryan
Rep. Bryan Holloway
Rep. D. Craig Horn

Senate Committee Co-Chairs
Sen. Tom Apodaca
Sen. Chad Barefoot
Sen. Dan Soucek

House Committee Vice-Chairs
Rep. Rosa Gill
Rep. Rick Glazier
Rep. Paul Stam
Rep. Chris Whitmire

House Committee Members
Rep. Larry Bell
Rep. Cecil Brockman
Rep. Debra Conrad
Rep. Jeffrey Elmore
Rep. John Fraley
Rep. Marvin Lucas
Rep. Henry M. Michaux Jr.

Senate Committee Members
Sen. David Curtis
Sen. Don Davis
Sen. Fletcher Hartsell Jr.
Sen. Bob Rucho
Sen. Erica Smith-Ingram
Sen. Jerry Tillman
Sen. Joyce Waddell

I.	**Welcome & Opening Remarks**	Representative Craig Horn Presiding Co-Chair
II.	**Governor's Budget Recommendations: Education**	Bryan Conrad, Pam Leaman, Adam Brueggemann, Office of State Budget and Management Budget Analysts
	Adjourn	**NEXT MEETING: March 12, 2015**

House Committee on Appropriations, Education
Wednesday, March 11, 2015 at 8:30 AM
Room 423 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Education met at 8:30 AM on March 11, 2015 in Room 423 of the Legislative Office Building. Representatives L. Bell, Blackwell, Brockman, Bryan, Elmore, Fraley, Gill, Horn, Lucas, and Michaux attended. Senators Barefoot, Curtis, Soucek, Davis, Tillman and Waddell were also in attendance. Staff from Fiscal Research was Brian Matteson, Kris Nordstrom, Brett Altman and Mark Bondo. Research Department staff in attendance was Drupti Chauhan, Kara McCraw and Denise Huntley-Adams. Leslie Karkanawi from Bill Drafting was also present. Visitor registration sheets are provided. (Attachment 1)

Representative Craig Horn, Chair, presided. He called the meeting to order and introduced the Sergeant at Arms from the House and Senate as well as the visiting pages from each chamber. (Attachment 2). Representative Horn also introduced Eric Guckian, Senior Advisor on Education to Governor McCrory.

Bryan Conrad, Pam Leaman and Adam Brueggemann from the Office of State Budget and Management presented the Governor's 2015 Recommendations for Education. Mr. Conrad gave an overview of the education budget and also addressed the Community College budget adjustments. Ms. Leaman spoke to the recommended changes to Public Education and Mr. Bueggemann addressed the UNC budget. (Attachments 3) The panel addressed the budget concerns that were expressed by members.

There being no further business, Chairman Horn called the meeting adjourned at 9:30 AM.

Representative Craig Horn, Chair
Presiding

Pattie Fleming, Committee Clerk

VISITOR REGISTRATION SHEET

Joint Comm. on Education Appropriation — 3/11/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Dan Holbrook	NC SBA
Bruce Muldrow	NCSBA
Richard Thompson	NCCAT
Jim Hyps	Ed Consultant
Elizabeth Groseclose	Hunt Institute
Alex Granados	EDNC
Tom West	NCICU
David Collins	SEANC
Zane Stilwell	NC SBE
Rachel Reali	NCDPI
Aden Pridemore	NCASA

VISITOR REGISTRATION SHEET

Joint Comm. on Education Appropriation — 3/11/15

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Joyce Peters	CSS
Mike Mann	Kemper Corp
Regina Chiaj	WMC
Gaile Gudgeon Hawthorne	ETSU

2015-16 and 2016-17 General Fund Appropriation Education Budget Summary

	2013-14 Actual	*2014-15 Authorized*	*Base Budget Adjustments*	*2015-16 Recommended Base Budget*	*Reductions*	*Expansion*	*2015-16 Total Appropriation*	*% Change Over 2014-15*
Education								
Public Schools	7,767,677,973	8,162,334,228	(56,301,128)	8,106,033,100	(40,930,669)	332,191,762	8,397,294,193	2.9%
Community Colleges	1,015,960,648	1,049,046,867	(551,752)	1,048,495,115	(19,157,990)	5,551,752	1,034,888,877	-1.3%
University System	2,572,757,237	2,646,814,099	482,122	2,647,296,221	(85,933,850)	59,976,813	2,621,339,184	-1.0%
Total Education	**11,356,395,858**	**11,858,195,194**	**(56,370,758)**	**11,801,824,436**	**(146,022,509)**	**397,720,327**	**12,053,522,254**	1.6%

	2013-14 Actual	*2014-15 Authorized*	*Base Budget Adjustments*	*2016-17 Recommended Base Budget*	*Reductions*	*Expansion*	*2016-17 Total Appropriation*	*% Change Over 2014-15*
Education								
Public Schools	7,767,677,973	8,162,334,228	(56,301,128)	8,106,033,100	(41,075,034)	343,915,762	8,408,873,828	3.0%
Community Colleges	1,015,960,648	1,049,046,867	(551,752)	1,048,495,115	(19,157,990)	11,551,752	1,040,888,877	-0.8%
University System	2,572,757,237	2,646,814,099	490,557	2,647,304,656	(77,827,056)	63,378,953	2,632,856,553	-0.5%
Total Education	**11,356,395,858**	**11,858,195,194**	**(56,362,323)**	**11,801,832,871**	**(138,060,080)**	**418,846,467**	**12,082,619,258**	1.9%

Source: The Governor's Recommended Budget 2015-17.

NOTE: In accordance with SL 2014-100, Section 6.4.(b), included in both Expansion columns is 2015-16 enrollment growth of $100.2 million for Public Schools and $49.3 million for UNC. The additional enrollment growth for 2016-17 is included in the statewide reserves: $106.9 million for Public Schools and $30.9 million for UNC.

The Governor's Recommended Budget



Pat McCrory
Governor

The State of North Carolina
2015 - 2017

Education

Allocates $235 million more in K-12 funding than the 2014-2015 budget - a 2.8% increase in new spending.

Upholds our commitment to increase starting teacher base pay to $35,000 a year and funds salary increases for those teachers eligible to move to the next tier on the salary schedule.

Maintains recurring funding for almost 2,000 existing teacher assistant positions.

Increases funding for instructional resources including textbooks, instructional supplies and equipment. Allows local school districts the flexibility to spend these funds on the resources they determine are most important.

Refines the master's degree salary schedule to reward teachers with applicable high-need, in-field graduate preparation who are teaching in STEM (Science, Technology, Engineering, and Math) and exceptional children fields.

Enhances digital learning opportunities for students by funding the equipment and installation costs to provide Wi-Fi access to classrooms across the state.

Rewards high-performing teachers through performance plans funded through the North Carolina Education Endowment Fund.

Funds a critical upgrade of the College Information System, the central data system used by all 58 community colleges.

Provides funding for community colleges to purchase current, up-to-date equipment and technology used to prepare students for STEM careers.

Continues North Carolina's commitment to offer in-state tuition to qualifying nonresident military veterans.

Stabilizes the Brody School of Medicine at East Carolina University by providing $8 million for medical education and maintaining community preceptorships at regional training sites.

Public Education

Department of Public Instruction

Year 1

Adjustments to the Base Budget 2015-16

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2015-16 Base Budget
Requirements	$ 9,826,190,626	$ 11,571,287,421	$ 12,545,807,373	$ (188,203,373)	$ -	$ (188,203,373)	(1.50%)	$ 12,357,604,000
Receipts	$ 2,058,512,652	$ 3,408,994,193	$ 4,383,473,145	$ (131,902,245)	$ -	$ (131,902,245)	(3.01%)	$ 4,251,570,900
Appropriations	$ 7,767,677,973	$ 8,162,293,228	$ 8,162,334,228	$ (56,301,128)	$ -	$ (56,301,128)	(0.69%)	$ 8,106,033,100
FTE	1,328.840	1,278.692	1,280.697	(6.870)	0.000	(6.870)	(0.54%)	1,273.827

Recommended Change Budget for 2015-16

	2014-15 Authorized Budget	2015-16 Base Budget	Recommended Change Budget for 2015-16: Net Recurring	Net Non Recurring	Recommended Change	Recommended 2015-16 Budget	% Δ from 2014-15 Authorized	% Δ from 2015-16 Base Budget
Requirements	$ 12,545,807,373	$ 12,357,604,000	$ 276,206,743	$ 15,054,350	$ 291,261,093	$ 12,648,865,093	0.82%	2.36%
Receipts	$ 4,383,473,145	$ 4,251,570,900	$ -	$ -	$ -	$ 4,251,570,900	(3.01%)	0.00%
Appropriation	$ 8,162,334,228	$ 8,106,033,100	$ 276,206,743	$ 15,054,350	$ 291,261,093	$ 8,397,294,193	2.88%	3.59%
FTE	1,280.697	1,273.827	0.000	0.000	0.000	1,273.827	(0.54%)	0.00%

Year 2

Adjustments to the Base Budget for 2016-17

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2016-17 Base Budget
Requirements	$ 9,826,190,626	$ 11,571,287,421	$ 12,545,807,373	$ (189,690,645)	$ -	$ (189,690,645)	(1.51%)	$ 12,356,116,728
Receipts	$ 2,058,512,652	$ 3,408,994,193	$ 4,383,473,145	$ (133,389,517)	$ -	$ (133,389,517)	(3.04%)	$ 4,250,083,628
Appropriations	$ 7,767,677,973	$ 8,162,293,228	$ 8,162,334,228	$ (56,301,128)	$ -	$ (56,301,128)	(0.69%)	$ 8,106,033,100
FTE	1,328.840	1,278.692	1,280.697	(121.870)	0.000	(121.870)	(9.52%)	1,158.827

Recommended Change Budget for 2016-17

	2014-15 Authorized Budget	2016-17 Base Budget	Recommended Change Budget for 2016-17: Net Recurring	Net Non Recurring	Recommended Change	Recommended 2016-17 Budget	% Δ from 2014-15 Authorized	% Δ from 2016-17 Base Budget
Requirements	$ 12,545,807,373	$ 12,356,116,728	$ 281,186,378	$ 21,654,350	$ 302,840,728	$ 12,658,957,456	0.90%	2.45%
Receipts	$ 4,383,473,145	$ 4,250,083,628	$ -	$ -	$ -	$ 4,250,083,628	(3.04%)	0.00%
Appropriation	$ 8,162,334,228	$ 8,106,033,100	$ 281,186,378	$ 21,654,350	$ 302,840,728	$ 8,408,873,828	3.02%	3.74%
FTE	1,280.697	1,158.827	2.000	0.000	2.000	1,160.827	(9.36%)	0.17%

Recommended Changes for Department of Public Instruction

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
1. Fullfill Commitment to Increase Beginning Teacher Salary							
Increases the beginning teacher salary for teachers on the first tier of the North Carolina Public School Salary Schedule from $33,000 to $35,000.	Req	$ 41,846,123	$ -	$ 41,846,123	$ 41,846,123	$ -	$ 41,846,123
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 41,846,123	$ -	$ 41,846,123	$ 41,846,123	$ -	$ 41,846,123
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
2. Fund Movement on the Teacher Salary Schedule							
Supports movement of eligible teachers, based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	$ 64,871,243	$ -	$ 64,871,243	$ 64,871,243	$ -	$ 64,871,243
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 64,871,243	$ -	$ 64,871,243	$ 64,871,243	$ -	$ 64,871,243
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
3. Provide One-Time Bonus to Retain 2014-15 Teacher Salaries							
Funds a nonrecurring $1,000 salary bonus to those teachers who received the bonus in 2014-15. This ensures that certified school personnel who were held harmless in Session Law 2014-100 retain their 2014-15 salary.	Req	$ -	$ 4,545,525	$ 4,545,525	$ -	$ 4,545,525	$ 4,545,525
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 4,545,525	$ 4,545,525	$ -	$ 4,545,525	$ 4,545,525
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
4. Increase Beginning Teacher Salary for State Agency Teachers							
Increases the beginning teacher salary for state agency teachers on the first tier of the North Carolina Public School Salary Schedule from $33,000 to $35,000.	Req	$ 103,200	$ -	$ 103,200	$ 103,200	$ -	$ 103,200
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 103,200	$ -	$ 103,200	$ 103,200	$ -	$ 103,200
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
5. Fund Movement on the State Teacher Salary Schedule for State Agency Teachers							
Supports movement of state agency teachers in the Department of Public Instruction who are eligible, based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	$ 57,500	$ -	$ 57,500	$ 57,500	$ -	$ 57,500
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 57,500	$ -	$ 57,500	$ 57,500	$ -	$ 57,500
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
6. Fund Movement on the School-Based Administrator Salary Schedule							
Supports the movement of principals and assistant principals who are eligible, based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	$ 3,494,924	$ -	$ 3,494,924	$ 3,494,924	$ -	$ 3,494,924
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 3,494,924	$ -	$ 3,494,924	$ 3,494,924	$ -	$ 3,494,924
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
7. Provide One-Time Bonus to Retain 2014-15 State Agency Teacher Salaries							
Funds a nonrecurring $1,000 salary bonus to those state agency teachers who received the bonus in 2014-15. This ensures that certified school personnel who were held harmless in Session Law 2014-100 retain their 2014-15 salary.	Req	$ -	$ 52,830	$ 52,830	$ -	$ 52,830	$ 52,830
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 52,830	$ 52,830	$ -	$ 52,830	$ 52,830
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
8. Provide One-time Bonus to School-Based Administrators							
Funds a nonrecurring $1,000 (salary and benefits) bonus to school-based administrators who received the bonus in 2014-15. This ensures that school-based administrators who were held harmless in Session Law 2014-100 retain their 2014-15 salary.	Req	$ -	$ 1,055,995	$ 1,055,995	$ -	$ 1,055,995	$ 1,055,995
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 1,055,995	$ 1,055,995	$ -	$ 1,055,995	$ 1,055,995
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
9. Fund Movement on the Salary Schedule for State Agency School-Based Administrators							
Supports movement of state agency principals and assistant principals in the Department of Public Instruction who are eligible based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	$ 2,900	$ -	$ 2,900	$ 2,900	$ -	$ 2,900
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 2,900	$ -	$ 2,900	$ 2,900	$ -	$ 2,900
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
10. Maintain Teacher Assistants							
Appropriates recurring funds to maintain the 2014-15 level of funding for teacher assistants to ensure the retention of teacher assistant positions that were supported with lottery receipts in Session Law 2014-100. Lottery revenue projections for 2015-16 will not support these positions on a recurring basis.	Req	$ 64,039,628	$ -	$ 64,039,628	$ 64,039,628	$ -	$ 64,039,628
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 64,039,628	$ -	$ 64,039,628	$ 64,039,628	$ -	$ 64,039,628
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
11. Reward High Peforming Teachers							
This appropriation shall be deposited in the North Carolina Education Endowment Fund in the Department of Public Instruction's budget. This appropriation, in addition to other remittances to the trust fund, interest accrued to the trust fund, and the current balance residing in the trust fund shall be used to implement a teacher pay for performance plan. Per GS 115C-472.16, the funds shall only be used for a pay for performance plan that is directly related to improving student outcomes. The funds deposited in this trust fund will not revert.	Req	$ 5,000,000	$ -	$ 5,000,000	$ 10,000,000	$ -	$ 10,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 5,000,000	$ -	$ 5,000,000	$ 10,000,000	$ -	$ 10,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
12. Fully Fund Enrollment Growth							
Ensures adequate funding for instructional positions and instructional supplies that are allocated to the school districts per average daily membership (ADM). ADM is currently budgeted for 1,520,305 for 2014-15. Projected ADM for FY 2015-16 is 1,537,643, an increase of 17,333 ADM. This appropriation supports an additional 678 teacher positions in 2015-16. The incremental increase of $106,959,322 to support the projected 2016-17 enrollment increase of 17,701 ADM will be placed in a statewide reserve for distribution to the Department of Public Instruction for the 2016-17 school year. The distribution from the statewide reserve will be adjusted for revised 2016-17 ADM projections. Current projected ADM for FY 2016-17 is 1,555,344 and the 2016-17 appropriation supports 753 additional teacher positions for a projected increase in teacher positions for the biennium of 1,431. The total projected ADM increase for 2015-16 and 2016-17 is 35,034.	Req	$ 100,236,542	$ -	$ 100,236,542	$ 100,236,542	$ -	$ 100,236,542
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 100,236,542	$ -	$ 100,236,542	$ 100,236,542	$ -	$ 100,236,542
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
13. Allow Local Flexibility and Increase Funding for Textbooks and Other Instructional Resources							
Increases funding for textbooks and other instructional resources. Districts may use this funding source for textbooks, instructional supplies and equipment, and for payment to use the optional services of Home Base. Home Base consists of instructional content that includes lesson plans and interactive activities, instructional tools that will aid in differentiated learning, instructional assessments, a learning management system, and an advanced professional development management tool. The textbook fund is renamed and redefined in special provision to combine the Instructional Supplies and Equipment allotment as well as this appropriation. The new definition and additional dollars allow school districts flexibility in the utilization of these funds for instructional resources as determined by local need. This instructional resource funding also complements the funds available to districts in the School Technology Fund.	Req	$ 35,000,000	$ -	$ 35,000,000	$ 35,000,000	$ -	$ 35,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 35,000,000	$ -	$ 35,000,000	$ 35,000,000	$ -	$ 35,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
14. Provide Classroom Connectivity to Support Digital Learning							
Provides funds to support the equipment purchase and installation costs necessary to provide WI-FI access needed in the classroom to enhance digital learning opportunities for students. This appropriation supports WI-FI access to all North Carolina classrooms by the end of the 2016-17 school year, and allows for ongoing equipment upgrade and replacement for approximately 20% of schools each year. Some school districts have begun this process with one-time Race to the Top funds which expire early in FY 2015-16. The total cost is offset by rebates from the E-rate Modernization Act intended for this purpose, and represents the cost that will be incurred by school districts after E-rate rebates.	Req	$ -	$ 7,400,000	$ 7,400,000	$ -	$ 12,000,000	$ 12,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 7,400,000	$ 7,400,000	$ -	$ 12,000,000	$ 12,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
15. Invest in New Cooperative Innovative High Schools							
Funds eight new Cooperative Innovative High Schools (CIHS) in five LEAs that have been approved by the State Board of Education. Funding requests are for (i) four schools in Guilford County: the Academy at High Point, the Academy at Smith, the STEM Early College at NC A&T, and the Middle College at UNC Greensboro; (ii) one school in Pitt County: Pitt Early College High School; (iii) one in Wake County: Vernon Malone College and Career Academy; (iv) one in Watauga County: Watauga Career Academy; and (v) one in Wilson County: Wilson Academy of Applied Technology. Each school will receive $310,669, the same dollar amount that has been appropriated to existing CIHS programs.	Req	$ 2,485,352	$ -	$ 2,485,352	$ 2,485,352	$ -	$ 2,485,352
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 2,485,352	$ -	$ 2,485,352	$ 2,485,352	$ -	$ 2,485,352
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
16. Align Average Salary with Projections							
Adjusts budgeted average salaries using actual 2014-15 sixth pay period as the revised projection base. This adjustment is made annually after reviewing budgeted salary projections for all certified personnel. Due to attrition in these positions, actual salaries are typically lower than budgeted salaries and savings can be realized.	Req	$ (14,839,270)	$ -	$ (14,839,270)	$ (14,977,035)	$ -	$ (14,977,035)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (14,839,270)	$ -	$ (14,839,270)	$ (14,977,035)	$ -	$ (14,977,035)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
17. Achieve Efficiencies in the Department of Public Instruction							
The State Board of Education shall direct and approve the implementation of a plan to achieve efficiencies in the Department of Public Instruction's budget, allowing for a 10 percent reduction in appropriation. In implementing this plan the State Board of Education shall make no reduction to funding or positions for the NC School for the Deaf, the Eastern School for the Deaf, the Governor Morehead School, the North Carolina Center for the Advancement of Teaching (NCCAT), the Communities in Schools, Inc., Teach for America, Inc., or Beginnings for Parents of Children who are Deaf and Hard of Hearing.	Req	$ (4,117,254)	$ -	$ (4,117,254)	$ (4,117,254)	$ -	$ (4,117,254)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (4,117,254)	$ -	$ (4,117,254)	$ (4,117,254)	$ -	$ (4,117,254)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
18. Adjust Central Office Allotment							
Implements efficiencies in local school administrative units' central office functions to achieve a two percent reduction. The balance for this allotment is $92.8 million for the 2015-16 school year.	Req	$ (1,894,338)	$ -	$ (1,894,338)	$ (1,900,938)	$ -	$ (1,900,938)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (1,894,338)	$ -	$ (1,894,338)	$ (1,900,938)	$ -	$ (1,900,938)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
19. Align School Bus Fuel Budget with Actual Need							
Reflects an adjustment to the budgeted price per gallon for fuel from $3.16 to $2.35 per gallon. This adjustment is based upon actual fuel prices and projected per gallon costs.	Req	$ (20,079,807)	$ -	$ (20,079,807)	$ (20,079,807)	$ -	$ (20,079,807)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (20,079,807)	$ -	$ (20,079,807)	$ (20,079,807)	$ -	$ (20,079,807)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
20 Reward Teaching in High Need Fields with In-Field Graduate Preparation							
Provides Master's level pay to those teachers in a high need field with in-field graduate preparation. High need fields are defined as Science,Technology, Engineering and Math (STEM) and Exceptional Children. There is no increased appropriation associated with this item as the recurring appropriation for master's pay resides in the Department of Public Instruction's budget.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ -	$ -	$ -	$ -	$ -
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
21 NC GEAR - Leverage Buying Power for School Districts							
Establishes regional or statewide shared services to provide support services more efficiently and consistently across LEAs. Potential areas for implementation include administrative and financial services, janitorial and facilities management, IT, procurement, security, transportation, and nutrition services. Other states implementing similar shared service models have seen material cost savings.	Req	$ -	$ 2,000,000	$ 2,000,000	$ 124,000	$ 4,000,000	$ 4,124,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 2,000,000	$ 2,000,000	$ 124,000	$ 4,000,000	$ 4,124,000
	Pos	0.000	0.000	0.000	2.000	0.000	2.000
Total Requirements		**$ 276,206,743**	**$ 15,054,350**	**$ 291,261,093**	**$ 281,186,378**	**$ 21,654,350**	**$ 302,840,728**
Total Receipts		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Appropriation		**$ 276,206,743**	**$ 15,054,350**	**$ 291,261,093**	**$ 281,186,378**	**$ 21,654,350**	**$ 302,840,728**
Positions		**0.000**	**0.000**	**0.000**	**2.000**	**0.000**	**2.000**

NC Community Colleges

NC Community Colleges System (16800)

Year 1

Adjustments to the Base Budget 2015-16

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2015-16 Base Budget
Requirements	$ 1,440,356,392	$ 1,466,206,999	$ 1,462,859,992	$ (551,752)	$ -	$ (551,752)	(0.04%)	$ 1,462,308,240
Receipts	$ 424,395,744	$ 417,160,132	$ 413,813,125	$ -	$ -	$ -	0.00%	$ 413,813,125
Appropriations	$ 1,015,960,648	$ 1,049,046,867	$ 1,049,046,867	$ (551,752)	$ -	$ (551,752)	(0.05%)	$ 1,048,495,115
FTE	193.250	194.100	192.500	(7.000)	0.000	(7.000)	(3.64%)	185.500

Recommended Change Budget for 2015-16

	2014-15 Authorized Budget	2015-16 Base Budget	Recommended Change Budget for 2015-16: Net Recurring	Net Non Recurring	Recommended Change	Recommended 2015-16 Budget	% Δ from 2014-15 Authorized	% Δ from 2015-16 Base Budget
Requirements	$ 1,462,859,992	$ 1,462,308,240	$ (8,974,623)	$ -	$ (8,974,623)	$ 1,453,333,617	(0.74%)	(0.70%)
Receipts	$ 413,813,125	$ 413,813,125	$ 4,631,615	$ -	$ 4,631,615	$ 418,444,740	1.12%	1.12%
Appropriation	$ 1,049,046,867	$ 1,048,495,115	$ (13,606,238)	$ -	$ (13,606,238)	$ 1,034,888,877	(1.47%)	(1.42%)
FTE	192.500	185.500	7.000	0.000	7.000	192.500	0.00%	3.77%

Year 2

Adjustments to the Base Budget for 2016-17

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2016-17 Base Budget
Requirements	$ 1,440,356,392	$ 1,466,206,999	$ 1,462,859,992	$ (551,752)	$ -	$ (551,752)	(0.04%)	$ 1,462,308,240
Receipts	$ 424,395,744	$ 417,160,132	$ 413,813,125	$ -	$ -	$ -	0.00%	$ 413,813,125
Appropriations	$ 1,015,960,648	$ 1,049,046,867	$ 1,049,046,867	$ (551,752)	$ -	$ (551,752)	(0.05%)	$ 1,048,495,115
FTE	193.250	194.100	192.500	(7.000)	0.000	(7.000)	(3.64%)	185.500

Recommended Change Budget for 2016-17

	2014-15 Authorized Budget	2016-17 Base Budget	Recommended Change Budget for 2016-17: Net Recurring	Net Non Recurring	Recommended Change	Recommended 2016-17 Budget	% Δ from 2014-15 Authorized	% Δ from 2016-17 Base Budget
Requirements	$ 1,462,859,992	$ 1,462,308,240	$ (8,974,623)	$ 5,000,000	$ (3,974,623)	$ 1,458,333,617	(0.34%)	(0.36%)
Receipts	$ 413,813,125	$ 413,813,125	$ 3,631,615	$ -	$ 3,631,615	$ 417,444,740	0.88%	0.88%
Appropriation	$ 1,049,046,867	$ 1,048,495,115	$ (12,606,238)	$ 5,000,000	$ (7,606,238)	$ 1,040,888,877	(0.90%)	(0.85%)
FTE	192.500	185.500	7.000	0.000	7.000	192.500	0.00%	3.77%

Recommended Changes for NC Community Colleges System (16800)

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
1. Provide In-State Tuition for Military Veterans							
Continues North Carolina's committment to offer in-state tuition to qualifying nonresident veteran students. $1 million is appropriated to the NC Community College System and $1 million in the Yellow Ribbon Reserve is reallocated to offset the $2 million of lost tuition revenue. There is a corresponding special provision that repeals the Yellow Ribbon Reserve and fully conforms to federal law. Qualifying veterans shall work to establish residency in North Carolina within the first 12 months of initial enrollment.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ -	$ -	$ (1,000,000)	$ -	$ (1,000,000)
	Appr	$ -	$ -	$ -	$ 1,000,000	$ -	$ 1,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
2. Modernize the College Information System							
Provides a critical upgrade for the College Information System (CIS). CIS serves all 58 community colleges as their central data system of student information and college operations and must be upgraded to a new programming language within the next three years. In addition, NCCCS will be moving CIS to a hosted, cloud solution, under the guidance of the state Office of Information Technology Services.	Req	$ 5,000,000	$ -	$ 5,000,000	$ 5,000,000	$ -	$ 5,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 5,000,000	$ -	$ 5,000,000	$ 5,000,000	$ -	$ 5,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
3. Retain Program Audit Function							
Restores program auditors to the Community College System Office. The State Board of Community Colleges shall maintain an accountability function that conducts program and compliance reviews of community colleges. The State Board may develop rules and guidelines governing the frequency, scope, and standards for compliance. These periodic reviews may include reviews of each college's enrollment and the verification of college data used to allocate state appropriations. The State Board shall make public, to the extent possible, the results of these audits.	Req	$ 551,752	$ -	$ 551,752	$ 551,752	$ -	$ 551,752
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 551,752	$ -	$ 551,752	$ 551,752	$ -	$ 551,752
	Pos	7.000	0.000	7.000	7.000	0.000	7.000
4. Invest in STEM Equipment							
Provides $5 million nonrecurring for community colleges to purchase current, up-to-date equipment and technology used to prepare students for STEM careers. To prepare students to fill today's jobs, community colleges must train those students on the current equipment used in the workforce.	Req	$ -	$ -	$ -	$ -	$ 5,000,000	$ 5,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ -	$ -	$ -	$ 5,000,000	$ 5,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
5. Enrollment Growth Adjustment							
Adjusts the budget for North Carolina community colleges to reflect decreased enrollment. Enrollment has declined by 1.6% from 2014-15 budgeted levels. Enrollment for 2015-16 will be 231,350 full-time equivalent (FTE) students. Enrollment will be 111,969 FTE for curriculum; 14,739 for continuing education; and 17,226 for Basic Skills. Total enrollment includes summer term 2014 enrollment growth of 8,721 FTE.	Req	$ (14,526,375)	$ -	$ (14,526,375)	$ (14,526,375)	$ -	$ (14,526,375)
	Rec	$ (11,507,178)	$ -	$ (11,507,178)	$ (11,507,178)	$ -	$ (11,507,178)
	Appr	$ (3,019,197)	$ -	$ (3,019,197)	$ (3,019,197)	$ -	$ (3,019,197)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
6. Generate Additional Tuition Revenue							
Increases tuition rate to generate additional funds to support the operations of North Carolina community colleges. North Carolina community college tuition currently ranks 14th lowest out of 16 southeastern states. Tuition rates shall be increased $4 per credit hour – from $72 per hour to $76 per hour for resident students; and from $264 per hour to $268 per hour for nonresidents. Full-time resident students will pay $1,216 per semester, an increase of $128 per year.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ 16,138,793	$ -	$ 16,138,793	$ 16,138,793	$ -	$ 16,138,793
	Appr	$ (16,138,793)	$ -	$ (16,138,793)	$ (16,138,793)	$ -	$ (16,138,793)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
Total Requirements		**$ (8,974,623)**	**$ -**	**$ (8,974,623)**	**$ (8,974,623)**	**$ 5,000,000**	**$ (3,974,623)**
Total Receipts		**$ 4,631,615**	**$ -**	**$ 4,631,615**	**$ 3,631,615**	**$ -**	**$ 3,631,615**
Total Appropriation		**$ (13,606,238)**	**$ -**	**$ (13,606,238)**	**$ (12,606,238)**	**$ 5,000,000**	**$ (7,606,238)**
Total GF Positions		**7.000**	**0.000**	**7.000**	**7.000**	**0.000**	**7.000**

The University of North Carolina

The University of North Carolina (160xx)

Year 1

Adjustments to the Base Budget 2015-16

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2015-16 Base Budget
Requirements	$ 4,275,146,894	$ 4,303,524,712	$ 4,342,417,394	$ 482,122	$ -	$ 482,122	0.01%	$ 4,342,899,516
Receipts	$ 1,702,389,651	$ 1,656,710,613	$ 1,695,603,295	$ -	$ -	$ -	0.00%	$ 1,695,603,295
Appropriations	$ 2,572,757,242	$ 2,646,814,099	$ 2,646,814,099	$ 482,122	$ -	$ 482,122	0.02%	$ 2,647,296,221
FTE	34,749.616	34,472.276	34,763.579	0.000	0.000	0.000	0.00%	34,763.579

Recommended Change Budget for 2015-16

	2014-15 Authorized Budget	2015-16 Base Budget	Recommended Change Budget for 2015-16: Net Recurring	Recommended Change Budget for 2015-16: Net Non Recurring	Recommended Change Budget for 2015-16: Recommended Change	Recommended 2015-16 Budget	% Δ from 2014-15 Authorized	% Δ from 2015-16 Base Budget
Requirements	$ 4,342,417,394	$ 4,342,899,516	$ 11,509,072	$ 2,085,430	$ 13,594,502	$ 4,356,494,018	0.32%	0.31%
Receipts	$ 1,695,603,295	$ 1,695,603,295	$ 21,444,745	$ 18,106,794	$ 39,551,539	$ 1,735,154,834	2.33%	2.33%
Appropriation	$ 2,646,814,099	$ 2,647,296,221	$ (9,935,673)	$ (16,021,364)	$ (25,957,037)	$ 2,621,339,184	(0.96%)	(0.98%)
FTE	34,763.579	34,763.579	11.600	0.000	11.600	34,775.179	0.03%	0.03%

Year 2

Adjustments to the Base Budget for 2016-17

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2016-17 Base Budget
Requirements	$ 4,275,146,894	$ 4,303,524,712	$ 4,342,417,394	$ 490,557	$ -	$ 490,557	0.01%	$ 4,342,907,951
Receipts	$ 1,702,389,651	$ 1,656,710,613	$ 1,695,603,295	$ -	$ -	$ -	0.00%	$ 1,695,603,295
Appropriations	$ 2,572,757,242	$ 2,646,814,099	$ 2,646,814,099	$ 490,557	$ -	$ 490,557	0.02%	$ 2,647,304,656
FTE	34,749.616	34,472.276	34,763.579	0.000	0.000	0.000	0.00%	34,763.579

Recommended Change Budget for 2016-17

	2014-15 Authorized Budget	2016-17 Base Budget	Recommended Change Budget for 2016-17: Net Recurring	Recommended Change Budget for 2016-17: Net Non Recurring	Recommended Change Budget for 2016-17: Recommended Change	Recommended 2016-17 Budget	% Δ from 2014-15 Authorized	% Δ from 2016-17 Base Budget
Requirements	$ 4,342,417,394	$ 4,342,907,951	$ 11,752,838	$ 806,318	$ 12,559,156	$ 4,355,467,107	0.30%	0.29%
Receipts	$ 1,695,603,295	$ 1,695,603,295	$ 17,007,259	$ 10,000,000	$ 27,007,259	$ 1,722,610,554	1.59%	1.59%
Appropriation	$ 2,646,814,099	$ 2,647,304,656	$ (5,254,421)	$ (9,193,682)	$ (14,448,103)	$ 2,632,856,553	(0.53%)	(0.55%)
FTE	34,763.579	34,763.579	14.400	0.000	14.400	34,777.979	0.04%	0.04%

Recommended Changes for The University of North Carolina (160xx)

		2015-2016 Recurring Changes	2015-2016 Non Recurring Changes	2015-2016 Total	2016-2017 Recurring Changes	2016-2017 Non Recurring Changes	2016-2017 Total
1. Provide In-State Tuition for Military Veterans							
Continues North Carolina's commitment to offer in-state tuition to qualifying nonresident veteran students. $4.4 million is appropriated to UNC and $4.9 million in the Yellow Ribbon Reserve is reallocated to offset the $9.3 million of lost tuition revenue. There is a corresponding special provision that repeals the Yellow Ribbon Reserve and fully conforms to federal law.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ -	$ -	$ (4,437,486)	$ -	$ (4,437,486)
	Appr	$ -	$ -	$ -	$ 4,437,486	$ -	$ 4,437,486
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
UNC General Administration shall not revise the Enrollment Growth Funding Model to request future appropriations as an offset for tuition lost by classifying nonresident veteran students as residents pursuant to federal law. Qualifying veterans shall work to establish residency in North Carolina within the first 12 months of initial enrollment.							
2. Fund Enrollment Growth							
Provides enrollment growth funding for the projected increase in regular term and distance education student full-time equivalents (FTE) in the university system. The 2014-15 budgeted FTE of 199,814 is estimated to increase by 3,345 FTE (1.7%) in 2015-16 and an additional 3,016 FTE in 2016-17 (1.5%). The total increase for the biennium is 6,361 FTE, which represents a 3.2% increase from the 2014-15 budgeted FTE. An additional $30.9 million is placed in a statewide reserve for distribution to UNC for the 2016-17 academic year.	Req	$ 70,769,486	$ -	$ 70,769,486	$ 70,769,486	$ -	$ 70,769,486
	Rec	$ 21,444,745	$ -	$ 21,444,745	$ 21,444,745	$ -	$ 21,444,745
	Appr	$ 49,324,741	$ -	$ 49,324,741	$ 49,324,741	$ -	$ 49,324,741
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
3. Fund Building Reserves							
Provides funding to operate and maintain UNC facilities supported by the General Fund that will be completed in the 2015-17 biennium.	Req	$ 470,912	$ 170,282	$ 641,194	$ 714,678	$ 91,170	$ 805,848
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 470,912	$ 170,282	$ 641,194	$ 714,678	$ 91,170	$ 805,848
	Pos	11.600	0.000	11.600	14.400	0.000	14.400
4. Support Competitive Technology Improvements for Elizabeth City State University							
Creates a reserve administered by UNC General Administration to upgrade and modernize Elizabeth City State University's (ECSU) aging IT network infrastructure, implement an online enrollment management system, and automate the financial aid process in order to more competitively recruit and retain students. UNC General Administration shall report quarterly to the Office of State Budget and Management and the Fiscal Research Division of the General Assembly on ECSU's progress.	Req	$ -	$ 1,904,705	$ 1,904,705	$ -	$ 704,705	$ 704,705
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 1,904,705	$ 1,904,705	$ -	$ 704,705	$ 704,705
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
5. Stabilize East Carolina University Brody School of Medicine							
Provides operating funding to support medical education at East Carolina University's Brody School of Medicine and to maintain community preceptorships at regional training sites.	Req	$ 8,000,000	$ -	$ 8,000,000	$ 8,000,000	$ -	$ 8,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 8,000,000	$ -	$ 8,000,000	$ 8,000,000	$ -	$ 8,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
6. Establish the University Innovation Commercialization Grant Program							
Provides $2.5 million in 2015-16 and $5.0 million in 2016-17 to the Office of State Budget and Management for the University Innovation Commercialization Grant Program. The program would use NC's community of industry and commercialization experts, organized and funded through two hosting nonprofit or other relevant entities, to: (1) select university technologies based on commercial potential, (2) create a development plan of key activities to make the technologies more attractive to investors, and (3) guide implementation of these activities to assure efficient development of funds and commercial-quality results.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ -	$ -	$ -	$ -	$ -
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
7. Increase Scholarships for Children with Disabilities							
Transfers $2,124,934 from the exceptional children budget in the Department of Public Instruction to the North Carolina State Education Assistance Authority (NCSEAA) for the Special Education Scholarships for Children with Disabilities Program as authorized by GS 115C-112.6. This item partially aligns increased use of the scholarships with corresponding anticipated changes in public school enrollment. There is a corresponding special provision authorizing these funds which brings total funding for the program to $6,103,100 and provides scholarships for approximately 800 students.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ -	$ -	$ -	$ -	$ -
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
8. Increase Beginning Salary for NC School of Science and Math Teachers							
Increases the beginning teacher salary for NCSSM teachers on the first tier of the North Carolina Public School Salary Schedule.	Req	$ 3,244	$ -	$ 3,244	$ 3,244	$ -	$ 3,244
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 3,244	$ -	$ 3,244	$ 3,244	$ -	$ 3,244
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
9. Fund NCSSM Teacher Salary Step Increase							
Provides funds to support the movement of NCSSM teachers who are eligible based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	$ 92,486	$ -	$ 92,486	$ 92,486	$ -	$ 92,486
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 92,486	$ -	$ 92,486	$ 92,486	$ -	$ 92,486
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
10. Provide One-Time Bonus to Retain 2014-15 NCSSM Teacher Salary							
Funds nonrecurring salary bonus of $1,000 to NCSSM teachers who received the bonus in 2014-15 to ensure retention of 2014-15 salary level.	Req	$ -	$ 10,443	$ 10,443	$ -	$ 10,443	$ 10,443
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 10,443	$ 10,443	$ -	$ 10,443	$ 10,443
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
11. Allow Flexibility to Achieve Efficiencies							
Directs the UNC Board of Governors to implement efficiencies to achieve a 2% savings from the UNC System's 2014-15 certified appropriation excluding financial aid. The Board of Governors shall not allocate any portion of the reduction to financial aid, Elizabeth City State University, Fayetteville State University, NC School of Science and Mathematics, UNC Asheville or UNC School of the Arts. Before taking reductions in instructional budgets, the Board of Governors should consider reducing senior and middle management positions, identifying new opportunities for shared services, adjusting faculty workloads, eliminating redundant and low enrollment programs, restructuring research activities, and using alternative funding sources.	Req	$ (49,913,244)	$ -	$ (49,913,244)	$ (49,913,244)	$ -	$ (49,913,244)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (49,913,244)	$ -	$ (49,913,244)	$ (49,913,244)	$ -	$ (49,913,244)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
12. Cap Taxpayer Expenditures on Advancement Programs							
Increases the reliance of campus advancement programs on non-state funds generated by fundraising activities. Campuses may use up to $1 million of state funds annually for advancement programs. Any expenditures in excess of $1 million must be funded from non-state funds.	Req	$ (17,913,812)	$ -	$ (17,913,812)	$ (17,913,812)	$ -	$ (17,913,812)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (17,913,812)	$ -	$ (17,913,812)	$ (17,913,812)	$ -	$ (17,913,812)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
13. Support UNC Need-Based Aid							
Increases Escheat Fund support of the UNC Need-Based Financial Aid program and offsets appropriations from the General Fund. Total funding available for scholarships remains unchanged at $125,930,498.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ 18,106,794	$ 18,106,794	$ -	$ 10,000,000	$ 10,000,000
	Appr	$ -	$ (18,106,794)	$ (18,106,794)	$ -	$ (10,000,000)	$ (10,000,000)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
Total Requirements		**$ 11,509,072**	**$ 2,085,430**	**$ 13,594,502**	**$ 11,752,838**	**$ 806,318**	**$ 12,559,156**
Total Receipts		**$ 21,444,745**	**$ 18,106,794**	**$ 39,551,539**	**$ 17,007,259**	**$ 10,000,000**	**$ 27,007,259**
Total Appropriation		**$ (9,935,673)**	**$ (16,021,364)**	**$ (25,957,037)**	**$ (5,254,421)**	**$ (9,193,682)**	**$ (14,448,103)**
Total GF Positions		**11.600**	**0.000**	**11.600**	**14.400**	**0.000**	**14.400**

Education

Allocates $235 million more in K-12 funding than the 2014-2015 budget - a 2.8% increase in new spending.

Upholds our commitment to increase starting teacher base pay to $35,000 a year and funds salary increases for those teachers eligible to move to the next tier on the salary schedule.

Maintains recurring funding for almost 2,000 existing teacher assistant positions.

Increases funding for instructional resources including textbooks, instructional supplies and equipment. Allows local school districts the flexibility to spend these funds on the resources they determine are most important.

Refines the master's degree salary schedule to reward teachers with applicable high-need, in-field graduate preparation who are teaching in STEM (Science, Technology, Engineering, and Math) and exceptional children fields.

Enhances digital learning opportunities for students by funding the equipment and installation costs to provide Wi-Fi access to classrooms across the state.

Rewards high-performing teachers through performance plans funded through the North Carolina Education Endowment Fund.

Funds a critical upgrade of the College Information System, the central data system used by all 58 community colleges.

Provides funding for community colleges to purchase current, up-to-date equipment and technology used to prepare students for STEM careers.

Continues North Carolina's commitment to offer in-state tuition to qualifying nonresident military veterans.

Stabilizes the Brody School of Medicine at East Carolina University by providing $8 million for medical education and maintaining community preceptorships at regional training sites.

Public Education

Department of Public Instruction

Year 1

Adjustments to the Base Budget 2015-16

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2015-16 Base Budget
Requirements	$ 9,826,190,626	$ 11,571,287,421	$ 12,545,807,373	$ (188,203,373)	$ -	$ (188,203,373)	(1.50%)	$ 12,357,604,000
Receipts	$ 2,058,512,652	$ 3,408,994,193	$ 4,383,473,145	$ (131,902,245)	$ -	$ (131,902,245)	(3.01%)	$ 4,251,570,900
Appropriations	$ 7,767,677,973	$ 8,162,293,228	$ 8,162,334,228	$ (56,301,128)	$ -	$ (56,301,128)	(0.69%)	$ 8,106,033,100
FTE	1,328.840	1,278.692	1,280.697	(6.870)	0.000	(6.870)	(0.54%)	1,273.827

Recommended Change Budget for 2015-16

	2014-15 Authorized Budget	2015-16 Base Budget	Recommended Change Budget for 2015-16: Net Recurring	Recommended Change Budget for 2015-16: Net Non Recurring	Recommended Change Budget for 2015-16: Recommended Change	Recommended 2015-16 Budget	% Δ from 2014-15 Authorized	% Δ from 2015-16 Base Budget
Requirements	$ 12,545,807,373	$ 12,357,604,000	$ 276,206,743	$ 15,054,350	$ 291,261,093	$ 12,648,865,093	0.82%	2.36%
Receipts	$ 4,383,473,145	$ 4,251,570,900	$ -	$ -	$ -	$ 4,251,570,900	(3.01%)	0.00%
Appropriation	$ 8,162,334,228	$ 8,106,033,100	$ 276,206,743	$ 15,054,350	$ 291,261,093	$ 8,397,294,193	2.88%	3.59%
FTE	1,280.697	1,273.827	0.000	0.000	0.000	1,273.827	(0.54%)	0.00%

Year 2

Adjustments to the Base Budget for 2016-17

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2016-17 Base Budget
Requirements	$ 9,826,190,626	$ 11,571,287,421	$ 12,545,807,373	$ (189,690,645)	$ -	$ (189,690,645)	(1.51%)	$ 12,356,116,728
Receipts	$ 2,058,512,652	$ 3,408,994,193	$ 4,383,473,145	$ (133,389,517)	$ -	$ (133,389,517)	(3.04%)	$ 4,250,083,628
Appropriations	$ 7,767,677,973	$ 8,162,293,228	$ 8,162,334,228	$ (56,301,128)	$ -	$ (56,301,128)	(0.69%)	$ 8,106,033,100
FTE	1,328.840	1,278.692	1,280.697	(121.870)	0.000	(121.870)	(9.52%)	1,158.827

Recommended Change Budget for 2016-17

	2014-15 Authorized Budget	2016-17 Base Budget	Recommended Change Budget for 2016-17: Net Recurring	Recommended Change Budget for 2016-17: Net Non Recurring	Recommended Change Budget for 2016-17: Recommended Change	Recommended 2016-17 Budget	% Δ from 2014-15 Authorized	% Δ from 2016-17 Base Budget
Requirements	$ 12,545,807,373	$ 12,356,116,728	$ 281,186,378	$ 21,654,350	$ 302,840,728	$ 12,658,957,456	0.90%	2.45%
Receipts	$ 4,383,473,145	$ 4,250,083,628	$ -	$ -	$ -	$ 4,250,083,628	(3.04%)	0.00%
Appropriation	$ 8,162,334,228	$ 8,106,033,100	$ 281,186,378	$ 21,654,350	$ 302,840,728	$ 8,408,873,828	3.02%	3.74%
FTE	1,280.697	1,158.827	2.000	0.000	2.000	1,160.827	(9.36%)	0.17%

Recommended Changes for Department of Public Instruction

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
1. Fullfill Commitment to Increase Beginning Teacher Salary							
Increases the beginning teacher salary for teachers on the first tier of the North Carolina Public School Salary Schedule from $33,000 to $35,000.	Req	$ 41,846,123	$ -	$ 41,846,123	$ 41,846,123	$ -	$ 41,846,123
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 41,846,123	$ -	$ 41,846,123	$ 41,846,123	$ -	$ 41,846,123
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
2. Fund Movement on the Teacher Salary Schedule							
Supports movement of eligible teachers, based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	$ 64,871,243	$ -	$ 64,871,243	$ 64,871,243	$ -	$ 64,871,243
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 64,871,243	$ -	$ 64,871,243	$ 64,871,243	$ -	$ 64,871,243
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
3. Provide One-Time Bonus to Retain 2014-15 Teacher Salaries							
Funds a nonrecurring $1,000 salary bonus to those teachers who received the bonus in 2014-15. This ensures that certified school personnel who were held harmless in Session Law 2014-100 retain their 2014-15 salary.	Req	$ -	$ 4,545,525	$ 4,545,525	$ -	$ 4,545,525	$ 4,545,525
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 4,545,525	$ 4,545,525	$ -	$ 4,545,525	$ 4,545,525
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
4. Increase Beginning Teacher Salary for State Agency Teachers							
Increases the beginning teacher salary for state agency teachers on the first tier of the North Carolina Public School Salary Schedule from $33,000 to $35,000.	Req	$ 103,200	$ -	$ 103,200	$ 103,200	$ -	$ 103,200
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 103,200	$ -	$ 103,200	$ 103,200	$ -	$ 103,200
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
5. Fund Movement on the State Teacher Salary Schedule for State Agency Teachers							
Supports movement of state agency teachers in the Department of Public Instruction who are eligible, based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	$ 57,500	$ -	$ 57,500	$ 57,500	$ -	$ 57,500
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 57,500	$ -	$ 57,500	$ 57,500	$ -	$ 57,500
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
6. Fund Movement on the School-Based Administrator Salary Schedule							
Supports the movement of principals and assistant principals who are eligible, based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	$ 3,494,924	$ -	$ 3,494,924	$ 3,494,924	$ -	$ 3,494,924
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 3,494,924	$ -	$ 3,494,924	$ 3,494,924	$ -	$ 3,494,924
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
7. Provide One-Time Bonus to Retain 2014-15 State Agency Teacher Salaries							
Funds a nonrecurring $1,000 salary bonus to those state agency teachers who received the bonus in 2014-15. This ensures that certified school personnel who were held harmless in Session Law 2014-100 retain their 2014-15 salary.	Req	$ -	$ 52,830	$ 52,830	$ -	$ 52,830	$ 52,830
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 52,830	$ 52,830	$ -	$ 52,830	$ 52,830
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
8. Provide One-time Bonus to School-Based Administrators							
Funds a nonrecurring $1,000 (salary and benefits) bonus to school-based administrators who received the bonus in 2014-15. This ensures that school-based administrators who were held harmless in Session Law 2014-100 retain their 2014-15 salary.	Req	$ -	$ 1,055,995	$ 1,055,995	$ -	$ 1,055,995	$ 1,055,995
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 1,055,995	$ 1,055,995	$ -	$ 1,055,995	$ 1,055,995
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
9. Fund Movement on the Salary Schedule for State Agency School-Based Administrators							
Supports movement of state agency principals and assistant principals in the Department of Public Instruction who are eligible based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	$ 2,900	$ -	$ 2,900	$ 2,900	$ -	$ 2,900
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 2,900	$ -	$ 2,900	$ 2,900	$ -	$ 2,900
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
10. Maintain Teacher Assistants							
Appropriates recurring funds to maintain the 2014-15 level of funding for teacher assistants to ensure the retention of teacher assistant positions that were supported with lottery receipts in Session Law 2014-100. Lottery revenue projections for 2015-16 will not support these positions on a recurring basis.	Req	$ 64,039,628	$ -	$ 64,039,628	$ 64,039,628	$ -	$ 64,039,628
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 64,039,628	$ -	$ 64,039,628	$ 64,039,628	$ -	$ 64,039,628
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
11. Reward High Peforming Teachers							
This appropriation shall be deposited in the North Carolina Education Endowment Fund in the Department of Public Instruction's budget. This appropriation, in addition to other remittances to the trust fund, interest accrued to the trust fund, and the current balance residing in the trust fund shall be used to implement a teacher pay for performance plan. Per GS 115C-472.16, the funds shall only be used for a pay for performance plan that is directly related to improving student outcomes. The funds deposited in this trust fund will not revert.	Req	$ 5,000,000	$ -	$ 5,000,000	$ 10,000,000	$ -	$ 10,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 5,000,000	$ -	$ 5,000,000	$ 10,000,000	$ -	$ 10,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
12. Fully Fund Enrollment Growth							
Ensures adequate funding for instructional positions and instructional supplies that are allocated to the school districts per average daily membership (ADM). ADM is currently budgeted for 1,520,305 for 2014-15. Projected ADM for FY 2015-16 is 1,537,643, an increase of 17,333 ADM. This appropriation supports an additional 678 teacher positions in 2015-16. The incremental increase of $106,959,322 to support the projected 2016-17 enrollment increase of 17,701 ADM will be placed in a statewide reserve for distribution to the Department of Public Instruction for the 2016-17 school year. The distribution from the statewide reserve will be adjusted for revised 2016-17 ADM projections. Current projected ADM for FY 2016-17 is 1,555,344 and the 2016-17 appropriation supports 753 additional teacher positions for a projected increase in teacher positions for the biennium of 1,431. The total projected ADM increase for 2015-16 and 2016-17 is 35,034.	Req	$ 100,236,542	$ -	$ 100,236,542	$ 100,236,542	$ -	$ 100,236,542
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 100,236,542	$ -	$ 100,236,542	$ 100,236,542	$ -	$ 100,236,542
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
13. Allow Local Flexbility and Increase Funding for Textbooks and Other Instructional Resources							
Increases funding for textbooks and other instructional resources. Districts may use this funding source for textbooks, instructional supplies and equipment, and for payment to use the optional services of Home Base. Home Base consists of instructional content that includes lesson plans and interactive activities, instructional tools that will aid in differentiated learning, instructional assessments, a learning management system, and an advanced professional development management tool. The textbook fund is renamed and redefined in special provision to combine the Instructional Supplies and Equipment allotment as well as this appropriation. The new definition and additional dollars allow school districts flexibility in the utilization of these funds for instructional resources as determined by local need. This instructional resource funding also complements the funds available to districts in the School Technology Fund.	Req	$ 35,000,000	$ -	$ 35,000,000	$ 35,000,000	$ -	$ 35,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 35,000,000	$ -	$ 35,000,000	$ 35,000,000	$ -	$ 35,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
14. Provide Classroom Connectivity to Support Digital Learning							
Provides funds to support the equipment purchase and installation costs necessary to provide WI-FI access needed in the classroom to enhance digital learning opportunities for students. This appropriation supports WI-FI access to all North Carolina classrooms by the end of the 2016-17 school year, and allows for ongoing equipment upgrade and replacement for approximately 20% of schools each year. Some school districts have begun this process with one-time Race to the Top funds which expire early in FY 2015-16. The total cost is offset by rebates from the E-rate Modernization Act intended for this purpose, and represents the cost that will be incurred by school districts after E-rate rebates.	Req	$ -	$ 7,400,000	$ 7,400,000	$ -	$ 12,000,000	$ 12,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 7,400,000	$ 7,400,000	$ -	$ 12,000,000	$ 12,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
15. Invest in New Cooperative Innovative High Schools							
Funds eight new Cooperative Innovative High Schools (CIHS) in five LEAs that have been approved by the State Board of Education. Funding requests are for (i) four schools in Guilford County: the Academy at High Point, the Academy at Smith, the STEM Early College at NC A&T, and the Middle College at UNC Greensboro; (ii) one school in Pitt County: Pitt Early College High School; (iii) one in Wake County: Vernon Malone College and Career Academy; (iv) one in Watauga County: Watauga Career Academy; and (v) one in Wilson County: Wilson Academy of Applied Technology. Each school will receive $310,669, the same dollar amount that has been appropriated to existing CIHS programs.	Req	$ 2,485,352	$ -	$ 2,485,352	$ 2,485,352	$ -	$ 2,485,352
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 2,485,352	$ -	$ 2,485,352	$ 2,485,352	$ -	$ 2,485,352
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
16. Align Average Salary with Projections							
Adjusts budgeted average salaries using actual 2014-15 sixth pay period as the revised projection base. This adjustment is made annually after reviewing budgeted salary projections for all certified personnel. Due to attrition in these positions, actual salaries are typically lower than budgeted salaries and savings can be realized.	Req	$ (14,839,270)	$ -	$ (14,839,270)	$ (14,977,035)	$ -	$ (14,977,035)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (14,839,270)	$ -	$ (14,839,270)	$ (14,977,035)	$ -	$ (14,977,035)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
17. Achieve Efficiencies in the Department of Public Instruction							
The State Board of Education shall direct and approve the implementation of a plan to achieve efficiencies in the Department of Public Instruction's budget, allowing for a 10 percent reduction in appropriation. In implementing this plan the State Board of Education shall make no reduction to funding or positions for the NC School for the Deaf, the Eastern School for the Deaf, the Governor Morehead School, the North Carolina Center for the Advancement of Teaching (NCCAT), the Communities in Schools, Inc., Teach for America, Inc., or Beginnings for Parents of Children who are Deaf and Hard of Hearing.	Req	$ (4,117,254)	$ -	$ (4,117,254)	$ (4,117,254)	$ -	$ (4,117,254)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (4,117,254)	$ -	$ (4,117,254)	$ (4,117,254)	$ -	$ (4,117,254)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
18. Adjust Central Office Allotment							
Implements efficiencies in local school administrative units' central office functions to achieve a two percent reduction. The balance for this allotment is $92.8 million for the 2015-16 school year.	Req	$ (1,894,338)	$ -	$ (1,894,338)	$ (1,900,938)	$ -	$ (1,900,938)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (1,894,338)	$ -	$ (1,894,338)	$ (1,900,938)	$ -	$ (1,900,938)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
19. Align School Bus Fuel Budget with Actual Need							
Reflects an adjustment to the budgeted price per gallon for fuel from $3.16 to $2.35 per gallon. This adjustment is based upon actual fuel prices and projected per gallon costs.	Req	$ (20,079,807)	$ -	$ (20,079,807)	$ (20,079,807)	$ -	$ (20,079,807)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (20,079,807)	$ -	$ (20,079,807)	$ (20,079,807)	$ -	$ (20,079,807)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
20 Reward Teaching in High Need Fields with In-Field Graduate Preparation							
Provides Master's level pay to those teachers in a high need field with in-field graduate preparation. High need fields are defined as Science,Technology, Engineering and Math (STEM) and Exceptional Children. There is no increased appropriation associated with this item as the recurring appropriation for master's pay resides in the Department of Public Instruction's budget.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ -	$ -	$ -	$ -	$ -
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
21 NC GEAR - Leverage Buying Power for School Districts							
Establishes regional or statewide shared services to provide support services more efficiently and consistently across LEAs. Potential areas for implementation include administrative and financial services, janitorial and facilities management, IT, procurement, security, transportation, and nutrition services. Other states implementing similar shared service models have seen material cost savings.	Req	$ -	$ 2,000,000	$ 2,000,000	$ 124,000	$ 4,000,000	$ 4,124,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 2,000,000	$ 2,000,000	$ 124,000	$ 4,000,000	$ 4,124,000
	Pos	0.000	0.000	0.000	2.000	0.000	2.000
Total Requirements		**$ 276,206,743**	**$ 15,054,350**	**$ 291,261,093**	**$ 281,186,378**	**$ 21,654,350**	**$ 302,840,728**
Total Receipts		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Appropriation		**$ 276,206,743**	**$ 15,054,350**	**$ 291,261,093**	**$ 281,186,378**	**$ 21,654,350**	**$ 302,840,728**
Positions		**0.000**	**0.000**	**0.000**	**2.000**	**0.000**	**2.000**

NC Community Colleges

NC Community Colleges System (16800)

Year 1

Adjustments to the Base Budget 2015-16

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2015-16 Base Budget
Requirements	$ 1,440,356,392	$ 1,466,206,999	$ 1,462,859,992	$ (551,752)	$ -	$ (551,752)	(0.04%)	$ 1,462,308,240
Receipts	$ 424,395,744	$ 417,160,132	$ 413,813,125	$ -	$ -	$ -	0.00%	$ 413,813,125
Appropriations	$ 1,015,960,648	$ 1,049,046,867	$ 1,049,046,867	$ (551,752)	$ -	$ (551,752)	(0.05%)	$ 1,048,495,115
FTE	193.250	194.100	192.500	(7.000)	0.000	(7.000)	(3.64%)	185.500

Recommended Change Budget for 2015-16

	2014-15 Authorized Budget	2015-16 Base Budget	Recommended Change Budget for 2015-16: Net Recurring	Recommended Change Budget for 2015-16: Net Non Recurring	Recommended Change Budget for 2015-16: Recommended Change	Recommended 2015-16 Budget	% Δ from 2014-15 Authorized	% Δ from 2015-16 Base Budget
Requirements	$ 1,462,859,992	$ 1,462,308,240	$ (8,974,623)	$ -	$ (8,974,623)	$ 1,453,333,617	(0.74%)	(0.70%)
Receipts	$ 413,813,125	$ 413,813,125	$ 4,631,615	$ -	$ 4,631,615	$ 418,444,740	1.12%	1.12%
Appropriation	$ 1,049,046,867	$ 1,048,495,115	$ (13,606,238)	$ -	$ (13,606,238)	$ 1,034,888,877	(1.47%)	(1.42%)
FTE	192.500	185.500	7.000	0.000	7.000	192.500	0.00%	3.77%

Year 2

Adjustments to the Base Budget for 2016-17

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2016-17 Base Budget
Requirements	$ 1,440,356,392	$ 1,466,206,999	$ 1,462,859,992	$ (551,752)	$ -	$ (551,752)	(0.04%)	$ 1,462,308,240
Receipts	$ 424,395,744	$ 417,160,132	$ 413,813,125	$ -	$ -	$ -	0.00%	$ 413,813,125
Appropriations	$ 1,015,960,648	$ 1,049,046,867	$ 1,049,046,867	$ (551,752)	$ -	$ (551,752)	(0.05%)	$ 1,048,495,115
FTE	193.250	194.100	192.500	(7.000)	0.000	(7.000)	(3.64%)	185.500

Recommended Change Budget for 2016-17

	2014-15 Authorized Budget	2016-17 Base Budget	Recommended Change Budget for 2016-17: Net Recurring	Recommended Change Budget for 2016-17: Net Non Recurring	Recommended Change Budget for 2016-17: Recommended Change	Recommended 2016-17 Budget	% Δ from 2014-15 Authorized	% Δ from 2016-17 Base Budget
Requirements	$ 1,462,859,992	$ 1,462,308,240	$ (8,974,623)	$ 5,000,000	$ (3,974,623)	$ 1,458,333,617	(0.34%)	(0.36%)
Receipts	$ 413,813,125	$ 413,813,125	$ 3,631,615	$ -	$ 3,631,615	$ 417,444,740	0.88%	0.88%
Appropriation	$ 1,049,046,867	$ 1,048,495,115	$ (12,606,238)	$ 5,000,000	$ (7,606,238)	$ 1,040,888,877	(0.90%)	(0.85%)
FTE	192.500	185.500	7.000	0.000	7.000	192.500	0.00%	3.77%

Recommended Changes for NC Community Colleges System (16800)

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
1. Provide In-State Tuition for Military Veterans							
Continues North Carolina's committment to offer in-state tuition to qualifying nonresident veteran students. $1 million is appropriated to the NC Community College System and $1 million in the Yellow Ribbon Reserve is reallocated to offset the $2 million of lost tuition revenue. There is a corresponding special provision that repeals the Yellow Ribbon Reserve and fully conforms to federal law. Qualifying veterans shall work to establish residency in North Carolina within the first 12 months of initial enrollment.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ -	$ -	$ (1,000,000)	$ -	$ (1,000,000)
	Appr	$ -	$ -	$ -	$ 1,000,000	$ -	$ 1,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
2. Modernize the College Information System							
Provides a critical upgrade for the College Information System (CIS). CIS serves all 58 community colleges as their central data system of student information and college operations and must be upgraded to a new programming language within the next three years. In addition, NCCCS will be moving CIS to a hosted, cloud solution, under the guidance of the state Office of Information Technology Services.	Req	$ 5,000,000	$ -	$ 5,000,000	$ 5,000,000	$ -	$ 5,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 5,000,000	$ -	$ 5,000,000	$ 5,000,000	$ -	$ 5,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
3. Retain Program Audit Function							
Restores program auditors to the Community College System Office. The State Board of Community Colleges shall maintain an accountability function that conducts program and compliance reviews of community colleges. The State Board may develop rules and guidelines governing the frequency, scope, and standards for compliance. These periodic reviews may include reviews of each college's enrollment and the verification of college data used to allocate state appropriations. The State Board shall make public, to the extent possible, the results of these audits.	Req	$ 551,752	$ -	$ 551,752	$ 551,752	$ -	$ 551,752
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 551,752	$ -	$ 551,752	$ 551,752	$ -	$ 551,752
	Pos	7.000	0.000	7.000	7.000	0.000	7.000
4. Invest in STEM Equipment							
Provides $5 million nonrecurring for community colleges to purchase current, up-to-date equipment and technology used to prepare students for STEM careers. To prepare students to fill today's jobs, community colleges must train those students on the current equipment used in the workforce.	Req	$ -	$ -	$ -	$ -	$ 5,000,000	$ 5,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ -	$ -	$ -	$ 5,000,000	$ 5,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
5. Enrollment Growth Adjustment							
Adjusts the budget for North Carolina community colleges to reflect decreased enrollment. Enrollment has declined by 1.6% from 2014-15 budgeted levels. Enrollment for 2015-16 will be 231,350 full-time equivalent (FTE) students. Enrollment will be 111,969 FTE for curriculum; 14,739 for continuing education; and 17,226 for Basic Skills. Total enrollment includes summer term 2014 enrollment growth of 8,721 FTE.	Req	$ (14,526,375)	$ -	$ (14,526,375)	$ (14,526,375)	$ -	$ (14,526,375)
	Rec	$ (11,507,178)	$ -	$ (11,507,178)	$ (11,507,178)	$ -	$ (11,507,178)
	Appr	$ (3,019,197)	$ -	$ (3,019,197)	$ (3,019,197)	$ -	$ (3,019,197)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
6. Generate Additional Tuition Revenue							
Increases tuition rate to generate additional funds to support the operations of North Carolina community colleges. North Carolina community college tuition currently ranks 14th lowest out of 16 southeastern states. Tuition rates shall be increased $4 per credit hour -- from $72 per hour to $76 per hour for resident students; and from $264 per hour to $268 per hour for nonresidents. Full-time resident students will pay $1,216 per semester, an increase of $128 per year.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ 16,138,793	$ -	$ 16,138,793	$ 16,138,793	$ -	$ 16,138,793
	Appr	$ (16,138,793)	$ -	$ (16,138,793)	$ (16,138,793)	$ -	$ (16,138,793)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
Total Requirements		**$ (8,974,623)**	**$ -**	**$ (8,974,623)**	**$ (8,974,623)**	**$ 5,000,000**	**$ (3,974,623)**
Total Receipts		**$ 4,631,615**	**$ -**	**$ 4,631,615**	**$ 3,631,615**	**$ -**	**$ 3,631,615**
Total Appropriation		**$ (13,606,238)**	**$ -**	**$ (13,606,238)**	**$ (12,606,238)**	**$ 5,000,000**	**$ (7,606,238)**
Total GF Positions		**7.000**	**0.000**	**7.000**	**7.000**	**0.000**	**7.000**

The University of North Carolina

The University of North Carolina (160xx)

Year 1

Adjustments to the Base Budget 2015-16

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2015-16 Base Budget
Requirements	$ 4,275,146,894	$ 4,303,524,712	$ 4,342,417,394	$ 482,122	$ -	$ 482,122	0.01%	$ 4,342,899,516
Receipts	$ 1,702,389,651	$ 1,656,710,613	$ 1,695,603,295	$ -	$ -	$ -	0.00%	$ 1,695,603,295
Appropriations	$ 2,572,757,242	$ 2,646,814,099	$ 2,646,814,099	$ 482,122	$ -	$ 482,122	0.02%	$ 2,647,296,221
FTE	34,749.616	34,472.276	34,763.579	0.000	0.000	0.000	0.00%	34,763.579

Recommended Change Budget for 2015-16

	2014-15 Authorized Budget	2015-16 Base Budget	Recommended Change Budget for 2015-16: Net Recurring	Net Non Recurring	Recommended Change	Recommended 2015-16 Budget	% Δ from 2014-15 Authorized	% Δ from 2015-16 Base Budget
Requirements	$ 4,342,417,394	$ 4,342,899,516	$ 11,509,072	$ 2,085,430	$ 13,594,502	$ 4,356,494,018	0.32%	0.31%
Receipts	$ 1,695,603,295	$ 1,695,603,295	$ 21,444,745	$ 18,106,794	$ 39,551,539	$ 1,735,154,834	2.33%	2.33%
Appropriation	$ 2,646,814,099	$ 2,647,296,221	$ (9,935,673)	$ (16,021,364)	$ (25,957,037)	$ 2,621,339,184	(0.96%)	(0.98%)
FTE	34,763.579	34,763.579	11.600	0.000	11.600	34,775.179	0.03%	0.03%

Year 2

Adjustments to the Base Budget for 2016-17

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2016-17 Base Budget
Requirements	$ 4,275,146,894	$ 4,303,524,712	$ 4,342,417,394	$ 490,557	$ -	$ 490,557	0.01%	$ 4,342,907,951
Receipts	$ 1,702,389,651	$ 1,656,710,613	$ 1,695,603,295	$ -	$ -	$ -	0.00%	$ 1,695,603,295
Appropriations	$ 2,572,757,242	$ 2,646,814,099	$ 2,646,814,099	$ 490,557	$ -	$ 490,557	0.02%	$ 2,647,304,656
FTE	34,749.616	34,472.276	34,763.579	0.000	0.000	0.000	0.00%	34,763.579

Recommended Change Budget for 2016-17

	2014-15 Authorized Budget	2016-17 Base Budget	Recommended Change Budget for 2016-17: Net Recurring	Net Non Recurring	Recommended Change	Recommended 2016-17 Budget	% Δ from 2014-15 Authorized	% Δ from 2016-17 Base Budget
Requirements	$ 4,342,417,394	$ 4,342,907,951	$ 11,752,838	$ 806,318	$ 12,559,156	$ 4,355,467,107	0.30%	0.29%
Receipts	$ 1,695,603,295	$ 1,695,603,295	$ 17,007,259	$ 10,000,000	$ 27,007,259	$ 1,722,610,554	1.59%	1.59%
Appropriation	$ 2,646,814,099	$ 2,647,304,656	$ (5,254,421)	$ (9,193,682)	$ (14,448,103)	$ 2,632,856,553	(0.53%)	(0.55%)
FTE	34,763.579	34,763.579	14.400	0.000	14.400	34,777.979	0.04%	0.04%

Recommended Changes for The University of North Carolina (160xx)

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
1. Provide In-State Tuition for Military Veterans							
Continues North Carolina's commitment to offer in-state tuition to qualifying nonresident veteran students. $4.4 million is appropriated to UNC and $4.9 million in the Yellow Ribbon Reserve is reallocated to offset the $9.3 million of lost tuition revenue. There is a corresponding special provision that repeals the Yellow Ribbon Reserve and fully conforms to federal law.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ -	$ -	$ (4,437,486)	$ -	$ (4,437,486)
	Appr	$ -	$ -	$ -	$ 4,437,486	$ -	$ 4,437,486
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
UNC General Administration shall not revise the Enrollment Growth Funding Model to request future appropriations as an offset for tuition lost by classifying nonresident veteran students as residents pursuant to federal law. Qualifying veterans shall work to establish residency in North Carolina within the first 12 months of initial enrollment.							
2. Fund Enrollment Growth							
Provides enrollment growth funding for the projected increase in regular term and distance education student full-time equivalents (FTE) in the university system. The 2014-15 budgeted FTE of 199,814 is estimated to increase by 3,345 FTE (1.7%) in 2015-16 and an additional 3,016 FTE in 2016-17 (1.5%). The total increase for the biennium is 6,361 FTE, which represents a 3.2% increase from the 2014-15 budgeted FTE. An additional $30.9 million is placed in a statewide reserve for distribution to UNC for the 2016-17 academic year.	Req	$ 70,769,486	$ -	$ 70,769,486	$ 70,769,486	$ -	$ 70,769,486
	Rec	$ 21,444,745	$ -	$ 21,444,745	$ 21,444,745	$ -	$ 21,444,745
	Appr	$ 49,324,741	$ -	$ 49,324,741	$ 49,324,741	$ -	$ 49,324,741
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
3. Fund Building Reserves							
Provides funding to operate and maintain UNC facilities supported by the General Fund that will be completed in the 2015-17 biennium.	Req	$ 470,912	$ 170,282	$ 641,194	$ 714,678	$ 91,170	$ 805,848
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 470,912	$ 170,282	$ 641,194	$ 714,678	$ 91,170	$ 805,848
	Pos	11.600	0.000	11.600	14.400	0.000	14.400
4. Support Competitive Technology Improvements for Elizabeth City State University							
Creates a reserve administered by UNC General Administration to upgrade and modernize Elizabeth City State University's (ECSU) aging IT network infrastructure, implement an online enrollment management system, and automate the financial aid process in order to more competitively recruit and retain students. UNC General Administration shall report quarterly to the Office of State Budget and Management and the Fiscal Research Division of the General Assembly on ECSU's progress.	Req	$ -	$ 1,904,705	$ 1,904,705	$ -	$ 704,705	$ 704,705
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 1,904,705	$ 1,904,705	$ -	$ 704,705	$ 704,705
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
5. Stabilize East Carolina University Brody School of Medicine							
Provides operating funding to support medical education at East Carolina University's Brody School of Medicine and to maintain community preceptorships at regional training sites.	Req	$ 8,000,000	$ -	$ 8,000,000	$ 8,000,000	$ -	$ 8,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 8,000,000	$ -	$ 8,000,000	$ 8,000,000	$ -	$ 8,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
6. Establish the University Innovation Commercialization Grant Program							
Provides $2.5 million in 2015-16 and $5.0 million in 2016-17 to the Office of State Budget and Management for the University Innovation Commercialization Grant Program. The program would use NC's community of industry and commercialization experts, organized and funded through two hosting nonprofit or other relevant entities, to: (1) select university technologies based on commercial potential, (2) create a development plan of key activities to make the technologies more attractive to investors, and (3) guide implementation of these activities to assure efficient development of funds and commercial-quality results.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ -	$ -	$ -	$ -	$ -
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
7. Increase Scholarships for Children with Disabilities							
Transfers $2,124,934 from the exceptional children budget in the Department of Public Instruction to the North Carolina State Education Assistance Authority (NCSEAA) for the Special Education Scholarships for Children with Disabilities Program as authorized by GS 115C-112.6. This item partially aligns increased use of the scholarships with corresponding anticipated changes in public school enrollment. There is a corresponding special provision authorizing these funds which brings total funding for the program to $6,103,100 and provides scholarships for approximately 800 students.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ -	$ -	$ -	$ -	$ -
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
8. Increase Beginning Salary for NC School of Science and Math Teachers							
Increases the beginning teacher salary for NCSSM teachers on the first tier of the North Carolina Public School Salary Schedule.	Req	$ 3,244	$ -	$ 3,244	$ 3,244	$ -	$ 3,244
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 3,244	$ -	$ 3,244	$ 3,244	$ -	$ 3,244
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
9. Fund NCSSM Teacher Salary Step Increase							
Provides funds to support the movement of NCSSM teachers who are eligible based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	$ 92,486	$ -	$ 92,486	$ 92,486	$ -	$ 92,486
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 92,486	$ -	$ 92,486	$ 92,486	$ -	$ 92,486
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
10. Provide One-Time Bonus to Retain 2014-15 NCSSM Teacher Salary							
Funds nonrecurring salary bonus of $1,000 to NCSSM teachers who received the bonus in 2014-15 to ensure retention of 2014-15 salary level.	Req	$ -	$ 10,443	$ 10,443	$ -	$ 10,443	$ 10,443
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 10,443	$ 10,443	$ -	$ 10,443	$ 10,443
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
11. Allow Flexibility to Achieve Efficiencies							
Directs the UNC Board of Governors to implement efficiencies to achieve a 2% savings from the UNC System's 2014-15 certified appropriation excluding financial aid. The Board of Governors shall not allocate any portion of the reduction to financial aid, Elizabeth City State University, Fayetteville State University, NC School of Science and Mathematics, UNC Asheville or UNC School of the Arts. Before taking reductions in instructional budgets, the Board of Governors should consider reducing senior and middle management positions, identifying new opportunities for shared services, adjusting faculty workloads, eliminating redundant and low enrollment programs, restructuring research activities, and using alternative funding sources.	Req	$ (49,913,244)	$ -	$ (49,913,244)	$ (49,913,244)	$ -	$ (49,913,244)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (49,913,244)	$ -	$ (49,913,244)	$ (49,913,244)	$ -	$ (49,913,244)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
12. Cap Taxpayer Expenditures on Advancement Programs							
Increases the reliance of campus advancement programs on non-state funds generated by fundraising activities. Campuses may use up to $1 million of state funds annually for advancement programs. Any expenditures in excess of $1 million must be funded from non-state funds.	Req	$ (17,913,812)	$ -	$ (17,913,812)	$ (17,913,812)	$ -	$ (17,913,812)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (17,913,812)	$ -	$ (17,913,812)	$ (17,913,812)	$ -	$ (17,913,812)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
13. Support UNC Need-Based Aid							
Increases Escheat Fund support of the UNC Need-Based Financial Aid program and offsets appropriations from the General Fund. Total funding available for scholarships remains unchanged at $125,930,498.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ 18,106,794	$ 18,106,794	$ -	$ 10,000,000	$ 10,000,000
	Appr	$ -	$ (18,106,794)	$ (18,106,794)	$ -	$ (10,000,000)	$ (10,000,000)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
Total Requirements		**$ 11,509,072**	**$ 2,085,430**	**$ 13,594,502**	**$ 11,752,838**	**$ 806,318**	**$ 12,559,156**
Total Receipts		**$ 21,444,745**	**$ 18,106,794**	**$ 39,551,539**	**$ 17,007,259**	**$ 10,000,000**	**$ 27,007,259**
Total Appropriation		**$ (9,935,673)**	**$ (16,021,364)**	**$ (25,957,037)**	**$ (5,254,421)**	**$ (9,193,682)**	**$ (14,448,103)**
Total GF Positions		**11.600**	**0.000**	**11.600**	**14.400**	**0.000**	**14.400**

2015-16 and 2016-17 General Fund Appropriation Education Budget Summary

	2013-14 Actual	*2014-15 Authorized*	*Base Budget Adjustments*	*2015-16 Recommended Base Budget*	*Reductions*	*Expansion*	*2015-16 Total Appropriation*	*% Change Over 2014-15*
Education								
Public Schools	7,767,677,973	8,162,334,228	(56,301,128)	8,106,033,100	(40,930,669)	332,191,762	8,397,294,193	2.9%
Community Colleges	1,015,960,648	1,049,046,867	(551,752)	1,048,495,115	(19,157,990)	5,551,752	1,034,888,877	-1.3%
University System	2,572,757,237	2,646,814,099	482,122	2,647,296,221	(85,933,850)	59,976,813	2,621,339,184	-1.0%
Total Education	**11,356,395,858**	**11,858,195,194**	**(56,370,758)**	**11,801,824,436**	**(146,022,509)**	**397,720,327**	**12,053,522,254**	1.6%

	2013-14 Actual	*2014-15 Authorized*	*Base Budget Adjustments*	*2016-17 Recommended Base Budget*	*Reductions*	*Expansion*	*2016-17 Total Appropriation*	*% Change Over 2014-15*
Education								
Public Schools	7,767,677,973	8,162,334,228	(56,301,128)	8,106,033,100	(41,075,034)	343,915,762	8,408,873,828	3.0%
Community Colleges	1,015,960,648	1,049,046,867	(551,752)	1,048,495,115	(19,157,990)	11,551,752	1,040,888,877	-0.8%
University System	2,572,757,237	2,646,814,099	490,557	2,647,304,656	(77,827,056)	63,378,953	2,632,856,553	-0.5%
Total Education	**11,356,395,858**	**11,858,195,194**	**(56,362,323)**	**11,801,832,871**	**(138,060,080)**	**418,846,467**	**12,082,619,258**	1.9%

Source: The Governor's Recommended Budget 2015-17.

NOTE: In accordance with SL 2014-100, Section 6.4.(b), included in both Expansion columns is 2015-16 enrollment growth of $100.2 million for Public Schools and $49.3 million for UNC. The additional enrollment growth for 2016-17 is included in the statewide reserves: $106.9 million for Public Schools and $30.9 million for UNC.

AGENDA

JOINT MEETING: HOUSE APPROPRIATIONS COMMITTEE ON EDUCATION AND SENATE APPROPRIATIONS COMMITTEE ON EDUCATION/HIGHER EDUCATION

March 18, 2015 8:30 a.m.
Legislative Office Building - Room 423

House Committee Co-Chairs
Rep. Hugh Blackwell
Rep. Rob Bryan
Rep. Bryan Holloway
Rep. D. Craig Horn

Senate Committee Co-Chairs
Sen. Tom Apodaca
Sen. Chad Barefoot
Sen. Dan Soucek

House Committee Vice-Chairs
Rep. Rosa Gill
Rep. Rick Glazier
Rep. Paul Stam
Rep. Chris Whitmire

House Committee Members
Rep. Larry Bell
Rep. Cecil Brockman
Rep. Debra Conrad
Rep. Jeffrey Elmore
Rep. John Fraley
Rep. Marvin Lucas
Rep. Henry M. Michaux Jr.

Senate Committee Members
Sen. David Curtis
Sen. Don Davis
Sen. Fletcher Hartsell Jr.
Sen. Bob Rucho
Sen. Erica Smith-Ingram
Sen. Jerry Tillman
Sen. Joyce Waddell

I.	**Welcome & Opening Remarks**	Representative Hugh Blackwell Presiding Co-Chair
II.	**NC Community College System 2015-17 Legislative Priorities**	Dr. R. Scott Ralls President
III.	**NC Community College System Overview and Funding**	Brett Altman and Mark Bondo Fiscal Research Division
	Adjourn	

House Committee on Appropriations, Education
Wednesday, March 18, 2015 at 8:30 AM
Room 423 of the Legislative Office Building

MINUTES

The House Committee on Appropriations, Education met at 8:30 AM on March 18, 2015 in Room 423 of the Legislative Office Building. Representatives L. Bell, Blackwell, Bryan, Conrad, Fraley, Gill, Holloway, Horn, Lucas, Michaux, Stam, and Whitmire attended. Senators Barefoot, Soucek, Curtis, Davis, Smith-Ingram, and Waddell were also in attendance. Staff from Fiscal Research in attendance was Brian Matteson, Kris Nordstrom, Brett Altman and Mark Bondo. Visitor registration sheets are provided. (Attachment 1)

Representative Hugh Blackwell, Chair, presided. He introduced the Sergeant at Arms from the House and Senate as well as the visiting pages from each chamber. (Attachment 2) Following the welcome and opening remarks by Chairman Blackwell, Community College Presidents in attendance introduced themselves to members of the committee and attendees.

Dr. R. Scott Ralls, President of the NC Community College System, spoke on the needs of the NC Community College System. He noted the biggest threat to the Community College System is funding and discussed the overall needs of the system. (Attachments 2, 3) Dr. Ralls heard all comments or questions expressed by members.

Brett Altman and Mark Bondo from the Fiscal Research Division then gave a brief presentation on the NC Community College System Overview and Funding. Mr. Altman gave an overview of the Background of NCCCS and also addressed Enrollment figures. Mr. Bondo addressed the NCCCS budget. Mr. Altman and Mr. Bondo then addressed the concerns that were expressed by members. (Attachment 4)

There being no further business, Chairman Blackwell called the meeting adjourned at 10:00 AM.

Representative Hugh Blackwell, Chair
Presiding

Dixie Riehm, Committee Clerk

VISITOR REGISTRATION SHEET

Joint Education Appropriations — March 18, 2015

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Alex Granados	EDNC
Jennifer Haygood	NCCCS
G. Dennis Massey	PHCommunity College
Linda Weeks	NCCCS
LARRY KEEN	FTCC
L. STEVE THORNBURG	Cleveland Community College
Linda Hoyle	Ed Consultant
Walter Dalton	Rockingham CC.
Elizabeth Hunnicutt	Hunt Institute
Tom West	NCICU
Kendell Hagemon	IEI

VISITOR REGISTRATION SHEET

Joint Education Appropriations — March 18, 2015

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Eric V. Hyffield	Halifax CC
Bob Shackleford	Randolph Community College
Donna Lipton-Rupar	Tri-County Comm College
John Boyd	Maryland Community College
Amanda Lee	Cape Fear Community College
[signature]	MWC
Michael Houser	THCG
Alan Justice	TCS
Bryan Conrad	OSBM
David Collins	FANC
TOM ADAMS	NC STATE PORTS AUTHORITY

VISITOR REGISTRATION SHEET

Joint Education Appropriations — March 18, 2015

Name of Committee — **Date**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jim Bradsha	Brunswick Community College Trustee
Bruce Mildwurf	NCSBA
Andres Lara	Rep. Johnson Staff
Joyce Peters	CSS
Chris Emanuel	C.G. Emanuel Group
Eaun Stilwell	NC SBE
Gregg Sanders	Rep Stam
Lynn Flynn	CMS
Chris Lowder	Cabarrus County Schools
Glenda Jones	Cabarrus County Schools/NCASA/PANC
Bre Hager	NCEL

VISITOR REGISTRATION SHEET

House Committee on Appropriations, Education — 3-18-2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Matt Ellinwood	KC Justice Center
Michael Bracy	Jones County Schools

VISITOR REGISTRATION SHEET

House Committee on Appropriations, Education — 3-18-2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Dermary Zittling	Davidson Co Community College
Garrett Hinshaw	Catawba Valley Community College
Algie Halewood	Alamance Community College
Barbara Parker	Haywood Community College
Kandi Deitemeyer	College of The Albemarle
Pat Shenair	Gaston College
Cheryl Posner-Cahill	NC School Psych Assoc
Susanne Adams	Brunswick Community College
Janet Spriggs	Rowan-Cabarrus Comm. College
Rhonda Devan	A-B Tech Community College
Molly Parkhill	Blue Ridge Community College

VISITOR REGISTRATION SHEET

House Committee on Appropriations, Education — 3-18-2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Bill Ingram	Durham Technical Community College
Dale McInnis	Richmond Community College
Carol Spalding	Rowan-Cabarrus Com. College
Bill Carver	Nash Comm College
Mary Shuping	NCCCS
Mcgentbeck	NCCCS
Jonathon Kappler	UNC GA
Lisa Chapman	NCCCS
Stelfanie Williams	Vance-Granville Community College
Kambiz Tahmasbi	Vance-Granville Community College
Deborah Lamm	Edgecombe Community College

VISITOR REGISTRATION SHEET

House Committee on Appropriations, Education — 3-18-2015

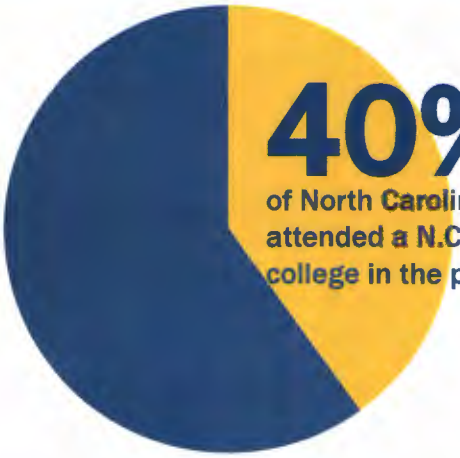
Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Don Tomas	Southwestern Community College
Gary Green	Forsyth Tech Comm. College
Brantley Bailey	Lenoir Com. College
Stephen Scott	Wake Tech. Com. College
Susan Harrison	NCSSWA
Mary Freeman	NCAE

NC COMMUNITY COLLEGES
CREATING SUCCESS

EFFECTIVE, EFFICIENT EDUCATION DRIVING NORTH CAROLINA'S ECONOMY



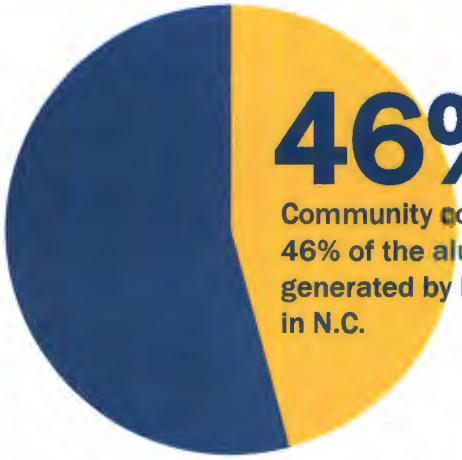
40%
of North Carolina wage-earners attended a N.C. community college in the past 10 years.

- More than 800,000 students enrolled at one of the 58 community colleges during the 2013-2014 academic year, accounting for 1 in 9 N.C. citizens 18 and older.
- Community college instructors taught more than 29,000 high school students through Career and College Promise in 2013-14.

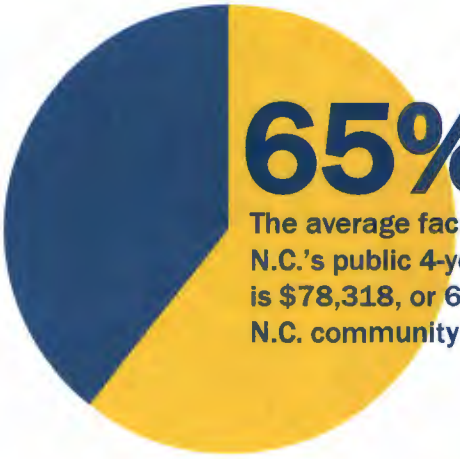
FOR EVERY $1 SPENT BY...*

STUDENTS	$2.30 GAINED IN LIFETIME INCOME FOR STUDENTS
TAXPAYERS	$4.10 IN BENEFITS TO TAXPAYERS

- Accumulated alumni impact of N.C.'s community colleges totaled $19.6 billion in added state income in 2012-13, the equivalent of 322,000 new jobs.*



46%
Community colleges account for 46% of the alumni wage impact generated by higher education in N.C.



65%
The average faculty salary for N.C.'s public 4-year institutions is $78,318, or 65% more than N.C. community college faculty.

TO ENSURE A QUALITY WORKFORCE, COMMUNITY COLLEGES MUST RECRUIT AND RETAIN QUALITY FACULTY.

- At $47,410, North Carolina's average faculty salary is ranked 11th out of the 16 states within the Southern Regional Education Board (SREB).
- Full time N.C. community college faculty teach an average 5-6 classes per semester.
- Only one other SREB state, Delaware, has a larger disparity between the public 4-year and 2-year institutions.

*Economic Modeling Specialists International (EMSI), http://www.nccommunitycolleges.edu/emsi-study

NC COMMUNITY COLLEGES
CREATING SUCCESS

DON'T STALL THE WORKFORCE ENGINE

Community Colleges are North Carolina's workforce engine. **More than 40 percent of North Carolina wage earners have been a community college student in the past ten years**, and former community college students contribute $19.6 billion in added state income in 2012-13 – the equivalent of 322,000 new jobs. For every $1 investment by taxpayers, $4.10 was gained in added taxes and public-sector gains – a 14.7% return on investment[1].

Address the Instructor Salary Crisis

The **workforce engine will stall** if community college **instructors continue to be among the worst paid in the Southeast.** Attracting and retaining community college instructors – the molders of North Carolina's future workforce – is becoming increasingly difficult at current pay levels as these same instructors become prime targets for employers seeking to fill job openings as the economy rebounds. **Enabling community colleges to recover $59 million in current management flexibility cuts and invest those funds into salaries will help rectify this crisis situation and move North Carolina to the mid-point in the Southeast for faculty salaries.**

Rev Up Year-Round Production

As recommended in Governor McCrory's budget proposal, **North Carolina's Community Colleges need to be in year-round production**, just like North Carolina's businesses. **Funding community colleges for year-round instruction, including the summer**, will accelerate the talent pipeline to North Carolina businesses experiencing skill shortages, accelerate completion rates for community college students, help colleges retain faculty who would prefer to work year-round and generate state budget savings as university students obtain credits at community college funding rates.

Tuition Increases Should Only Fuel Community College Education

Any increases in community college student tuition should support their education. Community college students, most from working-class families, have seen their tuition increase 44% in the past six years. If they are to face another tuition increase, **it should only be applied to enhance their education.**

[1] Economic Modeling Specialists International (EMSI), http://www.nccommunitycolleges.edu/emsi-study

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NC Community College System:

Overview



Presentation to Joint Appropriations Subcommittee on Education

Brett Altman

Mark Bondo

Fiscal Research Division

March 18, 2015

FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

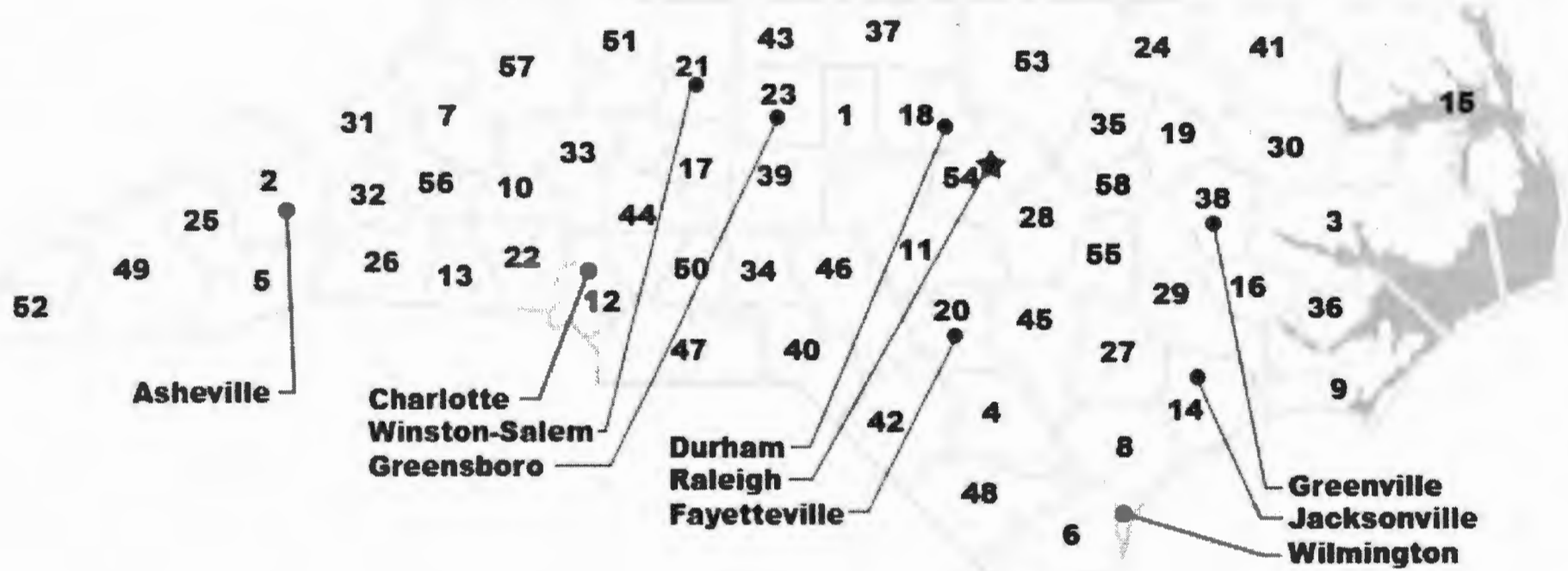
Presentation Agenda

1. NCCCS Background
2. Enrollment
3. Budget Overview
4. State Aid Allocation
5. Questions

NCCCS Background

Locations

- 58 colleges, 3rd most in the nation.
- 33 additional campuses



Governance

State Board of Community Colleges

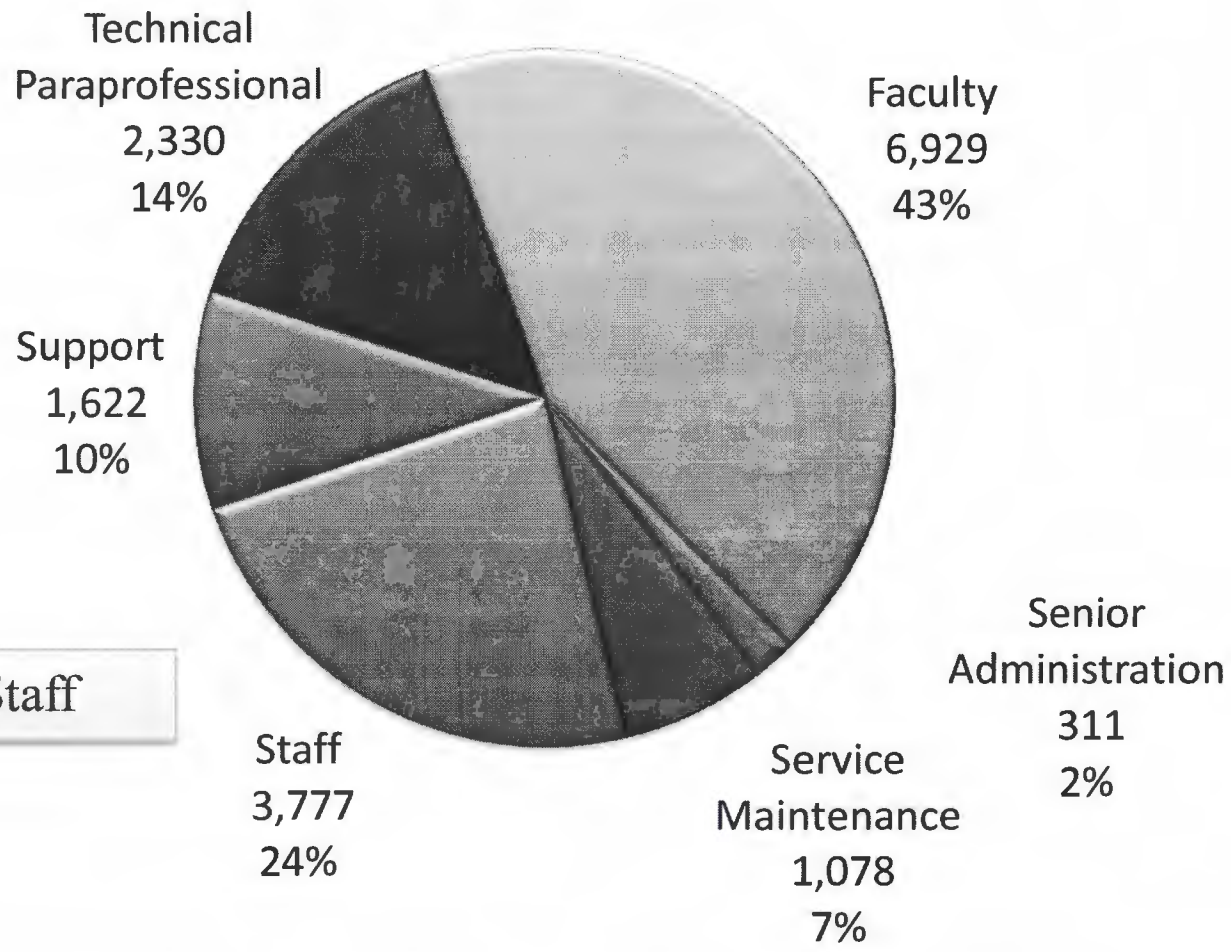
- Serves as the governing authority for NCCCS
- 21 members – 18 are appointed by Governor (10), House(4), and Senate (4); 3 serve ex-officio
- Elects the System President and sets system policies and regulations

Local Boards of Trustees

- Serve as the governing authority for 58 colleges
- At least 13 members – 12 appointed by local Board of Ed, county commissioners, and Governor; 1 ex-officio
- Elect college presidents

College Faculty and Staff

Full-Time College Staff: FY 2014-15



Total: 16,047 FT Staff

Note: This does not include positions in the NCCCS System Office; Source: FY 2014-15 NCCCS Statistical Report

College Faculty and Staff

Full-Time versus Part-Time Faculty, FY2014-15

Curriculum



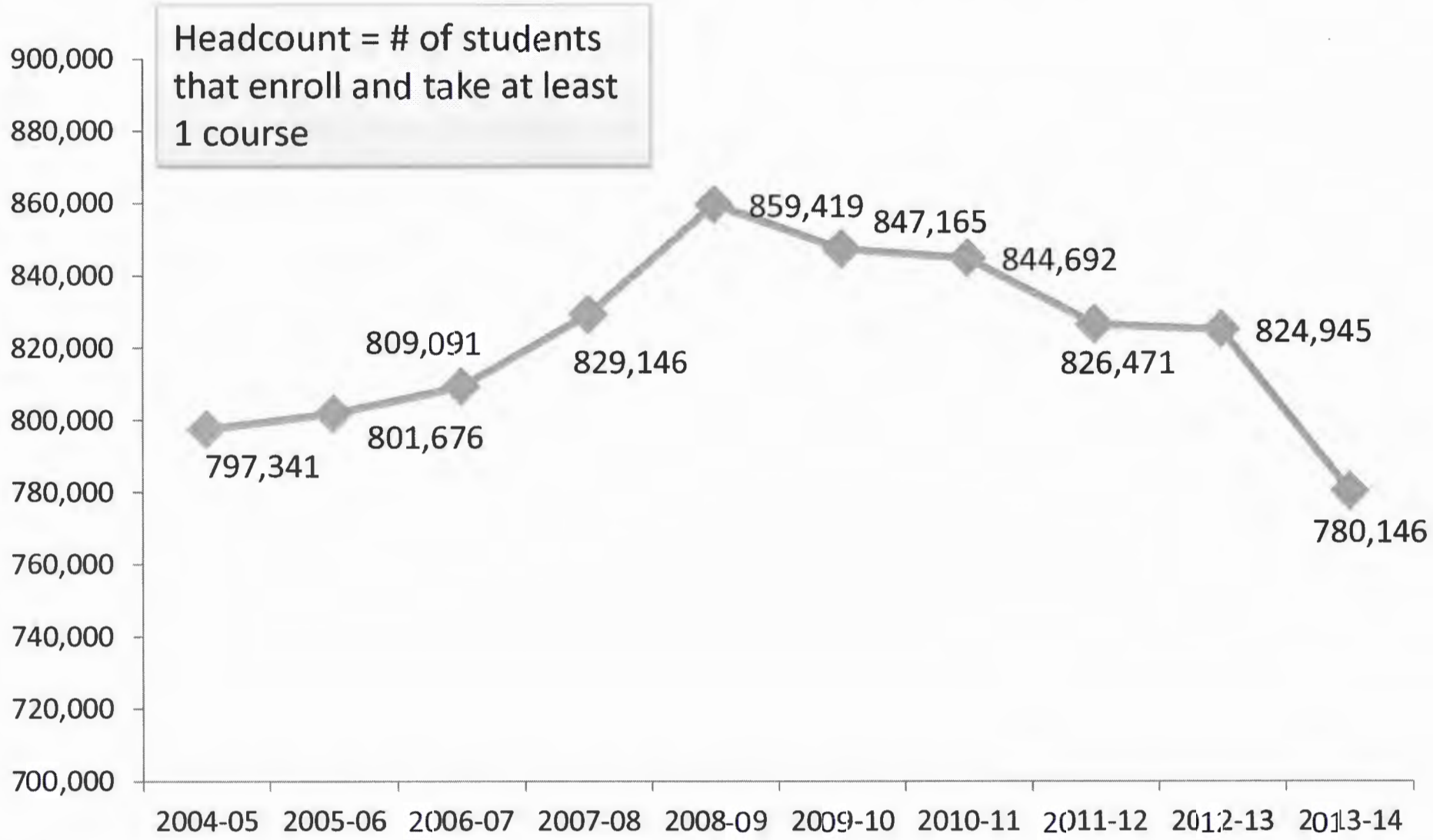
Continuing Education



Note: This does not include positions in the NCCCS System Office; Source: FY 2014-15 NCCCS Statistical Report

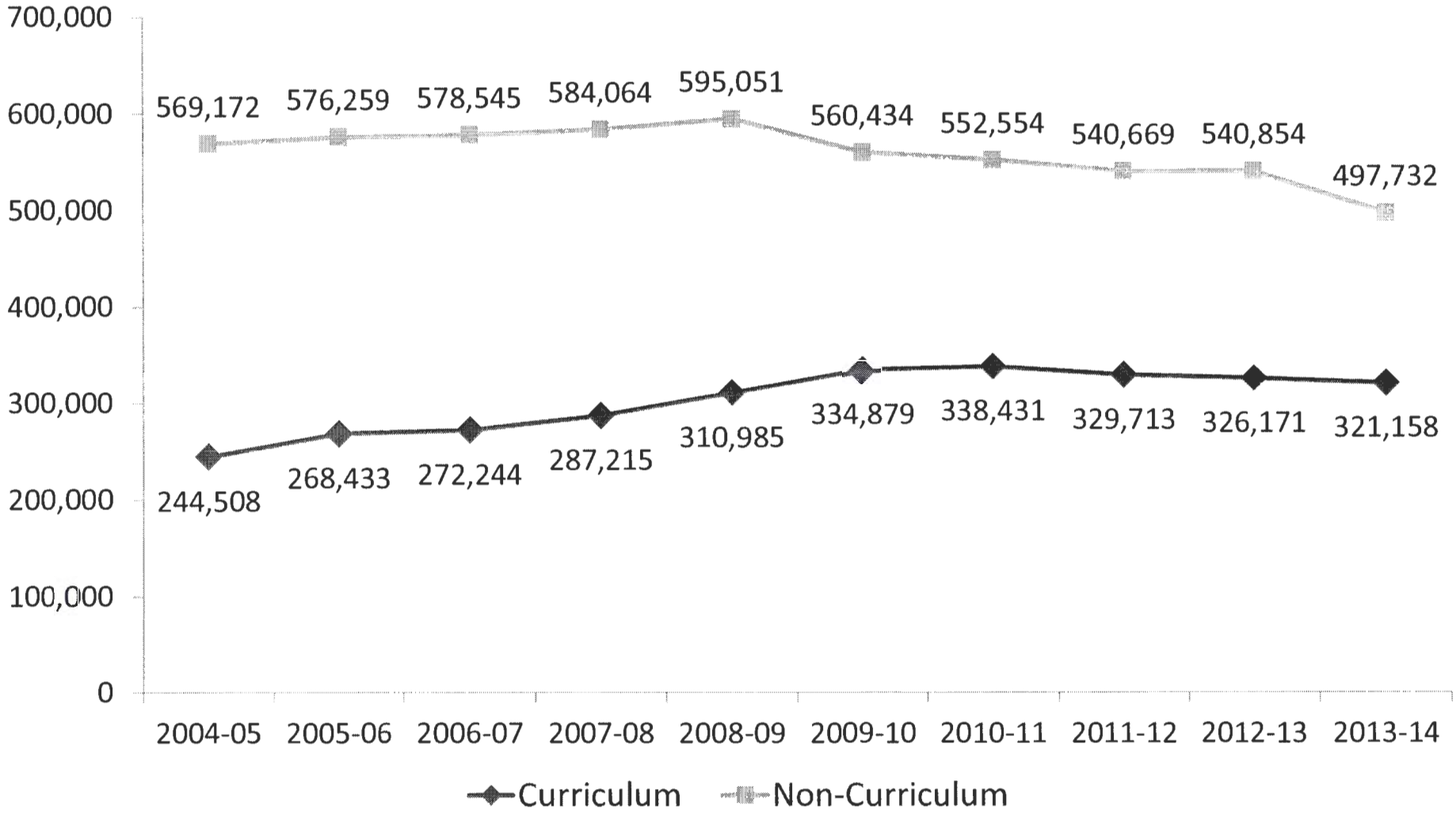
Enrollment

Headcount: FY 2005-2014



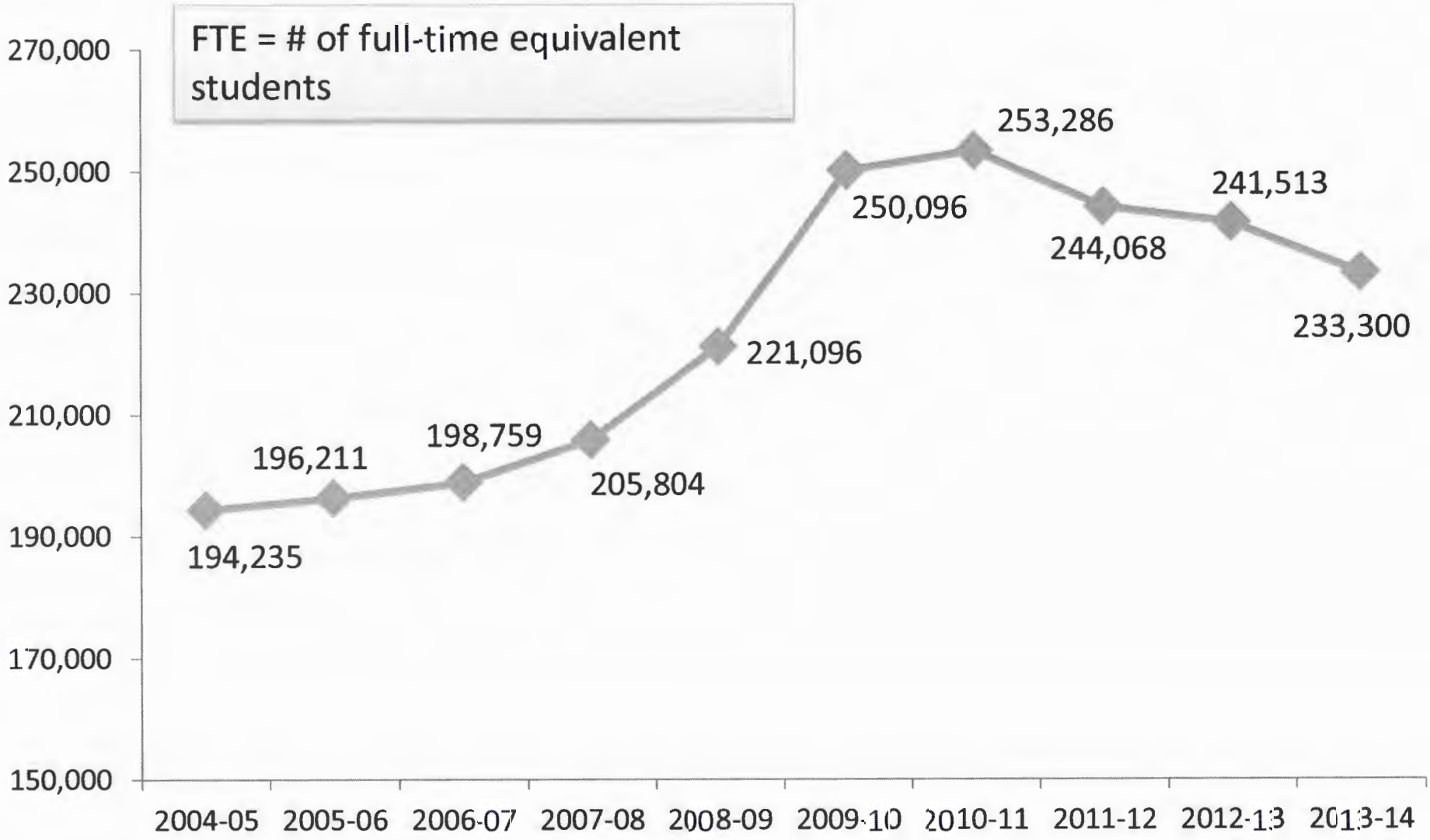
Source: NCCCS Statistical Reports for FY 2002-03 to FY 2011-12

Curriculum and Non-Curriculum Headcount FY 2005-2014



Source: NCCCS Statistical Reports for FY 2004-05 to FY 2013-14

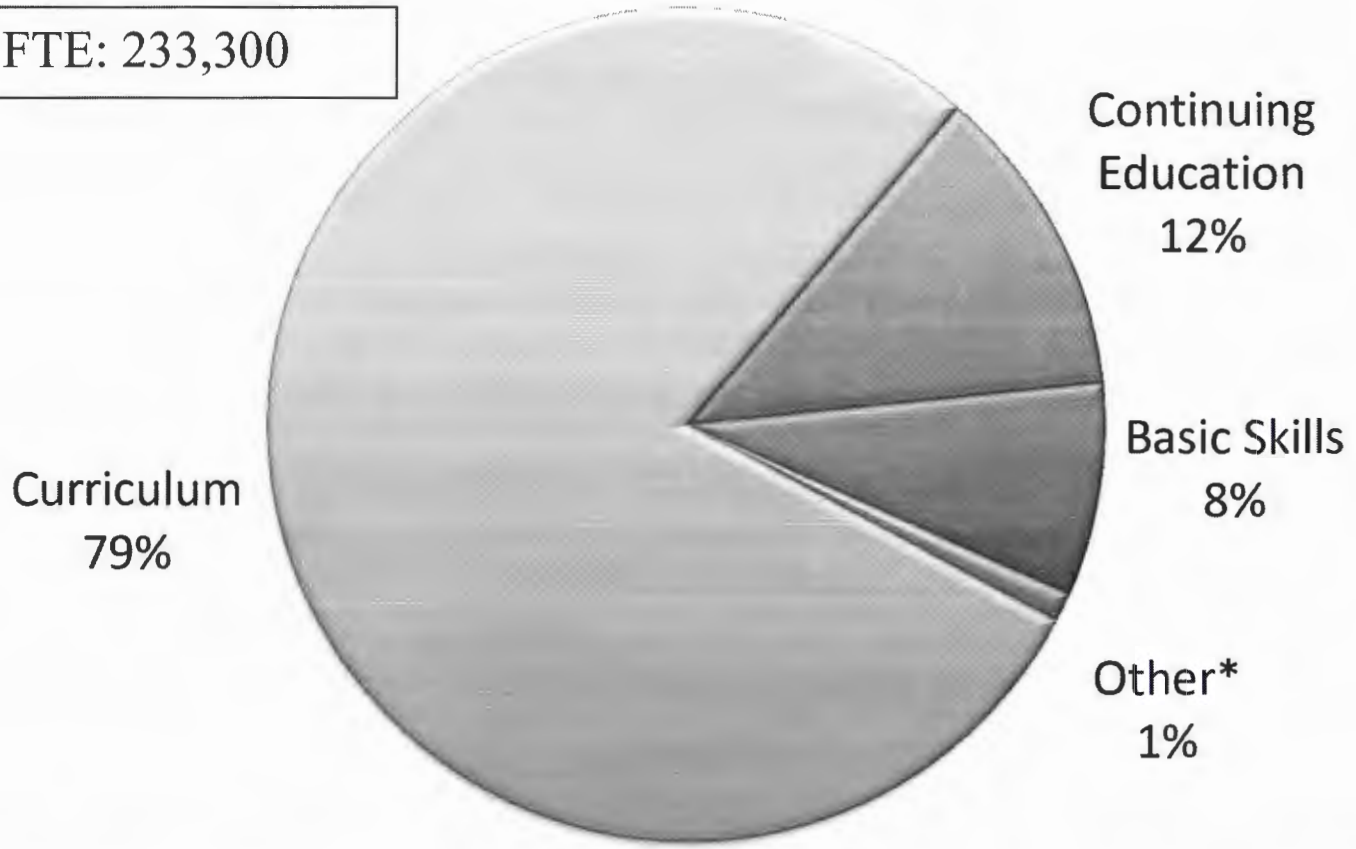
Actual FTE: FY 2005-2014



Source: NCCCS Statistical Reports for FY 2004-05 to FY 2013-14

Actual FTE by Program Area FY 2013-14

Total FTE: 233,300



*"Other" includes Customized Training FTE, Small Business Center FTE, self-supporting continuing education FTE, and other non-budget FTE.

Source: NCCCS 2013-14 Statistical Report

FTE & Budget Allocations

- Funds are allotted on a full-time equivalent (FTE) basis
- Based on prior year enrollment numbers – not projections
- A college's budgeted FTE is determined by the Modified Budget Stability Formula
  - Calculates the higher of
    - the prior year; or
    - the average of the two previous years' enrollment.

Budget Overview

Financial Support of Institutions

State

G.S. 115D-31

- Operating costs for instruction, administration, and support services

Local

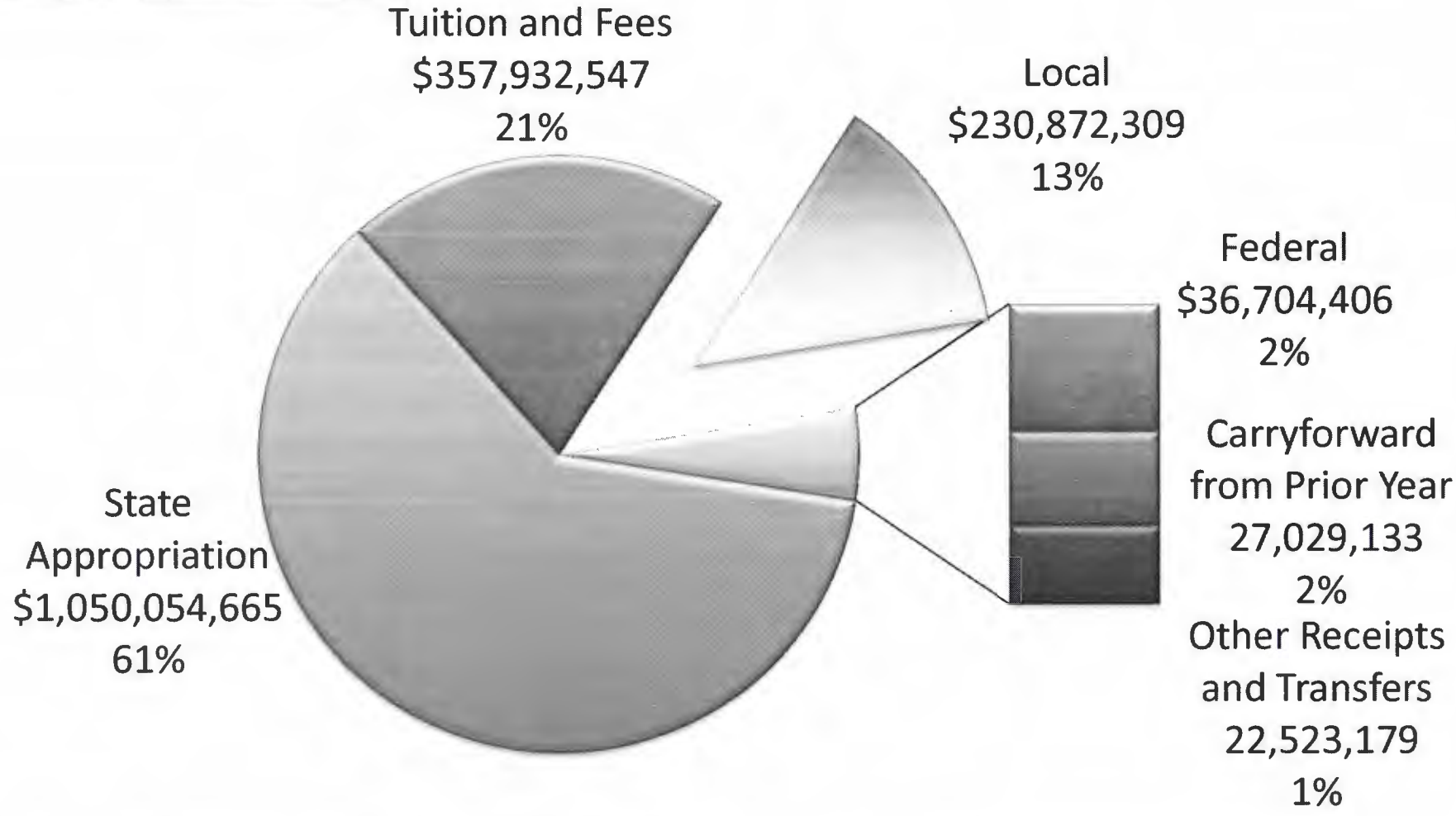
G.S. 115D-32

- Operation and maintenance of plant

Per G.S. 115D-32, capital construction is the legal responsibility of the county. However, G.S. 115D-31 authorizes the State to provide capital funding to local institutions, provided that it is matched on a dollar-for-dollar basis.

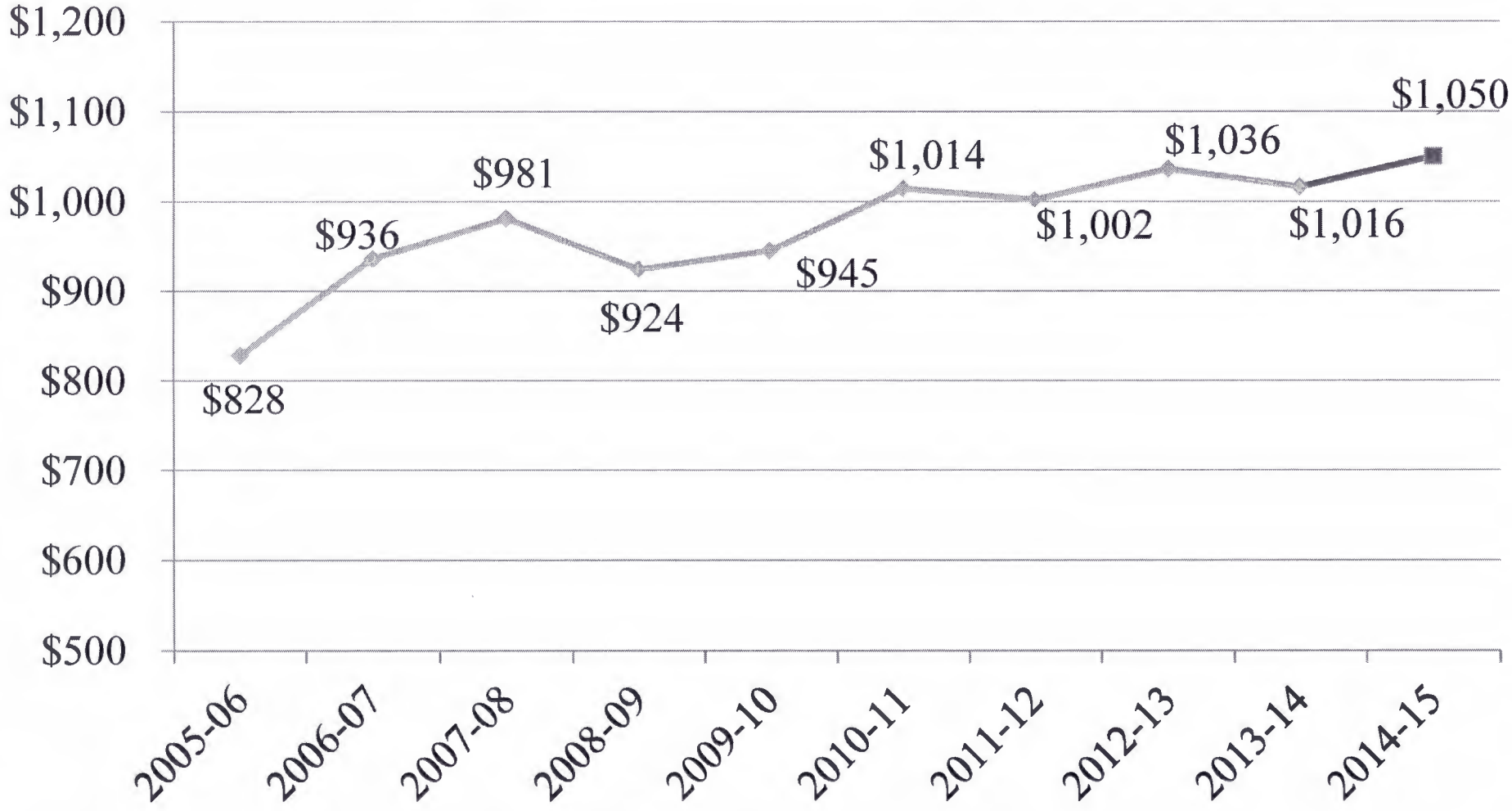
FY 2014-15 Sources of Funding

Total: $1.73 billion



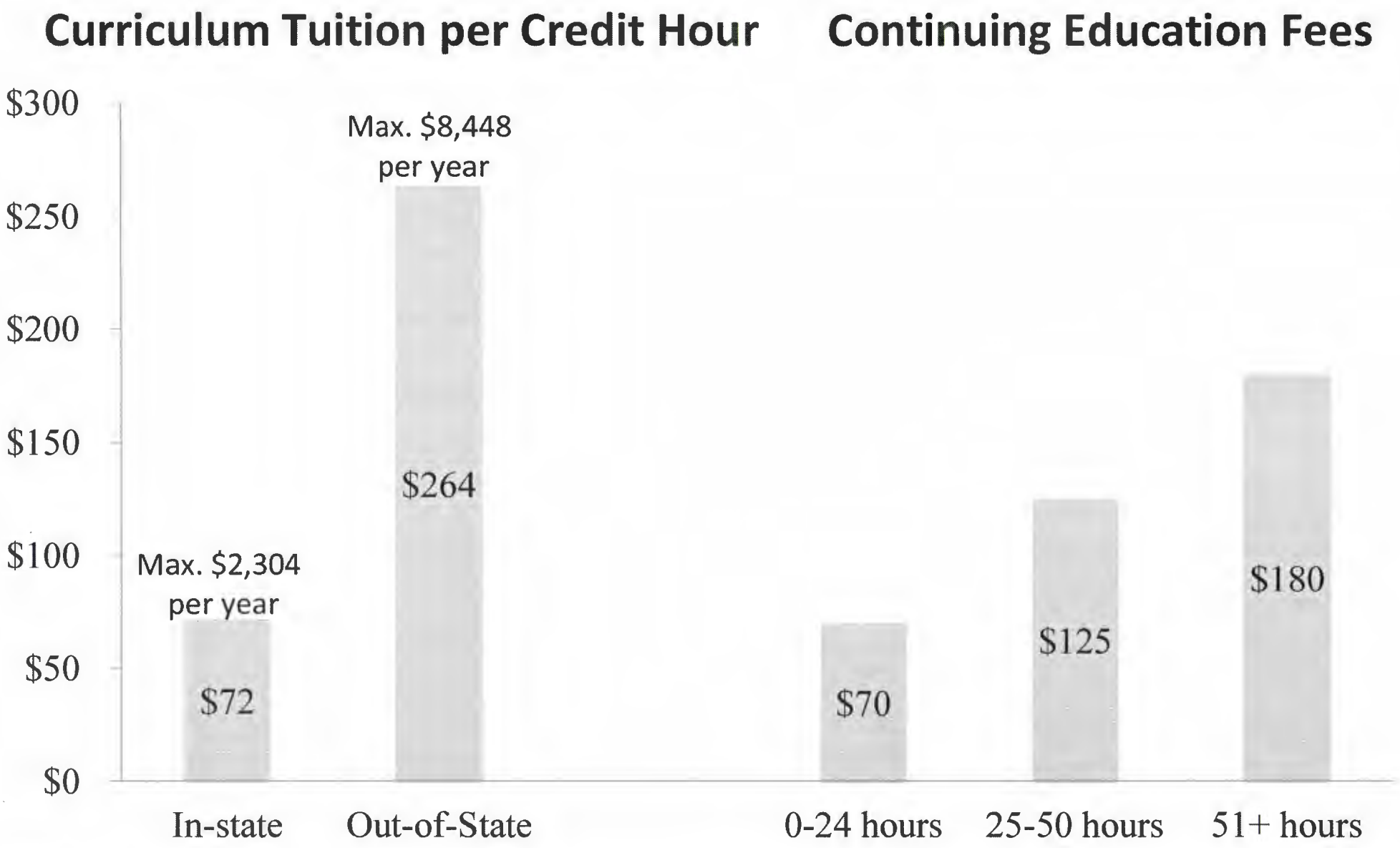
Sources: FY 2014-14 Certified Budget as of Dec. 2014, DCC 2-1 Summary

NCCCS General Fund Appropriations

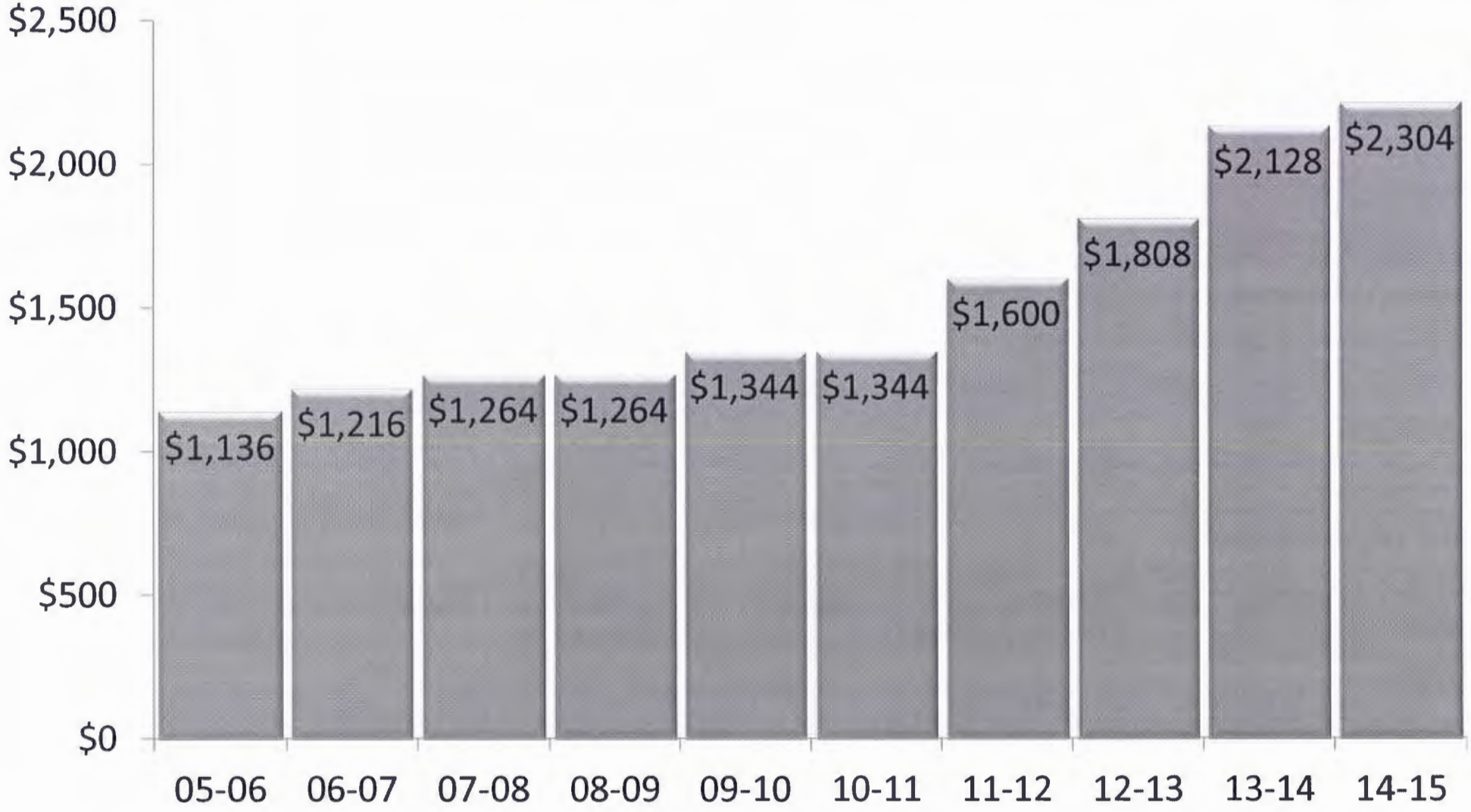


Sources: June 30 Actual Appropriations (BD 701) FY 2005-2014, Sept 30 Certified Budget FY 2014-15

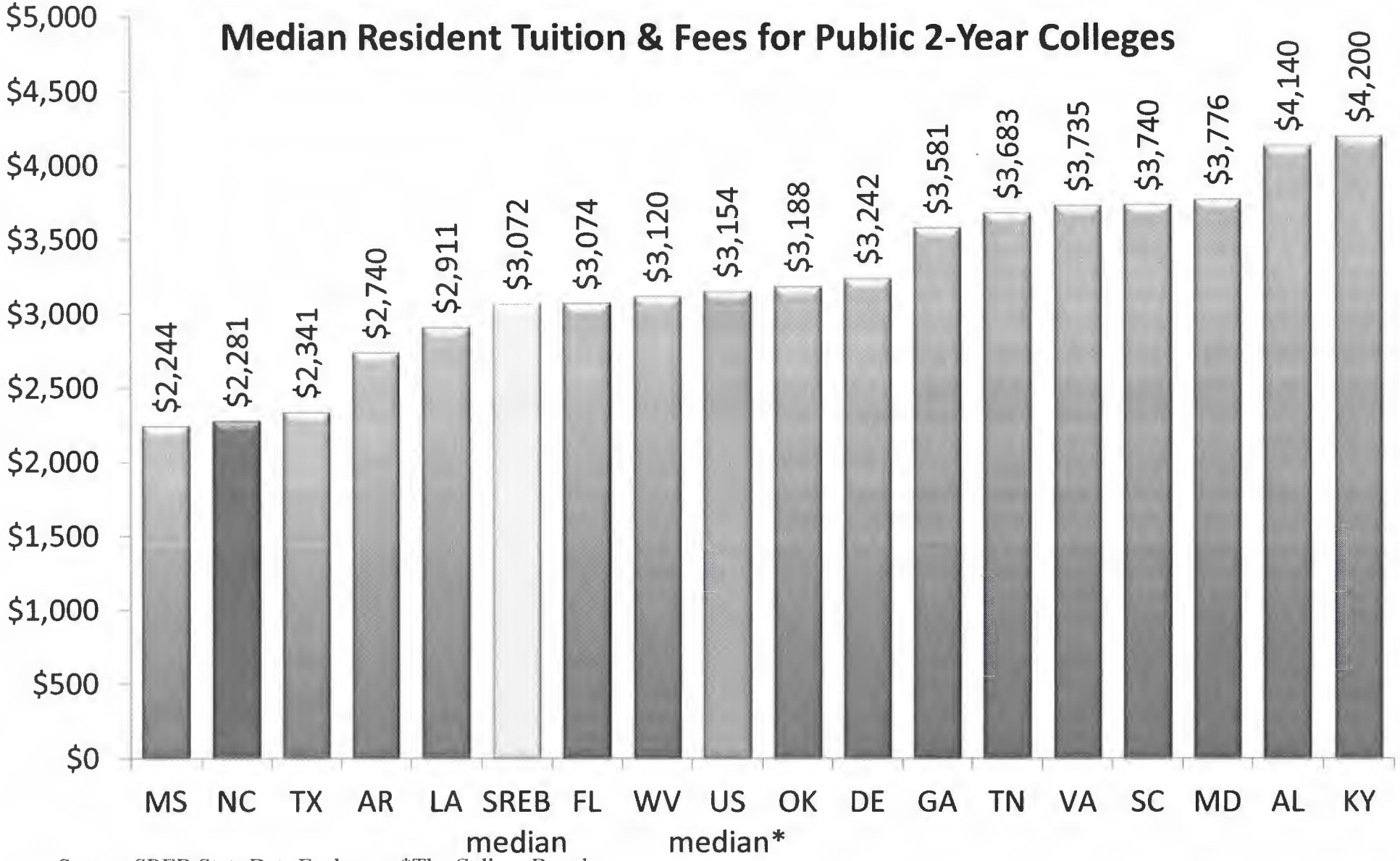
Tuition: FY 2014-15



Tuition: Maximum Curriculum Tuition



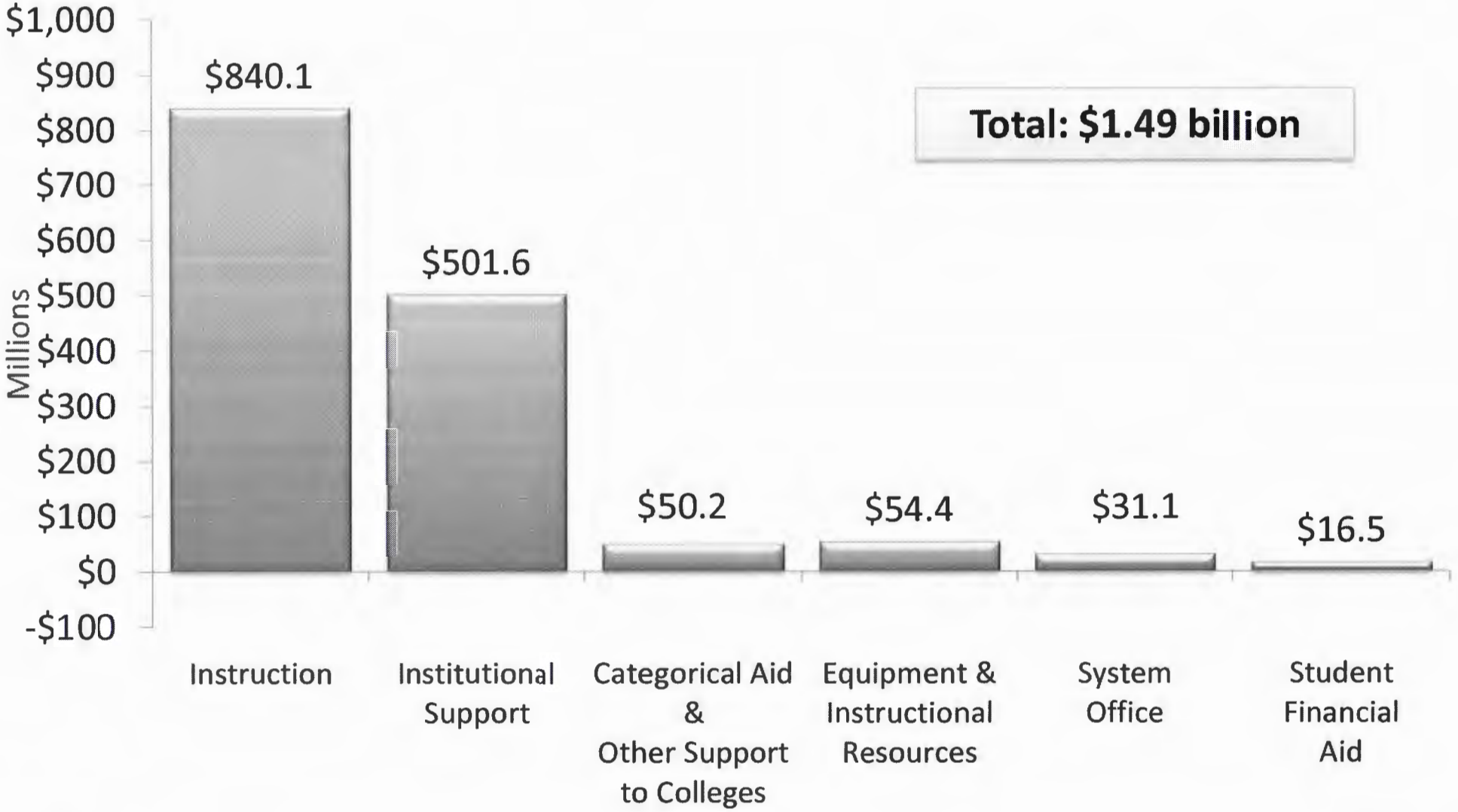
Tuition: SREB States FY 2012-13



Source: SREB State Data Exchange; *The College Board

State Aid Allocation

Allocation of Funds: FY 2014-15

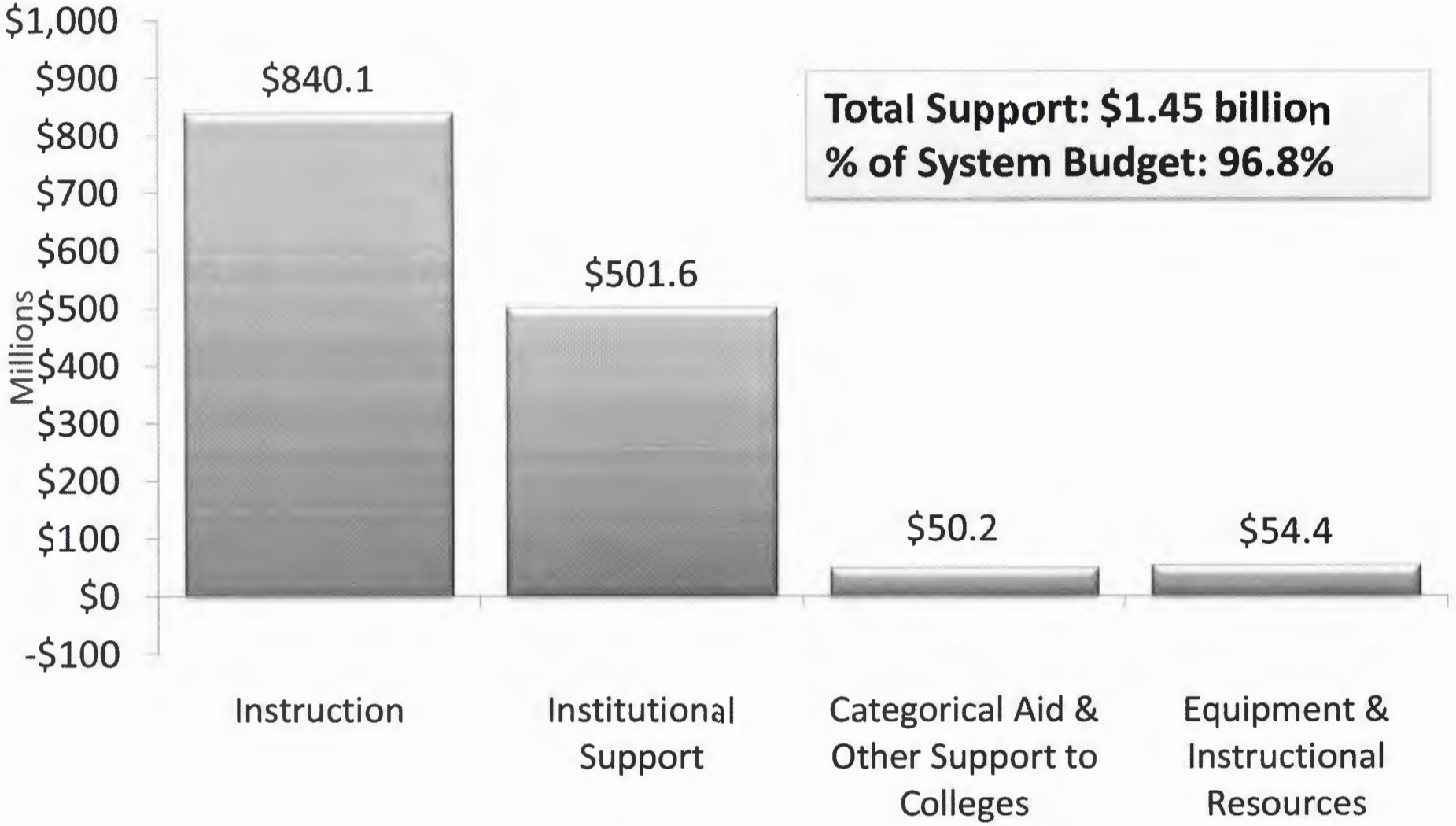


Source: Dec. 2014 Certified Budget

Funding Flexibility

- The General Assembly has allowed colleges to have flexibility in order to meet individual college needs.
- Formulas are for allocation purposes only.
- Colleges can spend the formula allocations however they choose, except:
  - **Basic Skills funding may only be used for basic skills programs.**

State Aid: FY 2014-15



Instruction: Base Funding

- Each college receives a base funding amount through the curriculum and continuing education formulas.
- **Curriculum** = $393,005 (equivalent to 6 full-time faculty members)
- **Continuing Education** = $65,501 (equivalent to 1 full-time faculty member).

Instruction: Legislative Changes

- S.L. 2011-145 directed the Community Colleges to allocated funding on a formula weighted basis
  - Implemented by allocating funds on a Three Tier Basis, primarily by program delivery cost

- S.L. 2014-100 authorized the creation of a Fourth Tier under the "Closing the Skills Gap" plan

Instruction: Equivalent Values

- Instructional funds are allocated on a tiered-funding basis.

	Curriculum	Continuing Education	Equiv. Value per BFTE
Tier 1a	High Cost Courses: Health Care and Technical	Courses for a third party industry standard certification equal to curriculum	$4,170.62
Tier 1b	High Cost Courses: Health Care and Technical	Short-term, high priority area courses and lead to competency based industry credentials	$3,691.47
Tier 2	All other Curriculum	Courses scheduled for 96 hours or more and mapped to third party credential, certification, or industry designed curriculum.	3,208.16
Tier 3		All other curriculum	$2,724.95

Instruction: Equivalent Values

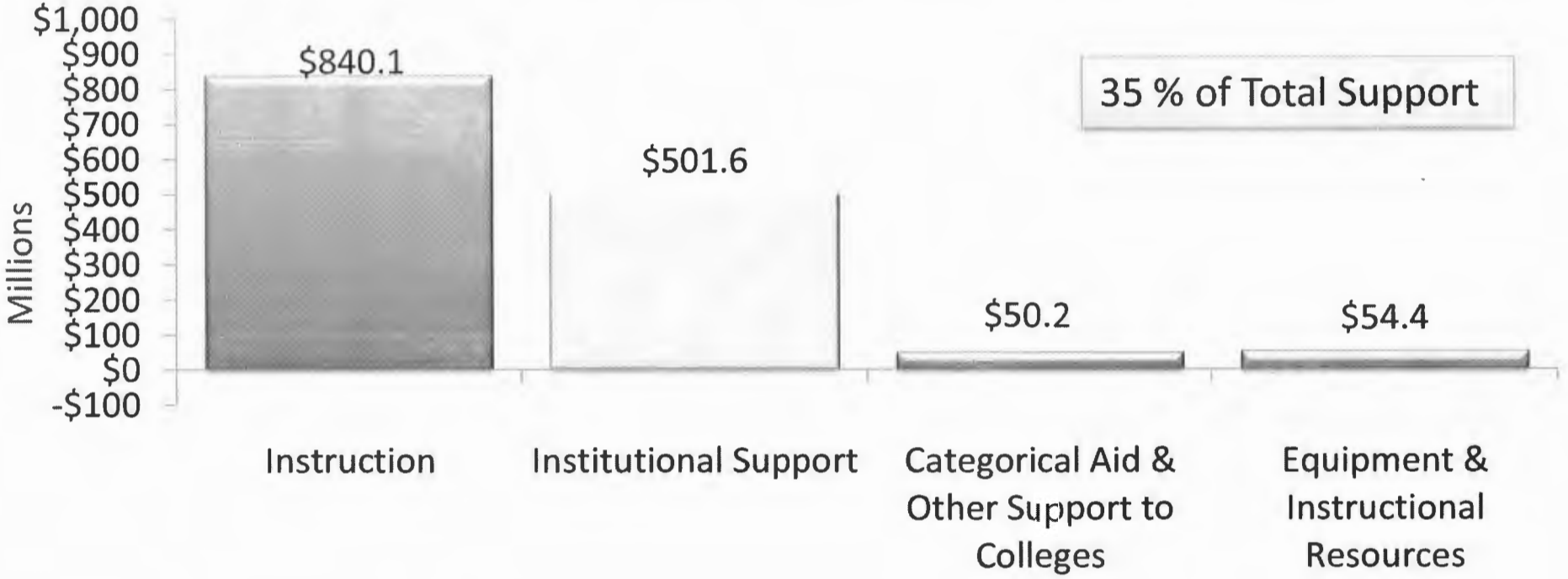
Basic Skills

- Funded at Tier 2 rate ($3,208.16 per BFTE).
- Performance Based Funding: $6 million
- Remaining State funds allocated based on colleges' pro-rata share of the number of GEDs and Adult High School diplomas awarded.
  - $279.11 per GED/AHS diploma in FY 2014-15.

Instruction: Performance Based Funding

- S.L. 2013-360 directed the Community Colleges to develop a performance measure system and begin allocating funds based on it
- Community College allocates funds based on six factors
  - Considers "Quality" and "Impact"
- Appropriated $24 million in FY 2014-15, of which $12 million was reallocated from other sources

Institutional & Academic Support



What it is:

- Academic & Student Support
- General College Administration
- Multi-campus college (MCC) funding

What it pays for:

- President & Senior Administrators
- Guidance Counselors & Financial Aid Officers
- Librarians & IT Staff
- Paraprofessionals & Clerical Staff
- Salary and Benefit related items

Institutional: Base Allotment

- Represents what is needed to "open the doors"
- FY 2014-15 base allotment is $2,202,021 based on the costs for 30 positions.

Administrative (9)

- 4 senior administrators
- 1 general institution
- 1 technical/ paraprofessional
- 3 clerical

Instructional Support (21)

- 2 program supervisors
- 7 student support services
- 4 general institution
- 4 technical / paraprof.
- 4 clerical

Institutional: Multi-Campus Allotment

- Provides funding for colleges with multi-campus centers (MCC), self-contained satellite campuses.
- MCCs offer all student services – financial aid, registration, guidance counselors, and libraries.
- To be classified as an MCC, a campus must offer at least one Associate Degree obtainable entirely at that campus and have an enrollment of at least 300 FTE.

Institutional: Multi-Campus Allotment

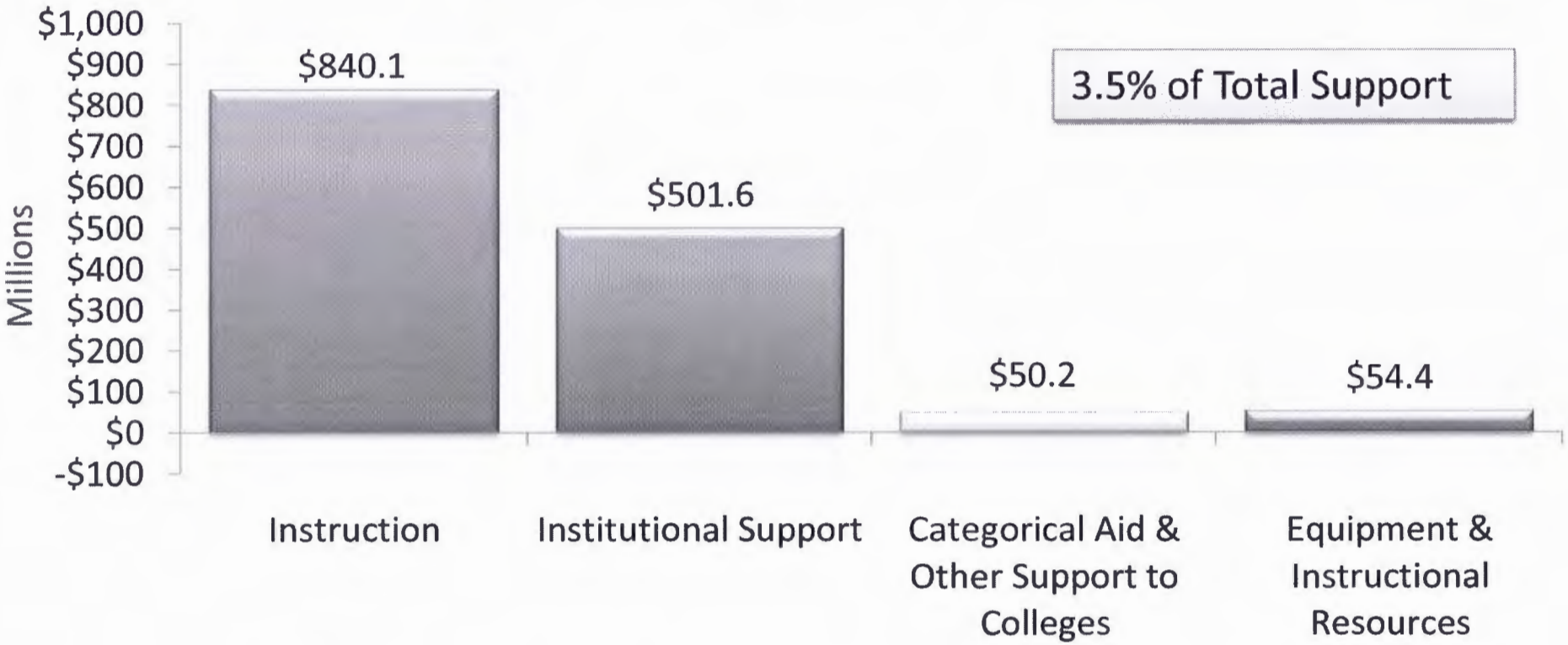
- Two levels of MCC funding:

	FTE	Allotment	Campuses
Level 1	≤ 1,500	$512,706	28
Level 2	> 1,500	$858,341	5

Institutional: FTE Enrollment Allotment

- Provides additional funding for each FTE over 750.
- FY 2014-15 enrollment allotment: $1,699 per FTE.

Categorical Aid & Other Support to Colleges



What it is:

- Funding provided to colleges outside the regular allotments

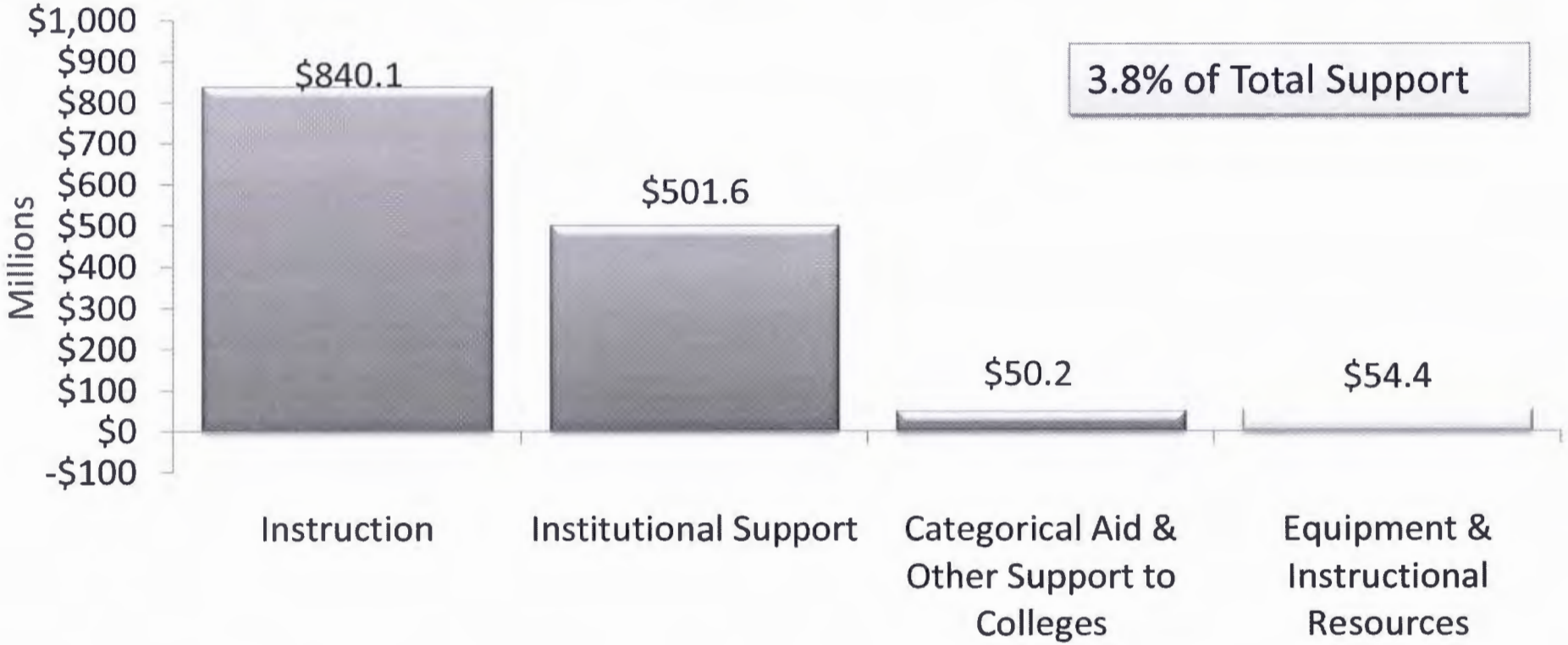
What it pays for:

- Items outside of Instruction, Institutional Support, Equipment, and other formula driven items
- Specific campus initiatives
- Specific programs

Categorical Aid & Other Support to Colleges

- Examples of Programs Included in this area are (FY 2014-15):
  - Customized Training: $23,501,183
  - Small Business Centers: $6,149,577
  - BioNetwork: $4,240,277
  - NC Research Campus (Rowan-Cabarrus): $3,401,260
  - Child Care Grants: $1,837,141
  - NC Military Business Center (Fayetteville): $1,140,603
  - Prison Program Start Up and Funding: $50,000 and $1,104,890 (operating transfer from Dept. of Public Safety)

Equipment and Instructional Resources



What it is:

- Equipment
- Instructional Resources

What it pays for:

- Computers
- Instructional equipment
- Books and other library resources

Equipment Allotment

- Each college receives a base allocation of $100,000.
- Remaining funds are allocated to the colleges on a weighted FTE basis.
- $245.12 per Equipment FTE (E/FTE)
  - Low = .5 E/FTE (College Transfer, General Education, Basic Skills)
  - Moderate = .75 E/FTE (Occupational Education)
  - High = 1.0 E/FTE (Technical and Vocational Education)

$48,962,762 allotted in FY 2014-15

Instructional Resources Allotment

- Each college receives a base of $25,000.
- Remaining funds are allocated to the colleges on a weighted FTE basis.
- $4.96 per Library FTE (L/FTE) over 1,000 L/FTE.
  - Low = .25 L/FTE (Basic Skills and Occupational Education)
  - Moderate = 1.0 L/FTE (Technical and Vocational Education)
  - High = 2.0 L/FTE (College Transfer and General Education)

$2,500,000 allotted in FY 2014-15

Management Flexibility Reserve

Total Management Flexibility Reduction: $59,233.302

- Management flexibility reduction is a budget cut that is not specifically prescribed.
- Colleges have the flexibility to determine what budget line items to cut, within certain parameters.
- Allocated on a pro-rata basis based on each colleges' estimated General Fund appropriation.

Management Flexibility Reduction



Questions

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Mark Bondo: markb@ncleg.net

919-733-4910

Education

Allocates $235 million more in K-12 funding than the 2014-2015 budget - a 2.8% increase in new spending.

Upholds our commitment to increase starting teacher base pay to $35,000 a year and funds salary increases for those teachers eligible to move to the next tier on the salary schedule.

Maintains recurring funding for almost 2,000 existing teacher assistant positions.

Increases funding for instructional resources including textbooks, instructional supplies and equipment. Allows local school districts the flexibility to spend these funds on the resources they determine are most important.

Refines the master's degree salary schedule to reward teachers with applicable high-need, in-field graduate preparation who are teaching in STEM (Science, Technology, Engineering, and Math) and exceptional children fields.

Enhances digital learning opportunities for students by funding the equipment and installation costs to provide Wi-Fi access to classrooms across the state.

Rewards high-performing teachers through performance plans funded through the North Carolina Education Endowment Fund.

Funds a critical upgrade of the College Information System, the central data system used by all 58 community colleges.

Provides funding for community colleges to purchase current, up-to-date equipment and technology used to prepare students for STEM careers.

Continues North Carolina's commitment to offer in-state tuition to qualifying nonresident military veterans.

Stabilizes the Brody School of Medicine at East Carolina University by providing $8 million for medical education and maintaining community preceptorships at regional training sites.

Public Education

Department of Public Instruction

Year 1

Adjustments to the Base Budget 2015-16

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2015-16 Base Budget
Requirements	$ 9,826,190,626	$ 11,571,287,421	$ 12,545,807,373	$ (188,203,373)	$ -	$ (188,203,373)	(1.50%)	$ 12,357,604,000
Receipts	$ 2,058,512,652	$ 3,408,994,193	$ 4,383,473,145	$ (131,902,245)	$ -	$ (131,902,245)	(3.01%)	$ 4,251,570,900
Appropriations	$ 7,767,677,973	$ 8,162,293,228	$ 8,162,334,228	$ (56,301,128)	$ -	$ (56,301,128)	(0.69%)	$ 8,106,033,100
FTE	1,328.840	1,278.692	1,280.697	(6.870)	0.000	(6.870)	(0.54%)	1,273.827

Recommended Change Budget for 2015-16

	2014-15 Authorized Budget	2015-16 Base Budget	Recommended Change Budget for 2015-16: Net Recurring	Recommended Change Budget for 2015-16: Net Non Recurring	Recommended Change Budget for 2015-16: Recommended Change	Recommended 2015-16 Budget	% Δ from 2014-15 Authorized	% Δ from 2015-16 Base Budget
Requirements	$ 12,545,807,373	$ 12,357,604,000	$ 276,206,743	$ 15,054,350	$ 291,261,093	$ 12,648,865,093	0.82%	2.36%
Receipts	$ 4,383,473,145	$ 4,251,570,900	$ -	$ -	$ -	$ 4,251,570,900	(3.01%)	0.00%
Appropriation	$ 8,162,334,228	$ 8,106,033,100	$ 276,206,743	$ 15,054,350	$ 291,261,093	$ 8,397,294,193	2.88%	3.59%
FTE	1,280.697	1,273.827	0.000	0.000	0.000	1,273.827	(0.54%)	0.00%

Year 2

Adjustments to the Base Budget for 2016-17

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2016-17 Base Budget
Requirements	$ 9,826,190,626	$ 11,571,287,421	$ 12,545,807,373	$ (189,690,645)	$ -	$ (189,690,645)	(1.51%)	$ 12,356,116,728
Receipts	$ 2,058,512,652	$ 3,408,994,193	$ 4,383,473,145	$ (133,389,517)	$ -	$ (133,389,517)	(3.04%)	$ 4,250,083,628
Appropriations	$ 7,767,677,973	$ 8,162,293,228	$ 8,162,334,228	$ (56,301,128)	$ -	$ (56,301,128)	(0.69%)	$ 8,106,033,100
FTE	1,328.840	1,278.692	1,280.697	(121.870)	0.000	(121.870)	(9.52%)	1,158.827

Recommended Change Budget for 2016-17

	2014-15 Authorized Budget	2016-17 Base Budget	Recommended Change Budget for 2016-17: Net Recurring	Recommended Change Budget for 2016-17: Net Non Recurring	Recommended Change Budget for 2016-17: Recommended Change	Recommended 2016-17 Budget	% Δ from 2014-15 Authorized	% Δ from 2016-17 Base Budget
Requirements	$ 12,545,807,373	$ 12,356,116,728	$ 281,186,378	$ 21,654,350	$ 302,840,728	$ 12,658,957,456	0.90%	2.45%
Receipts	$ 4,383,473,145	$ 4,250,083,628	$ -	$ -	$ -	$ 4,250,083,628	(3.04%)	0.00%
Appropriation	$ 8,162,334,228	$ 8,106,033,100	$ 281,186,378	$ 21,654,350	$ 302,840,728	$ 8,408,873,828	3.02%	3.74%
FTE	1,280.697	1,158.827	2.000	0.000	2.000	1,160.827	(9.36%)	0.17%

Recommended Changes for Department of Public Instruction

		2015-2016 Recurring Changes	2015-2016 Non Recurring Changes	2015-2016 Total	2016-2017 Recurring Changes	2016-2017 Non Recurring Changes	2016-2017 Total
1. Fullfill Commitment to Increase Beginning Teacher Salary							
Increases the beginning teacher salary for teachers on the first tier of the North Carolina Public School Salary Schedule from $33,000 to $35,000.	Req	$ 41,846,123	$ -	$ 41,846,123	$ 41,846,123	$ -	$ 41,846,123
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 41,846,123	$ -	$ 41,846,123	$ 41,846,123	$ -	$ 41,846,123
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
2. Fund Movement on the Teacher Salary Schedule							
Supports movement of eligible teachers, based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	$ 64,871,243	$ -	$ 64,871,243	$ 64,871,243	$ -	$ 64,871,243
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 64,871,243	$ -	$ 64,871,243	$ 64,871,243	$ -	$ 64,871,243
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
3. Provide One-Time Bonus to Retain 2014-15 Teacher Salaries							
Funds a nonrecurring $1,000 salary bonus to those teachers who received the bonus in 2014-15. This ensures that certified school personnel who were held harmless in Session Law 2014-100 retain their 2014-15 salary.	Req	$ -	$ 4,545,525	$ 4,545,525	$ -	$ 4,545,525	$ 4,545,525
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 4,545,525	$ 4,545,525	$ -	$ 4,545,525	$ 4,545,525
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
4. Increase Beginning Teacher Salary for State Agency Teachers							
Increases the beginning teacher salary for state agency teachers on the first tier of the North Carolina Public School Salary Schedule from $33,000 to $35,000.	Req	$ 103,200	$ -	$ 103,200	$ 103,200	$ -	$ 103,200
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 103,200	$ -	$ 103,200	$ 103,200	$ -	$ 103,200
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
5. Fund Movement on the State Teacher Salary Schedule for State Agency Teachers							
Supports movement of state agency teachers in the Department of Public Instruction who are eligible, based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	$ 57,500	$ -	$ 57,500	$ 57,500	$ -	$ 57,500
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 57,500	$ -	$ 57,500	$ 57,500	$ -	$ 57,500
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
6. Fund Movement on the School-Based Administrator Salary Schedule							
Supports the movement of principals and assistant principals who are eligible, based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	$ 3,494,924	$ -	$ 3,494,924	$ 3,494,924	$ -	$ 3,494,924
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 3,494,924	$ -	$ 3,494,924	$ 3,494,924	$ -	$ 3,494,924
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
7. Provide One-Time Bonus to Retain 2014-15 State Agency Teacher Salaries							
Funds a nonrecurring $1,000 salary bonus to those state agency teachers who received the bonus in 2014-15. This ensures that certified school personnel who were held harmless in Session Law 2014-100 retain their 2014-15 salary.	Req	$ -	$ 52,830	$ 52,830	$ -	$ 52,830	$ 52,830
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 52,830	$ 52,830	$ -	$ 52,830	$ 52,830
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
8. Provide One-time Bonus to School-Based Administrators							
Funds a nonrecurring $1,000 (salary and benefits) bonus to school-based administrators who received the bonus in 2014-15. This ensures that school-based administrators who were held harmless in Session Law 2014-100 retain their 2014-15 salary.	Req	$ -	$ 1,055,995	$ 1,055,995	$ -	$ 1,055,995	$ 1,055,995
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 1,055,995	$ 1,055,995	$ -	$ 1,055,995	$ 1,055,995
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
9. Fund Movement on the Salary Schedule for State Agency School-Based Administrators							
Supports movement of state agency principals and assistant principals in the Department of Public Instruction who are eligible based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	$ 2,900	$ -	$ 2,900	$ 2,900	$ -	$ 2,900
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 2,900	$ -	$ 2,900	$ 2,900	$ -	$ 2,900
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
10. Maintain Teacher Assistants							
Appropriates recurring funds to maintain the 2014-15 level of funding for teacher assistants to ensure the retention of teacher assistant positions that were supported with lottery receipts in Session Law 2014-100. Lottery revenue projections for 2015-16 will not support these positions on a recurring basis.	Req	$ 64,039,628	$ -	$ 64,039,628	$ 64,039,628	$ -	$ 64,039,628
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 64,039,628	$ -	$ 64,039,628	$ 64,039,628	$ -	$ 64,039,628
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
11. Reward High Peforming Teachers							
This appropriation shall be deposited in the North Carolina Education Endowment Fund in the Department of Public Instruction's budget. This appropriation, in addition to other remittances to the trust fund, interest accrued to the trust fund, and the current balance residing in the trust fund shall be used to implement a teacher pay for performance plan. Per GS 115C-472.16, the funds shall only be used for a pay for performance plan that is directly related to improving student outcomes. The funds deposited in this trust fund will not revert.	Req	$ 5,000,000	$ -	$ 5,000,000	$ 10,000,000	$ -	$ 10,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 5,000,000	$ -	$ 5,000,000	$ 10,000,000	$ -	$ 10,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
12. Fully Fund Enrollment Growth							
Ensures adequate funding for instructional positions and instructional supplies that are allocated to the school districts per average daily membership (ADM). ADM is currently budgeted for 1,520,305 for 2014-15. Projected ADM for FY 2015-16 is 1,537,643, an increase of 17,333 ADM. This appropriation supports an additional 678 teacher positions in 2015-16. The incremental increase of $106,959,322 to support the projected 2016-17 enrollment increase of 17,701 ADM will be placed in a statewide reserve for distribution to the Department of Public Instruction for the 2016-17 school year. The distribution from the statewide reserve will be adjusted for revised 2016-17 ADM projections. Current projected ADM for FY 2016-17 is 1,555,344 and the 2016-17 appropriation supports 753 additional teacher positions for a projected increase in teacher positions for the biennium of 1,431. The total projected ADM increase for 2015-16 and 2016-17 is 35,034.	Req	$ 100,236,542	$ -	$ 100,236,542	$ 100,236,542	$ -	$ 100,236,542
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 100,236,542	$ -	$ 100,236,542	$ 100,236,542	$ -	$ 100,236,542
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
13. Allow Local Flexbility and Increase Funding for Textbooks and Other Instructional Resources							
Increases funding for textbooks and other instructional resources. Districts may use this funding source for textbooks, instructional supplies and equipment, and for payment to use the optional services of Home Base. Home Base consists of instructional content that includes lesson plans and interactive activities, instructional tools that will aid in differentiated learning, instructional assessments, a learning management system, and an advanced professional development management tool. The textbook fund is renamed and redefined in special provision to combine the Instructional Supplies and Equipment allotment as well as this appropriation. The new definition and additional dollars allow school districts flexibility in the utilization of these funds for instructional resources as determined by local need. This instructional resource funding also complements the funds available to districts in the School Technology Fund.	Req	$ 35,000,000	$ -	$ 35,000,000	$ 35,000,000	$ -	$ 35,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 35,000,000	$ -	$ 35,000,000	$ 35,000,000	$ -	$ 35,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
14. Provide Classroom Connectivity to Support Digital Learning							
Provides funds to support the equipment purchase and installation costs necessary to provide WI-FI access needed in the classroom to enhance digital learning opportunities for students. This appropriation supports WI-FI access to all North Carolina classrooms by the end of the 2016-17 school year, and allows for ongoing equipment upgrade and replacement for approximately 20% of schools each year. Some school districts have begun this process with one-time Race to the Top funds which expire early in FY 2015-16. The total cost is offset by rebates from the E-rate Modernization Act intended for this purpose, and represents the cost that will be incurred by school districts after E-rate rebates.	Req	$ -	$ 7,400,000	$ 7,400,000	$ -	$ 12,000,000	$ 12,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 7,400,000	$ 7,400,000	$ -	$ 12,000,000	$ 12,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
15. Invest in New Cooperative Innovative High Schools							
Funds eight new Cooperative Innovative High Schools (CIHS) in five LEAs that have been approved by the State Board of Education. Funding requests are for (i) four schools in Guilford County: the Academy at High Point, the Academy at Smith, the STEM Early College at NC A&T, and the Middle College at UNC Greensboro; (ii) one school in Pitt County: Pitt Early College High School; (iii) one in Wake County: Vernon Malone College and Career Academy; (iv) one in Watauga County: Watauga Career Academy; and (v) one in Wilson County: Wilson Academy of Applied Technology. Each school will receive $310,669, the same dollar amount that has been appropriated to existing CIHS programs.	Req	$ 2,485,352	$ -	$ 2,485,352	$ 2,485,352	$ -	$ 2,485,352
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 2,485,352	$ -	$ 2,485,352	$ 2,485,352	$ -	$ 2,485,352
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
16. Align Average Salary with Projections							
Adjusts budgeted average salaries using actual 2014-15 sixth pay period as the revised projection base. This adjustment is made annually after reviewing budgeted salary projections for all certified personnel. Due to attrition in these positions, actual salaries are typically lower than budgeted salaries and savings can be realized.	Req	$ (14,839,270)	$ -	$ (14,839,270)	$ (14,977,035)	$ -	$ (14,977,035)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (14,839,270)	$ -	$ (14,839,270)	$ (14,977,035)	$ -	$ (14,977,035)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
17. Achieve Efficiencies in the Department of Public Instruction							
The State Board of Education shall direct and approve the implementation of a plan to achieve efficiencies in the Department of Public Instruction's budget, allowing for a 10 percent reduction in appropriation. In implementing this plan the State Board of Education shall make no reduction to funding or positions for the NC School for the Deaf, the Eastern School for the Deaf, the Governor Morehead School, the North Carolina Center for the Advancement of Teaching (NCCAT), the Communities in Schools, Inc., Teach for America, Inc., or Beginnings for Parents of Children who are Deaf and Hard of Hearing.	Req	$ (4,117,254)	$ -	$ (4,117,254)	$ (4,117,254)	$ -	$ (4,117,254)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (4,117,254)	$ -	$ (4,117,254)	$ (4,117,254)	$ -	$ (4,117,254)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
18. Adjust Central Office Allotment							
Implements efficiencies in local school administrative units' central office functions to achieve a two percent reduction. The balance for this allotment is $92.8 million for the 2015-16 school year.	Req	$ (1,894,338)	$ -	$ (1,894,338)	$ (1,900,938)	$ -	$ (1,900,938)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (1,894,338)	$ -	$ (1,894,338)	$ (1,900,938)	$ -	$ (1,900,938)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
19. Align School Bus Fuel Budget with Actual Need							
Reflects an adjustment to the budgeted price per gallon for fuel from $3.16 to $2.35 per gallon. This adjustment is based upon actual fuel prices and projected per gallon costs.	Req	$ (20,079,807)	$ -	$ (20,079,807)	$ (20,079,807)	$ -	$ (20,079,807)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (20,079,807)	$ -	$ (20,079,807)	$ (20,079,807)	$ -	$ (20,079,807)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
20 Reward Teaching in High Need Fields with In-Field Graduate Preparation							
Provides Master's level pay to those teachers in a high need field with in-field graduate preparation. High need fields are defined as Science,Technology, Engineering and Math (STEM) and Exceptional Children. There is no increased appropriation associated with this item as the recurring appropriation for master's pay resides in the Department of Public Instruction's budget.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ -	$ -	$ -	$ -	$ -
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
21 NC GEAR - Leverage Buying Power for School Districts							
Establishes regional or statewide shared services to provide support services more efficiently and consistently across LEAs. Potential areas for implementation include administrative and financial services, janitorial and facilities management, IT, procurement, security, transportation, and nutrition services. Other states implementing similar shared service models have seen material cost savings.	Req	$ -	$ 2,000,000	$ 2,000,000	$ 124,000	$ 4,000,000	$ 4,124,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 2,000,000	$ 2,000,000	$ 124,000	$ 4,000,000	$ 4,124,000
	Pos	0.000	0.000	0.000	2.000	0.000	2.000
Total Requirements		**$ 276,206,743**	**$ 15,054,350**	**$ 291,261,093**	**$ 281,186,378**	**$ 21,654,350**	**$ 302,840,728**
Total Receipts		**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Total Appropriation		**$ 276,206,743**	**$ 15,054,350**	**$ 291,261,093**	**$ 281,186,378**	**$ 21,654,350**	**$ 302,840,728**
Positions		**0.000**	**0.000**	**0.000**	**2.000**	**0.000**	**2.000**

NC Community Colleges

NC Community Colleges System (16800)

Year 1

Adjustments to the Base Budget 2015-16

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2015-16 Base Budget
Requirements	$ 1,440,356,392	$ 1,466,206,999	$ 1,462,859,992	$ (551,752)	$ -	$ (551,752)	(0.04%)	$ 1,462,308,240
Receipts	$ 424,395,744	$ 417,160,132	$ 413,813,125	$ -	$ -	$ -	0.00%	$ 413,813,125
Appropriations	$ 1,015,960,648	$ 1,049,046,867	$ 1,049,046,867	$ (551,752)	$ -	$ (551,752)	(0.05%)	$ 1,048,495,115
FTE	193.250	194.100	192.500	(7.000)	0.000	(7.000)	(3.64%)	185.500

Recommended Change Budget for 2015-16

	2014-15 Authorized Budget	2015-16 Base Budget	Recommended Change Budget for 2015-16: Net Recurring	Net Non Recurring	Recommended Change	Recommended 2015-16 Budget	% Δ from 2014-15 Authorized	% Δ from 2015-16 Base Budget
Requirements	$ 1,462,859,992	$ 1,462,308,240	$ (8,974,623)	$ -	$ (8,974,623)	$ 1,453,333,617	(0.74%)	(0.70%)
Receipts	$ 413,813,125	$ 413,813,125	$ 4,631,615	$ -	$ 4,631,615	$ 418,444,740	1.12%	1.12%
Appropriation	$ 1,049,046,867	$ 1,048,495,115	$ (13,606,238)	$ -	$ (13,606,238)	$ 1,034,888,877	(1.47%)	(1.42%)
FTE	192.500	185.500	7.000	0.000	7.000	192.500	0.00%	3.77%

Year 2

Adjustments to the Base Budget for 2016-17

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2016-17 Base Budget
Requirements	$ 1,440,356,392	$ 1,466,206,999	$ 1,462,859,992	$ (551,752)	$ -	$ (551,752)	(0.04%)	$ 1,462,308,240
Receipts	$ 424,395,744	$ 417,160,132	$ 413,813,125	$ -	$ -	$ -	0.00%	$ 413,813,125
Appropriations	$ 1,015,960,648	$ 1,049,046,867	$ 1,049,046,867	$ (551,752)	$ -	$ (551,752)	(0.05%)	$ 1,048,495,115
FTE	193.250	194.100	192.500	(7.000)	0.000	(7.000)	(3.64%)	185.500

Recommended Change Budget for 2016-17

	2014-15 Authorized Budget	2016-17 Base Budget	Recommended Change Budget for 2016-17: Net Recurring	Net Non Recurring	Recommended Change	Recommended 2016-17 Budget	% Δ from 2014-15 Authorized	% Δ from 2016-17 Base Budget
Requirements	$ 1,462,859,992	$ 1,462,308,240	$ (8,974,623)	$ 5,000,000	$ (3,974,623)	$ 1,458,333,617	(0.34%)	(0.36%)
Receipts	$ 413,813,125	$ 413,813,125	$ 3,631,615	$ -	$ 3,631,615	$ 417,444,740	0.88%	0.88%
Appropriation	$ 1,049,046,867	$ 1,048,495,115	$ (12,606,238)	$ 5,000,000	$ (7,606,238)	$ 1,040,888,877	(0.90%)	(0.85%)
FTE	192.500	185.500	7.000	0.000	7.000	192.500	0.00%	3.77%

Recommended Changes for NC Community Colleges System (16800)

		2015-2016 Recurring Changes	2015-2016 Non Recurring Changes	2015-2016 Total	2016-2017 Recurring Changes	2016-2017 Non Recurring Changes	2016-2017 Total
1. Provide In-State Tuition for Military Veterans							
Continues North Carolina's committment to offer in-state tuition to qualifying nonresident veteran students. $1 million is appropriated to the NC Community College System and $1 million in the Yellow Ribbon Reserve is reallocated to offset the $2 million of lost tuition revenue. There is a corresponding special provision that repeals the Yellow Ribbon Reserve and fully conforms to federal law. Qualifying veterans shall work to establish residency in North Carolina within the first 12 months of initial enrollment.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ -	$ -	$ (1,000,000)	$ -	$ (1,000,000)
	Appr	$ -	$ -	$ -	$ 1,000,000	$ -	$ 1,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
2. Modernize the College Information System							
Provides a critical upgrade for the College Information System (CIS). CIS serves all 58 community colleges as their central data system of student information and college operations and must be upgraded to a new programming language within the next three years. In addition, NCCCS will be moving CIS to a hosted, cloud solution, under the guidance of the state Office of Information Technology Services.	Req	$ 5,000,000	$ -	$ 5,000,000	$ 5,000,000	$ -	$ 5,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 5,000,000	$ -	$ 5,000,000	$ 5,000,000	$ -	$ 5,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
3. Retain Program Audit Function							
Restores program auditors to the Community College System Office. The State Board of Community Colleges shall maintain an accountability function that conducts program and compliance reviews of community colleges. The State Board may develop rules and guidelines governing the frequency, scope, and standards for compliance. These periodic reviews may include reviews of each college's enrollment and the verification of college data used to allocate state appropriations. The State Board shall make public, to the extent possible, the results of these audits.	Req	$ 551,752	$ -	$ 551,752	$ 551,752	$ -	$ 551,752
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 551,752	$ -	$ 551,752	$ 551,752	$ -	$ 551,752
	Pos	7.000	0.000	7.000	7.000	0.000	7.000
4. Invest in STEM Equipment							
Provides $5 million nonrecurring for community colleges to purchase current, up-to-date equipment and technology used to prepare students for STEM careers. To prepare students to fill today's jobs, community colleges must train those students on the current equipment used in the workforce.	Req	$ -	$ -	$ -	$ -	$ 5,000,000	$ 5,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ -	$ -	$ -	$ 5,000,000	$ 5,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
5. Enrollment Growth Adjustment							
Adjusts the budget for North Carolina community colleges to reflect decreased enrollment. Enrollment has declined by 1.6% from 2014-15 budgeted levels. Enrollment for 2015-16 will be 231,350 full-time equivalent (FTE) students. Enrollment will be 111,969 FTE for curriculum; 14,739 for continuing education; and 17,226 for Basic Skills. Total enrollment includes summer term 2014 enrollment growth of 8,721 FTE.	Req	$ (14,526,375)	$ -	$ (14,526,375)	$ (14,526,375)	$ -	$ (14,526,375)
	Rec	$ (11,507,178)	$ -	$ (11,507,178)	$ (11,507,178)	$ -	$ (11,507,178)
	Appr	$ (3,019,197)	$ -	$ (3,019,197)	$ (3,019,197)	$ -	$ (3,019,197)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
6. Generate Additional Tuition Revenue							
Increases tuition rate to generate additional funds to support the operations of North Carolina community colleges. North Carolina community college tuition currently ranks 14th lowest out of 16 southeastern states. Tuition rates shall be increased $4 per credit hour – from $72 per hour to $76 per hour for resident students; and from $264 per hour to $268 per hour for nonresidents. Full-time resident students will pay $1,216 per semester, an increase of $128 per year.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ 16,138,793	$ -	$ 16,138,793	$ 16,138,793	$ -	$ 16,138,793
	Appr	$ (16,138,793)	$ -	$ (16,138,793)	$ (16,138,793)	$ -	$ (16,138,793)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
Total Requirements		**$ (8,974,623)**	**$ -**	**$ (8,974,623)**	**$ (8,974,623)**	**$ 5,000,000**	**$ (3,974,623)**
Total Receipts		**$ 4,631,615**	**$ -**	**$ 4,631,615**	**$ 3,631,615**	**$ -**	**$ 3,631,615**
Total Appropriation		**$ (13,606,238)**	**$ -**	**$ (13,606,238)**	**$ (12,606,238)**	**$ 5,000,000**	**$ (7,606,238)**
Total GF Positions		**7.000**	**0.000**	**7.000**	**7.000**	**0.000**	**7.000**

The University of North Carolina

The University of North Carolina (160xx)

Year 1

Adjustments to the Base Budget 2015-16

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2015-16 Base Budget
Requirements	$ 4,275,146,894	$ 4,303,524,712	$ 4,342,417,394	$ 482,122	$ -	$ 482,122	0.01%	$ 4,342,899,516
Receipts	$ 1,702,389,651	$ 1,656,710,613	$ 1,695,603,295	$ -	$ -	$ -	0.00%	$ 1,695,603,295
Appropriations	$ 2,572,757,242	$ 2,646,814,099	$ 2,646,814,099	$ 482,122	$ -	$ 482,122	0.02%	$ 2,647,296,221
FTE	34,749.616	34,472.276	34,763.579	0.000	0.000	0.000	0.00%	34,763.579

Recommended Change Budget for 2015-16

	2014-15 Authorized Budget	2015-16 Base Budget	Recommended Change Budget for 2015-16: Net Recurring	Recommended Change Budget for 2015-16: Net Non Recurring	Recommended Change Budget for 2015-16: Recommended Change	Recommended 2015-16 Budget	% Δ from 2014-15 Authorized	% Δ from 2015-16 Base Budget
Requirements	$ 4,342,417,394	$ 4,342,899,516	$ 11,509,072	$ 2,085,430	$ 13,594,502	$ 4,356,494,018	0.32%	0.31%
Receipts	$ 1,695,603,295	$ 1,695,603,295	$ 21,444,745	$ 18,106,794	$ 39,551,539	$ 1,735,154,834	2.33%	2.33%
Appropriation	$ 2,646,814,099	$ 2,647,296,221	$ (9,935,673)	$ (16,021,364)	$ (25,957,037)	$ 2,621,339,184	(0.96%)	(0.98%)
FTE	34,763.579	34,763.579	11.600	0.000	11.600	34,775.179	0.03%	0.03%

Year 2

Adjustments to the Base Budget for 2016-17

Total	2013-14 Actual	2014-15 Certified	2014-15 Authorized	Changes to Base Budget: Net Recurring	Changes to Base Budget: Net Non-Recurring	Changes to Base Budget: Total Change	% Δ from 2014-15 Authorized	2016-17 Base Budget
Requirements	$ 4,275,146,894	$ 4,303,524,712	$ 4,342,417,394	$ 490,557	$ -	$ 490,557	0.01%	$ 4,342,907,951
Receipts	$ 1,702,389,651	$ 1,656,710,613	$ 1,695,603,295	$ -	$ -	$ -	0.00%	$ 1,695,603,295
Appropriations	$ 2,572,757,242	$ 2,646,814,099	$ 2,646,814,099	$ 490,557	$ -	$ 490,557	0.02%	$ 2,647,304,656
FTE	34,749.616	34,472.276	34,763.579	0.000	0.000	0.000	0.00%	34,763.579

Recommended Change Budget for 2016-17

	2014-15 Authorized Budget	2016-17 Base Budget	Recommended Change Budget for 2016-17: Net Recurring	Recommended Change Budget for 2016-17: Net Non Recurring	Recommended Change Budget for 2016-17: Recommended Change	Recommended 2016-17 Budget	% Δ from 2014-15 Authorized	% Δ from 2016-17 Base Budget
Requirements	$ 4,342,417,394	$ 4,342,907,951	$ 11,752,838	$ 806,318	$ 12,559,156	$ 4,355,467,107	0.30%	0.29%
Receipts	$ 1,695,603,295	$ 1,695,603,295	$ 17,007,259	$ 10,000,000	$ 27,007,259	$ 1,722,610,554	1.59%	1.59%
Appropriation	$ 2,646,814,099	$ 2,647,304,656	$ (5,254,421)	$ (9,193,682)	$ (14,448,103)	$ 2,632,856,553	(0.53%)	(0.55%)
FTE	34,763.579	34,763.579	14.400	0.000	14.400	34,777.979	0.04%	0.04%

Recommended Changes for The University of North Carolina (160xx)

		2015-2016 Recurring Changes	2015-2016 Non Recurring Changes	2015-2016 Total	2016-2017 Recurring Changes	2016-2017 Non Recurring Changes	2016-2017 Total
1. Provide In-State Tuition for Military Veterans							
Continues North Carolina's commitment to offer in-state tuition to qualifying nonresident veteran students. $4.4 million is appropriated to UNC and $4.9 million in the Yellow Ribbon Reserve is reallocated to offset the $9.3 million of lost tuition revenue. There is a corresponding special provision that repeals the Yellow Ribbon Reserve and fully conforms to federal law.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ -	$ -	$ (4,437,486)	$ -	$ (4,437,486)
	Appr	$ -	$ -	$ -	$ 4,437,486	$ -	$ 4,437,486
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
UNC General Administration shall not revise the Enrollment Growth Funding Model to request future appropriations as an offset for tuition lost by classifying nonresident veteran students as residents pursuant to federal law. Qualifying veterans shall work to establish residency in North Carolina within the first 12 months of initial enrollment.							
2. Fund Enrollment Growth							
Provides enrollment growth funding for the projected increase in regular term and distance education student full-time equivalents (FTE) in the university system. The 2014-15 budgeted FTE of 199,814 is estimated to increase by 3,345 FTE (1.7%) in 2015-16 and an additional 3,016 FTE in 2016-17 (1.5%). The total increase for the biennium is 6,361 FTE, which represents a 3.2% increase from the 2014-15 budgeted FTE. An additional $30.9 million is placed in a statewide reserve for distribution to UNC for the 2016-17 academic year.	Req	$ 70,769,486	$ -	$ 70,769,486	$ 70,769,486	$ -	$ 70,769,486
	Rec	$ 21,444,745	$ -	$ 21,444,745	$ 21,444,745	$ -	$ 21,444,745
	Appr	$ 49,324,741	$ -	$ 49,324,741	$ 49,324,741	$ -	$ 49,324,741
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
3. Fund Building Reserves							
Provides funding to operate and maintain UNC facilities supported by the General Fund that will be completed in the 2015-17 biennium.	Req	$ 470,912	$ 170,282	$ 641,194	$ 714,678	$ 91,170	$ 805,848
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 470,912	$ 170,282	$ 641,194	$ 714,678	$ 91,170	$ 805,848
	Pos	11.600	0.000	11.600	14.400	0.000	14.400
4. Support Competitive Technology Improvements for Elizabeth City State University							
Creates a reserve administered by UNC General Administration to upgrade and modernize Elizabeth City State University's (ECSU) aging IT network infrastructure, implement an online enrollment management system, and automate the financial aid process in order to more competitively recruit and retain students. UNC General Administration shall report quarterly to the Office of State Budget and Management and the Fiscal Research Division of the General Assembly on ECSU's progress.	Req	$ -	$ 1,904,705	$ 1,904,705	$ -	$ 704,705	$ 704,705
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 1,904,705	$ 1,904,705	$ -	$ 704,705	$ 704,705
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
5. Stabilize East Carolina University Brody School of Medicine							
Provides operating funding to support medical education at East Carolina University's Brody School of Medicine and to maintain community preceptorships at regional training sites.	Req	$ 8,000,000	$ -	$ 8,000,000	$ 8,000,000	$ -	$ 8,000,000
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 8,000,000	$ -	$ 8,000,000	$ 8,000,000	$ -	$ 8,000,000
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
6. Establish the University Innovation Commercialization Grant Program							
Provides $2.5 million in 2015-16 and $5.0 million in 2016-17 to the Office of State Budget and Management for the University Innovation Commercialization Grant Program. The program would use NC's community of industry and commercialization experts, organized and funded through two hosting nonprofit or other relevant entities, to: (1) select university technologies based on commercial potential, (2) create a development plan of key activities to make the technologies more attractive to investors, and (3) guide implementation of these activities to assure efficient development of funds and commercial-quality results.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ -	$ -	$ -	$ -	$ -
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
7. Increase Scholarships for Children with Disabilities							
Transfers $2,124,934 from the exceptional children budget in the Department of Public Instruction to the North Carolina State Education Assistance Authority (NCSEAA) for the Special Education Scholarships for Children with Disabilities Program as authorized by GS 115C-112.6. This item partially aligns increased use of the scholarships with corresponding anticipated changes in public school enrollment. There is a corresponding special provision authorizing these funds which brings total funding for the program to $6,103,100 and provides scholarships for approximately 800 students.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ -	$ -	$ -	$ -	$ -
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
8. Increase Beginning Salary for NC School of Science and Math Teachers							
Increases the beginning teacher salary for NCSSM teachers on the first tier of the North Carolina Public School Salary Schedule.	Req	$ 3,244	$ -	$ 3,244	$ 3,244	$ -	$ 3,244
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 3,244	$ -	$ 3,244	$ 3,244	$ -	$ 3,244
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
9. Fund NCSSM Teacher Salary Step Increase							
Provides funds to support the movement of NCSSM teachers who are eligible based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.	Req	$ 92,486	$ -	$ 92,486	$ 92,486	$ -	$ 92,486
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ 92,486	$ -	$ 92,486	$ 92,486	$ -	$ 92,486
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
10. Provide One-Time Bonus to Retain 2014-15 NCSSM Teacher Salary							
Funds nonrecurring salary bonus of $1,000 to NCSSM teachers who received the bonus in 2014-15 to ensure retention of 2014-15 salary level.	Req	$ -	$ 10,443	$ 10,443	$ -	$ 10,443	$ 10,443
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ -	$ 10,443	$ 10,443	$ -	$ 10,443	$ 10,443
	Pos	0.000	0.000	0.000	0.000	0.000	0.000

		2015-2016			2016-2017		
		Recurring Changes	Non Recurring Changes	Total	Recurring Changes	Non Recurring Changes	Total
11. Allow Flexibility to Achieve Efficiencies							
Directs the UNC Board of Governors to implement efficiencies to achieve a 2% savings from the UNC System's 2014-15 certified appropriation excluding financial aid. The Board of Governors shall not allocate any portion of the reduction to financial aid, Elizabeth City State University, Fayetteville State University, NC School of Science and Mathematics, UNC Asheville or UNC School of the Arts. Before taking reductions in instructional budgets, the Board of Governors should consider reducing senior and middle management positions, identifying new opportunities for shared services, adjusting faculty workloads, eliminating redundant and low enrollment programs, restructuring research activities, and using alternative funding sources.	Req	$ (49,913,244)	$ -	$ (49,913,244)	$ (49,913,244)	$ -	$ (49,913,244)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (49,913,244)	$ -	$ (49,913,244)	$ (49,913,244)	$ -	$ (49,913,244)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
12. Cap Taxpayer Expenditures on Advancement Programs							
Increases the reliance of campus advancement programs on non-state funds generated by fundraising activities. Campuses may use up to $1 million of state funds annually for advancement programs. Any expenditures in excess of $1 million must be funded from non-state funds.	Req	$ (17,913,812)	$ -	$ (17,913,812)	$ (17,913,812)	$ -	$ (17,913,812)
	Rec	$ -	$ -	$ -	$ -	$ -	$ -
	Appr	$ (17,913,812)	$ -	$ (17,913,812)	$ (17,913,812)	$ -	$ (17,913,812)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
13. Support UNC Need-Based Aid							
Increases Escheat Fund support of the UNC Need-Based Financial Aid program and offsets appropriations from the General Fund. Total funding available for scholarships remains unchanged at $125,930,498.	Req	$ -	$ -	$ -	$ -	$ -	$ -
	Rec	$ -	$ 18,106,794	$ 18,106,794	$ -	$ 10,000,000	$ 10,000,000
	Appr	$ -	$ (18,106,794)	$ (18,106,794)	$ -	$ (10,000,000)	$ (10,000,000)
	Pos	0.000	0.000	0.000	0.000	0.000	0.000
Total Requirements		**$ 11,509,072**	**$ 2,085,430**	**$ 13,594,502**	**$ 11,752,838**	**$ 806,318**	**$ 12,559,156**
Total Receipts		**$ 21,444,745**	**$ 18,106,794**	**$ 39,551,539**	**$ 17,007,259**	**$ 10,000,000**	**$ 27,007,259**
Total Appropriation		**$ (9,935,673)**	**$ (16,021,364)**	**$ (25,957,037)**	**$ (5,254,421)**	**$ (9,193,682)**	**$ (14,448,103)**
Total GF Positions		**11.600**	**0.000**	**11.600**	**14.400**	**0.000**	**14.400**

Pattie Fleming (Rep. Craig Horn)

From: Dixie Riehm (Rep. Hugh Blackwell)
Sent: Tuesday, March 31, 2015 09:34 AM
To: Dixie Riehm (Rep. Hugh Blackwell)
Subject: <NCGA> House Appropriations, Education Committee Meeting Notice for Wednesday, April 01, 2015 at 8:30 AM
Attachments: Add Meeting to Calendar_LINC_.ics

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

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

DAY & DATE: Wednesday, April 1, 2015
TIME: **8:30 AM**
LOCATION: **423 LOB**
COMMENTS: **Representative Horn will be presiding**

Respectfully,

Representative Hugh Blackwell, Co-Chair
Representative Rob Bryan, Co-Chair
Representative Bryan R. Holloway, Co-Chair
Representative D. Craig Horn, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 9:32 AM on Tuesday, March 31, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Dixie Riehm (Committee Assistant)

AGENDA

HOUSE APPROPRIATIONS COMMITTEE ON EDUCATION

APRIL 1, 2015 8:30 a.m.
Legislative Office Building - Room 423

House Committee Co-Chairs
Rep. Hugh Blackwell
Rep. Rob Bryan
Rep. Bryan Holloway
Rep. D. Craig Horn

House Committee Vice-Chairs
Rep. Rosa Gill
Rep. Rick Glazier
Rep. Paul Stam
Rep. Chris Whitmire

House Committee Members
Rep. Larry Bell
Rep. Cecil Brockman
Rep. Debra Conrad
Rep. Jeffrey Elmore
Rep. John Fraley
Rep. Marvin Lucas
Rep. Henry M. Michaux Jr.

I: Welcome and Opening Comments — Representative Craig Horn, Co-Chair, Presiding

II. Committee Discussion on Potential Budget Priorities

Next Meeting: TBD

House Committee on Appropriations, Education
Wednesday, April 1, 2015 at 8:30 AM
Room 423 of the Legislative Office Building

MINUTES

The House Appropriations Committee on Education met at 8:30 AM on April 1, 2015 in Room 423 of the Legislative Office Building. Representatives L. Bell, Blackwell, Brockman, Conrad, Elmore, Fraley, Gill, Glazier, Horn, Stam, Whitmire, and Michaux were present. Staff from Fiscal Research was Brian Matteson, Kris Nordstrom, Brett Altman and Mark Bondo. Research Department staff in attendance was Drupti Chauhan, Kara McCraw and Denise Huntley-Adams. Leslie Karkanawi from Bill Drafting were also present. Visitor registration sheets are provided. (Attachment 1)

Representative Craig Horn, Chair, presided. He called the meeting to order and introduced the Sergeant at Arms and Pages. (Attachment 2).

Representative Horn told the Committee that the Chairmen have been meeting to gather the numbers that might be available for the 2015-16 education budget. Now we are asking the Committee members to bring forward their potential budget priorities.

Rep. Stam submitted a handout of the items that he would like to see included in the budget. (Attachment 3). Reps. Glazier, Whitmire, Michaux, Bell, Conrad, Elmore, Fraley and Gill also spoke of the areas that they would like to see funded.

Rep. Horn said the Committee will continue to have discussions, this is a process and we will flush it out and work within the availability of funds.

There being no further discussion, Chairman Horn called the meeting adjourned at 9:50 AM.

Representative Craig Horn, Chair
Presiding

Pattie Fleming, Committee Clerk

VISITOR REGISTRATION SHEET

Appropriation, Education — 4/1/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Douglas McCullock	NCSBA
Adam Pridemore	NCASA
Phillip Bart	NWC
[illegible]	Ed Consultant
Jennifer Haygood	NCCCS
Mary Shuping	NCCCS
Tom West	NCICU
Elizabeth Drewinski	Hunt Institute
Evelyn Hutchinson	ETOP
Ed Turlington	OSP
Ken Area	NCSU

VISITOR REGISTRATION SHEET

Appropriation, Education — 4/1/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Michael Horsey	THCG

VISITOR REGISTRATION SHEET

Appropriation, Education — 4/1/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jonathon Kappler	UNC GA
Drew Moretz	UNC GA
Andrea Pate	"
Susan McCracken	Appalachian State
Betty Doster	UNC Charlotte
Austin Pruitt	Perkinson Law
Bryan Conrad	OSBM
[signature]	OSBM
Adam Breggemann	OSBM
Nick Goettsch	OSBM
Susan Harrison	NCSCA

VISITOR REGISTRATION SHEET

Appropriation, Education — Name of Committee

4/1/2015 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Michelle Brooks	East Carolina University
Edna Wallace	NCAE
Tonia Stilwell	NCSBE
Leanne Winner	NCSBA

2015-17 Education Appropriations

Subject	Governor's Budget	15-16	16-17	Comments
Opportunity Scholarships to North Carolina State Education Assistance Authority (NCSEAA)	$10.8M	)		No changes to current qualifications for scholarship; increase funding to meet demand;
Special Needs Scholarships to North Carolina Education Assistance Authority	$6.6M			Provide funding for 800 students; increase amount from $6,000 to $8000
Special Needs Pilot charter school (Dynamic Charter School)				$2,000/student for up to 100 students for special needs charter pilot program
Adaptive Sports Pilot Program				HB 314 SB 401
Community College Summer School Expansion	Special provision in Governor's budget			More expensive than HB 15; provides funding for all summer courses
Competitive Grants to expand After School Services/Expanded Learning	May be a special provision in Governor's budget			Budget appropriated approximately $300M for at-risk services; Budget last session allocated $5M; increase to $10M
Charter School Accelerator				Promote Sustainability of High Quality Charter Schools
Statewide Microsoft Agreement				Savings of $1.6M over two years by purchasing statewide vs. each LEA purchasing

Education Summary

FY 2015-16			
	Base	Governor	Governor - Base
Public Schools	$8,106,033,100	$8,397,294,193	291,261,093
Community Colleges	$1,048,495,115	$1,034,888,877	(13,606,238)
UNC	$2,647,296,221	$2,621,339,184	(25,957,037)
Total	$11,801,824,436	$12,053,522,254	251,697,818

FY 2016-17			
	Base	Governor	Governor - Base
Public Schools	$8,106,033,100	$8,408,873,828	302,840,728
Community Colleges	$1,048,495,115	$1,040,888,877	(7,606,238)
UNC	$2,647,304,656	$2,632,856,553	(14,448,103)
Total	$11,801,832,871	$12,082,619,258	280,786,387

Prior Year General Fund Education Appropriations Activity					
	2012-13 Appropriations	2012-13 Actual Expenditures	2013-14 Appropriations	2013-14 Actual Expenditures	2014-15 Appropriations
Public Schools	7,844,644,612	$7,740,033,167	$7,920,136,315	$7,767,677,974	$8,171,035,809
Community Colleges	1,040,421,605	$1,036,253,406	$1,028,875,684	$1,015,960,648	$1,050,054,665
UNC	2,663,562,434	$2,651,847,351	$2,604,213,664	$2,572,757,241	$2,648,979,067
Total	$11,548,628,651	$11,428,133,924	$11,553,225,663	$11,356,395,863	$11,870,069,541

Public Schools

#	Item	Governor's Recommendations				House			
		FY 2015-16		FY 2016-17		FY 2015-16		FY 2016-17	
		R	NR	R	NR	R	NR	R	NR
	Compensation Adjustments								
1.	$35K Minimum Annual Teacher Salary	41,846,123	-	41,846,123	-				
2.	Teacher Salary Schedule Movement	64,871,243	-	64,871,243	-				
3.	$1K NR Bonus for Teacher Salary Hold Harmless	-	4,545,525	-	4,545,525				
4.	$35K Minimum Annual State Agency Teacher Sal	103,200	-	103,200	-				
5.	State Agency Teacher Salary Schedule Movement	57,500	-	57,500	-				
6.	$1K NR Bonus for St Agcy Teacher Salary HH	-	52,830	-	52,830				
7.	School Based Administrator Sal Sched Movement	3,494,924	-	3,494,924	-				
8.	$1K NR Bonus for SBA Hold Harmless	-	1,055,995	-	1,055,995				
9.	State Agency SBA Salary Schedule Movement	2,900	-	2,900	-				
	Other Public School Funding Adjustments								
10.	Teacher Assistants	64,039,628	-	64,039,628	-				
11.	Education Endowment Fund	5,000,000	-	10,000,000	-				
12.	Enrollment Growth** (2nd year in reserve)	100,236,542	-	100,236,542	-				
13.	Textbooks	35,000,000	-	35,000,000	-				
14.	Digital Learning Enhancement	-	7,400,000	-	12,000,000				
15.	Cooperative Innovative High Schools	2,485,352	-	2,485,352	-				
16.	Average Salary Adjustment	(14,839,270)	-	(14,977,035)	-				
17.	Central Office Administration	(1,894,338)	-	(1,900,938)	-				
18.	Transportation (Bus Fuel)	(20,079,807)	-	(20,079,807)	-				
19.	NC GEAR (LEA Purchasing)	-	2,000,000	124,000	4,000,000				
	Department of Public Instruction								
20.	DPI Management Flex	(4,117,254)	-	(4,117,254)	-				
Total Adjustments		**$276,206,743**	**$15,054,350**	**$281,186,378**	**$21,654,350**	**$ -**	**$ -**	**$ -**	**$ -**
Base Budget			8,106,033,100		8,106,033,100		8,106,033,100		8,106,033,100
Total Adjustments			291,261,093		302,840,728		0		0
Recommended Budget			**$8,397,294,193**		**$8,408,873,828**		**$8,106,033,100**		**$8,106,033,100**

Community Colleges

#	Item	Governor's Recommendations				House			
		FY 2015-16		FY 2016-17		FY 2015-16		FY 2016-17	
		R	NR	R	NR	R	NR	R	NR
	State Aid Adjustments								
1.	In-State Tuition for Military Veterans	-	-	1,000,000	-				
2.	College Information System Modernization	5,000,000	-	5,000,000	-				
3.	STEM Equipment	-	-	-	5,000,000				
4.	Enrollment Adjustment	(3,019,197)	-	(3,019,197)	-				
5.	Tuition Increase Gov: $4/credit hour	(16,138,793)	-	(16,138,793)	-				
	System Office Adjustments								
6.	Program Audit Restoration	551,752	-	551,752	-				
Total Adjustments		**(13,606,238)**	**-**	**(12,606,238)**	**5,000,000**	**-**	**-**	**-**	**-**
Base Budget		1,048,495,115		1,048,495,115		1,048,495,115		1,048,495,115	
Total Adjustments		(13,606,238)		(7,606,238)		-		-	
Proposed Budget		**$1,034,888,877**		**$1,040,888,877**		**$1,048,495,115**		**$1,048,495,115**	

UNC

#	Item	Governor's Recommendations				House			
		FY 2015-16		FY 2016-17		FY 2015-16		FY 2016-17	
		R	NR	R	NR	R	NR	R	NR
	State Aid Adjustments:								
1.	In-State Tuition for Military Veterans	-	-	4,437,486	-				
2.	Enrollment Growth** (2nd year in reserve)	49,324,741	-	49,324,741	-				
3.	Building Reserves	470,912	170,282	714,678	91,170				
4.	ECSU Technology Modernization	-	1,904,705	-	704,705				
5.	ECU School of Medicine	8,000,000	-	8,000,000	-				
6.	Management Flex Adjustment	(49,913,244)	-	(49,913,244)	-				
7.	Advancement Activity Limitations	(17,913,812)	-	(17,913,812)	-				
8.	UNC Need-Based Aid: Increase Escheats Support	-	(18,106,794)	-	(10,000,000)				
	Compensation Adjustments								
9.	Increase Beginning Salary for NC School of Science and Math Teachers	3,244	-	3,244	-				
10.	Fund NCSSM Teacher Salary Step Increase	92,486	-	92,486	-				
11.	Provide One-Time Bonus to Retain 2014-15 NCSSM Teacher Salary	-	10,443	-	10,443				
Total Adjustments		**(9,935,673)**	**(16,021,364)**	**(5,254,421)**	**(9,193,682)**	-	-	-	-
Base Budget			2,647,296,221		2,647,304,656		2,647,296,221		2,647,304,656
Total Adjustments			(25,957,037)		(14,448,103)		-		-
Proposed Budget			**$2,621,339,184**		**$2,632,856,553**		**$2,647,296,221**		**$2,647,304,656**

Public Schools Budget: FY 2015 and FY 2016

Program/Allotment	2014-15 Certified Budget	2015-16 Base Budget
Base Allotments/Allocations		
Classroom Teachers	4,073,748,010	4,066,983,672
Career Technical Ed. (CTE) Teachers	421,310,564	421,310,564
Instructional Support Personnel	464,682,005	464,682,005
School Building Administration	313,435,815	313,302,405
Longevity	67,932,530	31,883,628
Annual Leave	48,028,454	48,028,454
Worker's Compensation	50,394,413	50,394,413
Unemployment	19,339,358	19,339,358
Teacher Assistants	376,107,530	351,291,885
Central Office Administration	94,386,875	94,386,875
Noninstructional Support Personnel	365,551,204	365,551,204
Instructional Supplies	43,815,896	43,815,896
Textbooks	24,265,721	24,265,721
CTE Program Support	20,664,365	20,664,365
CTE Subpay	1,779,775	1,779,775
Transportation	455,864,208	455,864,208
School Bus Replacement	42,871,191	46,247,174
Short Term Disability	7,077,920	7,077,920
Supplemental Allotments-Students		
Children with Disabilities (CWD): School-Age Children	687,603,386	687,603,386
CWD: Preschool Children	54,627,017	54,627,017
Behavioral Support	11,808,375	11,808,375
Group Homes	4,700,583	4,700,583
Developmental Day Care	20,593,043	20,593,043
Community Residency Centers	4,840,452	4,840,452
Academically or Intellectually Gifted Students	77,880,694	77,880,694
At-Risk Student Services	291,183,097	291,183,097
Disadvantaged Student Supplemental Funding	85,488,650	85,488,650
Limited English Proficiency	77,647,338	77,647,338
Excellent Public Schools Act	36,617,010	36,617,010
Supplemental Allotments-Districts		
Low Wealth Supplemental Funding	215,621,537	215,621,537
Small County Supplemental Funding	47,543,689	47,543,689
Child and Family Support Teams	10,051,540	10,051,540
Miscellaneous Programs		
Cooperative & Innovative High Schools	25,402,716	25,402,716
Cooperative & Innovative Virtual High Schools	1,000,000	1,000,000
Yadkin Valley Regional School	310,669	310,669
School Technology Fund	24,000,000	24,000,000
Connectivity	19,221,520	19,221,520
Middle School Safety Officers	7,000,000	7,000,000

Public Schools Budget: FY 2015 and FY 2016

Program/Allotment	2014-15 Certified Budget	2015-16 Base Budget
Panic Alarms	900,000	900,000
AP/International Baccalaureate Test Fees	10,831,184	10,831,184
Career Technical Education Testing Fees	1,302,243	1,302,243
Psychiatric Residential Treatment Facilities	3,200,000	3,200,000
Driver Education	26,461,843	-
Education Value-Added Assessment System (EVAAS)	2,795,000	2,795,000
Educator Incentive Fund	1,000,000	-
Merit Pay for Teachers	10,200,000	-
Liability Insurance for Teachers	3,145,000	3,145,000
Reserve ADM Contingency	2,618,500	2,618,500
School Breakfast	2,017,761	2,017,761
Small Speciality High Schools	4,017,304	4,017,304
Testing	15,994,747	15,994,747
Tort Claims	5,192,346	5,192,346
Uniform Education Reporting System	10,258,861	10,258,861
Directed Grants		
Teach for America	6,000,000	6,000,000
Communities in Schools	2,446,750	2,446,750
Beginnings for Parents	919,730	919,730
Other Public Schools		
Department of Public Instruction	40,534,576	40,534,576
Finance Officer Staff Development	64,560	64,560
Residential Schools for the Deaf and the Blind	21,214,256	21,214,256
Office of Early Learning (EL Sensory Support)	7,699,592	7,699,592
North Carolina Center for the Advancement of Teaching	3,299,079	3,299,079
Governor's School	800,000	800,000
Total, DPI/Pub. Sch. Requirements	**8,777,310,482**	**8,675,262,327**
State Receipts		
Lottery--Teachers in the Early Grades	254,586,185	254,586,185
Lottery--Teacher Assistants	113,318,880	113,318,880
Fines & Forfeitures (Sch. Tech & Noninstructional)	149,935,020	142,362,790
Indian Gaming Fund (Sch. Tech.)	6,000,000	6,000,000
Sales Tax Refund (DOR Transfer)	52,853,965	52,853,965
Driver Training (DOT Highway Fund)	26,616,382	-
Total, State Receipts	603,310,432	569,121,820
Total, General Fund Appropriation	**8,174,000,050**	**8,106,140,507**

Public Schools Budget: FY 2015 and FY 2016

Program/Allotment	2014-15 Certified Budget	2015-16 Base Budget
Base Allotments/Allocations		
Classroom Teachers	4,073,748,010	4,066,983,672
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Driver Education	26,461,843	-
Education Value-Added Assessment System (EVAAS)	2,795,000	2,795,000
Educator Incentive Fund	1,000,000	-
Merit Pay for Teachers	10,200,000	-
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Driver Training (DOT Highway Fund)	26,616,382	-
Total, State Receipts	603,310,432	569,121,820
Total, General Fund Appropriation	**8,174,000,050**	**8,106,140,507**

Community College General Fund Budget

		Certified Budget FY 2014-15		Base Budget FY 2015-16
Instruction	$	479,871,253	$	479,871,253
Institutional Support	$	517,437,419	$	517,437,419
Categorical Aid and Other Support	$	34,459,986	$	34,459,986
Equipment	$	51,962,762	$	51,962,762
Management Flexibility Reserve	$	(59,233,302)	$	(59,233,302)
System Office	$	24,548,749	$	23,996,997
Total General Fund Appropriation	**$**	**1,049,046,867**	**$**	**1,048,495,115**
Financial Aid for Students (Escheats)		$16,335,000		$16,335,000

Brett Altman and Mark Bondo
Fiscal Research

Community College General Fund Budget

		Certified Budget FY 2014-15		Base Budget FY 2015-16
Instruction	$	479,871,253	$	479,871,253
Institutional Support	$	517,437,419	$	517,437,419
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Equipment	$	51,962,762	$	51,962,762
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System Office	$	24,548,749	$	23,996,997
Total General Fund Appropriation	**$**	**1,049,046,867**	**$**	**1,048,495,115**
Financial Aid for Students (Escheats)		$16,335,000		$16,335,000

Brett Altman and Mark Bondo
Fiscal Research

AGENDA

HOUSE APPROPRIATIONS COMMITTEE ON EDUCATION

May 14, 2015, 8:30 a.m.
Legislative Office Building - Room 423

House Committee Co-Chairs
Rep. Hugh Blackwell
Rep. Rob Bryan
Rep. Bryan Holloway
Rep. D. Craig Horn

House Committee Vice-Chairs
Rep. Rosa Gill
Rep. Rick Glazier
Rep. Paul Stam
Rep. Chris Whitmire

House Committee Members
Rep. Larry Bell
Rep. Cecil Brockman
Rep. Debra Conrad
Rep. Jeffrey Elmore
Rep. John Fraley
Rep. Marvin Lucas
Rep. Henry M. Michaux Jr.

I: Welcome and Opening Comments — Representative Craig Horn, Co-Chair, Presiding

II: Overview of Recommended House Budget — Fiscal Research Division Staff

III: Consideration of Recommended House Budget — Committee Members

Next Meeting: 15 minutes after Session

House Committee on Appropriations, Education
Thursday, May 14, 2015 at 8:30 AM
Room 423 of the Legislative Office Building

MINUTES

The House Appropriations Committee on Education met at 8:30 AM on May 14, 2015 in Room 423 of the Legislative Office Building. Representatives L. Bell, Blackwell, Brockman, Bryan. Conrad, Elmore, Fraley, Gill, Glazier, Holloway, Horn, Lucas, Stam, Whitmire, and Michaux were present. Staff from Fiscal Research was Brian Matteson, Kris Nordstrom, Brett Altman and Mark Bondo. Research Department staff in attendance was Drupti Chauhan, Kara McCraw and Denise Huntley-Adams. Leslie Karkanawi from Bill Drafting was also present. Visitor registration sheets are provided. (Attachment 1)

Representative Craig Horn, Chair, presided. He called the meeting to order at 8:35 AM and introduced the Sergeant at Arms and Pages. (Attachment 2).

Representative Horn layed out the plan for the day stating that the Committee would walk through the money report with staff, go over special provisions and then give everyone sufficient time to get their amendments together. There will be a 1:00 PM deadline today for amendments. The Rules were reviewed at the request of Rep. Glazier.

Brian Matteson, Fiscal Staff, presented the House Appropriations Committee on Education, Report on the Continuation and Expansion Budgets, House. (Attachment 3) He began with the section on Public Education. Following questions and comments Brett Altman, Fiscal Staff, presented the Community Colleges and UNC sections.

The House Appropriations Committee on Education, Proposed Special Provisions for H.B., 97, 2015 Appropriations Act was presented by Kristopher Nordstrom (Fiscal Staff). Brett Altman, Fiscal Staff, explained the Community College and UNC sections. Kristopher Nordstrom spoke to the K-12 Preparation included in the UNC section.

The House Education Appropriations Committee Summary (Attachment 4) was explained by Brian Matteson. Comments and questions were addressed by Staff.

Representative Horn, presiding chair, thanked Staff for their hard work. He said, "we have an incredible staff". "North Carolina and our Committee are blessed to have their quality and dedication." Everyone has worked long hours to reach this point in drawing together our budget. Representative Horn then charged the Committee that we know the rules, get your amendments in by 1:00 this afternoon and we will work until we get it done.

Chairman Horn adjourned the meeting at 10:25 AM

Representative Craig Horn, Chair
Presiding

Pattie Fleming, Committee Clerk

VISITOR REGISTRATION SHEET

Appropriations on Education
Name of Committee

5/14/2015
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Josh Ehrch	JPA
Charles Perusse	UNC System
Drew Martin	UNC GA
Andrea Poole	
Jonathan Kappler	UNC EIA
Susan McCrack	Appleseed
Jen Walker	UNC-CH
Betty Doster	UNCC
Margie Foreman	NCAE
Sue Ford	NCICU
Amy Fiske	SOPR

VISITOR REGISTRATION SHEET

Appropriations on Education — 5/14/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Bryan Conrad	OSBM
Nick Goutsch	OSBM
Adam Bruegghemann	OSBM
[illegible]	OSBM
Ed [illegible]	[illegible]
Paul Taylor	HTGAC
Angel Sanz	NCSR
Rhiem Meinwald	NCM
Elizabeth [illegible]	Hurst Institute
JERRY COHEN	Nelson Mullins
LeKisha Jordan	Governor's Office

VISITOR REGISTRATION SHEET

Appropriations on Education — 5/14/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Brenda Berg	BEST NC
laura davis	WCSV
Mark Shier	[illegible]
[illegible]	NCWC
Jonathan Bowbaker	Bowbaker & Assoc.
Brady Bender	Governor's Office
[illegible]	[illegible]
Cheryl Posner-Cahill	NC School Psych Assoc
Mark Lanier	UNCW
Martez Hill	SBE
[illegible]	NCSU

VISITOR REGISTRATION SHEET

Appropriations on Education
Name of Committee

5/14/2015
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Linda Millsaps	NCACC
Adam Pridemore	NCASA
Kathern Joyce	NCASA
Leanne Winner	NCSBA
Bruce Mildwurf	NCSBA
Doug Holbrook	NC SBA
[illegible]	Ed Consultant
Richard Thompson	NCCAT
[illegible]	NSI
[illegible]	PENC
[illegible]	DPI

VISITOR REGISTRATION SHEET

Appropriations on Education
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5/14/2015
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NAME	FIRM OR AGENCY AND ADDRESS
Eric Moore	NCDPI
Emily Doyle	NCPAPA
Michael Houser	THCG
Edna Wallace	NCNS
Joe Ableidinger	Public School Forum of NC
Shirley Prince	NCPAPA
Scott Rolls	NCCCS
Jennifer Haygood	NCCCS
Evelyn Hawkins	EHOT
Vicki Beyer	self
[illegible]	NCTSEA

VISITOR REGISTRATION SHEET

Appropriations on Education — 5/14/2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Hope Williams	NCICU
Tom West	NCICU
Tim Hurley	Teach For America
Tommy Severe	NVA
Rebecca Ray	NCLDI
Grady O'Brien	~~Staff~~
Gregg Sanders	staff
Aaron Fleming	Staff
Lindsey Dowling	Staff
Sarah Ingram	staff
Mason Meyer	Citizen

VISITOR REGISTRATION SHEET

Appropriations on Education
Name of Committee

5/14/2015
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kevin Wilkinson	Staff
Ashley Parlier	Parker Poe Law
CORNELIUS GRAVES	WSSU

House Educ. Appropriations Committee Summary

FY 2014-15 Authorized Budget	
	Authorized Budget
Public Schools	$8,171,035,809
Community Colleges	$1,050,054,665
UNC	$2,648,979,067
Total	$11,870,069,541

FY 2015-16		
	Base	**House**
Public Schools	$8,106,033,100	$8,374,792,255
Community Colleges	$1,048,495,115	$1,058,757,957
UNC	$2,647,296,221	$2,680,438,911
Total	$11,801,824,436	$12,113,989,123

FY 2016-17		
	Base	**House**
Public Schools	$8,106,033,100	$8,456,521,850
Community Colleges	$1,048,495,115	$1,058,927,701
UNC	$2,647,304,656	$2,712,100,736
Total	$11,801,832,871	$12,227,550,287

House Appropriations Committee on Education

Proposed Special Provisions for H.B. 97, 2015 Appropriations Act



May 14, 2015

GENERAL ASSEMBLY OF NORTH CAROLINA

SPECIAL PROVISIONS
HOUSE APPROPRIATIONS, EDUCATION REPORT

MAY 14, 2015
Report Last Updated: 5/14/15 2:44 AM

2015-DPI-H3-P 1
FUNDS FOR CHILDREN WITH DISABILITIES

2015-DPI-H4-P 2
FUNDS FOR ACADEMICALLY GIFTED CHILDREN

2015-DPI-H5-P 3
USE OF SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES

2015-DPI-H6-P 7
SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING

2015-DPI-H7-P 9
DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)

2015-DPI-H21-P 10
LITIGATION RESERVE FUNDS

2015-DPI-H8-P 11
UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS

2015-DPI-H10-P 12
COOPERATIVE INNOVATIVE HIGH SCHOOLS

2015-DPI-H11-P 13
FUNDS FOR EVAAS IN GRADES K-2

2015-DPI-H13-P 14
NORTH CAROLINA VIRTUAL PUBLIC SCHOOL (NCVPS) REVENUES

2015-DPI-H14-P 15
NCVPS ALTERNATIVE FUNDING FORMULA

2015-DPI-H19-P 16
COMPETENCY-BASED LEARNING AND ASSESSMENTS

2015-DPI-H20-P 17
NO DECREASE IN SALARY FOR ASSISTANT PRINCIPALS WHO BECOME PRINCIPALS

2015-DPI-H22-P 18
COLLABORATIVE PROCUREMENT

2015-DPI-H24A 19
CHARTER SCHOOL ACCELERATOR GRANT PROGRAM

2015-DPI-H27-P 20
TEACHER EDUCATION PREPARATION REDESIGN

2015-DPI-H29-P 22
STATEWIDE MICROSOFT® OFFICE COOPERATIVE AGREEMENT

2015-DPI-H31-P 23
REVISE THE DESIGNATION OF THE TEXTBOOK FUNDING ALLOTMENT

2015-DPI-H32A-P 24
BONUSES FOR INDUSTRY CERTIFICATIONS AND CREDENTIALS PROGRAM

2015-DPI-H33A-P 26
ADVANCED PLACEMENT/INTERNATIONAL BACCALAUREATE TEACHER BONUSES

2015-DPI-H15A-P 28
READ TO ACHIEVE

2015-DPI-H2-P 31
TWELVE-MONTH PERSONNEL POSITIONS FOR VOCATIONAL AGRICULTURE TEACHERS

2015-DPI-H36A-P 32
EDUCATION-BASED SUPPLEMENTS FOR CERTAIN TEACHERS

2015-DPI-H34B 34
NC ELEVATING EDUCATORS ACT/ADVANCED TEACHING ROLES

2015-DPI-H40-P 38
REPEAL UNNECESSARY STATE BOARD OF EDUCATION REPORTS

2015-DPI-H23-P 41
SCHOOL SAFETY/STATEWIDE SCHOOL RISK AND RESPONSE MANAGEMENT SYSTEM

2015-DPI-H44-P 48
INVESTING IN INNOVATION GRANT

2015-DPI-H45-P 49
STUDY ON CHARTER SCHOOL CLOSURE FUNDS

2015-DPI-H41 50
AFTER-SCHOOL QUALITY IMPROVEMENT COMPETITIVE GRANTS

2015-DPI-H47 52
DPI STUDY/IMPROVE OUTCOMES FOR STUDENTS WITH DISABILITIES

2015-NCCCS-H1-P 53
REORGANIZATION OF THE COMMUNITY COLLEGES SYSTEM OFFICE

2015-NCCCS-H2A-P 54
BASIC SKILLS PLUS

2015-NCCCS-H4-P 55
EQUIPMENT FUNDING

2015-NCCCS-H5-P 56
EXPAND AGRICULTURAL AND TRANSPORTATION CLASSES TO FRESHMEN AND SOPHOMORES

2015-NCCCS-H6A-P 57
COLLEGES EARN BUDGET FTE FOR CURRICULUM COURSES TAUGHT DURING THE SUMMER TERM

2015-NCCCS-H8-P 58
COMMUNITY COLLEGES PROGRAM COMPLIANCE REVIEW FUNCTION

2015-NCCCS-H9 59
LIMIT ACTIVE DUTY SOLDIERS CC TUITION

2015-NCCCS-H10-P 60
COMMUNITY COLLEGE REMEDIATION PILOT PROJECT

2015-NCCCS-H11 62
COMMUNITY COLLEGE INNOVATIVE PILOT PROGRAM

2015-NCCCS-H12 64
STUDY COMMUNITY COLLEGE FACULTY SALARIES

2015-UNC-H12 65
USE OF ESCHEAT FUNDS FOR NEED-BASED FINANCIAL AID PROGRAMS

2015-UNC-H8-P 66
AMEND REGULATION OF UNC INSTITUTIONAL TRUST FUNDS AND FUNDS OF UNC HEALTH CARE SYSTEM

2015-UNC-H9-P 67
IN-STATE TUITION FOR CERTAIN VETERANS AND OTHER INDIVIDUALS ENTITLED TO FEDERAL EDUCATIONAL BENEFITS

2015-UNC-H10-P 69
UNC MANAGEMENT FLEXIBILITY REDUCTION

2015-UNC-H14-P 71
UNC TO FUND NORTH CAROLINA RESEARCH CAMPUS

2015-UNC-H18-P 72
LIMIT USE OF STATE FUNDS FOR UNC ADVANCEMENT PROGRAMS

2015-UNC-H11-P 73
NC GUARANTEED ADMISSION PROGRAM (NCGAP)

2015-UNC-H20-P 75
APPALACHIAN STATE UNIVERSITY TEACHER RECRUITMENT PROGRAM/FRIDAY INSTITUTE EVALUATION OF TEACHER RECRUITMENT AND PREPARATION PROGRAMS

2015-UNC-H22 77
TRANSFORMING PRINCIPAL PREPARATION

2015-UNC-H23 82
TEACHER RECRUITMENT AND SCHOLARSHIPS

2015-UNC-H15A-P 87
SPECIAL EDUCATION SCHOLARSHIP CHANGES AND REEVALUATION FUNDS

2015-UNC-H25-P **90**
INTERNSHIPS AND CAREER-BASED OPPORTUNITIES FOR STUDENTS ATTENDING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU)

2015-UNC-H13-P **91**
ELIZABETH CITY STATE UNIVERSITY BUDGET STABILIZATION FUNDS REPORT

2015-UNC-H19-P **92**
UNC ENROLLMENT GROWTH REPORT

2015-UNC-H26-P **93**
NEED-BASED SCHOLARSHIPS FOR STUDENTS ATTENDING ONLINE PRIVATE SCHOOLS OF HIGHER EDUCATION

2015-UNC-H27-P **94**
EARLY COLLEGE GRADUATES/UNC ADMISSION POLICY

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-DPI-H3-P

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

FUNDS FOR CHILDREN WITH DISABILITIES

SECTION #. The State Board of Education shall allocate additional funds for children with disabilities on the basis of three thousand nine hundred twenty-six dollars and ninety-seven cents ($3,926.97) per child. Each local school administrative unit shall receive funds for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and one-half percent (12.5%) of its 2015-2016 allocated average daily membership in the local school administrative unit. The dollar amounts allocated under this section for children with disabilities shall also adjust in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve children with disabilities.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-DPI-H4-P

Department of Public Instruction
House Appropriations, Education

Requested by: Representative

FUNDS FOR ACADEMICALLY GIFTED CHILDREN

SECTION #. The State Board of Education shall allocate additional funds for academically or intellectually gifted children on the basis of one thousand two hundred eighty dollars and seventy cents ($1,280.70) per child for fiscal years 2015-2016 and 2016-2017. A local school administrative unit shall receive funds for a maximum of four percent (4%) of its 2015-2016 allocated average daily membership, regardless of the number of children identified as academically or intellectually gifted in the unit. The dollar amounts allocated under this section for academically or intellectually gifted children shall also adjust in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve academically or intellectually gifted children.

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

USE OF SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES

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

SECTION #.(b) Definitions. – As used in this section, the following definitions apply:

(1) "Anticipated county property tax revenue availability" means the county-adjusted property tax base multiplied by the effective State average tax rate.

(2) "Anticipated total county revenue availability" means the sum of the following:

a. Anticipated county property tax revenue availability.

b. Local sales and use taxes received by the county that are levied under Chapter 1096 of the 1967 Session Laws or under Subchapter VIII of Chapter 105 of the General Statutes.

c. Sales tax hold harmless reimbursement received by the county under G.S. 105-521.

d. Fines and forfeitures deposited in the county school fund for the most recent year for which data are available.

(3) "Anticipated total county revenue availability per student" means the anticipated total county revenue availability for the county divided by the average daily membership of the county.

(4) "Anticipated State average revenue availability per student" means the sum of all anticipated total county revenue availability divided by the average daily membership for the State.

(5) "Average daily membership" means average daily membership as defined in the North Carolina Public Schools Allotment Policy Manual, adopted by the State Board of Education. If a county contains only part of a local school administrative unit, the average daily membership of that county includes all students who reside within the county and attend that local school administrative unit.

(6) "County-adjusted property tax base" shall be computed as follows:

a. Subtract the present-use value of agricultural land, horticultural land, and forestland in the county, as defined in G.S. 105-277.2, from the total assessed real property valuation of the county.
b. Adjust the resulting amount by multiplying by a weighted average of the three most recent annual sales assessment ratio studies.
c. Add to the resulting amount the following:
1. Present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2.
2. Value of property of public service companies, determined in accordance with Article 23 of Chapter 105 of the General Statutes.
3. Personal property value for the county.

(7) "County-adjusted property tax base per square mile" means the county-adjusted property tax base divided by the number of square miles of land area in the county.

(8) "County wealth as a percentage of State average wealth" shall be computed as follows:
a. Compute the percentage that the county per capita income is of the State per capita income and weight the resulting percentage by a factor of five-tenths.
b. Compute the percentage that the anticipated total county revenue availability per student is of the anticipated State average revenue availability per student and weight the resulting percentage by a factor of four-tenths.
c. Compute the percentage that the county-adjusted property tax base per square mile is of the State-adjusted property tax base per square mile and weight the resulting percentage by a factor of one-tenth.
d. Add the three weighted percentages to derive the county wealth as a percentage of the State average wealth.

(9) "Effective county tax rate" means the actual county tax rate multiplied by a weighted average of the three most recent annual sales assessment ratio studies.

(10) "Effective State average tax rate" means the average of effective county tax rates for all counties.

(11) "Local current expense funds" means the most recent county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

(12) "Per capita income" means the average for the most recent three years for which data are available of the per capita income according to the most recent report of the United States Department of Commerce, Bureau of Economic Analysis, including any reported modifications for prior years as outlined in the most recent report.

(13) "Sales assessment ratio studies" means sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).

(14) "State average current expense appropriations per student" means the most recent State total of county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

(15) "State average adjusted property tax base per square mile" means the sum of the county-adjusted property tax bases for all counties divided by the number of square miles of land area in the State.

(16) "Supplant" means to decrease local per student current expense appropriations from one fiscal year to the next fiscal year.

(17) "Weighted average of the three most recent annual sales assessment ratio studies" means the weighted average of the three most recent annual sales assessment ratio studies in the most recent years for which county current expense appropriations and adjusted property tax valuations are available. If real property in a county has been revalued one year prior to the most recent sales assessment ratio study, a weighted average of the two most recent sales assessment ratios shall be used. If property has been revalued the year of the most recent sales assessment ratio study, the sales assessment ratio for the year of revaluation shall be used.

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

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

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

SECTION #.(f) Minimum Effort Required. – A county that (i) maintains an effective county tax rate that is at least one hundred percent (100%) of the effective State average tax rate in the most recent year for which data are available or (ii) maintains a county appropriation per student to the school local current expense fund of at least one hundred percent (100%) of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools shall receive full funding under this section. A county that maintains a county appropriation per student to the school local current expense fund of less than one hundred percent (100%) of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools shall receive funding under this section at the same percentage that the county's appropriation per student to the school local current expense fund is of the current

expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools.

SECTION #.(g) Nonsupplant Requirement. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2015-2017 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The State Board of Education shall make a finding that a county has used these funds to supplant local current expense funds in the prior year, or the year for which the most recent data are available, if all of the following criteria apply:

(1) The current expense appropriation per student of the county for the current year is less than ninety-five percent (95%) of the average of local current expense appropriation per student for the three prior fiscal years.

(2) The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this section.

The State Board of Education shall adopt rules to implement the requirements of this subsection.

SECTION #.(h) Funds for EVAAS Data. – Notwithstanding the requirements of subsection (a) of this section, local school administrative units may utilize funds allocated under this section to purchase services that allow for extraction of data from the Education Value-Added Assessment System (EVAAS).

SECTION #.(i) Reports. – For the 2015-2017 fiscal biennium, the State Board of Education shall report to the Fiscal Research Division prior to May 15 of each year if it determines that counties have supplanted funds.

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

SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING

SECTION #.(a) Allotment Schedule for the 2015-2017 Fiscal Biennium. – Except as otherwise provided in subsection (d) of this section, each eligible county school administrative unit shall receive a dollar allotment according to the following schedule:

Allotted ADM	Small County Allotment
0-600	$ 1,710,000
601-1,300	$ 1,820,000
1,301-1,700	$ 1,548,700
1,701-2,000	$ 1,600,000
2,001-2,300	$ 1,560,000
2,301-2,600	$ 1,470,000
2,601-2,800	$ 1,498,000
2,801-3,200	$ 1,548,000

SECTION #.(b) Phase-Out Provision for the 2015-2016 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the schedule in subsection (a) of this section in the 2015-2016 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local administrative units shall be reduced in equal increments in each of the five years after the local administrative unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local administrative unit becomes ineligible.

Allotments for eligible local school administrative units under this subsection shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year 2014-2015 in any fiscal year.

SECTION #.(c) Phase-Out Provision for the 2016-2017 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the schedule in subsection (a) of this section in the 2016-2017 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local administrative units shall be reduced in equal increments in each of the five years after the local administrative unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local administrative unit becomes ineligible.

Allotments for eligible local school administrative units under this subsection shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year 2015-2016 in any fiscal year.

SECTION #.(d) Nonsupplant Requirement for the 2015-2017 Fiscal Biennium. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2015-2017 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The State Board of Education shall make a finding that a

county has used these funds to supplant local current expense funds in the prior year, or the year for which the most recent data are available, if all of the following criteria apply:

(1) The current expense appropriation per student of the county for the current year is less than ninety-five percent (95%) of the average of local current expense appropriation per student for the three prior fiscal years.

(2) The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this section.

The State Board of Education shall adopt rules to implement the requirements of this subsection.

SECTION #.(e) Reports. – For the 2015-2017 fiscal biennium, the State Board of Education shall report to the Fiscal Research Division prior to May 15 of each fiscal year if it determines that counties have supplanted funds.

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

Local school administrative units may also utilize funds allocated under this section to purchase services that allow for extraction of data from the Education Value-Added Assessment System (EVAAS).

DRAFT
SPECIAL PROVISION

2015-DPI-H7-P

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)

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

(1) Provide instructional positions or instructional support positions and/or professional development.

(2) Provide intensive in-school and/or after-school remediation.

(3) Purchase diagnostic software and progress-monitoring tools.

(4) Provide funds for teacher bonuses and supplements. The State Board of Education shall set a maximum percentage of the funds that may be used for this purpose.

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

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

(1) For counties with wealth greater than ninety percent (90%) of the statewide average, a ratio of 1:19.9.

(2) For counties with wealth not less than eighty percent (80%) and not greater than ninety percent (90%) of the statewide average, a ratio of 1:19.4.

(3) For counties with wealth less than eighty percent (80%) of the statewide average, a ratio of 1:19.1.

(4) For local school administrative units receiving DSSF funds in fiscal year 2005-2006, a ratio of 1:16. These local school administrative units shall receive no less than the DSSF amount allotted in fiscal year 2006-2007.

For the purpose of this subsection, wealth shall be calculated under the low-wealth supplemental formula as provided for in this act.

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

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-DPI-H21-P

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

LITIGATION RESERVE FUNDS

SECTION #. The State Board of Education may expend up to five hundred thousand dollars ($500,000) each year for the 2015-2016 and 2016-2017 fiscal years from unexpended funds for licensed employees' salaries to pay expenses related to litigation.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-DPI-H8-P

Department of Public Instruction
House Appropriations, Education

Requested by: Representative

UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS

SECTION #. Funds appropriated for the Uniform Education Reporting System (UERS) for the 2015-2017 fiscal biennium shall not revert at the end of each fiscal year but shall remain available until expended.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-DPI-H10-P

Department of Public Instruction
House Appropriations, Education

Requested by: Representative

COOPERATIVE INNOVATIVE HIGH SCHOOLS

SECTION #. G.S. 115C-238.54 is amended by adding a new subsection to read:

"(j) Any State funds appropriated for cooperative innovative high schools shall not be adjusted to reflect legislative salary increments, retirement rate adjustments, and health benefit adjustments for school personnel, unless specifically provided for by the General Assembly."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-DPI-H11-P

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

FUNDS FOR EVAAS IN GRADES K-2

SECTION #. The State Board of Education may use funds appropriated to the Department of Public Instruction under this act to implement the requirements of the Excellent Public Schools Act, established under Part 7A of S.L. 2012-142, as amended by Sections 2.1 and 2.5 of S.L. 2012-145 and Section 9.4 of S.L. 2013-360, to provide access to the Education Value-Added Assessment System for kindergarten, first, and second grades.

DRAFT
SPECIAL PROVISION



2015-DPI-H13-P

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

NORTH CAROLINA VIRTUAL PUBLIC SCHOOL (NCVPS) REVENUES

SECTION #. G.S. 66-58 reads as rewritten:

"**§ 66-58. Sale of merchandise or services by governmental units.**

(a) Except as may be provided in this section, it shall be unlawful for any unit, department or agency of the State government, or any division or subdivision of the unit, department or agency, or any individual employee or employees of the unit, department or agency in his, or her, or their capacity as employee or employees thereof, to engage directly or indirectly in the sale of goods, wares or merchandise in competition with citizens of the State, or to engage in the operation of restaurants, cafeterias or other eating places in any building owned by or leased in the name of the State, or to maintain service establishments for the rendering of services to the public ordinarily and customarily rendered by private enterprises, or to provide transportation services, or to contract with any person, firm or corporation for the operation or rendering of the businesses or services on behalf of the unit, department or agency, or to purchase for or sell to any person, firm or corporation any article of merchandise in competition with private enterprise. The leasing or subleasing of space in any building owned, leased or operated by any unit, department or agency or division or subdivision thereof of the State for the purpose of operating or rendering of any of the businesses or services herein referred to is hereby prohibited.

(b) The provisions of subsection (a) of this section shall not apply to:

(1) Counties and municipalities.

(2) The Department of Health and Human Services or the Department of Agriculture and Consumer Services for the sale of serums, vaccines, and other like products.

(3) The Department of Administration, except that the agency shall not exceed the authority granted in the act creating the agency.

(4) The State hospitals for the mentally ill.

(5) The Department of Health and Human Services.

(6) The North Carolina School for the Blind at Raleigh.

(6a) The Division of Juvenile Justice of the Department of Public Safety.

(7) The North Carolina Schools for the Deaf.

(7a) The North Carolina Virtual Public School.

...

(c) The provisions of subsection (a) shall not prohibit:

...

~~(20) The sale by the State Board of Education of NCVPS courses to home schools, private schools, and out-of-state educational entities.~~

...."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-DPI-H14-P

Department of Public Instruction
House Appropriations, Education

Requested by: Representative

NCVPS ALTERNATIVE FUNDING FORMULA

SECTION #.(a) Notwithstanding Section 7.22(d) of S.L. 2011-145, as amended by Section 8.9 of S.L. 2013-360, the State Board of Education may adopt an alternative funding formula for the North Carolina Virtual Public School (NCVPS) for use by local school administrative units and charter schools. A local school administrative unit or charter school may elect to use the alternative funding formula in lieu of the funding formula adopted by the State Board pursuant to Section 7.22(d) of S.L. 2011-145, as amended by Section 8.9 of S.L. 2013-360.

SECTION #.(b) If any local school administrative unit or charter school elects to adopt the alternative funding formula as provided under subsection (a) of this section, the superintendent of the local school administrative unit or the executive officer of the charter school, as applicable, shall submit a written statement confirming selection of the alternative funding formula to the North Carolina Virtual Public School administrative office no later than May 1 each year to be eligible to apply the alternative formula in the subsequent fiscal year.

SECTION #.(c) This section applies beginning with the 2016-2017 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-DPI-H19-P

Department of Public Instruction
House Appropriations, Education

Requested by: Representative

COMPETENCY-BASED LEARNING AND ASSESSMENTS

SECTION #.(a) It is the intent of the General Assembly to transition to a system of testing and assessments applicable for all elementary and secondary public school students that utilizes competency-based learning assessments to measure student performance and student growth, whenever practicable. The competency-based student assessment system should provide that (i) students advance upon mastery, (ii) competencies are broken down into explicit and measurable learning objectives, (iii) assessment is meaningful for students, (iv) students receive differentiated support based on their learning needs, and (v) learning outcomes emphasize competencies that include the application and creation of knowledge.

SECTION #.(b) In order to develop the use of competency-based assessments for all elementary and secondary public school students in North Carolina in accordance with subsection (a) of this section, the State Board of Education is encouraged to evaluate the feasibility of integrating competency-based assessments for use in local school administrative units and as part of the statewide testing system for measuring student performance and student growth. The State Board may examine competency-based student assessment systems utilized in other states, including potential benefits and obstacles to implementing similar systems in North Carolina, and the relationship between competency-based assessments and innovative teaching methods utilized in North Carolina schools, such as blended learning models and digital teaching tools.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-DPI-H20-P

Department of Public Instruction
House Appropriations, Education

Requested by: Representative

NO DECREASE IN SALARY FOR ASSISTANT PRINCIPALS WHO BECOME PRINCIPALS

SECTION #.(a) G.S. 115C-285(a) is amended by adding a new subdivision to read:

"(9) An assistant principal who becomes a principal without a break in service shall be paid, on a monthly basis, at least as much as he or she would earn as an assistant principal employed by that local school administrative unit."

SECTION #.(b) This section applies to all assistant principals who become employed as principals without a break in service on or after July 1, 2015.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-DPI-H22-P

Department of Public Instruction
House Appropriations, Education

Requested by: Representative

COLLABORATIVE PROCUREMENT

SECTION #.(a) Section 7.6 of S.L. 2013-360, as amended by Section 91 of S.L. 2014-115, is repealed.

SECTION #.(b) The Department of Public Instruction shall collaborate with the Friday Institute for Educational Innovation of North Carolina State University to implement public school cooperative purchasing agreements for the procurement of information technology (IT) goods and services to support public schools. For purposes of this section, the phrase "public school cooperative purchasing agreement" means an agreement implemented pursuant to this section and available for local school administrative units, regional schools, charter schools, or some combination thereof providing for collaborative or collective purchases of information technology goods and services in order to leverage economies of scale and to reduce costs.

SECTION #.(c) Each public school cooperative purchasing agreement shall be based on a defined statewide information technology need to support education in the public schools. Each public school cooperative purchasing agreement shall allow for equal access to technology tools and services and shall provide a standard competitive cost throughout North Carolina for each tool or service. Public school cooperative purchasing agreements shall follow State information technology procurement laws, rules, and procedures.

SECTION #.(d) By October 15, 2015, and annually thereafter, the Department of Public Instruction and the Friday Institute shall report on the establishment of the cooperative purchasing agreements, savings resulting from the establishment of the agreements, and any issues impacting the establishment of the agreements. The reports shall be made to the Joint Legislative Oversight Committee on Information Technology, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division.

DRAFT
SPECIAL PROVISION



2015-DPI-H24A

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

CHARTER SCHOOL ACCELERATOR GRANT PROGRAM

SECTION #.(a) Parents for Educational Freedom in North Carolina, Inc. (PEFNC), shall use up to one million dollars ($1,000,000) for the 2015-2016 fiscal year and up to one million dollars ($1,000,000) in the 2016-2017 fiscal year from funds made available to it under this act to provide grant funding to participants for the development of up to 10 charter schools located in counties with local school administrative units that currently have a grade level proficiency less than or equal to fifty percent (50%) on end-of-grade and end-of-course tests. State funds shall only be used to provide grants to participants in the pilot program and shall not be used by PEFNC for its overhead costs in administering the program.

SECTION #.(b) PEFNC shall require that grant recipients participating in the pilot program meet at least all of the following conditions:

(1) The recipient has been approved by the State Board of Education to operate a charter school.

(2) The charter school shall be located in a county with a local school administrative unit that currently has a grade level proficiency less than or equal to fifty percent (50%) on end-of-grade and end-of-course tests.

(3) The recipient charter school shall be subject to audit oversight by the State Auditor.

SECTION #.(c) PEFNC may provide grants of up to two hundred thousand dollars ($200,000) to recipients for an initial planning year.

SECTION #.(d) By March 15, 2016, and annually thereafter, PEFNC shall submit to the Joint Legislative Education Oversight Committee a report on the progress of the pilot program, an accounting of expenditures, and the status of grant recipients.

DRAFT
SPECIAL PROVISION

2015-DPI-H27-P

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

TEACHER EDUCATION PREPARATION REDESIGN

SECTION #.(a) The State Board of Education shall issue a request for proposals from approved teacher education programs at constituent institutions of The University of North Carolina to participate in a redesign of a teacher education program at a constituent institution. A constituent institution seeking to participate shall provide a detailed proposal of how the constituent institution will revise the program to ensure that graduates are prepared to be highly effective teachers immediately upon entering the classroom. The proposal shall include at least the following information:

(1) Detailed plans for vigorous recruitment strategies and stringent admissions criteria to ensure that only outstanding candidates with strong academic credentials are admitted to the teacher education program.

(2) Proposed revisions to curriculum, including (i) examples of cooperation with other departments and colleges outside the teacher education program; (ii) coursework in candidates' major course of study that are successfully completed in the relevant college or university department rather than through the teacher education program; and (iii) close cooperation with local school administrative units and schools to ensure that teacher education students are effectively prepared in content area knowledge applicable to their future profession.

(3) Redesign of clinical experiences to ensure that teacher education students have embedded classroom experiences spanning the course of one instructional year in a partner elementary or secondary school setting mentored by teachers who have been identified as highly effective on the North Carolina teacher evaluation rubric, that clinical coursework is reflective and connected to embedded classroom experiences, and that a nationally normed and valid pedagogy assessment is used to determine clinical practice performance.

SECTION #.(b) A constituent institution who submits a proposal under subsection (a) of this section must commit to (i) implementation of the redesign of the teacher education program beginning in the 2016-2017 academic year and (ii) beginning October 1 following the graduation of the first cohort to complete the redesigned program, reporting to the State Board of Education and the Joint Legislative Education Oversight Committee on outcomes of graduates of the redesigned program for five years after graduation. Graduate outcomes shall include, at a minimum, academic growth of the students for which the graduate serves as teacher of record and recruitment, retention, and evaluation ratings of each student cohort.

SECTION #.(c) The State Board of Education shall require proposals to be submitted no later than October 15, 2015. The State Board shall select one constituent institution of The University of North Carolina to award one hundred thousand dollars ($100,000) in recurring funds for the 2015-2016 and 2016-2017 fiscal years no later than

December 15, 2015, for personnel and other costs associated with the redesign of the teacher education program in accordance with this section.

SECTION #.(d) The constituent institution selected by the State Board of Education for the award of funds under this section shall report to the State Board of Education and the Joint Legislative Education Oversight Committee on the redesign and implementation of the teacher education program by December 31, 2017.

DRAFT
SPECIAL PROVISION

2015-DPI-H29-P

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

STATEWIDE MICROSOFT® OFFICE COOPERATIVE AGREEMENT

SECTION #. The Department of Public Instruction shall enter into a statewide cooperative purchasing agreement to provide Microsoft® Office products to students, teachers, and other school personnel in the North Carolina public schools, including charter schools, at no cost to local school administrative units, charter schools, school personnel, and students.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-DPI-H31-P

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

REVISE THE DESIGNATION OF THE TEXTBOOK FUNDING ALLOTMENT

SECTION #.(a) Effective July 1, 2015, the existing Textbooks funding allotment in the State Public School Fund shall be designated as the Textbooks and Digital Resources funding allotment in the State Public School Fund.

SECTION #.(b) The State Board of Education shall adopt a policy to establish the purposes for which the funds within the new Textbooks and Digital Resources funding allotment may be used, which shall include the same purposes as were permitted under the Textbooks funding allotment as of June 30, 2015.

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

BONUSES FOR INDUSTRY CERTIFICATIONS AND CREDENTIALS PROGRAM

SECTION #.(a) G.S. 115C-156.2 reads as rewritten:

"**§ 115C-156.2. Industry certifications and credentials program.**

(a) It is the intent of the State to encourage students to enroll in and successfully complete rigorous coursework and credentialing processes in career and technical education to enable success in the workplace. To attain this goal, to the extent funds are made available for this purpose, students shall be supported to earn approved industry certifications and ~~credentials:~~credentials and teachers shall receive bonuses for each student who earns an approved industry certification or credential as follows:

(1) Students enrolled in public schools and in career and technical education courses shall be exempt from paying any fees for one administration of examinations leading to industry certifications and credentials pursuant to rules adopted by the State Board of Education.

(2) Each school year, at such time as agreed to by the Department of Commerce and the State Board of Education, the Department of Commerce shall provide the State Board of Education with a list of those occupations in high need of additional skilled employees. If the occupations identified in such list are not substantially the same as those occupations identified in the list from the prior year, reasonable notice of such changes shall be provided to local school administrative units.

(3) Local school administrative units shall consult with their local industries, employers, and workforce development boards to identify industry certification and credentials that the local school administrative unit may offer to best meet State and local workforce needs.

(4) Bonuses shall be awarded to teachers of students earning approved industry certifications or credentials, pursuant to rules adopted by the State Board of Education. No teacher shall be awarded a bonus pursuant to this subdivision that exceeds two thousand dollars ($2,000) in any given school year. Direct instruction teacher bonuses shall be provided in the following amounts:

a. A bonus in the amount of twenty-five dollars ($25.00) for each student taught by a teacher who provided instruction in a course that led to the attainment of an industry certification with a twenty-five-dollar ($25.00) value ranking.

b. A bonus in the amount of fifty dollars ($50.00) for each student taught by a teacher who provided instruction in a course that led to the attainment of an industry certification with a fifty-dollar ($50.00) value ranking.

(5) The Department of Commerce, in consultation with the State Board of Education, shall rank each industry certification based on academic rigor and

employment value in accordance with this subdivision. Fifty percent (50%) of the ranking shall be based on academic rigor and the remaining fifty percent (50%) on employment value. Academic rigor and employment value shall be based on the following elements:

a. Academic rigor shall be based on the number of instructional hours, including work experience or internship hours, required to earn the industry certification or credential, with a bonus given for coursework that also provides community college credit.

b. Employment value shall be based on the entry wage, growth rate in employment for each occupational category, and average annual openings for the primary occupation linked with the industry certification or credential.

~~(b) Beginning in 2014, the State Board of Education shall report to the Joint Legislative Education Oversight Committee by September 15 of each year on the number of students in career and technical education courses who earned (i) community college credit and (ii) related industry certifications and credentials.~~"

SECTION #.(b) This section applies beginning with the 2015-2016 school year.

ADVANCED PLACEMENT/INTERNATIONAL BACCALAUREATE TEACHER BONUSES

SECTION #.(a) G.S. 115C-174.26 reads as rewritten:

"**§ 115C-174.26. Advanced courses.**

(a) It is the intent of the State to enhance accessibility and encourage students to enroll in and successfully complete more rigorous advanced courses to enable success in postsecondary education for all students. For the purposes of this section, an advanced course is an Advanced Placement or International Baccalaureate Diploma Programme course. To attain this goal, to the extent funds are made available for this purpose, the following shall be provided:

(1) ~~students~~ Students enrolled in public schools shall be exempt from paying any fees for administration of examinations for advanced courses and registration fees for advanced courses in which the student is enrolled regardless of the score the student achieves on an examination.

(2) Bonuses shall be awarded to teachers of advanced courses according to the following:

a. A bonus in the amount of fifty dollars ($50.00) for each student taught by an advanced course teacher in each advanced course who receives the following score:

1. For Advanced Placement courses, a score of three or higher on the College Board Advanced Placement Examination.

2. For International Baccalaureate Diploma Programme courses, a score of four or higher on the International Baccalaureate course examination.

b. No teacher shall be awarded a bonus pursuant to this subdivision that exceeds two thousand dollars ($2,000) in any given school year. The bonus awarded to a teacher pursuant to this subdivision shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

...

~~(h) Beginning October 15 November 15, 2014, the State Board of Education shall report annually to the Joint Legislative Education Oversight Committee on advanced courses in North Carolina. The report shall include, at a minimum, the following information:~~

~~(1) The North Carolina Advanced Placement Partnership's report to the Department of Public Instruction as required by subsection (g) of this section and the State Board's assessment of that report.~~

~~(2) Number of students enrolled in advanced courses and participating in advanced course examinations, including demographic information by gender, race, and free and reduced price lunch status.~~

~~(3) Student performance on advanced course examinations, including information by course, local school administrative unit, and school.~~

~~(4) Number of students participating in 10th grade PSAT/NMSQT testing.~~

~~(5) Number of teachers attending summer institutes offered by the North Carolina Advanced Placement Partnership.~~

~~(6) Distribution of funding appropriated for advanced course testing fees and professional development by local school administrative unit and school.~~

~~(7) Status and efforts of the North Carolina Advanced Placement Partnership.~~

~~(8) Other trends in advanced courses and examinations.~~"

SECTION #.(b) This section applies beginning with the 2015-2016 school year.

READ TO ACHIEVE

SECTION #.(a) G.S. 115C-83.3 reads as rewritten:

"**§ 115C-83.3. Definitions.**

The following definitions apply in this Part:

...

(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. The State Board of Education shall complete the review and approval process as provided in this subdivision by September 15 of each year.

...

(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.~~ proficiency. 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.~~ reading proficiency. A single piece of evidence may be used to show ~~mastery of~~ reading proficiency for up to two standards. For each ~~benchmark,~~ reading standard, there shall be ~~three~~ two examples of student ~~work~~ work, gathered over the course of the school year, demonstrating ~~mastery by a grade of seventy percent (70%) or above.~~ the student's reading proficiency. If a student correctly responds to eighty percent (80%) of the comprehension questions about one reading passage as used as an initial work sample, then that one work sample shall suffice to demonstrate student reading proficiency on the standards covered in that sample. A student reading portfolio shall only be compiled with students when it is determined that administration of a standardized test of reading comprehension would likely not yield positive findings of a student's reading proficiency.

...."

SECTION #.(b) G.S. 115C-83.6 reads as rewritten:

"**§ 115C-83.6. Facilitating early grade reading proficiency.**

(a) Kindergarten, first, second, and third grade students shall be assessed with valid, reliable, formative, and diagnostic reading assessments made available to local school administrative units by the State Board of Education pursuant to G.S. 115C-174.11(a). Difficulty with reading development identified through administration of formative and diagnostic assessments shall be addressed with instructional supports and services. To the greatest extent possible, kindergarten through third grade reading assessments shall yield data that can be used with the Education Value-Added Assessment System (EVAAS), or a compatible and comparable system approved by the State Board of Education, to analyze student data to identify root causes for difficulty with reading development and to determine actions to address them.

(b) Formative and diagnostic assessments and resultant instructional supports and services shall address oral language, phonological and phonemic awareness, phonics, vocabulary, fluency, and comprehension using developmentally appropriate practices.

(c) Local school administrative units are encouraged to partner with community organizations, businesses, and other groups to provide volunteers, mentors, or tutors to assist with the provision of instructional supports and services that enhance reading development and proficiency.

(d) The teacher of record for a kindergarten, first, second, or third grade student shall not be prohibited from administering the assessments made available to local school administrative units in subsection (a) of this section to that student."

SECTION #.(c) G.S. 115C-83.7(b)(4) reads as rewritten:

"(4) Students who demonstrate, through a student reading portfolio, reading proficiency appropriate for third grade students. Student reading portfolio and review processes used by local school administrative units shall be approved by the State Board of Education. A local school administrative unit implementing the student reading portfolio process established by the State Board of Education shall limit the use of this portfolio process only to a student for whom it is appropriate as determined by the student's principal, after consulting with the teacher and the student's parents, and shall discontinue administration of the portfolio passages whenever a student is not demonstrating reading proficiency."

SECTION #.(d) G.S. 115C-83.8(a) reads as rewritten:

"(a) Parents or guardians of students not demonstrating reading proficiency shall be encouraged to enroll their student in a reading camp provided by the local school administrative unit. Parents or guardians of a student not demonstrating reading proficiency shall make the final decision regarding a student's reading camp attendance. If a parent or guardian does not enroll the student in a reading camp, the parent shall notify the school in which the student is enrolled of any alternative reading interventions or instructional supports that shall be provided to the student to achieve reading proficiency. 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."

SECTION #.(e) G.S. 115C-83.9(d) reads as rewritten:

"(d) Teachers and principals shall provide opportunities, including, but not limited to, information sessions, to discuss with parents and guardians the notifications listed in this

section. Principals shall provide at least one information session within the first 30 days of school regarding the requirement for reading proficiency for third grade students."

SECTION #.(f) G.S. 115C-174.11 reads as rewritten:

"**§ 115C-174.11. Components of the testing program.**

(a) Assessment Instruments for Kindergarten, First, Second, and Third Grades. – The State Board of Education shall develop, adopt, and provide to the local school administrative units developmentally appropriate individualized assessment instruments consistent with the Basic Education Program and Part 1A of Article 8 of this Chapter for the kindergarten, first, second, and third grades. The State Board shall approve three valid, reliable, formative, and diagnostic reading assessment instruments for selection by local school administrative units in accordance with the following:

(1) Each approved assessment instrument shall provide initial assessments, interim formative assessments, and progress monitoring capabilities.

(2) In determining which instruments to approve for use by local school administrative units, the State Board shall also consider at least the following factors:

a. The time required to conduct formative and diagnostic assessments with the intention of minimizing the impact on instructional time.

b. The level of integration of assessment results with instructional support for teachers and students.

c. The timeliness in reporting assessment results to teachers and administrators.

d. The ability to provide timely assessment results to parents and guardians.

(3) In no case shall an assessment instrument be approved for use by local school administrative units if the cost of the assessment instrument, including related instructional content, materials, and resources for teachers and students, exceeds the funds appropriated for this purpose divided by the projected enrollment of students in kindergarten, first, second, and third grades.

(a1) Each local school administrative unit shall select one valid, reliable, formative, and diagnostic reading assessment from the three assessment instruments approved by the State Board under subsection (a) of this section. Local school administrative units shall use ~~these~~ the assessment instruments provided to them by the State Board for kindergarten, first, second, and third grade students to assess progress, diagnose difficulties, and inform instruction and remediation needs. Local school administrative units shall not use standardized tests for summative assessment of kindergarten, first, and second grade students except as required as a condition of receiving federal grants.

...."

SECTION #.(g) Subsections (a) through (e) of this section apply beginning with the 2015-2016 school year. Subsection (f) of this section applies beginning with the 2016-2017 school year.

DRAFT
SPECIAL PROVISION

2015-DPI-H2-P

Department of Public Instruction
Appropriations Subcommittee on Education

Requested by: **Representative**

TWELVE-MONTH PERSONNEL POSITIONS FOR VOCATIONAL AGRICULTURE TEACHERS

SECTION #. G.S. 115C-302.1(b) reads as rewritten:

"(b) Salary Payments. – State-allotted teachers shall be paid for a term of 10 months. State-allotted months of employment for vocational education to local boards shall be used for the employment of teachers of vocational and technical education for a term of employment to be determined by the local boards of education. However, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 1982-83 school year for any school year thereafter. In addition, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 2003-2004 school year for any school year thereafter. In addition, local boards shall not reduce the term of employment for any vocational agriculture teacher personnel position that was 12 calendar months for the 2014-2015 school year for any school year thereafter.

Each local board of education shall establish a set date on which monthly salary payments to State-allotted teachers shall be made. This set pay date may differ from the end of the month of service. The daily rate of pay for teachers shall equal midway between one twenty-first and one twenty-second of the monthly rate of pay. Except for teachers employed in a year-round school or paid in accordance with a year-round calendar, or both, the initial pay date for teachers shall be no later than August 31 and shall include a full monthly payment. Subsequent pay dates shall be spaced no more than one month apart and shall include a full monthly payment.

Teachers may be prepaid on the monthly pay date for days not yet worked. A teacher who fails to attend scheduled workdays or who has not worked the number of days for which the teacher has been paid and who resigns, is dismissed, or whose contract is not renewed shall repay to the local board any salary payments received for days not yet worked. A teacher who has been prepaid and continues to be employed by a local board but fails to attend scheduled workdays may be subject to dismissal under G.S. 115C-325 or other appropriate discipline.

Any individual teacher who is not employed in a year-round school may be paid in 12 monthly installments if the teacher so requests on or before the first day of the school year. The request shall be filed in the local school administrative unit which employs the teacher. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease the teacher's annual salary nor in any other way alter the contract made between the teacher and the local school administrative unit. Teachers employed for a period of less than 10 months shall not receive their salaries in 12 installments.

Notwithstanding this subsection, the term "daily rate of pay" for the purpose of G.S. 115C-12(8) or for any other law or policy governing pay or benefits based on the teacher salary schedule shall not exceed one twenty-second of a teacher's monthly rate of pay."

EDUCATION-BASED SUPPLEMENTS FOR CERTAIN TEACHERS

SECTION #.(a) Section 8.22 of S.L. 2013-360, as amended by Section 8.3(a) of S.L. 2014-100, is repealed.

SECTION #.(b) Notwithstanding any other provision of law, only the following teachers and instructional support personnel shall be classified as "M" teachers or receive a salary supplement for academic preparation at the six-year degree level or at the doctoral degree level for the 2015-2016 school year and subsequent school years:

(1) Certified school nurses and instructional support personnel in positions for which a master's degree is required for licensure.

(2) Teachers and instructional support personnel who were paid on that salary schedule or received that salary supplement prior to the 2014-2015 school year.

(3) Teachers and instructional support personnel who (i) complete a degree at the master's, six-year, or doctoral degree level for which they completed at least one course prior to August 1, 2013, and (ii) would have qualified for the salary supplement pursuant to State Board of Education policy, TCP-A-006, as it was in effect on June 30, 2013.

(4) Teachers and instructional support personnel who do not qualify under subdivisions (1), (2), and (3) of this subsection but who spend at least seventy percent (70%) of their work time as follows:

a. For teachers, in classroom instruction related to their graduate academic preparation in their field or subject area within their area of licensure. Most of the teachers' remaining time shall be spent in one or more of the following:

1. Mentoring teachers.
2. Performing demonstration lessons for teachers.
3. Writing curricula.
4. Developing and leading staff development programs for teachers.

b. For instructional support personnel, performing work within the employee's area of graduate academic preparation.

SECTION #.(c) Beginning with the 2015-2016 fiscal year and subsequent fiscal years thereafter, for teachers who are classified as "M" teachers under subdivision (4) of subsection (b) of this section, determination of whether teachers and instructional support personnel shall be classified as "M" teachers or receive a salary supplement for academic preparation shall take place on an annual basis. Teachers and instructional support personnel may be removed from the classification as an "M" teacher or discontinue receiving salary supplements if they are not meeting the requirements of subdivision (4) of subsection (b) of this section in that year.

SECTION #.(d) Unless an individual otherwise qualifies under subdivision (2) or (3) of subsection (b) of this section, teachers and instructional support personnel who earn an advanced degree in school administration shall not be classified as "M" teachers or receive a salary supplement for academic preparation unless they serve as an assistant principal or principal.

DRAFT
SPECIAL PROVISION

2015-DPI-H34B

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

NC ELEVATING EDUCATORS ACT/ADVANCED TEACHING ROLES

SECTION #.(a) Purpose. – The State Board of Education shall establish a three-year pilot program to develop advanced teaching roles in selected local school administrative units to provide for, in addition to base salary and other applicable local supplements, advanced teaching supplements for classroom teachers based on a teacher's demonstrated effectiveness and additional responsibilities in advanced roles. The purpose of the program shall be to do at least the following:

(1) Establish advanced teaching roles for eligible classroom teachers. For the purposes of this section, a classroom teacher is a teacher who works in the classroom providing instruction at least seventy percent (70%) of the instructional day and who is not instructional support personnel.

(2) Enable local school administrative units to provide salary supplements and other supports to classroom teachers in advanced teaching roles.

(3) Evaluate local plans to establish and compensate teachers in advanced teaching roles to form the basis for public schools statewide to provide advanced teaching roles.

SECTION #.(b) Request for Proposal Requirements. – No later than September 15, 2015, the State Board of Education shall develop a Request for Proposal (RFP) for local boards of education to participate in the pilot. Local boards of education shall submit proposals for consideration no later than January 1, 2016. The RFP shall require local boards of education to include in their proposals advanced teaching roles that meet, at a minimum, the following criteria:

(1) Advanced teaching roles eligibility and duties. -

a. Create job classifications for which eligible classroom teachers may apply for advanced teaching roles that include minimum qualifications and specific job responsibilities.

1. Minimum qualifications for advanced teaching roles shall include criteria demonstrating that the individual is a qualified classroom teacher as well as an effective collaborator with other staff members. Minimum qualifications shall include at least one of the following:

a. Advanced certifications, such as National Board Certification or a master's degree in the area in which the teacher is licensed and teaching.

b. A rating of at least accomplished on each of the Teacher Evaluation Standards 1-5 on the North Carolina Teacher Evaluation instrument.

c. Exceeding expected student growth based on three years of teacher evaluation data as calculated by the State Board of Education.

2. Job responsibilities for advanced teaching roles may include opportunities for leadership, advising, and mentoring, such as leading a collaborative teaching community, modeling planning and assessment strategies, serving as an advisor and mentor, helping develop other teachers, completing and sharing action research projects focused on solving a school or classroom level concern for learning, co-teaching across multiple classrooms with other teachers, or coaching other teachers in highly effective instruction through modeling, co-teaching, and reflection.

b. Provide information in a form readily accessible to both teachers and the public on the criteria and procedures for selection for advanced teaching roles.

c. Establish equally stringent eligibility requirements to remain in an advanced teaching role as those required to initially attain that role.

d. Establish a procedure for determining whether a teacher in an advanced teaching role is successfully performing the additional duties associated with that position.

e. Ensure that teachers in advanced teaching roles may opt out of the pilot by voluntarily relinquishing the associated additional duties. Voluntary relinquishment of duties associated with advanced teaching roles shall not be considered a demotion under Part 3 or Part 3A of Article 22 of Chapter 115C of the General Statutes.

(2) Advanced teaching role supplements. -

a. Pay advanced teaching role salary supplements of up to thirty percent (30%) of the State teacher salary schedule.

b. Require that advanced teaching role salary supplements be paid as a supplement to the teacher's regular salary and not be included in the average salary calculation used for budgeting State allotments.

c. Require that teacher in an advanced teaching role who (i) fails to maintain the minimum criteria established for the position or (ii) is not successfully performing the additional duties associated with the advanced teaching role shall be paid only the salary applicable to him or her on the State salary schedule and any other local supplements that would otherwise apply to the teacher's compensation.

d. Require that a teacher who opts out of the advanced teaching role pilot shall be paid only the salary applicable to him or her on the State salary schedule and any other local supplements that would otherwise apply to the teacher's compensation.

(3) System goals. - Develop measures for determining how the advanced teaching role plan shall do at least the following:

a. Improve the quality of classroom instruction and increase school-wide growth.

b. Increase the attractiveness of teaching.

c. Encourage the recognition, impact, and retention of high-quality teachers.

d. Assist and retain beginning teachers.

e. Improve and expand use of technology and digital learning.

(4) Implementation Requirements. – By the end of the 2016-2017 school year, demonstration of implementation of the advanced teaching role plan in at least five schools or twenty-five percent (25%) of the schools within the local school administrative unit, whichever is less. Implementation is defined as a minimum of seventy five percent (75%) of students enrolled in schools with the advanced teaching role plan having, as their teacher of record in at least English Language Arts, math, social studies, and science, a classroom teacher who:

a. Has an advanced certification, such as National Board Certification or a master's degree in the area in which the teacher is licensed and teaching.

b. Has a rating of at least accomplished on each of the Teacher Evaluation Standards 1-5 on the North Carolina Teacher Evaluation instrument.

c. Exceeds expected student growth based on three years of teacher evaluation data as calculated by the State Board of Education.

SECTION #.(c) Selection of Pilot Units. – By March 15, 2016, the State Board of Education shall review the proposals submitted by local boards of education in accordance with subsection (b) of this section and shall select up to 10 local school administrative units that meet criteria established by the State Board, including plans for incorporating digital tools in classroom instruction to expand learning opportunities and sharing of lessons as follows:

(1) Up to five local school administrative units with an average daily membership (ADM) equal to or less than 4,000.

(2) Up to three local school administrative units with an ADM of 4,001 to 20,000.

(3) Up to two local school administrative units with an ADM of 20,001 or more.

SECTION #.(d) Pilot Implementation. – The selected local school administrative units shall implement their approved pilots beginning with the 2016-2017 school year and ending with the 2018-2019 school year. The local board of education for each selected pilot local school administrative unit shall provide any requested information and access to the independent research organization selected by the State Board of Education to evaluate the pilots.

SECTION #.(e) Use of grant funds. - Funds awarded to pilot local school administrative units shall be used for any of the following:

(1) Salary supplements for advanced teaching roles.

(2) Development of advanced teaching role plans.

(3) Transition costs associated with designing and implementing advanced teaching role models in schools within the local school administrative unit. Transition costs may include employing staff members or contractors to assist with design and implementation of the pilot plan.

SECTION #.(f) Pilot Evaluation. – The State Board of Education shall contract with an independent research organization to evaluate how the advanced teaching role pilots have accomplished, at a minimum, the following:

(1) Improvement in the quality of classroom instruction and increases in school-wide growth.

(2) An increase in the attractiveness of teaching.

(3) Recognition, impact, and retention of high quality teachers.

(4) Assistance to and retention of beginning teachers.

(5) Improvement in and expansion of use of technology and digital learning.

The independent research organization shall report annually beginning October 15, 2016, until the conclusion of the pilot, to the State Board of Education on all aspects of the implementation and evaluation of the pilot. The independent research organization shall also evaluate, as part of the annual report, the existing Project LIFT, Inc. program in the Charlotte-Mecklenburg local school administrative unit and the proposed Project Advance in the Chapel Hill-Carrboro City Schools, if that project is implemented. The State Board of Education shall provide the annual report to the offices of the President Pro Tempore of the Senate and the Speaker of the House of Representatives, the Senate Appropriations/Base Budget Committee, the House Committee on Appropriations, the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Subcommittee on Education, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee.

SECTION #.(g) Of the funds appropriated to the Department of Public Instruction under this act for the 2015-2017 fiscal biennium to implement the requirements of this section, the Department may use up to two hundred thousand dollars ($200,000) for each fiscal year for the State Board of Education to contract with an independent research organization for the pilot evaluations. For the 2016-2017 fiscal year, the Department shall use the sum of nine million eight hundred thousand dollars ($9,800,000) for the State Board of Education to select up to five local school administrative units to award funds for the advanced teaching role pilot program in accordance with this section. Funds awarded to local school administrative units shall be awarded in proportion to the current expenditure of the pilot local school administrative unit on teacher salaries.

DRAFT
SPECIAL PROVISION

2015-DPI-H40-P

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

REPEAL UNNECESSARY STATE BOARD OF EDUCATION REPORTS

SECTION #.(a) School Connectivity Initiative report. – Section 7.28(d) of S.L. 2007-323 is repealed.

SECTION #.(b) Report on paperwork reduction. – G.S. 115C-12(19) reads as rewritten:

"(19) Duty to Identify Required Reports and to Eliminate Unnecessary Reports and Paperwork. – Prior to the beginning of each school year, the State Board of Education shall identify all reports that are required at the State level for the school year.

The State Board of Education shall adopt policies to ensure that local school administrative units are not required by the State Board of Education, the State Superintendent, or the Department of Public Instruction staff to (i) provide information that is already available on the student information management system or housed within the Department of Public Instruction; (ii) provide the same written information more than once during a school year unless the information has changed during the ensuing period; (iii) complete forms, for children with disabilities, that are not necessary to ensure compliance with the federal Individuals with Disabilities Education Act (IDEA); or (iv) provide information that is unnecessary to comply with State or federal law and not relevant to student outcomes and the efficient operation of the public schools. Notwithstanding the foregoing, the State Board may require information available on its student information management system or require the same information twice if the State Board can demonstrate a compelling need and can demonstrate there is not a more expeditious manner of getting the information.

The State Board shall permit schools and local school administrative units to submit all reports to the Department of Public Instruction electronically.

The State Board of Education, in collaboration with the education roundtables within the Department of Public Instruction, shall consolidate all plans that affect the school community, including school improvement plans. The consolidated plan shall be posted on each school's Web site for easy access by the public and by school personnel.

~~The State Board shall report to the Joint Legislative Education Oversight Committee by November 15 of each year on the reports identified that are required at the State level, the evaluation and determination for continuing individual reports, including the consideration of whether those reports exceed what is required by State and federal law, and any reports that it has consolidated or eliminated for the upcoming school year.~~"

SECTION #.(c) Report on the ABC's. – G.S. 115C-12(25) reads as rewritten:

"(25) Duty to Report to Joint Legislative Education Oversight Committee. – Upon the request of the Joint Legislative Education Oversight Committee, the State Board shall examine and evaluate issues, programs, policies, and fiscal information, and shall make reports to that Committee. Furthermore, beginning ~~October 15, 1997,~~October 15, 2015, and annually thereafter, the State Board shall submit reports to that Committee regarding ~~the continued implementation of Chapter 716 of the 1995 Session Laws, 1996 Regular Session. Each report shall include information regarding the composition and activity of assistance teams, schools that received incentive awards,~~ schools identified as low-performing, school improvement plans found to significantly improve student performance, personnel actions taken in low-performing schools, and recommendations for additional legislation to improve student performance and increase local flexibility."

SECTION #.(d) Notification of federal grant applications. – G.S. 115C-12(42) is repealed.

SECTION #.(e) Report on Founding Principles/Civic Literacy. – G.S. 115C-81(g)(6) is repealed.

SECTION #.(f) Report on State School Technology Plan. – G.S. 115C-102.6B(b) reads as rewritten:

"(b) The Board shall submit the plan to the State Chief Information Officer for approval of the technical components of the plan set out in G.S. 115C-102.6A(1) through (4). At least one-fourth of the members of any technical committee that reviews the plan for the State Chief Information Officer shall be people actively involved in primary or secondary education.

~~The Board shall report annually by February 15 of each year to the Joint Legislative Education Oversight Committee on the status of the State School Technology Plan.~~"

SECTION #.(g) Evaluation of the School-Based Accountability System. – G.S. 115C-105.35(a) reads as rewritten:

"(a) The School-Based Management and Accountability Program shall (i) focus on student performance in the basics of reading, mathematics, and communications skills in elementary and middle schools, (ii) focus on student performance in courses required for graduation and on other measures required by the State Board in the high schools, and (iii) hold schools accountable for the educational growth of their students. To those ends, the State Board shall design and implement an accountability system that sets annual performance standards for each school in the State in order to measure the growth in performance of the students in each individual school. ~~During the 2004-2005 school year and at least every five years thereafter, the State Board shall evaluate the accountability system and, if necessary, modify the testing standards to assure the testing standards continue to reasonably reflect the level of performance necessary to be successful at the next grade level or for more advanced study in the content area.~~

~~As part of this evaluation, the Board shall, where available, review the historical trend data on student academic performance on State tests. To the extent that the historical trend data suggest that the current standards for student performance may not be appropriate, the State Board shall adjust the standards to assure that they continue to reflect the State's high expectations for student performance.~~"

SECTION #.(h) Reports by local school administrative units and charter schools on students with diabetes. – G.S. 115C-375.3 reads as rewritten:

"**§ 115C-375.3. Guidelines to support and assist students with diabetes.**

Local boards of education and boards of directors of charter schools shall ensure that the guidelines adopted by the State Board of Education under G.S. 115C-12(31) are implemented

in schools in which students with diabetes are enrolled. In particular, the boards shall require the implementation of the procedures set forth in those guidelines for the development and implementation of individual diabetes care plans. The boards also shall make available necessary information and staff development to teachers and school personnel in order to appropriately support and assist students with diabetes in accordance with their individual diabetes care plans. ~~Local boards of education and boards of directors of charter schools shall report to the State Board of Education annually, on or before August 15, whether they have students with diabetes enrolled and provide information showing compliance with the guidelines adopted by the State Board of Education under G.S. 115C-12(31). These reports shall be in compliance with the federal Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g.~~"

DRAFT
SPECIAL PROVISION

2015-DPI-H23-P

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

SCHOOL SAFETY/STATEWIDE SCHOOL RISK AND RESPONSE MANAGEMENT SYSTEM

SECTION #.(a) G.S. 115C-47(40) reads as rewritten:

"(40) To ~~adopt emergency response plans. – Local boards~~Adopt School Risk Management Plans. – Each local board of education shall, in coordination with local law enforcement and emergency management agencies, adopt ~~emergency response plans~~a School Risk Management Plan (SRMP) relating to incidents of school ~~violence.~~violence for each school in its jurisdiction. In constructing and maintaining these plans, local boards of education and local school administrative units shall utilize the School Risk and Response Management System (SRRMS) established pursuant to G.S. 115C-105.49A. These plans are not a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION #.(b) G.S. 115C-105.49 reads as rewritten:

"**§ 115C-105.49. School safety exercises.**

(a) At least ~~every two years,~~ once annually, each local school administrative unit ~~is encouraged to~~ shall require each school under its control to hold a full ~~systemwide school safety and school lockdown exercise with the~~ school-wide tabletop exercise and drill based on the procedures documented in its School Risk Management Plan (SRMP). The drill shall include a practice school lockdown due to an intruder on school grounds. Each school is encouraged to hold a tabletop exercise and drill for multiple hazards included in its SRMP. Schools are strongly encouraged to include local law enforcement agencies ~~that are part of the local board of education's emergency response plan.~~ and emergency management agencies in its tabletop exercises and drills. The purpose of the ~~exercise~~ tabletop exercises and drills shall be to permit participants to (i) discuss simulated emergency situations in a low-stress environment, (ii) clarify their roles and responsibilities and the overall logistics of dealing with an emergency, and (iii) identify areas in which the ~~emergency response plan~~ SRMP needs to be modified.

(b) ~~As part of a local board of education's emergency response plan, at least once a year, each school is encouraged to hold a full schoolwide school safety and lockdown exercise with local law enforcement agencies.~~For the purposes of this section, a tabletop exercise is an exercise involving key personnel conducting simulated scenarios related to emergency planning.

(c) For the purposes of this section, a drill is a school-wide practice exercise in which simulated scenarios related to emergency planning are conducted.

(d) The Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools shall provide guidance and recommendations to local school

administrative units on the types of multiple hazards to plan and respond to, including intruders on school grounds."

SECTION #.(c) Article 8C of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-105.49A. School Risk and Response Management System.**

(a) The Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools shall construct and maintain a statewide School Risk and Response Management System (SRRMS). The system shall fully integrate and leverage existing data and applications that support school risk planning, exercises, monitoring, and emergency response via 911 dispatch.

(b) In constructing the SRRMS, the Division of Emergency Management and the Center for Safer Schools shall leverage the existing enterprise risk management database, the School Risk Management Planning tool managed by the Division. The Division shall also leverage the local school administrative unit schematic diagrams of school facilities. Where technically feasible, the system shall integrate any anonymous tip lines established pursuant to G.S. 115C-105.51 and any 911-initiated panic alarm systems authorized as part of an SRMP pursuant to G.S. 115C-47(40). The Division and Center for Safer Schools shall collaborate with the Department of Public Instruction and the North Carolina 911 Board in the design, implementation, and maintenance of the SRRMS.

(c) All data and information acquired and stored in the SRRMS as provided in subsections (a) and (b) of this section are not considered public records as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION #.(d) G.S. 115C-105.51 reads as rewritten:

"**§ 115C-105.51. Anonymous tip ~~lines.~~lines and monitoring and response applications.**

(a) Each local school administrative unit is encouraged to develop and operate an anonymous tip line, in coordination with local law enforcement and social services agencies, to receive anonymous information on internal or external risks to the school population, school ~~buildings~~ buildings, and school-related activities. The Department of Public Safety, in consultation with the Department of Public Instruction, may develop standards and guidelines for the development, operation, and staffing of tip lines.

(b) ~~The Department of Public Instruction, in consultation with the Department of Public Safety, may develop standards and guidelines for the development, operation, and staffing of tip lines.~~The Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools, in collaboration with the Department of Public Instruction, shall implement and maintain an anonymous safety tip line application for purposes of receiving anonymous student information on internal or external risks to the school population, school buildings, and school-related activities.

(c) ~~The Department of Public Instruction may provide information to local school administrative units on federal, State, local, and private grants available for this purpose.~~The Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools, in collaboration with the Department of Public Instruction and the North Carolina 911 Board, shall implement and maintain a statewide panic alarm system for the purposes of launching real-time 911 messaging to public safety answering points of internal and external risks to the school population, school buildings, and school-related activities. The Department of Public Safety, in consultation with the Department of Public Instruction and the North Carolina 911 Board, may develop standards and guidelines for the operations and use of the panic alarm tool.

(d) The Department of Public Safety shall ensure that the anonymous safety tip line application is integrated with and supports the statewide School Risk and Response

Management System (SRRMS) as provided in G.S. 115C-105.49A. Where technically feasible and cost-efficient, the Department of Public Safety is encouraged to implement a single solution supporting both the anonymous safety tip line application and panic alarm system.

(e) All data and information acquired and stored by the anonymous safety tip line application are not considered public records as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

(f) Notwithstanding subsection (e) of this section, the Division may collect the annual aggregate number and type of tips sent to the anonymous tip line. The collection of this aggregate data shall not have any identifying information on the reporter of the tip, including, but not limited to, the school where the incident was reported and the date the tip was reported."

SECTION #.(e) G.S. 115C-105.52 reads as rewritten:

"**§ 115C-105.52. School crisis kits.**

The Department of Public Instruction, in consultation with the Department of Public Safety through the North Carolina Center for Safer Schools, may develop and adopt policies on the placement of school crisis kits in schools and on the contents of those kits. The kits should include, at a minimum, basic first-aid supplies, communications devices, and other items recommended by the International Association of Chiefs of Police.

The principal of each school, in coordination with the law enforcement agencies that are part of the local board of education's ~~emergency response plan,~~ School Risk Management Plan, may place one or more crisis kits at appropriate locations in the school."

SECTION #.(f) G.S. 115C-105.53 reads as rewritten:

"**§ 115C-105.53. Schematic diagrams and emergency access to school buildings for local law enforcement agencies.**

(a) Each local school administrative unit shall provide the following to local law enforcement agencies: (i) schematic diagrams, including digital schematic diagrams, and (ii) either keys to the main entrance of all school buildings or emergency access to key storage devices such as KNOX® boxes for all school buildings. Local school administrative units shall provide updates of the schematic diagrams to local law enforcement agencies when substantial modifications such as new facilities or modifications to doors and windows are made to school buildings. Local school administrative units shall also be responsible for providing local law enforcement agencies with updated access to school ~~building key storage devices such as KNOX® boxes when changes are made to these boxes or devices.~~buildings when changes are made to the locks of the main entrances or to key storage devices such as KNOX® boxes.

(b) The Department of Public Instruction, in consultation with the Department of Public Safety, shall develop standards and guidelines for the preparation and content of schematic diagrams and necessary updates. Local school administrative units may use these standards and guidelines to assist in the preparation of their schematic diagrams.

(c) Schematic diagrams are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION #.(g) G.S. 115C-105.54 reads as rewritten:

"**§ 115C-105.54. Schematic diagrams and emergency response information provided to Division of Emergency Management.**

(a) Each local school administrative unit shall provide the following to the Division of Emergency Management (Division) at the Department of Public Safety: (i) schematic diagrams, including digital schematic diagrams, and (ii) emergency response information requested by the Division for the School Risk Management Plan ~~(SRMP) and the School Emergency Response Plan (SERP).~~(SRMP). Local school administrative units shall also provide updated schematic diagrams and emergency response information to the Division when such updates are made.

The Division shall ensure that the diagrams and emergency response information are securely stored and distributed as provided in the SRMP ~~and SERP~~to first responders, emergency personnel, and school personnel and approved by the Department of Public Instruction.

(b) The schematic diagrams and emergency response information are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION #.**(h)** G.S. 115C-218.75 reads as rewritten:

"§ 115C-218.75. General operating 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 seven through 12 with information annually on the preventable risks for preterm birth in subsequent pregnancies, including induced abortion, smoking, alcohol consumption, the use of illicit drugs, and inadequate prenatal care.

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.

The Department of Public Instruction shall ensure that charter schools comply with G.S. 115C-375.2A. The board of directors of a charter school shall provide the school with a supply of emergency epinephrine auto-injectors necessary to carry out the provisions of G.S. 115C-375.2A.

(b) ~~Emergency Response Plan. –~~ A<u>School Risk Management Plan. – Each</u> charter school, in coordination with local law enforcement ~~agencies,~~and emergency management agencies, is encouraged to adopt ~~an emergency response plan~~ a School Risk Management Plan (SRMP) relating to incidents of school violence. <u>In constructing and maintaining these plans, charter schools may utilize the School Risk and Response Management System (SRRMS) established pursuant to G.S. 115C-105.49A.</u> These plans are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

Charter schools are encouraged to provide schematic diagrams and keys to the main entrance of school facilities to local law enforcement agencies, in addition to implementing the provisions in ~~G.S. 115C-105.49(b) and~~ G.S. 115C-105.52.

(c) Policy Against Bullying. – A charter school is encouraged to adopt a policy against bullying or harassing behavior, including cyber bullying, that is consistent with the provisions of Article 29C of this Chapter. If a charter school adopts a policy to prohibit bullying and harassing behavior, the charter school shall, at the beginning of each school year, provide the policy to staff, students, and parents as defined in G.S. 115C-390.1(b)(8).

(d) School Safety Exercises. – At least once a year, a charter school is encouraged to hold a full school-wide lockdown exercise with local law enforcement and emergency management agencies that are part of the charter school's SRMP.

(e) School Safety Information Provided to Division of Emergency Management. – A charter school is encouraged to provide the following: (i) schematic diagrams, including digital schematic diagrams, and (ii) emergency response information requested by the Division for the SRMP. The schematic diagrams and emergency response information are not considered public records as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION #.(i) G.S. 115C-238.66 reads as rewritten:

"**§ 115C-238.66. Board of directors; powers and duties.**

The board of directors shall have the following powers and duties:

(1) Academic program. –

a. The board of directors shall establish the standard course of study for the regional school. This course of study shall set forth the subjects to be taught in each grade and the texts and other educational materials on each subject to be used in each grade. The board of directors shall design its programs to meet at least the student performance standards adopted by the State Board of Education and the student performance standards contained in this Chapter.

b. The board of directors shall conduct student assessments required by the State Board of Education.

c. The board of directors shall provide the opportunity to earn or obtain credit toward degrees from a community college subject to Chapter 115D of the General Statutes or a constituent institution of The University of North Carolina.

d. The board of directors shall adopt a school calendar consisting of a minimum of 185 days or 1,025 hours of instruction covering at least nine calendar months.

(2) Standards of performance and conduct. – The board of directors shall establish policies and standards for academic performance, attendance, and conduct for students of the regional school. The policies of the board of directors shall comply with Article 27 of this Chapter.

(3) School attendance. – Every parent, guardian, or other person in this State having charge or control of a child who is enrolled in the regional school and who is less than 16 years of age shall cause such child to attend school continuously for a period equal to the time that the regional school shall be in session. No person shall encourage, entice, or counsel any child to be unlawfully absent from the regional school. Any person who aids or abets a student's unlawful absence from the regional school shall, upon conviction, be guilty of a Class 1 misdemeanor. The principal shall be responsible for implementing such additional policies concerning compulsory attendance as shall be adopted by the board of directors, including regulations concerning lawful and unlawful absences, permissible excuses for temporary absences, maintenance of attendance records, and attendance counseling.

(4) Reporting. – The board of directors shall comply with the reporting requirements established by the State Board of Education in the Uniform Education Reporting System.

(5) Assessment results. – The board of directors shall provide data to the participating unit in which a student is domiciled on the performance of that student on any testing required by the State Board of Education.

(6) Education of children with disabilities. – The board of directors shall require compliance with laws and policies relating to the education of children with disabilities.

(7) Health and safety. – The board of directors shall require that the regional school meet the same health and safety standards required of a local school administrative unit.

The Department of Public Instruction shall ensure that regional schools comply with G.S. 115C-375.2A. The board of directors of a regional school shall provide the school with a supply of emergency epinephrine auto-injectors necessary to carry out the provisions of G.S. 115C-375.2A.

(7a) ~~Emergency Response Plan. – A~~School Risk Management Plan. – Each regional school, in coordination with local law enforcement agencies, is encouraged to adopt ~~an emergency response plan~~ a School Risk Management Plan (SRMP) relating to incidents of school violence. In constructing and maintaining these plans, a regional school may utilize the School Risk and Response Management System (SRRMS) established pursuant to G.S. 115C-105.49A. These plans are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

(7b) Schematic diagrams and school crisis kits. – Regional schools are encouraged to provide schematic diagrams and keys to the main entrance of school facilities to local law enforcement agencies, in addition to implementing the provisions in ~~G.S. 115C-105.49(b) and~~ G.S. 115C-105.52.

(7c) School safety exercises. – At least once a year, a regional school is encouraged to hold a full school-wide lockdown exercise with local law enforcement and emergency management agencies that are part of the regional school's SRMP.

(7d) Safety information provided to Division of Emergency Management. – A regional school is encouraged to provide the following: (i) schematic diagrams, including digital schematic diagrams, and (ii) emergency response information requested by the Division for the SRMP. The schematic diagrams and emergency response information are not considered public records as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

(8) Driving eligibility certificates. – The board of directors shall apply the rules and policies established by the State Board of Education for issuance of driving eligibility certificates.

(9) Purchasing and contracts. – The board of directors shall comply with the purchasing and contract statutes and regulations applicable to local school administrative units.

(10) Exemption from the Administrative Procedures Act. – The board of directors shall be exempt from Chapter 150B of the General Statutes, except final decisions of the board of directors in a contested case shall be subject to

judicial review in accordance with Article 4 of Chapter 150B of the General Statutes.

(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 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.

(12) Policy against bullying. – A regional school is encouraged to adopt a policy against bullying or harassing behavior, including cyber-bullying, that is consistent with the provisions of Article 29C of this Chapter. If a regional school adopts a policy to prohibit bullying and harassing behavior, the regional school shall, at the beginning of each school year, provide the policy to staff, students, and parents as defined in G.S. 115C-390.1(b)(8)."

SECTION #.(j) G.S. 166A-19.12 is amended by adding a new subdivision to read:

"(22) Serving as the lead State agency for the implementation and maintenance of the statewide School Risk and Response Management System (SRRMS) under G.S. 115C-105.49A."

SECTION #.(k) By March 1, 2017, each local board of education shall adopt a School Risk Management Plan as required under G.S. 115C-47(40), as amended by subsection (a) of this section.

SECTION #.(l) Each charter school is encouraged to adopt a School Risk Management Plan as provided for under G.S. 115C-218.75, as amended by subsection (h) of this section, by March 1, 2017.

SECTION #.(m) Each regional school is encouraged to adopt a School Risk Management Plan as provided for under G.S. 115C-238.66, as amended by subsection (i) of this section, by March 1, 2017.

SECTION #.(n) By July 1, 2016, the Department of Public Safety shall implement an anonymous safety tip line application and a statewide panic alarm system as required under G.S. 115C-105.51, as amended by subsection (d) of this section.

SECTION #.(o) By December 1, 2015, the Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools shall provide a report to the Joint Legislative Commission on Governmental Operations on (i) the status of the School Risk and Response Management System (SRRMS) implementation under G.S. 115C-105.49A, as enacted by this section, and (ii) the anticipated annual cost to operate and maintain the system.

SECTION #.(p) Except as otherwise provided for in this section, this section applies beginning with the 2015-2016 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-DPI-H44-P

Department of Public Instruction
House Appropriations, Education

Requested by: Representative

INVESTING IN INNOVATION GRANT

SECTION #.(a) Section 8.25 of S.L. 2013-360, as amended by Section 8.27 of S.L. 2014-100, is repealed.

SECTION #.(b) The federal Investing in Innovation Fund Grant: Validating Early College Strategies for Traditional Comprehensive High Schools awarded to the North Carolina New Schools Project for 2012-2020 requires students to enroll in a community college course in the 10th grade. Notwithstanding any other provision of law, specified local school administrative units may offer one community college course to participating sophomore (10th grade) students. Participating local school administrative units are Alleghany, Beaufort, Bladen, Duplin, Hertford, Harnett, Jones, Madison, Martin, Richmond, Rutherford, Scotland, Surry, Warren, and Yancey County Schools.

SECTION #.(c) Grant funds shall be used to pay for all costs incurred by the local school administrative units and the community college partners to implement the grant, including community college FTE. Community colleges shall not earn budget FTE for student course enrollments supported with this grant.

SECTION #.(d) Research for the project shall address the effects of early college strategies in preparing students for college completion. The North Carolina New Schools Project shall report on the implementation of the grant to the State Board of Education, State Board of Community Colleges, Office of the Governor, and the Joint Legislative Education Oversight Committee no later than March 15, 2016, and annually thereafter until the end of the grant period.

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

STUDY ON CHARTER SCHOOL CLOSURE FUNDS

SECTION #.(a) The State Board of Education shall study and develop a proposed policy regarding circumstances in which a charter school, approved by the State Board pursuant to G.S. 115C-218.5, shall not be subject to the minimum value requirement of fifty thousand dollars ($50,000) as required by G.S. 115C-218.100 for the purposes of ensuring payment of expenses related to closure proceedings. The State Board shall consider providing certain charter schools with a total or partial waiver of the requirement. In doing so, the State Board shall examine criteria for potentially eligible charter schools, such as the years of operation of the charter school, proven compliance with finance, governance, academic requirements of its charter, State law, and State Board policy requirements, as well as appropriate documentation to show the charter school's financial health and sustainability.

SECTION #.(b) By February 15, 2016, the State Board of Education shall report to the Joint Legislative Education Oversight Committee on the results of the study and a proposed policy as required by subsection (a) of this section, including any legislative recommendations.

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

AFTER-SCHOOL QUALITY IMPROVEMENT COMPETITIVE GRANTS

SECTION #.(a) Of the funds appropriated by this act for the At-Risk Student Services Alternative School Allotment for the 2015-2017 fiscal biennium, the State Board of Education shall use six million dollars ($6,000,000) for the 2015-2016 fiscal year and six million dollars ($6,000,000) for the 2016-2017 fiscal year for the After-School Quality Improvement Grant Program administered by the Department of Public Instruction. The Department may use these funds to provide a second-year grant to grant recipients approved under the After-School Quality Improvement Grant Program pursuant to Section 8.19 of S.L. 2014-100. Of the funds appropriated for the program, the Department of Public Instruction may use up to two hundred thousand dollars ($200,000) for each fiscal year to administer the program.

SECTION #.(b) The purpose of the After-School Quality Improvement Grant Program is to pilot after-school learning programs for at-risk students that raise standards for student academic outcomes by focusing on the following:

(1) Use of an evidence-based model with a proven track record of success.

(2) Inclusion of rigorous, quantitative performance measures to confirm their effectiveness during the grant cycle and at the end-of-grant cycle.

(3) Alignment with State performance measures, student academic goals, and the North Carolina Standard Course of Study.

(4) Prioritization in programs to integrate clear academic content, in particular, science, technology, engineering, and mathematics (STEM) learning opportunities or reading development and proficiency instruction.

(5) Emphasis on minimizing student class size when providing instruction.

(6) Expansion of student access to learning activities and academic support that strengthen student engagement and leverage community-based resources, which may include organizations that provide mentoring services and private-sector employer involvement.

SECTION #.(c) Grants may be provided for new or existing after-school learning programs for at-risk students operated by local school administrative units, charter schools, nonprofits, and nonprofits working in collaboration with local school administrative units. Participants are eligible to receive grants for up to two years in an amount of up to five hundred thousand dollars ($500,000) each year. Programs should focus on serving at-risk students not performing at grade level as demonstrated by statewide assessments.

A grant participant shall provide certification to the Department of Public Instruction that the grants received under the program shall be matched on the basis of three dollars ($3.00) in grant funds for every one dollar ($1.00) in nongrant funds. Matching funds shall not include other State funds. Matching funds may include in-kind contributions.

SECTION #.(d) A nonprofit may act as its own fiscal agent for the purposes of this program. Grant recipients shall report to the Department of Public Instruction after the first

year of funding on the progress of the grant, including alignment with State academic standards, data collection for reporting student progress, the source and amount of matching funds, and other measures, before receiving funding for the next fiscal year. Grant recipients shall report after the second year of funding on key performance data, including statewide test results, attendance rates, and promotion rates, and financial sustainability of the after-school program.

SECTION #.(e) The Department of Public Instruction shall provide interim reports on the grant program to the Joint Legislative Education Oversight Committee by September 15, 2016, with a final report on the program by September 15, 2017. The final report shall include the final results of the program and recommendations regarding effective after-school program models, standards, and performance measures based on student performance, leveraging of community-based resources to expand student access to learning activities and academic support, and the experience of the grant recipients.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-DPI-H47

Department of Public Instruction
House Appropriations, Education

Requested by: **Representative**

DPI STUDY/IMPROVE OUTCOMES FOR STUDENTS WITH DISABILITIES

SECTION #.(a) The Department of Public Instruction shall study and develop potential policy changes for improving the outcomes for elementary and secondary students with disabilities, including raising the graduation rates, providing more outcome-based goals, creating greater access to career-ready diplomas, increasing integration of accessible digital learning options, and providing earlier and improved transition services planning. The Department shall do at least the following toward achieving the goals set forth in this section:

(1) Examine current Individualized Education Program (IEP) requirements and develop reforms with greater focus on outcome-based goals for students with disabilities.

(2) Solicit input and bring together stakeholders and other interested parties to develop policies on transition services plans for students with disabilities from elementary to middle school, middle to high school, and high school to postsecondary education and for employment opportunities and adult living options.

(3) Solicit input and bring together stakeholders to create accessible ways for students with IEPs to access the Future Ready Core Course of Study in more significant numbers as a viable option to the Occupational Course of Study.

(4) Examine model programs that may be employed by local school administrative units aimed at increasing the graduation rate and school performance of students with disabilities.

SECTION #.(b) The funds appropriated to the Department of Public Instruction for the 2015-2017 fiscal biennium to implement the requirements of this section shall be used to (i) implement methods for improving outcomes for children with disabilities developed in accordance with subsection (a) of this section and (ii) provide technical assistance to local school administrative units to establish model programs aimed at increasing the graduation rate and school performance of students with disabilities.

SECTION #(c) By November 15, 2015, and annually thereafter, the Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee on the progress of developing and implementing policy changes on (i) IEP reforms, (ii) transition planning policies, (iii) increased access to Future Ready Core Course of Study for students with disabilities, and (iv) model programs for use by local school administrative units to improve graduation rates and school performance of students with disabilities.

DRAFT
SPECIAL PROVISION

2015-NCCCS-H1-P

North Carolina Community College System
House Appropriations, Education

Requested by: **Representative**

REORGANIZATION OF THE COMMUNITY COLLEGES SYSTEM OFFICE

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

SECTION #.(b) This section expires June 30, 2017.

North Carolina Community College System
House Appropriations, Education

Requested by: **Representative**

BASIC SKILLS PLUS

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

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

...

(15) Courses providing employability skills, job-specific occupational or technical skills, or developmental education instruction to certain students who are concurrently enrolled in an eligible community college literacy course, in accordance with rules adopted by the State Board of Community Colleges.

...

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

SECTION #.(b) G.S. 115D-31(b1) reads as rewritten:

"(b1) A local community college may use all State funds allocated to it, except for Literacy funds and Customized Training funds, for any authorized purpose that is consistent with the college's Institutional Effectiveness Plan. The State Board of Community Colleges may authorize a local community college to use up to twenty percent (20%) of the State Literacy funds allocated to it to provide employability skills, job-specific occupational and technical skills, and developmental education instruction to students concurrently enrolled in an eligible community college literacy course.

Each local community college shall include in its Institutional Effectiveness Plan a section on how funding flexibility allows the college to meet the demands of the local community and to maintain a presence in all previously funded categorical programs."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-NCCCS-H4-P

North Carolina Community College System
House Appropriations, Education

Requested by: Representative

EQUIPMENT FUNDING

SECTION #. For the 2015-2017 fiscal biennium, community colleges may expend regular equipment allocations on equipment and on repairs, renovations, and new construction necessary to accommodate equipment. Colleges must match funds expended on new construction on an equal matching-fund basis in accordance with G.S. 115D-31. Notwithstanding any other provision of law, community colleges are not required to match funds expended on repairs and renovations of existing facilities.

Colleges must have capital improvement projects approved by the State Board of Community Colleges and any required matching funds identified by June 30, 2017.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-NCCCS-H5-P

North Carolina Community College System
House Appropriations, Education

Requested by: **Representative**

EXPAND AGRICULTURAL AND TRANSPORTATION CLASSES TO FRESHMEN AND SOPHOMORES

SECTION #. G.S. 115D-20(4)a. reads as rewritten:

"**§ 115D-20. Powers and duties of trustees.**

The trustees of each institution shall constitute the local administrative board of such institution, with such powers and duties as are provided in this Chapter and as are delegated to it by the State Board of Community Colleges. The powers and duties of trustees shall include the following:

...

(4) To apply the standards and requirements for admission and graduation of students and other standards established by the State Board of Community Colleges. Notwithstanding any law or administrative rule to the contrary, local community colleges are permitted to offer the following programs:

a. Subject to the approval of the State Board of Community Colleges, local community colleges may collaborate with local school administrative units to offer courses through the following programs:

1. Cooperative innovative high school programs as provided by Part 9 of Article 16 of Chapter 115C of the General Statutes.

2. Academic transition pathways for qualified junior and senior high school students that lead to a career technical education certificate or diploma and academic transition pathways for qualified freshmen and sophomore high school students that lead to a career technical education certificate or diploma in (i) industrial and engineering ~~technologies.~~technologies, (ii) agriculture and natural resources, or (iii) transportation technology.

3. College transfer certificates requiring the successful completion of thirty semester credit hours of transfer courses, including English and mathematics, for qualified junior and senior high school students."

DRAFT
SPECIAL PROVISION

2015-NCCCS-H6A-P

North Carolina Community College System
House Appropriations, Education

Requested by: **Representative**

COLLEGES EARN BUDGET FTE FOR CURRICULUM COURSES TAUGHT DURING THE SUMMER TERM

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

"(v) Community colleges may teach ~~technical education, health care, developmental education, and STEM-related~~ curriculum courses at any time during the year, including the summer term. Student membership hours from these courses shall be counted when computing full-time equivalent students (FTE) for use in budget funding formulas at the State level."

SECTION #.(b) The State Board of Community Colleges shall report to the Joint Legislative Education Oversight Committee by October 1, 2015, on FTE for the summer 2015 term.

SECTION #.(c) This section is effective when it becomes law and applies beginning with the summer 2015 term.

North Carolina Community College System
House Appropriations, Education

Requested by: **Representative**

COMMUNITY COLLEGES PROGRAM COMPLIANCE REVIEW FUNCTION

SECTION #.(a) Section 10.15(a) of S.L. 2013-360 is repealed.

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

"(m) The State Board of Community Colleges shall maintain an ~~education program auditing~~ accountability function that conducts ~~an annual audit~~ periodic reviews of each community college operating under the provisions of this Chapter. The purpose of the ~~annual audit~~ compliance review shall be to ensure that ~~college programs and related fiscal operations comply with State law, State regulations, State Board policies, and System Office guidance.~~(i) data used to allocate State funds among community colleges is reported accurately to the System Office and (ii) community colleges are charging and waiving tuition and registration fees consistent with law. The State Board of Community Colleges shall require ~~auditors of community college programs to~~ the use of a statistically valid sample size in performing ~~program audits~~ compliance reviews of community colleges. All ~~education program audit~~ compliance review findings that are determined to be material shall be forwarded to the college president, local college board of trustees, the State Board of Community Colleges, and the State Auditor. The State Board of Community Colleges shall adopt rules governing the frequency, scope, and standard of materiality for compliance reviews."

SECTION #.(c) Subsection (b) of this section applies to compliance reviews beginning with the 2015-2016 academic year.

DRAFT
SPECIAL PROVISION

2015-NCCCS-H9

North Carolina Community College System
House Appropriations, Education

Requested by: **Representative**

LIMIT ACTIVE DUTY SOLDIERS CC TUITION

SECTION #. 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 the amount of the tuition waived shall not exceed ten percent (10%) of the out-of-State tuition amount and 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."

DRAFT
SPECIAL PROVISION

2015-NCCCS-H10-P

North Carolina Community College System
House Appropriations, Education

Requested by: **Representative**

COMMUNITY COLLEGE REMEDIATION PILOT PROJECT

SECTION #.(a) A four-year remediation Pilot Project shall be established at South Piedmont Community College. The purpose of the Pilot Project is to implement a program that will (i) increase high school graduation rates and community college completion rates in Union and Anson Counties and (ii) serve as a model for the rest of the State.

SECTION #.(b) The Pilot Project shall consist of two components:

(1) Identification and remediation of high school students who do not meet community college entrance requirements. This component shall be implemented as follows:

a. South Piedmont Community College shall administer a college competency examination to a representative population of high school sophomores, juniors, and seniors in the Union County Public Schools, the Anson County Schools, or both.

b. Students who are determined by the examination to be deficient in mathematics, English, or reading skills shall have the opportunity to be enrolled during their junior or senior years in community college remediation courses in lieu of other high school graduation completion electives.

Participating students shall be included in the average daily membership of the local school administrative unit and the budget FTE of South Piedmont Community College. Participating students enrolled in remediation courses at South Piedmont Community College associated with this pilot shall not be charged tuition.

c. Students successfully completing community college remediation courses may continue their education under the Career and College Promise program.

d. South Piedmont Community College shall report to the Joint Legislative Education Oversight Committee (i) on the implementation of this component of the Pilot Project by February 15, 2016, and (ii) on its impact on the college readiness of participating students annually by September 15, 2016, through September 15, 2020.

e. No State funds shall be used to develop and administer the college competency examination or to determine the impact of the Pilot Project on college readiness.

f. During the Pilot Project, students electing to participate in this program shall not be calculated in the local school administrative unit's graduation or dropout rates or in the South Piedmont Community College performance funding metrics. These students

shall be regarded as transfer students from the local school administrative unit to South Piedmont Community College.

(2) Authorization for high school students who are at high risk of dropping out of school to complete high school at South Piedmont Community College. This component shall be implemented as follows:

a. South Piedmont Community College and the each participating local school administrative unit shall sign a memorandum of understanding for a recovery program for students at high risk of dropping out of school to complete high school in an alternative setting. Under this memorandum of understanding, students with no serious disciplinary experience who are at high risk of dropping out of school may, with the consent of the local school administrative unit and South Piedmont Community College, earn a high school diploma at South Piedmont Community College.

b. The participating students and their parents shall sign a contract with the high school and college agreeing to the terms and conditions of the program.

c. South Piedmont Community College shall generate budget FTE for these students.

North Carolina Community College System
House Appropriations, Education

Requested by: Representative

COMMUNITY COLLEGE INNOVATIVE PILOT PROGRAM

SECTION #.(a) The State Board of Community Colleges shall establish the Community College Innovative Pilot Program for participating community colleges to establish new, innovative workforce development programs in development tier one and tier two counties as defined in G.S. 143B-437.08. The purpose of the pilot program is to expand the options available to community colleges in establishing new programs targeting the workforce development needs of economically distressed areas of the State by providing (i) initial funding for planning and start-up operational costs for new programs and (ii) the opportunity for community colleges to build student enrollment to create tuition-supported programs and increased job attainment for students. Implementation of the pilot program shall begin with the 2016-2017 academic year, continue for a period of three academic years, ending with the 2018-2019 academic year.

SECTION #.(b) The State Board of Community Colleges, in collaboration with the Department of Commerce, shall develop criteria for approval of an application submitted by a community college serving a development tier one or tier two county to participate in the pilot program in accordance with the provisions of this section. Depending on the pool of applicants, the State Board shall select community college programs for participation in the pilot program that represent the geographic diversity of North Carolina's resident population. A community college seeking to participate in the pilot program shall submit to the State Board a completed Curriculum Program Application for a New-to-the-System Program Title.

SECTION #.(c) The State Board of Community Colleges shall report to the Joint Legislative Education Oversight Committee by September 1, 2019, on the implementation and administration of the pilot program, including at least the following information:

(1) The use of funds by community colleges participating in the pilot program, including:
   a. Start-up costs to establish new programs.
   b. Costs associated with student instruction, including faculty salaries, instructional supplies, and related instructional equipment.
   c. Financial assistance for students, including assistance with tuition, registration fees, books, and certification costs.

(2) Evaluation of the success of the community college programs, including:
   a. Student enrollment numbers.
   b. Student outcomes, including job attainment and placement data and completion of any certification, diploma, or associate degree programs.
   c. Number and type of programs that were fully supported by student tuition by the completion of the pilot program.

(3) Any recommendations on the expansion of the pilot program statewide and potential modifications to the State funding method for community colleges related to providing funds for new programs.

SECTION #.(d) Of the funds appropriated under this act to the Community Colleges System Office for the 2015-2017 fiscal biennium to implement the requirements of this section, the System Office shall use the sum of two million dollars ($2,000,000) for the 2015-2016 fiscal year and the sum of two million dollars ($2,000,000) for the 2016-2017 fiscal year to award funds to community colleges participating in the pilot program. The System Office may use up to one hundred thousand dollars ($100,000) of those funds each fiscal year for administration and evaluation of the pilot program.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-NCCCS-H12

North Carolina Community College System
House Appropriations, Education

Requested by: Representative

STUDY COMMUNITY COLLEGE FACULTY SALARIES

SECTION #. The Joint Legislative Education Oversight Committee shall study the adequacy of community college faculty salaries for recruiting and retaining qualified faculty members. In the course of the study, the Committee shall consider (i) instructional areas and geographical areas for which it is difficult to recruit and retain qualified faculty members, (ii) labor market conditions, including opportunities in the private sector and in four-year institutions of higher education for the individuals with identical qualifications, (iii) the need to increase salaries to appropriately staff certain instructional areas, especially in Tier 1A and 1B courses, and (iv) other relevant factors. The Committee shall report its findings to the 2015 General Assembly upon the convening of the 2016 Regular Session.

DRAFT
SPECIAL PROVISION

2015-UNC-H12

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: **Representative**

USE OF ESCHEAT FUNDS FOR NEED-BASED FINANCIAL AID PROGRAMS

SECTION #.(a) The funds appropriated by this act from the Escheat Fund for the 2015-2017 fiscal biennium shall be allocated by the State Education Assistance Authority (SEAA) for need-based student financial aid in accordance with G.S. 116B-7. If the interest income generated from the Escheat Fund is less than the amounts referenced in this section, the difference may be taken from the Escheat Fund principal to reach the appropriations referenced in this section; however, under no circumstances shall the Escheat Fund principal be reduced below the sum required in G.S. 116B-6(f). If any funds appropriated from the Escheat Fund by this act remain uncommitted for need-based financial aid as of the end of a fiscal year, the funds shall be returned to the Escheat Fund, but only to the extent the funds exceed the amount of the Escheat Fund income for that fiscal year.

SECTION #.(b) The State Education Assistance Authority shall perform all of the administrative functions necessary to implement this program of financial aid. The SEAA shall conduct periodic evaluations of expenditures of the scholarship programs to determine if allocations are utilized to ensure access to institutions of higher learning and to meet the goals of the respective programs. SEAA may make recommendations for redistribution of funds to The University of North Carolina, Department of Administration, and the President of the Community College System regarding their respective scholarship programs, who then may authorize redistribution of unutilized funds for a particular fiscal year.

DRAFT
SPECIAL PROVISION

2015-UNC-H8-P

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: Representative

AMEND REGULATION OF UNC INSTITUTIONAL TRUST FUNDS AND FUNDS OF UNC HEALTH CARE SYSTEM

SECTION #. G.S. 116-36.1(h) reads as rewritten:

"(h) The Board may authorize, through the President, that the chancellors may deposit or invest each institution's available trust fund cash balances in interest-bearing accounts and other investments as may be authorized by the Board in the exercise of its sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries. The amount of funds on deposit in an official depository shall be fully secured by deposit insurance, surety bonds, or investment securities of such nature, in such amounts, and in such manner as is prescribed by the Board of Governors for the security of public deposits generally."

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: **Representative**

IN-STATE TUITION FOR CERTAIN VETERANS AND OTHER INDIVIDUALS ENTITLED TO FEDERAL EDUCATIONAL BENEFITS

SECTION #.(a) Article 14 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"**§ 116-143.3A. Waiver of 12-month residency requirement for certain veterans and other individuals entitled to federal education benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33.**

(a) Definitions. – The following definitions apply in this section:

(1) Abode. – Has the same meaning as G.S. 116-143.3(a)(1).

(2) Armed Forces. – Has the same meaning as G.S. 116-143.3(a)(2).

(3) Veteran. – A person who served active duty for not less than 90 days in the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration and who was discharged or released from such service under conditions other than dishonorable.

(b) Waiver of 12-Month Residency Requirement for Veteran. – Any veteran who qualifies for admission to an institution of higher education as defined in G.S. 116-143.1(a)(3) is eligible to be charged the in-State tuition rate and applicable mandatory fees for enrollment without satisfying the 12-month residency requirement under G.S. 116-143.1, provided the veteran meets all of the following criteria:

(1) The veteran applies for admission to the institution of higher education and enrolls within three years of the veteran's discharge or release from the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration.

(2) The veteran qualifies for and uses educational benefits pursuant to 38 U.S.C. Chapter 30 (Montgomery G.I. Bill Active Duty Education Assistance Program) or 38 U.S.C. Chapter 33 (Post-9/11 Educational Assistance), as administered by the U.S. Department of Veterans Affairs.

(3) The veteran's abode is North Carolina.

(4) The veteran provides the institution of higher education at which the veteran intends to enroll a letter of intent to establish residence in North Carolina.

(c) Eligibility of Other Individuals Entitled to Federal Educational Benefits Under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33. – Any person who is entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 is also eligible to be charged the in-State tuition rate and applicable mandatory fees for enrollment without satisfying the 12-month residency requirement under G.S. 116-143.1 if the person meets all of the following criteria:

(1) The person qualifies for admission to the institution of higher education as defined in G.S. 116-143.1(a)(3) and enrolls in the institution of higher

education within three years of the veteran's discharge or release from the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration.

(2) The person is the recipient of federal educational benefits pursuant to 38 U.S.C. Chapter 30 (Montgomery G.I. Bill Active Duty Education Assistance Program) or 38 U.S.C. Chapter 33 (Post-9/11 Educational Assistance), as administered by the U.S. Department of Veterans Affairs.

(3) The person's abode is North Carolina.

(4) The person provides the institution of higher education at which the person intends to enroll a letter of intent to establish residence in North Carolina.

(d) Eligibility While Continuously Enrolled at the Same Institution of Higher Education. – After enrollment in an institution of higher education, any veteran entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 and any other individual entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 who is eligible for in-State tuition under this section shall continue to be eligible for the in-State tuition rate so long as the covered individual remains continuously enrolled (other than during regularly scheduled breaks between courses, quarters, terms, or semesters) at that institution of higher education."

SECTION #.(b) G.S. 116-143.8 is repealed.

SECTION #.(c) This section becomes effective July 1, 2015, and applies to qualifying veterans and other individuals entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 who are enrolled or who enroll in institutions of higher education for any academic quarter, term, or semester that begins on or after that date.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-UNC-H10-P

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: Representative

UNC MANAGEMENT FLEXIBILITY REDUCTION

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

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

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

The Board of Governors and the campuses of the constituent institutions also shall review the institutional trust funds and the special funds held by or on behalf of The University of North Carolina and its constituent institutions to determine whether there are monies available in those funds that can be used to assist with operating costs. In addition, the campuses of the constituent institutions also shall require their faculty to have a teaching workload equal to the national average in their Carnegie classification.

SECTION #.(b) In allocating the management flexibility reduction, no reduction in State funds shall be allocated in either fiscal year of the 2015-2017 biennium to any of the following:

(1) UNC Need-Based Financial Aid.
(2) North Carolina Need-Based Scholarship.
(3) Elizabeth City State University.
(4) Fayetteville State University.
(5) NC School of Science and Mathematics.
(6) University of North Carolina at Asheville.
(7) University of North Carolina School of the Arts.

SECTION #.(c) The University of North Carolina shall report on the implementation of the management flexibility reduction in subsection (a) of this section to the Office of State Budget and Management and the Fiscal Research Division no later than April 1, 2016. This report shall identify both of the following by campus:

(1) The total number of positions eliminated by type (faculty/nonfaculty).

(2) The low-performing, redundant, and low-enrollment programs that were eliminated.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-UNC-H14-P

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: Representative

UNC TO FUND NORTH CAROLINA RESEARCH CAMPUS

SECTION #. Of the funds appropriated in this act to the Board of Governors of The University of North Carolina, the Board of Governors shall use twenty-nine million dollars ($29,000,000) for the 2015-2016 fiscal year and twenty-nine million dollars ($29,000,000) for the 2016-2017 fiscal year to support UNC-related activities at the North Carolina Research Campus at Kannapolis.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-UNC-H18-P

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: Representative

LIMIT USE OF STATE FUNDS FOR UNC ADVANCEMENT PROGRAMS

SECTION #. For the 2015-2016 fiscal year and subsequent fiscal years, a constituent institution as defined in G.S. 116-2 shall not expend more than one million dollars ($1,000,000) of State funds annually on advancement programs. Constituent institutions shall take reasonable actions to increase the reliance of advancement programs on funds generated from fund-raising activities.

DRAFT
SPECIAL PROVISION



2015-UNC-H11-P

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: Representative

NC GUARANTEED ADMISSION PROGRAM (NCGAP)

SECTION #.(a) The General Assembly finds that the six-year graduation rate for students pursuing a baccalaureate degree from any constituent institution of The University of North Carolina is too low. The General Assembly further finds that it is important to design and implement a program for the purpose of achieving the following goals: to assist more students to obtain a baccalaureate degree within a shorter time period; to provide students with a college education at significantly lower costs for both the student and the State; to help decrease the amount of debt resulting from loans that a student may owe upon graduation; to provide a student with an interim degree that may increase a student's job opportunities if the student chooses not to continue postsecondary education; and to provide easier access to academic counseling that will assist a student in selecting coursework that reflects the student's educational and career goals and helps the student succeed academically.

SECTION #.(b) To address the issues and goals set out in subsection (a) of this section, the Board of Governors of The University of North Carolina shall establish a deferred admission program for students identified as academically at risk to be known as the North Carolina Guaranteed Admission Program (NCGAP). Under NCGAP, each constituent institution shall analyze its current six-year graduation rate, determine what factors lead to academic success and failure within those campuses, and report those findings to the Board of Governors of The University of North Carolina no later than January 30, 2016.

Based on the results of the analysis conducted pursuant to this subsection, the constituent institution shall develop a deferred admission program that requires a student who satisfies the admission criteria of the constituent institution but whose academic credentials are not as competitive as other students admitted to the institution to enroll in a community college in this State and earn an associate degree prior to enrolling as a student at the constituent institution. A student who earns an associate degree from a community college in this State within three years from the date of the deferred acceptance is guaranteed admission at that constituent institution to complete the requirements for a baccalaureate degree. A constituent institution shall hold in reserve an enrollment slot in the appropriate future academic year for any student who accepts a deferred admission. A constituent institution shall also reduce its enrollment for each academic year by the number of deferred admissions granted for that academic year.

The Board of Governors of The University of North Carolina shall ensure that a minimum of 1,305 budget FTEs are deferred admissions and are encouraged to increase the number of deferred admissions as appropriate.

SECTION #.(c) The State Board of Community Colleges, in consultation with the Board of Governors of The University of North Carolina, shall adopt rules to ensure that a student participating in NCGAP is provided counseling and assistance in selecting coursework that reflects the student's educational and career goals and that provides a smooth transition from the community college to the constituent institution.

SECTION #.(d) The State Board of Community Colleges shall allocate a portion of the nonrecurring funds appropriated to the NCGAP Reserve by this act for the 2016-2017 fiscal year to assist community colleges with students who are participating in NCGAP.

SECTION #.(e) The Board of Governors of The University of North Carolina shall study and report to the Joint Legislative Education Oversight Committee by March 1, 2016, on methods to improve the collection of data regarding completion and outcomes of students who enroll as undergraduates. The report shall include (i) methods of measuring completion by student, year, and type of entry and (ii) methods of measuring success by student, year, and type of entry.

SECTION #.(f) NCGAP shall be implemented for the 2016-2017 academic year and shall continue for each subsequent academic year.

SECTION #.(g) This section does not apply to the North Carolina School of Science and Mathematics.

DRAFT
SPECIAL PROVISION



2015-UNC-H20-P

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: **Representative**

APPALACHIAN STATE UNIVERSITY TEACHER RECRUITMENT PROGRAM/FRIDAY INSTITUTE EVALUATION OF TEACHER RECRUITMENT AND PREPARATION PROGRAMS

SECTION #.(a) Of the funds appropriated by this act to the Board of Governors of The University of North Carolina, the sum of ninety-one thousand dollars ($91,000) for the 2015-2016 fiscal year and the sum of ninety-one thousand dollars ($91,000) for the 2016-2017 fiscal year shall be allocated to the College of Education at Appalachian State University. These funds shall be used for a personnel position to implement a pilot program to recruit undergraduate students to the College of Education and to provide counseling and advising services to those students once enrolled.

SECTION #.(b) Of the funds appropriated by this act to the Board of Governors of The University of North Carolina, the sum of two hundred thirty-five thousand dollars ($235,000) for the 2015-2016 fiscal year and the sum of four hundred seventy thousand dollars ($470,000) for the 2016-2017 fiscal year shall be allocated to the Friday Institute for Educational Innovation at North Carolina State University to be used to conduct a three-year evaluation of six teacher recruitment and training programs in North Carolina that meet the following criteria:

(1) One university program that focuses on recruiting high school high achievers into a four-year teacher preparation program, such as the Maynard Scholarship at East Carolina University.

(2) One university program that focuses on recruiting undergraduate students into teacher preparation programs, such as the Teacher Education Marketing Pilot at Appalachian State University.

(3) One university program that focuses on providing fifth-year students an opportunity to earn a Masters of Arts in Teaching in a shortened time frame, such as the MAT Program at Meredith College.

(4) One university program that focuses on connecting community college students to university teacher preparation programs in connection with the Comprehensive Articulation Agreement and related 2+2 initiatives, such as the 2+2 Online Program in Agricultural Education at North Carolina Agricultural and Technical State University.

(5) The Regional Alternative Licensing Centers that are focused on improving the quality and effectiveness of the workforce to lateral entry process.

(6) One innovative statewide university program focused on improving the recruitment of educators, such as NC INSPIRE at the University of North Carolina at Charlotte.

Each evaluation shall be contingent upon the continued operation of each program being evaluated.

SECTION #.(c) Over the course of the three-year evaluation described in subsection (b) of this section, the Friday Institute shall, at a minimum, measure the following outcomes at each of the selected programs:

(1) Number of applicants and participants and progress toward one hundred percent (100%) participant capacity.

(2) Applicant and participant diversity, including information about demographics and geographic location.

(3) Where applicable, indicators of participant quality, including participants' grade point averages and initial leadership qualities and the quality of participants' colleges and universities.

(4) Cost per program and per participant.

(5) Participant assessment of program quality, including information gathered from participants via surveys, focus groups, or interviews.

(6) Independent, rubric-based observer assessment of program quality.

(7) Program completion rates.

(8) Hiring locations for program completers.

(9) Changes in program participation rates and cohort size across time.

(10) Changes in applicant and participant diversity, including information about demographics and geographic locations.

(11) Where applicable, changes in participant quality across time, including changes in cohort grade point averages, the quality of participants' colleges and universities, and direct and indirect measurements of leadership growth.

(12) Changes in costs across time, including the costs per program and the costs per participant over time.

Where practical, the Friday Institute shall consult with the State Board of Education and the Board of Governors on the design and implementation of the evaluations.

SECTION #.(d) Beginning December 1, 2016, and annually thereafter until submission of a final report on December 1, 2018, the Friday Institute shall report to the Joint Legislative Education Oversight Committee on the status of the evaluation process for each of the selected programs conducted pursuant to subsections (b) and (c) of this section, including any outcome data that can be reliably measured at the time of the report. If, upon the submission of the final report, the Friday Institute finds further outcomes could be determined, the Friday Institute may request a six-month, no-cost extension to submit a revised version of the final report.

SECTION #.(e) The funds allocated pursuant to subsection (b) of this section for the 2015-2017 fiscal biennium shall not revert but shall remain available for expenditures pursuant to subsections (b), (c), and (d) of this section through the 2017-2018 fiscal year. Any unexpended, unencumbered balance of these funds shall revert at the end of the 2017-2018 fiscal year.

DRAFT
SPECIAL PROVISION

2015-UNC-H22

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: Representative

TRANSFORMING PRINCIPAL PREPARATION

SECTION #.(a) Purpose. – The purpose of this section is to establish a competitive grant program for eligible entities to elevate educators in North Carolina public schools by transforming the preparation of principals across the State. The State Education Assistance Authority (Authority) shall administer this grant program through a cooperative agreement with a private, nonprofit corporation to provide funds for the preparation and support of highly effective future school principals in North Carolina.

SECTION #.(b) Definitions. – For the purposes of this section, the following definitions apply:

(1) Eligible entity. – A for-profit or nonprofit organization or an institution of higher education that has an evidence-based plan for preparing school leaders who implement school leadership practices linked to increased student achievement.

(2) High-need school. – A public school, including a charter school, that meets one or more of the following criteria:

a. Is a school identified under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended.

b. Is a persistently low-achieving school, as identified by the Department of Public Instruction for purposes of federal accountability.

c. A middle school containing any of grades five through eight that feeds into a high school with less than a sixty percent (60%) four-year cohort graduation rate.

d. A high school with less than a sixty percent (60%) four-year cohort graduation rate.

(3) Principal. – The highest administrative official in a public school building with primary responsibility for the instructional leadership, talent management, and organizational development of the school.

(4) School leader. – An individual employed in a school leadership role, including principal or assistant principal roles.

(5) Student achievement. – At the whole school level, after three years of leading a school, consistent and methodologically sound measures of:

a. Student academic achievement.

b. Aggregated individual student academic growth.

c. Additional outcomes, such as high school graduation rates, the percentage of students taking advanced-level coursework, or the percentage of students who obtain a career-related credential through a national business certification exam.

SECTION #.(c) Program Authorized. – The Authority shall award grants to eligible entities to support programs that develop well-prepared school leaders in accordance with the provisions of this section. The Authority shall establish any necessary rules to administer the grant program.

SECTION #.(d) Contract With a Nonprofit for Administration. – By September 1, 2015, the Authority shall issue a Request for Proposal (RFP) for a private, nonprofit corporation to contract with the Authority for the administration of the program, including making recommendations to the Authority for the award of grants, as authorized by this section. The nonprofit corporation applying to the Authority shall meet at least the following requirements:

(1) The nonprofit corporation shall be a nonprofit corporation organized pursuant to Chapter 55A of the General Statutes and shall comply at all times with the provisions of section 501(c)(3) of the Internal Revenue Code.

(2) The nonprofit corporation shall employ sufficient staff who have demonstrated a capacity for the development and implementation of grant selection criteria and a selection process to promote innovative school leader education programs, including:

a. Focus on school leader talent.

b. Expertise supporting judgments about grant renewal based on achievement of or substantial school leader progress toward measurable results in student achievement.

c. Expectation of creating positive experiences working with the educational community in North Carolina to establish the foundation for successfully administering the programs set forth in this section.

(3) The nonprofit corporation shall comply with the limitations on lobbying set forth in section 501(c)(3) of the Internal Revenue Code.

(4) No State officer or employee may serve on the board of the nonprofit corporation.

(5) The board of the nonprofit corporation shall meet at least quarterly at the call of its chair.

SECTION #.(e) Report on Selection of the Nonprofit. – The Authority shall select a nonprofit corporation to enter into a contract with to administer the program by January 1, 2016. The Authority shall report to the Joint Legislative Education Oversight Committee on the selection of the nonprofit corporation by January 15, 2016.

SECTION #.(f) Application Requirements. – The nonprofit corporation entering into a contract with the Authority under subsection (d) of this section shall issue an initial RFP with guidelines and criteria for the grants no later than March 1, 2016. An eligible entity that seeks a grant under the program authorized by this section shall submit to the nonprofit corporation an application at such time, in such manner, and accompanied by such information as the nonprofit may require. An applicant shall include at least the following information in its response to the RFP for consideration by the nonprofit corporation:

(1) The extent to which the entity has a demonstrated record of preparing school leaders who implement school leadership practices linked to increased student achievement.

(2) The extent to which the entity has a rigorous school leader preparation program design that includes the following research-based programmatic elements:

a. A proactive, aggressive, and intentional recruitment strategy.

b. Rigorous selection criteria based on competencies that are predictive of success as a school leader, including, but not limited to, evidence

of significant positive effect on student learning growth in the classroom, at the school-level, and the local school administrative unit-level, professional recommendations, evidence of problem solving and critical thinking skills, achievement drive, and leadership of adults.

c. Alignment to high-quality national standards for school leadership development.

d. Rigorous coursework that effectively links theory with practice through the use of field experiences and problem-based learning.

e. Full-time clinical practice of at least five months in duration in an authentic setting, including substantial leadership responsibilities where candidates are evaluated on leadership skills and effect on student outcomes as part of program completion.

f. Multiple opportunities for school leader candidates to be observed and coached by program faculty and staff.

g. Clear expectations for and firm commitment from school leaders who will oversee the clinical practice of candidates.

h. Evaluation of school leader candidates during and at the end of the clinical practice based on the North Carolina School Executive Evaluation Rubric.

i. A process for continuous review and program improvement based on feedback from partnering local school administrative units and data from program completers, including student achievement data.

j. Established relationship and feedback loop with affiliated local school administrative units that is used to inform and improve programmatic elements from year to year based on units' needs.

SECTION #.(g) Priorities. – The nonprofit corporation shall evaluate the applicants for grants by giving priority to an eligible entity with a record of preparing principals demonstrating the following:

(1) Improvement in student achievement.

(2) Placement as school leaders in eligible schools.

(3) A proposed focus on and, if applicable, a record of serving high-need schools, high-need local school administrative units, or both.

(4) A detailed plan and commitment to share lessons learned and to improve the capacity of other entities in reaching similar outcomes.

SECTION #.(h) Uses of Funds. – By June 1, 2016, the nonprofit corporation shall recommend to the Authority the recipients of grants under the program. Each eligible entity that receives grant funds shall use those funds to carry out the following:

(1) Recruiting and selecting, based on a rigorous evaluation of the competencies of the school leader candidates participating in the program and their potential and desire to become effective school leaders.

(2) Operating a school leader preparation program by doing the following:

a. Utilizing a research-based content and curriculum, including embedded participant assessments to evaluate candidates before program completion, that prepares candidates to do the following:

1. Provide instructional leadership, such as developing teachers' instructional practices and analyzing classroom and school-wide data to support teachers.

2. Manage talent, such as developing a high-performing team.

3. Build a positive school culture, such as building a strong school culture focused on high academic achievement for all students, including gifted and talented students, students with disabilities, and English learners, maintaining active engagement with family and community members, and ensuring student safety.

4. Develop organizational practices, such as aligning staff, budget, and time to the instructional priorities of the school.

b. Providing opportunities for sustained and high-quality job-embedded practice in an authentic setting where candidates are responsible for moving the practice and performance of a subset of teachers or for school-wide performance as principal-in-planning or interim school leaders.

(3) Collecting data on program implementation and program completer outcomes for continuous program improvement.

SECTION #.(i) Duration of Grants. – The nonprofit corporation shall also recommend to the Authority the duration and renewal of grants to eligible entities according to the following:

(1) The duration of grants shall be as follows:

a. Grants shall be no more than five years in duration.

b. The nonprofit corporation may recommend renewal of a grant based on performance, including allowing the grantee to scale up or replicate the successful program as provided in subdivision (2) of this subsection.

(2) In evaluating performance for purposes of grant renewal and making recommendations to the Authority, the nonprofit corporation shall consider:

a. For all grantees, the primary consideration in renewing grants shall be the extent to which program participants improved student achievement in eligible schools.

b. Other criteria from data received in the annual report in subsection (j) of this section may include the following:

1. The percentage of program completers who are placed as school leaders in this State within three years of receiving a grant.

2. The percentage of program completers who are rated proficient or above on the North Carolina School Executive Evaluation Rubric.

SECTION #.(j) Reporting Requirements for Grant Recipients. – Recipients of grants under the program shall submit an annual report to the nonprofit corporation contracting with the Authority, beginning in the third year of the grant, with any information requested by the nonprofit corporation. Whenever practicable and within a reasonable amount of time, grant recipients shall also make all materials developed as part of the program and with grant funds publically available to contribute to the broader sharing of promising practices. Materials shall not include personally identifiable information regarding individuals involved or associated with the program, including, without limitation, applicants, participants, supervisors, evaluators, faculty, and staff, without their prior written consent. The nonprofit corporation shall work with recipients and local school administrative units, as needed, to enable the collection, analysis, and evaluation of at least the following relevant data, within necessary privacy constraints:

(1) Student achievement in eligible schools.

(2) The percentage of program completers who are placed as school leaders within three years in the State.

(3) The percentage of program completers rated proficient or above on school leader evaluation and support systems.

SECTION #.(k) Licensure Process. – By June 1, 2016, the State Board of Education shall adopt a policy to provide for a specific licensure process applicable to school administrators who provide documentation to the State Board of successful completion of a principal preparation program selected for a competitive grant in accordance with this section.

SECTION #.(l) Evaluation and Revision of Program. – The nonprofit corporation administering the program shall provide the State Board of Education with the data collected in accordance with subsection (j) of this section on an annual basis. By September 15, 2021, the State Board of Education, in coordination with the Board of Governors of the University of North Carolina, shall revise, as necessary, the licensure requirements for school administrators and the standards for approval of school administrator preparation programs after evaluating the data collected from the grant recipients, including the criteria used in selecting grant recipients and the outcomes of program completers. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by November 15, 2021, on any changes made to the licensure requirements for school administrators and the standards for approval of school administrator preparation programs in accordance with this section.

SECTION #.(m) Of the funds appropriated each fiscal year for this program the sum of five hundred thousand dollars ($500,000) shall be allocated to the State Education Assistance Authority to contract with the nonprofit corporation selected pursuant to subsection (e) of this section to establish and administer the program. The State Education Assistance Authority may use up to five percent of those funds each fiscal year for administrative costs.

SECTION #.(n) Of the funds appropriated each fiscal year for this program the sum of nine million dollars ($9,000,000) shall be allocated to the State Education Assistance Authority to award grants to selected recipients.

SECTION #.(o) This section is effective when it becomes law.

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: **Representative**

TEACHER RECRUITMENT AND SCHOLARSHIPS

SECTION #.(a) Article 23 of Chapter 116 of the General Statutes is amended by adding a new Part to read:

"Part 3. North Carolina Competitive Teaching Scholarship Loan Program.

"**§ 116-209.60. Definitions.**

The following definitions apply in this Part:

(1) Commission. – The North Carolina Competitive Teaching Scholarship Loan Commission.

(2) Director. – The Director of the North Carolina Competitive Teaching Scholarship Loan Program.

(3) Fund. – The North Carolina Competitive Teaching Scholarship Loan Fund.

(4) Program. – The North Carolina Competitive Teaching Scholarship Loan Program.

(5) Scholarship loan. – A forgivable scholarship loan made under the Program.

"**§ 116-209.61. North Carolina Competitive Teaching Scholarship Loan Commission established; membership.**

(a) Commission Established. – There is established the North Carolina Competitive Teaching Scholarship Loan Commission. The Director of the North Carolina Competitive Teaching Scholarship Loan Program shall staff the Commission. The Authority shall be responsible for implementing scholarship loan agreements, monitoring, cancelling through service, collecting, and otherwise enforcing the agreements for the Program scholarship loans established in accordance with this Part.

(b) Membership. – The Commission shall consist of 11 members appointed or shall serve ex officio as follows:

(1) One dean of an approved school of education at a postsecondary constituent institution of The University of North Carolina, appointed by the President of The University of North Carolina.

(2) One dean of an approved school of education at a private postsecondary institution operating in the State, appointed by the President of the North Carolina Independent Colleges and Universities, Inc.

(3) The North Carolina Teacher of the Year, ex officio.

(4) A teacher who graduated from an approved teacher preparation program located in the State within three years of appointment to serve on the Commission, appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives.

(5) The North Carolina Principal of the Year, ex officio.

(6) A principal, appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate.

(7) The North Carolina Superintendent of the Year, ex officio.

(8) One member to represent business and industry appointed by the Governor.

(9) One local school board member appointed by the chair of the State Board of Education.

(10) The chairperson of the Board of the State Education Assistance Authority, ex officio.

(11) The Director of the North Carolina Competitive Teaching Scholarship Loan Program, ex officio. The Director shall chair the Commission.

(c) Terms of Office. – Appointments to the Commission shall be for two-year terms, expiring on July 1 in odd-numbered years. Members serving ex officio, other than the chairperson of the Board of the State Education Assistance Authority and Director of the North Carolina Competitive Teaching Scholarship Loan Program, who have otherwise completed their term of service, shall continue to serve on the Commission until July 1, annually.

(d) Vacancies. – Except as otherwise provided, if a vacancy occurs in the membership, the appointing authority shall appoint another person to serve for the balance of the unexpired term.

(e) Expenses. – Commission members shall receive per diem, subsistence, and travel allowances in accordance with G.S. 138-5 or G.S. 138-6, as appropriate.

(f) Meetings. – The Commission shall meet regularly, at times and places deemed necessary by the chair.

"**§ 116-209.62. North Carolina Competitive Teaching Scholarship Loan Program established; administration.**

(a) Program. – There is established the North Carolina Competitive Teaching Scholarship Loan Program to be administered by the Authority in collaboration with the Commission. The purpose of the Program is to recruit, prepare, and support North Carolina residents for preparation as highly effective teachers serving in hard-to-staff licensure areas and hard-to-staff schools. The Program shall be used to provide a scholarship loan to individuals interested in preparing to teach in the public schools of the State in hard-to-staff licensure areas and hard-to-staff schools.

(b) Fund. – There is established the North Carolina Competitive Teaching Scholarship Loan Program Fund to be administered by the Authority. The purpose of the Fund is to provide financial assistance to qualified students for completion of teacher education and licensure programs to fill hard-to-staff licensure areas and hard-to-staff schools in the State. All funds appropriated to or otherwise received by the Authority to provide loans through the Program, all funds received as repayment of loans, and all interest earned on these funds shall be placed in the Fund. The Fund shall be used only for loans made pursuant to this section and for administrative costs of the Authority.

(c) Director. – The board of directors of the Authority shall appoint a Director of the Program. The Director shall chair and staff the Commission and shall be responsible for recruitment and coordination of the Program, including proactive, aggressive, and strategic recruitment of potential recipients, active engagement with educators, business leaders, experts in human resources, elected officials, and other community leaders throughout the State, and attracting candidates in hard-to-staff licensure areas. The Authority shall provide office space and clerical support staff for the Program.

(d) Student Selection Criteria. – The Commission shall determine selection criteria, methods of selection, and shall select recipients to receive scholarship loans. The Commission shall adopt stringent standards for awarding these scholarship loans based on multiple measures to ensure that only the strongest applicants receive them, including, but not limited to, the following:

(1) Grade point averages.

(2) Performance on relevant career and college readiness assessments.

(3) Experience, accomplishments, and other criteria demonstrating qualities positively correlated with highly effective teachers.

(4) Stated commitments to either serving in a hard-to-staff school or licensure in a hard-to-staff licensure area for a minimum of four years.

(e) Program Selection Criteria. – The Authority shall administer the program in cooperation with selected institutions of higher education with educator preparation programs selected by the Commission, including North Carolina community colleges, postsecondary constituent institutions of The University of North Carolina, and private postsecondary institutions operating in the State. The Commission shall adopt stringent standards for selection of only the most effective educator preparation programs, including, but not limited to, the following:

(1) Measures of program quality based on objective criteria developed by third parties.

(2) Measurable impact of prior graduates on student learning, including impact of graduates teaching in hard-to-staff schools and graduates teaching in hard-to-staff licensure areas.

(3) Demonstration of appropriate program accreditation and program approval by the State Board of Education.

(4) Measurable success of the program's clinical component based on student outcomes on a nationally normed and valid pedagogy assessment to determine clinical practice performance.

(f) Awards. – The Program shall provide scholarship loans to selected students to be used at selected institutions for completion of a program leading to teacher licensure as follows:

(1) North Carolina high school seniors. – Scholarship loans of up to eight thousand five hundred dollars ($8,500) per year for up to four years.

(2) Community college students applying for transfer to an educator preparation program at an institution of higher education. – Scholarship loans of up to eight thousand five hundred dollars ($8,500) per year for up to two years.

(3) Individuals currently holding a bachelor's degree seeking preparation for teacher licensure. – Scholarship loans of up to eight thousand five hundred dollars ($8,500) per year for up to two years.

Scholarship loans may be used for tuition, fees, and the cost of books.

(g) Identification of Hard-to-Staff Licensure Areas and Hard-to-Staff Schools. – The State Board of Education shall annually identify and provide to the Commission and the Authority a list of hard-to-staff areas of licensure and a list of hard-to-staff schools by local school administrative unit using, at a minimum, the following criteria to identify those lists:

(1) Hard-to-staff licensure areas. – The number of available positions in a licensure area relative to the number of current and anticipated teachers in that area of licensure.

(2) Hard-to-staff school. – Annual teacher turnover rates, number and percentage of teaching positions unfilled for more than half of the school year, number and percentage of teachers with entry professional educator licenses intended for teachers with two or less years of teaching experience, percentage of students at school failing to meet expected growth, percentage of students at school scoring below grade level on standardized assessments, and school performance grade on the annual school report card.

The Commission shall make the list readily available to applicants. A student awarded a scholarship loan who enrolls in a program leading to a hard-to-staff licensure area shall continue to receive the scholarship and be permitted to fulfill the requirements of the scholarship loan even if that licensure area does not remain on the list following the student's

year of enrollment. A student awarded a scholarship loan who, upon graduation, is employed by a local board of education to teach in a hard-to-staff school shall be permitted to fulfill the requirements of the scholarship loan even if that school does not remain on the list following the student's year of initial employment.

(h) Upon the naming of recipients of the scholarship loans by the Commission, the Commission shall transfer to the Authority its decisions. The Authority, in coordination with the Director, shall perform all of the administrative functions necessary to implement this Part, which functions shall include rule making, dissemination of information, disbursement, receipt, liaison with participating educational institutions, determination of the acceptability of service repayment agreements, and all other functions necessary for the execution, payment, and enforcement of promissory notes required under this Part.

(i) Annual Report. – The Commission, in coordination with the Authority, shall report no later than January 1, 2017, and annually thereafter, to the Joint Legislative Education Oversight Committee regarding the following:

(1) Loans awarded from the Fund, including the following:

a. Demographic information regarding recipients.

b. Number of recipients by institution of higher education and program.

c. Information on number of recipients by anticipated program licensure area.

(2) Placement and repayment rates, including the following:

a. Number of graduates who have been employed in a hard-to-staff school and number of graduates who have been employed in a hard-to-staff area within two years of program completion.

b. Number of graduates who have begun loan repayment, including years of service, if any, prior to beginning loan repayment, including information as to whether the person was designated as hard-to-staff area or hard-to-staff subject loan.

c. Number of graduates who have fulfilled service requirements through employment in a hard-to-staff school and number of graduates who have fulfilled service requirements through employment in a hard-to-staff area.

d. Number of graduates employed in a hard-to-staff school or hard-to-staff area who have received an overall rating of at least accomplished and of meeting expected growth on applicable standards of the teacher evaluation instrument.

e. Aggregate information on student growth and proficiency in courses taught by graduates who have fulfilled service requirements through employment in a hard-to-staff school and in a hard-to-staff area.

(3) Selected school outcomes, by program, including the following:

a. Turnover rate for scholarship loan graduates.

b. Aggregate information on student growth and proficiency in courses taught by scholarship loan graduates.

c. Fulfillment rate of scholarship loan graduates.

"**§ 116-209.63. Terms of loans; receipt and disbursement of funds.**

(a) Notes. – All scholarship loans shall be evidenced by notes made payable to the Authority that bear interest at a rate not to exceed ten percent (10%) per year as set by the Authority and beginning 90 days after completion of the program leading to teacher licensure, or 90 days after termination of the scholarship loan, whichever is earlier. The scholarship loan may be terminated upon the recipient's withdrawal from school or by the recipient's failure to meet the standards set by the Commission.

(b) Forgiveness. – The Authority shall forgive the loan and any interest accrued on the loan if, within seven years after graduation from a program leading to teacher licensure, exclusive of any authorized deferment for extenuating circumstances, the recipient serves for four years as a teacher at a North Carolina public school identified as hard to staff or at a North Carolina public school in an identified hard-to-staff area of licensure, as provided in G.S. 116-209.61(d). The Authority shall also forgive the loan if it finds that it is impossible for the recipient to work for four years, within seven years after completion of the program leading to teacher licensure at a North Carolina public school because of the death or permanent disability of the recipient. If the recipient repays the scholarship loan by cash payments, all indebtedness shall be repaid within eight years after completion of the program leading to teacher licensure supported by the scholarship loan. If the recipient completes a program leading to teacher licensure, payment of principal and interest shall begin no later than 27 months after the completion of the program. Should a recipient present extenuating circumstances, the Authority may extend the period to repay the loan in cash to no more than a total of 12 years.

(c) Purposes of Fund. – All funds appropriated to, or otherwise received by, the Program for scholarships, all funds received as repayment of scholarship loans, and all interest earned on these funds shall be placed in the Fund. The Fund may be used only for scholarship loans granted under the Program and administrative costs associated with the Program, including recruitment and recovery of funds advanced under the Program. The Authority may use up to two hundred thousand dollars ($200,000) from the Fund in each fiscal year for its administrative costs, the salary of the Director of the Program, and expenses of the Commission."

SECTION #.(b) Notwithstanding the requirements established in G.S. 116-209.61, as enacted by this section, initial appointments to the Commission shall be made no later than August 15, 2015. Initial appointment to the Commission shall expire July 1, 2017.

SECTION #.(c) The Commission shall establish initial selection criteria for recipients and institutions of higher education no later than November 15, 2015, and shall make available applications to prospective students no later than December 31, 2015.

SECTION #.(d) The State Board of Education shall establish criteria and identify hard-to-staff areas of licensure and hard-to-staff schools by local school administrative unit and provide that information to the Commission and Authority no later than November 1, 2015.

SECTION #.(e) The Commission shall select recipients and award the initial scholarship loans for the 2016-2017 school year no later than April 1, 2016.

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: **Representative**

SPECIAL EDUCATION SCHOLARSHIP CHANGES AND REEVALUATION FUNDS

SECTION #.(a) G.S. 115C-112.6 reads as rewritten:

"**§ 115C-112.6. Scholarships.**

(a) Scholarship Applications. – The Authority shall make available no later than May 1 annually applications to eligible students for the award of scholarships. Information about scholarships and the application process shall be made available on the Authority's Web site. The Authority shall give priority in awarding scholarships to eligible students who received a scholarship during the previous semester. Except as otherwise provided by the Authority for prior scholarship recipients, 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. – Scholarships awarded to eligible students shall be for amounts of not more than ~~three~~four thousand dollars ~~($3,000)~~($4,000) per semester per eligible student. Eligible students awarded scholarships may not be enrolled in a public school to which that student has been assigned as provided in G.S. 115C-366. Scholarships shall be awarded only for tuition and for the reimbursement of ~~tuition,~~ special education, related services, and educational technology, as provided in subsection (b1) of this section. 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) Disbursement of Scholarship Funds. – The Authority shall disburse scholarship funds for tuition and for the reimbursement of costs incurred by the parent of an eligible student as follows:

(1) Scholarship endorsement for tuition. – The Authority shall remit, at least two times each school year, scholarship funds awarded to eligible students for endorsement by at least one of the student's parents or guardians for tuition to attend (i) a North Carolina public school other than the public school to which that student has been assigned as provided in G.S. 115C-366 or (ii) a nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of this Chapter as identified by the Department of Administration, Division of Nonpublic Education. Scholarship funds shall not be provided for tuition for home schooled students. If the student is attending a nonpublic school, the school must be deemed eligible by the Division of Nonpublic Education, pursuant to G.S. 115C-562.4, and the school shall be subject to the

requirements of G.S. 115C-562.5. The parent or guardian shall restrictively endorse the scholarship funds awarded to the eligible student to the school for deposit into the account of the school. The parent or guardian shall not designate any entity or individual associated with the school as the parent's attorney-in-fact to endorse the scholarship funds but shall endorse the scholarship funds in person at the site of the school. A parent's or guardian's failure to comply with this section shall result in forfeiture of the scholarship funds. A scholarship forfeited for failure to comply with this section shall be returned to the Authority to be awarded to another student.

(2) Scholarship ~~Reimbursements.~~ reimbursements for costs. – Scholarship reimbursement for costs incurred shall be provided as follows:

~~(1)~~a. 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)~~b. 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.~~1. 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 home school, as defined in G.S. 115C-563(a).

~~c.~~2. 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 home school, as defined in G.S. 115C-563(a).

~~d.~~3. 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.

~~(3)~~c. Scholarship award. – The Authority shall award a scholarship 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 scholarships to eligible students for the following semester. The Authority shall award scholarships to the parents of eligible students at least semiannually.

(c) Student Reevaluation. – After an eligible student's initial receipt of a 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) Rule Making. – The Authority shall establish rules and regulations for the administration and awarding of scholarships. The Authority shall adopt rules providing for pro rata return of funds if a student withdraws prior to the end of the semester from a school to which scholarship funds have been remitted. 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.

(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, e-mail 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 #.(b) G.S. 115C-112.9 reads as rewritten:

"**§ 115C-112.9. Duties of State ~~Board of Education.~~agencies.**

(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).

(b) The Authority shall analyze, in conjunction with the Department of Public Instruction, past trends in scholarship data on an annual basis to ensure that the amount of funds transferred each fiscal year by the Authority to the Department for reevaluations by local school administrative units of eligible students under G.S. 115C-112.6(c) are sufficient and based on actual annual cost requirements."

SECTION #.(c) The Authority shall adopt rules within 60 days of the date this act becomes law providing for pro rata return of funds if a student withdraws prior to the end of the semester from a school to which scholarship funds have been remitted.

SECTION #.(d) This section applies to scholarships awarded for the 2015-2016 school year.

DRAFT
SPECIAL PROVISION

2015-UNC-H25-P

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: Representative

INTERNSHIPS AND CAREER-BASED OPPORTUNITIES FOR STUDENTS ATTENDING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU)

SECTION #. (a) The internship program created pursuant to S.L. 2014-100 to provide internships and career-based opportunities for students attending Historically Black Colleges and Universities may be offered to four or more HBCUs in the discretion of the Board of Governors of The University of North Carolina. Further, there is no requirement that Elizabeth City State University be a permanent participant in the internship program. The internship program shall be administered as provided by subsection (b) of this section.

SECTION #.(b) The Board of Governors shall conduct a competitive process to select institutions of higher education that are Historically Black Colleges and Universities to participate in the internship program which links 60 students attending Historically Black Colleges and Universities with North Carolina-based companies. The Board of Governors shall determine the number of institutions that may participate in the program; however, at least two of the institutions shall be private institutions. Funds appropriated by this act for this internship program shall be allocated only to constituent institutions of The University of North Carolina that are designated as an HBCU and private colleges and universities located in North Carolina that are designated as an HBCU.

SECTION #.(c) Of the funds appropriated by this act for the support of the internship program, The University of North Carolina may use up to five percent (5%) for costs associated with administering this program.

SECTION #.(d) This section applies to the 2015-2016 fiscal year and each subsequent fiscal year.

DRAFT
SPECIAL PROVISION

2015-UNC-H13-P

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: **Representative**

ELIZABETH CITY STATE UNIVERSITY BUDGET STABILIZATION FUNDS REPORT

SECTION #. No later than October 1, 2015, and quarterly thereafter, the president of The University of North Carolina shall report to the Office of State Budget and Management and the Fiscal Research Division of the General Assembly on the status of budget stabilization funds appropriated to Elizabeth City State University by this act for the purpose of enhancing technology related to enrollment and recruitment of students, campus access and safety, and human resources management. The reports shall provide detailed descriptions of the scope of work that has been completed to date, anticipated activities for the next quarter, and a plan with time line to complete the full scope of work. The reports shall also include evidence of improved services and outcomes achieved from improvements implemented using these funds.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-UNC-H19-P

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: **Representative**

UNC ENROLLMENT GROWTH REPORT

SECTION #. G.S. 116-30.7 reads as rewritten:

"**§ 116-30.7. Biennial projection of enrollment growth for The University of North Carolina.**

By ~~October~~ December 15 of each even-numbered year, the General Administration of The University of North Carolina shall provide to the Joint Education Legislative Oversight Committee and to the Office of State Budget and Management a projection of the total student enrollment in The University of North Carolina that is anticipated for the next biennium. The enrollment projection shall be divided into the following categories and shall include the projected growth for each year of the biennium in each category at each of the constituent institutions: undergraduate students, graduate students (students earning master's and doctoral degrees), first professional students, and any other categories deemed appropriate by General Administration. The projection shall also distinguish between on-campus and distance education students. The projections shall be considered by the Director of the Budget when determining the amount the Director proposes to appropriate to The University of North Carolina in the Recommended State Budget submitted pursuant to G.S. 143C-3-5(b)."

DRAFT
SPECIAL PROVISION

2015-UNC-H26-P

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: **Representative**

NEED-BASED SCHOLARSHIPS FOR STUDENTS ATTENDING ONLINE PRIVATE SCHOOLS OF HIGHER EDUCATION

SECTION #.(a) G.S. 116-280(3) reads as rewritten:

"**§ 116-280. Definitions.**

The following definitions apply to this Article:

...

(3) Eligible private postsecondary institution. – A school that is any of the following:

a. A nonprofit postsecondary educational institution with a main permanent campus located in this State that is not owned or operated by the State of North Carolina or by an agency or political subdivision of the State or by any combination thereof that satisfies all of the following:

1. Is accredited by the Southern Association of Colleges and Schools under the standards of the College Delegate Assembly of the Association or by the New England Association of Schools and Colleges through its Commission on Institutions of Higher Education.
2. Awards a postsecondary degree as defined in G.S. 116-15.

b. A postsecondary institution owned or operated by a hospital authority as defined in G.S. 131E-16(14) or school of nursing affiliated with a nonprofit postsecondary educational institution as defined in sub-subdivision a. of this subsection.

c. A nonprofit postsecondary online educational institution that is not owned or operated by the State of North Carolina or by an agency or political subdivision of the State or by any combination thereof that satisfies all of the following:

1. Is accredited by the Northwest Commission on Colleges and Universities through its Commission on Institutions of Higher Education.
2. Awards a postsecondary degree as defined in G.S. 116-15.
3. Satisfies the competencies for online educational institutions established by executive order of the Governor."

SECTION #.(b) G.S. 147-12(a) is amended by adding a new subdivision to read:

"(15) To establish competencies and any other standards necessary to ensure that all programs conducted by nonprofit postsecondary online educational institutions shall be of high quality and relevant to student needs."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

DRAFT
SPECIAL PROVISION

2015-UNC-H27-P

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: **Representative**

EARLY COLLEGE GRADUATES/UNC ADMISSION POLICY

SECTION #.(a) The Board of Governors of The University of North Carolina shall adopt a policy to require each constituent institution to offer to any student who graduated from a cooperative innovative high school program with an associate degree and who applies for admission to the constituent institution the option of being considered for admission as a freshman or as a transfer student. The constituent institution shall also provide written information to the student regarding the consequences that accompany each option and any other relevant information that may be helpful to the student when considering which option to select.

SECTION #.(b) Beginning November 1, 2016, the Board of Governors shall report annually to the Joint Legislative Education Oversight Committee regarding the number of students who graduated from a cooperative innovative high school program with an associate degree and which option was chosen by those students when applying for admission to a constituent institution.

SECTION #.(c) This section applies to the 2016-2017 academic year and each subsequent academic year.

Amdt. # 1

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMM-78 [v.1]

Amends Title [NO]
First Edition

Date _____,2015

Representative Michaux

By amending the House Appropriations Committee on Education Report on the Continuation and Expansion Budget, dated May 14, 2015, by reducing item 67 on page F11 by one million five hundred nineteen thousand one hundred twenty dollars ($1,519,120);

And by amending the House Appropriations Committee on Education Report on the Continuation and Expansion Budget, dated May 14, 2015, item 51 on page F9, by reducing the reduction on a nonrecurring basis by one million five hundred nineteen thousand one hundred twenty dollars ($1,519,120);

And by amending the House Appropriations Committee on Education Report on the Continuation and Expansion Budget, dated May 14, 2015, item 51 on page F9 by adding the following after the word "Math" and before the period:

"North Carolina Central University, North Carolina Agricultural and Technical State University, and Winston-Salem State University".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED X TABLED _____

Amdt. #2

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMM-76 [v.2]

Amends Title [NO]
First Edition

Date _____,2015

Representative Michaux

moves to amend the House of Representatives Committee on Education Proposed Special Provisions for H.B. 97, 2015 Appropriations Act Report dated May 14, 2015, by inserting the following at the end of the Report:

"**REPEAL OPPORTUNITY SCHOLARSHIPS AND FUNDING**

SECTION #.(a) Part 2A of Article 39 of Chapter 115C of the General Statutes is repealed.";

And by amending the House Appropriations Committee on Education Report on the Continuation and Expansion Budget, dated May 14, 2015, by deleting item 67 on page F11;

And by amending the House Appropriations Committee on Education Report on the Continuation and Expansion Budget, dated May 14, 2015, by creating a new item 21A on page F4 as follows:

"**21A Teacher Assistants**	FY 15-16	FY 16-17
Increases funding for teacher assistants.	10,840,000 R 6,800,000 NR".	10,840,000 R

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED X TABLED _____

* H 9 7 - A M M - 7 6 - V - 2 *

Amdt #3

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ALE-18 [v.2]

Amends Title [NO]
PCS

Date _____ ,2015

Representative Glazier

moves to amend the money report on page F 11, by deleting item 67;

And on page F 9, item 50, by reducing the cut for the 2015-2016 fiscal year by $6,800,000 in nonrecurring funds.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED X TABLED _____

Amdt. #4

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMK-10 [v.2]

Amends Title [NO]
EDUC subcommittee report

Date _____,2015

Representative Horn

moves to amend the special provision report on page 84, line 26, by rewriting that line to read:

"(2) Community college students and private, nonprofit two-year college students applying for transfer to an educator preparation"."

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED X FAILED _____ TABLED _____

Amdt. #5

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ALE-15 [v.6]

Amends Title [NO]
PCS

Date _____ ,2015

Representative Michaux

moves to amend the special provisions on page 22, by deleting the special provision on that page;

And moves to amend the money report on page F 4, by deleting item 27;

And on page F 10, by adding a new item:

"**61A Increased Funds for HBCU Interships**	**$2,600,000 (R)**	**$2,700,000 (R)**
Provides additional funds to provide internships		
and career-based opportunities for students		
attending Historically Black Colleges and Universities";		

And by adjusting the totals accordingly.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED X TABLED _____

H97-ALE-15-V-6

Amdt. #6

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ALE-17 [v.1]

Amends Title [NO]
PCS

Date _____ ,2015

Representative Gill

moves to amend the special provisions on page 19, by deleting the special provision on that page;

and on page 37, lines 16-17, by deleting "nine million eight hundred thousand dollars ($9,800,000)' and substituting " ten million eight hundred thousand dollars ($10,800,000)";

And moves to amend the money report on page F 4, by deleting item 23;

And on page F 1, item 6, by adding $1,000,000 in recurring funds for each year of the biennium.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED X TABLED _____

Amdt. #7

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ALH-10 [v.4]

Amends Title [NO]
EDUC SP Report

Date _____,2015

Representative Stam

moves to amend the Education Special Provision Report on page 93, lines 34-37, by rewriting those lines to read:

"**SECTION #.(b)** G.S. 116-282 reads as rewritten:

"**§ 116-282. Scholarship amounts; amounts dependent on availability of funds.**

(a) Subject to the sum appropriated by the General Assembly for an academic year to be awarded as scholarships under this Article, a scholarship awarded under this Article to a student at an eligible private postsecondary institution shall be determined annually by the Authority based upon the enrollment ~~status~~ status, mode of course delivery for an instructional program, and expected family contribution of the student, consistent with the methodology for the federal Title IV programs.

(b) The Authority shall have the power to determine the actual scholarship amounts disbursed to students in any given year based on the sum appropriated for purposes of this Article by the General Assembly for that academic year and any unexpended funds that may be available pursuant to G.S. 116-283.

(b1) No scholarship awarded under this Article to a student at an eligible postsecondary online educational institution, when combined with federal Title IV program grant funds, shall be equal to or greater than the amount of the tuition for that academic year.

(c) The minimum award of a scholarship under this Article shall be five hundred dollars ($500.00).

SECTION #.(c) G.S. 147-12(a) is amended by adding a new subdivision to read:

"(15) To establish competencies and any other standards necessary to ensure that all instructional programs conducted by nonprofit postsecondary online educational institutions shall be of high quality and relevant to student needs."

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ALH-10 [v.4]

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED X FAILED _____ TABLED _____

Divided 2 Votes

Amdt #8

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ATC-42 [v.5]

Amends Title [NO]
EDUC subcommitee report

Date _____,2015

Representative Horn

moves to amend the EDUC money report on page F1, Item 6, by decreasing the amount for FY 2015-2016 by $4,800,000; and

on page F2, Item 7, by increasing the amount for FY 2015-2016 by $4,800,000 in nonrecurring funds; and

moves to amend the EDUC special provision report on page 34, lines 2-16, by rewriting those lines to read:

"SECTION #.(a) Purpose. – The State Board of Education shall establish a three-year pilot program to develop advanced teaching roles in selected local school administrative units to provide for, in addition to base salary and other applicable local supplements, advanced teaching supplements for classroom teachers based on a teacher's demonstrated effectiveness and additional responsibilities in advanced roles. The goal of the pilot is to develop highly effective models for advancement and compensation for teachers that can be used in local school administrative units statewide. The purpose of the program shall be to do at least the following:

(1) Enable local school administrative units to prototype advanced teaching roles and pay systems for eligible classroom teachers, in addition to base salary and other applicable local supplements, based on a classroom teacher's demonstrated effectiveness and additional responsibilities in reaching more students. For the purposes of this section, a classroom teacher is a teacher who works in the classroom providing instruction at least seventy percent (70%) of the instructional day and who is not instructional support personnel.

(2) Enable local school administrative units to provide salary supplements and other supports to classroom teachers in advanced teaching roles. Advanced teaching roles shall focus on rewarding excellent teaching with more pay while staying within regular budgetary restraints.

(3) Evaluate local plans to establish and compensate teachers in advanced teaching roles to form the basis for public schools statewide to provide

Part I - Adopted

advanced teaching roles that are sustainable for local school administrative units.";

And on page 34, lines 27-31, by rewriting those lines to read:

"1. Minimum qualifications for advanced teaching roles shall include criteria demonstrating that the individual has had a measurable positive effect on student outcomes and is a qualified classroom teacher as well as an effective collaborator with other staff members. Minimum qualifications shall include at least one of the following:";

And on page 35, lines 4-13, by rewriting those lines to read:

"2. Job responsibilities for advanced teaching roles may include opportunities for leadership, advising, and mentoring, such as becoming a leader for peers in positions formally accountable for students within their purview, by implementing age-appropriate blended learning and other new staffing models, leading a collaborative teaching community, modeling planning and assessment strategies, serving as an advisor and mentor, helping develop other teachers, completing and sharing action research projects focused on solving a school or classroom level concern for learning, co-teaching across multiple classrooms with other teachers, or coaching other teachers in highly effective instruction through modeling, co-teaching, and reflection."

on page 36, by inserting between lines 17-18, the following:

"(5) Sustainability of Pilot Program. – Demonstration of how the local school administrative unit will achieve financial sustainability for the plan developed and implemented in the pilot when grant funds are no longer provided.";

and on page 37, line 18, by delcting the number "five" and substituting the number "10";

and on page 37, by inserting after line 21 the following sections:

"**SECTION #.(h)** Flexibility for Local School Administrative Units. – Notwithstanding G.S. 115C-301, local school administrative units receiving grants under this program may exceed the maximum class size requirements for kindergarten through third grade.

SECTION #.(i) G.S. 115C-105.25 is amended by adding a new subsection to read:

Part II. Adopted

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ATC-42 [v.5]

"(a1) Except as otherwise provided in subsection (b) of this section, the State Board of Education shall permit local boards of education to transfer, at the discretion of the local board, any available State funds into an allotment category to provide supplemental salaries and differential pay for school personnel."".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED X FAILED _____ TABLED _____

Amdt #9

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ATC-43 [v.1]

Amends Title [NO]
EDUC subcommittee report

Date _____,2015

Representative Stam

moves to amend the EDUC special provision report on page 94, by inserting after that page a new special provision to read:

"***SEAA FUNDS FOR ADMINISTRATION OF ELEMENTARY AND SECONDARY SCHOLARSHIP GRANT PROGRAMS***

SECTION #.(a) Section 8.29.(f) of S.L. 2013-360 reads as rewritten:

"**SECTION 8.29.(f)** The Authority may retain up to ~~four hundred thousand dollars ($400,000)~~ four percent (4%) annually for administrative costs associated with the scholarship grant program."

SECTION #.(b) Section 5.(b) of S.L. 2013-364 reads as rewritten:

"**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~~ 2015-2016 and subsequent years, NCSEAA may retain up to ~~two percent (2%)~~four percent ~~(4%)~~ annually for administrative costs associated with the scholarship grant program."". three

3

WITHDRAWN BY SPONSOR

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED X FAILED _____ TABLED _____

Amdt. #10

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMK-9 [v.5]

Amends Title [NO]
EDUC subcommittee report

Date _____ ,2015

Representative Bryan

moves to amend the EDUC money report on page F11, by adding a new item after item 67 to read:

"68 Special Education Scholarships for Children with Disabilities Increases funding available to the State Education Assistance Authority to provide Special Education Scholarships for Children with Disabilities."; and	$1,400,000 **NR**	$1,400,000 **NR**

On page F7, Item 41, by decreasing the amount for FY 2015-2016 by $1,400,000 and the amount for FY 2016-2017 by $1,400,000.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED X TABLED _____

Amdt. #1

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMK-4 [v.2]

Amends Title [NO]
EDUC Subcommittee report

Date _____,2015

Representative Blackwell

moves to amend the EDUC special provision report on page 50, line 13, by deleting the word "pilot" and substituting the word "fund"; and

on page 50, lines 27-28, by inserting between those lines the following:

"(7) Emphasis on utilization of digital content to expand learning time, when practicable."; and

on page 51, line 13, by adding at the end of that line the following new subsection to read:

"**SECTION #.(f)** Section 8.19 of S.L. 2014-100 is repealed.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED X FAILED _____ TABLED _____

Amdt. #12

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ALH-11 [v.4]

Amends Title [NO]
EDUC SP Report

Date _____,2015

Representative Horn

moves to amend the Education Special Provision Report on page 68, lines 18-19, by inserting between those lines the following:

"**SECTION #.(b)** Funds appropriated to the Board of Governors of The University of North Carolina pursuant to Section 11.12(b) of S.L. 2014-100 for the 2014-2015 fiscal year for the UNC Yellow Ribbon Reserve shall not revert at the end of the fiscal year but shall remain available unless provided otherwise by this act. This subsection becomes effective June 30, 2015.

SECTION #.(c) Funds appropriated to the Community Colleges System Office for the 2014-2015 fiscal year for the Community College Yellow Ribbon Reserve pursuant to Section 11.12(b) of S.L. 2014-100 shall not revert at the end of the fiscal year but shall remain available unless provided otherwise by this act. This subsection becomes effective June 30, 2015."; and

Moves to amend the EDUC money report on page F-4, Item 26,
By deleting "recurring" and substituting "nonrecurring".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED X FAILED _____ TABLED _____

H97-ALH-11-V-4

Amdt. #13

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ATC-46 [v.2]

Amends Title [NO]
EDUC subcommittee report

Date _____,2015

Representative Blackwell

moves to amend the EDUC special provision report on page 94 by inserting the following after that page:

"ADVANCED PLACEMENT/INTERNATIONAL BACCALAUREATE TEACHER BONUSES FOR THE NCSSM AND NC SCHOOL OF THE ARTS HIGH SCHOOL

SECTION #.(a) Article 29 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"**§ 116-235.5. Advanced courses.**

(a) Students enrolled in the North Carolina School of Science and Mathematics or in high school courses at the North Carolina School of the Arts shall have access to and shall be encouraged to enroll in and successfully complete more rigorous advanced courses to enable success in postsecondary education. For the purposes of this section, an advanced course is an Advanced Placement or International Baccalaureate Diploma Programme course.

(b) To attain this goal, to the extent funds are made available for this purpose, the following shall be provided:

(1) Students shall be exempt from paying any fees for administration of examinations for advanced courses and registration fees for advanced courses in which the student is enrolled regardless of the score the student achieves on an examination.

(2) Bonuses shall be awarded to teachers of advanced courses according to the following:

a. A bonus in the amount of fifty dollars ($50.00) for each student taught by an advanced course teacher in each advanced course who receives the following score:

1. For Advanced Placement courses, a score of three or higher on the College Board Advanced Placement Examination.

2. For International Baccalaureate Diploma Programme courses, a score of four or higher on the International Baccalaureate course examination.

b. No teacher shall be awarded a bonus pursuant to this subdivision that exceeds two thousand dollars ($2,000) in any given school year. The bonus awarded to a teacher pursuant to this subdivision shall be in

addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

(c) If funds are appropriated for advanced courses, the State Board of Education shall reimburse The University of North Carolina for fees for advanced courses for students enrolled in the North Carolina School of Science and Mathematics or in high school courses at the North Carolina School of the Arts and bonuses for teachers of those courses as provided in subsection (b) of this section."

SECTION #.(b) G.S. 116-69 reads as rewritten:

"**§ 116-69. Purpose of school program.**

The primary purpose of the school shall be the professional training, as distinguished from liberal arts instruction, of talented students in the fields of music, drama, the dance, and allied performing arts, at both the high school and college levels of instruction, with emphasis placed upon performance of the arts, and not upon academic studies of the arts. The said school may also offer high school and college instruction in academic subjects, including advanced courses as provided in G.S. 116-235.5, and such other programs as are deemed necessary to meet the needs of its students and of the State, consistent with appropriations made and gifts received therefor, and may cooperate, if it chooses, with other schools which provide such courses of instruction. The school, on occasion, may accept elementary grade students of rare talent, and shall arrange for such students, in cooperation with an elementary school, a suitable educational program.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED X FAILED _____ TABLED _____

Amdt. #14

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMK-12 [v.2]

Amends Title [NO]
EDUC subcommittee report

Date _____,2015

Representative Horn

moves to amend the EDUC money report on page F5, by adding a new item after item 29 to read:

"**29A Competency Education Pilot** $2,000,000 **R** $2,000,000 **R**
Provides Support to launch a competency education pilot Developed by North Carolina New Schools Project, Inc. (NCNSP), as part of its public and private partnership with local school administrative unit to advance education innovation that better prepares all students for college, careers and life. NCNSP will establish three pilot programs through an RFP process."; and

On page F2, Item 7, by decreasing the amount for FY 2015-2016 by $2,000,000 and the amount for FY 2016-2017 by $2,000,000; and

By adjusting the totals accordingly.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED X FAILED _____ TABLED _____

H97-AMK-12-V-2

Amdt #16

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMM-77 [v.2]

Amends Title [NO]
First Edition

Date _____,2015

Representative Holloway

moves to amend the House of Representatives Committee on Education Proposed Special Provisions for H.B. 97, 2015 Appropriations Act Report dated May 14, 2015, by inserting the following new Special Provision at the end of the Report:

"**SECTION #.(a)** The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, with the assistance of the Department of Health and Human Services, Division of Vocational Rehabilitation and Division of Social Services, the Department of Public Instruction, The University of North Carolina, and the North Carolina Community College System, and in consultation with the North Carolina Postsecondary Education Alliance, community stakeholders, and other interested parties, shall:

(1) Assess gaps and system needs to support transitions of people with disabilities to adulthood.
(2) Develop a program and fiscal policies to expand and sustain postsecondary education and employment opportunities for people with disabilities.
(3) Plan and implement approaches to public awareness about postsecondary education and employment for people with disabilities.
(4) Plan and implement joint policies and common data indicators for tracking the outcomes of people with disabilities after leaving high school.
(5) Consider options for technology to link agency databases.

The Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall report to the Joint Legislative Education Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services by November 15, 2015, and annually thereafter through November 15, 2017, on the implementation of this section.

FINANCIAL ASSISTANCE FOR POSTSECONDARY EDUCATION

SECTION #.(b). The State Education Assistance Authority shall study strategies for ensuring that the State system of financial assistance for postsecondary education is fully available to assist qualified students with disabilities who are enrolled in certificate-based, approved university programs developed for them. The Authority shall report to the Joint Legislative Education Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services by March 15, 2016, on the results of this study.";

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMM-77 [v.2]

And by amending the House Appropriations Committee on Education Report on the Continuation and Expansion Budget, dated May 14, 2015, by deleting item 30 on page F5;

And by amending the House Appropriations Committee on Education Report on the Continuation and Expansion Budget, dated May 14, 2015, by creating a new item 68 on page F11 as follows:

"**68 Education Opportunities for Students with Disabilities**

These funds shall be used by the Carolina Institute for Developmental Disabilities, in collaboration with the North Carolina Postsecondary Education Alliance, for the work of the Alliance's three regional Partnerships for Identifying and Promoting Excellence in Postsecondary Education for People with Intellectual and/or Developmental Disabilities. The purpose of these partnerships is to build capacity for the expansion of postsecondary options for students with intellectual and/or developmental disabilities in order to improve their short- and long-term outcomes.".	$600,000 NR	$600,000 NR

".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED X FAILED _____ TABLED _____

Amdt. #17

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMK-14 [v.5]

Amends Title [NO]
EDUC subcommittee report

Date _____,2015

Representative Bryan

moves to amend the special provision report on page 19, line 7, by deleting the phrase "fifty percent (50%)" and substituting the phrase "sixty-five percent (65%)"; and

on page 19, line 16, by deleting the phrase "fifty percent (50%)" and substituting the phrase "sixty-five percent (65%)"; and

on page 19, line 20, by rewriting the line to read:
"($200,000) to recipients for charter schools for the initial planning year and for charter schools approved by the State Board of Education for the charter school fast-track replication process.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED X FAILED _____ TABLED _____

Amdt. #18

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ALH-13 [v.1]

Amends Title [NO]
EDUC Money Report

Date _____,2015

Representative Lucas

moves to amend the bill on page F-4, Item 22,
by rewriting that item to read:

"**22 Regional Education Service Alliances (RESAs) (1901)**
Provides recurring grants of $300,000 to the State Board of Education to provide professional development to teachers and other LEA personnel. The State Board of Education shall collaborate with the eight RESAs to annually provide training within the eight State education regions on State funding flexibility to all superintendents and/or superintendents' designees. This training will provide information on the budget flexibility afforded by State statutes for differentiated pay and other initiatives to improve student achievement."

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED X FAILED _____ TABLED _____

Amdt. #19

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ALE-16 [v.3]

Amends Title [NO]
PCS

Date _____ ,2015

Representative Lucas

moves to amend the money report on page F 2, item ~~4~~ 7, by reducing the amounts for each year by $4,500,000;

And on page F 1, item 4, by decreasing the cuts for each year by $4,500,000, and by rewriting the description of the item to read:
"Adjusts the supplemental allotment for school districts in low wealth counties to align funding availability with formulaic requirements. Also, increases the allotments for 3 LEAs as follows:
Cumberland County Schools - $3,000,000
Onslow County Schools - $1,000,000
Craven County Schools - $500,000.
$207.1 million will remain available for this allotment."

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED X FAILED _____ TABLED _____

Withdrawn

Amdt. #20

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMK-6 [v.1]

Amends Title [NO]
EDUC subcommittee report

Date _____,2015

Representative Stam

moves to amend the EDUC special provision report on pages 52-53, by inserting between those pages a new special provision to read:

"**DROPOUT PREVENTION PILOT CHANGES**

SECTION #. S.L. 2014-104 reads as rewritten:

'**SECTION 1.** S.L. 2011-259 is repealed.

SECTION 2. The State Board of Education shall establish a ~~two-year~~five-year Dropout Prevention and Recovery Pilot Program (Pilot Program). The State Board of Education shall select ~~one charter school~~ charter schools that ~~has~~ have been approved by the State Board under ~~G.S. 115C-238.29D~~G.S. 115C-218.5 to provide the educational services and programming for the Pilot Program. The purpose of the Pilot Program is to reengage students and increase the graduation rates in North Carolina through an educational program that provides flexible scheduling and a blended learning environment with individualized and self-paced learning options.

SECTION 3. To be eligible to participate in the Pilot Program, ~~the~~ a charter school's enrollment shall only include high school students who have (i) dropped out of high school or (ii) transferred from their high school to the charter school. For the purposes of this act, high school shall include ninth through twelfth grades. Transfer decisions shall be made by the student who is 18 years of age or older or the student's parents or guardians. ~~The~~ A selected charter school, its affiliated charter management organization, or its education management organization must be accredited by the Southern Association of Colleges and Schools as an indicator of quality instructional programming. All teachers employed by ~~the~~ a selected charter school participating in the Pilot Program shall be licensed teachers under G.S. 115C-296.

SECTION 4. ~~The~~ A selected charter school participating in the Pilot Program shall develop and implement an alternative accountability model that meets the guidelines adopted by the State Board of Education for alternative learning programs under G.S. 115C-12(24).

SECTION 5. For ~~the~~ a selected charter school participating in the Pilot Program, the allotments and adjustments shall be made as provided in ~~G.S. 115C-238.29H~~G.S. 115C-218.105 and shall be adjusted on the basis of the average daily membership in the fifth month of the school year.

SECTION 6. Existing charter schools meeting the criteria as provided in this act may apply to participate in the Pilot Program no later than ~~August 31, 2014~~June 1, 2015. The

State Board of Education shall select by ~~September 30, 2014,~~June 30, 2015, ~~the participant~~ participants for the Pilot Program ~~for the 2014-2015 and 2015-2016 school years.~~through the 2019-2020 school year.

SECTION 7. The State Board of Education shall submit ~~a~~an annual report to the Joint Legislative Education Oversight Committee ~~by~~ beginning March 15, 2016, through March 15, 2020, on the outcomes of the Dropout Prevention and Recovery Pilot Program, including (i) the number of students who dropped out of high school, enrolled in the program, and completed a high school diploma, (ii) the results of the alternative accountability model, and (iii) the impact on the ADM Contingency Reserve. The report shall also include any recommendations to enhance the effectiveness and the efficiency of the Pilot Program funding and accountability models.

SECTION 8. ~~The~~ Following review of the reports provided in Section 7 of this act, the Joint Legislative Education Oversight Committee shall report to the ~~2016 Regular Session of the 2015~~ General Assembly on necessary legislation to transition the Pilot Program into alternative charter schools serving high school students who have dropped out of high school.

SECTION 8.5. The State Board of Education and the Charter Schools Advisory Board shall jointly report by December 15, 2014, to the General Assembly on the utilization of contracts for personnel services by local boards of education and charter school boards of directors. The report shall indicate both the purposes and the extent of such contracts prevalent in each local school administrative district and charter schools statewide.

SECTION 9. This act is effective when it becomes law. The Pilot Program shall begin with the 2014-2015 school year and shall conclude at the end of the ~~2015-2016~~2019-2020 school year.'".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

Withdrawn

Amdt. #21

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ALE-14 [v.6]

Amends Title [NO]
PCS

Date _____,2015

Representative Stam

moves to amend the special provisions on page 63, lines 6 and 7, by deleting "two million dollars ($2,000,000)" on each line and substituting six hundred thousand dollars ($600,000)";

and on page F 3, item 14, by reducing the amount for the 2015-2016 fiscal year by $800,000;

And moves to amend the money report on page F-11, by adding a new item to read:
"**68 Special Education Scholarships for Children**
With Disabilities **$2,200,000 (NR) $1,400,000 (NR)**
Increases funding available to the State Education Assistance Authority to provide Special Education Scholarships for Children with Disabilities."

And on page F3, item 14, by decreasing the amount by $1,400,000 in nonrecurring funds for each year of the biennium;

And by adjusting the totals accordingly.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

Amdt #22

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ALH-9 [v.1]

Amends Title [NO]
EDUC SP Report

Date _____,2015

Representative Whitmire

moves to amend the bill Education Special Provision Report on page 69, lines 33-34, by inserting between those lines the following:

"(8) State funds allocated to NC State University for support to the Agriculture Education / FFA Program."

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED X FAILED _____ TABLED _____

Amdt. #23

withdrawn

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ATC-45 [v.1]

Amends Title [NO]
EDUC subcommittee report

Date _____, 2015

Representative Stam

moves to amend the EDUC special provision report on page 37, by inserting after line 21 the following sections:

"**SECTION #.(h)** Flexibility for Local School Administrative Units. – Notwithstanding G.S. 115C-301, local school administrative units receiving grants under this program may exceed the maximum class size requirements for kindergarten through third grade.

SECTION #.(i) G.S. 115C-105.25 is amended by adding a new subsection to read:

"(a1) Except as otherwise provided in subsection (b) of this section, the State Board of Education shall permit local boards of education to transfer, at the discretion of the local board, any available State funds into an allotment category to provide supplemental salaries and differential pay for school personnel."".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

Corrected #2:

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

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

DAY & DATE: Thursday, May 14, 2015
TIME: **3:30 PM**
LOCATION: **423 LOB**
COMMENTS: **Chairman Rep. Bryan Holloway, presiding.**

Respectfully,

Representative Hugh Blackwell, Co-Chair
Representative Rob Bryan, Co-Chair
Representative Bryan R. Holloway, Co-Chair
Representative D. Craig Horn, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 1:21 PM on Thursday, October 08, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Emma Shelby (Committee Assistant)

MINUTES

Appropriations Committee on Education

Thursday, May 14th, 2015
3:30 p.m.
Room 423, Legislative Office Building

The House Committee on Education – Universities met on Thursday, May 14h, 2015 at 3:30 p.m. in room 423 of the Legislative Office Building. The following members were present: Representatives Blackwell, Bryan, Holloway, and Horn, Co-Chairs; Representatives Gill, Glazier, Stam, and Whitmire, Vice-Chairs; Representatives Bell, Brockman, Conrad, Elmore, Fraley, Lucas, and Michaux. A visitor registration is attached and made part of these minutes. (Attachment I)

Representative Holloway, Chair, called the meeting to order at 4:36 p.m. He introduced the Sergeant of Arms staff (Attachment II).

Representative Holloway recognized the committee members to consider the proposed amendments to the House Recommended Budget for Education.

The results of the 28 proposed amendments set before the committee are made part of these minutes (Attachment III) along with copies of these amendments (Attachment IV).

Respectfully submitted,

Bryan R. Holloway
Representative Holloway, Co-Chair

Emma Shelby
Emma Shelby, Committee Assistant

VISITOR REGISTRATION SHEET

Appropriations on Education — Name of Committee

5/14/2015 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Bruce Mildt	NCSBA
Bet Brill	Ryo Hall
Rachel Beadle	NCDPI
[illegible]	[illegible]
[illegible]	MWC
Karen Duquette	PEFNC
Reggie Harkey	The Longmire Group
Cameron Barnes	The Longmire Group
[illegible]	Ed Consultant
Edna Wallace	NCNS
Matt Cauble	NC Cap Conn

VISITOR REGISTRATION SHEET

Appropriations on Education
Name of Committee

5/14/2015
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Tracy Kimbrell	Parker Poe
Jessica Farmer	ICS
Joe Maynard	~~BEGINNINGS~~
Katherine Joyce	NCASA
Susan Harrison	NCSSWA
Doug Holbrook	NCSBA
Bill Bazemore	RLA
Jonathan Barbaker	Barbaker & Assoc
Sarah Bates	Barbaker & Assoc
Hayden Bauguess	FSP
Zachary Richards	Rep Glazier
Margie Freeman	NCAE

VISITOR REGISTRATION SHEET

Appropriations on Education
Name of Committee

5/14/2015
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mary Shuping	NCCCS
Scott Shook	St. Board of Community Colleges

VISITOR REGISTRATION SHEET

Appropriations on Education
Name of Committee

5/14/2015
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Nick Goetsch	OSBM
Josh Ehrick	JDA
Linda Millsaps	NCACC
[illegible]	DCR/M
Zane Stilwell	NCSRE
Angel Sams	NCSR
Alicia Carcirano	Intern, Rep. Sarah Stevens
Paul Yoder	HTGAC
Julia Adams-Schenck	Src. ASNC, MARC, NCARF
Jennifer Mahn	ASNC
Elizabeth Hunnicutt	The Hunt Institute

VISITOR REGISTRATION SHEET

Appropriations on Education — Name of Committee

5/14/2015 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Hope Williams	NCCCS
Tom West	NCICU
Sue Ann Forrest	NC ICU
Bryan Conrad	OSBM
Drew Moretz	UNCGA
Adam Bregegeman	OSBM
Jen Willis	UNC-CH
Andrea Poole	UNC-GA
Jonathan Kappler	UNC GA
Doug Miskew	PSG
Lee Teague	NCPCSA

VISITOR REGISTRATION SHEET

Appropriations on Education
Name of Committee

5/14/2015
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Pat A. Yancey	APPC NC
[illegible]	NC Policy Watch
JULIE KOWAL	BEST NC
Marter Hill	SBE
Lanier Hodgson	UNC Health Care

Committee Sergeants at Arms

NAME OF COMMITTEE Appropriations on Education

DATE: 5/14/2015 Room: 423

House Sgt-At Arms:

1. Name: Charles Godwin
2. Name: Rey Cooke
3. Name: Dean Marshbourne
4. Name:
5. Name:

Senate Sgt-At Arms:

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

Drafting Code	*Member*	*Motion*
H97-AMK-4 [v.2]	Blackwell	Passed
H97-ATC-46 [v.2]	Blackwell	Passed
H97—AMK-14 [v.5]	Bryan	Passed
AMM-79 [v.2]	Stam	Out of Order
H97-ALE-17 [v.1]	Gill	Failed
H97-AMK-8 [v.1]	Glazier	Out of Order
H97-ALE-18 [v.2]	Glazier	Failed
H97-AMM-77 [v.2]	Holloway	Passed
H97-AMK-10 [v.2]	Horn	Passed
ALH-11 [v.4]	Horn	Passed
ATC-42 [v.5]	Horn	Part A: Passed; Part B: Passed
H97-AMK-12 [v.2]	Horn	Passed
H97-ALE-16 [v.3]	Lucas	Passed
ALE-15 [v.6]	Michaux	Failed
H97-AMM-76 [v.2]	Michaux	Failed
AMM-78 [v.1]	Michaux	Failed
U-ATC-41 H97-AMK-6 [v.1]	Stam	Withdrawn
H97-ALE-14 [v.6]	Stam	Withdrawn
H97-ALH-10 [v.4] 2015-UNC-H26-P	Stam	Passed
H97-ALH-8 [v.4]	Stam	Pulled
H97-AMK-13 [v.1]	Stam	Failed
H97-AMK-5 [v.3]	Stam	Withdrawn
H97-AMK-9 [v.4]	Bryan	Failed
H97-ATC-43 [v.1]	Stam	Technical change fix to 3%: Passed
H97-ATC-44 [v.1]	Stam	Out of Order
H97-ATC-45 [v.1]	Stam	Withdrawn
H97-ALH-13	Lucas	Passed
H97-ALH-9 [v.1]	Whitmire	Passed

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMK-4 [v.2]

Amends Title [NO]
EDUC Subcommittee report

Date _____,2015

Representative Blackwell

moves to amend the EDUC special provision report on page 50, line 13, by deleting the word "pilot" and substituting the word "fund"; and

on page 50, lines 27-28, by inserting between those lines the following:

"(7) Emphasis on utilization of digital content to expand learning time, when practicable."; and

on page 51, line 13, by adding at the end of that line the following new subsection to read:

"**SECTION #.(f)** Section 8.19 of S.L. 2014-100 is repealed.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ATC-46 [v.2]

Amends Title [NO]
EDUC subcommittee report

Date _____,2015

Representative Blackwell

moves to amend the EDUC special provision report on page 94 by inserting the following after that page:

"ADVANCED PLACEMENT/INTERNATIONAL BACCALAUREATE TEACHER BONUSES FOR THE NCSSM AND NC SCHOOL OF THE ARTS HIGH SCHOOL

SECTION #.(a) Article 29 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"**§ 116-235.5. Advanced courses.**

(a) Students enrolled in the North Carolina School of Science and Mathematics or in high school courses at the North Carolina School of the Arts shall have access to and shall be encouraged to enroll in and successfully complete more rigorous advanced courses to enable success in postsecondary education. For the purposes of this section, an advanced course is an Advanced Placement or International Baccalaureate Diploma Programme course.

(b) To attain this goal, to the extent funds are made available for this purpose, the following shall be provided:

(1) Students shall be exempt from paying any fees for administration of examinations for advanced courses and registration fees for advanced courses in which the student is enrolled regardless of the score the student achieves on an examination.

(2) Bonuses shall be awarded to teachers of advanced courses according to the following:

a. A bonus in the amount of fifty dollars ($50.00) for each student taught by an advanced course teacher in each advanced course who receives the following score:

1. For Advanced Placement courses, a score of three or higher on the College Board Advanced Placement Examination.

2. For International Baccalaureate Diploma Programme courses, a score of four or higher on the International Baccalaureate course examination.

b. No teacher shall be awarded a bonus pursuant to this subdivision that exceeds two thousand dollars ($2,000) in any given school year. The bonus awarded to a teacher pursuant to this subdivision shall be in

addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

(c) If funds are appropriated for advanced courses, the State Board of Education shall reimburse The University of North Carolina for fees for advanced courses for students enrolled in the North Carolina School of Science and Mathematics or in high school courses at the North Carolina School of the Arts and bonuses for teachers of those courses as provided in subsection (b) of this section."

SECTION #.(b) G.S. 116-69 reads as rewritten:

"**§ 116-69. Purpose of school program.**

The primary purpose of the school shall be the professional training, as distinguished from liberal arts instruction, of talented students in the fields of music, drama, the dance, and allied performing arts, at both the high school and college levels of instruction, with emphasis placed upon performance of the arts, and not upon academic studies of the arts. The said school may also offer high school and college instruction in academic subjects, including advanced courses as provided in G.S. 116-235.5, and such other programs as are deemed necessary to meet the needs of its students and of the State, consistent with appropriations made and gifts received therefor, and may cooperate, if it chooses, with other schools which provide such courses of instruction. The school, on occasion, may accept elementary grade students of rare talent, and shall arrange for such students, in cooperation with an elementary school, a suitable educational program.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMK-14 [v.5]

Amends Title [NO]
EDUC subcommittee report

Date _____,2015

Representative Bryan

moves to amend the special provision report on page 19, line 7, by deleting the phrase "fifty percent (50%)" and substituting the phrase "sixty-five percent (65%)"; and

on page 19, line 16, by deleting the phrase "fifty percent (50%)" and substituting the phrase "sixty-five percent (65%)"; and

on page 19, line 20, by rewriting the line to read:
"($200,000) to recipients for charter schools for the initial planning year and for charter schools approved by the State Board of Education for the charter school fast-track replication process.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

Out of ord

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMM-79 [v.2]

Amends Title [NO]
First Edition

Date _____ ,2015

Representative Stam

moves to amend the House Appropriations Committee on Education Report on the Continuation and Expansion Budget, dated May 14, 2015, page F5, by adding a new item to read:

"31 Special Education Scholarships for Children with Disabilities	**2,124,934 (R)**	**2,124,934 (R)**
Increases funding available to the State Education Assistance Authority to provide Special Education Scholarships for Children with Disabilities."		

And on page F9, item 50, by increasing the reductions for the item by $2,124,934 in recurring funds for each year of the biennium.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ALE-17 [v.1]

Amends Title [NO]
PCS

Date _____,2015

Representative Gill

moves to amend the special provisions on page 19, by deleting the special provision on that page;

and on page 37, lines 16-17, by deleting "nine million eight hundred thousand dollars ($9,800,000)" and substituting " ten million eight hundred thousand dollars ($10,800,000)";

And moves to amend the money report on page F 4, by deleting item 23;

And on page F 1, item 6, by adding $1,000,000 in recurring funds for each year of the biennium.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

Out of order

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMK-8 [v.1]

Amends Title [NO]
EDUC Subcommittee report

Date _____,2015

Representative Glazier

moves to amend the EDUC special provision report on pages 52-53, by inserting between those pages a new special provision to read:

"MODIFY SCHOOL PERFORMANCE GRADES

SECTION #. G.S. 115C-83.15(d) reads as rewritten:

"(d) Calculation of the School Performance Scores and Grades. – 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%),~~fifty percent (50%), and the school growth score shall account for ~~twenty percent (20%)~~fifty percent (50%) 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."".

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMK-8 [v.1]

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H197-ALE-18 [v.2]

Amends Title [NO]
PCS

Date _____,2015

Representative Glazier

moves to amend the money report on page F 11, by deleting item 67;

And on page F 9, item 50, by reducing the cut for the 2015-2016 fiscal year by $6,800,000 in nonrecurring funds.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMM-77 [v.2]

Amends Title [NO]
First Edition

Date _____,2015

Representative Holloway

moves to amend the House of Representatives Committee on Education Proposed Special Provisions for H.B. 97, 2015 Appropriations Act Report dated May 14, 2015, by inserting the following new Special Provision at the end of the Report:

"**SECTION #.(a)** The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, with the assistance of the Department of Health and Human Services, Division of Vocational Rehabilitation and Division of Social Services, the Department of Public Instruction, The University of North Carolina, and the North Carolina Community College System, and in consultation with the North Carolina Postsecondary Education Alliance, community stakeholders, and other interested parties, shall:

(1) Assess gaps and system needs to support transitions of people with disabilities to adulthood.

(2) Develop a program and fiscal policies to expand and sustain postsecondary education and employment opportunities for people with disabilities.

(3) Plan and implement approaches to public awareness about postsecondary education and employment for people with disabilities.

(4) Plan and implement joint policies and common data indicators for tracking the outcomes of people with disabilities after leaving high school.

(5) Consider options for technology to link agency databases.

The Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall report to the Joint Legislative Education Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services by November 15, 2015, and annually thereafter through November 15, 2017, on the implementation of this section.

FINANCIAL ASSISTANCE FOR POSTSECONDARY EDUCATION

SECTION #.(b). The State Education Assistance Authority shall study strategies for ensuring that the State system of financial assistance for postsecondary education is fully available to assist qualified students with disabilities who are enrolled in certificate-based, approved university programs developed for them. The Authority shall report to the Joint Legislative Education Oversight Committee and the Joint Legislative Oversight Committee on Health and Human Services by March 15, 2016, on the results of this study.";

And by amending the House Appropriations Committee on Education Report on the Continuation and Expansion Budget, dated May 14, 2015, by deleting item 30 on page F5;

And by amending the House Appropriations Committee on Education Report on the Continuation and Expansion Budget, dated May 14, 2015, by creating a new item 68 on page F11 as follows:

"**68 Education Opportunities for Students with Disabilities**

These funds shall be used by the Carolina Institute for Developmental Disabilities, in collaboration with the North Carolina Postsecondary Education Alliance, for the work of the Alliance's three regional Partnerships for Identifying and Promoting Excellence in Postsecondary Education for People with Intellectual and/or Developmental Disabilities. The purpose of these partnerships is to build capacity for the expansion of postsecondary options for students with intellectual and/or developmental disabilities in order to improve their short- and long-term outcomes.".	$600,000 NR	$600,000 NR

".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMK-10 [v.2]

Amends Title [NO]
EDUC subcommittee report

Date _____ ,2015

Representative Horn

moves to amend the special provision report on page 84, line 26, by rewriting that line to read:

"(2) Community college students and private, nonprofit two-year college students applying for transfer to an educator preparation"."

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ALH-11 [v.4]

Amends Title [NO]
EDUC SP Report

Date _____,2015

Representative Horn

moves to amend the Education Special Provision Report on page 68, lines 18-19, by inserting between those lines the following:

"SECTION #.(b) Funds appropriated to the Board of Governors of The University of North Carolina pursuant to Section 11.12(b) of S.L. 2014-100 for the 2014-2015 fiscal year for the UNC Yellow Ribbon Reserve shall not revert at the end of the fiscal year but shall remain available unless provided otherwise by this act. This subsection becomes effective June 30, 2015.

SECTION #.(c) Funds appropriated to the Community Colleges System Office for the 2014-2015 fiscal year for the Community College Yellow Ribbon Reserve pursuant to Section 11.12(b) of S.L. 2014-100 shall not revert at the end of the fiscal year but shall remain available unless provided otherwise by this act. This subsection becomes effective June 30, 2015."; and

Moves to amend the EDUC money report on page F-4, Item 26,
By deleting "recurring" and substituting "nonrecurring".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ATC-42 [v.5]

Amends Title [NO]
EDUC subcommitee report

Date _____,2015

Representative Horn

moves to amend the EDUC money report on page F1, Item 6, by decreasing the amount for FY 2015-2016 by $4,800,000; and

on page F2, Item 7, by increasing the amount for FY 2015-2016 by $4,800,000 in nonrecurring funds; and

moves to amend the EDUC special provision report on page 34, lines 2-16, by rewriting those lines to read:

"**SECTION #.(a)** Purpose. – The State Board of Education shall establish a three-year pilot program to develop advanced teaching roles in selected local school administrative units to provide for, in addition to base salary and other applicable local supplements, advanced teaching supplements for classroom teachers based on a teacher's demonstrated effectiveness and additional responsibilities in advanced roles. The goal of the pilot is to develop highly effective models for advancement and compensation for teachers that can be used in local school administrative units statewide. The purpose of the program shall be to do at least the following:

(1) Enable local school administrative units to prototype advanced teaching roles and pay systems for eligible classroom teachers, in addition to base salary and other applicable local supplements, based on a classroom teacher's demonstrated effectiveness and additional responsibilities in reaching more students. For the purposes of this section, a classroom teacher is a teacher who works in the classroom providing instruction at least seventy percent (70%) of the instructional day and who is not instructional support personnel.

(2) Enable local school administrative units to provide salary supplements and other supports to classroom teachers in advanced teaching roles. Advanced teaching roles shall focus on rewarding excellent teaching with more pay while staying within regular budgetary restraints.

(3) Evaluate local plans to establish and compensate teachers in advanced teaching roles to form the basis for public schools statewide to provide

advanced teaching roles that are sustainable for local school administrative units.";

And on page 34, lines 27-31, by rewriting those lines to read:

"1. Minimum qualifications for advanced teaching roles shall include criteria demonstrating that the individual has had a measurable positive effect on student outcomes and is a qualified classroom teacher as well as an effective collaborator with other staff members. Minimum qualifications shall include at least one of the following:";

And on page 35, lines 4-13, by rewriting those lines to read:

"2. Job responsibilities for advanced teaching roles may include opportunities for leadership, advising, and mentoring, such as becoming a leader for peers in positions formally accountable for students within their purview, by implementing age-appropriate blended learning and other new staffing models, leading a collaborative teaching community, modeling planning and assessment strategies, serving as an advisor and mentor, helping develop other teachers, completing and sharing action research projects focused on solving a school or classroom level concern for learning, co-teaching across multiple classrooms with other teachers, or coaching other teachers in highly effective instruction through modeling, co-teaching, and reflection."

on page 36, by inserting between lines 17-18, the following:

"(5) Sustainability of Pilot Program. – Demonstration of how the local school administrative unit will achieve financial sustainability for the plan developed and implemented in the pilot when grant funds are no longer provided.";

and on page 37, line 18, by deleting the number "five" and substituting the number "10";

and on page 37, by inserting after line 21 the following sections:

"**SECTION #.(h)** Flexibility for Local School Administrative Units. – Notwithstanding G.S. 115C-301, local school administrative units receiving grants under this program may exceed the maximum class size requirements for kindergarten through third grade.

SECTION #.(i) G.S. 115C-105.25 is amended by adding a new subsection to read:

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ATC-42 [v.5]

"(a1) Except as otherwise provided in subsection (b) of this section, the State Board of Education shall permit local boards of education to transfer, at the discretion of the local board, any available State funds into an allotment category to provide supplemental salaries and differential pay for school personnel."".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMK-12 [v.2]

Amends Title [NO]
EDUC subcommittee report

Date _____,2015

Representative Horn

moves to amend the EDUC money report on page F5, by adding a new item after item 29 to read:

"29A Competency Education Pilot $2,000,000 **R** $2,000,000 **R**
Provides Support to launch a competency education pilot Developed by North Carolina New Schools Project, Inc. (NCNSP), as part of its public and private partnership with local school administrative unit to advance education innovation that better prepares all students for college, careers and life. NCNSP will establish three pilot programs through an RFP process."; and

On page F2, Item 7, by decreasing the amount for FY 2015-2016 by $2,000,000 and the amount for FY 2016-2017 by $2,000,000; and

By adjusting the totals accordingly.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ALE-16 [v.3]

Amends Title [NO]
PCS

Date _____,2015

Representative Lucas

moves to amend the money report on page F 2, item 4, by reducing the amounts for each year by $4,500,000;

And on page F 1, item 4, by decreasing the cuts for each year by $4,500,000, and by rewriting the description of the item to read:
"Adjusts the supplemental allotment for school districts in low wealth counties to align funding availability with formulaic requirements. Also, increases the allotments for 3 LEAs as follows:
Cumberland County Schools - $3,000,000
Onslow County Schools - $1,000,000
Craven County Schools - $500,000.
$207.1 million will remain available for this allotment."

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-ALE-15 [v.6]

Amends Title [NO]
PCS

Date _____,2015

Representative Michaux

moves to amend the special provisions on page 22, by deleting the special provision on that page;

And moves to amend the money report on page F 4, by deleting item 27;

And on page F 10, by adding a new item:

"61A Increased Funds for HBCU Interships **$2,600,000 (R)** **$2,700,000 (R)**
Provides additional funds to provide internships
and career-based opportunities for students
attending Historically Black Colleges and Universities";

And by adjusting the totals accordingly.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMM-76 [v.2]

Amends Title [NO]
First Edition

Date _____,2015

Representative Michaux

moves to amend the House of Representatives Committee on Education Proposed Special Provisions for H.B. 97, 2015 Appropriations Act Report dated May 14, 2015, by inserting the following at the end of the Report:

"**REPEAL OPPORTUNITY SCHOLARSHIPS AND FUNDING**

SECTION #.(a) Part 2A of Article 39 of Chapter 115C of the General Statutes is repealed.";

And by amending the House Appropriations Committee on Education Report on the Continuation and Expansion Budget, dated May 14, 2015, by deleting item 67 on page F11;

And by amending the House Appropriations Committee on Education Report on the Continuation and Expansion Budget, dated May 14, 2015, by creating a new item 21A on page F4 as follows:

"**21A Teacher Assistants**	FY 15-16	FY 16-17
Increases funding for teacher assistants.	10,840,000 R 6,800,000 NR".	10,840,000 R

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 97

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

H97-AMM-78 [v.1]

Amends Title [NO]
First Edition

Date _____ ,2015

Representative Michaux

By amending the House Appropriations Committee on Education Report on the Continuation and Expansion Budget, dated May 14, 2015, by reducing item 67 on page F11 by one million five hundred nineteen thousand one hundred twenty dollars ($1,519,120);

And by amending the House Appropriations Committee on Education Report on the Continuation and Expansion Budget, dated May 14, 2015, item 51 on page F9, by reducing the reduction on a nonrecurring basis by one million five hundred nineteen thousand one hundred twenty dollars ($1,519,120);

And by amending the House Appropriations Committee on Education Report on the Continuation and Expansion Budget, dated May 14, 2015, item 51 on page F9 by adding the following after the word "Math" and before the period:

"North Carolina Central University, North Carolina Agricultural and Technical State University, and Winston-Salem State University".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

Pattie Fleming (Rep. Craig Horn)

From: Dixie Riehm (Rep. Hugh Blackwell)
Sent: Wednesday, June 24, 2015 02:04 PM
To: Dixie Riehm (Rep. Hugh Blackwell)
Subject: <NCGA> House Appropriations, Education Committee Meeting Notice for Wednesday, July 01, 2015 at 8:30 AM - CORRECTED #1
Attachments: Add Meeting to Calendar_LINC_.ics

Corrected #1:

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

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

DAY & DATE: Wednesday, July 1, 2015
TIME: **8:30 AM**
LOCATION: **423 LOB**
COMMENTS: **Chairman, Representative Horn, presiding. Committee budget discussion and agency/public comment.**

Respectfully,

Representative Hugh Blackwell, Co-Chair
Representative Rob Bryan, Co-Chair
Representative Bryan R. Holloway, Co-Chair
Representative D. Craig Horn, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 2:03 PM on Wednesday, June 24, 2015.

___ Principal Clerk
___ Reading Clerk – House Chamber

Dixie Riehm (Committee Assistant)

AGENDA

HOUSE APPROPRIATIONS COMMITTEE ON EDUCATION

JULY 1, 2015 8:30 a.m.
Legislative Office Building - Room 423

House Committee Co-Chairs
Rep. Hugh Blackwell
Rep. Rob Bryan
Rep. Bryan Holloway
Rep. D. Craig Horn

House Committee Vice-Chairs
Rep. Rosa Gill
Rep. Rick Glazier
Rep. Paul Stam
Rep. Chris Whitmire

House Committee Members
Rep. Larry Bell
Rep. Cecil Brockman
Rep. Debra Conrad
Rep. Jeffrey Elmore
Rep. John Fraley
Rep. Marvin Lucas
Rep. Henry M. Michaux Jr.

I: Welcome and Opening Comments

Representative Craig Horn
Co-Chair, Presiding

II. Department of Public Instruction

Mr. Bill Cobey, Chairman
State Board of Education

Dr. June Atkinson
Superintendent

III. NC Community College System

Dr. R. Scott Ralls
President

IV. University of North Carolina

Mr. Charles Perusse,
Chief Operating Officer

V. North Carolina Independent Colleges and Universities

Mr. Tom West,
Vice President for Government Relations and General Counsel

VI. Public Comment

Next Meeting: TBD

House Committee on Appropriations, Education
Wednesday, July 1, 2015 at 8:30 AM

MINUTES

The House Appropriations Committee on Education met at 8:30 AM on July 1, 2015 in Room 423 of the Legislative Office Building. Representatives L. Bell, Blackwell, Brockman, Conrad, Fraley, Gill, Glazier, Holloway, Horn, Lucas, Stam, and Whitmire were present. Staff from Fiscal Research was Brian Matteson, Kris Nordstrom, Brett Altman and Mark Bondo. Research Department staff in attendance was Drupti Chauhan, Kara McCraw and Denise Huntley-Adams. Leslie Karkanawi from Bill Drafting was also present. Visitor registration sheets are provided. (Attachment 1)

Representative Craig Horn, Chair, presided. He called the meeting to order at 8:35 AM and introduced the Sergeant at Arms and Pages. (Attachment 2).

Representative Horn explained the purpose and order of the meeting. Interested agencies and/or individuals had been invited to address the committee today. Chairman Horn encouraged today's speakers to be candid, to talk to us and not at us, and give advice to the committee. A list was circulated for speakers to sign in order to speak. Remarks were limited to 5 minutes for agencies and 3 minutes for individuals.

The following agencies addressed the committee: Marge Foreman representing NCAE; Scott Ralls president of the NC Community College System (Attachment 3); Charlie Perusse COO of UNC System; Tom West Vice President of the NC Independent Colleges and Universities; Bill Cobey Chairman of NC State Board of Education; June Atkinson, Secretary of DPI (Attachment 4); Ryan Mahoney with the Foundation for Excellence in Education, nonprofit (Attachment 5); Brenda Berg with BESTNC; Paige Sayle, President of the NC School Board Association; and Matt Ellinwood, Policy Analyst with the NC Justice Center.

Following each speaker's comments there was an exchange of questions and answers between committee members and the speakers.

Representative Horn, presiding chair, thanked everyone for their participation. He also stated that the committee would appreciate any written input by other agencies or individuals.

Chairman Horn adjourned the meeting at 9:45 AM

Representative Craig Horn, Chair
Presiding

Pattie Fleming, Committee Clerk

VISITOR REGISTRATION SHEET

House Committee on Appropriations Education - July 1 2015

Name of Committee | Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jim Holmes	BOG
Drew Moretz	UNC GA
Kayla Romero	Students for Education Reform
Kyayla Turman	Students for Education Reform
Sue Ann Forrest	NCTCU
Tom West	NCICU
Eric Moore	NCDPI
David Brackett	SBE
Henry M Lancaster	LCA
Adam Priddy	NCASA
Josh Ehrich	JAA

VISITOR REGISTRATION SHEET

House Committee on Appropriations Education — July 1 2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Lisa Chapman	NCCCS
Jackson Slawic	ICS
Brenda Berg	BEST NC
Scott Rollins	NCCCS
Betty Doster	UNC Charlotte
Sabrina Kerr	DPI
Jennifer Haggood	NCCCS
Mike Ironman	NCATE
Douglas Holbrook	NCSBA
Matt Ellinwood	NC Justice Center

VISITOR REGISTRATION SHEET

House Committee on Appropriations Education - July 1 2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jonathan Pruitt	UNC General Admin
Jonathan Kappler	UNCGA
Ashlee Juden	BEST NC
Catherine Miller	BEST NC
Jeff White	BEST NC
Alex Granados	Ed NC
Bruce Mildwurf	NCSBA
Paige Sayles	NCSBA
[illegible]	NCDTSCA
Drew Tornissen	Hunt Inst.
Austin Pruitt	Parkinson Law

VISITOR REGISTRATION SHEET

House Committee on Appropriations Education - July 1 2015

Name of Committee | Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
CASANDRA HOEKSTRA	NCACC
JULIE KOWAL	BEST NC
Marlee Hill	NC SBE
Chris Perry	UNC System
Jen Willis	UNC-CH
Bryan Conrad	OSBM
Mary Shuping	NCCCS
Bill Hager	NCEL
Ryan Mahoney	Foundation for Excellence in Education
Wendy Kelly	Forum Carolina
Adam Bruggemann	OSBM

VISITOR REGISTRATION SHEET

House Committee on Appropriations, ~~Capital~~ Education — July 1 2015

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Lee Teague	NCPCSA
Michael Hauser	THCG
Mia Bailey	ElectriCities

NC COMMUNITY COLLEGES
REATING SUCCESS

2015-17 Conference Budget Priorities

1) **Instructor and Staff Salaries**

   Provide the equivalent of a 2% increase for all community college employees and the flexibility that allows colleges to determine the best way to address its salary challenges for recruitment and retention.

2) **Enrollment Growth Including Year-Round Funding for <u>All</u> Curriculum Courses**

   Accelerate student completion, help colleges retain instructors who would prefer to work year-round, and generate savings as university students obtain credits at community college by funding community colleges to be in "year-round production" and place graduates in the workforce.

3) **Equipment**

   To prepare for a workforce with current skills, community colleges must have current technology and equipment.

4) **Tuition**

   Make any tuition increase in FY 2015-16 effective January 1 to prevent having to send students supplemental tuition bills for the Fall term.

5) **IT Consolidation**

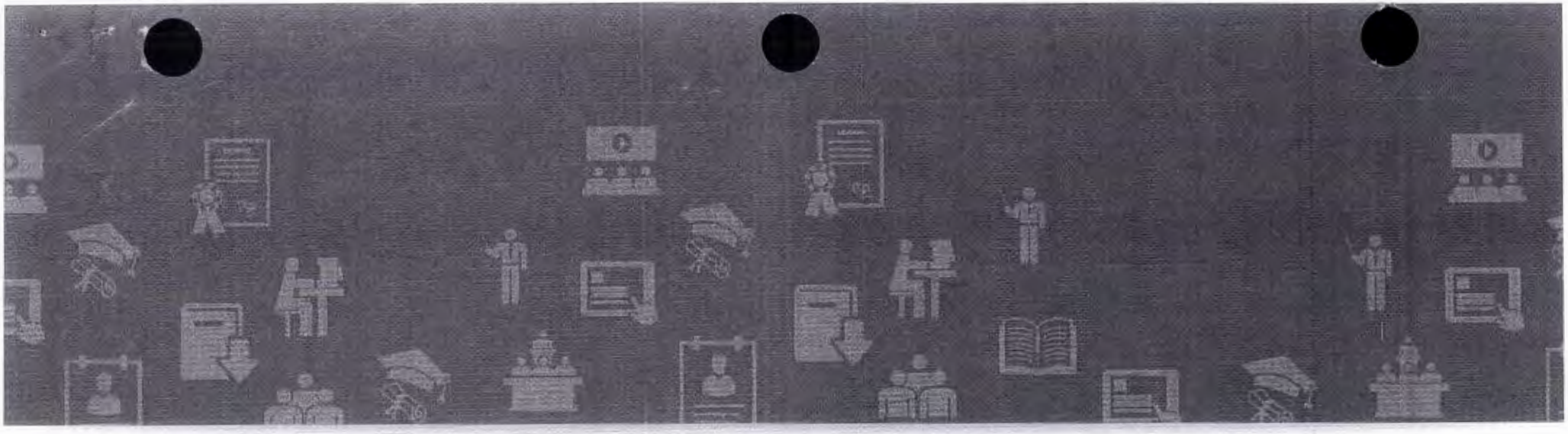
   Exclude the System Office from the IT consolidation. System Office IT employees provide direct service and expertise to community colleges on IT that is specific to the colleges.

6) **Driver Education**

   Do not shift driver education to community colleges without additional study.

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
FY 2015-17 CONFERENCE BUDGET PRIORITES

		House			Senate			Conference Priorities			
		FY 2015-16		FY 2016-17	FY 2015-16		FY 2016-17	FY 2015-16		FY 2016-17	
	2015-16 Base Budget	1,048,495,115		1,048,495,115	1,048,495,115		1,048,495,115	1,048,495,115		1,048,495,115	
1	**Enrollment Adjustment**	**(6,466,443)**		**10,502,516**	**(6,466,443)**		**(3,522,147)**	**(6,466,443)**		**10,502,516**	
	(inc. Year-Round funding)	includes year-round for all CU courses			includes year-round UGETC courses only			includes year-round for **all CU** courses			
2	**Instructor & Staff Salaries**	**23,205,514**		**23,205,514**	**21,374,722**		**21,374,722**	**22,785,124**		**22,785,124**	
		Equivalent to 2% increase for all college employees. Colleges have flexibility to determine how to provide increases for faculty and staff.			Equivalent to about 3% increase for faculty. Colleges have flexibility to determine how to provide increases to instructional personnel.			Equivalent to 2% increase for all college employees. Colleges have flexibility to determine how to provide increases for faculty and staff.			
3	**Equipment**	**15,000,000**	**NR**		**4,444,296**	**NR**		**9,000,000**	**NR**		
4	**Curriculum Tuition Increase**	**$0**		**($16,138,793)**	**($16,138,793)**		**($16,138,793)**	**($8,069,397)**		**($16,138,793)**	
	Resident increase per credit hour			$4/credit hour to $76	$4/credit hour to $76			$4/credit hour to $76 **effective January 1**			
	Non-resident increase per credit hr			$4/credit hour to $268	$4/credit hour to $268			$4/credit hour to $268 **effective January 1**			
	Items NOT in controversy	1,701,752		1,701,752	1,701,752		1,701,752	1,701,752		1,701,752	
		100,000	NR	100,000	NR	100,000	NR	100,000	NR	100,000	NR
	Other Items in controversy										
	Procurement Efficiencies	(3,722,467)		(3,722,467)	(2,519,343)		(2,519,343)	(2,519,343)		(2,519,343)	
	Workers Comp				37,366		37,366	37,366		37,366	
	All Others	8,547,010		17,122,158	500,000		1,000,000	-		-	
		585,000	NR	5,510,448	NR	-	NR	-	NR	-	NR
	FY 2015-16 General Fund Appropriation	1,087,445,481	**3.7%**	1,086,776,243	**3.7%**	1,051,528,672	**0.3%**	1,050,528,672	**0.2%**	1,065,064,175	**1.6%**	1,064,963,737	**1.6%**



Foundation for Excellence in Education

House Committee on Appropriations, Education

July 1, 2015



Foundation for Excellence in Education

Our vision is to build an education system that maximizes every student's potential for learning and prepares all students for success in the 21st century.

Our Guiding Principles

All children can learn.

All children should learn at least a year's worth of knowledge in a year's time.

All children will achieve when education is organized around the singular goal of student success.

What We Do



Our Board of Directors



Dr. Condoleezza Rice
Chair of the Board of Directors



F. Philip Handy
President of the Board of Directors



Reginald J. Brown
Board of Directors



César Conde
Board of Directors



Betsy DeVos
Board of Directors



Joel Klein
Board of Directors

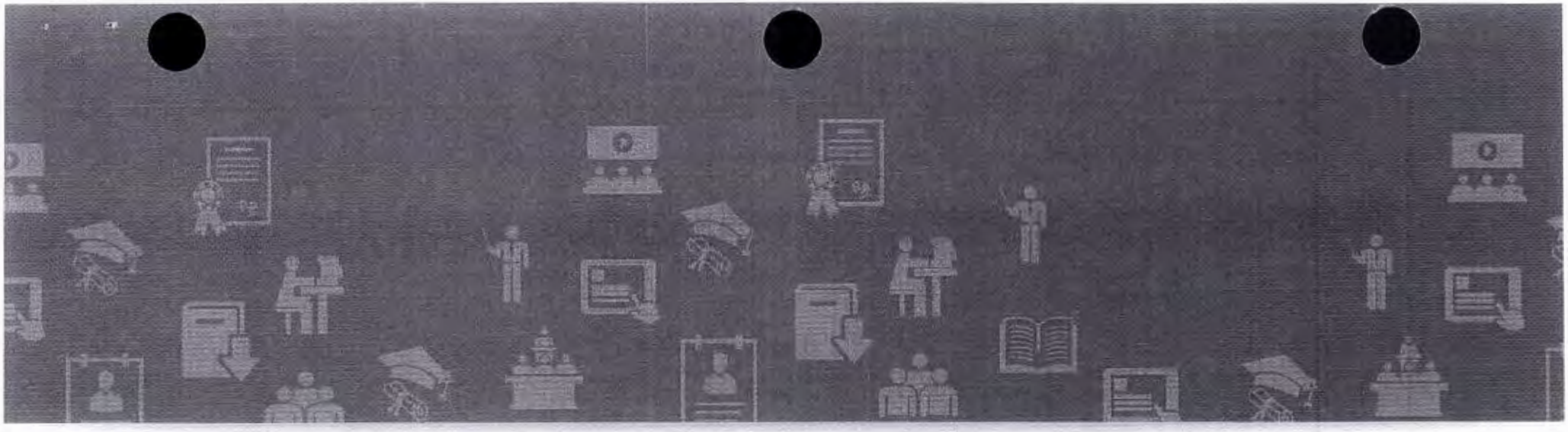


William Obendorf
Board of Directors



Charles R. Schwab
Board of Directors

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Foundation for Excellence in Education

College & Career Readiness



College & Career Readiness Initiatives

Career Initiatives

- Industry Certification
- Economic Security Report

College Initiatives

- Advanced Placement/International Baccalaureate
- College Board Partnership & pre-collegiate exams

Access

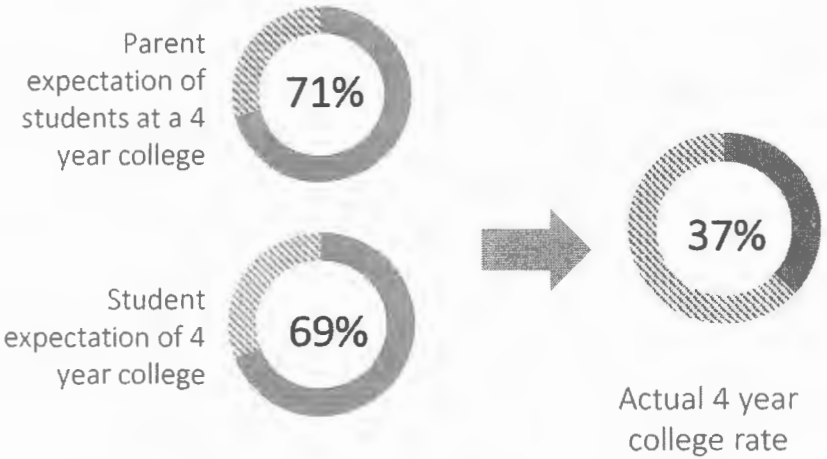
- Core 4 access to AP/IB/dual enrollment
- Collegiate high schools
- Early graduation incentives

Responsibility

- Standards aligned to CCR
- Graduation requirements aligned to CCR
- Demonstration of student mastery
- High schools accountable for CCR success

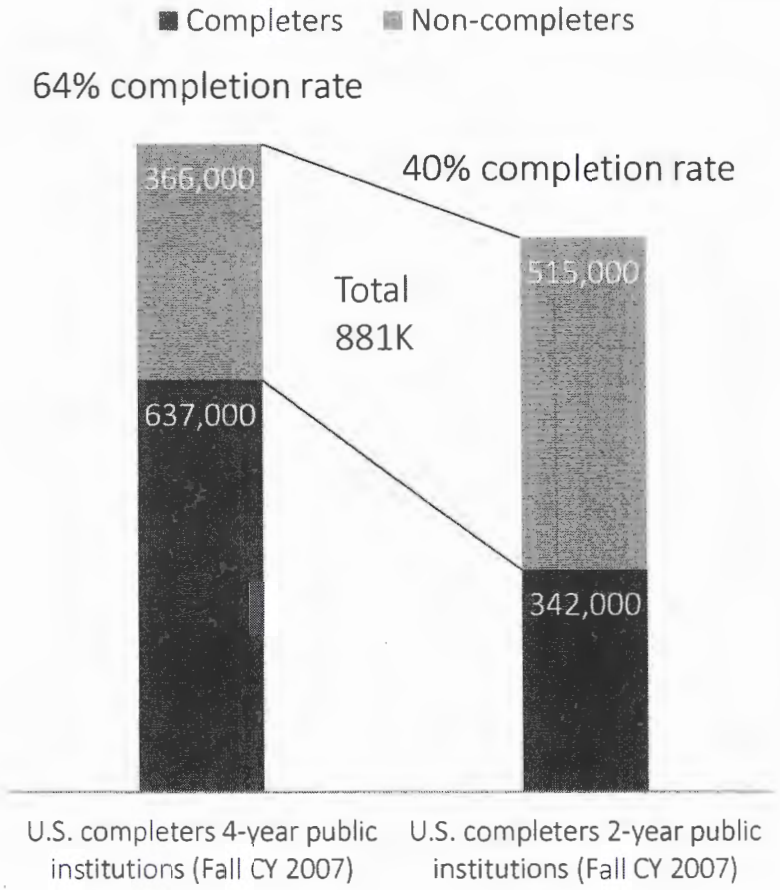
Why are Industry Certifications Needed?

High expectations... ... low participation



1.1 million U.S. high school completers (2012) potentially entered the workforce with **only** a high school diploma.

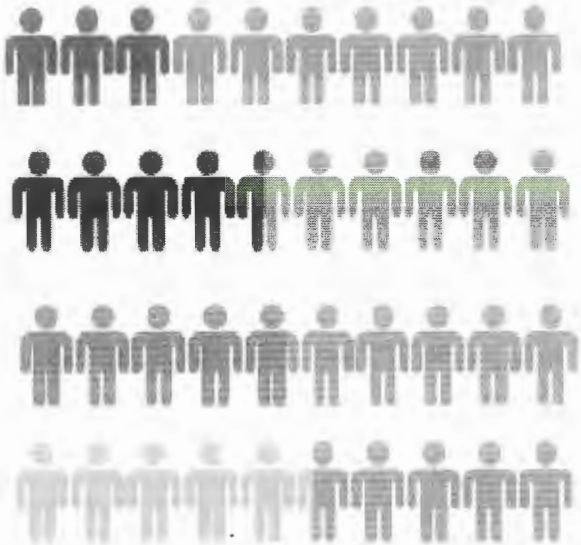
881,000 college students potentially entered workforce with **only** a high school diploma and some college credit.



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Unprepared, out of field or overqualified

Survey results of recent graduates of 4-year colleges



30% — Unprepared for workforce

45% — Overqualified for position

48% — Not working in chosen field

53% — Would choose different field or college

Foundation for Excellence in Education Copyright 2014

Workforce Demand

Skilled trades are the hardest jobs to fill in U.S:

65%

of job openings in U.S. by 2020 will require some postsecondary education

Roughly only 1 in 3 jobs require a bachelor's degree or higher

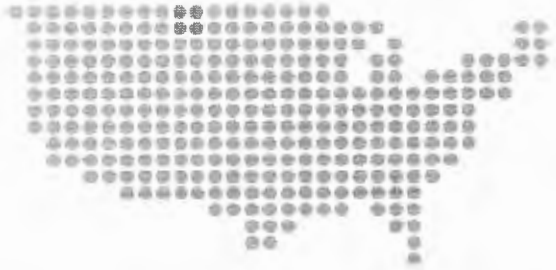
47%

of U.S. employers cite lack of technical competencies (hard skills) as top reason in difficulty filling open positions

almost

3.5 million

Manufacturing jobs are likely needed to be filled in the next decade



about

2 million

Manufacturing jobs will go unfilled in the next decade

According to Deloitte/Manufacturing Institute

Foundation for Excellence in Education Copyright.2014

Benefits of Industry Credentials

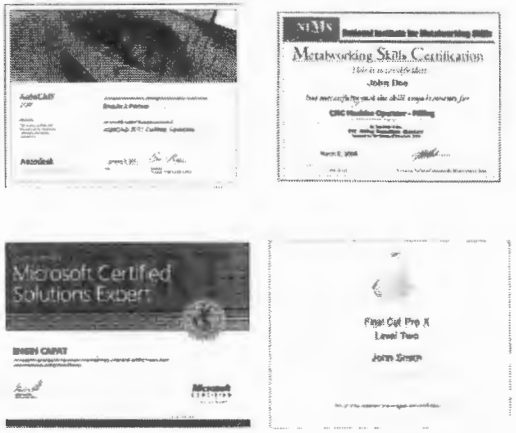
Industry-recognized credentials are used by employers to certify an applicant's immediate employability for a job. Financial incentives reward each student who earns an industry certification in a job that is tied to state workforce demand.

Students through earning a meaningful work credential that enables the student to begin a good-paying, in-demand job right out of high school.

Teachers and schools from bonus funding for each student who earns an industry certification.

Employers through verification that a student can do the job which employers are having trouble filling.

The state by realizing economic growth through a skilled workforce, which can attract, expand, and sustain high-value industries in the state.



Incentive is **performance-funded**. A school only earns the incentive when a student earns a qualifying industry certification

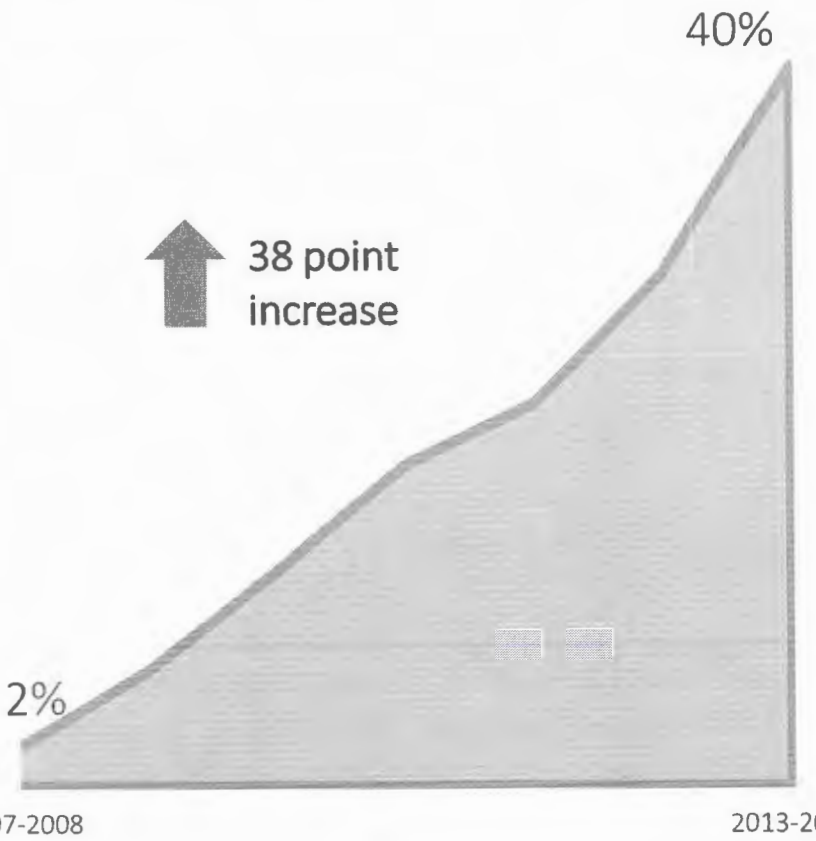
Qualifying industry certification must be **tied to workforce demand**

Teacher bonus is awarded for each student who earns a qualifying industry certification

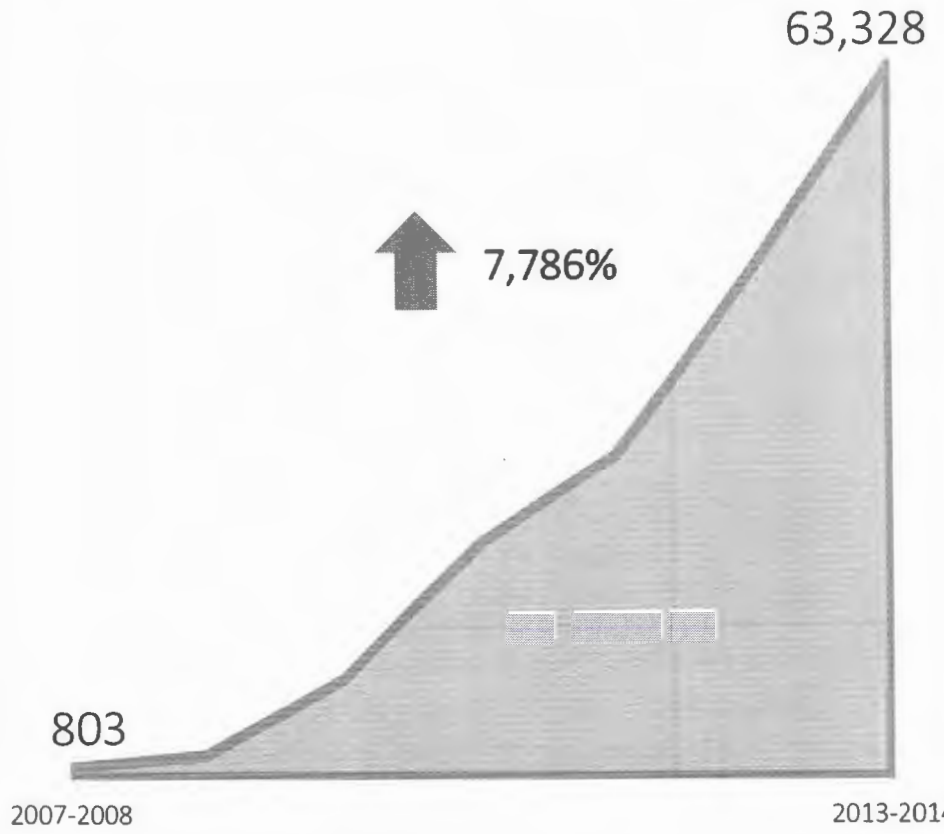
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The Incentive Works

Percentage of Florida high school students enrolled in courses that lead to an industry certification



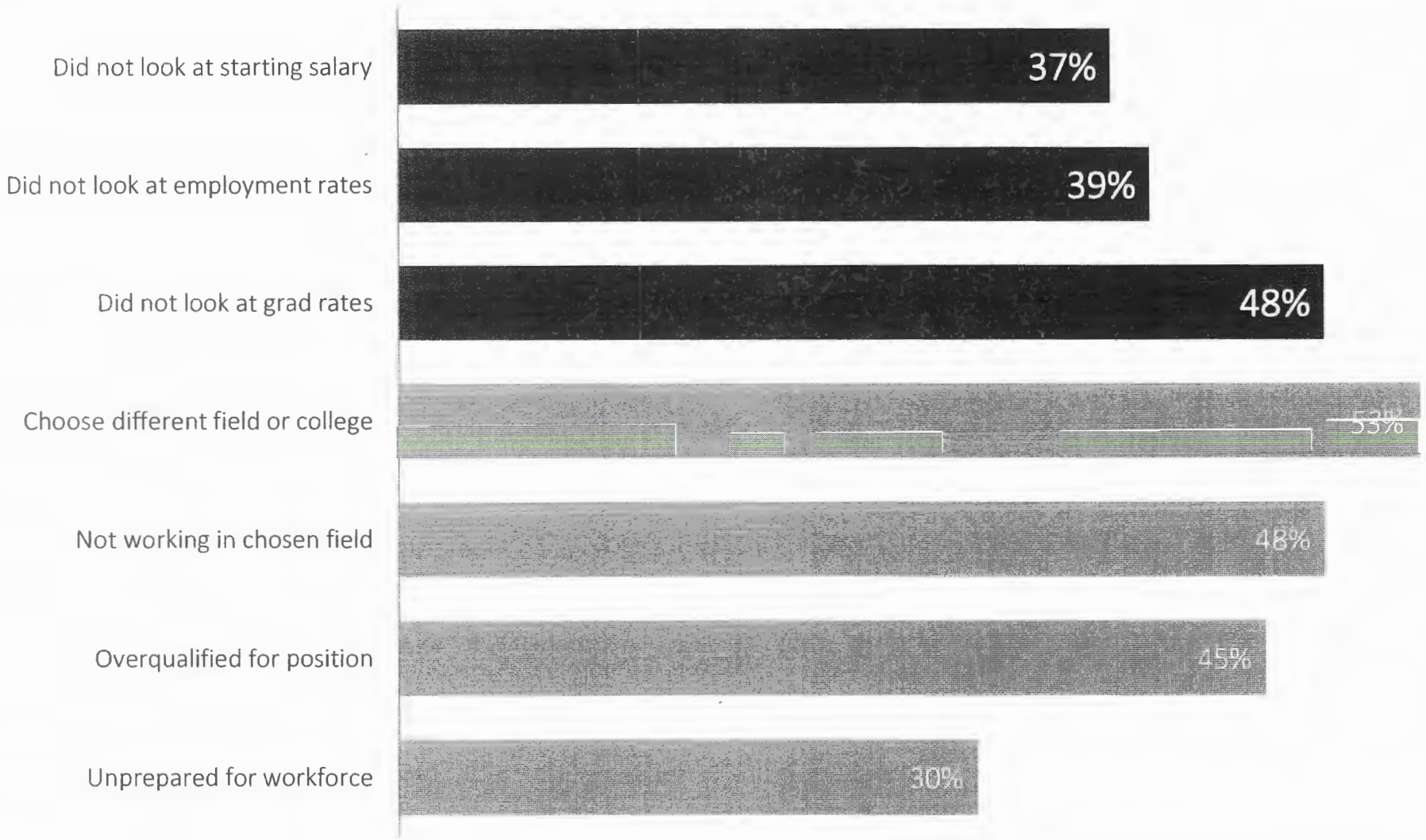
Number of students earning industry certifications in Florida



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The Information Deficit

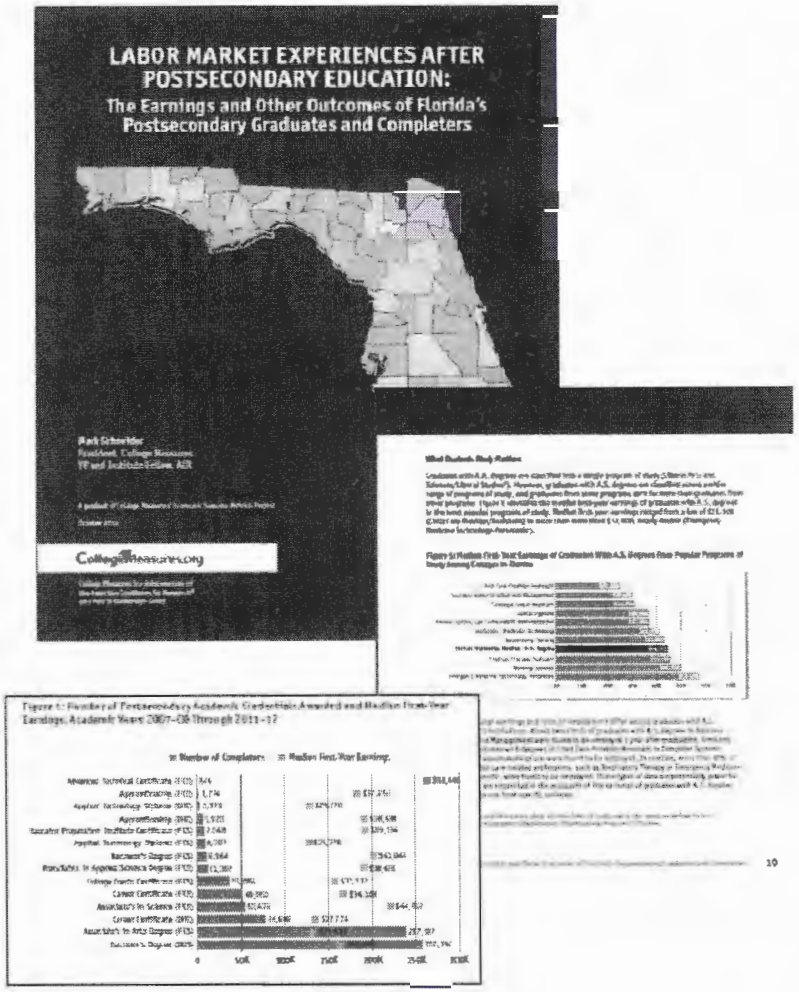
Survey results of recent graduates of 4-year colleges



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Economic Security Report/ Informed Choice

- Give parents & students information on employment and wages by degree/certification and by institution.
- Provide a 2-page summary to each 8th grader and annually thereafter through college registration and a link to the larger report.
- Allow parents and students to make more informed choices about college and career and align course selection to those goals.
- Distribute to parents and students what states already collect.



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Incentivize Rigor for All Students

The problem in Florida in 2000:

- Few students were taking rigorous courses like Advanced Placement and International Baccalaureate, especially minority and low-income kids.
- Few students were taking the PSAT/PLAN in low-performing schools.

The Florida solution :

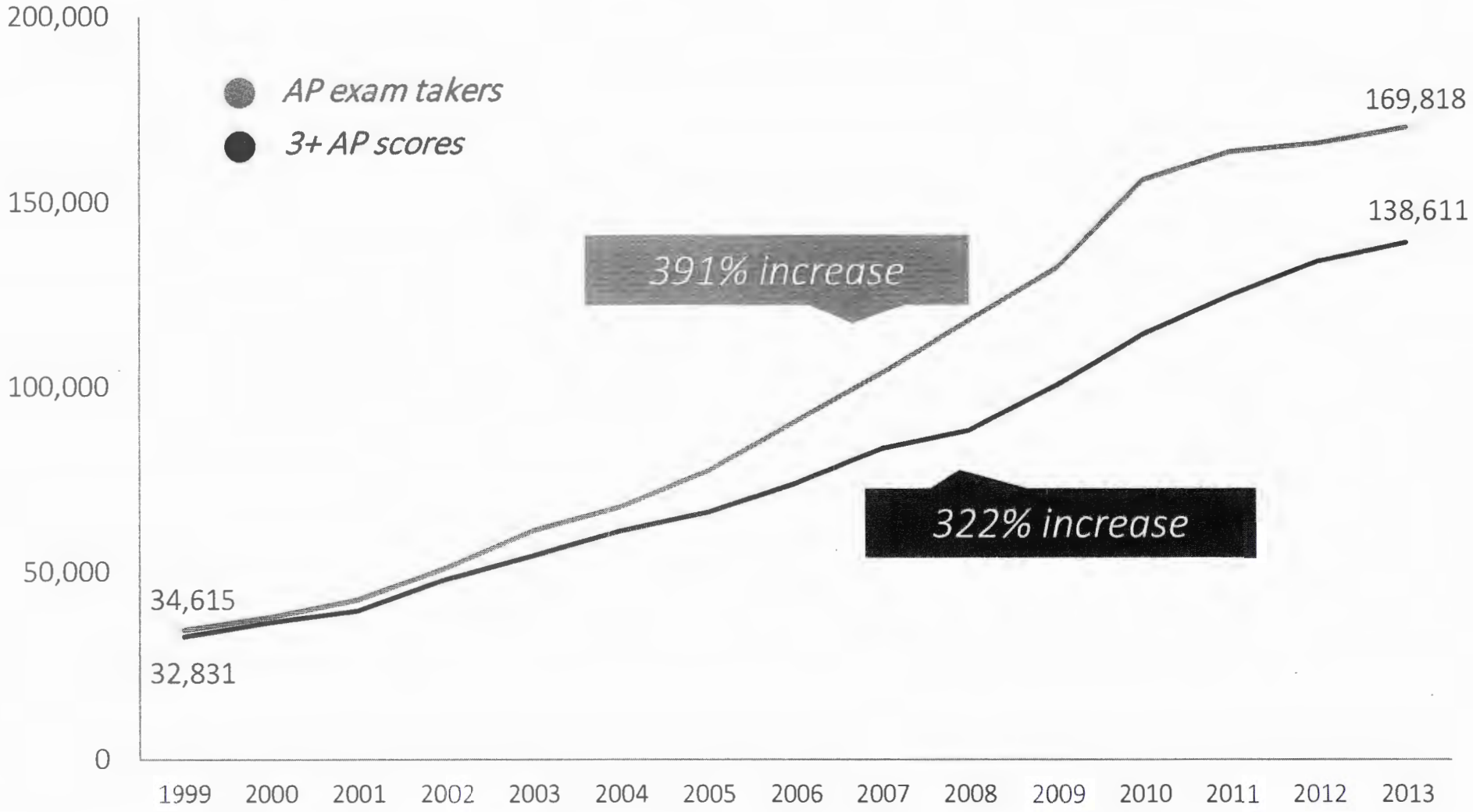
- **Financial Incentive**: A $645 financial incentive for each student who earn a qualifying score (3+) on AP or (4+) IB. The bonus funding pays for the cost of offering the course and paying for exam fees.
  - **Teacher Bonus** out of the financial incentive for each teacher who provided AP/IB instruction that resulted in a student earning a qualifying score on AP/IB.
    - $50 for every passing student score, up to $3,000
    - $500 for first passing score in D or F school, up to $3,000

- **Identify Potential Students:** State-funded PSAT/PLAN assessments for all 10th graders to identify students capable of AP/IB or needing a little assistance to be capable.

- **College Board Partnership:** To assist traditionally underserved students who are capable of AP using the PSAT/PLAN results to identify the students. Also provides professional development for teachers to teach AP and expand access.

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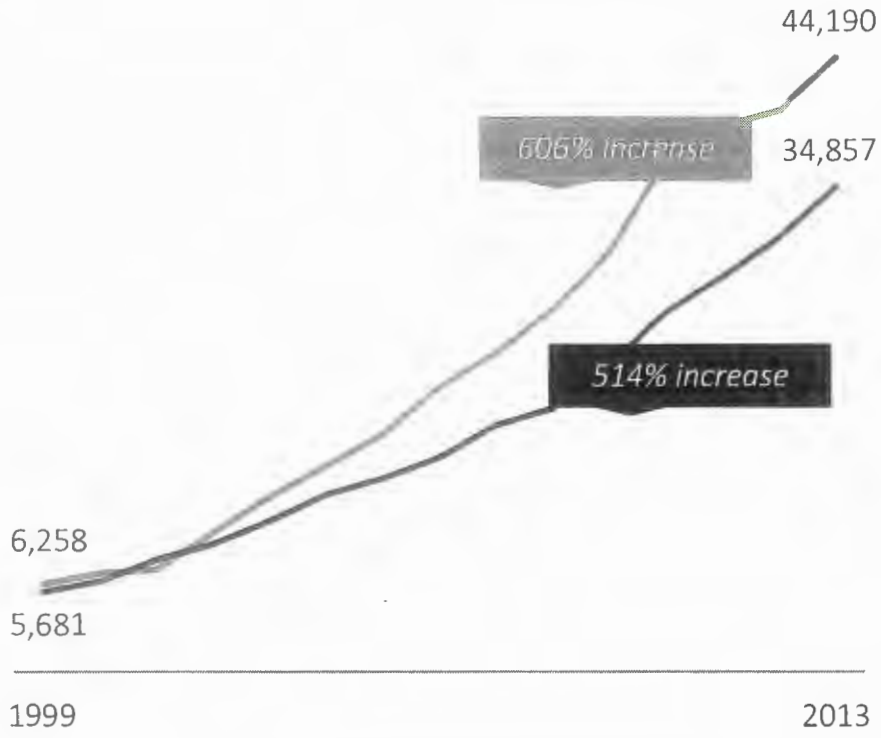
The AP Incentive Works- The Florida Story



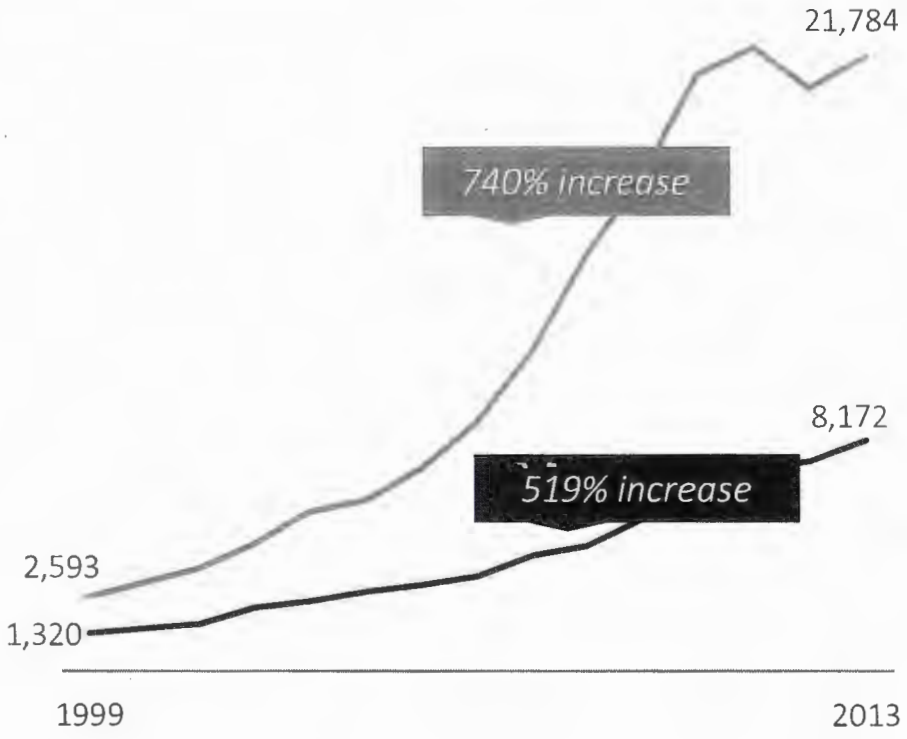
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The AP Incentive and College Board Partnership Work

- *Hispanic AP exam takers*
- *Hispanic 3+ AP scores*



- *African American AP exam takers*
- *African American 3+ AP scores*



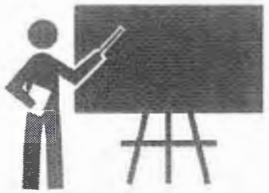
Who Benefits from AP Incentives?



Parents and students through increased opportunities to earn college credit in high school, save money on college expenses, and be more prepared for college coursework.

- Per College Board, typical students who scores 3+ on two AP exams may save, on average, $1,779 at a public 4-year institution and over $6,000 at a private institution.

Low-income, rural and minority students through the identification of AP-capable students who may not otherwise know they are capable and the resources for those students needing a little extra help to prepare them for AP coursework.



Teachers and schools from bonus funding for each successful AP student, especially those students in low-performing schools.

- $645 per student per school
- $50 for every passing student score, up to $3,000
- $500 for first passing score in D or F school, up to $3,000

The state by reducing postsecondary expenses by having students graduate more on time, reducing potential remediation costs, and by gaining more college-ready students.

- 1 are 2-6 percentage points higher
- 2 are 7-11 percentage points higher
- 3 are 12-16 percentage points higher in expected on-time college graduation rate compared to peers
- 4 are 17-22 percentage points higher
- 5 are 23-27 percentage points higher

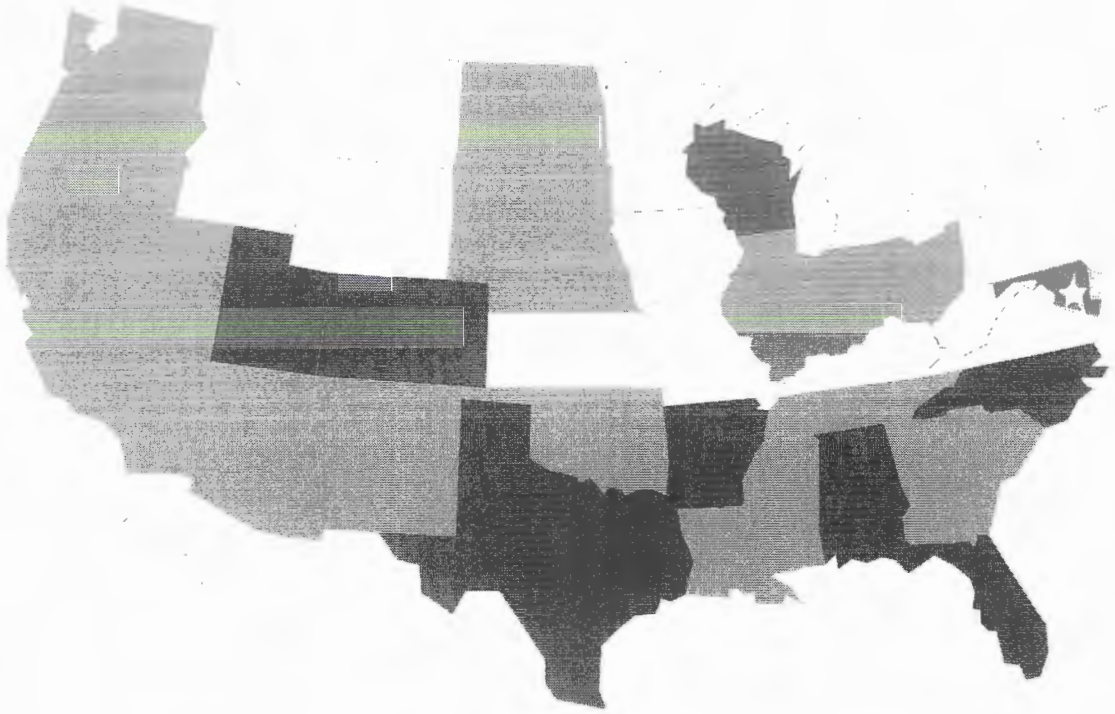
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College & Career Readiness Initiatives

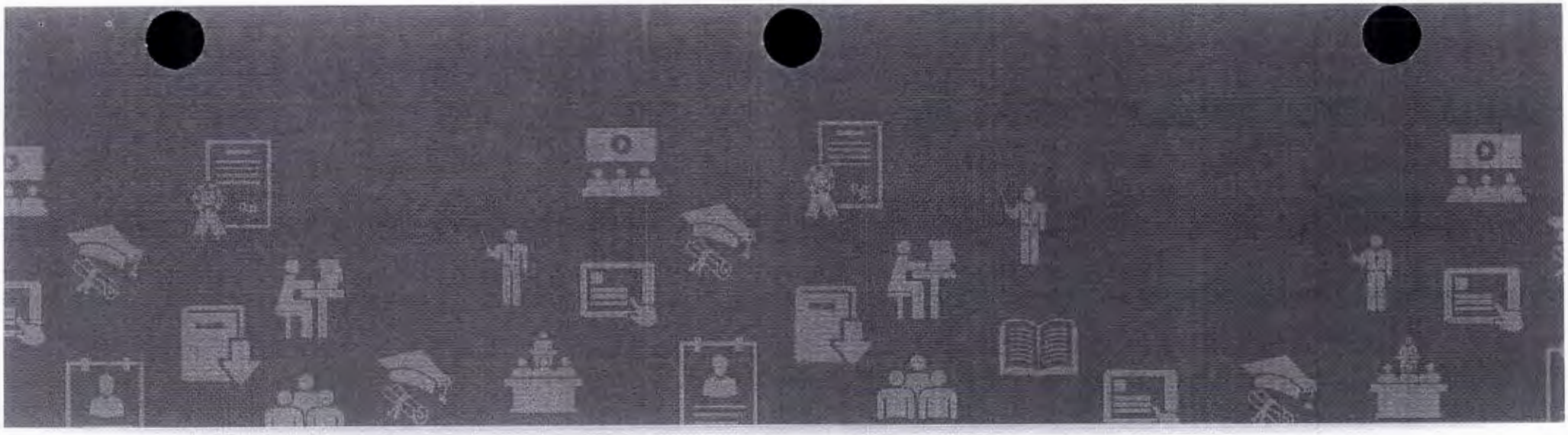
ExcelinEd Engagement in the States (2015)

Advanced/Adopted

Initial



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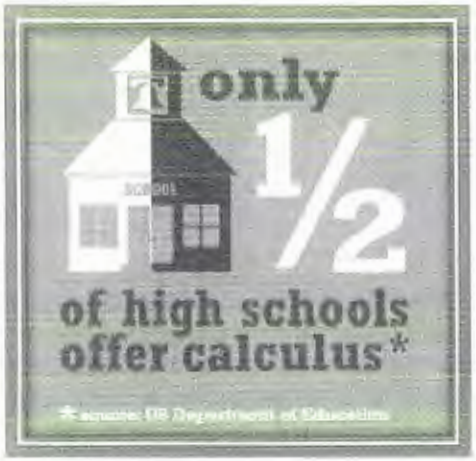


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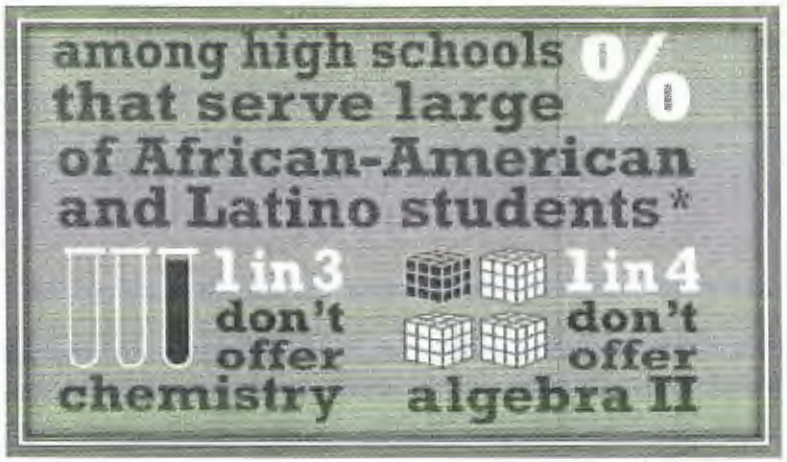
Course Access

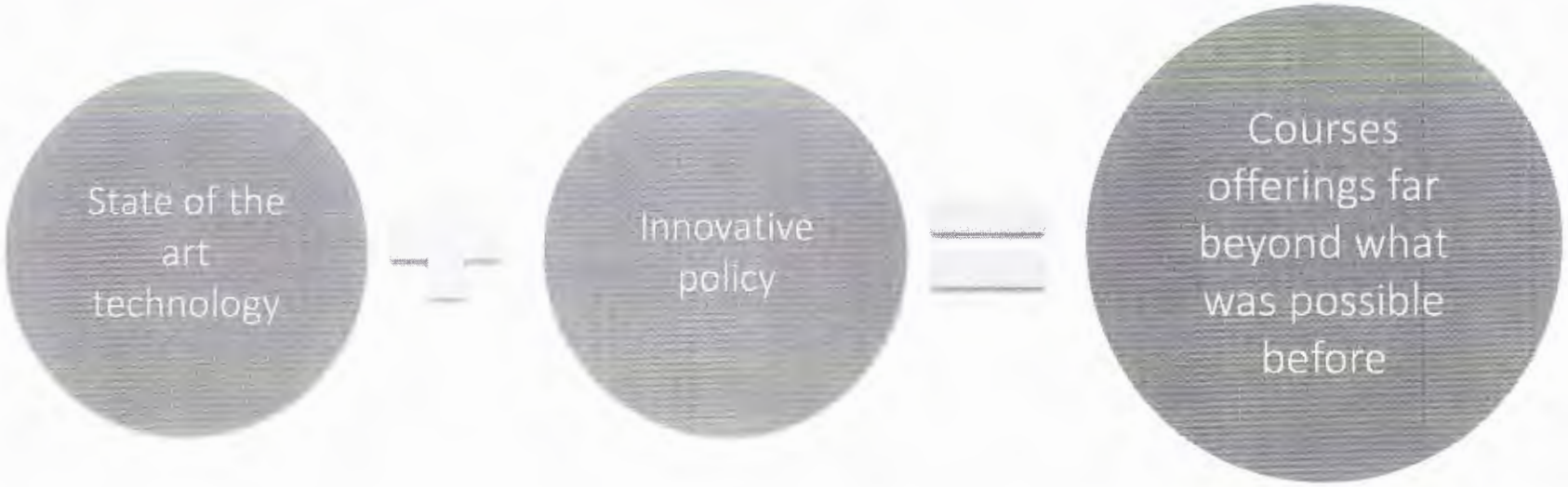


No Single School Can Offer All Courses Students Need









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What is Course Access?

Course Access is a **state-level** program
that provides students with **expanded course offerings**
across learning environments
from **diverse, accountable providers.**

Providers can be…

Districts or Charters

Virtual Course Providers

Higher Education Institutions

Trade Associations

Courses can be…

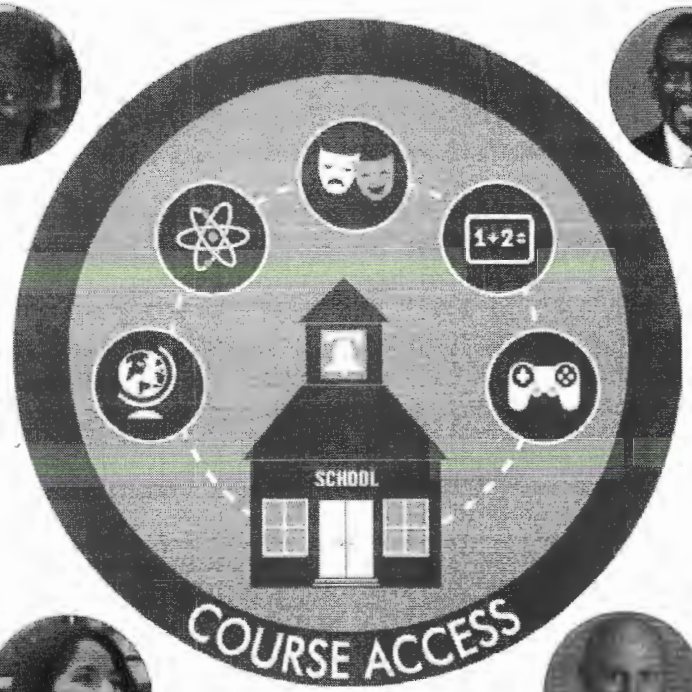
Online

Blended

Face-to-Face

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How Course Access Is Used



Student
I take accounting at my local **community college**



Superintendent
Our district has **expanded** course offerings in a cost efficient manner



Teacher
I teach **welding** at an industry training center where students can earn a **certification**



Student
I take **Computer Science**, which is only offered at my school when I have band practice



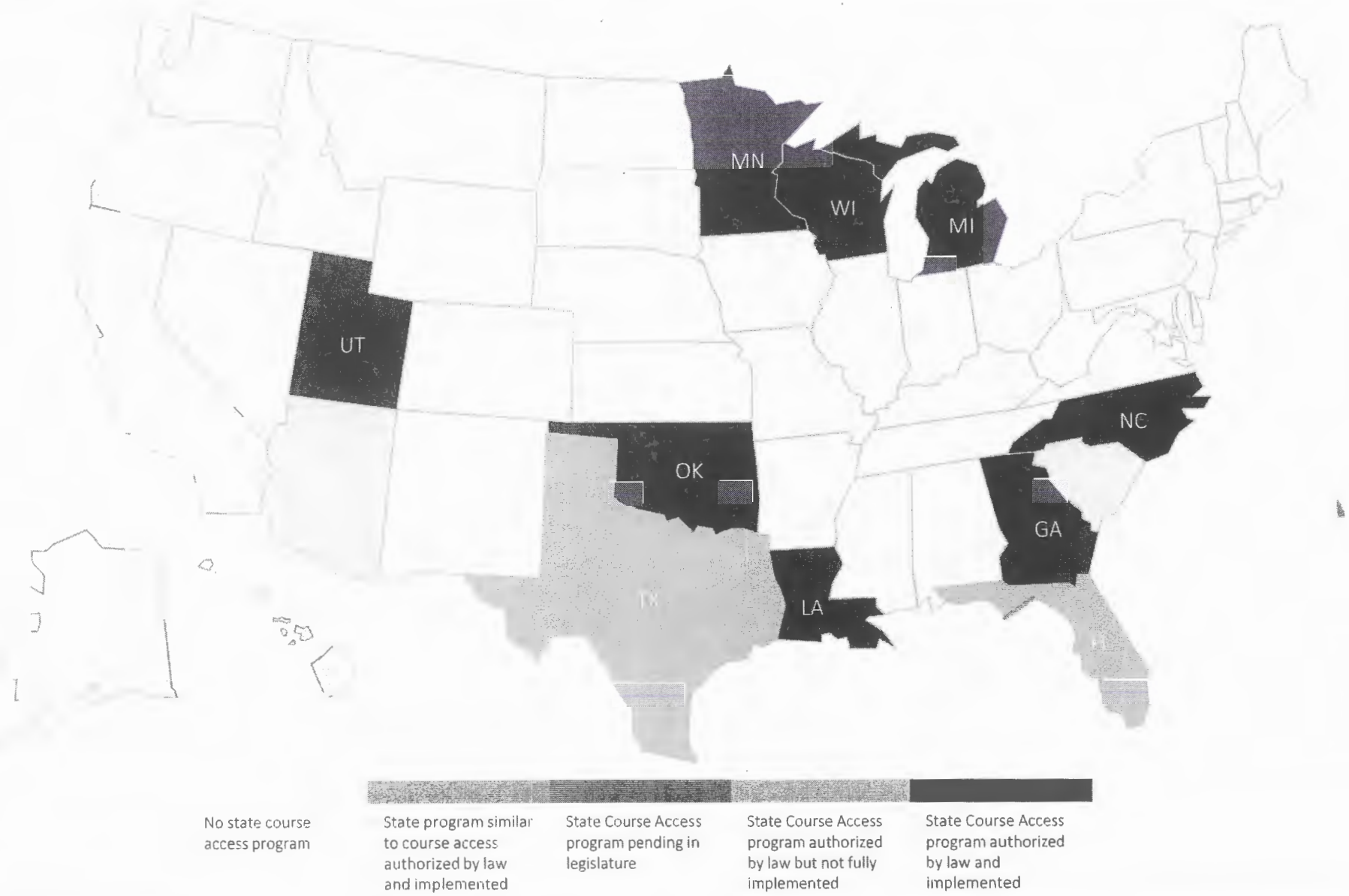
Student
I take **AP Physics** which isn't offered at my school



Principal
We offer **Spanish 3 and 4** because it is difficult to hire World Language teachers in our rural community



States with Course Access



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Policy Needs to Address Multiple Challenges

Which students are eligible?

Which providers are eligible?

How much funding per course?

Who pays?

Standards for student learning

Accountability for course providers

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Course Access: Fundamental Principles

1. Clearly defined student eligibility
2. Access to a range of delivery models and course types
3. Meaningful and rigorous state review of prospective providers and/or courses
4. Strong monitoring systems
5. Flexible and sustainable funding models
6. Alignment with the state's broader education systems
7. Deliberate and sustained engagement with districts and schools
8. Effective communication with students and parents

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Course Access: Model Legislation

Includes

Clearly defining student eligibility

Setting out requirements for provider and course approval, monitoring, and renewal

Allowing for interstate course reciprocity

Funding that follows eligible students and rewards providers who help students succeed

Coordinated with

CLAYTON CHRISTENSEN INSTITUTE for DISRUPTIVE INNOVATION

iNACOL International Association for K-12 Online Learning

THOMAS B. FORDHAM INSTITUTE ADVANCING EDUCATIONAL EXCELLENCE

the eli and edythe broad foundation

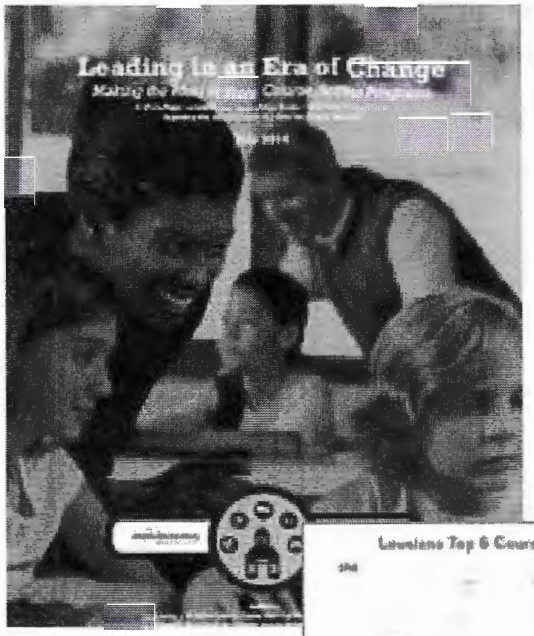
AMERICAN FEDERATION for Children

Foundation for Excellence in Education Copyright

Ongoing Course Access Work

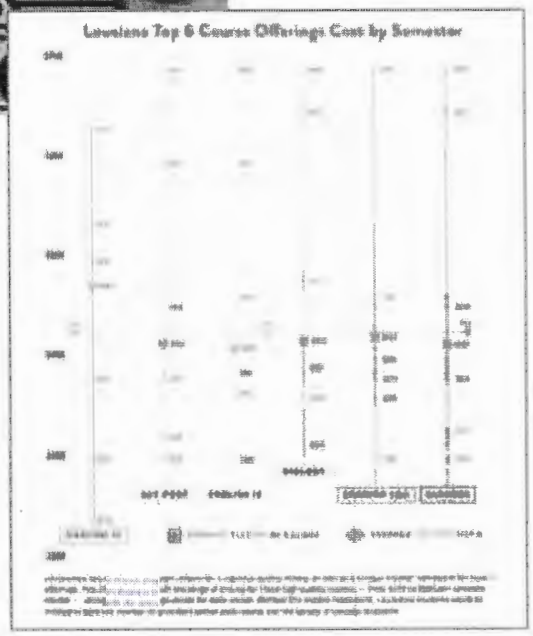
Leading in an Era of Change

- Performance Review and Assessment
- System Inequities and Learning Gaps
- Resourcing Programs Within State Agencies
- Effective and Sustainable Funding Strategies
- Stakeholder Engagement
- Politics, Politics, Politics
- Course Access Multistate Network



A District Vision – July 2015

- Profiles from districts in FL, LA, MN, PA, TN, and TX
- Specific student need served by course access
- The story of the program and outcomes for learners
- Lessons for other districts and charters, including:
  - state-district relationships,
  - district design and implementation,
  - instruction and student support,
  - communication and public engagement, and
  - funding strategies



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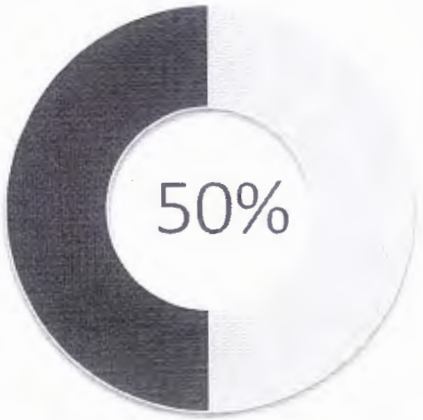
Competency-Based Education



Parents Trust Schools to Tell Them if Their Child is Succeeding, but Post-Graduation Numbers Tell a Different Story

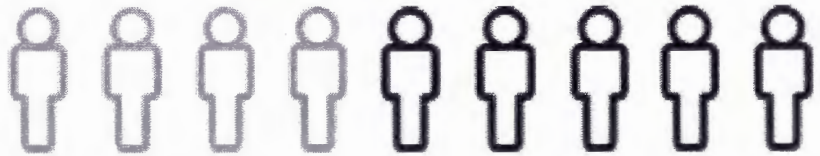


Of those entering four-year universities are placed in remedial classes.



Of students entering two-year colleges are placed in remedial classes.

Nearly **4 in 10 remedial students** in community colleges never complete their remedial courses





Annually, **$7 billion** spent on remedial coursework.

1.7 million

beginning students start in remediation each year.

Sources: Complete College America and National Bureau of Economic Research

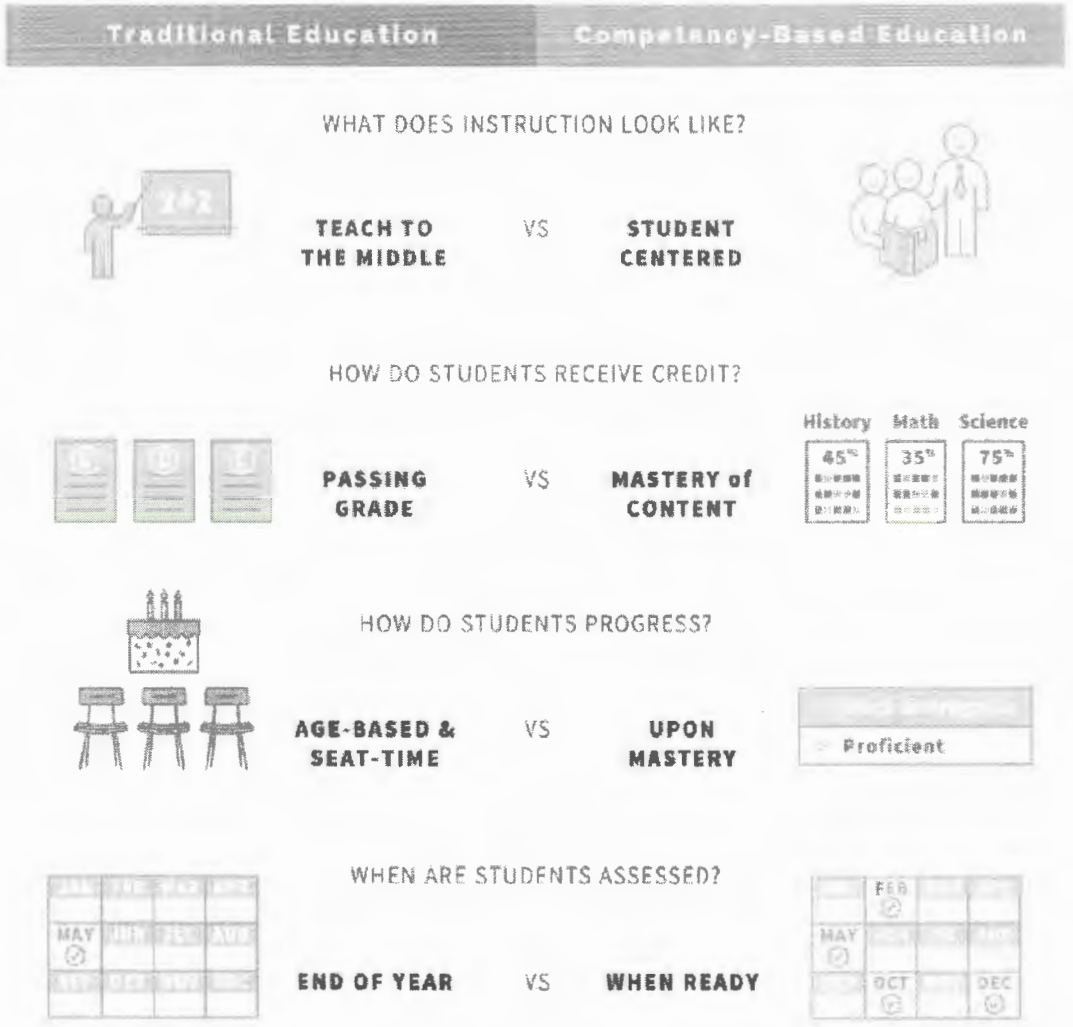
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What is Competency-Based Education?

Time should be the variable, and learning the constant.

Competency-based education is a system where students advance to higher levels of learning when they demonstrate mastery of concepts and skills regardless of time, place or pace.

Shift in Instruction and Learning:



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Where Can States Begin?

1

Flexibility from Time Based Systems

Eliminate policies that tie the award of credit to the amount of minutes spent in a classroom and provide flexibility from mandatory time-based attendance reporting requirements as well as required 180-day annual calendars and fixed amounts of daily instructional minutes per day.

2

Facilitate Higher Education Acceptance

Develop a certification or other assurance that higher education will recognize for competency-based diplomas.

3

Transition to Proficiency-Based Diplomas

Amend graduation requirements to require that diplomas must be competency-based and specifically preclude the use of seat-time for credit acquisition and redefine course and credit requirements as competencies.

4

Create Innovation District and Schools

To empower innovative leaders who already have a clear vision for transition to a competency based system, states can authorize a competency-based pilot.

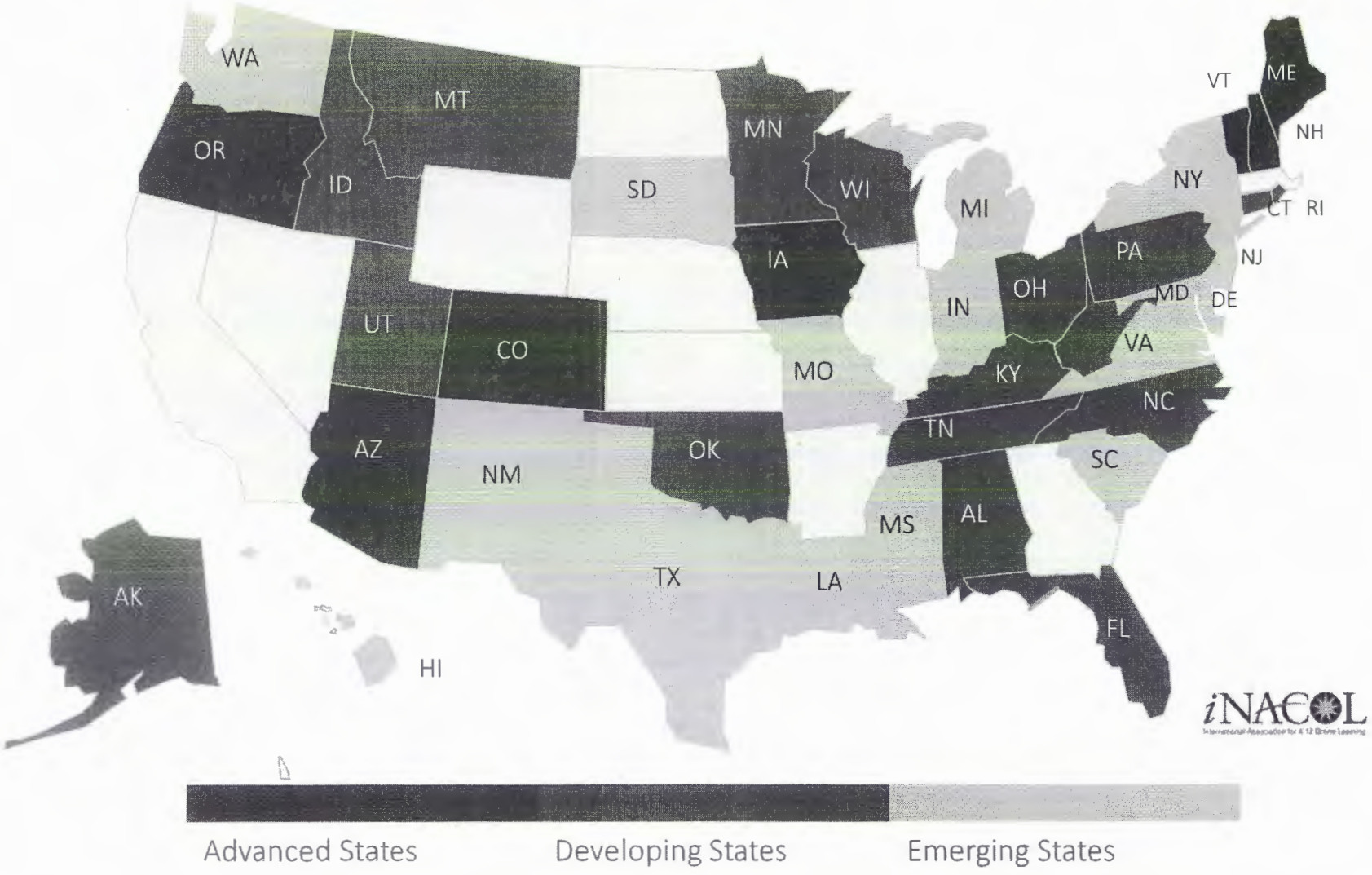
5

Encourage Anytime, Anywhere Learning

Encourage learning out-of-school, after-school, and before school activities. Eliminate policies that impede a schools ability to award credit for extended learning opportunities.

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Competency-Based Education



Source: INACOL

Foundation for Excellence in Education Copyright 2014

ExcelinEd & Stiles-Nicholson Foundation Competency-Based Pilots

ExcelinEd is partnering with state leaders and local schools to build a shared vision and understanding of competency-based models.

The pilots will assist participating states in setting **a path to a competency-based system that addresses unique policy landscapes and starting points.**

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Select Partner States	Ten potential states identified based on expressed interest or legislative action. State policy landscape evaluations will be completed for potential states.	Final two states selected		
State Summits		Begin summit preparation. Preliminary agendas and speakers will be identified.	Policy Summits convened in two states to identify early adopters, build support, and identify the key policy barriers	
Roadmap Production				Compile summit results and present state leaders with a roadmap. Draft final legislation or rule packages necessary to move forward with pilot
Message Development			Topline Messages developed in conjunction with and refined throughout the state summits Communications Templates	
Content and Graphics Production				Website and graphic development Finalize communications templates, resources and content elements.

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Key Challenges to Explore

Movement toward a competency-based system quickly raises policy tensions in the following areas

- Assessment policies – schedules, rigor, validity/reliability.
- Accountability – how does a state system recognize students who are not in a "grade"
- Data Systems
- Diploma and credit requirements
- School finance

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Competency-Based Education Resources and Materials

Policy Resources

- ExcelinEd Fundamental Principles
- Digital Learning Now Annual Report Card
- Digital Learning Now: The Shift from Cohorts to Competency
- *Competency*Works: State Policymakers Guide to Competency Education
- *Competency*Works: State Policy Resources
- Achieve: Advancing Competency Based Pathways to College and Career
- KnowledgeWorks: Policy and Political Landscape for K-12 Competency Education
- CCSSO: Roadmap for Competency-Based Systems

The Learning Accelerator

CLAYTON CHRISTENSEN INSTITUTE for DISRUPTIVE INNOVATION





CCSSO

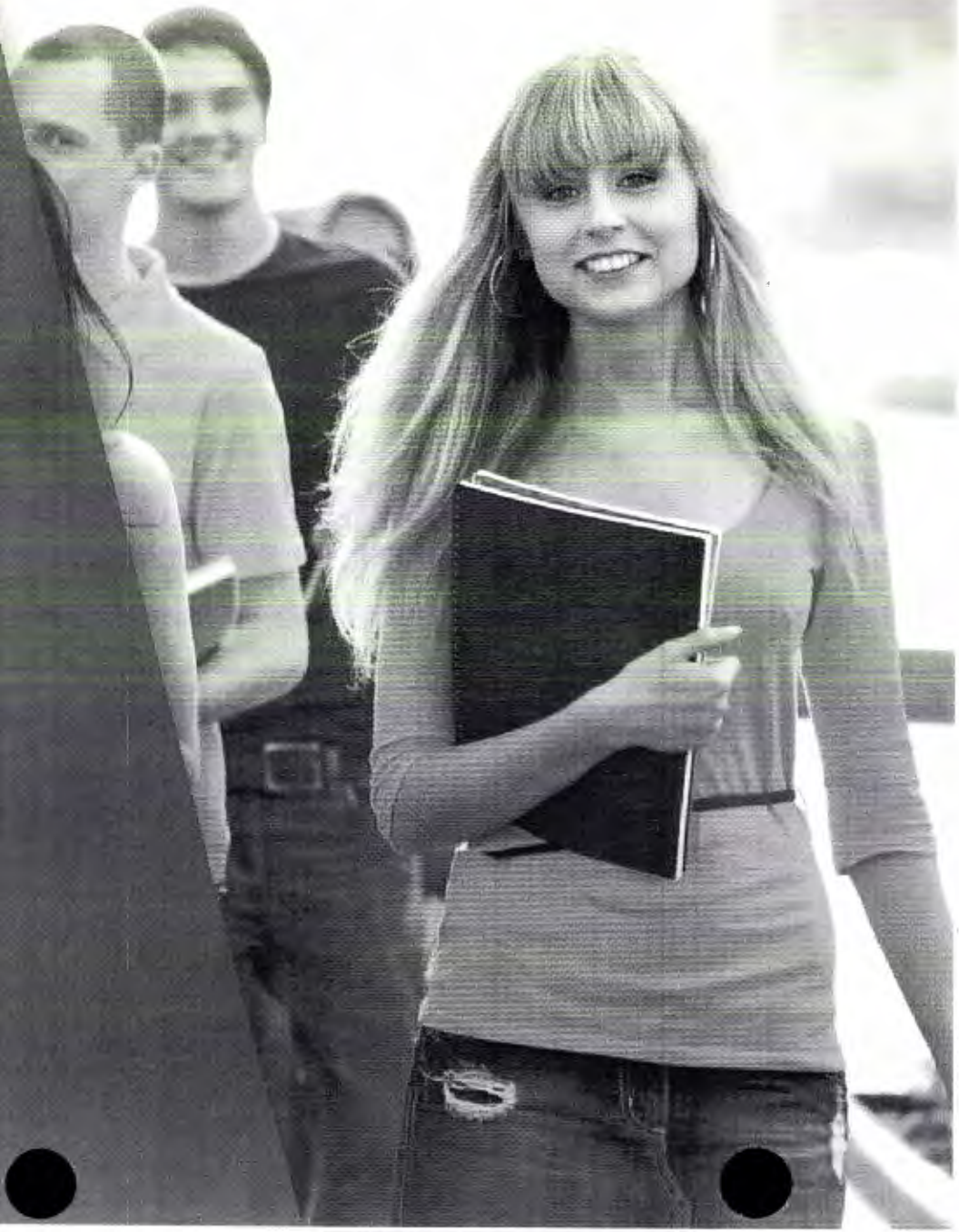
GETTING SMART
Think. Learn. Innovate.

iNACOL
International Association for K-12 Online Learning

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Thank You !

Ryan Mahoney
Southeast Regional Advocacy Director
Foundation for Excellence in Education
(404) 403-0538
ryan@excelined.org



HOUSE COMMITTEE ON APPROPRIATIONS, EDUCATION
2016 SHORT SESSION

Clerks: Dixie Riehm, Kevin Wilkinson, Pattie Fleming



Rep. Hugh Blackwell, Chair



Rep. Rob Bryan, Chair



Rep. Craig Horn, Chair



Rep. Rosa Gill
Vice Chair



Rep. Paul Stam
Vice Chair

Rep. Chris
Whitmire Vice



Rep. Larry Bell



Rep. Cecil Brockman

Rep. Debra Conrad



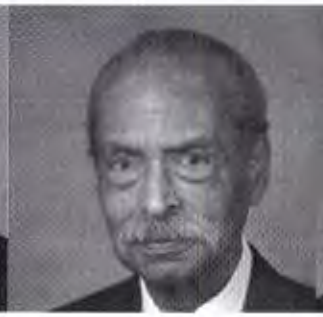
Rep. Jeffrey Elmore



Rep. John Fraley



Rep. Marvin Lucas



Rep. Mickey Michaux



Rep. W. Richardson

ATTENDANCE

House Appropriations Education

(Name of Committee)

DATES	04/28/16	05/03/16	05/04/16	05/05/16	05/12/16										
Rep. Hugh Blackwell, Chair	X	X	X	X	X										
Rep. Rob Bryan, Chair	X	X	X	X	X										
Rep. Craig Horn, Chair	X	X	X	X	X										
Rep. Rosa Gill, Vice Chair	X	X	X	X	X										
Rep. Paul Stam, Vice Chair	X	X	X	X	X										
Rep. Chris Whitmire	X	X	X	X	X										
Rep. Larry Bell		X	X	X	X										
Rep. Cecil Brockman	X	X	X		X										
Rep. Debra Conrad	X	X	X	X	X										
Rep. Jeffrey Elmore	X	X	X	X	X										
Rep. John Fraley	X	X	X	X	X										
Rep. Marvin Lucas	X	X	X	X	X										
Rep. Mickey Michaux	X	X	X	X	X										
Rep. William Richardson		X	X		X										

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

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

DAY & DATE: Thursday, April 28, 2016
TIME: **8:30 AM**
LOCATION: **423 LOB**
COMMENTS: **Office of State Budget and Management presentation will be included.**

Rep. Hugh Blackwell will preside.

Respectfully,

Representative Hugh Blackwell, Co-Chair
Representative Rob Bryan, Co-Chair
Representative D. Craig Horn, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 12:11 PM on Tuesday, April 26, 2016.

___ Principal Clerk
___ Reading Clerk – House Chamber

Dixie Riehm (Committee Assistant)

AGENDA

HOUSE APPROPRIATIONS COMMITTEE ON EDUCATION

April 28, 2016, 8:30 a.m.
Legislative Office Building - Room 423

House Committee Co-Chairs
Rep. Hugh Blackwell
Rep. Rob Bryan
Rep. D. Craig Horn

House Committee Vice-Chairs
Rep. Rosa Gill
Rep. Paul Stam
Rep. Chris Whitmire

House Committee Members
Rep. Larry Bell
Rep. Cecil Brockman
Rep. Debra Conrad
Rep. Jeffrey Elmore
Rep. John Fraley
Rep. Marvin Lucas
Rep. Henry M. Michaux Jr.
Rep. William Richardson

I: Welcome and Opening Comments

Representative Hugh Blackwell
Co-Chair, Presiding

II: Governor's Proposed Adjustments to the FY 2016-17 Education Budget

Office of State Budget & Management Staff:

Nick Goettsch—Public Schools

Bryan Conrad—Community Colleges

Adam Brueggemann—University of North Carolina

III: Committee Adjourns

Next Meeting: Tuesday, May 3rd

House Committee on Appropriations, Education
Thursday, April 28, 2016 at 8:30 AM

MINUTES

The House Appropriations Committee on Education met at 8:30 AM on April 28, 2016 in Room 423 of the Legislative Office Building. Representatives Blackwell, Brockman, Bryan, Conrad, Elmore, Fraley, Gill, Horn, Lucas, Michaux, Stam, and Whitmire were present. Staff from Fiscal Research was Brian Matteson, Brett Altman and Mark Bondo. Research Department staff in attendance was Drupti Chauhan, Kara McCraw and Denise Huntley-Adams. Leslie Karkanawi and Emily Johnson from Bill Drafting was also present. Visitor registration sheets are provided.

Representative Hugh Blackwell, Chair, presided. He called the meeting to order at 8:35 AM and introduced the Sergeant at Arms and Pages.

Representative Blackwell explained the purpose and order of the meeting. Staff from the Office of State Budget Management was present to report and provide details on the Governor's Education Budget. Questions and comments from the committee will follow the presentations.

Representative Blackwell introduced Adam Brueggemann, the Assistant State Budget Officer, Nick Goettsch, Bryan Conrad and Catherine Truitt, the Governor's Education Advisor. They addressed the Governor's Proposed Adjustments to the fiscal year 2016-17 Education Budget as it relates to their field of expertise.

Nick Goettsch began by reporting on the NC Public School's Budget,. Bryan Conrad addressed the Community College's budget and Mr. Brueggemann addressed the Education Budget as it relates to the UNC System.

Following each speaker's budget presentation there was an exchange of questions and answers between committee members and the speakers.

Representative Blackwell, presiding chair, thanked everyone for their participation. He announced that the committee will meet again on May 3rd at 8:30 am.

Chairman Blackwell adjourned the meeting at 9:50 AM.

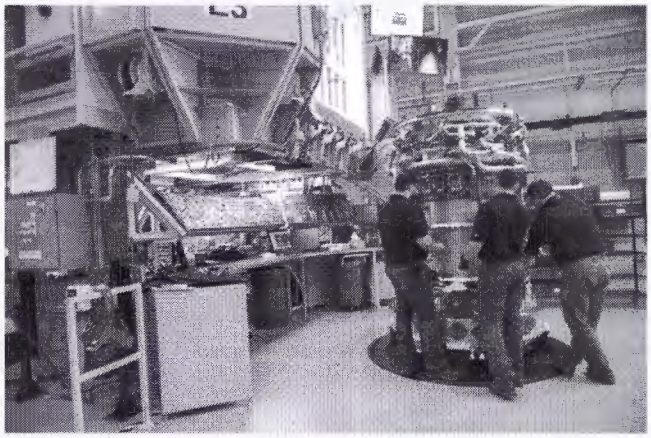
Representative Hugh Blackwell, Chair
Presiding

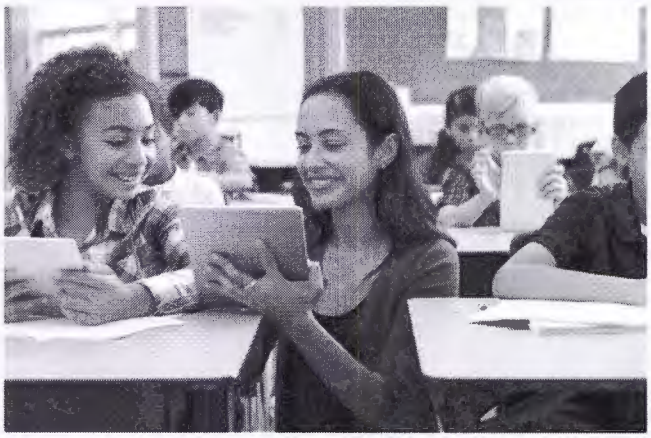
Pattie Fleming, Committee Clerk

ATTACHMENTS

Office of State Budget Staff: Nick Goettsch (Public Schools Budget)
Bryan Conrad (Community Colleges Budget)
Adam Brueggerman (UNC Budget

1. The Governor's Recommended Budget NC









The Governor's Recommended Budget

NC

SM

Pat McCrory
Governor

2016 - 2017

Education Highlights

Total Spend: $12.8 billion
57% of General Fund Budget

Respecting and Rewarding Our Teachers
Increases average teacher pay in North Carolina to more than $50,000 for the first time in state history by providing an average 5% pay increase.

Provides an average 3.5% bonus for teachers and principals with a greater share going to veteran teachers. This will equate to a $5,000 bonus for our veteran teachers with more than 24 years of service.

Invests $6 million for a differentiated pay pilot for pioneering school districts to implement or sustain existing differentiated pay plans that establish leadership roles for highly-effective teachers.

Recruiting New Teachers
Establishes a scholarship program by investing $2 million to attract 300 new, highly qualified math and science teachers to earn degrees and teach math and science in the state's public schools.

Modernizing Classrooms
Empowers schools to trade textbooks for tablets and builds on our commitment to position North Carolina as one of the first states in the nation to connect all classrooms to robust Wi-Fi by 2018.

Expanding Opportunity for Special Needs Students
Expands funding by nearly $6 million to provide scholarships for an additional 300 special needs students.

Boosting Community College Graduation
Provides support services to ensure community college students graduate with a credential or degree.

Upgrades equipment at our community colleges needed to train students with the skills needed to succeed in today's workforce.

Supporting Our Universities
Establishes a new competitive merit scholarship program for students pursuing science, math and health degrees at our universities to help fill the shortage of skilled workers in these fields.

Provides recurring funding to support the education of future health care professionals at the Brody School of Medicine at East Carolina University.

Increases funding to recruit and retain exceptional faculty at UNC system campuses.

Expands the Historically Black Colleges and Universities (HBCU) Internship Program to connect students with prospective private-sector employers.

Department of Public Instruction

	2014-15 Actual	2015 Session Law-Enacted 2015-16 Certified	2016-17 Certified	2016 Legislative Session-Recommended Change Net Recurring	Net Non-Recurring	Recommended Adjustment	Revised 2016-17	% Change from 2015-16 Certified	% Change from 2016-17 Certified
Total Requirements	$10,245,871,100	$12,718,847,989	$12,647,946,284	$334,781,890	$250,067,600	$584,849,490	$13,232,795,774	4.04%	4.62%
Less Receipts	$2,198,666,336	$4,202,078,692	$4,228,501,663	$2,160,484	$39,000,000	$41,160,484	$4,269,662,147	1.61%	0.97%
Total Appropriation	$8,047,204,764	$8,516,769,297	$8,419,444,621	$332,621,406	$211,067,600	$543,689,006	$8,963,133,627	5.24%	6.46%
Total Positions	-	1,273.827	1,158.827	-	-	-	1,158.827	(9.03)%	-%

		2016-2017 Recommended Recurring Changes	Non Recurring Changes	Total Adjustments
1. **Fully Meet the Need for Student Enrollment in Charter and Traditional Schools** Provides full funding for teacher and other instructional positions and supplies that are allocated to the schools per average daily membership (ADM). This funds an additional 155 teachers and 16 school administrators statewide. This will also increase funding for textbooks, testing, and other classroom-related services. Projected ADM for FY 2016-17 is 1,543,518 which includes an increase of 11,437 ADM for charter schools and a decrease of 5,562 ADM for LEAs. Additionally, this item includes increases of $1.4 million in lottery funds for non-instructional support positions and $758,237 of Civil Penalty and Forfeiture funds for driver's education.	Requirements	$48,941,541	-	$48,941,541
	Less Receipts	$2,160,484	-	$2,160,484
	Appropriation	$46,781,057	-	$46,781,057
	Positions	-	-	-
2. **Increase Average Teacher Salary to $50,000 and Average Teacher Compensation to More Than $66,000** Implements a new salary schedule that provides salary increases for each year of advancement on the schedule for the first 20 years. Salary increases range from $500 to $5,000 annually. Approximately $1.5 billion has been invested since 2013-14 to raise the average teacher salary to $50,000 for the first time in the state's history. When considering health and retirement benefits provided by the state, the average annual teacher compensation will surpass $66,000.	Requirements	$246,616,051	-	$246,616,051
	Less Receipts	-	-	-
	Appropriation	$246,616,051	-	$246,616,051
	Positions	-	-	-
3. **Increase Salaries for Teachers** Provides an additional $68 million to teachers who will move to the next step on the new North Carolina Public School Salary Schedule in FY 2016-17. The net new dollars required for this investment total $12.7 million due to offsetting retirements.	Requirements	$12,695,525	-	$12,695,525
	Less Receipts	-	-	-
	Appropriation	$12,695,525	-	$12,695,525
	Positions	-	-	-
4. **Technical Adjustment for Increase in Average Teacher Salary** Adjusts budgeted average salaries using actual 2015-16 sixth pay period as the revised projection base. This adjustment is made annually after reviewing budgeted salary projections for all certified personnel.	Requirements	$340,587	-	$340,587
	Less Receipts	-	-	-
	Appropriation	$340,587	-	$340,587
	Positions	-	-	-
5. **Reward Teachers and Other Certified Personnel with One-Time Bonus** Funds a $5,000 bonus for veteran teachers with 25 years of experience or more, a $1,100 bonus for all other teachers, and an average 3.5% bonus for other certified personnel (up to a maximum bonus of $3,500 per employee). This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes. In addition, $6 million is included for a differentiated pay pilot for pioneering school districts to implement or sustain existing differentiated pay plans in 2016-17 that establish leadership roles for highly-effective teachers. A corresponding special provision will provide more detail.	Requirements	-	$166,074,644	$166,074,644
	Less Receipts	-	-	-
	Appropriation	-	$166,074,644	$166,074,644
	Positions	-	-	-
6. **Increase Salaries for State Agency Teachers** Supports experience-based step increases and salary increases associated with the changes to the salary schedule, for State agency teachers and school-based administrators.	Requirements	$286,500	-	$286,500
	Less Receipts	-	-	-
	Appropriation	$286,500	-	$286,500
	Positions	-	-	-
7. **Increase Salaries for School Administrators** Supports movement of principals and assistant principals, who are eligible based on years of experience, to the next step on the North Carolina Public School Salary Schedule.	Requirements	$3,612,004	-	$3,612,004
	Less Receipts	-	-	-
	Appropriation	$3,612,004	-	$3,612,004
	Positions	-	-	-
8. **Reward Principals and Assistant Principals with One-Time Bonus** Provides funds for an average 3.5% bonus for school-based administrators (up to a maximum of $3,500 per employee). This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	Requirements	-	$9,627,160	$9,627,160
	Less Receipts	-	-	-
	Appropriation	-	$9,627,160	$9,627,160
	Positions	-	-	-

9. **Reward Other LEA and School-Based Employees with One-Time Bonus** Provides funds for an average 3.0% bonus for employees (up to a maximum bonus of $3,000 per employee). This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	Requirements	-	$35,265,796	$35,265,796
	Less Receipts	-	-	-
	Appropriation	-	$35,265,796	$35,265,796
	Positions	-	-	-
10. **Increase State Retirement Contributions - SPSF** Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than $1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.	Requirements	$20,337,256	-	$20,337,256
	Less Receipts	-	-	-
	Appropriation	$20,337,256	-	$20,337,256
	Positions	-	-	-
11. **Increase State Retirement Contributions - DPI** Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefit, and retiree health benefit is more than $1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.	Requirements	$156,929	-	$156,929
	Less Receipts	-	-	-
	Appropriation	$156,929	-	$156,929
	Positions	-	-	-
12. **Expand Early College Opportunities** Supports 13 new Cooperative Innovative High Schools (CIHS) approved by the State Board of Education. CIHS programs allow students who are at risk of dropping out of high school, first-generation college students, and students who would benefit from accelerated learning opportunities to earn college credit while completing their high school diploma. Currently, there are more than 100 CIHS programs across the state.	Requirements	$4,038,697	-	$4,038,697
	Less Receipts	-	-	-
	Appropriation	$4,038,697	-	$4,038,697
	Positions	-	-	-
13. **Lead the Nation in School Technology** Appropriates $29 million from lottery funds for the State Board of Education to implement the NC Digital Learning Plan. North Carolina leads the nation in networking infrastructure for schools. Building on this foundation, $26.4 million will be used for schools to acquire digital content and instructional resources, $1.5 million is allocated for professional learning to ensure all teachers and principals are prepared to meet the required digital teaching and learning standards, and $1.1 million will be provided to the Friday Institute at NCSU to manage implementation of the NC Digital Learning Plan.	Requirements	-	$29,000,000	$29,000,000
	Less Receipts	-	$29,000,000	$29,000,000
	Appropriation	-	-	-
	Positions	-	-	-
14. **Increase Funding for Classroom Supplies and Equipment** Provides $10 million from lottery receipts for classroom supplies and equipment in public schools, increasing total funding by more than 20% from FY 2015-16.	Requirements	-	$10,000,000	$10,000,000
	Less Receipts	-	$10,000,000	$10,000,000
	Appropriation	-	-	-
	Positions	-	-	-
15. **Complete Alarm Installation** Provides final funding to complete installation of panic alarms begun in FY 2013-14. S.L. 2013-360 provided $2 million for public schools to install panic alarm systems that connect with the nearest local law enforcement agency in the event of an emergency. Nonrecurring funds are provided to complete panic alarm installations in 2016-17. The remaining recurring funds are no longer necessary.	Requirements	($900,000)	$100,000	($800,000)
	Less Receipts	-	-	-
	Appropriation	($900,000)	$100,000	($800,000)
	Positions	-	-	-
16. **Improve Transparency of Agency IT Expenses** Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.	Requirements	$656,800	-	$656,800
	Less Receipts	-	-	-
	Appropriation	$656,800	-	$656,800
	Positions	-	-	-
17. **Adjustment for Reduced Price of Fuel** Reflects an adjustment to the budgeted price per gallon for fuel from $2.17 to $2.09 to reflect lower projected costs for diesel fuel.	Requirements	($2,000,000)	-	($2,000,000)
	Less Receipts	-	-	-
	Appropriation	($2,000,000)	-	($2,000,000)
	Positions	-	-	-
Net Adjustments				
Requirements		$334,781,890	$250,067,600	$584,849,490
Less Receipts		$2,160,484	$39,000,000	$41,160,484
Appropriation		$332,621,406	$211,067,600	$543,689,006
Positions		-	-	-

Department of Public Instruction

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments		
		Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
1XXXX								
13510								
1000	DPI - Executive and Administrative Functions	8,458,379	4,146,166	4,312,213	51.990	4,312,213	-	-
1021	DPI - Education Innovations - 21st Century Schools	1,477,912	195,377	1,282,535	34.130	1,282,535	-	-
1100	DPI - Assistance to Districts and Schools	29,109,628	22,780,817	6,328,811	84.499	6,328,811	-	-
1300	DPI - Financial and Business Services	1,363,745	827,172	536,573	41.000	536,573	-	-
1330	DPI - Student and School Support Services	16,757,832	13,068,135	3,689,697	97.370	3,689,697	-	-
1400	Office of Early Learning	77,194,067	69,494,475	7,699,592	86.250	7,699,592	-	-
1410	North Carolina Center for the Advancement of Teaching	3,299,279	200	3,299,079	46.500	3,299,079	-	-
1450	K-3 Assessment	2,748,986	2,748,986	-	11.500	-	-	-
1500	DPI - Technology Services	11,333,967	3,668,123	7,665,844	94.000	8,322,644	656,800	-
1600	DPI - Curriculum, Instruction, Accountability and Technology	59,153,714	48,202,189	10,951,525	150.797	10,951,525	-	-
1640	DPI - Educator Quality and Recruitment	19,806,930	18,958,909	848,021	36.091	848,021	-	-
1660	DPI - Special Populations	46,938,021	43,708,664	3,229,357	76.700	3,229,357	-	-
1800	K-12 Classroom Instruction -SPSF	7,099,072,258	558,519,541	6,540,552,717	-	7,047,823,699	507,270,982	-
1808	SPSF - Statewide System Operations and Maintenance	10,258,861	-	10,258,861	-	10,258,861	-	-
1810	SPSF - Local Education Agency - Administration	94,781,435	-	94,781,435	-	94,931,435	150,000	-
1811	Assistance to Districts and Schools - SPSF	2,063,612,732	2,063,612,732	-	-	-	-	-
1821	SPSF - Education Innovations - 21st Century Schools	32,773,365	-	32,773,365	-	36,812,062	4,038,697	-
1830	SPSF - Student and School Support Services	702,051,034	202,489,369	499,561,665	-	522,814,871	23,253,206	-
1840	SPSF - Teacher Quality and Recruitment	459,798,944	459,798,944	-	-	-	-	-
1860	SPSF - Special Populations	1,647,204,991	694,936,512	952,268,479	-	960,144,371	7,875,892	-
1862	NC School for the Deaf	8,507,042	237,283	8,269,759	140.000	8,269,759	-	-
1863	Eastern NC School for the Deaf	7,750,157	242,584	7,507,573	128.250	7,507,573	-	-
1864	Governor Morehead School and Preschool	5,633,038	196,114	5,436,924	79.750	5,436,924	-	-
1870	SPSF - Local Education Agency - Supplemental Benefits	176,995,085	-	176,995,085	-	176,995,085	-	-
1900	Reserves and Transfers	52,233,916	20,669,371	31,564,545	-	32,007,974	443,429	-
1901	Pass-through Grants	9,630,966	-	9,630,966	-	9,630,966	-	-
Total 1XXXX		**12,647,946,284**	**4,228,501,663**	**8,419,444,621**	**1,158.827**	**8,963,133,627**	**543,689,006**	**-**

NC Community Colleges System (16800)

	2014-15 Actual	2015 Session Law-Enacted 2015-16 Certified	2016-17 Certified	2016 Legislative Session-Recommended Change Net Recurring	Net Non-Recurring	Recommended Adjustment	Revised 2016-17	% Change from 2015-16 Certified	% Change from 2016-17 Certified
Total Requirements	$1,458,163,442	$1,475,442,941	$1,480,340,859	($21,120,233)	$37,444,242	$16,324,009	$1,496,664,868	1.44%	1.10%
Less Receipts	$415,908,777	$406,375,943	$414,445,339	($16,476,737)	-	($16,476,737)	$397,968,602	(2.07)%	(3.98)%
Total Appropriation	$1,042,254,665	$1,069,066,998	$1,065,895,520	($4,643,496)	$37,444,242	$32,800,746	$1,098,696,266	2.77%	3.08%
Total Positions	-	192.500	192.500	-	-	-	192.500	-%	-%

		2016-2017 Recommended Recurring Changes	Non Recurring Changes	Total Adjustments
1. **Enrollment Adjustment** Enrollment decline due to an improving economy yields $26 million in savings, which are reinvested below into a number of new and expanded initiatives that encourage students to complete credentials and prepare for today's jobs. This item includes a technical adjustment of $16.5 million to reflect the lower amount of tuition collected in 2015-16.	Requirements	($42,685,013)	-	($42,685,013)
	Less Receipts	($16,476,737)	-	($16,476,737)
	Appropriation	($26,208,276)	-	($26,208,276)
	Positions	-	-	-
2. **Help Community College Students Succeed** Provides $16.7 million in locally-determined support services to help ensure students graduate with a credential or degree. Such support services may include career coaches, academic advising and counseling, tutoring labs, and supplemental instruction.	Requirements	$16,672,454	-	$16,672,454
	Less Receipts	-	-	-
	Appropriation	$16,672,454	-	$16,672,454
	Positions	-	-	-
3. **Encourage Community College Students to Pursue Jobs in Areas of Need** Encourages community college students to pursue programs that will equip them to fill jobs in areas of need and close the skills gap. These funds will be used to purchase a market-data tool that identifies what jobs are needed in a particular region or industry. This information will be provided to community college employees to advise students on which academic programs will enable them to develop the skills needed to fill those jobs.	Requirements	$500,000	-	$500,000
	Less Receipts	-	-	-
	Appropriation	$500,000	-	$500,000
	Positions	-	-	-
4. **Train North Carolina's Workers on Today's Equipment** Provides $7.5 million to upgrade and maintain instructional equipment at North Carolina community colleges. Community colleges train workers for North Carolina's jobs by having students use the same equipment in the classroom that they will use as employees. These funds will be in addition to the $49 million already appropriated for 2016-17. This total of $56.5 million is a 15% increase over the level appropriated in 2012-13.	Requirements	-	$7,500,000	$7,500,000
	Less Receipts	-	-	-
	Appropriation	-	$7,500,000	$7,500,000
	Positions	-	-	-
5. **Promote Competency-Based Education** Supports development of a uniform system for granting academic credit for prior learning and experience. Efforts underway include the ability of military veterans to count their experiences as military medics, police, and systems operators toward community college credentials to become emergency management technicians, law enforcement officers, or information technology experts. Once a uniform system is established, these efforts can be extended to all community colleges in North Carolina.	Requirements	-	$500,000	$500,000
	Less Receipts	-	-	-
	Appropriation	-	$500,000	$500,000
	Positions	-	-	-
6. **Increase Access to More Community College Sites** Supports increased services available at two new multi-campus locations: Mitchell Community College's Mooresville campus and Durham Technical Community College's Orange County campus. A multi-campus site must serve at least 300 full-time equivalent students (FTE) and offer one degree entirely on-site. These locations also offer the full range of student services that are available on the main campus, enabling a student to potentially complete their degree closer to home or to their workplace. The State Board of Community Colleges designated these two locations as multi-campus sites in 2015-16, the first new sites approved since 2012-13. There are currently 33 multi-campus sites with a total allocation of $18.8 million.	Requirements	$1,035,822	-	$1,035,822
	Less Receipts	-	-	-
	Appropriation	$1,035,822	-	$1,035,822
	Positions	-	-	-
7. **Increase Retirement System Contribution - System Office** Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Required Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than $1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.	Requirements	$42,435	-	$42,435
	Less Receipts	-	-	-
	Appropriation	$42,435	-	$42,435
	Positions	-	-	-

8. **Reward Community College Faculty and Staff with One-Time Bonus** Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of $3,000 per employee). The State Board of Community Colleges, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	**Requirements**	-	$29,076,613	$29,076,613
	Less Receipts	-	-	-
	Appropriation	-	$29,076,613	$29,076,613
	Positions	-	-	-
9. **Reward Community College System Office Employees with One-Time Bonus** Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of $3,000 per employee). The State Board of Community Colleges, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	**Requirements**	-	$367,629	$367,629
	Less Receipts	-	-	-
	Appropriation	-	$367,629	$367,629
	Positions	-	-	-
10. **Improve Transparency of Agency IT Expenses** Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.	**Requirements**	$81,300	-	$81,300
	Less Receipts	-	-	-
	Appropriation	$81,300	-	$81,300
	Positions	-	-	-
11. **Increase Retirement Contribution - State Aid** Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Required Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than $1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits.	**Requirements**	$3,232,769	-	$3,232,769
	Less Receipts	-	-	-
	Appropriation	$3,232,769	-	$3,232,769
	Positions	-	-	-
Net Adjustments				
	Requirements	($21,120,233)	$37,444,242	$16,324,009
	Less Receipts	($16,476,737)	-	($16,476,737)
	Appropriation	($4,643,496)	$37,444,242	$32,800,746
	Positions	-	-	-

North Carolina Community College System

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments		
		Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
1XXXX								
16800								
1100	Executive Division	3,590,759	363,281	3,227,478	28.000	3,227,478	-	-
1200	Technology Solutions and Distance Learning	15,949,769	479,789	15,469,980	80.000	15,469,980	-	-
1300	Finance and Operations	3,593,176	486,682	3,106,494	39.500	3,106,494	-	-
1400	Academic and Student Services	6,507,648	3,762,851	2,744,797	45.000	2,744,797	-	-
1600	State Aid - Institutions	22,725,625	-	22,725,625	-	55,035,007	32,309,382	-
1620	Curriculum Instruction	706,875,096	354,290,199	352,584,897	-	365,813,636	13,228,739	-
1621	Basic Skill Instruction	73,790,394	16,242,990	57,547,404	-	50,548,963	(6,998,441)	-
1622	Continuing Education and Workforce Development	107,452,625	17,427,620	90,025,005	-	88,889,227	(1,135,778)	-
1623	Equipment and Instructional Resources	51,962,762	-	51,962,762	-	59,462,762	7,500,000	-
1624	Specialized Centers and Programs	14,259,267	3,542,792	10,716,475	-	11,216,475	500,000	-
1625	Institutional and Academic Support	514,932,950	1,011,693	513,921,257	-	500,826,737	(13,094,520)	-
1900	Reserves and Transfers	(41,299,212)	16,837,442	(58,136,654)	-	(57,645,290)	491,364	-
Total 1XXXX		**1,480,340,859**	**414,445,339**	**1,065,895,520**	**192.500**	**1,098,696,266**	**32,800,746**	**-**

Table 14

Six Year Expenditure History and Current Certified Budget
NC Community College System Budget Code 16800

	2009-2010 (Actuals)	2010-2011 (Actuals)	2011-2012 (Actuals)	2012-2013 (Actuals)	2013-2014 (Actuals)	2014-2015 (Actuals)	2015-2016 Certified Budget BD307
Requirements	**$ 1,283,622,509**	**$ 1,414,755,409**	**$ 1,408,984,454**	**$ 1,458,457,154**	**$ 1,440,356,392**	**$ 1,458,163,442**	**$ 1,475,442,941**
Tuition Receipts	$ 263,204,965	$ 308,175,055	$ 347,167,143	$ 350,990,466	$ 352,027,054	$ 338,981,874	$ 350,495,365
Federal Receipts	$ 37,894,598	$ 40,060,178	$ 28,441,771	$ 31,624,245	$ 28,959,063	$ 30,222,878	$ 34,064,481
Other Receipts	$ 37,224,104	$ 52,710,795	$ 31,293,932	$ 39,589,037	$ 43,409,627	$ 46,704,025	$ 21,816,097
Total Receipts	**$ 338,323,667**	**$ 400,946,028**	**$ 406,902,845**	**$ 422,203,748**	**$ 424,395,744**	**$ 415,908,777**	**$ 406,375,943**
Appropriation	**$ 945,298,842**	**$ 1,013,809,381**	**$ 1,002,081,608**	**$ 1,036,253,406**	**$ 1,015,960,648**	**$ 1,042,254,665**	**$ 1,069,066,998**
Tuition Receipts + Appropriation	**$ 1,208,503,807**	**$ 1,321,984,437**	**$ 1,349,248,751**	**$ 1,387,243,872**	**$ 1,367,987,702**	**$ 1,381,236,539**	**$ 1,419,562,363**
% Tuition Receipts + Appropriation	**94.1%**	**93.4%**	**95.8%**	**95.1%**	**95.0%**	**94.7%**	**96.2%**
% Tuition Receipts	20.50%	21.78%	24.64%	24.07%	24.44%	23.25%	23.76%
% Federal Receipts	2.95%	2.83%	2.02%	2.17%	2.01%	2.07%	2.31%
% Other Receipts	2.90%	3.73%	2.22%	2.71%	3.01%	3.20%	1.48%
% Appropriation	73.64%	71.66%	71.12%	71.05%	70.54%	71.48%	72.46%
State Authorized Tuition Receipts	$ 263,204,965	$ 308,175,055	$ 347,167,143	$ 350,990,466	$ 352,027,054	$ 338,981,874	$ 350,495,365
State Authorized Appropriation	$ 945,298,842	$ 1,013,809,381	$ 1,002,081,608	$ 1,036,253,406	$ 1,015,960,648	$ 1,042,254,665	$ 1,069,066,998
Subtotal State Funding	**$ 1,208,503,807**	**$ 1,321,984,437**	**$ 1,349,248,751**	**$ 1,387,243,872**	**$ 1,367,987,702**	**$ 1,381,236,539**	**$ 1,419,562,363**
Annual $ Change		$ 113,480,630	$ 27,264,314	$ 37,995,122	$ (19,256,170)	$ 13,248,837	$ 38,325,824
Annual % Change		9.4%	2.1%	2.8%	-1.4%	1.0%	2.8%
$ Increase from 2009-10		$ 113,480,630	$ 140,744,944	$ 178,740,066	$ 159,483,895	$ 172,732,732	$ 211,058,556
% Increase from 2009-10		9.4%	11.6%	14.8%	13.2%	14.3%	17.5%

Source: Actuals from June 29 BD701 Reports.

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	2015 Session Law-Enacted			2016 Legislative Session-Recommended Change				% Change from	% Change from
	2014-15 Actual	2015-16 Certified	2016-17 Certified	Net Recurring	Net Non-Recurring	Recommended Adjustment	Revised 2016-17	2015-16 Certified	2016-17 Certified
Total Requirements	$ 4,354,969,838	$ 4,463,610,618	$ 4,400,355,967	$80,676,970	$54,544,209	$135,221,179	$ 4,535,577,146	1.61%	3.07%
Less Receipts	$ 1,737,265,893	$ 1,717,048,040	$ 1,717,048,040	$30,312,070	$4,000,000	$34,312,070	$1,751,360,110	2.00%	2.00%
Total Appropriation	$ 2,617,703,945	$ 2,746,562,578	$ 2,683,307,927	$50,364,900	$50,544,209	$100,909,109	$ 2,784,217,036	1.37%	3.76%
Total Positions	-	34,763.580	34,763.580	-	-	-	34,763.580	0.00%	0.00%

		2016-2017 Recommended		
		Recurring Changes	Nonrecurring Changes	Total Adjustments
1. **Fully Meet the Need for UNC Student Enrollment** Fully funds 2016-17 regular term and distance education enrollment at all University of North Carolina institutions. Total enrollment is projected to be 206,139 full-time equivalent students (FTE). This is an increase of 3,125 FTE (or 1.5%) above 2015-16's total enrollment of 203,014 FTE. This item includes an additional $17.5 million in anticipated tuition receipts collected from the increased student enrollment.	**Requirements**	$50,484,603	-	$50,484,603
	Less Receipts	$17,512,070	-	$17,512,070
	Appropriation	$32,972,533	-	$32,972,533
	Positions	-	-	-
2. **Reward State Employees with One-Time Bonus** Provides funds for an average 3.0% bonus for State employees (up to a maximum bonus of $3,000 per employee). The UNC Board of Governors, in consultation with the Office of State Human Resources, will determine the distribution of the bonus. This bonus shall not be considered part of an employee's annual salary or base rate of pay for retirement purposes.	**Requirements**	-	$58,544,209	$58,544,209
	Less Receipts	-	-	-
	Appropriation	-	$58,544,209	$58,544,209
	Positions	-	-	-
3. **Increase Salaries for NC School of Science & Math Teachers and Administrators** Supports experience-based step increases and salary increases associated with the changes to the salary schedule for State agency teachers and school-based administrators at the North Carolina School of Science and Mathematics.	**Requirements**	$192,711	-	$192,711
	Less Receipts	-	-	-
	Appropriation	$192,711	-	$192,711
	Positions	-	-	-
4. **Increase Funding for K-12 Special Education Scholarships** Expands the Special Education Scholarship Program by 300 students and ensures adequate funding to provide the maximum scholarship award of $4,000 per semester for a total of 1,065 students. Scholarship funds allow parents of students with special needs to pay for private school tuition, therapy, necessary adaptive educational equipment, and other related services. This $5.8 million from lottery receipts more than doubles the 2015-16 funding for the program and brings total funding to $10 million.	**Requirements**	$5,800,000	-	$5,800,000
	Less Receipts	$5,800,000	-	$5,800,000
	Appropriation	-	-	-
	Positions	-	-	-
5. **Establish a New Math, Science and Health Degree Merit Scholarship** Establishes a new, merit-based scholarship program to encourage academically gifted and highly sought-after undergraduate math, science and health degree-seeking in-state students to attend UNC institutions. Lottery funds of $5 million will provide at least 1,000 scholarships at an average award of $5,000.	**Requirements**	$5,000,000	-	$5,000,000
	Less Receipts	$5,000,000	-	$5,000,000
	Appropriation	-	-	-
	Positions	-	-	-
6. **Support Long-Term Investment in ECU Brody School of Medicine** Provides recurring funding to the Brody School of Medicine at East Carolina University to stabilize operations.	**Requirements**	$8,000,000	($8,000,000)	-
	Less Receipts	-	-	-
	Appropriation	$8,000,000	($8,000,000)	-
	Positions	-	-	-
7. **New Math and Science Teacher Recruitment Program** Establishes a scholarship program to recruit and train new, highly qualified math and science teachers. The program will support scholarships in the amount of $6,500 for 300 prospective teachers to attend in-state universities, earn degrees in education, and ultimately teach math and science in the state's public schools.	**Requirements**	$2,000,000	-	$2,000,000
	Less Receipts	-	-	-
	Appropriation	$2,000,000	-	$2,000,000
	Positions	-	-	-
8. **Expand HBCU Internship Program** Expands the internship program established in 2014-15 to provide internships and career-based opportunities for students attending Historically Black Colleges and Universities. With these additional funds, the total funding for this program will be $500,000.	**Requirements**	$183,000	-	$183,000
	Less Receipts	-	-	-
	Appropriation	$183,000	-	$183,000
	Positions	-	-	-

9. **Recruit and Retain Exceptional Faculty** Replenishes the UNC Faculty Recruitment and Retention Fund which supports the UNC System's ability to recruit and retain the highest and best qualified faculty. Appropriation supporting this fund has not increased since 2012-13. Since 2007, the program has had a 75% success rate in recruitment and 92% success rate in the retention of the most qualified faculty.	Requirements	$3,000,000	-	$3,000,000
	Less Receipts	-	-	-
	Appropriation	$3,000,000	-	$3,000,000
	Positions	-	-	-
10. **Leveraging Technology for Part-Way Home Students** Provides Lottery funding to develop flexible academic pathways that improve efforts to recruit, retain, and graduate "part-way home," military-affiliated, and other non-traditional students, especially in high-demand fields. This funding will allow universities to collect data on preferences and unique needs of these students; provide specialized tutoring and advising; further develop online and competency-based degree programs; and develop assessments to award credit for prior learning.	Requirements	$700,000	$2,300,000	$3,000,000
	Less Receipts	$700,000	$2,300,000	$3,000,000
	Appropriation	-	-	-
	Positions	-	-	-
11. **Improve Student Success with Data-Centric Systems** Provides Lottery funds to improve overall student success and completion rates through predictive analytics, targeted evaluations, and programs focused on high impact practices. Funding in the amount of $1.3 million is for the purpose of acquiring multi-year contracts for student success data analytic systems. Remaining funding will be used for in-house programming, coding, and coordination efforts associated with this initiative.	Requirements	$1,300,000	$1,700,000	$3,000,000
	Less Receipts	$1,300,000	$1,700,000	$3,000,000
	Appropriation	-	-	-
	Positions	-	-	-
12. **Improve Transparency of Agency IT Expenses** Increases funding for agency IT budgets to fund Department of Information Technology rates that were updated last year to reflect actual costs.	Requirements	$36,300	-	$36,300
	Less Receipts	-	-	-
	Appropriation	$36,300	-	$36,300
	Positions	-	-	-
13. **Increase State Retirement Contributions** Increases the State's contribution for members of the Teachers' and State Employees' Retirement System to fully fund the Actuarially Determined Contribution. The State's total General Fund contribution for retirement systems, disability benefits, death benefits, and retiree health benefits is more than $1.7 billion annually. For TSERS in FY 2016-17, the State will contribute an amount equal to 15.67% of each employee's salary for these benefits; for Law Enforcement Officers, the State will contribute an amount equal to 20.67% of each officer's salary for these benefits. For the Optional Retirement Program in FY 2016-17, the State will contribute an amount equal to 12.85% of each employee's salary for these benefits.	Requirements	$3,980,356	-	$3,980,356
	Less Receipts	-	-	-
	Appropriation	$3,980,356	-	$3,980,356
	Positions	-	-	-

Net Adjustments			
Requirements	$80,676,970	$54,544,209	$135,221,179
Less Receipts	$30,312,070	$4,000,000	$34,312,070
Appropriation	$50,364,900	$50,544,209	$100,909,109
Positions	-	-	-

The University of North Carolina

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments		
		Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
1XXXX								
16010								
1141	Center for Public Television	9,113,531	39,049	9,074,482	87.050	9,074,482	-	-
1144	MCNC Contract (NCREN)	4,900,000	-	4,900,000	-	4,900,000	-	-
1145	NC Center for School Leadership Development	1,664,934	7,850	1,657,084	14.400	1,657,084	-	-
1170	Institutional Support	21,625,140	-	21,625,140	145.288	21,625,140	-	-
16011								
1260	Board of Governors Reserve	40,409,631	21,444,745	18,964,886	-	117,873,995	98,909,109	-
1261	University Cancer Research Fund	16,020,000	-	16,020,000	-	16,020,000	-	-
1262	College Foundation of North Carolina	1,000,000	-	1,000,000	-	1,000,000	-	-
16012								
100X	Math Sci Teacher Recruit	-	-	-	-	2,000,000	2,000,000	-
1241	Regional Education Program	204,997	-	204,997	-	204,997	-	-
1248	UNC Need Based Financial Aid	125,930,498	48,031,975	77,898,523	-	77,898,523	-	-
124B	Distinguished Professor Endowment	8,000,000	-	8,000,000	-	8,000,000	-	-
124D	Principal Fellow School Loan	3,258,000	-	3,258,000	-	3,258,000	-	-
124R	National Guard - Tuition Assistance	2,112,815	-	2,112,815	-	2,112,815	-	-
124S	National Board Professional Teacher Standards	100,000	-	100,000	-	100,000	-	-
124U	Forgiveable Education Loans for Service (FELS)	16,594,166	-	16,594,166	-	16,594,166	-	-
16015								
124T	Private College Need Base	88,351,588	-	88,351,588	-	88,351,588	-	-
124V	Institute for Regenerative Medicine at Wake Forest	7,000,000	-	7,000,000	-	7,000,000	-	-
124W	Opportunity Scholarship Grants	24,840,000	-	24,840,000	2.000	24,840,000	-	-
124X	Special Education Scholarship Grant	4,228,166	-	4,228,166	-	4,228,166	-	-
124Y	Western Governors University	2,000,000	-	2,000,000	-	2,000,000	-	-
124Z	Principal Preparation	1,000,000	-	1,000,000	-	1,000,000	-	-
16020								
1101	Regular Term Instruction	232,995,846	599,080	232,396,766	2,027.986	232,396,766	-	-
1102	Summer Term Instruction	6,297,701	6,297,701	-	56.050	-	-	-
1103	Non-Credit and Receipts	54,139,786	54,139,786	-	78.520	-	-	-
1105	School of Government	18,247,484	8,617,851	9,629,633	147.150	9,629,633	-	-
1110	Organized Research	3,524,303	39,391	3,484,912	42.640	3,484,912	-	-
1142	Community Services	1,257,015	153,998	1,103,017	26.070	1,103,017	-	-
1151	Libraries	27,197,512	244,328	26,953,184	238.740	26,953,184	-	-
1152	General Academic Support	45,708,573	259,883	45,448,690	421.930	45,448,690	-	-
1160	Student Services	13,356,516	638,361	12,718,155	165.920	12,718,155	-	-
1170	Institutional Support	45,945,389	855,275	45,090,114	393.350	45,090,114	-	-
1180	Physical Plant Operation	71,283,485	583,164	70,700,321	540.090	70,700,321	-	-

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments		
		Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
1230	Student Financial Aid	72,499,293	91,500	72,407,793	-	72,407,793	-	-
1990	Multi-Activity	-	267,666,724	(267,666,724)	-	(267,666,724)	-	-
16021								
1101	Regular Term Instruction	193,922,689	16,145,940	177,776,749	1,466.400	177,776,749	-	-
1110	Organized Research	5,324,287	780,722	4,543,565	63.120	4,543,565	-	-
1151	Libraries	7,157,832	136,929	7,020,903	46.750	7,020,903	-	-
1170	Institutional Support	351,226	-	351,226	2.740	351,226	-	-
1180	Physical Plant Operation	67,417,526	1,200	67,416,326	330.110	67,416,326	-	-
1230	Student Financial Aid	20,365,489	-	20,365,489	.	20,365,489	-	-
1990	Multi-Activity	-	89,694,353	(89,694,353)	.	(89,694,353)	-	-
16022								
1191	Operations	29,164,182	-	29,164,182	-	29,164,182	-	-
1192	Residency Training	4,095,390	-	4,095,390	-	4,095,390	-	-
1193	Health Sciences Support	8,023,106	-	8,023,106	77.900	8,023,106	-	-
1252	Other Reserves	8,000,000	-	8,000,000	.	8,000,000	-	-
16030								
1101	Instruction	323,690,393	892,640	322,797,753	3,003.945	322,797,753	-	-
1102	Summer Term Instruction	9,600,000	9,600,000	-	81.220	-	-	-
1103	Non-Credit and Receipts Supported Instruction	7,549,761	7,549,761	-	45.650	-	-	-
1106	NC State University - Veterinary Medicine	55,011,393	18,988,000	36,023,393	629.140	36,023,393	-	-
1110	Organized Research	18,034,858	2,096,934	15,937,924	171.220	15,937,924	-	-
1142	Community Services	8,327,371	1,423,695	6,903,676	82.710	6,903,676	-	-
1151	Libraries	30,823,244	126,500	30,696,744	216.270	30,696,744	-	-
1152	General Academic Support	19,333,889	1,916,985	17,416,904	164.160	17,416,904	-	-
1160	Student Services	9,991,543	1,250,048	8,741,495	128.770	8,741,495	-	-
1170	Institutional Support	68,976,012	6,323,363	62,652,649	630.900	62,652,649	-	-
1180	Physical Plant Operation	106,892,110	24,571,697	82,320,413	928.350	82,320,413	-	-
1230	Student Financial Aid	63,495,874	-	63,495,874	.	63,495,874	-	-
1990	Multi-Activity	-	254,737,534	(254,737,534)	.	(254,737,534)	-	-
16031								
1121	Administration	6,963,836	19,849	6,943,987	86.860	6,943,987	-	-
1122	Research	51,038,677	2,840,948	48,197,729	571.180	48,197,729	-	-
1123	Research Stations	10,076,165	2,965,233	7,110,932	139.020	7,110,932	-	-
1990	Multi-Activity	-	9,153,316	(9,153,316)	-	(9,153,316)	-	-
16032								
1131	State Administration	4,537,024	40,410	4,496,614	54.300	4,496,614	-	-
1132	State Program Operations	22,057,503	625,110	21,432,393	242.350	21,432,393	-	-
1133	County Program Operation	28,044,915	377,639	27,667,276	449.090	27,667,276	-	-
1990	Multi-Activity	-	15,000,356	(15,000,356)	-	(15,000,356)	-	-

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments		
		Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
16040								
1101	Instruction	122,177,353	-	122,177,353	1,152.802	122,177,353	-	-
1102	Summer Term Instruction	4,208,712	4,208,712	-	32.740	-	-	-
1103	Non-Credit and Receipts Supported Instruction	660,515	660,515	-	5.340	-	-	-
1151	Libraries	10,396,775	59,000	10,337,775	89.570	10,337,775	-	-
1152	General Academic Support	13,607,644	36,000	13,571,644	127.500	13,571,644	-	-
1160	Student Services	13,797,796	119,798	13,677,998	166.340	13,677,998	-	-
1170	Institutional Support	21,706,573	113,875	21,592,698	217.350	21,592,698	-	-
1180	Physical Plant Operation	28,501,857	3,077,507	25,424,350	277.810	25,424,350	-	-
1230	Student Financial Aid	13,670,345	-	13,670,345	-	13,670,345	-	-
1990	Multi-Activity	-	76,992,736	(76,992,736)	-	(76,992,736)	-	-
16050								
1101	Instruction	174,229,447	131,000	174,098,447	1,721.758	174,098,447	-	-
1102	Summer Term Instruction	7,541,667	7,541,667	-	47.710	-	-	-
1103	Non-Credit and Receipts Supported Instruction	3,949,527	3,949,527	-	18.310	-	-	-
1110	Organized Research	2,153,749	-	2,153,749	19.320	2,153,749	-	-
1142	Community Services	1,889,792	-	1,889,792	17.490	1,889,792	-	-
1151	Libraries	11,426,293	7,000	11,419,293	87.750	11,419,293	-	-
1152	General Academic Support	16,874,284	60,000	16,814,284	129.330	16,814,284	-	-
1160	Student Services	18,452,908	363,000	18,089,908	211.530	18,089,908	-	-
1170	Institutional Support	35,566,858	119,500	35,447,358	313.470	35,447,358	-	-
1180	Physical Plant Operation	49,973,213	3,575,000	46,398,213	454.040	46,398,213	-	-
1230	Student Financial Aid	12,492,261	-	12,492,261	-	12,492,261	-	-
1252	Other Reserves	83,066	-	83,066	-	83,066	-	-
1990	Multi-Activity	286,644	120,201,410	(119,914,766)	-	(119,914,766)	-	-
16055								
1101	Instruction	25,797,394	200,270	25,597,124	274.107	25,597,124	-	-
1102	Summer Term Instruction	670,237	670,237	-	0.300	-	-	-
1103	Non-Credit and Receipts Supported Instruction	173,000	173,000	-	-	-	-	-
1142	Community Services	142,658	-	142,658	3.750	142,658	-	-
1151	Libraries	1,982,637	30,000	1,952,637	15.005	1,952,637	-	-
1152	General Academic Support	2,421,261	-	2,421,261	27.770	2,421,261	-	-
1160	Student Services	3,521,109	26,190	3,494,919	42.110	3,494,919	-	-
1170	Institutional Support	10,282,611	20,865	10,261,746	106.650	10,261,746	-	-
1180	Physical Plant Operation	8,849,721	368,112	8,481,609	116.020	8,481,609	-	-
1230	Student Financial Aid	3,234,135	-	3,234,135	-	3,234,135	-	-
1990	Multi-Activity	-	17,993,806	(17,993,806)	-	(17,993,806)	-	-

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments		
		Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
16060								
1101	Instruction	98,420,584	-	98,420,584	986.358	98,420,584	-	-
1102	Summer Term Instruction	4,550,626	4,550,626	-	40.410	-	-	-
1103	Non-Credit and Receipts Supported Instruction	329,551	329,551	-	1.670	-	-	-
1110	Organized Research	3,977,042	4,390	3,972,652	45.862	3,972,652	-	-
1142	Community Services	522,864	72,497	450,367	6.590	450,367	-	-
1151	Libraries	6,090,706	41,300	6,049,406	47.690	6,049,406	-	-
1152	General Academic Support	6,950,918	-	6,950,918	94.060	6,950,918	-	-
1160	Student Services	6,829,948	75,075	6,754,873	104.350	6,754,873	-	-
1170	Institutional Support	22,606,347	71,242	22,535,105	227.770	22,535,105	-	-
1180	Physical Plant Operation	24,785,576	2,437,744	22,347,832	256.960	22,347,832	-	-
1230	Student Financial Aid	9,692,498	-	9,692,498	.	9,692,498	-	-
1990	Multi-Activity	-	75,700,822	(75,700,822)	.	(75,700,822)	-	-
16065								
1101	Instruction	154,605,997	77,130	154,528,867	1,563.144	154,528,867	-	-
1102	Summer Term Instruction	7,407,087	7,407,087	-	9.910	-	-	-
1103	Non-Credit and Receipts Supported Instruction	594,857	594,857	-	5.600	-	-	-
1104	East Carolina University Division of Health Services	34,596,441	392,750	34,203,691	336.056	34,203,691	-	-
1110	Organized Research	3,456,664	-	3,456,664	17.460	3,456,664	-	-
1142	Community Services	1,634,647	-	1,634,647	14.640	1,634,647	-	-
1151	Libraries	13,761,478	40,000	13,721,478	114.630	13,721,478	-	-
1152	General Academic Support	9,411,142	-	9,411,142	80.750	9,411,142	-	-
1160	Student Services	11,113,301	2,405,310	8,707,991	163.730	8,707,991	-	-
1170	Institutional Support	57,119,007	1,053,239	56,065,768	421.930	56,065,768	-	-
1180	Physical Plant Operation	57,263,299	7,104,640	50,158,659	483.760	50,158,659	-	-
1230	Student Financial Aid	24,182,979	-	24,182,979	-	24,182,979	-	-
1990	Multi-Activity	-	145,332,328	(145,332,328)	-	(145,332,328)	-	-
16066								
1101	Instruction	59,860,908	81,900	59,779,008	404.291	59,779,008	-	-
1104	East Carolina University - Dental School	17,389,223	74,250	17,314,973	120.800	17,314,973	-	-
1151	Libraries	2,551,383	45,000	2,506,383	27.440	2,506,383	-	-
1230	Student Financial Aid	2,178,194	-	2,178,194	.	2,178,194	-	-
1990	Multi-Activity	-	8,250,872	(8,250,872)	.	(8,250,872)	-	-
16070								
1101	Instruction	72,446,182	318,082	72,128,100	724.594	72,128,100	-	-
1102	Summer Term Instruction	3,582,817	3,582,817	-	35.253	-	-	-
1103	Non-Credit and Receipts Supported Instruction	115,296	115,296	-	1.680	-	-	-
1110	Organized Research	10,469,467	-	10,469,467	125.290	10,469,467	-	-
1142	Community Services	79,169	-	79,169	2.000	79,169	-	-
1151	Libraries	4,617,724	14,481	4,603,243	48.500	4,603,243	-	-

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments		
		Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
1152	General Academic Support	9,021,267	-	9,021,267	98.420	9,021,267	-	-
1160	Student Services	8,027,809	181,699	7,846,110	93.000	7,846,110	-	-
1170	Institutional Support	18,951,060	1,802,086	17,148,974	168.645	17,148,974	-	-
1180	Physical Plant Operation	19,885,382	1,784,999	18,100,383	223.930	18,100,383	-	-
1230	Student Financial Aid	8,632,194	-	8,632,194	-	8,632,194	-	-
1990	Multi-Activity	-	57,130,886	(57,130,886)	-	(57,130,886)	-	-
16075								
1101	Instruction	61,561,438	9,478	61,551,960	627.031	61,551,960	-	-
1102	Summer Term Instruction	2,609,681	2,609,681	-	20.090	-	-	-
1103	Non-Credit and Receipts Supported Instruction	1,662,762	1,662,762	-	16.130	-	-	-
1110	Organized Research	407,606	102,904	304,702	4.230	304,702	-	-
1142	Community Services	203,365	-	203,365	1.800	203,365	-	-
1146	NC Arboretum at Western Carolina University	2,199,253	25,244	2,174,009	24.470	2,174,009	-	-
1151	Libraries	4,771,153	26,285	4,744,868	49.500	4,744,868	-	-
1152	General Academic Support	9,912,423	1,188	9,911,235	100.229	9,911,235	-	-
1160	Student Services	5,687,620	133,301	5,554,319	78.853	5,554,319	-	-
1170	Institutional Support	18,724,283	286,743	18,437,540	152.840	18,437,540	-	-
1180	Physical Plant Operation	17,264,750	1,248,958	16,015,792	204.410	16,015,792	-	-
1230	Student Financial Aid	5,365,500	-	5,365,500	-	5,365,500	-	-
1990	Multi-Activity	-	38,457,473	(38,457,473)	-	(38,457,473)	-	-
16080								
1101	Instruction	115,133,688	417,342	114,716,346	1,199.260	114,716,346	-	-
1102	Summer Term Instruction	5,441,168	5,441,168	-	55.990	-	-	-
1103	Non-Credit and Receipts Supported Instruction	83,843	83,843	-	-	-	-	-
1110	Organized Research	2,938	-	2,938	-	2,938	-	-
1142	Community Services	703,416	-	703,416	9.200	703,416	-	-
1151	Libraries	9,148,290	139,009	9,009,281	78.670	9,009,281	-	-
1152	General Academic Support	17,189,073	18,990	17,170,083	196.420	17,170,083	-	-
1160	Student Services	7,833,972	370,767	7,463,205	100.000	7,463,205	-	-
1170	Institutional Support	23,773,281	277,317	23,495,964	195.730	23,495,964	-	-
1180	Physical Plant Operation	26,596,600	1,301,181	25,295,419	260.900	25,295,419	-	-
1230	Student Financial Aid	12,754,382	-	12,754,382	-	12,754,382	-	-
1990	Multi-Activity	-	82,775,452	(82,775,452)	-	(82,775,452)	-	-
16082								
1101	Instruction	33,849,419	-	33,849,419	353.733	33,849,419	-	-
1102	Summer Term Instruction	2,865,295	2,865,295	-	5.800	-	-	-
1103	Non-Credit and Receipts Supported Instruction	131,889	131,889	-	1.090	-	-	-
1142	Community Services	155,748	-	155,748	1.230	155,748	-	-
1151	Libraries	3,096,134	22,800	3,073,334	28.000	3,073,334	-	-
1152	General Academic Support	7,913,695	-	7,913,695	53.456	7,913,695	-	-

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments		
		Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
1160	Student Services	5,438,575	119,533	5,319,042	64.050	5,319,042	-	-
1170	Institutional Support	10,060,013	47,013	10,013,000	98.730	10,013,000	-	-
1180	Physical Plant Operation	11,515,954	213,917	11,302,037	130.200	11,302,037	-	-
1230	Student Financial Aid	3,231,306	-	3,231,306	-	3,231,306	-	-
1990	Multi-Activity	-	21,665,476	(21,665,476)	-	(21,665,476)	-	-
16084								
1101	Instruction	45,041,877	-	45,041,877	477.125	45,041,877	-	-
1102	Summer Term Instruction	1,998,827	1,998,827	-	15.688	-	-	-
1103	Non-Credit and Receipts Supported Instruction	50,000	50,000	-	-	-	-	-
1142	Community Services	-	-	-	1.000	-	-	-
1151	Libraries	3,627,007	36,000	3,591,007	22.720	3,591,007	-	-
1152	General Academic Support	4,758,124	-	4,758,124	48.000	4,758,124	-	-
1160	Student Services	4,264,909	205,000	4,059,909	56.389	4,059,909	-	-
1170	Institutional Support	11,797,692	55,100	11,742,592	129.909	11,742,592	-	-
1180	Physical Plant Operation	11,965,290	738,394	11,226,896	159.485	11,226,896	-	-
1230	Student Financial Aid	4,669,596	-	4,669,596	-	4,669,596	-	-
1990	Multi-Activity	-	20,470,877	(20,470,877)	-	(20,470,877)	-	-
16086								
1101	Instruction	15,036,459	-	15,036,459	143.077	15,036,459	-	-
1102	Summer Term Instruction	754,353	754,353	-	4.000	-	-	-
1142	Community Services	405,274	-	405,274	6.000	405,274	-	-
1151	Libraries	1,419,791	2,686	1,417,105	12.000	1,417,105	-	-
1152	General Academic Support	1,600,318	-	1,600,318	14.153	1,600,318	-	-
1160	Student Services	5,145,991	86,310	5,059,681	27.146	5,059,681	-	-
1170	Institutional Support	8,056,324	97,916	7,958,408	67.727	7,958,408	-	-
1180	Physical Plant Operation	7,542,222	228,081	7,314,141	76.510	7,314,141	-	-
1230	Student Financial Aid	4,158,012	-	4,158,012	-	4,158,012	-	-
1990	1990-	-	9,190,170	(9,190,170)	-	(9,190,170)	-	-
16088								
1101	Instruction	34,392,584	281,552	34,111,032	365.120	34,111,032	-	-
1102	Summer Term Instruction	2,415,754	2,190,408	225,346	21.500	225,346	-	-
1103	Non-Credit and Receipts Supported Instruction	28,210	28,210	-	-	-	-	-
1142	Community Services	96,392	2,000	94,392	2.000	94,392	-	-
1151	Libraries	2,345,699	5,500	2,340,199	26.000	2,340,199	-	-
1152	Genera Academic Support	4,146,130	-	4,146,130	39.512	4,146,130	-	-
1160	Student Services	3,365,916	76,870	3,289,046	50.850	3,289,046	-	-
1170	Institutional Support	8,648,015	-	8,648,015	98.950	8,648,015	-	-
1180	Physical Plant Operation	8,586,765	45,051	8,541,714	100.910	8,541,714	-	-
1230	Student Financial Aid	4,606,577	-	4,606,577	-	4,606,577	-	-
1990	Multi-Activity	-	17,260,921	(17,260,921)	-	(17,260,921)	-	-

		FY 2016-17 Certified				FY 2016-17 Recommended Adjustments		
		Requirements	Receipts	Appropriation	FTE	Total Appropriation	Net Changes to Appropriation	Net Position Changes
16090								
1101	Instruction	65,456,223	2,500	65,453,723	650.758	65,453,723	-	-
1102	Summer Term Instruction	3,426,972	3,426,972	-	40.412	-	-	-
1103	Non-Credit and Receipts Supported Instruction	8,102	8,102	-	-	-	-	-
1110	Organized Research	68,267	-	68,267	1.400	68,267	-	-
1142	Community Services	631,947	-	631,947	9.060	631,947	-	-
1151	Libraries	6,164,088	23,526	6,140,562	51.500	6,140,562	-	-
1152	General Academic Support	9,491,802	-	9,491,802	107.786	9,491,802	-	-
1160	Student Services	3,541,392	364,535	3,176,857	57.500	3,176,857	-	-
1170	Institutional Support	19,882,897	18,252	19,864,645	226.424	19,864,645	-	-
1180	Physical Plant Operation	13,264,978	841,048	12,423,930	113.500	12,423,930	-	-
1230	Student Financial Aid	8,592,336	-	8,592,336	-	8,592,336	-	-
1990	Multi-Activity	-	43,711,221	(43,711,221)	-	(43,711,221)	-	-
16092								
1101	Instruction	13,571,183	500	13,570,683	156.940	13,570,683	-	-
1102	Summer Term Instruction	203,796	203,796	-	4.000	-	-	-
1103	Non-Credit and Receipts Supported Instruction	872,515	872,515	-	7.000	-	-	-
1142	Community Services	180,173	180,173	-	-	-	-	-
1151	Libraries	1,275,716	11,800	1,263,916	15.000	1,263,916	-	-
1152	General Academic Support	4,087,560	-	4,087,560	49.100	4,087,560	-	-
1160	Student Services	1,226,077	11,070	1,215,007	15.000	1,215,007	-	-
1170	Institutional Support	9,067,370	13,165	9,054,205	73.050	9,054,205	-	-
1180	Physical Plant Operation	9,057,568	43,158	9,014,410	115.600	9,014,410	-	-
1230	Student Financial Aid	3,850,505	-	3,850,505	-	3,850,505	-	-
1990	Multi-Activity	-	13,386,988	(13,386,988)	-	(13,386,988)	-	-
16094								
1111	General Administration	4,059,393	407,610	3,651,783	45.100	3,651,783	-	-
1211	General Instruction	9,771,096	439,410	9,331,686	93.750	9,331,686	-	-
1311	Library Services	465,587	54,802	410,785	5.000	410,785	-	-
1411	Student Services	3,765,231	19,563	3,745,668	46.500	3,745,668	-	-
1511	Plant Facilities	2,654,232	6,593	2,647,639	29.000	2,647,639	-	-
Total 1XXXX		**4,400,355,967**	**1,717,048,040**	**2,683,307,927**	**34,763.579**	**2,784,217,036**	**100,909,109**	**-**

Table 15

Six Year Expenditure History and Current Certified Budget
University of North Carolina Budget Codes 16010-16095

	2009-2010 (Actuals)	2010-2011 (Actuals)	2011-2012 (Actuals)	2012-2013 (Actuals)	2013-2014 (Actuals)	2014-2015 (Actuals)	2015-2016 Certified Budget BD 307
Requirements Total	**$ 4,063,031,174**	**$ 4,242,018,735**	**$ 4,081,836,595**	**$ 4,256,834,231**	**$ 4,275,146,894**	**$ 4,354,932,384**	**$ 4,463,610,618**
Tuition Receipts	$ 959,392,692	$ 1,129,797,558	$ 1,208,768,560	$ 1,326,817,472	$ 1,397,358,748	$ 1,454,595,852	$ 1,488,285,700
Federal Receipts	$ 159,104,141	$ 139,019,253	$ 20,752,453	$ 19,955,206	$ 21,250,136	$ 18,147,332	$ 14,269,720
Other Receipts	$ 344,137,329	$ 382,391,461	$ 301,380,047	$ 258,214,204	$ 283,780,770	$ 264,522,708	$ 214,492,620
Total Receipts	**$ 1,462,634,162**	**$ 1,651,208,272**	**$ 1,530,901,060**	**$ 1,604,986,881**	**$ 1,702,389,653**	**$ 1,737,265,893**	**$ 1,717,048,040**
Appropriation	**$ 2,600,397,013**	**$ 2,590,810,462**	**$ 2,550,935,536**	**$ 2,651,847,350**	**$ 2,572,757,241**	**$ 2,617,666,491**	**$ 2,746,562,578**
Tuition Receipts + Appropriation	**$ 3,559,789,704**	**$ 3,720,608,020**	**$ 3,759,704,096**	**$ 3,978,664,822**	**$ 3,970,115,988**	**$ 4,072,262,343**	**$ 4,234,848,278**
% Tuition Receipts + Appropriation	**87.6%**	**87.7%**	**92.1%**	**93.5%**	**92.9%**	**93.5%**	**94.9%**
% Tuition Receipts	23.61%	26.63%	29.61%	31.17%	32.69%	33.40%	33.34%
% Federal Receipts	3.92%	3.28%	0.51%	0.47%	0.50%	0.42%	0.32%
% Other Receipts	8.47%	9.01%	7.38%	6.07%	6.64%	6.07%	4.81%
% Appropriation	64.00%	61.07%	62.49%	62.30%	60.18%	60.11%	61.53%
State Authorized Tuition Receipts	$ 959,392,692	$ 1,129,797,558	$ 1,208,768,560	$ 1,326,817,472	$ 1,397,358,748	$ 1,454,595,852	$ 1,488,285,700
State Authorized Appropriation	$ 2,600,397,013	$ 2,590,810,462	$ 2,550,935,536	$ 2,651,847,350	$ 2,572,757,241	$ 2,617,666,491	$ 2,746,562,578
Subtotal State Funding	**$ 3,559,789,704**	**$ 3,720,608,020**	**$ 3,759,704,096**	**$ 3,978,664,822**	**$ 3,970,115,988**	**$ 4,072,262,343**	**$ 4,234,848,278**
Annual $ Change		$ 160,818,316	$ 39,096,075	$ 218,960,726	$ (8,548,833)	$ 102,146,355	$ 162,585,935
Annual % Change		4.52%	1.05%	5.82%	-0.21%	2.57%	3.99%
$ Increase from 2009-10		$ 160,818,316	$ 199,914,392	$ 418,875,118	$ 410,326,284	$ 512,472,639	$ 675,058,574
% Increase from 2009-10		4.52%	5.62%	11.77%	11.53%	14.40%	18.96%

Source: Actuals from June 29 BD701 Reports

Table 16

North Carolina State General Fund Operating Appropriation For Public Schools, Community Colleges, and Higher Education, 1981-82 to 2016-17

(Including Carry-Forwards for Encumbrances)

Year	General Fund Total Current Operations#	Public Schools Amount	Public Schools Percent	Community Colleges Amount	Community Colleges Percent	Higher Education Amount	Higher Education Percent	Percent of Total Education	Other
1981-82	$ 3,401,694,904	$ 1,495,263,953	44.0	$ 194,452,082	5.7	$ 567,573,821	16.7	66.4	$ 1,144,405,048
1982-83	$ 3,561,142,890	$ 1,515,742,033	42.6	$ 205,585,837	5.8	$ 599,235,054	16.8	65.2	$ 1,240,579,966
1983-84	$ 3,812,808,921	$ 1,620,044,340	42.5	$ 232,195,091	6.1	$ 653,091,405	17.1	65.7	$ 1,307,478,085
1984-85	$ 4,319,568,173	$ 1,886,700,077	43.7	$ 259,101,105	6.0	$ 746,998,910	17.3	67.0	$ 1,426,768,081
1985-86	$ 4,877,060,744	$ 2,185,803,123	44.8	$ 281,875,727	5.8	$ 840,311,094	17.2	67.8	$ 1,569,070,800
1986-87	$ 5,233,578,633	$ 2,346,139,866	44.8	$ 307,102,490	5.9	$ 909,134,150	17.4	68.1	$ 1,671,202,127
1987-88	$ 5,805,245,729	$ 2,639,237,658	45.5	$ 326,296,294	5.6	$ 980,746,492	16.9	68.0	$ 1,858,965,285
1988-89	$ 6,302,733,865	$ 2,930,643,886	46.5	$ 332,064,381	5.3	$ 1,039,510,499	16.5	68.3	$ 2,000,515,099
1989-90	$ 6,883,003,393	$ 3,134,428,205	45.5	$ 365,537,274	5.3	$ 1,109,917,895	16.1	67.0	$ 2,273,120,019
1990-91	$ 7,249,549,110	$ 3,329,171,720	45.9	$ 387,611,956	5.3	$ 1,143,216,957	15.8	67.0	$ 2,389,548,477
1991-92	$ 7,350,501,134	$ 3,293,699,663	44.8	$ 344,131,858	4.7	$ 1,121,976,740	15.3	64.8	$ 2,590,692,873
1992-93	$ 7,881,908,182	$ 3,435,634,234	43.6	$ 398,689,471	5.1	$ 1,170,947,533	14.9	63.5	$ 2,876,636,944
1993-94	$ 8,674,510,752 a	$ 3,632,087,114	41.9	$ 423,253,702	4.9	$ 1,229,449,670	14.2	60.9	$ 3,389,720,266
1994-95	$ 9,595,509,023 a	$ 3,962,959,317 b)	41.3	$ 455,651,184	4.7	$ 1,296,558,991	13.5	59.6	$ 3,880,339,531
1995-96	$ 9,793,062,378	$ 3,998,978,216	40.8	$ 470,880,697	4.8	$ 1,301,040,079	13.3	58.9	$ 4,022,163,386
1996-97	$ 10,450,411,229	$ 4,301,626,282	41.2	$ 501,802,184	4.8	$ 1,385,611,961	13.3	59.2	$ 4,261,370,802
1997-98	$ 11,258,582,548	$ 4,697,892,305	41.7	$ 534,873,175	4.8	$ 1,489,866,397	13.2	59.7	$ 4,535,950,671
1998-99	$ 12,327,025,974	$ 5,068,634,951	41.1	$ 587,542,475	4.8	$ 1,628,888,154	13.2	59.1	$ 5,041,960,394
1999-00 c)	$ 13,441,610,285	$ 5,497,075,780	40.9	$ 589,634,008	4.4	$ 1,682,143,914	12.5	57.8	$ 5,672,756,583
2000-01 d)	$ 13,785,142,760	$ 5,851,733,197 f)	42.4	$ 651,456,631	4.7	$ 1,778,278,150	12.9	60.1	$ 5,503,674,782
2001-02 e)	$ 14,309,884,168	$ 5,922,505,768 f)	41.4	$ 650,089,707	4.5	$ 1,802,904,395	12.6	58.5	$ 5,934,384,298
2002-03 d)	$ 14,323,937,462	$ 5,946,490,760 f)	41.5	$ 669,281,390	4.7	$ 1,768,097,109	12.3	58.5	$ 5,940,068,203
2003-04	$ 14,835,621,783	$ 6,114,518,997 f,d)	41.2	$ 665,027,719	4.5	$ 1,792,141,661	12.1	57.8	$ 6,263,933,406
2004-05	$ 15,873,167,528	$ 6,287,744,646 f,d)	39.6	$ 691,811,541	4.4	$ 1,878,813,497	11.8	55.8	$ 7,014,797,844
2005-06	$ 17,126,460,791	$ 6,721,053,466 f,d)	39.2	$ 817,427,539 d)	4.8	$ 2,126,803,399	12.4	56.4	$ 7,461,176,387
2006-07	$ 18,659,616,984	$ 7,096,499,112 f,d)	38.0	$ 893,085,886 d)	4.8	$ 2,365,613,366 d)	12.7	55.5	$ 8,304,418,620
2007-08	$ 20,428,846,612	$ 7,949,900,491 f,d)	38.9	$ 938,106,160	4.6	$ 2,626,271,017	12.9	56.4	$ 8,914,568,944
2008-09	$ 21,226,885,372	$ 7,993,668,839 f,d)	37.7	$ 961,282,701 d)	4.5	$ 2,756,110,358 d)	13.0	55.2	$ 9,515,823,474
2009-10	$ 19,010,057,199	$ 7,458,261,240 f,d)	39.2	$ 999,833,122	5.3	$ 2,706,834,335	14.2	58.7	$ 7,845,128,502
2010-11	$ 18,947,720,772	$ 7,085,588,912 f,d)	37.4	$ 1,055,135,961	5.6	$ 2,666,935,206	14.1	57.0	$ 8,140,060,693
2011-12	$ 19,898,013,097	$ 7,572,712,912 f,d)	38.1	$ 1,016,629,522	5.1	$ 2,657,835,835	13.4	56.5	$ 8,650,834,828
2012-13	$ 20,378,817,261	$ 7,598,568,534 f,d)	37.3	$ 1,022,312,530	5.0	$ 2,670,455,384	13.1	55.4	$ 9,087,480,813
2013-14	$ 20,602,828,645	$ 7,867,960,649 f,d)	38.2	$ 1,021,295,467	5.0	$ 2,583,048,270	12.5	55.7	$ 9,130,524,259
2014-15	$ 21,068,550,145	$ 8,104,976,608 f,d)	38.3	$ 1,040,911,271	4.8	$ 2,629,382,937	12.5	55.9	$ 9,293,279,329
2015-16	$ 21,717,958,405	$ 8,516,769,297 f,d)	39.3	$ 1,069,066,998	4.8	$ 2,746,562,578	12.6	56.8	$ 9,385,559,532
2016-17	$ 22,319,268,926	$ 8,963,133,627 f,d)	40.2	$ 1,098,696,266	4.9	$ 2,784,217,036	12.5	57.6	$ 9,473,221,997

Note: Figures in all categories include compensation increases.

\# Operating budget excludes capital and local government appropriations.

a) 1993-94 and 1994-95 excludes $214 million (1993-94) and $120 million (1994-95) for payroll restoration.

b) 1994-95 includes $42 million for education technology equipment.

c) 1999-00 includes all appropriation as of June 30, 2000.

d) Amouts include Compensation Increase Reserve.

e) Amounts include Compensation Increase, Health Plan Increase, and Retirement Rate Adjustment.

f) Encumbrance carryforwards for 11th and 12th month are no longer included.

AGENDA

HOUSE APPROPRIATIONS COMMITTEE ON EDUCATION

May 3, 2016, 8:30 a.m.
Legislative Office Building - Room 423

House Committee Co-Chairs
Rep. Hugh Blackwell
Rep. Rob Bryan
Rep. D. Craig Horn

House Committee Vice-Chairs
Rep. Rosa Gill
Rep. Paul Stam
Rep. Chris Whitmire

House Committee Members
Rep. Larry Bell
Rep. Cecil Brockman
Rep. Debra Conrad
Rep. Jeffrey Elmore
Rep. John Fraley
Rep. Marvin Lucas
Rep. Henry M. Michaux Jr.
Rep. William Richardson

I: Welcome and Opening Comments

Representative Rob Bryan
Co-Chair, Presiding

II: Department of Public Instruction

Mr. Bill Cobey
Chairman, State Board of Education

Dr. June Atkinson
State Superintendent of Public Instruction

III: NC Community College System

Mr. George Fouts
Interim President

IV: Committee Adjourns

Next Meeting: Wednesday, May 4th

House Committee on Education Appropriations
Tuesday, May 3, 2016
Room 423 of the Legislative Building

MINUTES

The House Committee on Education Appropriations met at 8:30 a.m. on May 3, 2016 in Room 544 of the Legislative Building. Representatives Blackwell, Bryan, Horn, Gill, Stam, Whitmire, Bell, Brockman, Conrad, Elmore, Fraley, Lucas, Michaux, and Richardson attended.

Representative Rob Bryan presided.

The first order of business was the overview of the Department of Public Instruction's 2016-2017 budget requests (attached). Representative Bryan recognized Chairman Bill Cobey, State Board of Education and Dr. June Atkinson, State Superintendent of Public Instruction to present on the education budget requests. After a brief explanation Representative Bryan welcomed questions from the committee.

The final order of business was the overview North Carolina Community College System Budget Requests for 2016-2017 (attached). Representative Bryan recognized Interim President George Fouts, North Carolina Community College System to present on the budget requests. After a brief explanation Representative Bryan welcomed questions from the committee.

The meeting adjourned at 10:30 a.m.

Representative Rob Bryan, .Chair
Presiding

Kevin Wilkinson, Committee Clerk

State Board of Education
2016-17 Budget Requests

	Funding Breakdown	Dollars	Totals
	A. Teacher Salary Increases - Cost breakdown example only.		
1	1.15% Cost increase to move between salary tiers *(does not include savings from attrition)*	57,400,000	
2	1% Estimated across the board salary increase *(does not include savings from attrition)*	50,100,000	
	Cost to boost average salary to #1 in Southeast: $529M *(phase in over a few years)*		
		107,500,000	-
	B. Digital Learning		
3	Textbooks and Digital Resources *(to reach Basic Education Plan (BEP) - prescribed levels)*	57,000,000	
4	Classroom Technology *(starter fund toward Digital Learning Plan implementation)*	25,000,000	
5	Home Base *(make the system free for all schools)*	6,000,000	
		TOTAL	88,000,000
	C. Teacher Recruitment and Retention		
6	Professional Development *(year-round calendar of regional PD)*	4,400,000	
7	Professional Development Allotment *(restore allotment to local education agencies @ 2008-09 levels)*	12,000,000	
8	Training for Lateral Entry *(funding to support courses for each lateral entry teacher)*	1,000,000	
9	Teacher Retention *(incentive bonuses for educators exceeding growth in lowest-achieving 5% of schools)*	4,000,000	
		TOTAL	21,400,000
	D. State Agency Support of Public Schools		
10	Turning Around Lowest Achieving Schools *(intensive support for lowest-achieving 5% of schools and 10% of districts)*	8,600,000	
11	Behavioral Support Services *(intensive support for students with behavioral/emotional needs)*	4,000,000	
12	Distinguished Leadership in Practice *(leadership programs for current principals and assistant principals)*	600,000	
13	NC Procurement Alliance *(save LEAs $480K through investment in Alliance: every $1 invested saves LEAs $6)*	80,000	
14	Holocaust *(increase funding to support PD on the Holocaust)*	8,315	
		TOTAL	13,288,315
	E. General Classroom Support		
15	Cooperative Innovative High Schools *(support 13 new State Board of Education approved schools)*	4,000,000	
16	Instructional Supplies and Equipment *(to reach BEP-prescribed levels)*	46,900,000	
17	Assistant Principals *(provide additional AP positions)*	23,300,000	
18	Nurses *(funding to 5-year goal of achieving recommended ratio of 1 nurse to 750 students per the National Association of School Nurses)*	11,500,000	
19	Child and Family Support Teams *(restore 21 nurse positions eliminated in 10-11)*	1,300,000	
20	Child Nutrition *(supporting implementation of Child Nutrition Program standards)*	20,000,000	
		TOTAL	107,000,000
	F. Residential Schools		
21	Summer Program *(sponsoring two residential summer programs for 150 children from the Eastern NC School for the Deaf in Wilson)*	300,000	
22	Technology *(specific technology purchases for the Governor Morehead School and support for one technology position)*	510,000	
23	New water system for the Western School for the Deaf, Morganton	775,000	
		TOTAL	1,585,000
		GRAND TOTAL	231,273,315

Educator Effectiveness and Keys to Professional Development

Online and Blended Learning: The North Carolina Department of Public Instruction invested $2,337,172 on developing and facilitating online learning courses from 2010 to 2016. These courses are free to statewide educators. The average cost of an online course is $300.00. **The Educator Effectiveness Division saves NC educators $ 56,834,700 for online professional development.**

See courses here: https://rt3nc.org/

Online & Blended Learning				
Year	# of Courses	Enrollment	Average Cost	Educator Savings
2010-2013	22	179,788	$300.00	$ 53,936,400
2014-2016	71	9661	$300.00	$ 2,898,300
Total	**93** Courses	**189,449**		**$ 56,834,700**

Face to Face Learning: In a review of nine studies, Yoon, Duncan, Lee, Scarloss, and Shapley (2007) found that sustained and intensive professional development was related to student achievement. The three studies of professional development lasting 14 or fewer hours showed no effects on student learning, whereas other studies of programs offering more than 14 hours of sustained teacher learning opportunities showed significant positive effects. The largest effects were found for programs offering between 30 and 100 hours spread out over 6–12 months.

Source: February 2009 | Volume 66 | Number 5 How Teachers Learn Pages 46-53 Research Review / Teacher Learning: What Matters? Linda Darling-Hammond and Nikole Richardson

- Analysis of 2012-2013 data, estimated cost per PD leadership team participant as $563.00. The average number of PD leadership team participants was 3,365. **The estimated one year savings to districts and charters of free face to face professional development is $ 1,894,753.** These activities were provided at no cost to participants or LEAs/Charters. This figure accounts for cost associated with conducting face-to face sessions, administration, and program development. Programs include evaluation practices, content standards, coaching and best instructional practices.

Face to Face Professional Development Sessions					
Grant Year	2011-12	2012-13	2013-14	2014-15	2015-Present
# of Sessions	125	250	325	249	56

2016-17 SHORT SESSION BUDGET PRIORITIES

Investing in NC's Community Colleges Is Investing In Our Future

By 2025, 67% of NC's jobs will require education & training beyond high school. Many of these jobs will require the skills taught by NC's community colleges.

INCREASE STUDENT ENROLLMENT & COMPLETION

2016-17

Improve student completion rates by investing in student supports.

$26.2 million R

Problem: Students who are not successful in college-level English and math courses are significantly less likely to complete a credential.

Solution: ***No new appropriation needed.*** Retain funding that would otherwise be cut because of FTE enrollment decline & reinvest those funds into locally determined student success strategies, such as tutoring labs, etc.

Increase enrollment in key community college programs.

$2 million R *(These funds would be matched by private funds.)*

Problem: Students and families are unaware of existing high tech and high paying job opportunities. Closing the Interest Gap by removing misconceptions about jobs in key industries, such as manufacturing, is essential.

Solution: Appropriate funds to promote career awareness through various media and user-friendly tools to provide labor market data to faculty, students, and families.

Support development of competency-based education (CBE).

$500,000 NR

Problem: One of the greatest limitations in education is not allowing students to progress once they have demonstrated mastery of specific knowledge and skills.

Solution: Develop a competency-based education (CBE) program and uniform system of granting credit for prior learning. These funds would continue the work already underway to develop models for scaling CBE programs system-wide.

SUPPORT RECRUITMENT & RETENTION OF QUALITY FACULTY & STAFF

$24 million R

Problem: NC average faculty salaries continue to rank well below other southeastern states.

Solution:

- Provide funds for an additional 2% salary increase for community college employees. These additional funds could be combined with the existing additional $10 million appropriation already in the 2016-17 budget to give an overall 3% increase.
- Authorize colleges to use performance-based carryforward funds for employee bonuses. *Special provision*

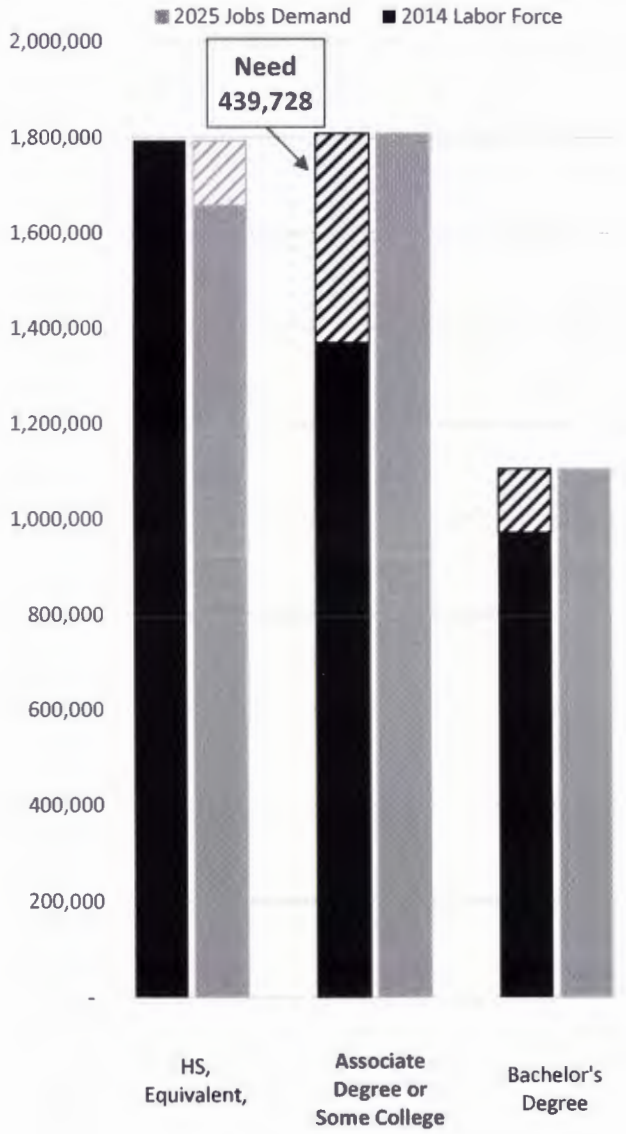
ADDRESS EQUIPMENT NEEDS

$15 million NR

Problem: To be ready for 21st century jobs, students must be trained on 21st century equipment.

Solution: Provide non-recurring funds for colleges to purchase equipment.

NC Current Worker Supply vs. Future Job Demand



Source: NC Dept. of Commerce, LEAD

NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

2016-17 Special Provision Requests

UPDATE PERFORMANCE MEASURES

SECTION XX. G.S. 115D-31.3 reads as rewritten:

"§ 115D-31.3. Institutional performance accountability.

...

(e) Mandatory Performance Measures. - The State Board of Community Colleges shall evaluate each college on the following eight performance measures:

(1) Progress of basic skills students.

~~(2) Attainment of adult high school equivalency diplomas by students.~~

(3) Performance of students who transfer to a four-year institution.

(3a) Success rate of students in credit-bearing English courses.

(3b) Success rate of students in credit-bearing Math courses.

~~(4) Success of developmental students in subsequent college-level English courses.~~

~~(5) Success of developmental students in subsequent college-level math courses.~~

(5a) Progress of first-year curriculum students.

(6) Repealed by Session Laws 2012-142, s. 8.5, effective July 1, 2012.

(7) Curriculum student retention and graduation.

(8) Repealed by Session Laws 2012-142, s. 8.5, effective July 1, 2012.

(9) Attainment of licensure and certifications by students.

The State Board may also evaluate each college on additional performance measures.

(f) Publication of Performance Ratings. - Each college shall publish its performance on the ~~eight~~ measures set out in subsection (e) of this section (i) annually in its electronic catalog or on the Internet and (ii) in its printed catalog each time the catalog is reprinted.

The Community Colleges System Office shall publish the performance of all colleges on all ~~eight~~ measures.

(g) Recognition of Successful Institutional Performance. - For the purpose of recognition of successful institutional performance, the State Board of Community Colleges shall evaluate each college on the ~~eight~~ performance measures set out in subsection (e) of this section. Subject to the availability of funds, the State Board may allocate funds among colleges based on the evaluation of each institution's performance, including at least the following components:

(1) Program quality evaluated by determining a college's rate of student success on each measure as compared to a systemwide performance baseline and goal.

(2) Program impact on student outcomes evaluated by the number of students succeeding on each measure."

- **Justification.**
  - Adult High School Equivalency: Colleges are now able to offer 3 high school equivalency tests and may choose to offer any or all of the tests. Colleges are just beginning to choose which test(s) they will offer and implement the crosswalks between the various tests. Based on these changes, there will not be reliable data for on high school equivalency attainment for several years.

- Student Success in Credit-Bearing English and Math: Since student success in credit-bearing coursework is highly correlated with program completion, this provision would replace the developmental measures with new measures that also assess credit-bearing course success. While developmental students are still assessed in these measures, it is also inclusive of students without developmental requirements.

INCENTIVIZE INSTITUTIONAL PERFORMANCE ACCOUNTABILITY

SECTION XX. G.S. 115D-31.3.(g1) reads as rewritten:

"§ 115D-31.3. Institutional performance accountability.

...

(g1) Carryforward of Funds Allocated Based on Performance. - A college that receives funds under subsection (g) of this section may retain and carry forward an amount up to or equal to its performance-based funding allocation for that year into the next fiscal year. Funds retained under this subsection may be used for the purposes listed in G.S. 115D-31(a)(1) and (2) as well as one-time faculty and staff bonuses."

- **Justification.** Colleges would like the option to provide one-time bonuses to faculty and staff as a means of reinforcing the need to focus on student success.

MITIGATE UNBUDGETED BONUS LEAVE LIABILITY

SECTION XX. Community colleges may use funds available to compensate employees who voluntarily request to liquidate all or a portion of their unused bonus leave balance prior to separation from the college. If funds are not available to fulfill all submitted requests, a college shall apply available funds, if any, to requests on a pro-rata basis.

- **Justification.** The General Assembly has provided non-expiring special bonus leave through Section 28.3A of S.L. 2002-126 (10 days), Section 30.12B(a) of S.L. 2003-284 (10 days), Section 29.14A of S.L. 2005-276 (5 days), and Section 35.10A of S.L. 2014-100 (5 days). An employee meeting the eligibility criteria for all bonus leave awards since 2002 may have an unexpended balance of up to 30 days of bonus leave. Since this leave remains available until used, notwithstanding any other limitation on the total number of days of annual leave that may be carried forward, these days are typically used by employees only as a last resort or not at all. Unused bonus leave is paid out upon separation from the college, resulting in a significant cumulative unfunded liability. To the extent that an individual employee does not use the bonus leave and his/her salary increases over time, the unfunded liability grows. This provision would authorize colleges to offer employees the option of liquidating all or a portion of their unused bonus leave prior to separation. If this option was offered by the college, liquidation would be a voluntary choice of the employee and would be subject to fund availability within the college's existing budget. This authorization would allow a college a mechanism by which to mitigate the potential growth in the unfunded liability if their budget allows.

VOLUNTARY SHARED LEAVE MODIFICATION

SECTION XX. G.S. 115D-25.3 reads are rewritten:

"§ 115D-25.3. Voluntary shared leave.

(a) The State Board of Community Colleges, in cooperation with the State Board of Education and the State Human Resources Commission, shall adopt rules and policies to allow any employee at a community college to share leave voluntarily with an immediate family member who is an employee of a community college, public school, or State agency; and with a coworker's immediate family member who is an employee of a community college, public school, or State agency. For the purposes of this section, the term "immediate family member" means a spouse, parent, child, brother, sister, grandparent, or grandchild. The term includes the step, half, and in-law relationships. The term "coworker" means that the employee donating the leave is employed by the same agency, department, institution, university, local school administrative unit, or community college as the employee whose immediate family member is receiving the leave.

(b) The State Board of Community Colleges shall adopt rules and policies to allow any employee at a community college to share leave voluntarily with a non-family member who is an employee of a community college. A community college employee who donates sick leave to a community college employee who is a nonfamily member shall not donate more than five days of sick leave per year to any one nonfamily community college employee. The combined total of sick leave donated to a community college employee from nonfamily community college donors shall not exceed 20 days per year. Donated sick leave shall not be used for retirement purposes, and community college employees who donate sick leave shall be notified in writing of the State retirement credit consequences of donating sick leave."

- **Justification.** Under current law, State employees are permitted to donate leave to non-family members in any State agency. However, this option is not available to community college employees. This provision would allow community college employees to donate leave to non-family members who are employees at a community college. The provision also includes the same limitation on donating sick leave as for State employees under G.S. 126-8.3.

CARRYFORWARD OF COLLEGE INFORMATION SYSTEM FUNDS

SECTION XX. Of the funds appropriated to the Community Colleges System Office for the 2015-2017 fiscal biennium for the College Information System, up to one million two hundred fifty thousand dollars ($1,250,000) shall not revert at the end of each fiscal year but shall remain available until expended. These funds may be used only to purchase periodic system upgrades.

- **Justification.** Each session, the System Office requests the authority to carry-forward college information system (CIS) funds. This provision would request that authority for the 2015-2017 biennium.

CODIFY MANUFACTURING SOLUTIONS CENTER AUTHORIZATION

SECTION XX. Chapter 115D of the General Statutes is amended by adding a new Article to read:

"Article 5A

The Manufacturing Solutions Center at Catawba Valley Community College

"§ 115D-67.5. Purpose.

The purpose of the Manufacturing Solutions Center is to create and maintain jobs in North Carolina through support of traditional and emerging industries. The Center's services include training, testing, market development, entrepreneur support, product sourcing, prototyping, applied research and managing a manufacturing business incubator. .

"§ 115D-67.6. Director and other Center personnel.

The president of Catawba Valley Community College shall appoint an individual to serve as the executive director of the Manufacturing Solutions Center. The executive director shall select other staff members of the Center, subject to approval of the president of Catawba Valley Community College. The executive director and other staff members of the Center are employees of Catawba Valley Community College and are subject to the personnel policies of the college.

"§ 115D-67.7. Fees collected by the Center; purchases using Center funds.

Notwithstanding any other provision of law, all fees collected by the Manufacturing Solutions Center for services to industry shall be retained by the Center and used for the operations of the Center. Purchases made by the Center using these funds are not subject to the provisions of Article 3 of Chapter 143 of the General Statutes. The Center shall include in all agreements or contracts to be awarded by the Center under this section a standard clause which provides that the State Auditor and internal auditors of the Center may audit the records of the contractor during and after the term of the contract to verify accounts and data affecting fees and performance. The Center shall not award a cost-plus-percentage-of-cost agreement or contract for any purpose."

- **Justification.** In 2010, the Appropriations Act included language that authorized all fees collected by the Manufacturing Solutions Center of Catawba Valley Community College for the testing of products to be retained by the Center and used for the operations of the Center. Further, the provision exempted Center purchases from the provisions of Article 3 of Chapter 143 of the General Statutes. Currently, a similar center, the Center for Applied Textile Technology at Gaston College, is codified in the General Statutes. This provision would simply codify the authorization for the Manufacturing Solutions Center.

VISITOR REGISTRATION SHEET

House Comm Appropriations Education — May 3 2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Sonja Brown	NCDPI
Donna Jones	Hoke County Schools
Darlene Ryan	Chapel Hill - Carrboro City Schools
Cheryl D. Wilson	Craven Co. Schools - New Bern, NC
Jonathan Kappler	UNC GA
Drew Moretz	UNC GA
Betty Dozier	UNC Charlotte
Erica Sawyer	EPFP Fellow Graham County Schools
Susan Harrison	TYCDTSEA

VISITOR REGISTRATION SHEET

House Comm Appropriations Education
Name of Committee

May 3 2016
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Tom West	NCJLU
Jennifer Haygood	NCCCS
George Fouts	NCCCS
Mia Murphy	NCVPS
Kim Seymour Davis	Avery County Schools (EPFP)
Erika Tyner	Yancey County Schools (EPFP)
Kristen Robinson	Yancey County Schools (EPFP)
Courtney Currin	Granville County Schools
Bruce Mildwurf	NCSBA
Robb Jansen	State Board of Education
Chena Flood	Western Carolina University
Meghan Lunic	NC Chamber

VISITOR REGISTRATION SHEET

House Comm Appropriations Education — May 3 2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Curtis Sonneman	EPFP Fellow NC Dept. of Public Instruction
Douglas Price	EPFP Fellow Durham Charter - Voyager Academy
Allison Stewart	EPFP Fellow WCPSS Teacher - Centennial Campus Middle
Angela VanGrorder	EPFP Fellow NC State University
Paul Yaglowski	Infuse Inc.
Jim Ayers	Ed Consultant
Korah Wiley	EPFP-Central Fellow NCSSM
Shari Williamson	EPFP Fellow ASU
M. Corinne Smith	EPFP Fellow Appalachian State University
GRACE FORTUNE	EPFP ASU

VISITOR REGISTRATION SHEET

House Comm Appropriations Education — May 3 2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Andrea Martinez	UNC-A Education Policy Fellow Program — NC Public School Forum
April Marr	EPFP Wilkes County Schools North Wilkesboro, NC
Jody Freeman	EPFP Wilkes County Schools N. Wilkesboro, NC
Sarah Cardwell	EPFP Watauga County Schools Boone, NC
David Sutton	Rutherford County Schools
Renee Collins	EPFP Rutherford County Schools
Alyson Stoffer	EPFP Public School Forum of NC
Thril Smart	Friday Institute → NCSU 1890 Main Campus Drive Raleigh NC 27606 EPFP Fellowship Program
Yamisha Mann	EPFP Edgecombe Co Public Schools
Jennifer Stephens	EPFP UNC-Greensboro
Rebecca Mitt	EPFP-Central Friday Institute (same)

AGENDA

HOUSE APPROPRIATIONS COMMITTEE ON EDUCATION

May 4, 2016, 8:30 a.m.
Legislative Office Building - Room 423

House Committee Co-Chairs
Rep. Hugh Blackwell
Rep. Rob Bryan
Rep. D. Craig Horn

House Committee Vice-Chairs
Rep. Rosa Gill
Rep. Paul Stam
Rep. Chris Whitmire

House Committee Members
Rep. Larry Bell
Rep. Cecil Brockman
Rep. Debra Conrad
Rep. Jeffrey Elmore
Rep. John Fraley
Rep. Marvin Lucas
Rep. Henry M. Michaux Jr.
Rep. William Richardson

I: Welcome and Opening Comments

Representative Craig Horn
Co-Chair, Presiding

II: University of North Carolina

Ms. Margaret Spellings
President

III: North Carolina Independent Colleges and Universities

Dr. A. Hope Williams
President

IV: Committee Adjourns

Next Meeting: Thursday, May 5th

House Committee on Appropriations, Education
Wednesday, May 4, 2016 at 8:30 AM

MINUTES

The House Appropriations Committee on Education met at 8:30 AM on May 4, 2016 in Room 423 of the Legislative Office Building. Representatives Bell, Blackwell, Brockman, Bryan, Conrad, Elmore, Fraley, Gill, Horn, Lucas, Michaux, Stam, and Whitmire were present. Staff from Fiscal Research was Brett Altman and Mark Bondo. Research Department staff in attendance was ~~Drupt~~i ~~Chauhan~~, Kara McCraw and Denise Huntley-Adams. Leslie Karkanawi and Emily Johnson from Bill Drafting were also present. Visitor registration sheets are provided. (Attachment 1)

Representative Craig Horn, Chair, presided. He called the meeting to order at 8:35 AM and introduced the Sergeant-at-Arms and Pages.

Representative Horn addressed the agenda for tomorrow's meeting. Anyone coming to address the Committee should plan to speak no more than 5minutes. If you plan to speak and have handouts, please provide 50 copies for members and guests and an electronic copy for staff. Also sign up with the Sergeants-at-Arms prior to the start of the meeting tomorrow.

Representative Horn then introduced Ms. Margaret Spellings, President of the University of North Carolina. Ms. Spellings spoke to the greatness of the University System and she also addressed the needs and concerns that she has for the University. A Handout recommending her operating budget priorities for 2016-17 (Attachment 2) was distributed to members. Following her presentation Rep. Horn opened the floor for comments from the House Members.

Representative Horn introduced Dr. Hope Williams, President of the NC Independent Colleges and Universities. Dr. Williams shared a handout on the NC Independent Colleges and Universities and also a slide presentation with the Committee. (Attachment 3) Her remarks addressed the many accomplishments of the Independent Colleges and Universities, but she also spoke to the challenges that they are facing today.

Representative Horn, presiding chair, thanked everyone for their participation. He announced that the committee will meet again on May 5th at 8:30 am for public input on the budget.

Chairman Horn adjourned the meeting at 9:50 AM.

Representative Craig Horn, Chair
Presiding

Pattie Fleming, Committee Clerk

NORTH CAROLINA INDEPENDENT COLLEGES & UNIVERSITIES

Presentation to

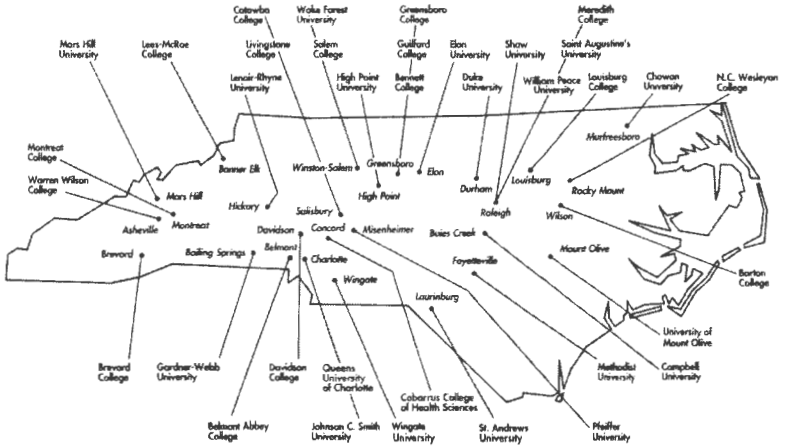
HOUSE APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Wednesday, May 4, 2016

A. HOPE WILLIAMS, President

TOM WEST, VP for Government Relations/General Counsel

North Carolina Independent Colleges and Universities



NCICU

- 36 PRIVATE COLLEGES AND UNIVERSITIES
- 90k STUDENTS
- 70k UNDERGRADUATE
- 20k

NCICU Institutions Invest in STEM Degrees



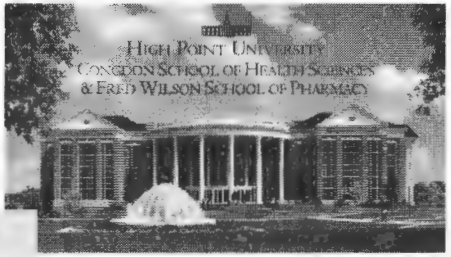


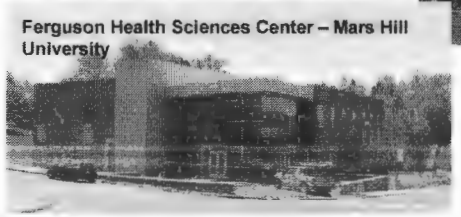


North Carolina Independent Colleges & Universities

NCICU Institutions Invest in STEM Degrees







North Carolina Independent Colleges & Universities

Degrees Awarded







- 30% Bachelor Degrees
- 51% Medical Degrees
- 53% Pharmacy Degrees
- 38% PT Degrees
- 52% Nursing Masters Degrees
- 65% Law Degrees
- 88% PA Degrees

North Carolina Independent Colleges & Universities

TEACHER EDUCATION

31 NCICU institutions have teacher education programs
- **2,763** undergraduates
- **1,858** graduates

of students who graduated from NCICU programs between 2003-13 were licensed to teach in North Carolina within one year.

of NCICU Teacher Education graduates between 2003-2013 who were licensed to teach in North Carolina were still teaching in the state in 2014

22% of new 2014-15 public school teachers graduating from a North Carolina college/university were from an NCICU program

29% of ALL public school teachers in 2014-15 who graduated from a North Carolina college were from an NCICU institution

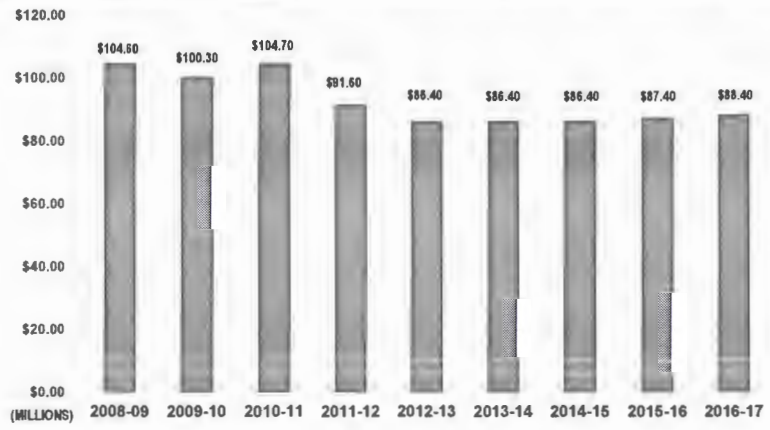
NORTH CAROLINA INDEPENDENT COLLEGES & UNIVERSITIES

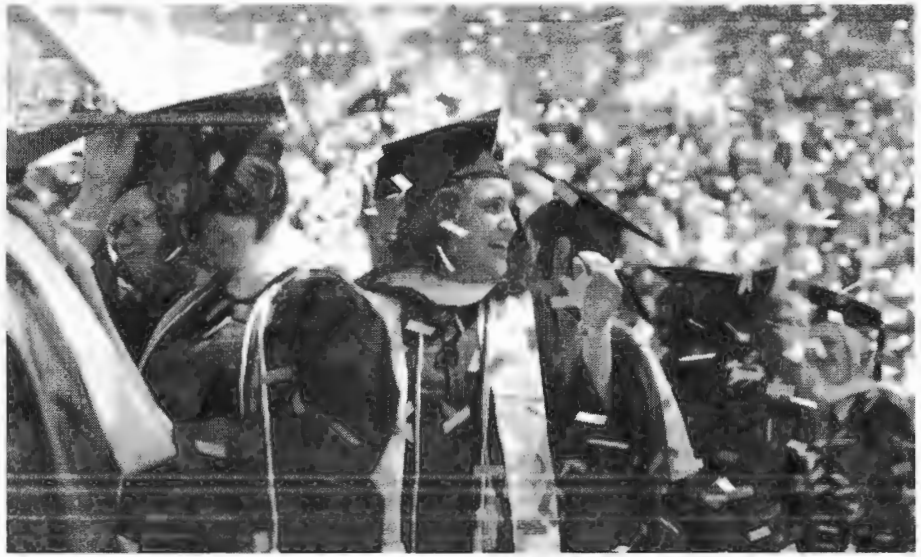


ECONOMIC IMPACT

NORTH CAROLINA INDEPENDENT COLLEGES & UNIVERSITIES

State Financial Aid for NC Independent College/University Students





UNIVERSITY OF NORTH CAROLINA
A SYSTEM OF HIGHER LEARNING

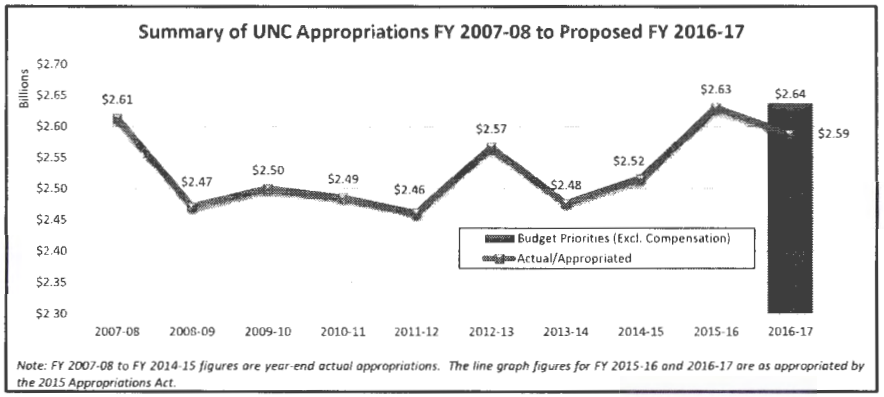
Recommended FY 2016-17 Operating Budget Priorities

The future growth of North Carolina's economy is dependent on producing more college graduates. The UNC System produces over 52,000 graduates annually and our six-year graduation rate of 63% exceeds the national average. However, this success is uneven. We can and must do better. Implementing aggressive strategies to close the achievement and skills gap and to improve completion rates across our universities are required to meet our state's workforce needs.

Budget Priorities

1. Retain Top Talent	Equity with other state employees
a. Reserve for Merit-Based Performance Compensation	
b. Faculty Recruitment and Retention Fund	3,000,000
2. Education Attainment = Growing NC's Economy	**$29,000,000**
a. Innovative Intervention Strategies to Improve Completion Rates	18,000,000
b. Build Data-Centric Systems of Success and Accountability	3,000,000
c. Leveraging Technology and Learning Innovations to Get Part-Way Students Home	3,000,000
d. STEM and Health Degrees Merit Scholarship Program	5,000,000
3. Technical Adjustments	**$18,326,929**
a. Fully Fund Enrollment Change (in addition to 2016 17 reserve)	1,972,533
b. Eliminate Private Fundraising Cap	16,354,396

In total, excluding our merit-based compensation request, we are requesting $7.4 million more than our FY 2015-16 budget and $33.9 million less than originally requested for FY 2016-17.



Note: FY 2007-08 to FY 2014-15 figures are year-end actual appropriations. The line graph figures for FY 2015-16 and 2016-17 are as appropriated by the 2015 Appropriations Act.

1. Retain Top Talent

Reserve for Merit-Based Performance Compensation **Equity with Other State Employees**

The funds will provide for merit-based increases as allowed by law. Each 1% increase costs $29.1M, including benefits: $15.5M for faculty, $5.7M for EHRA non-faculty, and $7.9M for SHRA employees.

Faculty Recruitment and Retention Fund **$3,000,000**

These funds will improve UNC's ability to recruit and retain nationally-recognized faculty. The fund was established in FY 2006-07 with $5 million, and has received $8 million in additional appropriations and made over 500 awards. As of January 2016, the unobligated monies remaining in the fund were $721,584.

2. Education Attainment = Growing NC's Economy

Innovative Intervention Strategies to Improve Completion Rates **$18,000,000**

These funds will provide seed funding to our universities to improve completion rates, using a research-based tool box of strategies. Examples include:

- First-year course enhancements (redesigns, seminars, early alerts)
- Academic enrichment services (tutoring, advising, proactive outreach)
- Merit-based financial interventions (summer, emergency, be-on-time loans)

Build Data-Centric Systems of Success and Accountability **$3,000,000**

These funds will be used to improve overall student success through targeted evaluation and programs focused on high impact practices. We will form partnerships with organizations that provide capacities for predictive analytics, which will allow our universities to link students with the proper services to improve completion rates.

Leveraging Technology and Learning Innovations to Get Part-Way Students Home **$3,000,000**

These funds will invest in more flexible academic pathways for students and deepen efforts to recruit, retain, and graduate "partway home," military-affiliated, and other non-traditional students. Special emphasis will be on program development in high-demand fields (based on the skills that graduates need for successful careers throughout the state and region).

STEM and Health Degrees Merit Scholarship Program **$5,000,000**

These funds will provide a minimum of 4,000 merit-based scholarships (at least 1,000 per year, over four years) to encourage academically gifted and highly sought after STEM, Health, and Education degree-seeking students in those fields to attend UNC institutions. Our universities shall seek private donations to match these scholarships, with a goal of enabling superior, academically qualified resident undergraduate students to complete their degree debt-free.

3. Technical Adjustments

Fully Fund Enrollment Change **$1,972,533**

$31 million was appropriated to a reserve for FY 2016-17 enrollment funding, based on projections completed in Fall 2014. Based on updated data, an additional $1.97 million will be required to fully fund enrollment. Total budgeted enrollment will increase 1.5%, from 203,014 FTE to 206,139 FTE.

Eliminate Private Fundraising Cap **$16,354,396**

Fundraising gifts, commitments, and pledges increased last year 27%, from $649M to 822M systemwide, with a return-on-investment of $10.39 to $1. However, the 2015 Appropriations Act capped campus state appropriations support of advancement activities to $1 million, and cut $16.4 million from our budget. Eliminating the cap and the associated reduction will enable our universities to continue their strong private fundraising efforts.

VISITOR REGISTRATION SHEET

House Comm on App Education — Name of Committee

May 4 2016 — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Vendetta Dixon	UNCGA
Jackson Pruitt	UNC GA
Meghan Kellogg	UNC GA
Drew Morris	UNC GA
Andrew Pate	"
Mark Lanier	UNCW
Chris Broughton	McGuireWoods
Tom Worthington	UNCGA
Sandy Brescia	NCCCS/NCICU
Jenna Ayers	Ed Consultant
Martez Hill	NC SBE

VISITOR REGISTRATION SHEET

House Comm on App Education — May 4 2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Betty Dooley	UNC Charlotte
Michelle Brooks	ECU
Jonathan Kappler	UNC GA
Dorothea Dolvatch	Rep Hanes
Dale Carlton	Law Off of [illegible] PLLC

VISITOR REGISTRATION SHEET

House Comm on App Education — May 4 2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Hope Williams	NAEA
Tom Oblet	NCCU
Amanda Syron	JDA
Nick Goetsch	
Kevin Howell	NCSL
Bruce Mildwurf	NCSBA
Adam Pridemore	NCASA
Meaghan Lewis	NC chamber
Christina Hoy	
George Fouts	NCCCS
Ray Gronberg	The Herald-Sun

VISITOR REGISTRATION SHEET

House Comm on App Education — May 4 2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Tim Crowley	NCAE
Vicki Beyer	Schools Our Students Deserve
Kristopher Nordstrom	NC Justice Center

Dixie Riehm (Rep. Hugh Blackwell)

From: Dixie Riehm (Rep. Hugh Blackwell)
Sent: Friday, April 29, 2016 11:34 AM
To: Dixie Riehm (Rep. Hugh Blackwell)
Subject: <NCGA> House Appropriations, Education Committee Meeting Notice for Thursday, May 05, 2016 at 8:30 AM
Attachments: Add Meeting to Calendar_LINC_.ics

NORTH CAROLINA HOUSE OF REPRESENTATIVES
COMMITTEE MEETING NOTICE
AND
BILL SPONSOR NOTIFICATION
2015-2016 SESSION

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

DAY & DATE: Thursday, May 5, 2016
TIME: **8:30 AM**
LOCATION: **423 LOB**
COMMENTS: **FY 2016-17 Education Budget Discussion: Public Comment and Committee Discussion**

Rep. Hugh Blackwell will preside.

Respectfully,

Representative Hugh Blackwell, Co-Chair
Representative Rob Bryan, Co-Chair
Representative D. Craig Horn, Co-Chair

I hereby certify this notice was filed by the committee assistant at the following offices at 11:21 AM on Friday, April 29, 2016.

___ Principal Clerk
___ Reading Clerk – House Chamber

Dixie Riehm (Committee Assistant)

AGENDA

HOUSE APPROPRIATIONS COMMITTEE ON EDUCATION

May 5, 2016, 8:30 a.m.
Legislative Office Building - Room 423

House Committee Co-Chairs
Rep. Hugh Blackwell
Rep. Rob Bryan
Rep. D. Craig Horn

House Committee Vice-Chairs
Rep. Rosa Gill
Rep. Paul Stam
Rep. Chris Whitmire

House Committee Members
Rep. Larry Bell
Rep. Cecil Brockman
Rep. Debra Conrad
Rep. Jeffrey Elmore
Rep. John Fraley
Rep. Marvin Lucas
Rep. Henry M. Michaux Jr.
Rep. William Richardson

I: Welcome and Opening Comments

Representative Hugh Blackwell
Co-Chair, Presiding

II: Public Comment

III: Committee Discussion on Potential Budget Priorities

IV: Committee Adjourns

Next Meeting: TBD, As Needed

House Committee on Appropriations, Education
Thursday, May 5, 2016 at 8:30 AM

MINUTES

The House Appropriations Committee on Education met at 8:30 AM on May 5, 2016 in Room 423 of the Legislative Office Building. Representatives Bell, Blackwell, Bryan, Conrad, Elmore, Fraley, Gill, Horn, Lucas, Michaux, Stam, and Whitmire were present. Staff from Fiscal Research was Brian Matteson, Brett Altman and Mark Bondo. Research Department staff in attendance was Kara McCraw and Denise Huntley-Adams. Leslie Karkanawi, Matt Pagett and Emily Johnson from Bill Drafting was also present. Visitor registration sheets are provided.

Representative Hugh Blackwell, Chair, presided. He called the meeting to order at 8:35 AM and introduced the Sergeant-at-Arms and Pages.

Representative Blackwell stated that the purpose of the meeting today is to give the public an opportunity to address the committee regarding their budget concerns.

Each of the following organizations then presented their budget concerns:

Ryan Olson, Executive Director of "Muddy Sneakers".
David Saba, "Teach for Tomorrow", Teacher Certification Program
Bill Taylor, NAF
Leanne Winner, NC School Board Association, spoke regarding funding priorities.
Adam Pridemore, Association of School Administrators, funding priorities
Matt Ellinwood, Director of NC Justice Center, spoke regarding teacher compensation
Rodney Ellis, President of NCAE, restore longevity and masters pay
Jim Rhodes, President State Board of Community Colleges, retain budget provisions of 2015
Bob Shackleford, President Randolph Community College, support funding priorities of Community Colleges
Brenda Borg, President & CEO BestNC, support teacher & principal pay.

Upon conclusion of speaker presentations Rep. Blackwell opened the floor for questions from the committee. At this time Rep. Stam spoke to Special Needs and Opportunity Scholarship issues.
He responded to several concerns that members presented.

Representative Blackwell, presiding chair, thanked everyone for their participation. The meeting was adjourned at 9:45 AM.

Representative Hugh Blackwell, Chair
Presiding

Dixie Riehm, Committee Clerk

ATTACHMENTS

Ryan Olson, Executive Director, Muddy Sneakers

1. Muddy Sneakers North Carolina Expansion Initiative, July 2016-June 2017

David Saba, Chief Development Officer, Teachers of Tomorrow, Texas Teachers Alternative Certification

2. Teachers of Tomorrow Teacher Certification

Bill Taylor, Associate Vice President-Programs, National Academy Foundation

3. North Carolina – Future Ready Network Initiative

Matt Ellinwood, Director, Education & Law Project, NC Justice Center

4. Reductions in Funding for Teachers, Teacher Assistants and Classroom Resources from 2008-09 to 2015-16

Brenda Berg, President and CEO, BestNC

5. Facts and Figures-Education in North Carolina

Rep. Paul Stam, House of Representatives

6. Special Needs Scholarships/Opportunity Scholarships (HB 955) and Other Education Changes

Guest Speakers

7. Sign up page







MUDDY SNEAKERS®
the joy of learning outside

North Carolina Expansion Initiative

July 2016 – June 2017

Program Summary:

- Muddy Sneakers (MS) is a multi-state, education non-profit that improves 5th grade science aptitude through supplemental, hands-on field instruction of the state science standards; Students participate in multiple, full-day 'learning expeditions' in small groups (12:1) taught by expert naturalists; MS brings the science curriculum to life and aids in building a strong STEM foundation

Target Audience:

- Public school 5th grade students and teachers

Where It Happens:

- *Primary Focus*: Off-site, 'field expeditions' on protected lands within 30 minutes of the school campus (access provided by land agency partners) - minimum of four (4) per year
  Secondary Focus: On-site, 'schoolyard expeditions' – maximum of two (2) per year

Geographic Scope:

- *Current:* WNC Field Office (Brevard, NC) serves 1,250 students from six counties (five in Region 8, one in Region 7), each participating in a minimum of six (6) expeditions per year
- *Projected*: Increase in capacity to 2,500 students from 10+ counties across Regions 5-8 by spring 2016-17; Piedmont Field Office expected to serve 1,000 students in first year

Measurements of Success:

- Over eight years and 10,000 students served, MS has routinely seen increased student/teacher enthusiasm for the sciences and a corresponding improvement in end-of-grade science test scoring
- NC State University and MS have collaborated to create the first elementary-specific, environmental literacy measurement tool in the nation (to be administered in 2016-17)

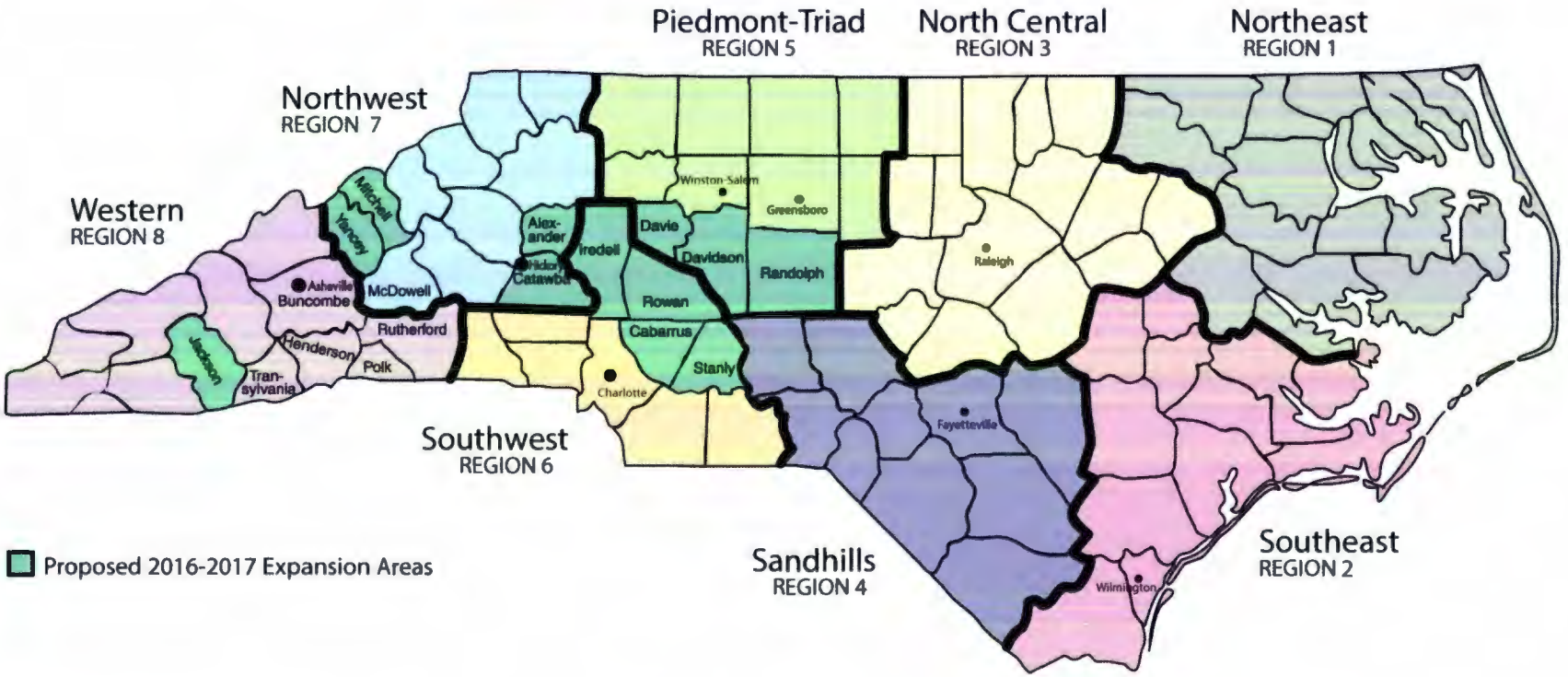
Programming Cost:

- Cost to program six expeditions = $150 per student, per year; Schools contribute $50 and fund transportation expenses; Remaining $100 matched by MS through private investment

Appropriation Request for Program Expansion:

- $485,000 will allow MS to double the number of NC students served in 2016-17 through a Region 7 expansion and the addition of a Piedmont Field Office to serve Regions 5 and 6

North Carolina State Board of Education Districts



DAVE SABA


TEACHERS of TOMORROW
TEACHER CERTIFICATION
Making a difference, one teacher at a time.
Teachers of Tomorrow develops confident educators who believe in the potential of every student.

&

The Problem

North Carolina, like all states, is facing a critical teacher shortage:

- Nationwide: Education School enrollments are **down from 9.9%** of all college students in 2005 to 4.2% in 2015.
- In North Carolina, Ed School enrollments are **down 27%** over the last 4 years.
- Teacher vacancies before the start of school last year:
  - Winston Salem had 81 vacancies – 47 in elementary
  - Charlotte Mecklenburg – 200 vacancies with half in elementary
- The census bureau calculates the North Carolina's student population will grow by 812,000 new students by 2030.
- Baby boomers are retiring at an average of 10,000 per day.
- The Bureau of Labor Statistics says the average person changes jobs 10 times before they are 40.

Summary – teachers are retiring and leaving the profession, your student population is growing, and your colleges of education are producing less.

It is a perfect storm.

TEACHERS *of* TOMORROW
TEACHER CERTIFICATION

The Solution

North Carolina must have an efficient route for career changers to enter the classroom:

- Well over one third of all U.S. teachers come through alternative routes – 22% in North Carolina.
- Alternative routes fill hard to staff positions such as STEM and bilingual teachers.
- Alternative certification attracts a more diverse population into teaching.
- Career changers cannot stop working to attend a college of education.
- A Harvard study found alt cert teachers performed as well as or better than teachers coming through traditional routes in raising student achievement.

Quality Alternative Certification programs provide the pre-service training these professionals need to be effective teachers in addition to ongoing support throughout the first year to ensure they are successful.

North Carolina needs alternative certification so that every student has a great teacher that is well-prepared and knows their subject matter.

TEACHERS *of* TOMORROW
TEACHER CERTIFICATION

Why Teachers of Tomorrow

35,000+ new teachers provided to school districts since 2005

Teachers of Tomorrow started as Texas Teachers and has an 11-year history of building the pipeline of qualified candidates to fill critical positions for our partner school districts.

- 6,000 new teachers hired this year by our partner districts –over 43% of the alternative certified teachers in the state of Texas
- 46% of our teachers are non-white
- 87% of our districts increase hiring through our program every year.
- 87% of campus principals said our teachers were prepared for their first year teaching.

Teachers of Tomorrow "widens the funnel" of qualified candidates for school districts, helping principals and HR professionals fill all open teaching positions on an efficient and consistent basis.

TEACHERS *of* TOMORROW
TEACHER CERTIFICATION

North Carolina Teachers

When we come to North Carolina, we will create a customized program to meet the needs of North Carolina students.

- The program will be called North Carolina Teachers with offices in-state. We will have local staff in our offices to provide support throughout the process to all program candidates.
- We will partner with you to create a program that is unique to NC – we will ensure the content meets NC teaching standards by aligning preservice requirements to include NC:
  - Identification and education of children with disabilities
  - Positive management of student behavior
  - Effective communication for defusing and deescalating disruptive or dangerous behavior
  - Safe and appropriate use of seclusion and restraint
- We will immediately start working with districts to understand their needs, build lasting relationships and recruit the teachers they require for the next school year.
- There is NO COST to the state or district, and the teacher candidates only pay a small initial fee to start the program. The majority of their program fees are due ONLY after they secure a teaching position, paid in manageable monthly installments.

But we have expert advisors ready to provide guidance and motivation.

TEACHERS *of* TOMORROW
TEACHER CERTIFICATION

TEACHERS *of* TOMORROW

TEACHER CERTIFICATION

Teacher shortages are already critical and becoming worse every year. In working with Teachers of Tomorrow, North Carolina can create a program designed to ensure the success of its students by building the pipeline of much needed qualified teachers. Teachers of Tomorrow has a proven record and will not cost anything for the state of North Carolina or its school districts.

We are ready to move forward with you.

Dave Saba
dave@teachersoftomorrow.org
214-422-0092

NAF BE FUTURE READY

North Carolina- Future Ready Network Initiative

NAF solves some of the biggest challenges facing education and the economy by bringing education, business, and community leaders together to transform the high school experience.

For students who don't see the connection between high school and the working world, NAF transforms the high school experience by infusing STEM and work-based learning experiences into the curriculum to ensure students graduate and are college, career, and future ready.

For industries struggling to fill positions in their companies with skilled and diverse employees, NAF works with companies to align high school education with future workforce needs, creating a talent pipeline and a pool of future workers.

For schools striving to create better educational environments, NAF supports educators in transforming the high school experience by infusing STEM and work-based learning experiences into the curriculum to ensure students graduate and are college, career, and future ready.

NAF is a national network of education, business, and community leaders who work together to support NAF academies and ensure high school students are college, career, and future ready. NAF's educational design ignites students' passion for learning and gives businesses the opportunity to shape America's future workforce by transforming the learning environment to include STEM infused industry-specific curricula and work-based learning experiences, including internships. Since 1982, NAF has been partnering with existing high schools in high-need communities to enhance school systems at a low cost by implementing NAF academies – small learning communities within traditional high schools. NAF has grown from one NAF Academy of Finance in New York City to hundreds of academies across the country focusing on growing industries including: finance, hospitality & tourism, information technology, engineering, and health sciences. During the 2015-16 school year nearly 89,000 students attended 716 NAF academies across 36 states, including DC and the US Virgin Islands. In 2015, NAF academies reported 98% of seniors graduated with 92% of graduates planning to go to college.

NAF currently works with 13 school districts in North Carolina to serve nearly 7,000 students in 47 academies. 65% of students served are minority and 59% are low-income students. 99% of seniors graduated and 94% are college-bound. NAF partners at a national level with companies such as Lenovo, Courtyard by Marriott, Verizon, and AICPA to bring local opportunities as well.

NAF envisions a world in which all young people have equal opportunity for successful futures.

We welcome an opportunity to submit a proposal that could lead to legislative funding for expansion of up to 20 career academies throughout the state of North Carolina to help expand the college and career readiness of high school students across the state. These academies will provide the resources and support necessary to implement NAF's educational design over a two-year period.

This opportunity would:

- Marshal key industry leadership across North Carolina
- Advance STEM workforce development
- Advance a legislative policy to align K-12, post-secondary, and corporate engagement
- Develop further alignment with North Carolina Department of Public Instruction and NAFTrack Certification

Request

Requesting up to $306,000 from North Carolina General Assembly to support:

- Year of Planning (YOP) fee for the 2016-2017 school year ($10,000 regular rate; $8,000 NC discounted rate)
- First year NAF membership fee for the 2017-2018 school year ($2,000 regular rate, $1,700 NC discounted rate)
    - Rate will transfer to LEA for the 2018-2019 school year
- Funding for one person from each academy to attend annual professional development conference NAF Next 2017 (rate of $1,500)
    - Note: LEA will be required to provide funding for at least one other person from each academy to attend annual professional development conference NAF Next 2017 (@ rate of $1,500 per person)
- Professional Development and Training ($82,000)
    - Statewide Work-Based Learning Corporate Engagement Institutes
    - 2 Institutes at $35,000
    - North Carolina NAFTrack training (aimed at employer partners and internship providers) $12,000

Students Impacted: 400 per academy x15=6,000

Budget

	# of Academies	Cost	Total
Year of Planning Fees	20	$ 8,000.00	$160,000.00
Annual Membership Fee	20	$ 1,700.00	$ 34,000.00
	# of People	Cost	Total
Per person attendance at NAFNext	20	$ 1,500.00	$ 30,000.00
	# of Events	Cost	Total
Statewide WBL Institutes	2	$35,000.00	$ 70,000.00
NC NAFTrack Training	1	$12,000.00	$ 12,000.00
TOTAL			$306,000.00

north carolina
JUSTICE CENTER

MATT ELLINWOOD

Reductions in Funding for Teachers, Teacher Assistants, and Classroom Resources from 2008-09 to 2015-16

	Budgeted Funds - 2008-09	Budgeted Funds - 2015-16	Budget Reduction	Change
Funding for Classroom Teachers and Teacher Assistants (combined)	$3,500,927,050	$3,441,577,249	($59,349,801)	-3.0%
Textbooks	$100,652,409	$52,384,390	($48,268,019)	-48.0%
Instructional Supplies	$87,441,858	$44,318,670	($43,123,188)	-49.3%
Instructional Support	$364,012,210	$352,866,145	($11,146,065)	-3.1%
Professional Development	$12,545,328	$0	($12,545,328)	-100.0%
Literacy Coaches	$12,209,120	$0	($12,209,120)	-100.0%
Mentor Teachers	$11,164,616	$0	($11,164,616)	-100.0%

Source: North Carolina Department of Public Instruction Highlights of the Public School Budget, available at http://www.ncpublicschools.org/fbs/resources/data/

Key Numbers on Teacher Compensation, Retention, and Recruitment

- North Carolina teacher pay ranking: 42nd
- Drop in teacher pay in North Carolina since 1999 when adjusted for inflation: 13.5%
- Teacher turnover rate in 2014-15: 14.8%
- Decline in enrollment in teacher education programs at UNC campuses since 2010: 30%
- Teacher pay ranking among the 12 states in the Southeast region: 10
- Approximate number of years to reach the national average in teacher pay if teachers are given a 5% annual raise: 10
- Approximate number of years to reach the national average if teachers are given a 10% annual raise: 3

For more information contact Matt Ellinwood at matt@ncjustice.org; 919-861-1465

6.

Stam

Special Needs Scholarships/Opportunity Scholarships (HB 955)
Other Education changes
May 5, 2016

1. HB 955 Special Needs Scholarships/Opportunity Scholarships.

2. Part 2 – expedites licensing for spouses of active duty military personnel.

3. Part 3 – eliminates "break in service" penalty for Assistant Principals and Principals pay.

4. Part 4 – NBPTS Supplement for all Instructional Coaches

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H D

HOUSE BILL 955
PROPOSED COMMITTEE SUBSTITUTE H955-CSMK-3 [v.4]
05/04/2016 01:58:49 PM

Short Title: Changes Special Ed./Opportunity Scholarships. (Public)

Sponsors:

Referred to:

April 26, 2016

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE SPECIAL EDUCATION SCHOLARSHIP GRANT PROGRAM FOR CHILDREN WITH DISABILITIES AND TO MAKE CHANGES TO THAT PROGRAM AND TO MAKE CHANGES TO THE OPPORTUNITY SCHOLARSHIP GRANT PROGRAM.

The General Assembly of North Carolina enacts:

PART I. FUNDS/CHANGES TO THE SPECIAL EDUCATION SCHOLARSHIP GRANT PROGRAM FOR CHILDREN WITH DISABILITIES

SECTION 1.1. G.S. 115C-112.5(2) reads as rewritten:

"(2) Eligible student. – A child under the age of 22 who meets all of the following criteria:

a. Is a child with a disability.

b. 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 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. Was approved for a scholarship for the previous semester.

4. 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.

5. Is a child whose parent or legal guardian is on full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. § 12301, et seq., and 10 U.S.C. § 12401, et seq."

SECTION 1.2. G.S. 115C-112.6(b1)(1) reads as rewritten:

"(1) ~~Scholarship~~Tuition endorsement ~~for tuition.~~and reimbursement. ~~The Authority shall remit, at least two times each school year, scholarship funds awarded to eligible students for endorsement by at least one of the student's parents or guardians for tuition to attend (i) a North Carolina public school other than the public school to which that student has been assigned as provided in G.S. 115C-366 or (ii) a nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of this Chapter as identified by the Department of Administration, Division of Nonpublic Education.~~ The Authority shall disburse scholarship funds awarded to eligible students for tuition at a nonpublic school based upon the method selected by the nonpublic school. A nonpublic school may elect to participate in the scholarship endorsement for tuition option or the reimbursement for tuition option as set forth in this subdivision. Scholarship funds shall not be provided for tuition for home schooled students. ~~If the student is attending a nonpublic school, the school must be deemed eligible by the Division of Nonpublic Education, pursuant to G.S. 115C-562.4, and the school shall be subject to the requirements of G.S. 115C-562.5. The parent or guardian shall restrictively endorse the scholarship funds awarded to the eligible student to the school for deposit into the account of the school. The parent or guardian shall not designate any entity or individual associated with the school as the parent's attorney-in-fact to endorse the scholarship funds but shall endorse the scholarship funds in person at the site of the school. A parent's or guardian's failure to comply with this section shall result in forfeiture of the scholarship funds. A scholarship forfeited for failure to comply with this section shall be returned to the Authority to be awarded to another student.~~Scholarship funds for tuition shall be disbursed as follows:

a. Scholarship endorsement for tuition. – The Authority shall remit, at least two times each school year, scholarship funds awarded to eligible students for endorsement by at least one of the student's parents or guardians for tuition to attend a nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of this Chapter as identified by the Department of Administration, Division of Nonpublic Education, is deemed eligible by the Division, and is subject to the requirements of G.S. 115C-562.5. The parent or guardian shall restrictively endorse the scholarship funds awarded to the eligible student to the school for deposit into the account of the school. The parent or guardian shall not designate any entity or individual associated with the school as the parent's attorney-in-fact to endorse the scholarship funds but shall endorse the scholarship funds in person at the site of the school. A parent's or guardian's failure to comply with this section shall result in forfeiture of the scholarship funds. A scholarship forfeited for failure to comply with this section shall be returned to the Authority to be awarded to another student.

b. Reimbursement for tuition. – The parent or guardian of an eligible student who enrolls in a school that is (i) a North Carolina public school other than the public school to which that student has been assigned as

provided in G.S. 115C-366 or (ii) a nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of this Chapter as identified by the Department of Administration, Division of Nonpublic Education, is deemed eligible by the Division, and is not subject to G.S. 115C-562.5 shall pay tuition directly to the school. The Authority shall reimburse the parent or guardian no sooner than the midpoint of each semester. A parent or guardian may receive reimbursement for tuition if the parent or guardian provides documentation that the student was enrolled in a school under this sub-subdivision."

SECTION 1.3. Notwithstanding G.S. 115C-112.5(2)f.1., for the 2016-2017 school year only, a child shall be deemed to have met the eligibility requirement of enrollment in a North Carolina public school during the previous semester under G.S. 115C-112.5(2)f.1. if (i) the child's parent or guardian submitted an application and was eligible to receive a scholarship grant under Part 1H of Article 9 of Chapter 115C of the General Statutes for the 2015-2016 school year and was enrolled in a public school for at least 75 days during the spring semester of the 2014-2015 school year or (ii) the child was enrolled for at least 75 days during the spring semester of the 2015-2016 school year.

SECTION 1.4. There is appropriated from the General Fund to the Board of Governors of The University of North Carolina the sum of five million eight hundred thousand dollars ($5,800,000) in recurring funds for the 2016-2017 fiscal year to be allocated to the State Education Assistance Authority to expand the funds available to award special education scholarship grants for children with disabilities under Part 1H of Article 9 of Chapter 115C of the General Statutes.

PART II. CHANGES TO THE OPPORTUNITY SCHOLARSHIP GRANT PROGRAM

SECTION 2.1. G.S. 115C-562.1(3) reads as rewritten:

"(3) Eligible students. – A student residing in North Carolina who has not yet received a high school diploma and who meets all of the following requirements:

a. Meets one of the following criteria:

1. Was a full-time student assigned to and attending a public school pursuant to G.S. 115C-366 during the previous semester.
2. Received a scholarship grant during the previous school year.
3. Is entering either kindergarten or the first grade.
4. Is a child in foster care as defined in G.S. 131D-10.2(9).
5. Is a child whose adoption decree was entered not more than one year prior to submission of the scholarship grant application.
6. Is a child whose parent or legal guardian is on full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. § 12301, et seq., and 10 U.S.C. § 12401, et seq.

b. Resides in a household with an income level not in excess of one hundred thirty-three percent (133%) of the amount required for the student to qualify for the federal free or reduced-price lunch program."

SECTION 2.2. G.S. 115C-562.2(a)(2) reads as rewritten:

"(2) After scholarship grants have been awarded to prior recipients as provided in subdivision (1) of this subsection, scholarships shall be awarded with remaining funds as follows:

a. At least fifty percent (50%) of the remaining funds shall be used to award scholarship grants to eligible students residing in households with

an income level not in excess of the amount required for the student to qualify for the federal free or reduced-price lunch program.

b. No more than thirty-five percent (35%) of the remaining funds shall be used to award scholarship grants to eligible students entering ~~either kindergarten or first grade.~~kindergarten.

c. Any remaining funds shall be used to award scholarship grants to all other eligible students."

PART III. EFFECTIVE DATE

SECTION 3. Section 1.4 of this act becomes effective July 1, 2016. The remainder of this act is effective when this act becomes law and applies beginning with the 2016-2017 school year.

PART II. EXPEDITING MILITARY SPOUSE LICENSURE PROCESS

SECTION 2.1. G.S. 115C-296 is amended by adding a new subsection to read:

"(a4) The State Board of Education shall adopt rules to expedite the processing of licensure applications submitted by military spouses who meet the requirements of G.S. 93B-15.1, including prioritizing those applications over other applications submitted for licensure."

SECTION 2.2. Section 8.40 of S.L. 2015-241 reads as rewritten:

"**SECTION 8.40.** By October 15, 2016, the Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee regarding the operation of the educator licensure processing system, including implementation of the electronic processing of applications. The report shall include at least the following information:

(1) The estimated processing time from receipt of application to issuance of a license in each category of licensure, including initial licensure, lateral entry licensure, renewal of a license through the automated electronic system, renewal of a license manually, out-of-state licensure reciprocity, and advanced degrees. In addition, data shall be provided on the estimated processing time for applications submitted by military spouses who meet the requirements of G.S. 93B-15.1 within each category of licensure. The report shall include comparative data related to the processing of licenses in each licensure category prior to August 1, 2015.

(2) The schedule of licensure fees and services, including any changes in the prior year made to the fee amounts or services for which fees are charged.

(3) Any backlog of the processing of applications existing at the time of the report, including the categories of licensure experiencing such backlog.

(4) Data for the following from the prior year:

a. Number of applications received and transactions completed.

b. Number of newly licensed educators.

c. Number of licensure renewals.

d. Demographic information regarding currently licensed educators.

e. Number of licenses issued by area of licensure and type of ~~license.~~ license, including licenses issued to military spouses who meet the requirements of G.S. 93B-15.1.

f. Number of initial licenses for the following:

1. Graduates of educator preparation programs.

2. Lateral entry.

3. International educators.

4. Out-of-state educators seeking reciprocity.

5. Military spouses."

SECTION 2.3. The State Board of Education shall develop procedures for Regional Alternative Licensing Centers (RALCs) and approved institutions of higher education (IHEs) to

efficiently evaluate and advise military spouses applying for a lateral entry teaching license, including expediting the evaluation process and addressing obstacles to licensure for military spouses. To assist a military spouse applicant in meeting the requirements for a North Carolina teaching license, the State Board shall require that any RALC or IHE evaluating a military spouse who was granted a three year initial teaching license under G.S. 115C-296.12, but was not employed continuously for the three year licensure period due to a deployment or reassignment of the applicant's spouse, contact any other RALCs or IHEs that previously evaluated the military spouse to obtain relevant documentation or information for licensure.

PART III. ASSISTANT PRINCIPAL AND PRINCIPAL SALARIES

SECTION 3.(a) G.S. 115C-285(a) reads as rewritten:

"(a) Principals and supervisors shall be paid promptly when their salaries are due provided the legal requirements for their employment and service have been met. All principals and supervisors employed by any local school administrative unit who are to be paid from local funds shall be paid promptly as provided by law and as state-allotted principals and supervisors are paid.

Principals and supervisors paid from State funds shall be paid as follows:

...

(8) A teacher who becomes an assistant principal ~~without a break in service~~ shall be paid, on a monthly basis, at least as much as he or she would earn as a teacher employed by that local school administrative unit.

(9) An assistant principal who becomes a principal ~~without a break in service~~ shall be paid, on a monthly basis, at least as much as he or she would earn as an assistant principal employed by that local school administrative unit."

SECTION 3.(b) This section becomes effective July 1, 2016.

PART IV. NBPTS SUPPLEMENT FOR ALL INSTRUCTIONAL COACHES

SECTION 4.(a) G.S. 115C-296.2(b)(2)d. reads as rewritten:

"d. Spends at least seventy percent (70%) of his or her work time:

1. In classroom instruction, if the employee is employed as a teacher. Most of the teacher's remaining time shall be spent in one or more of the following: mentoring teachers, doing demonstration lessons for teachers, writing curricula, developing and leading staff development programs for teachers;
2. In work within the employee's area of certification or licensure, if the employee is employed in an area of NBPTS certification other than direct classroom instruction; or
3. As an instructional coach, as classified by the Department of Public ~~Instruction, in a Title I school.~~Instruction.~~ As used in this sub-sub-subdivision, a Title I school is a school identified under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended.~~"

SECTION 4.(b) This section becomes effective July 1, 2016.

PART V. EFFECTIVE DATE

SECTION 5. Except as otherwise provided in this act, this act is effective when the act becomes law.

Guest Speakers

1. ~~Leanne Winner - NC School Boards Association~~
2. ~~Adam Priderock - NC Association of School Administrators~~
3. ~~Matt Ellinwood - NC Justice Center~~
4. (2) ~~DAVID SASSE - TEACHERS of TOMORROW~~
5. ~~Rodney Ellis - NCATE~~
6. (1) ~~Ryan Olson - Muddy Sneakers~~
7. ~~Jim Rose - State Board of Community Colleges~~
8. (3) ~~Bill Taylor - NAF~~
9. ~~Bob Shackleford - Randolph CC & Pres. NC Comm College Presidents Assn~~
10. ~~Brenda Berg - Best NC~~
11.
12.
13.
14.
15.

Committee Sergeants at Arms

NAME OF COMMITTEE House Comm Appro Education

DATE: May 5 2016 Room: 424

House Sgt-At Arms:

1. Name: Dean Marshbourne
2. Name: Rey Cooke
3. Name: Rex Foster
4. Name: Joe Crook
5. Name: _____

Senate Sgt-At Arms:

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

HOUSE PAGES
(Appropriations on Education)

Week of May 2-5, 2016

Name:	County:	Sponsor:
JOEL CASHMAN	BRUNSWICK	CHRIS MILLIS
EMILY WILDER	WAKE	NELSON DOLLAR

VISITOR REGISTRATION SHEET

House Comm Appro Education — May 5 2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
DAVE SABA	TEACHERS of TOMORROW
Cedric Johnson	NC Budget & Tax Center
Chris Broughton	McGuireWoods
Jack Gagnon	OSBM
Robb Jansen	State Board of Education
Flint Benson	SEANC
Stephen Kaufman	[illegible] (CCS)
Matt Ellinwood	NC Justice Center
Kris Nordstrom	"
George Fount	NCCCS
Bob Shackleford	NC Assoc of Comm. College Presidents

VISITOR REGISTRATION SHEET

House Comm Appro Education — May 5 2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
JIM ROSE	State Board of Community Colleges
Mary Shepping	NCCCS
Tom West	NCICU
Leanne Winner	NCSBA
Ryan Menard	WM
Brad Yager	NCEA
Meaghan Lewis	NC chamber
Susan Hatton	NCSSWA
Brad Wilkerson	NCSBA
Adam Priderman	NCASA

VISITOR REGISTRATION SHEET

House Comm Appro Education — May 5 2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Rob Lamm	DPI
Bill Rowe	NC Justice Center
Christina Hay	
Ryan Olson	Muddy Sneakers

VISITOR REGISTRATION SHEET

House Comm Appro Education — May 5 2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Kristin Parks	DRNC
Tim Crowley	NCAE
Linda Powell	NCAE
Rodney Ellis	NCAE
Marge Feeman	NCAE
[signature]	CCS

VISITOR REGISTRATION SHEET

House Comm Appro Education — May 5 2016

Name of Committee — Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mary Shuping	NCCCS
Drew Morelli	UNC GA
Brooke Lee	NCAE
Brenda Berg	BEST NC
Alex Modestou	BEST NC
Alex Granados	Ed NC
Jim Ayers	Ed Consultant
Bill Taylor	NAF
Brooke Rice	NAF
Buddy R. Owens	Americans United...
John Fe[illegible]	[illegible]

AGENDA

HOUSE APPROPRIATIONS COMMITTEE ON EDUCATION

May 12, 2016, 8:30 a.m.
Legislative Office Building - Room 423

House Committee Co-Chairs
Rep. Hugh Blackwell
Rep. Rob Bryan
Rep. D. Craig Horn

House Committee Vice-Chairs
Rep. Rosa Gill
Rep. Paul Stam
Rep. Chris Whitmire

House Committee Members
Rep. Larry Bell
Rep. Cecil Brockman
Rep. Debra Conrad
Rep. Jeffrey Elmore
Rep. John Fraley
Rep. Marvin Lucas
Rep. Henry M. Michaux Jr.
Rep. William Richardson

I: Welcome and Opening Comments

Representative Rob Bryan
Co-Chair, Presiding

II: Overview of Recommended Budget for House Appropriations Committee on Education

Fiscal Research Division staff

III: Consideration of Recommended Budget for House Appropriations Committee on Education

Committee Members

House Committee on Education Appropriations
Thursday, May 12, 2016
Room 544 of the Legislative Building

MINUTES

The House Committee on Education Appropriations met at 15 minutes after session on May 12, 2016 in Room 544 of the Legislative Building. Representatives Blackwell, Bryan, Horn, Gill, Stam, Whitmire, Bell, Brockman, Conrad, Elmore, Fraley, Lucas, Michaux, and Richardson attended.

Representative Rob Bryan presided.

The first order of business was the overview of the recommended Budget for House Appropriations (attached). Representative Bryan recognized Brian Matteson from the Fiscal Research Division to present the bill. After a brief explanation of the recommended Budget for House Appropriation, Representative Bryan welcomed questions from the committee. Representative Michaux was recognized to send forth an amendment which amends the bill on page 35, lines 17, 18, 28, 29, 32, and 24. Representative Bryan called for a voice vote, and the motion by Representative Michaux failed. Representative Stam was recognized to send forth an amendment, which amends the bill on page 45, lines 39-40. Representative Bryan called for a voice vote and the motion was adopted. Representative Bryan called for consideration of the recommended Budget for House Appropriations Committee. Members of the House Education Appropriations meeting passed the recommended House Education budget.

The meeting adjourned at 1:30 p.m.

Representative Rob Bryan, .Chair
Presiding

Kevin Wilkinson, Committee Clerk

Adopted

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 1030

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

H1030-AMK-71 [v.1]

Amends Title [NO]
EDUC Committee Report

Date _____,2016

Representative Stam

moves to amend the special provision report on page 45, lines 39-40, by inserting between those lines the following:

"(c) Student Continuing Eligibility. – After an eligible student's initial receipt of a scholarship, the Authority shall ensure that the student's continuing eligibility is assessed at least every three years by one of the following:

(1) The local educational agency. – The local school educational agency shall assess if the child continues to be a child with a disability and verify the outcome on a form to be provided to the Authority.

(2) A licensed psychologist with a school psychology ~~focus.~~focus or psychiatrist. – The psychologist or psychiatrist shall assess, after review of appropriate medical and educational records, if the education and related services received by the student in the nonpublic school setting have improved the child's educational performance and if the student would continue to benefit from placement in the nonpublic school setting. The psychologist or psychiatrist shall verify the outcome of the assessment on a form to be provided to the Authority.".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

Failed

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 1030

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

H1030-ALH-64 [v.1]

Amends Title [NO]
First Edition

Date _____,2016

Representative Michaux

moves to amend the Houses Appropriations Education Committee Proposed Special Provisions dated May 12, 2016, on page 35, by doing the following:
On line 17 by deleting "findings and recommendations" and inserting "final finding and recommendations "; and
On line 18, by deleting "2017" and substituting "2018"; and
On lines 28 and 32, by deleting "2017-2018" and substituting "2018-2019"; and
On lines 29 and 34, by deleting "2018-2019" and substituting "2019-2020".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

HOUSE APPROPRIATIONS COMMITTEE

ON

EDUCATION

REPORT
ON THE
CONTINUATION AND EXPANSION BUDGETS

House Bill 1030

May 12, 2016

Public Education
Budget Code 13510

General Fund Budget

	FY 2016-17
Enacted Budget	
Requirements	$12,647,946,284
Receipts	$4,228,501,663
Net Appropriation	$8,419,444,621
Legislative Changes	
Requirements	$70,216,762
Receipts	$57,316,378
Net Appropriation	$12,900,384
Revised Budget	
Requirements	$12,718,163,046
Receipts	$4,285,818,041
Net Appropriation	$8,432,345,005

General Fund FTE

Enacted Budget	1,158.83
Legislative Changes	0.00
Revised Budget	1,158.83

Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session

Public Education Budget Code 13510		Enacted Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1000	DPI - Executive and Administrative Functions	8,458,379	4,146,166	4,312,213	-	-	-	8,458,379	4,146,166	4,312,213
1021	DPI - Education Innovations - 21st Century Schools	1,477,912	195,377	1,282,535	-	-	-	1,477,912	195,377	1,282,535
1100	DPI - Assistance to Districts and Schools	29,109,628	22,780,817	6,328,811	-	-	-	29,109,628	22,780,817	6,328,811
1300	DPI - Financial and Business Services	1,363,745	827,172	536,573	-	-	-	1,363,745	827,172	536,573
1330	DPI - Student and School Support Services	16,757,832	13,068,135	3,689,697	-	-	-	16,757,832	13,068,135	3,689,697
1400	Office of Early Learning	77,194,067	69,494,475	7,699,592	-	-	-	77,194,067	69,494,475	7,699,592
1410	NC Center for the Advancement of Teaching	3,299,279	200	3,299,079	-	-	-	3,299,279	200	3,299,079
1450	K-3 Assessment	2,748,986	2,748,986	-	-	-	-	2,748,986	2,748,986	-
1500	DPI - Technology Services	11,333,967	3,668,123	7,665,844	-	-	-	11,333,967	3,668,123	7,665,844
1600	DPI - Curriculum, Instruction, Accountability & Tech	59,153,714	48,202,189	10,951,525	-	-	-	59,153,714	48,202,189	10,951,525
1640	DPI - Educator Quality and Recruitment	19,806,930	18,958,909	848,021	-	-	-	19,806,930	18,958,909	848,021
1660	DPI - Special Populations	46,938,021	43,708,664	3,229,357	-	-	-	46,938,021	43,708,664	3,229,357
1800	K-12 Classroom Instruction -SPSF	7,099,072,258	558,519,541	6,540,552,717	20,506,537	57,316,378	(36,809,841)	7,119,578,795	615,835,919	6,503,742,876
1808	SPSF - Statewide System Ops and Maintenance	10,258,861	-	10,258,861	-	-	-	10,258,861	-	10,258,861
1810	SPSF - Local Education Agency - Administration	94,781,435	-	94,781,435	-	-	-	94,781,435	-	94,781,435
1811	Assistance to Districts and Schools - SPSF	2,063,612,732	2,063,612,732	-	-	-	-	2,063,612,732	2,063,612,732	-
1821	SPSF - Ed Innovations - 21st Century Schools	32,773,365	-	32,773,365	2,533,168	-	2,533,168	35,306,533	-	35,306,533
1830	SPSF - Student and School Support Services	702,051,034	202,489,369	499,561,665	(2,800,000)	-	(2,800,000)	699,251,034	202,489,369	496,761,665
1840	SPSF - Teacher Quality and Recruitment	459,798,944	459,798,944	-	-	-	-	459,798,944	459,798,944	-
1860	SPSF - Special Populations	1,647,204,991	694,936,512	952,268,479	-	-	-	1,647,204,991	694,936,512	952,268,479
1862	NC School for the Deaf	8,507,042	237,283	8,269,759	-	-	-	8,507,042	237,283	8,269,759
1863	Eastern NC School for the Deaf	7,750,157	242,584	7,507,573	-	-	-	7,750,157	242,584	7,507,573
1864	Governor Morehead School and Preschool	5,633,038	196,114	5,436,924	-	-	-	5,633,038	196,114	5,436,924
1870	SPSF - LEA - Supplemental Benefits	176,995,085	-	176,995,085	-	-	-	176,995,085	-	176,995,085
1900	Reserves and Transfers	52,233,916	20,669,371	31,564,545	1,100,000	-	1,100,000	53,333,916	20,669,371	32,664,545
1901	Pass-through Grants	9,630,966	-	9,630,966	2,096,000	-	2,096,000	11,726,966	-	11,726,966
					-	-				
Department-wide Items					-	-				
	Compensation Reserve	-	-	-	-	-	-	-	-	-
	State Retirement Contributions	-	-	-	-	-	-	-	-	-
	State Health Plan	-	-	-	-	-	-	-	-	-
					-	-				
Undesignated		-	-	-	46,781,057	-	46,781,057	46,781,057	-	46,781,057
	Enrollment Adjustment				-	-				
Total		**$12,647,946,284**	**$4,228,501,663**	**$8,419,444,621**	**$ 70,216,762**	**$ 57,316,378**	**$ 12,900,384**	**$12,718,163,046**	**$4,285,818,041**	**$8,432,345,005**

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Public Education					
Budget Code 13510		Enacted	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1000	DPI - Executive and Administrative Functions	51.99	-	-	51.99
1021	DPI - Education Innovations - 21st Century Schools	34.13	-	-	34.13
1100	DPI - Assistance to Districts and Schools	84.50	-	-	84.50
1300	DPI - Financial and Business Services	41.00	-	-	41.00
1330	DPI - Student and School Support Services	97.37	-	-	97.37
1400	Office of Early Learning	86.25	-	-	86.25
1410	NC Center for the Advancement of Teaching	46.50	-	-	46.50
1450	K-3 Assessment	11.50	-	-	11.50
1500	DPI - Technology Services	94.00	-	-	94.00
1600	DPI - Curriculum, Instruction, Accountability & Tech	150.80	-	-	150.80
1640	DPI - Educator Quality and Recruitment	36.09	-	-	36.09
1660	DPI - Special Populations	76.70	-	-	76.70
1800	K-12 Classroom Instruction -SPSF	-	-	-	-
1808	SPSF - Statewide System Ops and Maintenance	-	-	-	-
1810	SPSF - Local Education Agency - Administration	-	-	-	-
1811	Assistance to Districts and Schools - SPSF	-	-	-	-
1821	SPSF - Ed Innovations - 21st Century Schools	-	-	-	-
1830	SPSF - Student and School Support Services	-	-	-	-
1840	SPSF - Teacher Quality and Recruitment	-	-	-	-
1860	SPSF - Special Populations	-	-	-	-
1862	NC School for the Deaf	140.00	-	-	140.00
1863	Eastern NC School for the Deaf	128.25	-	-	128.25
1864	Governor Morehead School and Preschool	79.75	-	-	79.75
1870	SPSF - LEA - Supplemental Benefits	-	-	-	-
1900	Reserves and Transfers	-	-	-	-
1901	Pass-through Grants	-	-	-	-
Total FTE		**1,158.83**	**-**	**-**	**1,158.83**

Total Budget Enacted 2015 Session	FY 16-17 $8,419,444,621

Legislative Changes

B. Technical Adjustments

1 Average Daily Membership (ADM) $46,781,057 R

Fund Code: N/A

Adjusts total requirements in multiple public schools funding allotments to account for a net ADM increase of 5,875. The adjustment includes revisions to all position, dollar, and categorical allotments.

Total allotted public schools ADM for FY 2016-17 is 1,543,518.

2 Noninstructional Support Personnel ($57,316,378) R

Fund Code: 1800

Budgets additional Lottery receipts for the noninstructional support personnel allotment. Total requirements for this allotment remain the same at $372,266,860, and this allotment will now be fully receipt-supported. The revised net appropriation for noninstructional support personnel is $0.

C. Public School Funding Adjustments

3 Literacy Coaches to Support Read to Achieve $25,000,000 R

Fund Code: 1800

Provides funds to create literacy coach positions to support Read to Achieve for schools identified by the State Board of Education (SBE) as the 20% lowest performing elementary schools. The revised net appropriation for literacy coaches is $25.0 million.

4 Elimination of Additional 1st Grade Teaching Positions ($26,898,798) R

Fund Code: 1800

Eliminates funding for the additional 1st grade classroom teaching positions authorized in S.L. 2015-241. These positions were first authorized to be allocated in FY 2016-17, so there will be no actual reduction to State-funded teaching positions as a result of this action. The revised net appropriation for the classroom teachers allotment will be $4.2 billion.

	FY 16-17	
5 Read to Achieve (RTA) 1st & 2nd Grade Reading Camps	($20,000,000)	R
Fund Code: 1800	$10,000,000	NR

Modifies the total available funding for 1st and 2nd Grade Reading Camps authorized in S.L. 2015-241 and changes the designation of the revised funding amount to nonrecurring status. This funding supports services on behalf of 1st and 2nd grade students who demonstrate reading comprehension below grade level as identified through the administration of formative and diagnostic assessments. The revised net appropriation for 1st and 2nd Grade Reading Camps is $10.0 million.

6 Advanced Placement/International Baccalaureate Teacher Bonuses	$4,300,000	R
Fund Code: 1800		

Provides funding to support a $50 bonus payment to teachers of record for students taking either Advanced Placement (AP) or International Baccalaureate (IB) courses and achieving a certain grade on AP or IB examinations. Bonuses shall be awarded to teachers of Advanced Placement courses for students who earn scores of 3 or higher on AP exams and to teachers of IB Diploma Programme courses for students who score 4 or higher on IB exams. The revised net appropriation for Advanced Placement/International Baccalaureate teacher bonuses is $4.3 million.

7 Career and Technical Education (CTE) Teacher Bonuses	$600,000	R
Fund Code: 1800		

Provides funding to support a $25 or $50 bonus payment to teachers of record for students that complete a CTE class and pass a related examination leading to industry certifications and/or credentials. The SBE shall rank each industry certification based on academic rigor and employment value in order to classify eligibility for $25 and $50 teacher bonuses. The revised net appropriation for CTE teacher bonuses is $600,000.

8 Salary Supplement for National Board Certified Instructional Coaches	$1,309,335	R
Fund Code: 1800		

Provides funds to reinstitute a 12% salary supplement for instructional coaches with National Board for Professional Teaching Standards (NBPTS) certification in all NC public schools. G.S. 115C-296.2 limits the NBPTS-related salary supplement to only those instructional coaches employed in schools with the federal "Title I" designation. The revised net appropriation for NBPTS salary supplements for instructional coaches employed in non-Title I schools is $1,309,335.

9 Instructional Supplies		
Fund Code: 1800	$5,000,000	NR

Provides additional support for the instructional materials, supplies and equipment (instructional supplies) allotment. The revised net appropriation for instructional supplies is $49.5 million.

10 Advanced Placement Summer Professional Development Institutes — $126,000 NR

Fund Code: 1800

Provides support to the North Carolina Advanced Placement partnership to pay for at least 1 teacher from every LEA to participate in summer professional development institutes. The revised net appropriation for the AP partnership is $1.6 million.

11 Digital Learning Plan — $9,400,000 NR

Fund Code: 1800

Provides funds to accelerate implementation of several components of the State's Digital Learning Plan (DLP) for public schools. Funds will support DLP management, school and district leadership development, teacher professional development, mobile device management and digital literacy skills evaluation. The revised net appropriation for DLP activities is $9.4 million.

12 Textbooks and Digital Materials — $11,670,000 NR

Fund Code: 1800

Provides additional funds for the textbooks and digital materials allotment. LEAs may utilize funds from this allotment to purchase digital content made available by the Department of Public Instruction through its Home Base system. The revised net appropriation for textbooks and digital materials is $73.2 million.

13 Cooperative and Innovative High Schools (CIHS) — $2,533,168 R

Fund Code: 1821

Provides Cooperative and Innovative High Schools allotment support to fulfill the funding requests for 8 CIHSs. Funding will support schools in Alamance, Alexander, Camden, Chatham, Gaston, Northampton, Person, and Wayne counties. These schools will each receive a $316,646 allotment. The revised net appropriation for CIHS is $29.7 million.

14 Transportation — ($2,000,000) R

Fund Code: 1830

Reduces the diesel fuel component of this allotment on the basis of adjusting the budgeted price per gallon from $2.17 to $2.09 to reflect lower projected diesel fuel costs. No reductions are made for any other purpose within this allotment. The revised net appropriation for the transportation allotment is $449.1 million.

15 Panic Alarms — ($900,000) R

Fund Code: 1830 — $100,000 NR

Modifies funding to reflect the anticipated completion of the last phase of panic alarm installation that began in FY 2013-14, as authorized by S.L. 2013-360. Nonrecurring funds are provided to complete the last panic alarm installations in FY 2016-17. Recurring funding will no longer required to complete the installation of the alarms after the end of this biennium. The revised net appropriation for panic alarms is $100,000.

	FY 16-17	
16 Teacher Compensation Models and Advanced Teaching Roles	$1,000,000	R
Fund Code: 1900	$100,000	NR

Creates a new 3-year pilot program to be administered by the SBE. The pilot will support local school district (LEA) efforts to create the organization structure and innovative compensation methods that would allow classroom teachers to take on advanced teaching roles. The revised net appropriation for the teacher compensation models and advanced teaching roles pilot program is $1.1 million, $100,000 of which is nonrecurring.

D. Grants

17 Distinguished Leadership in Practice		
Fund Code: 1901	$600,000	NR

Provides support to the NC Principals & Assistant Principals' Association to continue implementation of the Distinguished Leadership in Practice (DLP) leadership development program for practicing school principals. The revised net appropriation for DLP is $600,000.

18 Triangle Literacy Council		
Fund Code: 1901	$690,000	NR

Provides support to the Triangle Literacy Council to establish new juvenile literacy centers to serve court-involved or otherwise at-risk youth. The revised net appropriation for the Triangle Literacy Council is $690,000.

19 National Academy Foundation		
Fund Code: 1901	$306,000	NR

Provides funds to the National Academy Foundation (NAF) for expansion of up to 20 career academies throughout the State. The revised net appropriation for NAF is $306,000.

20 Muddy Sneakers		
Fund Code: 1901	$500,000	NR

Provides funds to Muddy Sneakers to support and expand its experiential learning programs to improve the science aptitude of 5th graders through supplemental, hands-on field instruction of the State science standards. The revised net appropriation for Muddy Sneakers is $500,000.

21 Teach for America	($6,000,000)	R
Fund Code: 1901	$6,000,000	NR

Converts State funding to nonrecurring status for this organization that focuses on new teacher recruitment, training and placement in high-need school districts. The net appropriation for Teach for America remains $6.0 million.

	FY 16-17	
22 Communities in Schools	($2,446,750)	R
Fund Code: 1901	$2,446,750	NR

Converts State funding to nonrecurring status for this organization that partners with LEAs to address the needs of public school students at risk of grade level retention and dropout from school. The net appropriation for Communities in Schools remains $2.4 million.

Total Legislative Changes	**($34,038,366)**	R
	$46,938,750	NR
Total Position Changes		
Revised Budget	**$8,432,345,005**	

Community Colleges
Budget Code 16800

General Fund Budget

	FY 2016-17
Enacted Budget	
Requirements	$1,480,340,859
Receipts	$414,445,339
Net Appropriation	$1,065,895,520
Legislative Changes	
Requirements	($27,244,578)
Receipts	($16,476,737)
Net Appropriation	($10,767,841)
Revised Budget	
Requirements	$1,453,096,281
Receipts	$397,968,602
Net Appropriation	$1,055,127,679

General Fund FTE

Enacted Budget	192.50
Legislative Changes	0.00
Revised Budget	192.50

Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session

Community Colleges Budget Code 16800		Enacted Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Executive Division	3,590,759	363,281	3,227,478	-	-	-	3,590,759	363,281	3,227,478
1200	Technology Solutions and Distance Learning	15,949,769	479,789	15,469,980	-	-	-	15,949,769	479,789	15,469,980
1300	Finance and Operations	3,593,176	486,682	3,106,494	-	-	-	3,593,176	486,682	3,106,494
1400	Academic and Student Services	6,507,648	3,762,851	2,744,797	-	-	-	6,507,648	3,762,851	2,744,797
1600	State Aid - Institutions	22,725,625	-	22,725,625	-	-	-	22,725,625	-	22,725,625
1620	Curriculum Instruction	706,875,096	354,290,199	352,584,897	-	-	-	706,875,096	354,290,199	352,584,897
1621	Basic Skill Instruction	73,790,394	16,242,990	57,547,404	-	-	-	73,790,394	16,242,990	57,547,404
1622	Continuing Education and Workforce Development	107,452,625	17,427,620	90,025,005	-	-	-	107,452,625	17,427,620	90,025,005
1623	Equipment and Instructional Resources	51,962,762	-	51,962,762	-	-	-	51,962,762	-	51,962,762
1624	Specialized Centers and Programs	14,259,267	3,542,792	10,716,475	525,000	-	525,000	14,784,267	3,542,792	11,241,475
1625	Institutional and Academic Support	514,932,950	1,011,693	513,921,257	-	-	-	514,932,950	1,011,693	513,921,257
1900	Reserves and Transfers	(41,299,212)	16,837,442	(58,136,654)	14,915,435	-	14,915,435	(26,383,777)	16,837,442	(43,221,219)
Department-wide Items										
	Compensation Reserve	-	-	-	-	-	-	-	-	-
	State Retirement Contributions	-	-	-	-	-	-	-	-	-
	State Health Plan	-	-	-	-	-	-	-	-	-
Undesignated		-	-	-	(42,685,013)	(16,476,737)	(26,208,276)	(42,685,013)	(16,476,737)	(26,208,276)
	Enrollment Adjustment									
Total		**$1,480,340,859**	**$414,445,339**	**$1,065,895,520**	**$ (27,244,578)**	**$ (16,476,737)**	**$ (10,767,841)**	**$1,453,096,281**	**$397,968,602**	**$1,055,127,679**

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Community Colleges					
Budget Code 16800		Enacted	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Executive Division	28.00	-	-	28.00
1200	Technology Solutions and Distance Learning	80.00	-	-	80.00
1300	Finance and Operations	39.50	-	-	39.50
1400	Academic and Student Services	45.00	-	-	45.00
1600	State Aid - Institutions	-	-	-	-
1620	Curriculum Instruction	-	-	-	-
1621	Basic Skill Instruction	-	-	-	-
1622	Continuing Education and Workforce Development	-	-	-	-
1623	Equipment and Instructional Resources	-	-	-	-
1624	Specialized Centers and Programs	-	-	-	-
1625	Institutional and Academic Support	-	-	-	-
1900	Reserves and Transfers	-	-	-	-
		-			
Total FTE		192.50	-	-	192.50

Community Colleges

GENERAL FUND

Total Budget Enacted 2015 Session	FY 16-17 $1,065,895,520

Legislative Changes

B. Technical and Formula Adjustments

23 Enrollment Growth Adjustment ($26,208,276) R

Fund Code: N/A

Adjusts funds for FY 2016-17 based on the decline in Community College System enrollment.

The Community College System total enrollment declined by 8,578 Full Time Equivalent (FTE) students (4.1%) from the budgeted amount in the FY 2016-17 certified budget for a savings of $26.2 million.

24 Restore Management Flexibility Reduction $14,915,435 R

Fund Code: 1900

Provides funding to restore a portion of the management flexibility reduction. The management flexibility reduction is reduced by 25%. The revised net appropriation for the management flexibility reduction is $44.3 million.

C. Other Adjustments

25 Competency-Based Education Incubator

Fund Code: 1624 $500,000 NR

Provides nonrecurring funding to support development of competency-based education (CBE) programs and a uniform system for granting credit for prior learning. Partners in this pilot include Central Piedmont Community College, Forsyth Technical Community College, Stanly Community College, Wake Technical Community College, and the North Carolina Community College System Office. The revised net appropriation for Competency-Based Education Incubator is $500,000 for FY 2016-17.

26 Local Government Finance Officer Training

Fund Code: 1624 $25,000 NR

Provides nonrecurring funding to create a continuing education program for finance officers in local governments and public authorities. Funding will be used for curriculum development and evaluation. The revised net appropriation for Local Government Finance Officer Training is $25,000.

	FY 16-17	
Total Legislative Changes	**($11,292,841)**	R
	$525,000	NR
Total Position Changes		
Revised Budget	**$1,055,127,679**	

UNC System
Multiple Budget Codes

General Fund Budget

	FY 2016-17
Enacted Budget	
Requirements	$4,400,355,967
Receipts	$1,717,048,040
Net Appropriation	$2,683,307,927
Legislative Changes	
Requirements	$65,794,475
Receipts	$19,311,475
Net Appropriation	$46,483,000
Revised Budget	
Requirements	$4,466,150,442
Receipts	$1,736,359,515
Net Appropriation	$2,729,790,927

General Fund FTE

Enacted Budget	34,763.58
Legislative Changes	0.00
Revised Budget	34,763.58

Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session

UNC System		Enacted Budget			Legislative Changes			Revised Budget		
Bdgt Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
16010	UNC-Board of Governors	37,303,605	46,899	37,256,706	-	-	-	37,303,605	46,899	37,256,706
16011	UNC-Board of Governors - Institutional	57,429,631	21,444,745	35,984,886	52,494,475	19,311,475	33,183,000	109,924,106	40,756,220	69,167,886
16012	UNC-BOG-Related Educational Programs	156,200,476	48,031,975	108,168,501	2,000,000	-	2,000,000	158,200,476	48,031,975	110,168,501
16015	Aid to Private Colleges	127,419,754	-	127,419,754	12,300,000	-	12,300,000	139,719,754	-	139,719,754
16020	UNC-Chapel Hill	592,452,903	340,187,042	252,265,861	-	-	-	592,452,903	340,187,042	252,265,861
16021	UNC-Chapel Hill - Health Affairs	294,539,049	106,759,144	187,779,905	(1,000,000)	-	(1,000,000)	293,539,049	106,759,144	186,779,905
16022	UNC-Chapel Hill - Area Health Education Center	49,282,678	-	49,282,678	-	-	-	49,282,678	-	49,282,678
16030	North Carolina State University - Academic	721,726,448	329,477,157	392,249,291	-	-	-	721,726,448	329,477,157	392,249,291
16031	NC State University - Agricultural Research	68,078,678	14,979,346	53,099,332	-	-	-	68,078,678	14,979,346	53,099,332
16032	NC State University - Cooperative Extension Service	54,639,442	16,043,515	38,595,927	-	-	-	54,639,442	16,043,515	38,595,927
16040	UNC-Greensboro	228,727,570	85,268,143	143,459,427	-	-	-	228,727,570	85,268,143	143,459,427
16050	UNC-Charlotte	334,919,709	135,948,104	198,971,605	-	-	-	334,919,709	135,948,104	198,971,605
16055	UNC-Asheville	57,074,763	19,482,480	37,592,283	-	-	-	57,074,763	19,482,480	37,592,283
16060	UNC-Wilmington	184,756,660	83,283,247	101,473,413	-	-	-	184,756,660	83,283,247	101,473,413
16065	East Carolina University - Academic	375,146,899	164,407,341	210,739,558	-	-	-	375,146,899	164,407,341	210,739,558
16066	East Carolina University - Health Affairs	81,979,708	8,452,022	73,527,686	-	-	-	81,979,708	8,452,022	73,527,686
16070	NC Agricultural and Technical State University	155,828,367	64,930,346	90,898,021	-	-	-	155,828,367	64,930,346	90,898,021
16075	Western Carolina University	130,369,834	44,564,017	85,805,817	-	-	-	130,369,834	44,564,017	85,805,817
16080	Appalachian State University	218,660,651	90,825,069	127,835,582	-	-	-	218,660,651	90,825,069	127,835,582
16082	UNC-Pembroke	78,258,028	25,065,923	53,192,105	-	-	-	78,258,028	25,065,923	53,192,105
16084	Winston-Salem State University	88,173,322	23,554,198	64,619,124	-	-	-	88,173,322	23,554,198	64,619,124
16086	Elizabeth City State University	44,118,744	10,359,516	33,759,228	-	-	-	44,118,744	10,359,516	33,759,228
16088	Fayetteville State University	68,632,042	19,890,512	48,741,530	-	-	-	68,632,042	19,890,512	48,741,530
16090	NC Central University	130,529,004	48,396,156	82,132,848	-	-	-	130,529,004	48,396,156	82,132,848
16092	NC School of the Arts	43,392,463	14,723,165	28,669,298	-	-	-	43,392,463	14,723,165	28,669,298
16094	NC School of Science and Mathematics	20,715,539	927,978	19,787,561	-	-	-	20,715,539	927,978	19,787,561
					-	-				
Department-wide Items					-	-				
	Compensation Reserve	-	-	-	-	-	-	-	-	-
	State Retirement Contributions	-	-	-	-	-	-	-	-	-
	State Health Plan	-	-	-	-	-	-	-	-	-
					-	-				
Undesignated		-	-	-	-	-	-	-	-	-
					-	-				
Total		$4,400,355,967	$1,717,048,040	$2,683,307,927	$ 65,794,475	$ 19,311,475	$ 46,483,000	$4,466,150,442	$1,736,359,515	$2,729,790,927

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

UNC System					
		Enacted	Legislative Changes		Revised
Bdgt Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
16010	UNC-Board of Governors	246.74	-	-	246.74
16011	UNC-Board of Governors - Institutional	-	-	-	-
16012	UNC-BOG-Related Educational Programs	-	-	-	-
16015	Aid to Private Colleges	2.00	-	-	2.00
16020	UNC-Chapel Hill	4,138.45	-	-	4,138.45
16021	UNC-Chapel Hill - Health Affairs	1,909.12	-	-	1,909.12
16022	UNC-Chapel Hill - Area Health Education Center	77.90			77.90
16030	North Carolina State University - Academic	6,082.34			6,082.34
16031	NC State University - Agricultural Research	797.06			797.06
16032	NC State University - Cooperative Extension Service	745.74			745.74
16040	UNC-Greensboro	2,069.45			2,069.45
16050	UNC-Charlotte	3,020.71			3,020.71
16055	UNC-Asheville	585.71			585.71
16060	UNC-Wilmington	1,811.72			1,811.72
16065	East Carolina University - Academic	3,211.61			3,211.61
16066	East Carolina University - Health Affairs	552.53			552.53
16070	NC Agricultural and Technical State University	1,521.31			1,521.31
16075	Western Carolina University	1,279.58			1,279.58
16080	Appalachian State University	2,096.17			2,096.17
16082	UNC-Pembroke	736.29			736.29
16084	Winston-Salem State University	910.32			910.32
16086	Elizabeth City State University	350.61			350.61
16088	Fayetteville State University	704.84			704.84
16090	NC Central University	1,258.34			1,258.34
16092	NC School of the Arts	435.69			435.69
16094	NC School of Science and Mathematics	219.35	-	-	219.35
Total FTE		**34,763.58**	**-**	**-**	**34,763.58**

UNC System

GENERAL FUND

Total Budget Enacted 2015 Session	FY 16-17 $2,683,307,927	
Legislative Changes		
B. Technical and Formula Adjustments		
27 Enrollment Growth Adjustments **Budget Code:** 16011 Provides additional funds for projected enrollment growth in the University of North Carolina (UNC) System. Total enrollment is projected to be 206,139 Full Time Equivalent (FTE) students, a 1.5% increase over FY 2015-16's total enrollment of 203,014 FTE.	$31,000,000	R
28 Enrollment Growth Performance Funding **Budget Code:** 16011 Eliminates enrollment growth performance funding for UNC that was originally appropriated in FY 2011-12 but not utilized. The revised net appropriation for Enrollment Growth Performance Funding is $0.	($1,000,000)	R
C. Other Adjustments		
29 Internships and Career-Based Opportunities for HBCU Students **Budget Code:** 16011 Expands, on a nonrecurring basis, the internship program for students attending Historically Black Colleges and Universities (HBCU). The revised net appropriation for the HBCU Internship Program is $500,500.	$183,000	NR
30 Supports for Part-Way Home Students	$700,000	R
Budget Code: 16011 Provides funds for technology and academic support strategies in order to recruit, retain, and graduate students who have not finished their baccalaureate degree. The revised net appropriation for part-way home student supports is $3.0 million.	$2,300,000	NR
31 Western Governors Challenge Grant **Budget Code:** 16015 Eliminates a challenge grant to Western Governors University (WGU). WGU was to receive funds in FY 2016-17 to establish a campus in North Carolina contingent on WGU raising $5.0 million in non-State funds. The revised net appropriation for the Western Governors Challenge Grant is $0.	($2,000,000)	NR

	FY 16-17	
32 **UNC Core**	($1,000,000)	R
Budget Code: 16020	$1,000,000	NR

Converts State funding to nonrecurring status for UNC Core, a distance education program for active duty service members and veterans administered by the Friday Center for Continuing Education at UNC-Chapel Hill. The net appropriation for UNC Core remains unchanged for FY 2016-17 but will be $0 for FY 2017-18.

33 **Medical Scholars Program**	($1,000,000)	R
Budget Code: 16021		

Eliminates funding for the University of North Carolina School of Medicine's Kenan Medical Scholars program at Chapel Hill. This program supports students with a specialization in primary care, general surgery, and psychiatry who are interested in practicing medicine in a rural area. The revised net appropriation for Medical Scholars Program is $0.

D. Financial Aid Adjustments

34 Principal Preparation	$8,500,000	R
Budget Code: 16015		

Provides additional funds for the Principal Preparation Program. The program provides competitive grants for school leadership development. The revised net appropriation for the Prinicipal Preparation Program is $9.5 million.

35 NC Scholarship for Teacher Advancement and Retention	$2,000,000	R
Budget Code: 16012		

Establishes a new, merit-based scholarship loan program to recruit and prepare resident students to serve as teachers in hard-to-staff licensure areas and schools. The revised net appropriation for this item is $2.0 million.

36 Special Education Scholarships	$5,800,000	R
Budget Code: 16015		

Increases funding for Special Education Scholarships by 137%. The program provides scholarship grants of up to $4,000 per semester for eligible students. The revised net appropriation for Special Education Scholarships is $10.0 million.

Total Legislative Changes	**$45,000,000**	R
	$1,483,000	NR
Total Position Changes		
Revised Budget	**$2,729,790,927**	

House Appropriations Committee on Education

Proposed Special Provisions for H.B. 1030, 2016 Appropriations Act

May 12, 2016

GENERAL ASSEMBLY OF NORTH CAROLINA

SPECIAL PROVISIONS
HOUSE APPROPRIATIONS, EDUCATION REPORT

MAY 12, 2016
Report Last Updated: May 12, 2016 11:29 a.m.

2016-DPI-H6-P 1
FUNDS FOR CHILDREN WITH DISABILITIES

2016-DPI-H7-P 2
FUNDS FOR ACADEMICALLY GIFTED CHILDREN

2016-DPI-H13-P 3
LITIGATION RESERVE FUNDS

2016-DPI-H16-P 4
SMALL COUNTY SUPPLEMENTAL FUNDS ELIGIBILITY

2016-DPI-H5A-P 5
DRIVERS EDUCATION PROGRAM FUNDS

2016-DPI-H9C-P 6
LITERACY COACHES TO SUPPORT READ TO ACHIEVE IN LOW-PERFORMING ELEMENTARY SCHOOLS

2016-DPI-H11-P 8
TEACHER COMPENSATION MODELS AND ADVANCED TEACHING ROLES

2016-DPI-H18-P 12
ADVANCED PLACEMENT/INTERNATIONAL BACCALAUREATE TEACHER BONUSES

2016-DPI-H19-P 13
BONUSES FOR INDUSTRY CERTIFICATIONS AND CREDENTIALS PROGRAM

2016-DPI-H20-P 15
NBPTS SUPPLEMENT FOR ALL INSTRUCTIONAL COACHES

2016-DPI-H22-P 16
CERTAIN CIHS OPERATING WITHOUT ADDITIONAL FUNDS

2016-DPI-H1-P 17
REPORT FOR SCHOOLS FOR STUDENTS WITH VISUAL AND HEARING IMPAIRMENTS/FOREIGN EXCHANGE STUDENTS

2016-DPI-H2B-P 18
VIRTUAL CHARTER SCHOOL CHANGES

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GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

Proofed
SPECIAL PROVISION

2016-DPI-H6-P

Department of Public Instruction
House Appropriations, Education

Requested by

FUNDS FOR CHILDREN WITH DISABILITIES

SECTION #. The State Board of Education shall allocate additional funds for children with disabilities on the basis of three thousand nine hundred eighty-five dollars and fifty-three cents ($3,985.53) per child. Each local school administrative unit shall receive funds for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and one-half percent (12.5%) of its 2016-2017 allocated average daily membership in the local school administrative unit. The dollar amounts allocated under this section for children with disabilities shall also be adjusted in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve children with disabilities.

Proofed
SPECIAL PROVISION

2016-DPI-H7-P

Department of Public Instruction
House Appropriations, Education

Requested by

FUNDS FOR ACADEMICALLY GIFTED CHILDREN

SECTION #. Section 8.2 of S.L. 2015-241 reads as rewritten:

"**SECTION 8.2.** The State Board of Education shall allocate additional funds for academically or intellectually gifted children on the basis of one thousand two hundred eighty dollars and seventy cents ($1,280.70) per child for fiscal ~~years~~ year 2015-2016 and one thousand two hundred ninety-five dollars and twenty-seven cents ($1,295.27) per child for fiscal year 2016-2017. A local school administrative unit shall receive funds for a maximum of four percent (4%) of its 2015-2016 allocated average daily ~~membership,~~ membership for the 2015-2016 fiscal year and a maximum of four percent (4%) of its 2016-2017 allocated average daily membership for the 2016-2017 fiscal year, regardless of the number of children identified as academically or intellectually gifted in the unit. The dollar amounts allocated under this section for academically or intellectually gifted children shall also be adjusted in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve academically or intellectually gifted children."

Proofed
SPECIAL PROVISION

2016-DPI-H13-P

Department of Public Instruction
House Appropriations, Education

Requested by

LITIGATION RESERVE FUNDS

SECTION #. The State Board of Education may expend up to five hundred thousand dollars ($500,000) for the 2016-2017 fiscal year from unexpended funds for licensed employees' salaries to pay expenses related to litigation.

Department of Public Instruction
House Appropriations, Education

Requested by

SMALL COUNTY SUPPLEMENTAL FUNDS ELIGIBILITY

SECTION #. Section 8.4 of S.L. 2015-241 reads as rewritten:

"**SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING**

...

"**SECTION 8.4.(b)** Phase-Out Provision for the 2015-2016 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the schedule in subsection (a) of this section in the 2015-2016 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local school administrative units shall be reduced in equal increments in each of the five years after the unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local school administrative unit becomes ineligible.

Allotments for eligible local school administrative units under this subsection shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year 2014-2015 in any fiscal year. A local school administrative unit shall not become ineligible for funding if either the higher of the first two months total projected average daily membership for the current year or the higher of the first two months total prior year average daily membership would otherwise have made the unit eligible for funds under the schedule in subsection (a) of this section.

"**SECTION 8.4.(c)** Phase-Out Provision for the 2016-2017 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the schedule in subsection (a) of this section in the 2016-2017 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local school administrative units shall be reduced in equal increments in each of the five years after the unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local administrative unit becomes ineligible.

Allotments for eligible local school administrative units under this subsection shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year 2015-2016 in any fiscal year. A local school administrative unit shall not become ineligible for funding if either the higher of the first two months total projected average daily membership for the current year or the higher of the first two months total prior year average daily membership would otherwise have made the unit eligible for funds under the schedule in subsection (a) of this section.

...."

Proofed
SPECIAL PROVISION

2016-DPI-H5A-P

Department of Public Instruction
House Appropriations, Education

Requested by

DRIVERS EDUCATION PROGRAM FUNDS

SECTION #. Section 8.39(h) of S.L. 2015-241 reads as rewritten:

"**SECTION 8.39.(h)** Subsections (a), (b), and (c) of this section are effective July 1, 2016, and apply beginning with the 2016-2017 school year. ~~Subsections (a), (b), and (c) of this section are repealed effective December 31, 2017.~~ The remainder of this section is effective when this act becomes law."

LITERACY COACHES TO SUPPORT READ TO ACHIEVE IN LOW-PERFORMING ELEMENTARY SCHOOLS

SECTION #.(a) G.S. 115C-83.6 is amended by adding the following new subsections to read:

"(d) To the extent State funds are allocated to a local school administrative unit for the placement of literacy coaches in elementary schools, those funds shall be used by local boards of education to employ literacy coaches who meet the requirements of subsection (d1) of this section to primarily assist teachers who teach kindergarten through third grade to further the purpose of this Part in ensuring that every student read at or above grade level by the end of third grade. To the extent practicable, literacy coaches may also assist teachers who teach fourth and fifth grade. A literacy coach shall assist teachers in the following ways: (i) provide a resource for professional development throughout an elementary school to build master teachers of reading schoolwide to improve student reading achievement, (ii) assist in the administration and analysis of formative, diagnostic and summative reading assessments, and (iii) provide differentiated reading instruction and intensive intervention based on student needs. The State Board shall allocate State funds for literacy coach positions for schools identified by the State Board as the lowest twenty percent (20%) of elementary schools. For a local school administrative unit with more than one school identified as eligible for State funds, the State Board may allocate funds for one literacy coach position to serve more than one school in the unit if the schools have less than five full-time teachers employed in each grade level. The State Board may use up to five percent (5%) of the State funds appropriated for the purposes under this subsection to provide professional development to literacy coaches.

(d1) The State Board shall adopt rules regarding the employment of a literacy coach supported by State funds under subsection (d) of this section, including any required training or professional development, qualifications, and the duties and responsibilities of the literacy coach. Local school administrative units shall not require a literacy coach to perform administrative functions of teachers and shall monitor the implementation and effectiveness of literacy coaches working in schools. The rules adopted by the State Board on the qualifications of literacy coaches shall include at least the following:

(1) Literacy coaches shall have experience and expertise in the following:

a. Demonstrated success as a classroom teacher.

b. Knowledge of scientifically based reading practices.

c. Expertise in intensive reading instruction to meet the needs of individual students.

d. Ability to support teachers with the use of assessment data to inform instruction according to student needs.

e. Knowledge base in working with adult learners who are elementary school teachers.

f. Expertise in communication with outstanding presentation, interpersonal, and time management skills.

(2) A minimum of a bachelor's degree in elementary education.

(3) Advanced coursework or professional development in reading."

SECTION #.(b) G.S. 115C-105.25(b) is amended by adding a new subdivision to read:

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

...

(12) Funds available for employing literacy coaches in elementary schools pursuant to G.S. 115C-83.6(d) shall not be transferred."

TEACHER COMPENSATION MODELS AND ADVANCED TEACHING ROLES

SECTION #.(a) Purpose. – The State Board of Education shall establish a three-year Pilot Program (Pilot) to develop advanced teaching roles and organizational models that link teacher performance and professional growth to salary increases in selected local school administrative units for classroom teachers. For the purposes of this section, a classroom teacher is a teacher who works in the classroom providing instruction at least seventy percent (70%) of the instructional day and who is not instructional support personnel. The purpose of the Pilot shall be to do the following:

(1) To allow highly effective classroom teachers to teach an increased number of students by assuming accountability for additional students, by becoming a lead classroom teacher accountable for the student performance of all of the students taught by teachers on that lead classroom teacher's team, or by leading a larger effort in the school to implement new instructional models to improve school-wide performance.

(2) Enable local school administrative units to provide salary supplements to classroom teachers in advanced teaching roles. Selection of an advanced teaching role classroom teacher and award of related salary supplements shall be made on the basis of demonstrated effectiveness and additional responsibilities.

(3) Enable local school administrative units to create innovative compensation models that focus on classroom teacher professional growth and student outcomes.

(4) Utilize local plans to establish organizational changes related to compensation in order to sustain evidenced-based teaching practices that have the capacity to be replicated throughout the State.

SECTION #.(b) Request for Proposals. – By September 15, 2016, the State Board of Education shall issue a Request for Proposal (RFP) for the Pilot. Local boards of education shall submit their proposals by October 15, 2016. The RFP shall require that proposals include the following information at a minimum:

(1) Description of the program structure, including the process for teacher advancement based on performance, professional growth, or the specific teacher roles assumed by the teacher.

(2) Descriptions of the advanced teaching roles, including minimum qualifications for the positions that must include at least one of the following:

a. Advanced certifications, such as National Board of Professional Teaching Standards Certification, or a masters degree in the area in which the classroom teacher is licensed and teaching.

b. A rating of at least accomplished on each of the Teacher Evaluation Standards 1-5 on the North Carolina Teacher Evaluation instrument or equivalent on an out-of-state evaluation system.

c. Exceeding expected student growth based on three years of teacher evaluation data as calculated by the State Board of Education.

d. Equivalent demonstrated mastery of teaching skills as required by the new local compensation model.

(3) Job responsibilities that include at least one of the following:

a. Teaching an increased number of students and being accountable for their performance as teacher of record for those students.

b. Becoming a lead classroom teacher among a group of teachers and being the teacher of record for all students taught by that group of teachers.

c. Leading a school-wide effort to implement data-driven instructional models that include blended learning environments, utilizing digital learning and resources, and focusing on methods of improvement for school-wide performance issues.

d. Complete training that certifies the teacher as an in-house provider of professional development, function as an instructional content area coach, or other professional development area.

(4) Description of how the local school administrative unit will inform all employees and the public on the criteria and selection for the advanced teaching roles; the continued eligibility requirements for the advanced teaching roles; and how the individuals selected for the advanced teaching roles will be evaluated.

(5) Description of how the local school administrative unit will inform all employees and the public on the criteria for movement on the proposed new local compensation model.

(6) The process for the voluntary relinquishment of an advanced teaching role, including the associated additional duties. Voluntary relinquishment of the advanced teaching role shall not be considered a demotion under Part 3 or Part 3A of Article 22 of Chapter 115C of the General Statutes.

(7) Salary supplement information including the following:

a. The amount of the salary supplements that will be provided to those selected for the advanced teaching roles. The supplements may be up to thirty percent (30%) of the State teacher salary schedule.

b. A statement by the local school administrative unit that the salary supplements will be paid as a supplement to the classroom teacher's regular salary and not be included in the average salary calculation used for budgeting State allotments.

c. A statement by the local school administrative unit that if a classroom teacher in an advanced teaching role (i) fails to maintain the minimum criteria established for the position, (ii) is not successfully performing the additional duties associated with the advanced teaching role, or (iii) voluntarily relinquishes the advanced teaching role, the teacher shall only be paid the salary applicable to that individual on the State salary schedule and any other local supplements that would otherwise apply to the classroom teacher's compensation.

d. The amount of the salary supplements at all levels of the proposed new local school administrative unit compensation model in relation to the State salary schedule.

(8) The implementation plan, including the number of schools in the local school administrative unit that will have advanced teaching roles and any new proposed compensation model; the number of advanced teaching roles at each

of those schools; the number of students whose teacher of record will be a teacher in an advanced teaching role; and the number of teachers overall who would be eligible for the proposed new local school administrative unit compensation model.

(9) Plans for financial sustainability once the Pilot grant money is no longer available.

SECTION #.(c) Selection by State Board of Education. – By December 15, 2016, the State Board of Education shall review the proposals submitted by local boards of education and shall select up to 10 LEAs as follows:

(1) Up to five LEAs with an average daily membership (ADM) equal to or less than 4,000.

(2) Up to three LEAs with an ADM of 4,001 to 20,000.

(3) Up to two LEAs with an ADM of 20,001 or more.

SECTION #.(d) Pilot Implementation. – The selected local school administrative units shall implement their approved pilots beginning with the 2017-2018 school year and ending with the 2019-2020 school year. The local board of education for each selected pilot local school administrative unit shall provide any requested information and access to the independent research organization selected by the State Board of Education to evaluate the pilots.

SECTION #.(e) Use of Grant Funds. – Funds awarded to local school administrative units shall be used for any of the following:

(1) Salary supplements for advanced teaching roles.

(2) Development of advanced teaching role plans.

(3) Development of professional development courses.

(4) Transition costs associated with designing and implementing advanced teaching role models in schools within the local school administrative unit. Transition costs may include employing staff members or contractors to assist with design and implementation of the pilot plan.

(5) Development of the design and implementation of compensation plans that focus on teacher professional growth and student outcomes and the transition costs associated with designing and implementing new compensation plans, including employing staff members or contractors to assist with design and implementation of the pilot plan.

SECTION #.(f) Pilot Evaluation. – The State Board of Education shall contract with an independent research organization to evaluate how the advanced teaching roles and new compensation plan pilots have accomplished, at a minimum, the following:

(1) Improvement in the quality of classroom instruction and increases in school-wide growth.

(2) An increase in the attractiveness of teaching.

(3) Recognition, impact, and retention of high-quality classroom teachers.

(4) Assistance to and retention of beginning classroom teachers.

(5) Improvement in and expansion of use of technology and digital learning.

The independent research organization shall report annually beginning October 15, 2017, until the conclusion of the pilot to the State Board of Education on all aspects of the implementation and evaluation of the pilot. The independent research organization shall also evaluate, as part of the annual report, the existing Project LIFT, Inc., program in the Charlotte-Mecklenburg Schools, and the proposed Project Advance in the Chapel Hill-Carrboro City Schools, if that project is implemented. The State Board of Education shall provide the annual report to the offices of the President Pro Tempore of the Senate and the Speaker of the House of Representatives, the Senate Appropriations/Base Budget Committee, the House Committee on Appropriations, the Senate Appropriations Committee on Education/Higher

Education, the House Appropriations Committee on Education, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee.

SECTION #.(g) Of the funds appropriated to the Department of Public Instruction by this act for the 2016-2017 fiscal year to support teacher compensation models and advanced teaching roles, the Department may use up to two hundred thousand dollars ($200,000) for the State Board of Education to contract with an independent research organization for the pilot evaluations. Funds appropriated to the Department of Public Instruction for the 2016-2017 fiscal year for the Pilot shall not revert at the end of the fiscal year but shall remain available until expended.

SECTION #.(h) It is the intent of the General Assembly to appropriate from the General Fund to the Department of Public Instruction for the 2017-2018 fiscal year the sum of nine million eight hundred thousand dollars ($9,800,000) for the State Board of Education to select up to 10 local school administrative units to award funds for the pilot program in accordance with this section. Funds awarded to the local school administrative units shall be awarded in proportion to the current expenditure of the pilot local school administrative unit on teacher salaries.

SECTION #.(i) Flexibility for local school administrative units. – Notwithstanding G.S. 115C-301, local school administrative units receiving grants under this program may exceed the maximum class size requirements for kindergarten through third grade.

ADVANCED PLACEMENT/INTERNATIONAL BACCALAUREATE TEACHER BONUSES

SECTION #.(a) G.S. 115C-174.26(a) reads as rewritten:

"(a) It is the intent of the State to enhance accessibility and encourage students to enroll in and successfully complete more rigorous advanced courses to enable success in postsecondary education for all students. For the purposes of this section, an advanced course is an Advanced Placement or International Baccalaureate Diploma Programme course. To attain this goal, to the extent funds are made available for this purpose, the following shall be provided:

(1) ~~students~~ Students enrolled in public schools shall be exempt from paying any fees for administration of examinations for advanced courses and registration fees for advanced courses in which the student is enrolled regardless of the score the student achieves on an examination.

(2) Bonuses shall be awarded to teachers of advanced courses according to the following:

a. A bonus in the amount of fifty dollars ($50.00) for each student taught by an advanced course teacher in each advanced course who receives the following score:

1. For Advanced Placement courses, a score of three or higher on the College Board Advanced Placement Examination.

2. For International Baccalaureate Diploma Programme courses, a score of four or higher on the International Baccalaureate course examination.

b. No teacher shall be awarded a bonus pursuant to this subdivision that exceeds two thousand dollars ($2,000) in any given school year. The bonus awarded to a teacher pursuant to this subdivision shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive."

SECTION #.(b) This section applies beginning with the 2016-2017 school year.

BONUSES FOR INDUSTRY CERTIFICATIONS AND CREDENTIALS PROGRAM

SECTION #.(a) G.S. 115C-156.2(a) reads as rewritten:

"(a) It is the intent of the State to encourage students to enroll in and successfully complete rigorous coursework and credentialing processes in career and technical education to enable success in the workplace. To attain this goal, to the extent funds are made available for this purpose, students shall be supported to earn approved industry certifications and ~~credentials:~~credentials and teachers shall receive bonuses for each student who earns an approved industry certification or credential as follows:

(1) Students enrolled in public schools and in career and technical education courses shall be exempt from paying any fees for one administration of examinations leading to industry certifications and credentials pursuant to rules adopted by the State Board of Education.

(2) Each school year, at such time as agreed to by the Department of Commerce and the State Board of Education, the Department of Commerce shall provide the State Board of Education with a list of those occupations in high need of additional skilled employees. If the occupations identified in such list are not substantially the same as those occupations identified in the list from the prior year, reasonable notice of such changes shall be provided to local school administrative units.

(3) Local school administrative units shall consult with their local industries, employers, and workforce development boards to identify industry certification and credentials that the local school administrative unit may offer to best meet State and local workforce needs.

(4) Bonuses shall be awarded to teachers of students earning approved industry certifications or credentials, pursuant to rules adopted by the State Board of Education. No teacher shall be awarded a bonus pursuant to this subdivision that exceeds two thousand dollars ($2,000) in any given school year. Direct instruction teacher bonuses shall be provided in the following amounts:

a. A bonus in the amount of twenty-five dollars ($25.00) for each student taught by a teacher who provided instruction in a course that led to the attainment of an industry certification with a twenty-five-dollar ($25.00) value ranking.

b. A bonus in the amount of fifty dollars ($50.00) for each student taught by a teacher who provided instruction in a course that led to the attainment of an industry certification with a fifty-dollar ($50.00) value ranking.

(5) The Department of Commerce, in consultation with the State Board of Education, shall rank each industry certification based on academic rigor and employment value in accordance with this subdivision. Fifty percent (50%) of the ranking shall be based on academic rigor and the remaining fifty percent

(50%) on employment value. Academic rigor and employment value shall be based on the following elements:

a. Academic rigor shall be based on the number of instructional hours, including work experience or internship hours, required to earn the industry certification or credential, with a bonus given for coursework that also provides community college credit.

b. Employment value shall be based on the entry wage, growth rate in employment for each occupational category, and average annual openings for the primary occupation linked with the industry certification or credential."

SECTION #.(b) This section applies beginning with the 2016-2017 school year.

Proofed
SPECIAL PROVISION

2016-DPI-H20-P

Department of Public Instruction
House Appropriations, Education

Requested by

NBPTS SUPPLEMENT FOR ALL INSTRUCTIONAL COACHES

SECTION #. G.S. 115C-296.2(b)(2)d. reads as rewritten:

"d. Spends at least seventy percent (70%) of his or her work time:

1. In classroom instruction, if the employee is employed as a teacher. Most of the teacher's remaining time shall be spent in one or more of the following: mentoring teachers, doing demonstration lessons for teachers, writing curricula, developing and leading staff development programs for teachers;
2. In work within the employee's area of certification or licensure, if the employee is employed in an area of NBPTS certification other than direct classroom instruction; or
3. As an instructional coach, as classified by the Department of Public ~~Instruction, in a Title I school. As used in this sub-sub-subdivision, a Title I school is a school identified under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended.~~Instruction."

CERTAIN CIHS OPERATING WITHOUT ADDITIONAL FUNDS

SECTION #. Beginning with the 2016-2017 school year and for subsequent school years thereafter, notwithstanding G.S. 115C-238.51A(c) and G.S. 115C-238.54, Cabarrus Early College of Technology, Johnston County Career and Technical Academy, Stanly County School of Engineering and Design, City of Medicine Cooperative Innovative High School, and Hillside New Tech Cooperative Innovative High School shall be permitted to operate in accordance with G.S. 115C-238.53 and G.S. 115C-238.54 as cooperative innovative high schools approved under G.S. 115C-238.51A(c) and shall be subject to the evaluation requirements of G.S. 115C-238.55.

REPORT FOR SCHOOLS FOR STUDENTS WITH VISUAL AND HEARING IMPAIRMENTS/FOREIGN EXCHANGE STUDENTS

SECTION #.(a) Article 9C of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-150.15. Local superintendent to report deaf and blind children.**

It shall be the duty of local superintendents to report by October 15 of each year the names and addresses of parents, guardians, or custodians of any hearing impaired or visually impaired children residing within their respective local school administrative units to the directors 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 report shall include the type of disability of each child, including whether the hearing and visual impairments range from partial to total disability, and if the child has multiple disabilities with the visual or hearing impairment not identified as the primary disability of the student. The report shall also be made to the Department of Public Instruction."

SECTION #.(b) G.S. 115C-150.14 reads as rewritten:

"**§ 115C-150.14. Tuition and room and board.**

(a) Only children who are residents of North Carolina are entitled to free tuition and room and board at a school governed by this Article.

(b) A school governed by this Article may enroll a foreign exchange student and shall charge the student the full, unsubsidized per capita cost of providing education at the school for the period of the student's attendance. For the purposes of this section, a foreign exchange student is a student who is domiciled in a foreign country and has come to the United States on a valid, eligible student visa.

(c) Notwithstanding subsection (b) of this section, foreign exchange students who have obtained the status of nonimmigrants pursuant to the Immigration and Nationality Act, 8 U.S.C. § 1101(a)(15)(F) may only be enrolled in a school governed by this Article in grades nine through 12 for a maximum of 12 months at the school."

SECTION #.(c) This section applies beginning with the 2016-2017 school year. Local superintendents shall make the first report required under subsection (a) of this section no later than October 15, 2016.

VIRTUAL CHARTER SCHOOL CHANGES

SECTION #.(a) Section 8.35(c) of S.L. 2014-100 reads as rewritten:

"**SECTION 8.35.(c)** In addition to the operating requirements applicable to a virtual charter school participating in the pilot program pursuant to Part 6A of Article 16 of Chapter 115C of the General Statutes, the following requirements shall apply to a participating virtual charter school:

(1) The school shall maintain an administrative office within North Carolina. In addition, the school shall maintain at least one testing center or meeting place within each of the eight State Board of Education districts where the participating students reside, to allow educators and administrators from the school to meet students and parents. When utilizing the testing center or meeting place for test administration, the school is permitted to do the following:

a. Administer tests to multiple grade levels at the same time and location.

b. Contract with a test administrator who is not employed by the board of directors of the school and meets the following criteria:

1. Holds a valid, North Carolina educator license.

2. Passes a criminal history check as defined in G.S. 115C-332(a)(1) performed by the school.

3. Is trained on test administration in accordance with the North Carolina Testing Program.

(2) If the school contracts with a third party for the provision of administrative staff, such staff fulfilling the equivalent positions of superintendent, principal, or business officer shall be residents of North Carolina.

(3) All teaching staff shall carry the appropriate State certification to instruct any course and shall receive professional development in virtual instruction pursuant to the school's application to the State Board of Education to participate in the pilot program within 30 days of the employee's date of hire. At least ~~ninety percent (90%)~~eighty percent (80%) of the teaching staff shall reside within North Carolina.

(4) The school shall have a withdrawal rate below ~~twenty-five percent (25%).~~thirty-five percent (35%) each school year. A student who meets any of the following criteria shall not be counted in measuring the school's withdrawal rate:

a. A student enrolled in a school with the intent expressed prior to enrollment of only being enrolled for a finite period of time within the school ~~year shall not be counted in the measured withdrawal rate.~~year. The school shall keep a written record of a student's stated intent for finite enrollment.

b. A student who is withdrawn from the school pursuant to subdivision (3) of subsection (b) of this section.

c. A student who is no longer qualified under the laws of this State for admission to a public school in North Carolina, including due to the student relocating to another state.

d. A student who (i) withdraws from the school for a family, personal, or medical reason and (ii) notifies the school of the reason for withdrawal. The school shall keep a written record of a student's stated reason for withdrawal under this subdivision.

e. A student who withdraws from the school within the first 30 days following the date of the student's enrollment.

(4a) A count of school attendance shall be taken at least once during each semester for funding purposes.

(5) The school shall ensure that each student is assigned a learning coach. The learning coach shall provide (i) daily support and supervision of students, (ii) ensure student participation in online lessons, and (iii) coordinate teacher-led instructional sessions and State assessments."

SECTION #.(b) This section applies beginning with the 2016-2017 school year.

NATIONALLY RECOGNIZED COLLEGE ENTRANCE EXAMS

SECTION #.(a) G.S. 115C-174.11(c)(4) reads as rewritten:

"(4) To the extent funds are made available, the State Board of Education shall ~~plan for and require the administration of the ACT test for~~ use a competitive bid process to adopt two or more nationally recognized college entrance exams to make available to local school administrative units to administer to 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.~~Board in accordance with the following:

a. From the nationally recognized college entrance exams adopted by the State Board, each local board of education shall select one exam to be used in the local school administrative unit. Upon request by one or more local boards of education, the State Board shall enter into a contract for a statewide service or contracts for regional services to offer the nationally recognized college entrance exams in multiple local school administrative units. These contracts shall be let in accordance with the provisions of Article 3 of Chapter 143 of the General Statutes.

b. The State Board of Education shall require the administration of an alternate to the ~~ACT~~selected nationally recognized college entrance exam or an alternate ~~to the PLAN~~ precursor test ~~to the ACT~~ to a student who (i) exhibits severe and pervasive delays in all areas of conceptual, linguistic, and academic development and in adaptive behaviors, including communication, daily living skills, and self-care, (ii) is following the extended content standards of the Standard Course of Study as provided in G.S. 115C-81, or is following a course of study that, upon completing high school, may not lead to admission into a college-level course of study resulting in a college degree, and (iii) has a written parental request for an alternate assessment.

c. The State Board of Education shall ensure that parents of students enrolled in all public schools, including charter and regional schools, have the necessary information to make informed decisions regarding participation in the ~~ACT and the PLAN precursor test to the ACT.~~ nationally recognized college entrance exams and precursor tests.

d. ~~Alternate assessment and ACT assessment results~~ Nationally recognized college entrance exams and alternate assessment results of students with disabilities shall be included in school accountability reports, including charter and regional schools, provided by the State Board of Education."

SECTION #.(b) 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~~ nationally recognized college entrance exams that are adopted through the competitive bid process and selected by local boards of education under G.S. 115C-174.11(c)(4). The results of the tests shall be used 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 #.(c) The State Board of Education shall solicit bids through a competitive bid process to adopt two or more nationally recognized college entrance exams and precursor tests, as required by G.S. 115C-174.11(c)(4), as amended by this section, and G.S. 115C-174.22, as amended by this section. The State Board of Education shall report on the results of the competitive bid process to the Joint Legislative Education Oversight Committee and the Fiscal Research Division no later than November 15, 2016.

SECTION #.(d) Subsections (a) and (b) of this section apply beginning with the 2017-2018 school year.

Proofed
SPECIAL PROVISION

2016-DPI-H4-P

Department of Public Instruction
House Appropriations, Education

Requested by

SCHOOL BUSINESS SYSTEM MODERNIZATION

SECTION #.(a) The State Board of Education shall collaborate with the Friday Institute for Educational Innovation at North Carolina State University (Friday Institute) to develop a plan to modernize the systems used by the Department of Public Instruction, Financial and Business Services Division, to manage and deliver funds and technical support services to local school administrative units and charter schools. This process shall include modernization of the Division's systems for student information management, financial and payroll information, and human resources information.

SECTION #.(b) By January 1, 2017, as a part of developing the plan, the Department of Public Instruction, in collaboration with the Friday Institute, shall issue a Request for Information to outside vendors and entities to determine the scope of work necessary, estimate the costs of modernization of the systems, and prepare a schedule for implementation.

SECTION #.(c) By April 30, 2017, the State Board of Education shall report to the Joint Legislative Education Oversight Committee on the plan developed in accordance with this section for modernization of the systems used by the Financial and Business Services Division.

Department of Public Instruction
House Appropriations, Education

Requested by

INTERNATIONAL EXCHANGE TEACHER FUNDS

SECTION #. G.S. 115C-105.25(b)(5a) reads as rewritten:

"(5a) Positions allocated for classroom teachers may be converted to dollar equivalents to contract for visiting international exchange ~~teachers.~~teachers through a visiting international exchange teacher program approved by the State. These positions shall be converted at the statewide average salary for classroom teachers, including benefits. The converted funds shall be used only to provide visiting international exchange teachers a salary commensurate with the teacher's experience level, to provide any State-approved bonuses, and 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.~~program, including cultural activities, background checks, medical coverage, and other program administration services in accordance with the federal regulations for the Exchange Visitor Program, 22 CFR Part 62."

Department of Public Instruction
House Appropriations, Education

Requested by

K-12 CYBERSECURITY STUDY

SECTION #. The Department of Public Instruction shall conduct a study on cybersecurity in North Carolina public schools, including charter schools. As part of the study, the Department may request local school administrative units and charter schools to submit a summary of their current policies and procedures on cybersecurity practices and procedures to protect student and employee personally identifiable data. By December 15, 2016, the Department shall report to the General Assembly in accordance with G.S. 120-29.5.

NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS (NCVPS) REVENUES

SECTION #. G.S. 66-58 reads as rewritten:

"**§ 66-58. Sale of merchandise or services by governmental units.**

(a) Except as may be provided in this section, it shall be unlawful for any unit, department or agency of the State government, or any division or subdivision of the unit, department or agency, or any individual employee or employees of the unit, department or agency in his, or her, or their capacity as employee or employees thereof, to engage directly or indirectly in the sale of goods, wares or merchandise in competition with citizens of the State, or to engage in the operation of restaurants, cafeterias or other eating places in any building owned by or leased in the name of the State, or to maintain service establishments for the rendering of services to the public ordinarily and customarily rendered by private enterprises, or to provide transportation services, or to contract with any person, firm or corporation for the operation or rendering of the businesses or services on behalf of the unit, department or agency, or to purchase for or sell to any person, firm or corporation any article of merchandise in competition with private enterprise. The leasing or subleasing of space in any building owned, leased or operated by any unit, department or agency or division or subdivision thereof of the State for the purpose of operating or rendering of any of the businesses or services herein referred to is hereby prohibited.

(b) The provisions of subsection (a) of this section shall not apply to:

(1) Counties and municipalities.

(2) The Department of Health and Human Services or the Department of Agriculture and Consumer Services for the sale of serums, vaccines, and other like products.

(3) The Department of Administration, except that the agency shall not exceed the authority granted in the act creating the agency.

(4) The State hospitals for the mentally ill.

(5) The Department of Health and Human Services.

(6) The North Carolina School for the Blind at Raleigh.

(6a) The Division of Juvenile Justice of the Department of Public Safety.

(7) The North Carolina Schools for the Deaf.

(7a) The North Carolina Virtual Public School.

...

(c) The provisions of subsection (a) shall not prohibit:

...

~~(20) The sale by the State Board of Education of NCVPS courses to home schools, private schools, and out-of-state educational entities.~~

...."

MODIFY SCHOOL PERFORMANCE GRADES

SECTION #. G.S. 115C-83.15(d) reads as rewritten:

"(d) Calculation of the School Performance Scores and Grades. – 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%).~~fifty percent (50%), and the school growth score shall account for ~~twenty percent (20%)~~fifty percent (50%) 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~~85 is equivalent to an overall school performance grade of A.

(2) A school performance score of at least ~~80~~70 is equivalent to an overall school performance grade of B.

(3) A school performance score of at least ~~70~~55 is equivalent to an overall school performance grade of C.

(4) A school performance score of at least ~~60~~40 is equivalent to an overall school performance grade of D.

(5) A school performance score of less than ~~60~~40 points is equivalent to an overall school performance grade of F."

Department of Public Instruction
House Appropriations, Education

Requested by

JOINT LEGISLATIVE STUDY ON CIHS

SECTION #.(a) There is established the Joint Legislative Study Committee on Cooperative Innovative High Schools (Committee). The Committee shall consist of three members of the Senate appointed by the President Pro Tempore of the Senate and three members of the House of Representatives appointed by the Speaker of the House of Representatives. The President Pro Tempore and the Speaker of the House of Representatives shall each appoint a cochair of the Committee from among its membership. The Committee and the terms of the members shall expire when the Committee submits a final report to the General Assembly. Members shall serve at the pleasure of the appointing officer.

SECTION #.(b) The Committee shall study and make recommendations on the following issues:

(1) Identifying the policy goals of the Cooperative Innovative High Schools program under Part 9 of Article 16 of Chapter 115C of the General Statutes and whether revisions are necessary for establishing policy goals.

(2) Examining the current statutes to determine whether they support policy goals and, if not, whether revisions to the statutes are necessary to reflect those goals.

(3) Identifying the current funding models for the Cooperative Innovative High Schools program and whether revisions are necessary to accomplish the policy goals and to ensure financial sustainability of the program.

SECTION #.(c) The Committee shall meet upon the call of its cochairs. A quorum of the Committee is a majority of its members. No action may be taken except by a majority vote at a meeting at which a quorum is present. The Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and Article 5A of Chapter 120 of the General Statutes. The Committee may contract for professional, clerical, or consultant services, as provided by G.S. 120-32.02. Members of the Committee shall receive per diem, subsistence, and travel allowance as provided in G.S. 120-3.1. The expenses of the Committee shall be considered expenses incurred for the joint operation of the General Assembly.

SECTION #.(d) The Legislative Services Officer shall assign professional and clerical staff to assist the Committee in its work. The Director of Legislative Assistants of the House of Representatives and the Director of Legislative Assistants of the Senate shall assign clerical support staff to the Committee.

SECTION #.(e) The Committee shall submit a final report on the results of its study, including any proposed legislation, to the members of the Senate and the House of Representatives on or before December 31, 2016, by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Legislative Library. The Committee shall terminate on December 31, 2016, or upon the filing of its final report, whichever occurs first.

PILOT PROGRAM TO RAISE THE HIGH SCHOOL DROPOUT AGE FROM SIXTEEN TO EIGHTEEN

SECTION #.(a) Notwithstanding any provisions in Part 1 of Article 26 of Chapter 115C of the General Statutes, G.S. 7B-1501(27), 115C-238.66(3), 116-235(b)(2), and 143B-805(20) to the contrary, the State Board of Education shall authorize the Hickory Public Schools, the Newton-Conover City Schools, and the Rutherford County Schools to establish and implement a five-year pilot program pursuant to this section to increase the high school dropout age from 16 years of age to the completion of the school year coinciding with the calendar year in which a student reaches 18 years of age, unless the student has previously graduated from high school. The pilot program may be implemented beginning with the 2016-2017 school year and shall end in the 2020-2021 school year.

SECTION #.(b) For the purposes of implementing the pilot program authorized by this section, a local school administrative unit that is participating in the pilot program shall have the authority to provide that, if the principal or the principal's designee determines that a student's parent, guardian, or custodian, or a student who is 18 years of age, has not made a good-faith effort to comply with the compulsory attendance requirements of the pilot program, the principal shall notify the district attorney and, if the student is less than 18 years of age, the director of social services of the county where the student resides. If the principal or the principal's designee determines that a parent, guardian, or custodian of a student less than 18 years of age has made a good-faith effort to comply with the law, the principal may file a complaint with the juvenile court counselor pursuant to Chapter 7B of the General Statutes that the student is habitually absent from school without a valid excuse. Upon receiving notification by the principal or the principal's designee, the director of social services shall determine whether to undertake an investigation under G.S. 7B-302.

SECTION #.(c) The local boards of education of the participating local school administrative units shall prescribe specific rules to address under what circumstances a student who is 18 years of age who is required to attend school as part of the pilot program shall be excused from attendance, including if the student has attained a high school equivalency certificate or a student has enlisted as a member of the Armed Forces.

SECTION #.(d) For the purposes of implementing the pilot program authorized by this section, any (i) parent, guardian, or other person having charge or control of a student enrolled in a school located within a participating local school administrative unit and (ii) student who is 18 years of age enrolled in a school located within a participating local school administrative unit who violates the compulsory attendance provisions of the pilot program without a lawful exception recognized under Part 1 of Article 26 of Chapter 115C of the General Statutes or the provisions of this section shall be guilty of a Class 1 misdemeanor.

SECTION #.(e) If an affidavit is made by the student, parent of the student, or by any other person that any student who is required to attend school under the requirements of the pilot program is not able to attend school by reason of necessity to work or labor for the support of himself or herself or the support of the family, then the school social worker of the applicable

school located within the participating school administrative unit shall diligently inquire into the matter and bring it to the attention of an appropriate court, depending on the age of the student. The court shall proceed to find whether as a matter of fact the student is unable to attend the school or such parents, or persons standing in loco parentis, are unable to send the student to school for the term of compulsory attendance for the reasons given. If the court finds, after careful investigation, that the student or the parents have made or are making a bona fide effort to comply with the compulsory attendance law, and by reason of illness, lack of earning capacity, or any other cause which the court may deem valid and sufficient, the student is unable to attend school, then the court shall find and state what help is needed for the student or family to enable compliance with the attendance requirements under the pilot program.

SECTION #.(f) Each local school administrative unit may use any funds available to it to implement the pilot program in accordance with this section to (i) employ up to three additional teachers and (ii) fund additional student-related costs, such as transportation and technology costs, including additional computers, to serve a greater number of students as a result of the pilot program. Each local school administrative unit may also use any funds available to it to operate a night school program for students at risk of dropping out of high school. For Hickory Public Schools and Newton-Conover City Schools, to the extent possible, the local school administrative units shall partner with Catawba Valley Community College in administering the pilot program. For Rutherford County Schools, to the extent possible, the local school administrative unit shall partner with Isothermal Community College in administering the pilot program.

SECTION #.(g) The local school administrative units, in collaboration with the State Board of Education, shall report to the Joint Legislative Education Oversight Committee, the House Appropriations Subcommittee on Education, and the Senate Appropriations Committee on Education/Higher Education with an interim report on or before January 15, 2018, and a final report on or before January 15, 2021. The report shall include at least all of the following information:

(1) An analysis of the graduation rate in each local school administrative unit and the impact of the pilot program on the graduation rate.

(2) The teen crime statistics for Catawba County and for Rutherford County.

(3) The number of reported cases of violations of compulsory attendance laws in Catawba County and Rutherford County and the disposition of those cases.

(4) Implementation of enforcement mechanisms for violations of the compulsory attendance requirements of the pilot program, including the imposition of criminal penalties.

(5) The number of at-risk students served in any night programs established as part of the pilot program and student graduation and performance outcomes for those students.

(6) All relevant data to assist in determining the effectiveness of the program and specific legislative recommendations, including the continuation, modification, or expansion of the program statewide.

SECTION #.(h) The State Board of Education shall not authorize a pilot program under subsection (a) of this section in Catawba County except upon receipt of a copy of a joint resolution adopted by the boards of education for the Hickory Public Schools and the Newton-Conover City Schools setting forth a date to begin establishment and implementation of the pilot program. The State Board of Education shall not authorize a pilot program under subsection (a) of this section in Rutherford County except upon receipt of a copy of a resolution adopted by the board of education for the Rutherford County Schools setting forth a date to begin establishment and implementation of the pilot program.

READING ASSESSMENTS/READ TO ACHIEVE

SECTION #.(a) G.S. 115C-174.11 reads as rewritten:

"**§ 115C-174.11. Components of the testing program.**

(a) Assessment Instruments for Kindergarten, First, Second, and Third Grades. – The State Board of Education shall develop, adopt, and provide to the local school administrative units developmentally appropriate individualized assessment instruments consistent with the Basic Education Program and Part 1A of Article 8 of this Chapter for the kindergarten, first, second, and third grades. The State Board shall approve three valid, reliable, formative, and diagnostic reading assessment instruments for selection by local school administrative units in accordance with the following:

(1) Each approved assessment instrument shall provide a minimum of four benchmark assessments, interim formative assessments, and progress monitoring capabilities.

(2) In determining which instruments to approve for use by local school administrative units, the State Board shall also consider at least the following factors:

a. The time required to conduct formative and benchmark assessments with the intention of minimizing the impact on instructional time.

b. The level of integration of assessment results with instructional support for teachers and students.

c. The timeliness in reporting assessment results to teachers and administrators.

d. The ability to provide timely assessment results to parents and guardians.

(3) In no case shall an assessment instrument be approved for use by local school administrative units if the cost of the assessment instrument, including related instructional content, materials, and resources for teachers and students, exceeds the funds appropriated for this purpose divided by the projected enrollment of students in kindergarten, first, second, and third grades.

(a1) Each local school administrative unit shall select one valid, reliable, formative, and diagnostic reading assessment from the three assessment instruments approved by the State Board under subsection (a) of this section. Local school administrative units shall use ~~these~~the assessment instruments provided to them by the State Board for kindergarten, first, second, and third grade students to assess progress, diagnose difficulties, and inform instruction and remediation needs. Local school administrative units shall not use standardized tests for summative assessment of kindergarten, first, and second grade students except as required as a condition of receiving federal grants.

...."

SECTION #.(b) This section applies beginning with the 2017-2018 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

Drafting
SPECIAL PROVISION

2016-DPI-H23

Department of Public Instruction
House Appropriations, Education

Requested by

DIGITAL LEARNING PLAN FUNDS

SECTION #. The State Board of Education shall collaborate with the Friday Institute for Educational Innovation at North Carolina State University to continue the progress in implementing the Digital Learning Plan in North Carolina public schools by doing at least the following:

(1) Coordinate the implementation of professional learning programs that support teachers and school administrators in transitioning to digital-age learning.

(2) Manage statewide cooperative purchasing of content, including statewide shared resources for teachers to use for lesson planning and formative student assessments.

(3) Develop infrastructure maintenance and support protocols.

(4) Modify and update State policies to provide the support and flexibility necessary for local digital learning innovation.

(5) Develop and maintain a continuous improvement process.

(6) Create assessments for technological and pedagogic skills and identify best practices from those assessments.

North Carolina Community College System
House Appropriations, Education

Requested by

UPDATE PERFORMANCE MEASURES

SECTION #. G.S. 115D-31.3 reads as rewritten:

"**§ 115D-31.3. Institutional performance accountability.**

...

(e) Mandatory Performance Measures. – The State Board of Community Colleges shall evaluate each college on the following ~~eight~~ performance measures:

(1) Progress of basic skills students.

~~(2) Attainment of adult high school equivalency diplomas by students.~~

(3) Performance of students who transfer to a four-year institution.

(3a) Success rate of students in credit-bearing English courses.

(3b) Success rate of students in credit-bearing Math courses.

~~(4) Success of developmental students in subsequent college-level English courses.~~

~~(5) Success of developmental students in subsequent college-level math courses.~~

(5a) Progress of first-year curriculum students.

(6) Repealed by Session Laws 2012-142, s. 8.5, effective July 1, 2012.

(7) Curriculum student retention and graduation.

(8) Repealed by Session Laws 2012-142, s. 8.5, effective July 1, 2012.

(9) Attainment of licensure and certifications by students.

The State Board may also evaluate each college on additional performance measures.

(f) Publication of Performance Ratings. – Each college shall publish its performance on the ~~eight~~ measures set out in subsection (e) of this section (i) annually in its electronic catalog or on the Internet and (ii) in its printed catalog each time the catalog is reprinted.

The Community Colleges System Office shall publish the performance of all colleges on all ~~eight~~ measures.

(g) Recognition of Successful Institutional Performance. – For the purpose of recognition of successful institutional performance, the State Board of Community Colleges shall evaluate each college on the ~~eight~~ performance measures set out in subsection (e) of this section. Subject to the availability of funds, the State Board may allocate funds among colleges based on the evaluation of each institution's performance, including at least the following components:

(1) Program quality evaluated by determining a college's rate of student success on each measure as compared to a systemwide performance baseline and goal.

(2) Program impact on student outcomes evaluated by the number of students succeeding on each measure.

...."

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2016

Proofed
SPECIAL PROVISION

2016-NCCCS-H4-P

North Carolina Community College System
House Appropriations, Education

Requested by

CLARIFY USE OF CAREER COACH FUNDS

SECTION #. Section 10.14(c) of S.L. 2015-241 reads as rewritten:

"**SECTION 10.14.(c)** The funds appropriated under this act to the Community Colleges System Office for the 2015-2017 fiscal biennium to match non-State funds to implement the NC Works Career Coach Program shall only be used for salary and benefits ~~for~~of career coaches and for direct operating costs related to supporting NC Works Career Coaches."

Proofed
SPECIAL PROVISION

2016-UNC-H2A-P

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by

EXPAND INTERNSHIPS AND CAREER-BASED OPPORTUNITIES FOR STUDENTS ATTENDING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU).

SECTION #. Section 11.12(b) of S.L. 2015-241, Appropriations Act of 2015, reads as rewritten:

"**SECTION 11.12.(b)** ~~The~~ For the 2016-2017 fiscal year, the Board of Governors shall conduct a competitive process to select institutions of higher education that are Historically Black Colleges and Universities to participate in the internship program which links ~~60~~a minimum of 95 students attending Historically Black Colleges and Universities with North Carolina-based companies. The Board of Governors shall determine the number of institutions that may participate in the program; however, at least two of the institutions shall be private institutions. Funds appropriated by this act for this internship program shall be allocated only to constituent institutions of The University of North Carolina that are designated as an HBCU and private colleges and universities located in North Carolina that are designated as an HBCU."

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by

MODIFY NC GUARANTEED ADMISSION PROGRAM (NCGAP)

SECTION #.(a) Section 11.7(b) of S.L. 2015-241 reads as rewritten:

"**SECTION 11.7.(b)** The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall jointly study and evaluate how a deferred admission program, to be known as the North Carolina Guaranteed Admission Program (NCGAP), for students identified as academically at risk and designed pursuant to subsection (c) of this section, would address the issues and help achieve the goals set out in subsection (a) of this section. In its study the Board of Governors and State Board of Community Colleges shall also consider the best procedure for implementing NCGAP and the fiscal impact it may have with respect to enrollment. The Board of Governors and State Board of Community Colleges shall evaluate other measures currently in place designed to improve completion rates and consider any potential overlap with NCGAP."

SECTION #.(b) Section 11.7(d) of S.L. 2015-241 reads as rewritten:

"**SECTION 11.7.(d)** The Board of Governors of The University of North Carolina and the State Board of Community Colleges shall report their initial finding and recommendations to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management by March 1, ~~2016.~~2016, and their finding and recommendations by January 1, 2017. The report shall include an analysis of the fiscal impact NCGAP may have with regard to enrollment at constituent institutions of The University of North Carolina and at community colleges, the number of students who may participate in NCGAP, and its effect on FTEs."

SECTION #.(c) Section 11.7(e) of S.L. 2015-241 reads as rewritten:

"**SECTION 11.7.(e)** Based on the analysis conducted by the Board of Governors and the State Board of Community Colleges pursuant to subsection (b) of this section and the recommendations made pursuant to subsection (d) of this section, each constituent institution shall design a deferred admission program as part of NCGAP for implementation at the institution. The institution shall design the program so that it may be implemented at the institution beginning with the ~~2016-2017~~2017-2018 fiscal year and applied to the institution's admission process for the ~~2017-2018~~2018-2019 academic year and each subsequent academic year."

SECTION #.(d) Section 11.7(g) of S.L. 2015-241 reads as rewritten:

"**SECTION 11.7.(g)** NCGAP shall be implemented at all constituent institutions and all community colleges beginning with the ~~2016-2017~~2017-2018 fiscal year and shall apply to admissions policies at each constituent institution and community college beginning with the ~~2017-2018~~2018-2019 academic year and each subsequent academic year."

Proofed
SPECIAL PROVISION

2016-UNC-H4-P

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by

UNC PART-WAY HOME STRATEGY/REPORT

SECTION #. Beginning September 1, 2017, and annually thereafter, the President of The University of North Carolina shall report to the Joint Legislative Education Oversight Committee regarding the expenditure of State funds used to recruit, retain, and graduate "part-way home" and other nontraditional students who have completed some college but have not earned a degree and to cover other costs of implementing the strategy to reenroll "part-way home" students. The report shall include line item expenditures, descriptions of program activities and accomplishments, and data on outcome measures used to assess program effectiveness.

NC SCHOLARSHIP FOR TEACHER ADVANCEMENT AND RETENTION (NCSTAR)

SECTION #.(a) Article 23 of Chapter 116 of the General Statutes is amended by adding a new Part to read:

"Part 3. North Carolina Scholarship for Teacher Advancement and Retention Program.

"**§ 116-209.60. Definitions.**

The following definitions apply in this Part:

(1) Commission. – The North Carolina Scholarship for Teacher Advancement and Retention Commission.

(2) Director. – The Director of the North Carolina Scholarship for Teacher Advancement and Retention Program.

(3) Fund. – The North Carolina Scholarship for Teacher Advancement and Retention Fund.

(4) Program. – The North Carolina Scholarship for Teacher Advancement and Retention Program.

(5) Scholarship loan. – A forgivable scholarship loan made under the Program.

"**§ 116-209.61. North Carolina Scholarship for Teacher Advancement and Retention Commission established; membership.**

(a) Commission Established. – There is established the North Carolina Scholarship for Teacher Advancement and Retention Commission. The Director of the North Carolina Scholarship for Teacher Advancement and Retention Program shall staff the Commission. The Authority shall be responsible for implementing scholarship loan agreements, monitoring, cancelling through service, collecting, and otherwise enforcing the agreements for the Program and scholarship loans established in accordance with this Part.

(b) Membership. – The Commission shall consist of 11 members appointed or shall serve ex officio as follows:

(1) Two deans of approved schools of education at a postsecondary constituent institution of The University of North Carolina, appointed by the President of The University of North Carolina.

(2) The North Carolina Teacher of the Year, ex officio.

(3) A teacher who graduated from an approved teacher preparation program located in the State within three years of appointment to serve on the Commission, appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives.

(4) The North Carolina Principal of the Year, ex officio.

(5) A principal, appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate.

(6) The North Carolina Superintendent of the Year, ex officio.

(7) One member to represent business and industry appointed by the Governor.

(8) One local school board member appointed by the chair of the State Board of Education.

(9) The chairperson of the Board of the State Education Assistance Authority, ex officio.

(10) The Director of the North Carolina Scholarship for Teacher Advancement and Retention Program, ex officio. The Director shall chair the Commission.

(c) Terms of Office. – Appointments to the Commission shall be for two-year terms, expiring on July 1 in odd-numbered years. Members serving ex officio, other than the chairperson of the Board of the State Education Assistance Authority and Director of the North Carolina Scholarship for Teacher Advancement and Retention Program, who have otherwise completed their term of service, shall continue to serve on the Commission until July 1, annually.

(d) Vacancies. – Except as otherwise provided, if a vacancy occurs in the membership, the appointing authority shall appoint another person to serve for the balance of the unexpired term.

(e) Expenses. – Commission members shall receive per diem, subsistence, and travel allowances in accordance with G.S. 138-5 or G.S. 138-6, as appropriate.

(f) Meetings. – The Commission shall meet regularly at times and places deemed necessary by the chair.

"**§ 116-209.62. North Carolina Scholarship for Teacher Advancement and Retention Program established; administration.**

(a) Program. – There is established the North Carolina Scholarship for Teacher Advancement and Retention Program to be administered by the General Administration of The University of North Carolina, in collaboration with the Authority and the Commission. The purpose of the Program is to recruit, prepare, and support North Carolina residents for preparation as highly effective teachers serving in hard-to-staff licensure areas and hard-to-staff public schools. The Program shall be used to provide a scholarship loan to individuals interested in preparing to teach in the public schools of the State in hard-to-staff licensure areas and hard-to-staff schools.

(b) Fund. – There is established the North Carolina Scholarship for Teacher Advancement and Retention Program Fund to be administered by the Authority, in collaboration with the General Administration of The University of North Carolina. All funds appropriated to, or otherwise received by, the Program for scholarships, all funds received as repayment of scholarship loans, and all interest earned on these funds shall be placed in the Fund. The purpose of the Fund is to provide financial assistance to qualified students for completion of teacher education and licensure programs to fill hard-to-staff licensure areas and hard-to-staff schools in the State.

(c) Uses of Monies in the Fund. – The monies in the Fund may be used only for scholarship loans granted under the Program, administrative costs associated with the Program, including recruitment and recovery of funds advanced under the Program, and extracurricular enhancement activities of the Program. The Authority may use up to two hundred thousand dollars ($200,000) from the Fund in each fiscal year for its administrative costs, the salary of the Director of the Program, and expenses of the Commission. The Commission may use up to four hundred thousand dollars ($400,000) each fiscal year for the extracurricular enhancement activities of the Program.

(d) Director. – The General Administration of The University of North Carolina shall appoint a Director of the Program. The Director shall chair and staff the Commission and shall be responsible for recruitment and coordination of the Program, including proactive, aggressive, and strategic recruitment of potential recipients, including targeting regions of the State with the highest teacher attrition rates and teacher recruitment challenges, active engagement with educators, business leaders, experts in human resources, elected officials, and other community leaders throughout the State, and attracting candidates in hard-to-staff licensure areas. The Authority shall provide office space and clerical support staff for the Program.

(e) Student Selection Criteria for Scholarship Loans. – The Commission shall determine selection criteria, methods of selection, and shall select recipients to receive scholarship loans. The

Commission shall adopt stringent standards for awarding these scholarship loans based on multiple measures to ensure that only the strongest applicants receive them, including, but not limited to, the following:

(1) Grade point averages.

(2) Performance on relevant career and college readiness assessments.

(3) Experience, accomplishments, and other criteria demonstrating qualities positively correlated with highly effective teachers, including excellent verbal and communication skills.

(4) Stated commitments to either serving in a hard-to-staff school or licensure in a hard-to-staff licensure area for a minimum of four years.

(f) Program Selection Criteria. – The Authority shall administer the Program in cooperation with postsecondary constituent institutions of The University of North Carolina with educator preparation programs selected by the Commission. The Commission shall adopt stringent standards for selection of only the most effective educator preparation programs, including, but not limited to, the following:

(1) Demonstrates high rates of educator effectiveness on value-added models and teacher evaluations, including using performance-based, subject-specific assessment and support systems, such as edTPA or other metric of evaluating candidate effectiveness that has predictive validity.

(2) Demonstrates measurable impact of prior graduates on student learning, including impact of graduates teaching in hard-to-staff schools and graduates teaching in hard-to-staff licensure areas.

(3) Provides curricular and co-curricular enhancements in leadership, the facilitation of learning for diverse learners, community engagement, classroom management, and reflection and assessment.

(4) Requires at least a minor concentration of study in the subject area that the candidate may teach.

(5) Provides early and frequent internship or practical experiences, including the opportunity for participants to perform practica in hard-to-staff schools.

(g) Awards of Scholarship Loans. – The Program shall provide scholarship loans to selected students to be used at selected institutions for completion of a program leading to teacher licensure as follows:

(1) North Carolina high school seniors. – Scholarship loans of up to eight thousand two hundred fifty dollars ($8,250) per year for up to four years.

(2) Community college students and private, nonprofit two-year college students applying for transfer to an educator preparation program at a constituent institution of The University of North Carolina. – Scholarship loans of up to eight thousand two hundred fifty dollars ($8,250) per year for up to two years.

(3) Individuals currently holding a bachelor's degree seeking preparation for teacher licensure. – Scholarship loans of up to eight thousand two hundred fifty dollars ($8,250) per year for up to two years.

(4) Students matriculating at constituent institutions of The University of North Carolina who are changing to enrollment in an educator preparation program. – Scholarship loans of up to eight thousand two hundred fifty dollars ($8,250) per year for up to two years.

Scholarship loans may be used for tuition, fees, and the cost of books.

(h) Identification of Hard-to-Staff Licensure Areas and Hard-to-Staff Schools. – The State Board of Education shall annually identify and provide to the Commission and the Authority a list of hard-to-staff areas of licensure and a list of hard-to-staff schools by local school administrative unit using, at a minimum, the following criteria to identify those lists:

(1) Hard-to-staff licensure areas. – The number of available positions in a licensure area relative to the number of current and anticipated teachers in that area of licensure.

(2) Hard-to-staff school. – Annual teacher turnover rates, number and percentage of teaching positions unfilled for more than half of the school year, number and percentage of teachers with entry professional educator licenses intended for teachers with three or less years of teaching experience, percentage of students at school failing to meet expected growth, percentage of students at school scoring below grade level on standardized assessments, and school performance grade on the annual school report card.

The Commission shall make the list readily available to applicants. A student awarded a scholarship loan who enrolls in a program leading to a hard-to-staff licensure area shall continue to receive the scholarship and be permitted to fulfill the requirements of the scholarship loan even if that licensure area does not remain on the list following the student's year of enrollment. A student awarded a scholarship loan who, upon graduation, is employed by a local board of education to teach in a hard-to-staff school shall be permitted to fulfill the requirements of the scholarship loan, even if that school does not remain on the list following the student's year of initial employment.

(i) Administration of Scholarship Loan Awards. – Upon the naming of recipients of the scholarship loans by the Commission, the Commission shall transfer to the Authority its decisions. The Authority, in coordination with the Director, shall perform all of the administrative functions necessary to implement this Part, which functions shall include rule making, dissemination of information, disbursement, receipt, liaison with participating constituent institutions, determination of the acceptability of service repayment agreements, and all other functions necessary for the execution, payment, and enforcement of promissory notes required under this Part.

(j) Annual Report. – The Commission, in coordination with the Authority, shall report no later than January 1, 2017, and annually thereafter, to the Joint Legislative Education Oversight Committee regarding the following:

(1) Loans awarded from the Fund, including the following:

a. Demographic information regarding recipients.

b. Number of recipients by constituent institution and program.

c. Information on number of recipients by anticipated program licensure area.

(2) Placement and repayment rates, including the following:

a. Number of graduates who have been employed in a hard-to-staff school and number of graduates who have been employed in a hard-to-staff area within two years of program completion.

b. Number of graduates who have begun loan repayment and their years of service, if any, prior to beginning loan repayment and information on the number of graduates repaying a loan under the designation of hard-to-staff school or hard-to-staff licensure area.

c. Number of graduates who have fulfilled service requirements through employment in a hard-to-staff school and number of graduates who have fulfilled service requirements through employment in a hard-to-staff licensure area.

d. Number of graduates employed in a hard-to-staff school or hard-to-staff licensure area who have received an overall rating of at least accomplished and have met expected growth on applicable standards of the teacher evaluation instrument.

e. Aggregate information on student growth and proficiency in courses taught by graduates who have fulfilled service requirements through employment in a hard-to-staff school and in a hard-to-staff licensure area.

(3) Selected school outcomes by program, including the following:

a. Turnover rate for scholarship loan graduates.

b. Aggregate information on student growth and proficiency in courses taught by scholarship loan graduates.

c. Fulfillment rate of scholarship loan graduates.

"**§ 116-209.63. Terms of loans; receipt and disbursement of funds.**

(a) Notes. – All scholarship loans shall be evidenced by notes made payable to the Authority that bear interest at a rate not to exceed ten percent (10%) per year as set by the Authority and beginning 90 days after completion of the program leading to teacher licensure, or 90 days after termination of the scholarship loan, whichever is earlier. The scholarship loan may be terminated upon the recipient's withdrawal from school or by the recipient's failure to meet the standards set by the Commission.

(b) Forgiveness. – The Authority shall forgive the loan and any interest accrued on the loan if, within seven years after graduation from a program leading to teacher licensure, exclusive of any authorized deferment for extenuating circumstances, the recipient serves for four years as a teacher at a North Carolina public school identified as hard-to-staff or at a North Carolina public school in an identified hard-to-staff area of licensure, as provided in G.S. 116-209.61(h). The Authority shall also forgive the loan if it finds that it is impossible for the recipient to work for four years, within seven years after completion of the program leading to teacher licensure at a North Carolina public school because of the death or permanent disability of the recipient. If the recipient repays the scholarship loan by cash payments, all indebtedness shall be repaid within eight years after completion of the program leading to teacher licensure supported by the scholarship loan. If the recipient completes a program leading to teacher licensure, payment of principal and interest shall begin no later than 27 months after the completion of the program. Should a recipient present extenuating circumstances, the Authority may extend the period to repay the loan in cash to no more than a total of 12 years."

SECTION #.(b) Notwithstanding the requirements established in G.S. 116-209.61, as enacted by this section, initial appointments to the Commission shall be made no later than August 15, 2016. Initial appointment to the Commission shall expire July 1, 2018.

SECTION #.(c) The Commission shall establish initial selection criteria for recipients and constituent institutions of The University of North Carolina no later than November 15, 2016, and shall make available applications to prospective students no later than December 31, 2016.

SECTION #.(d) The State Board of Education shall establish criteria and identify hard-to-staff areas of licensure and hard-to-staff schools by local school administrative unit and provide that information to the Commission and Authority no later than November 1, 2016.

SECTION #.(e) The Commission shall select recipients and award the initial scholarship loans for the 2017-2018 school year no later than April 1, 2017.

State Education Assistance Authority
House Appropriations, Education

Requested by

MODIFICATIONS TO THE SPECIAL EDUCATION SCHOLARSHIP GRANT PROGRAM FOR CHILDREN WITH DISABILITIES

SECTION #.(a) G.S. 115C-112.5(2) reads as rewritten:

"(2) Eligible student. – A child under the age of 22 who resides in North Carolina and meets all of the following criteria:

a. Is a child with a disability.

b. 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 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 or a Department of Defense Elementary and Secondary School, established pursuant to 10 U.S.C. § 2164 and located in North Carolina, 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. Was approved for a scholarship for the previous semester.

4. 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.

5. Is a child whose parent or legal guardian is on full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. § 12301, et seq., and 10 U.S.C. § 12401, et seq.

6. Is a child who has been domiciled in the State for at least six months."

SECTION #.(b) G.S. 115C-112.6 reads as rewritten:

"**§ 115C-112.6. Scholarships.**

(a) Scholarship Applications. – The Authority shall make available no later than May 1 annually applications to eligible students for the award of scholarships. Information about scholarships and the application process shall be made available on the Authority's Web site. ~~The Authority shall give priority in awarding scholarships to eligible students who received a scholarship during the previous semester. Except as otherwise provided by the Authority for prior scholarship recipients, 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.

(a2) Priority of Awards. – The Authority shall award scholarships according to the following criteria for applications received by June 15 each year:

(1) First priority shall be given to eligible students who received a scholarship during the previous semester.

(2) After scholarships have been awarded under subdivision (1) of this subsection, scholarships shall be awarded to students who meet any of the criteria listed in G.S. 115C-112.5(2)f.1., 2., 4., and 5.

(3) After scholarships have been awarded under subdivision (2) of this subsection, scholarships shall be awarded to students who meet the criteria found in G.S. 115C-112.5(2)f.6.

Scholarships shall be awarded to eligible students in each subdivision of this subsection in the order in which the applications are received.

(b) Scholarship Awards. – Scholarships awarded to eligible students shall be for amounts of not more than four thousand dollars ($4,000) per semester per eligible student. Eligible students awarded scholarships may not be enrolled in a public school to which that student has been assigned as provided in G.S. 115C-366. Scholarships shall be awarded only for tuition and for the reimbursement of special education, related services, and educational technology, as provided in subsection (b1) of this section. 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) Disbursement of Scholarship Funds. – The Authority shall disburse scholarship funds for tuition and for the reimbursement of costs incurred by the parent of an eligible student as follows:

"(1) ~~Scholarship~~Tuition endorsement ~~for tuition.~~and reimbursement. ~~The Authority shall remit, at least two times each school year, scholarship funds awarded to eligible students for endorsement by at least one of the student's parents or guardians for tuition to attend (i) a North Carolina public school other than the public school to which that student has been assigned as provided in G.S. 115C-366 or (ii) a nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of this Chapter as identified by the Department of Administration, Division of Nonpublic Education.~~ The Authority shall disburse scholarship funds awarded to eligible students for tuition at a nonpublic school based upon the method selected by the nonpublic school. A nonpublic school may elect to participate in the scholarship endorsement for tuition option or the reimbursement for tuition option as set forth in this subdivision. Scholarship funds shall not be provided for tuition for home schooled students. ~~If the student is attending a nonpublic school, the school must be deemed eligible by the Division of Nonpublic Education, pursuant to G.S. 115C-562.4, and the~~

~~school shall be subject to the requirements of G.S. 115C-562.5. The parent or guardian shall restrictively endorse the scholarship funds awarded to the eligible student to the school for deposit into the account of the school. The parent or guardian shall not designate any entity or individual associated with the school as the parent's attorney-in-fact to endorse the scholarship funds but shall endorse the scholarship funds in person at the site of the school. A parent's or guardian's failure to comply with this section shall result in forfeiture of the scholarship funds. A scholarship forfeited for failure to comply with this section shall be returned to the Authority to be awarded to another student.~~Scholarship funds for tuition shall be disbursed as follows:

a. Scholarship endorsement for tuition. – The Authority shall remit, at least two times each school year, scholarship funds awarded to eligible students for endorsement by at least one of the student's parents or guardians for tuition to attend a nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of this Chapter as identified by the Department of Administration, Division of Nonpublic Education, is deemed eligible by the Division, and is subject to the requirements of G.S. 115C-562.5. The parent or guardian shall restrictively endorse the scholarship funds awarded to the eligible student to the school for deposit into the account of the school. The parent or guardian shall not designate any entity or individual associated with the school as the parent's attorney-in-fact to endorse the scholarship funds but shall endorse the scholarship funds in person at the site of the school. A parent's or guardian's failure to comply with this section shall result in forfeiture of the scholarship funds. A scholarship forfeited for failure to comply with this section shall be returned to the Authority to be awarded to another student.

b. Reimbursement for tuition. – The parent or guardian of an eligible student who enrolls in a school that is (i) a North Carolina public school other than the public school to which that student has been assigned as provided in G.S. 115C-366 or (ii) a nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of this Chapter as identified by the Department of Administration, Division of Nonpublic Education, is deemed eligible by the Division, and is not subject to G.S. 115C-562.5, shall pay tuition directly to the school. The Authority shall reimburse the parent or guardian no sooner than the midpoint of each semester. A parent or guardian may receive reimbursement for tuition if the parent or guardian provides documentation that the student was enrolled in a school under this sub-subdivision.

(2) Scholarship reimbursements for costs. – Scholarship reimbursement for costs incurred shall be provided as follows:

a. Preapproval process. – Prior to the start of each school semester, the parent of an eligible student may submit documentation of the special education, related services, or educational technology the parent anticipates incurring costs on in that semester for preapproval by the Authority.

b. 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:

1. 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 home school, as defined in G.S. 115C-563(a).
2. 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 home school, as defined in G.S. 115C-563(a).
3. 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.

c. Scholarship award. – The Authority shall award a scholarship 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.~~amount for the fall semester, the Authority shall use the remainder of those funds for the award of scholarships to eligible students for the following ~~semester.~~spring semester. The Authority shall award scholarships to the parents of eligible students at least semiannually.

d. Carryforward of funds for reimbursements. – Any unexpended scholarship funds at the end of each fiscal year shall revert to the General Fund, except that the Authority may carry forward for the next fiscal year an amount necessary to ensure that any outstanding, allowable reimbursements can be disbursed in accordance with this section. Any funds carried forward for the purpose of meeting anticipated reimbursement obligations from the prior fiscal year that are not expended shall not be used to award additional scholarships to eligible students but shall revert to the General Fund at the end of the that fiscal year.

...."

SECTION #.(c) G.S. 115C-112.8(b) reads as rewritten:

"(b) The annual report shall include all of the following information:

(1) Total number, age, and grade level of eligible students receiving scholarships.
(2) Total amount of scholarship funding awarded.
(3) Nonpublic schools in which scholarship recipients are enrolled and the number of scholarship students at that school.
(4) The type of special education or related services for which scholarships were awarded.
(5) Total number of applicants by eligibility type, as listed in G.S. 115C-112.5(2)f., and the total number of scholarships awarded by priority type, as listed in G.S. 115C-112.6(a2)."

SECTION #.(d) Notwithstanding G.S. 115C-112.5(2)f.1., for the 2016-2017 school year only, a child shall be deemed to have met the eligibility requirement of enrollment in a North Carolina public school during the previous semester under G.S. 115C-112.5(2)f.1. if (i) the child's parent or guardian submitted an application and was eligible to receive a scholarship grant under Part 1H of Article 9 of Chapter 115C of the General Statutes for the 2015-2016 school year and was enrolled in a public school for at least 75 days during the spring semester of the 2014-2015 school year or (ii) the child was enrolled for at least 75 days during the spring semester of the 2015-2016 school year.

SECTION #.(e) Except as otherwise provided in this section, this section applies beginning with the 2016-2017 school year.

State Education Assistance Authority
House Appropriations, Education

Requested by

MODIFICATIONS TO THE OPPORTUNITY SCHOLARSHIP PROGRAM

SECTION #.(a) G.S. 115C-562.1(3) reads as rewritten:

"(3) Eligible students. – A student residing in North Carolina who has not yet received a high school diploma and who meets all of the following requirements:

a. Meets one of the following criteria:

1. Was a full-time student (i) assigned to and attending a public school pursuant to G.S. 115C-366 or (ii) enrolled in a Department of Defense Elementary and Secondary School, established pursuant to 10 U.S.C. § 2164 and located in North Carolina, during the previous semester.
2. Received a scholarship grant during the previous school year.
3. Is entering either kindergarten or the first grade.
4. Is a child in foster care as defined in G.S. 131D-10.2(9).
5. Is a child whose adoption decree was entered not more than one year prior to submission of the scholarship grant application.
6. Is a child whose parent or legal guardian is on full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. § 12301, et seq., and 10 U.S.C. § 12401, et seq.

a1. Has not enrolled in a postsecondary institution in a matriculated status eligible for enrollment for 12 hours of academic credit.

b. Resides in a household with an income level not in excess of one hundred thirty-three percent (133%) of the amount required for the student to qualify for the federal free or reduced-price lunch program."

SECTION #.(b) G.S. 115C-562.2(a)(2) reads as rewritten:

"(2) After scholarship grants have been awarded to prior recipients as provided in subdivision (1) of this subsection, scholarships shall be awarded with remaining funds as follows:

a. At least fifty percent (50%) of the remaining funds shall be used to award scholarship grants to eligible students residing in households with an income level not in excess of the amount required for the student to qualify for the federal free or reduced-price lunch program.

b. No more than thirty-five percent (35%) of the remaining funds shall be used to award scholarship grants to eligible students entering ~~either kindergarten or first grade.~~kindergarten.

c. Any remaining funds shall be used to award scholarship grants to all other eligible students."

SECTION #.(c) This section applies beginning with the 2016-2017 school year.

Proofed
SPECIAL PROVISION

2016-UNCSEAA-H4-P

State Education Assistance Authority
House Appropriations, Education

Requested by

TRANSFORMING PRINCIPAL PREPARATION/CLARIFY RFP GRANTS

SECTION #. Subsection 11.9(f) of S.L. 2015-241 reads as rewritten:

"**SECTION 11.9.(f)** Application Requirements. – The nonprofit corporation entering into a contract with the Authority under subsection (d) of this section shall issue an initial RFP with guidelines and criteria for the grants no later than March 1, 2016. The nonprofit corporation may issue additional RFPs for grant applicants as it may deem necessary, subject to available funds. An eligible entity that seeks a grant under the program authorized by this section shall submit to the nonprofit corporation an application at such time, in such manner, and accompanied by such information as the nonprofit may require. An applicant shall include at least the following information in its response to the RFP for consideration by the nonprofit corporation:

(1) The extent to which the entity has a demonstrated record of preparing school leaders who implement school leadership practices linked to increased student achievement.

(2) The extent to which the entity has a rigorous school leader preparation program design that includes the following research-based programmatic elements:

a. A proactive, aggressive, and intentional recruitment strategy.

b. Rigorous selection criteria based on competencies that are predictive of success as a school leader, including, but not limited to, evidence of significant positive effect on student learning growth in the classroom, at the school-level, and the local school administrative unit-level, professional recommendations, evidence of problem solving and critical thinking skills, achievement drive, and leadership of adults.

c. Alignment to high-quality national standards for school leadership development.

d. Rigorous coursework that effectively links theory with practice through the use of field experiences and problem-based learning.

e. Full-time clinical practice of at least five months in duration in an authentic setting, including substantial leadership responsibilities where candidates are evaluated on leadership skills and effect on student outcomes as part of program completion.

f. Multiple opportunities for school leader candidates to be observed and coached by program faculty and staff.

g. Clear expectations for and firm commitment from school leaders who will oversee the clinical practice of candidates.

h. Evaluation of school leader candidates during and at the end of the clinical practice based on the North Carolina School Executive Evaluation Rubric.

i. A process for continuous review and program improvement based on feedback from partnering local school administrative units and data from program completers, including student achievement data.

j. Established relationship and feedback loop with affiliated local school administrative units that is used to inform and improve programmatic elements from year to year based on units' needs."