

2016 Ex. Sess. 4

**SENATE
APPROPRIATIONS –
BASE BUDGET**

MINUTES

MEMBERSHIP

SENATE APPROPRIATIONS/BASE BUDGET COMMITTEE

2016 Extra Session 3

Senator Harry Brown, Co-Chair
300-B LOB 715-3034
Elise McDowell, Clerk

Senator Kathy Harrington, Co-Chair
300-C LOB 733-5734
Mary Marchman, Clerk

Senator Brent Jackson, Co-Chair
2022 LB 733-5705
Ross Barnhardt, Clerk

Senator Chad Barefoot
308 LOB 715-3036
Eric Naisbitt

Senator Dan Blue
1117 LB 733-5752
Bonnie McNeil

Senator Andrew Brock
523 LOB 715-0690
Judy Edwards

Senator Angela Bryant
516 LOB 733-5878
Karon Hardy

Senator Don Davis
519 LOB 715-8363
Blinda Edwards

Senator Jim Davis
408-B LOB 733-5875
Kaye Culberson

Senator Joel Ford
1119 LB 733-5955
Jackie Ray

Senator Valerie Foushee
517 LOB 733-5804
James Spivey

Senator Ralph Hise
1026 LB 733-3460
Susan Fanning

Senator Louis Pate
1028 LB 733-5621
Edna Pearce

Senator Bill Rabon
311 LOB 733-5963
Paula Fields

Senator Shirley Randleman
628 LOB 733-5743
Jeb Kelly


Senator Gladys Robinson
1120 LB 715-3042
Phyllis Cameron

Senator Bob Rucho
300-A LOB 733-5655
William Fritscher

Senator Tommy Tucker
1127 LB 733-7659
Joey Stansbury

Senator Jerry Tillman
309 LOB 733-5870
Suzanne Castleberry





Senator Trudy Wade
521 LOB 733-5856
Kathy Hartsell

STAFF

Fiscal Research Division
619 LOB 733-4910

Evan Rodewald
Kristin Walker

Bill Drafting Division
401 LOB 733-6660

Luke Gillenwater
Ben Stanley





SENATE APPROPRIATIONS/BASE BUDGET COMMITTEE

2016 EXTRA SESSION 3



Senator Harry Brown
Co-Chair



Senator Kathy Harrington
Co-Chair



Senator Brent Jackson
Co-Chair



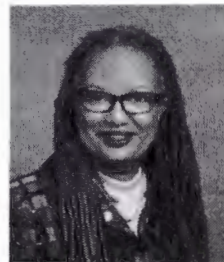
Senator Dan Blue
Member



Senator Chad Barefoot
Member



Senator Andrew Brock
Member



Senator Angela Bryant
Member



Senator Don Davis
Member



Senator Jim Davis
Member



Senator Joel Ford
Member



Senator Valerie Foushee
Member



Senator Ralph Hise
Member



Senator Louis Pate
Member



Senator Bill Rabon
Member



Senator Shirley Randleman
Member



Senator Gladys Robinson
Member



Senator Bob Rucho
Member



Senator Jerry Tillman
Member



Senator Tommy Tucker
Member



Senator Trudy Wade
Member



Elise McDowell (Sen. Harry Brown)

From: Sarah Lang (Senate Principal Clerk)
Sent: Thursday, December 15, 2016 06:21 PM
To: Sarah Lang (Senate Principal Clerk)
Subject: <NCGA> Senate Appropriations/Base Budget Committee Meeting Notice for Friday, December 16, 2016 at 11:00 AM - CORRECTED #1
Attachments: Add Meeting to Calendar_LINC_ics
Categories: NCGA

Principal Clerk _____
 Reading Clerk _____

Corrected #1:

SENATE
NOTICE OF COMMITTEE MEETING
AND
BILL SPONSOR NOTICE

The **Senate Committee on Appropriations/Base Budget** will meet at the following time:

DAY	DATE	TIME	ROOM
Friday	December 16, 2016	11:00 AM	643 LOB

Will consider H.B. 17 should it be received from the House of Representatives

Senator Harry Brown, Co-Chair
 Senator Kathy Harrington, Co-Chair
 Senator Brent Jackson, Co-Chair



Elise McDowell (Sen. Harry Brown)

From: Sarah Lang (Senate Principal Clerk)
Sent: Thursday, December 15, 2016 06:18 PM
To: Sarah Lang (Senate Principal Clerk)
Subject: <NCGA> Senate Appropriations/Base Budget Committee Meeting Notice for Friday, December 16, 2016 at 11:00 AM
Attachments: Add Meeting to Calendar_LINC_ics
Categories: NCGA

Principal Clerk _____
Reading Clerk _____

SENATE
NOTICE OF COMMITTEE MEETING
AND
BILL SPONSOR NOTICE

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Senator Harry Brown, Co-Chair
Senator Kathy Harrington, Co-Chair
Senator Brent Jackson, Co-Chair



Elise McDowell (Sen. Harry Brown)

From: Janet Black (Senate LA Director)
Sent: Thursday, December 15, 2016 05:50 PM
To: Janet Black (Senate LA Director)
Subject: <NCGA> Senate Appropriations/Base Budget Committee Meeting Notice for Friday, December 16, 2016 at 10:00 AM
Attachments: Add Meeting to Calendar_LINC_.ics
Categories: NCGA

Principal Clerk _____
Reading Clerk _____

SENATE
NOTICE OF COMMITTEE MEETING
AND
BILL SPONSOR NOTICE

The **Senate Committee on Appropriations/Base Budget** will meet at the following time:

DAY	DATE	TIME	ROOM
Friday	December 16, 2016	10:00 AM	643 LOB

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Senator Harry Brown, Co-Chair
Senator Kathy Harrington, Co-Chair
Senator Brent Jackson, Co-Chair



**Senate Committee on Appropriations/Base Budget
Friday, December 16, 2016, 11:00 AM
643 Legislative Office Building**

AGENDA

Welcome and Opening Remarks

Introduction of Pages

Bills:

HB 17	Modify Certain Appts/Employment.	Representative Lewis Representative Bryan Representative Horn Representative Ross
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Adjournment



**NORTH CAROLINA GENERAL ASSEMBLY
SENATE**

APPROPRIATIONS/BASE BUDGET COMMITTEE REPORT

**Senator Brown, Co-Chair
Senator Harrington, Co-Chair
Senator B. Jackson, Co-Chair**

Friday, December 16, 2016

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

FAVORABLE

HB 17 (SCS#1)	Modify Certain Appts/Employment.
	Draft Number: None
	Sequential Referral: None
	Recommended Referral: None
	Long Title Amended: No

TOTAL REPORTED: 1

Senator Chad Barefoot will handle HB 17



* C M R 1 4 - V - 1 *

**Senate Committee on Appropriations/Base Budget
Wednesday, December 16, 2016 at 11:00 AM
Room 643 of the Legislative Office Building**

MINUTES

The Senate Committee on Appropriations/Base Budget met at 11:00 AM on December 16, 2016 in Room 643 of the Legislative Office Building. Sixteen members were present.

Senator Kathy Harrington, Co-Chair, presided.

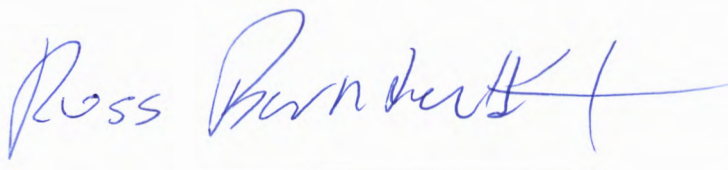
Senator Harrington called the meeting to order at 11:32 AM and recognized the Sergeant-at-Arms staff.

She then recognized Senator Barefoot to present **HB 17 Modify Certain Appts/ Employment. (Lewis; Bryan; Horn; Ross).**

Senator Hise moved for a favorable report on the bill. Senator Jackson seconded the motion. The motion carried.

The meeting adjourned at 11:38 AM.



Senator Kathy Harrington, Co-Chair
Presiding

Ross Barnhardt, Committee Clerk

Attachments (8)

1. Committee Notice
2. Agenda
3. Committee Report
4. Minutes
5. HB 17 Summary
6. HB 17
7. Visitor Registration

2013 4 1



HOUSE BILL 17: Modify Certain Appts/Employment.

2015-2016 General Assembly

Committee:	Senate Appropriations/Base Budget	Date:	December 16, 2016
Introduced by:	Reps. Lewis, Bryan, Horn, Ross	Prepared by:	Drupti Chauhan and Kara McCraw Staff Attorney
Analysis of:	Fourth Edition		

OVERVIEW: *The 4th Edition of House Bill 17 makes various changes to the laws pertaining to the Superintendent of Public Instruction; the appointments process for the boards of trustees for the constituent institutions of The University of North Carolina; the appointments of heads of principal State departments; and to establish a task force for safer schools.*

PART I. CLARIFY ROLES/DPI/SBE

SECTIONS 1 and 31.

CURRENT LAW: G.S. 115C-11 sets forth the organization and internal procedures of the State Board of Education (SBE), including the process of advisory appointments.

BILL ANALYSIS: Section 1:

- Authorizes the Superintendent of Public Instruction (Superintendent) instead of the Governor to appoint the student advisors and local superintendent advisor to the SBE.
- Adds an additional provision to require the Superintendent to provide technical assistance and administrative assistance to the SBE through the Department of Public Instruction (DPI), except for 4 designated positions under the SBE.

Section 31 provides that the current advisors in these positions can serve the remainder of their terms.

SECTION 2.

CURRENT LAW: G.S. 115C-12 provides for the general powers and duties of the SBE.

BILL ANALYSIS: This section adds language to clarify that the Superintendent, through DPI, must administer all needed rules and regulations adopted by the SBE.

SECTION 3.

CURRENT LAW: G.S. 115C-19 describes the Superintendent's role as the chief administrative officer of the SBE. It describes the Superintendent's role to manage "on a day-to-day basis the administration of the free public school system, subject to the direction, control, and approval of the State Board" and carry out the duties of the Superintendent "subject to the direction, control, and approval of the State Board of Education."

BILL ANALYSIS: This section removes language subordinating the Superintendent to the SBE, and instead adds language that the Superintendent is an elected officer and Council of State member and is the administrative head of DPI.

SECTION 4.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578



House Bill 17

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CURRENT LAW: G.S. 115C-21 describes the powers and duties of the Superintendent. It states that these powers and duties are "[s]ubject to the direction, control, and approval of the State Board of Education."

BILL ANALYSIS: This section does the following:

- Removes any references to the Superintendent's powers and duties being subject to the SBE.
- Adds authority to the State Superintendent to administer DPI's funds in accordance with all needed rules and regulations adopted by the State Board of Education and enter contracts for the operation of DPI.
- Establishes that all staff of DPI are under the management of the Superintendent except for the four designated positions appointed by the SBE.
- Provides that the Superintendent, rather than SBE, will administer any special funds within DPI which were received as grants from nongovernmental sources in accordance with G.S. 115C-410.
- Adds new language that all matters related to providing staff services, except for the four designated SBE positions, and support to the SBE, including implementation of federal programs on behalf of the SBE, are under the direction and control of the Superintendent.
- Specifies that as secretary to the SBE, the Superintendent must administer funds appropriated for the operations of the SBE and for aid to local school administrative units.

SECTION 5.

CURRENT LAW: G.S. 115C-408 covers the funds under control of the SBE, and provides that the SBE is charged with the "general supervision and administration of the educational funds" other than those specifically provided in the State Constitution and local funds.

BILL ANALYSIS: This section adds that the Superintendent shall administer any available educational funds through DPI in accordance with all rules and regulations adopted by the SBE.

SECTION 6.

CURRENT LAW: Under Section 5 of Article IX of the State Constitution, the SBE must supervise and administer the educational funds provided for the support of the public school system and it must make all needed rules and regulations regarding those funds, subject to the laws enacted by the General Assembly. G.S. 115C-410 allows the SBE to accept gifts and grants and other forms of voluntary contributions and use those monies or reallocate those monies to the local school administrative units.

BILL ANALYSIS: This section amends the statute to provide that the SBE is authorized to adopt all needed rules and regulations for the creation and administration of special funds within DPI to manage any funds received as grants from nongovernmental sources in support of public education. It then provides that, in accordance with the SBE's rules and regulations, the Superintendent is authorized to create and administer such special funds, to accept gifts and grants, and use those gifts and grants or reallocate those funds to the local school administrative units.

SECTION 7.

CURRENT LAW: G.S. 126-5(d) describes the positions that can be exempted from the North Carolina Human Resources Act (NCHRA).

BILL ANALYSIS: Section 7 amends G.S. 126-5(d) as follows:

- Decreases from 1500 to 300 the number of positions the Governor may designate as exempt throughout the Cabinet departments and offices.



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- Removes the Office of State Budget and Management and the Office of State Human Resources from the list of cabinet departments and offices with exempt positions designated under this subsection.
- Increases the number of positions the Secretary of State, the Auditor, the Treasurer, the Attorney General, the Commissioner of Agriculture, the Commissioner of Insurance, and the Labor Commissioner may designate as exempt to:
 - 25 exempt policymaking positions, or 2% of the total number of full-time positions, whichever is greater, and
 - 25 exempt managerial positions, or 2% of the total number of full-time positions in the department, whichever is greater.
- Increases the number of positions the State Board of Education may designate as exempt to:
 - 70 exempt policymaking positions, or 2% of the total number of full-time positions, whichever is greater, and
 - 70 exempt managerial positions, or 2% of the total number of full-time positions in the department, whichever is greater.
- Provides that if a Cabinet position designated as exempt from the NCHRA under this subsection is changed to subject to the NCHRA and the employee occupying the position has been continuously employed in a permanent position for the immediate 12 preceding months, the employee is deemed a career State employee, as defined in G.S.126-1.1(a), upon the effective date of the change in designation.

This section becomes effective when it becomes law.

SECTION 8.

CURRENT LAW: G.S. 126-5(d) describes the positions that can be exempted from the North Carolina Human Resources Act. It provides that the SBE may designate certain positions as exempt in DPI.

BILL ANALYSIS: Section 8 provides that the Superintendent will designate exempt positions, rather than the SBE, beginning January 1, 2017.

SECTION 9.

CURRENT LAW: G.S. 143-745 provides the definitions applicable to State agency internal auditing programs. The SBE is designated as the head of DPI.

BILL ANALYSIS: This section changes the designation of the head of DPI from the SBE to the Superintendent.

SECTIONS 10-12.

CURRENT LAW: Article 5 of Chapter 143A of the General Statutes creates DPI and provides that the head of DPI is the SBE.

BILL ANALYSIS: These sections provide that the Superintendent will be the head of DPI and have all the powers and duties conferred by the Constitution, the various statutes, and delegated to the Superintendent by the Governor and SBE.

SECTION 13.

CURRENT LAW: G.S. 14-234 generally prohibits public officers and employees who are involved in the making or administration of a contract from deriving a direct benefit from the contract. Subsection (d6) of that statute exempts employment contracts between the SBE and its chief executive officer.

BILL ANALYSIS: This section repeals subsection (d6).



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SECTIONS 14-15.

CURRENT LAW: The Achievement School District (ASD) is under the administration of the SBE and the ASD Superintendent Selection Advisory Committee makes recommendations to the SBE on the appointment of a superintendent of the ASD. The SBE makes the final selection of the ASD superintendent who serves at the pleasure of the SBE.

BILL ANALYSIS: These sections place the ASD under the administration of the SBE and the Superintendent. In addition, the ASD Superintendent Selection Advisory Committee is repealed. The Superintendent would select the ASD superintendent who would serve at the pleasure of the Superintendent. The salary of the ASD superintendent would be established by the Superintendent rather than the SBE and reporting would be directly to the Superintendent as well.

SECTION 16.

CURRENT LAW: G.S. 115C-150.11 provides that the SBE is the sole governing agency for the School for the Blind and the Schools for the Deaf.

BILL ANALYSIS: This section clarifies that the Superintendent, through DPI, is responsible for the administration, appointment of staff, and oversight of these schools.

SECTIONS 17-18 and 32.

CURRENT LAW: Sections 17-18 address the charter school statutes and membership on the North Carolina Charter Schools Advisory Board (Advisory Board) and civil liability regarding the acts and omissions of charter schools. The Governor currently appoints 3 members of the Advisory Board, including the chair. These sections also set forth the administrative control of the Office of Charter Schools.

BILL ANALYSIS: Sections 17-18 remove the Governor's appointing authority to the Advisory Board and gives the House of Representatives, the Senate, and the SBE each 1 additional member to appoint. The Advisory Board would annually elect the chair of the Advisory Board from among its membership. These sections remove language that provide that the Office of Charter Schools would be "subject to the supervision, direction, and control" of the SBE. The executive director would be appointed by the Superintendent who would also set the salary. The executive director of the Office of Charter Schools would report to and serve at the pleasure of the Superintendent rather than the SBE.

Finally, these sections add the Superintendent to the list of entities that are protected from any civil liability for any acts or omissions of a charter school.

Section 32 provides that the current members of the Advisory Board can serve the remainder of their terms.

SECTIONS 19-23 and 26-27.

CURRENT LAW and BILL ANALYSIS: These sections make conforming changes to add the Superintendent to the list of entities that cannot be held liable for negligence for actions in the following areas: criminal history checks, personnel evaluations, and use of reasonable force.

SECTION 24.

BILL ANALYSIS: This section would provide that the School Planning Division is a part of DPI rather than the SBE.

SECTION 25.

CURRENT LAW and BILL ANALYSIS: The SBE is authorized to manage and operate a system of insurance for public school property. This section places the Superintendent in charge of the system of



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insurance for public school property, which is to be done in accordance with rules and regulations adopted by the SBE. The Superintendent is to employ the personnel rather than the SBE.

SECTION 28.

BILL ANALYSIS: This section changes the 2015 Appropriations Act by providing that DPI must implement budget reductions and provide an organizational chart rather than the SBE. The Superintendent would not need approval from the SBE to make position reductions but must still follow any rules and regulations from the SBE relating to funds and programs administered by DPI that could be impacted by funding reductions.

SECTION 29.

BILL ANALYSIS: The SBE must revise any rules and regulations to comply with this legislation by May 15, 2017.

SECTION 30.

BILL ANALYSIS: This section requires DPI to review State laws, rules, and regulations to ensure compliance with the intent of this legislation and to report to the General Assembly by April 15, 2017 on the results of its review.

EFFECTIVE DATE: Sections 1-6 and Sections 8-32 become effective January 1, 2017. The remainder of this Part becomes effective when it becomes law.

PART II. MODIFY APPOINTMENT OF UNC BOARDS OF TRUSTEES

SECTIONS 35-37.

CURRENT LAW: The board of trustees of the constituent institutions of The University of North Carolina are composed of 13 individuals: 8 appointed by the Board of Governors, 4 appointed by the Governor, and the president of the student government. The Board of Trustees for the North Carolina School of Science and Mathematics (NCSSM) is composed of 30 individuals, including 2 members appointed by the General Assembly upon the recommendation of the Speaker of the House, 2 members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, and 2 members appointed by the Governor.

BILL ANALYSIS: Section 35 would eliminate appointments by the Governor to the constituent institution boards of trustees and require that the General Assembly appoint 4 members to each board, with 2 members recommended by the Speaker of the House of Representatives, and 2 members recommended by the President Pro Tempore of the Senate.

Section 36 would also eliminate appointments by the Governor to the NCSSM board of trustees and require that the General Assembly appoint 6 members to each board, with 3 members recommended by the Speaker of the House of Representatives, and 3 members recommended by the President Pro Tempore of the Senate.

Members holding office as of the effective date of the bill would complete their term. Vacancies originally appointed by the Governor would be filled by joint recommendation of the Speaker of the House of Representatives and the President Pro Tempore of the Senate.

EFFECTIVE DATE: This Part would become effective when it becomes law and applies to terms expiring January 15, 2017, and thereafter.



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PART III. SENATE CONFIRMATION OF CABINET APPOINTEES **SECTIONS 38-39.**

CURRENT LAW: G.S. 143B-9 provides that the head of each principal State department that is not popularly elected is appointed by the Governor and serve at the Governor's pleasure. These departments are established in G.S. 143B-6 as follows: Department of Natural and Cultural Resources, Department of Health and Human Services, Department of Revenue, Department of Public Safety, Department of Environmental Quality, Department of Transportation, Department of Administration, Department of Commerce, Community Colleges System Office, Department of Information Technology, and the Department of Military and Veterans Affairs.

The North Carolina Constitution provides in Article III, Sec. 5(8) that the Governor shall "nominate and by and with the advice and consent of a majority of the Senators appoint all officers whose appointments are not otherwise provided for."

BILL ANALYSIS: This section would require the Governor to notify the Senate of the name of each person nominated to be the head of a principal State department, and the appointment would be subject to the advice and consent of the Senate unless one of the following occurs:

- The senatorial advice and consent is expressly waived by an enactment of the General Assembly.
- A vacancy occurs when the General Assembly is not in regular session. Any person appointed when the General Assembly is not in regular session may serve without senatorial advice and consent for no longer than the earlier of the following:
 - The date the Senate adopts a simple resolution specifically disapproving the person appointed.
 - The date the General Assembly adjourns by joint resolution for a period of longer than 30 days without adoption by the Senate of a simple resolution approving that person.

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

PART IV. ESTABLISH TASK FORCE FOR SAFER SCHOOLS AND TRANSFER CENTER FOR SAFER SCHOOLS **SECTION 41.**

BILL ANALYSIS: This section transfers the Center for Safer Schools to DPI. It also establishes a Task Force for Safer Schools that has 25 members with various appointees. The duties of the Task Force include serving as an advisory board to the Center for Safer Schools and encouraging interagency collaboration.

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

PART V. SEVERABILITY CLAUSE AND EFFECTIVE DATE

SECTION 42. This section provided that each provision of the act are severable, and that if any provision is held invalid, it does not affect the remaining provisions that can be given affect without that provision.

EFFECTIVE DATE: Except as otherwise provided, HB 17 would become effective when it becomes law.



GENERAL ASSEMBLY OF NORTH CAROLINA
FOURTH EXTRA SESSION 2016

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4

HOUSE BILL 17
Committee Substitute Favorable 12/15/16
Third Edition Engrossed 12/15/16
Senate Education/Higher Education Committee Substitute Adopted 12/16/16

Short Title: Modify Certain Appts/Employment. (Public)

Sponsors: _____

Referred to: _____

December 14, 2016

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE SUPERINTENDENT OF PUBLIC INSTRUCTION'S ROLE AS
THE ADMINISTRATIVE HEAD OF THE DEPARTMENT OF PUBLIC INSTRUCTION,
TO CHANGE THE APPOINTMENTS PROCESS FOR THE BOARDS OF TRUSTEES FOR
THE CONSTITUENT INSTITUTIONS OF THE UNIVERSITY OF NORTH CAROLINA,
TO MODIFY THE APPOINTMENT OF HEADS OF PRINCIPAL STATE
DEPARTMENTS, AND TO ESTABLISH TASK FORCE FOR SAFER SCHOOLS.

The General Assembly of North Carolina enacts:

PART I. CLARIFY ROLES/DPI/SBE

SECTION 1. G.S. 115C-11 reads as rewritten:

"§ 115C-11. Organization and internal procedures of Board.

...

(a1) Student advisors. – The ~~Governor~~ Superintendent of Public Instruction is hereby authorized to appoint two high school students who are enrolled in the public schools of North Carolina as advisors to the State Board of Education. The student advisors shall participate in State Board deliberations in an advisory capacity only. The State Board may, in its discretion, exclude the student advisors from executive sessions.

~~The Governor shall make initial appointments of student advisors to the State Board as follows:~~

- (1) ~~One high school junior shall be appointed for a two-year term beginning September 1, 1986, and expiring June 14, 1988; and~~
- (2) ~~One high school senior shall be appointed for a one-year term beginning September 1, 1986, and expiring June 14, 1987. When an initial or subsequent term expires, the Governor~~ The Superintendent of Public Instruction shall appoint a stagger the appointments of the two student advisors so that a high school junior ~~for~~ is serving in the first year of a two-year term and a high school senior is serving in the second year of a two-year term simultaneously. The appointment of a high school junior shall be made beginning June 15 of that each year. If a student advisor is no longer enrolled in the public schools of North Carolina or if a vacancy otherwise occurs, the ~~Governor~~ Superintendent of Public Instruction shall appoint a student advisor for the remainder of the unexpired term.



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1 Student advisors shall receive per diem and necessary travel and subsistence expenses in
2 accordance with the provisions of G.S. 138-5.

3 ...
4 (a3) Superintendent Advisor. – ~~The Governor~~ Superintendent of Public Instruction shall
5 appoint a superintendent of a local school administrative unit as an advisor to the State Board of
6 Education. The superintendent advisor shall serve for a term of one year. The superintendent
7 advisor shall participate in State Board deliberations and committee meetings in an advisory
8 capacity only. The State Board may, in its discretion, exclude the superintendent advisor from
9 executive sessions.

10 In the event that a superintendent advisor ceases to be a superintendent in a local school
11 administrative unit, the position of superintendent advisor shall be deemed vacant. In the event
12 that a vacancy occurs in the position for whatever reason, the ~~Governor~~ Superintendent of Public
13 Instruction shall appoint a superintendent advisor for the remainder of the unexpired term. The
14 superintendent advisor to the State Board shall receive per diem and necessary travel and
15 subsistence expenses in accordance with the provisions of G.S. 138-5.

16 ...
17 (i) Administrative Assistance. – The Superintendent of Public Instruction shall provide
18 technical assistance and administrative assistance, including all personnel except as otherwise
19 provided in subsection (j) of this section, to the State Board of Education through the Department
20 of Public Instruction.

21 (j) Certain Personnel Appointed by the State Board. – The State Board may appoint only
22 the following personnel positions to support the operations of the State Board of Education
23 through the Department of Public Instruction:

	<u>Position number</u>	<u>Title</u>
24		
25	(1) 65023576	<u>Attorney I.</u>
26	(2) 60009384	<u>Attorney II.</u>
27	(3) 65003194	<u>Paralegal II.</u>
28	(4) 60095070	<u>Administrative Assistant I."</u>

29 **SECTION 2.** G.S. 115C-12 reads as rewritten:

30 **"§ 115C-12. Powers and duties of the Board generally.**

31 The general supervision and administration of the free public school system shall be vested in
32 the State Board of Education. The State Board of Education shall establish ~~policy~~ all needed rules
33 and regulations for the system of free public schools, subject to laws enacted by the General
34 Assembly. In accordance with Sections 7 and 8 of Article III of the North Carolina Constitution,
35 the Superintendent of Public Instruction, as an elected officer and Council of State member, shall
36 administer all needed rules and regulations adopted by the State Board of Education through the
37 Department of Public Instruction. The powers and duties of the State Board of Education are
38 defined as follows:

39"

40 **SECTION 3.** G.S. 115C-19 reads as rewritten:

41 **"§ 115C-19. Chief administrative officer of the State Board of Education.**

42 As provided in Article IX, Sec. 4(2) of the North Carolina Constitution, the Superintendent of
43 Public Instruction shall be the secretary and chief administrative officer of the State Board of
44 Education. ~~As secretary and chief administrative officer of the State Board of Education, the~~
45 ~~Superintendent manages on a day-to-day basis the administration of the free public school system,~~
46 ~~subject to the direction, control, and approval of the State Board. Subject to the direction, control,~~
47 ~~and approval of the State Board of Education, the Superintendent of Public Instruction~~ As
48 provided in Sections 7 and 8 of Article III of the North Carolina Constitution, the Superintendent
49 of Public Instruction shall be an elected officer and Council of State member and shall carry out
50 the duties prescribed under G.S. 115C-21. ~~G.S. 115C-21~~ as the administrative head of the
51 Department of Public Instruction. The Superintendent of Public Instruction shall administer all

needed rules and regulations adopted by the State Board of Education through the Department of Public Instruction."

SECTION 4. G.S. 115C-21 reads as rewritten:

"§ 115C-21. Powers and duties generally.

(a) Administrative Duties. – ~~Subject to the direction, control, and approval of the State Board of Education, it~~ shall be the duty of the Superintendent of Public Instruction:

- (1) To organize and establish a Department of Public Instruction which shall include ~~such~~ divisions and departments as ~~the State Board considers necessary~~ for supervision and administration of the public school ~~system~~, to administer the funds appropriated for the operation of the Department of Public Instruction, in accordance with all needed rules and regulations adopted by the State Board of Education, and to enter into contracts for the operations of the Department of Public Instruction. All appointments of administrative and supervisory personnel to the staff of the Department of Public Instruction ~~are subject to the approval of the State Board of Education, which~~ Instruction and the State Board of Education, except for certain personnel appointed by the State Board of Education as provided in G.S. 115C-11(j), shall be under the control and management of the Superintendent of Public Instruction who may terminate these appointments for cause in conformity with Chapter 126 of the General Statutes, the North Carolina Human Resources Act.
- (2) To keep the public informed as to the problems and needs of the public schools by constant contact with all school administrators and teachers, by personal appearance at public gatherings, and by information furnished to the press of the State.
- (3) To report biennially to the Governor 30 days prior to each regular session of the General Assembly, such report to include information and statistics of the public schools, with recommendations for their improvement and for changes in the school law.
- (4) To have printed and distributed such educational bulletins as are necessary for the professional improvement of teachers and for the cultivation of public sentiment for public education, and to have printed all forms necessary and proper for the administration of the Department of Public Instruction.
- (5) ~~To manage~~ have under his or her direction and control, all those matters relating to the direct supervision and administration of the public school system that the State Board delegates to the Superintendent of Public Instruction.
- (6) ~~To create and administer special fund~~ funds within the Department of Public Instruction to manage funds received as grants from nongovernmental sources in support of public education. ~~Effective July 1, 1995, this special fund is transferred to the State Board of Education and shall be administered by the State Board of Education in accordance with G.S. 115C-410.~~
- (7) Repealed by Session Laws 1995, c. 72, s. 2.
- (8) To administer, through the Department of Public Instruction, all needed rules and regulations established by the State Board of Education.
- (9) To have under his or her direction and control all matters relating to the provision of staff services, except certain personnel appointed by the State Board as provided in G.S. 115C-11(j), and support of the State Board of Education, including implementation of federal programs on behalf of the State Board.

(b) Duties as Secretary to the State Board of Education. – ~~Subject to the direction, control, and approval of the State Board of Education, As secretary to the State Board of Education, it shall be the duty of the Superintendent of Public Instruction:~~

~~(1) To administer through the Department of Public Instruction, the instructional policies established by the Board.~~

(1a) Repealed by Session Laws 1995, c. 72, s. 2.

~~(1b) To administer funds appropriated for the operations of the State Board of Education and for aid to local school administrative units.~~

(2) To keep the Board informed regarding developments in the field of public education.

(3) To make recommendations to the Board with regard to the problems and needs of education in North Carolina.

(4) To make available to the public schools a continuous program of comprehensive supervisory services.

(5) To collect and organize information regarding the public schools, on the basis of which he or she shall furnish the Board such tabulations and reports as may be required by the Board.

(6) To communicate to the public school administrators all information and instructions regarding ~~instructional policies and procedures~~ needed rules and regulations adopted by the Board.

(7) To have custody of the official seal of the Board and to attest all deeds, leases, or written contracts executed in the name of the Board. All deeds of conveyance, leases, and contracts affecting real estate, title to which is held by the Board, and all contracts of the Board required to be in writing and under seal, shall be executed in the name of the Board by the chairman and attested by the secretary; and proof of the execution, if required or desired, may be had as provided by law for the proof of corporate instruments.

(8) To attend all meetings of the Board and to keep the minutes of the proceedings of the Board in a well-bound and suitable book, which minutes shall be approved by the Board prior to its adjournment; and, as soon thereafter as possible, to furnish to each member of the Board a copy of said minutes.

(9) To perform such other duties as may be necessary and appropriate for the Superintendent of Public Instruction in the role as secretary to the Board ~~may assign to him from time to time Board.~~

SECTION 5. G.S. 115C-408(a) reads as rewritten:

"(a) It is the policy of the State of North Carolina to create a public school system that graduates good citizens with the skills demanded in the marketplace, and the skills necessary to cope with contemporary society, using State, local and other funds in the most cost-effective manner. The Board shall have general supervision and administration of the educational funds provided by the State and federal governments, except those mentioned in Section 7 of Article IX of the State Constitution, and also excepting such local funds as may be provided by a county, city, or district. The Superintendent of Public Instruction shall administer any available educational funds through the Department of Public Instruction in accordance with all needed rules and regulations adopted by the State Board of Education."

SECTION 6. G.S. 115C-410 reads as rewritten:

"§ 115C-410. Power to accept gifts and grants.

The Board is authorized to adopt all needed rules and regulations related to the creation and administration of special funds within the Department of Public Instruction to manage any funds received as grants from nongovernmental sources in support of public education. In accordance with the State Board's rules and regulations, the Superintendent of Public Instruction is authorized to create and administer such special funds and to accept, receive, use, or reallocate to local school

administrative units any gifts, donations, grants, devises, or other forms of voluntary contributions."

SECTION 7. G.S. 126-5(d) reads as rewritten:

- "(d) (1) Exempt Positions in Cabinet Department. – Subject to the provisions of this Chapter, which is known as the North Carolina Human Resources Act, the Governor may designate a total of ~~1,500~~ 300 exempt positions throughout the following departments and offices:
- a. Department of Administration.
 - b. Department of Commerce.
 - c. Repealed by Session Laws 2012-83, s. 7, effective June 26, 2012, and by Session Laws 2012-142, s. 25.2E(a), effective January 1, 2013.
 - d. Department of Public Safety.
 - e. Department of Natural and Cultural Resources.
 - f. Department of Health and Human Services.
 - g. Department of Environmental Quality.
 - h. Department of Revenue.
 - i. Department of Transportation.
 - j. Repealed by Session Laws 2012-83, s. 7, effective June 26, 2012, and by Session Laws 2012-142, s. 25.2E(a), effective January 1, 2013.
 - k. Department of Information Technology.
 - ~~l. Office of State Budget and Management.~~
 - ~~m. Office of State Human Resources.~~
 - n. Department of Military and Veterans Affairs.

- (2) Exempt Positions in Council of State Departments and Offices. – The Secretary of State, the Auditor, the Treasurer, the Attorney General, the Commissioner of Agriculture, the Commissioner of Insurance, and the Labor Commissioner may designate exempt positions. The State Board of Education may designate exempt positions in the Department of Public Instruction. The number of exempt policymaking positions in each department headed by an elected department head listed above in this ~~sub-subdivisionsub-subdivision~~, other than the Department of Public Instruction, shall be limited to ~~20~~ 25 exempt policymaking positions or ~~one-two~~ percent (1%)(2%) of the total number of full-time positions in the department, whichever is greater. The number of exempt managerial positions shall be limited to ~~20~~ 25 positions or ~~one-two~~ percent (1%)(2%) of the total number of full-time positions in the department, whichever is greater. The number of exempt policymaking positions designated by the State Board of Education shall be limited to 70 exempt policymaking positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater. The number of exempt managerial positions designated by the State Board of Education shall be limited to 70 exempt managerial positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater.

- ...
- (2c) Changes in Cabinet Department Exempt Position Designation. – If the status of a position designated exempt pursuant to subsection (d)(1) of this section is changed and the position is made subject to the provisions of this Chapter, an employee occupying the position who has been continuously employed in a permanent position for the immediate 12 preceding months, shall be deemed a career State employee as defined by G.S. 126-1.1(a) upon the effective date of the change in designation.

...."

SECTION 8. G.S. 126-5(d), as amended by Section 7 of this act, reads as rewritten:

- "(d) (1) Exempt Positions in Cabinet Department. – Subject to the provisions of this Chapter, which is known as the North Carolina Human Resources Act, the Governor may designate a total of 300 exempt positions throughout the following departments and offices:
- a. Department of Administration.
 - b. Department of Commerce.
 - c. Repealed by Session Laws 2012-83, s. 7, effective June 26, 2012, and by Session Laws 2012-142, s. 25.2E(a), effective January 1, 2013.
 - d. Department of Public Safety.
 - e. Department of Natural and Cultural Resources.
 - f. Department of Health and Human Services.
 - g. Department of Environmental Quality.
 - h. Department of Revenue.
 - i. Department of Transportation.
 - j. Repealed by Session Laws 2012-83, s. 7, effective June 26, 2012, and by Session Laws 2012-142, s. 25.2E(a), effective January 1, 2013.
 - k. Department of Information Technology.
 - l. Repealed.
 - m. Repealed.
 - n. Department of Military and Veterans Affairs.
- (2) Exempt Positions in Council of State Departments and Offices. – The Secretary of State, the Auditor, the Treasurer, the Attorney General, the Superintendent of Public Instruction, the Commissioner of Agriculture, the Commissioner of Insurance, and the Labor Commissioner may designate exempt positions. ~~The State Board of Education may designate exempt positions in the Department of Public Instruction. The number of exempt policymaking positions in each department headed by an elected department head listed above in this sub-subdivision, other than the Department of Public Instruction, sub-subdivision~~ shall be limited to 25 exempt policymaking positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater. The number of exempt managerial positions shall be limited to 25 positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater. The number of exempt policymaking positions designated by ~~the State Board of Education~~ Superintendent of Public Instruction shall be limited to 70 exempt policymaking positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater. The number of exempt managerial positions designated by ~~the State Board of Education~~ Superintendent of Public Instruction shall be limited to 70 exempt managerial positions or two percent (2%) of the total number of full-time positions in the department, whichever is greater.
- (2a) Designation of Additional Positions. – ~~The Governor, Governor or elected department head, or State Board of Education head~~ Governor or elected department head may request that additional positions be designated as exempt. The request shall be made by sending a list of exempt positions that exceed the limit imposed by this subsection to the Speaker of the North Carolina House of Representatives and the President of the North Carolina Senate. A copy of the list also shall be sent to the Director of the Office of State Human Resources. The General Assembly may authorize all, or part of, the additional positions to be designated as exempt positions. If the General Assembly is in session when the list is submitted and does not act within 30 days after the list is submitted, the list shall be deemed approved by

the General Assembly, and the positions shall be designated as exempt positions. If the General Assembly is not in session when the list is submitted, the 30-day period shall not begin to run until the next date that the General Assembly convenes or reconvenes, other than for a special session called for a specific purpose not involving the approval of the list of additional positions to be designated as exempt positions; the policymaking positions shall not be designated as exempt during the interim.

(2b) Designation of Liaison Positions. – Liaisons to the Collaboration for Prosperity Zones set out in G.S. 143B-28.1 for the Departments of Commerce, Environmental Quality, and Transportation are designated as exempt.

(2c) Changes in Cabinet Department Exempt Position Designation. – If the status of a position designated exempt pursuant to subsection (d)(1) of this section is changed and the position is made subject to the provisions of this Chapter, an employee occupying the position who has been continuously employed in a permanent position for the immediate 12 preceding months, shall be deemed a career State employee as defined by G.S. 126-1.1(a) upon the effective date of the change in designation.

(3) Letter. – These positions shall be designated in a letter to the Director of the Office of State Human Resources, the Speaker of the House of Representatives, and the President of the Senate by July 1 of the year in which the oath of office is administered to each Governor unless the provisions of subsection (d)(4) apply.

(4) Vacancies. – In the event of a vacancy in the Office of Governor or in the office of a member of the Council of State, the person who succeeds to or is appointed or elected to fill the unexpired term shall make such designations in a letter to the Director of the Office of State Human Resources, the Speaker of the House of Representatives, and the President of the Senate within 180 days after the oath of office is administered to that person. ~~In the event of a vacancy in the Office of Governor, the State Board of Education shall make these designations in a letter to the Director of the Office of State Human Resources, the Speaker of the House of Representatives, and the President of the Senate within 180 days after the oath of office is administered to the Governor.~~

(5) Creation, Transfer, or Reorganization. – ~~The Governor, Governor or elected department head, or State Board of Education head~~ may designate as exempt a position that is created or transferred to a different department, or is located in a department in which reorganization has occurred, after October 1 of the year in which the oath of office is administered to the Governor. The designation must be made in a letter to the Director of the Office of State Human Resources, the Speaker of the North Carolina House of Representatives, and the President of the North Carolina Senate within 180 days after such position is created, transferred, or in which reorganization has occurred.

(6) Reversal. – Subsequent to the designation of a position as an exempt position as hereinabove provided, the status of the position may be reversed and made subject to the provisions of this Chapter by the ~~Governor, Governor or~~ by an elected department head, ~~or by the State Board of Education head~~ in a letter to the Director of the Office of State Human Resources, the Speaker of the North Carolina House of Representatives, and the President of the North Carolina Senate.

(7) Hearing Officers. – Except for deputy commissioners appointed pursuant to G.S. 97-79 and as otherwise specifically provided by this section, no employee, by whatever title, whose primary duties include the power to conduct hearings,

take evidence, and enter a decision based on findings of fact and conclusions of law based on statutes and legal precedents shall be designated as exempt. This subdivision shall apply beginning July 1, 1985, and no list submitted after that date shall designate as exempt any employee described in this subdivision."

SECTION 9. G.S. 143-745(a)(1) reads as rewritten:

"(1) "Agency head" means the Governor, a Council of State member, a cabinet secretary, the President of The University of North Carolina, the President of the Community College System, the State Controller, and other independent appointed officers with authority over a State agency. ~~The agency head for the Department of Public Instruction shall be the State Board of Education.~~"

SECTION 10. G.S. 143A-44.1 reads as rewritten:

"§ 143A-44.1. Creation.

There is hereby created a Department of Public Instruction. The head of the Department of Public Instruction is the State Board of Education. ~~Any provision of G.S. 143A-9 to the contrary notwithstanding, the appointment of the State Board of Education shall be as prescribed in Article IX, Section (4)(1) of the Constitution. Superintendent of Public Instruction.~~"

SECTION 11. G.S. 143A-44.2 is repealed.

SECTION 12. G.S. 143A-44.3 reads as rewritten:

"§ 143A-44.3. Superintendent of Public Instruction; creation; transfer of powers and duties.

The office of the Superintendent of Public Instruction, as provided for by Article III, Section 7 of the Constitution, and the Department of Public Instruction are transferred to the Department of Public Instruction. The Superintendent of Public Instruction shall be the Secretary and Chief Administrative Officer of the State Board of Education, and shall have all powers and duties conferred by this Chapter and the Constitution, delegated to him or her by the Governor and by the State Board of Education, and conferred by Chapter 115C of the General Statutes. ~~Statutes~~ and the laws of this State."

SECTION 13. G.S. 14-234(d6) is repealed.

SECTION 14. G.S. 115C-75.5(4) reads as rewritten:

"(4) ASD Superintendent. – The superintendent of the ASD appointed by the State Board of Education Superintendent of Public Instruction in accordance with G.S. 115C-75.6(b)."

SECTION 15. G.S. 115C-75.6 reads as rewritten:

"§ 115C-75.6. Achievement School District.

(a) There is established the Achievement School District (ASD) under the administration of the State Board of Education Education and the Superintendent of Public Instruction. The ASD shall assume the supervision, management, and operation of elementary schools that have been selected as achievement schools pursuant to this Article.

(b) ~~An ASD Superintendent Selection Advisory Committee shall be established to make a recommendation to the State Board of Education on appointment of a superintendent to serve as the executive officer of the ASD. The Committee shall ensure that the individual recommended has qualifications consistent with G.S. 115C-271(a). The Lieutenant Governor shall serve as chair of the Committee and shall appoint the following additional members:~~

(1) ~~Three members of the State Board of Education.~~

(2) ~~One teacher or retired teacher.~~

(3) ~~One principal or retired principal.~~

(4) ~~One superintendent or retired superintendent.~~

(5) ~~One parent of a student currently enrolled in a low performing school, as defined in G.S. 115C-105.37.~~

(c) ~~The State Board of Education shall consider the recommendation of the ASD Superintendent Selection Advisory Committee and Superintendent of Public Instruction shall appoint a superintendent to serve as the executive officer of the ASD. The ASD Superintendent~~

shall serve at the pleasure of the ~~State Board of Education~~ Superintendent of Public Instruction at a salary established by the ~~State Board of Education~~ Superintendent of Public Instruction within the funds appropriated for this purpose. The ASD Superintendent shall have qualifications consistent with G.S. 115C-271(a) and report directly to the ~~State Board of Education~~ Superintendent of Public Instruction.

(d) By January 15 annually, the State Board of ~~Education~~ Education, ~~Superintendent of Public Instruction~~, and the ASD Superintendent shall report to the Joint Legislative Education Oversight Committee on all aspects of operation of ASD, including the selection of achievement schools and their progress."

SECTION 16. G.S. 115C-150.11 reads as rewritten:

"§ 115C-150.11. State Board of Education as governing agency.

The State Board of Education shall be the sole governing agency for the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf. The ~~Department~~ Superintendent of Public Instruction through the Department of Public Instruction shall be responsible for the ~~administration~~ administration, including appointment of staff, and oversight of a school governed by this Article."

SECTION 17. G.S. 115C-218 reads as rewritten:

"§ 115C-218. Purpose of charter schools; establishment of North Carolina Charter Schools Advisory Board and North Carolina Office of Charter Schools.

...

(b) North Carolina Charter Schools Advisory Board. –

(1) Advisory Board. – There is created the North Carolina Charter Schools Advisory Board, hereinafter referred to in this Article as the Advisory Board. The Advisory Board shall be located administratively within the Department of Public Instruction and shall report to the State Board of Education.

(2) Membership. – The State Superintendent of Public Instruction, or the Superintendent's designee, shall be the secretary of the Advisory Board and a nonvoting member. ~~The Chair of the State Board of Education shall appoint a member of the State Board to serve as a nonvoting member of the Advisory Board.~~ The Advisory Board shall consist of the following 11 voting members:

a. ~~Three members appointed by the Governor, including the chair of the Advisory Board.~~

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

c. ~~Three~~ Four members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, in accordance with G.S. 120-121.

d. ~~One member~~ Two members appointed by the State Board of Education who ~~is~~ are not a ~~current member~~ members of the State Board of Education and who ~~is~~ are charter school ~~advocate~~ advocates in North Carolina.

e. The Lieutenant Governor or the Lieutenant Governor's designee.

(3) Covered board. – The Advisory Board shall be treated as a board for purposes of Chapter 138A of the General Statutes.

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

- 1 (5) Terms of office and vacancy appointments. – Appointed members shall serve
2 four-year terms of office beginning on July 1. No appointed member shall serve
3 more than eight consecutive years. Vacancy appointments shall be made by the
4 appointing authority for the remainder of the term of office.
- 5 (6) Presiding officers and quorum. – The Advisory Board shall annually elect a
6 chair and a vice-chair from among its membership. The chair shall preside over
7 the Advisory Board's meetings. In the absence of the chair, the vice-chair shall
8 preside over the Advisory Board's meetings. A majority of the Advisory Board
9 constitutes a quorum.
- 10 (7) Presiding officers and quorum. – Meetings. – Meetings of the Advisory Board
11 shall be held upon the call of the chair or the vice-chair with the approval of the
12 chair.
- 13 (8) Expenses. – Members of the Advisory Board shall be reimbursed for travel and
14 subsistence expenses at the rates allowed to State officers and employees by
15 G.S. 138-6(a).
- 16 (9) Removal. – Any appointed member of the Advisory Board may be removed by
17 a vote of at least two-thirds of the members of the Advisory Board at any duly
18 held meeting for any cause that renders the member incapable or unfit to
19 discharge the duties of the office.
- 20 (10) Powers and duties. – The Advisory Board shall have the following duties:
21 a. To make recommendations to the State Board of Education on the
22 adoption of rules regarding all aspects of charter school operation,
23 including time lines, standards, and criteria for acceptance and approval
24 of applications, monitoring of charter schools, and grounds for
25 revocation of charters.
- 26 b. To review applications and make recommendations to the State Board
27 for final approval of charter applications.
- 28 c. To make recommendations to the State Board on actions regarding a
29 charter school, including renewals of charters, nonrenewals of charters,
30 and revocations of charters.
- 31 d. To undertake any other duties and responsibilities as assigned by the
32 State Board.
- 33 (11) Duties of the chair of the Advisory Board. – In addition to any other duties
34 prescribed in this Article, the chair of the Advisory Board, or the chair's
35 designee, shall advocate for the recommendations of the Advisory Board at
36 meetings of the State Board upon the request of the State Board.
- 37 (c) North Carolina Office of Charter Schools. –
- 38 (1) Establishment of the North Carolina Office of Charter Schools. – There is
39 established the North Carolina Office of Charter Schools, hereinafter referred to
40 in this Article as the Office of Charter Schools. The Office of Charter Schools
41 shall be administratively located in the Department of Public Instruction,
42 ~~subject to the supervision, direction, and control of the State Board of~~
43 ~~Education.~~ Instruction. The Office of Charter Schools shall consist of an
44 executive director appointed by the ~~State Board of Education~~ Superintendent of
45 Public Instruction and such other professional, administrative, technical, and
46 clerical personnel as may be necessary to assist the Office of Charter Schools in
47 carrying out its powers and duties.
- 48 (2) Executive Director. – The Executive Director shall report to and serve at the
49 pleasure of the ~~State Board of Education~~ Superintendent of Public Instruction at
50 a salary established by the ~~State Board~~ Superintendent within the funds
51 appropriated for this purpose. The duties of the Executive Director shall include

- 1 presenting the recommendations of the Advisory Board at meetings of the State
2 Board upon the request of the State Board.
- 3 (3) Powers and duties. – The Office of Charter Schools shall have the following
4 powers and duties:
- 5 a. Serve as staff to the Advisory Board and fulfill any task and duties
6 assigned to it by the Advisory Board.
- 7 b. Provide technical assistance and guidance to charter schools operating
8 within the State.
- 9 c. Provide technical assistance and guidance to nonprofit corporations
10 seeking to operate charter schools within the State.
- 11 d. Provide or arrange for training for charter schools that have received
12 preliminary approval from the State Board.
- 13 e. Assist approved charter schools and charter schools seeking approval
14 from the State Board in coordinating services with the Department of
15 Public Instruction.
- 16 f. Other duties as assigned by the ~~State Board~~ Superintendent of Public
17 Instruction.
- 18 (4) Agency cooperation. – All State agencies and departments shall cooperate with
19 the Office of Charter Schools in carrying out its powers and duties as necessary
20 in accordance with this Article."

21 **SECTION 18.** G.S. 115C-218.20(b) reads as rewritten:

22 "(b) No civil liability shall attach to the State Board of Education, the Superintendent of
23 Public Instruction, or to any of their members or employees, individually or collectively, for any
24 acts or omissions of the charter school."

25 **SECTION 19.** G.S. 115C-238.73(g) reads as rewritten:

26 "(g) There shall be no liability for negligence on the part of the board of directors, or its
27 employees, or the State Board of Education, the Superintendent of Public Instruction, or ~~its~~ any of
28 their members or employees, individually or collectively, arising from any act taken or omission
29 by any of them in carrying out the provisions of this section. The immunity established by this
30 subsection shall not extend to gross negligence, wanton conduct, or intentional wrongdoing that
31 would otherwise be actionable. The immunity established by this subsection shall be deemed to
32 have been waived to the extent of indemnification by insurance, indemnification under Articles
33 31A and 31B of Chapter 143 of the General Statutes, and to the extent sovereign immunity is
34 waived under the Tort Claims Act, as set forth in Article 31 of Chapter 143 of the General
35 Statutes."

36 **SECTION 20.** G.S. 115C-332(g) reads as rewritten:

37 "(g) There shall be no liability for negligence on the part of a local board of education, or its
38 employees, or the State Board of Education, the Superintendent of Public Instruction, or ~~its~~ any of
39 their members or employees, individually or collectively, arising from any act taken or omission
40 by any of them in carrying out the provisions of this section. The immunity established by this
41 subsection shall not extend to gross negligence, wanton conduct, or intentional wrongdoing that
42 would otherwise be actionable. The immunity established by this subsection shall be deemed to
43 have been waived to the extent of indemnification by insurance, indemnification under Articles
44 31A and 31B of Chapter 143 of the General Statutes, and to the extent sovereign immunity is
45 waived under the Tort Claims Act, as set forth in Chapter 31 of Chapter 143 of the General
46 Statutes."

47 **SECTION 21.** G.S. 115C-333(e) reads as rewritten:

48 "(e) Civil Immunity. – There shall be no liability for negligence on the part of the State
49 Board of Education ~~Education,~~ the Superintendent of Public Instruction, or a local board of
50 education, or their members or employees, individually or collectively, arising from any action
51 taken or omission by any of them in carrying out the provisions of this section. The immunity

1 established by this subsection shall not extend to gross negligence, wanton conduct, or intentional
2 wrongdoing that would otherwise be actionable. The immunity established by this subsection shall
3 be deemed to have been waived to the extent of indemnification by insurance, indemnification
4 under Articles 31A and 31B of Chapter 143 of the General Statutes, and to the extent sovereign
5 immunity is waived under the Tort Claims Act, as set forth in Article 31 of Chapter 143 of the
6 General Statutes."

7 **SECTION 22.** G.S. 115C-333.1(g) reads as rewritten:

8 "(g) Civil Immunity. – There shall be no liability for negligence on the part of the State
9 Board of ~~Education~~Education, the Superintendent of Public Instruction, or a local board of
10 education, or their members or employees, individually or collectively, arising from any action
11 taken or omission by any of them in carrying out the provisions of this section. The immunity
12 established by this subsection shall not extend to gross negligence, wanton conduct, or intentional
13 wrongdoing that would otherwise be actionable. The immunity established by this subsection shall
14 be deemed to have been waived to the extent of indemnification by insurance, indemnification
15 under Articles 31A and 31B of Chapter 143 of the General Statutes, and to the extent sovereign
16 immunity is waived under the Tort Claims Act, as set forth in Article 31 of Chapter 143 of the
17 General Statutes."

18 **SECTION 23.** G.S. 115C-390.3(c) reads as rewritten:

19 "(c) Notwithstanding any other law, no ~~officer~~officer, member, or employee of the State
20 Board of ~~Education~~Education, the Superintendent of Public Instruction, or of a local board of
21 ~~education~~education, individually or collectively, shall be civilly liable for using reasonable force
22 in conformity with State law, State or local rules, or State or local policies regarding the control,
23 discipline, suspension, and expulsion of students. Furthermore, the burden of proof is on the
24 claimant to show that the amount of force used was not reasonable."

25 **SECTION 24.** G.S. 115C-521 reads as rewritten:

26 **"§ 115C-521. Erection of school buildings.**

27 ...

28 (b) It shall be the duty of the local boards of education ~~of the several local school~~
29 ~~administrative school units of the State to make provisions for the public school term by providing~~
30 adequate school buildings equipped with suitable school furniture and apparatus. The needs and
31 the cost of those buildings, equipment, and apparatus, shall be presented each year when the
32 school budget is submitted to the respective tax-levying authorities. The boards of commissioners
33 shall be given a reasonable time to provide the funds which they, upon investigation, shall find to
34 be necessary for providing their respective units with buildings suitably equipped, and it shall be
35 the duty of the several boards of county commissioners to provide funds for the same.

36 Upon determination by a local board of education that the existing permanent school building
37 does not have sufficient classrooms to house the pupil enrollment anticipated for the school, the
38 local board of education may acquire and use as temporary classrooms for the operation of the
39 school, relocatable or mobile classroom units, whether built on the lot or not, which units and
40 method of use shall meet the approval of the School Planning Division of the ~~State Board of~~
41 ~~Education, Department of Public Instruction,~~ and which units shall comply with all applicable
42 requirements of the North Carolina State Building Code and of the local building and electrical
43 codes applicable to the area in which the school is located. These units shall also be anchored in a
44 manner required to assure their structural safety in severe weather. The acquisition and installation
45 of these units shall be subject in all respects to the provisions of Chapter 143 of the General
46 Statutes. The provisions of Chapter 87, Article 1, of the General Statutes, shall not apply to
47 persons, firms or corporations engaged in the sale or furnishing to local boards of education and
48 the delivery and installation upon school sites of classroom trailers as a single building unit or of
49 relocatable or mobile classrooms delivered in less than four units or sections.

50 ...

(f) A local board of education may use prototype designs from the clearinghouse established under subsection (e) of this section that is a previously approved and constructed project by the School Planning Division of the ~~State Board of Education~~, Department of Public Instruction and other appropriate review agencies. The local board of education may contract with the architect of record to make changes and upgrades as necessary for regulatory approval.

...."

SECTION 25. G.S. 115C-535 reads as rewritten:

"§ 115C-535. Authority and rules for organization of system.

The ~~State Board of Education~~Superintendent of Public Instruction is hereby authorized, directed and empowered to establish a division to manage and operate a system of insurance for public school ~~property~~property in accordance with all needed rules and regulations adopted by the State Board of Education. The Board shall adopt such rules and regulations as, in its discretion, may be necessary to provide all details inherent in the insurance of public school property. The ~~Board~~Superintendent of Public Instruction shall employ a director, safety inspectors, engineers and other personnel with suitable training and experience, which in ~~its~~his or her opinion is necessary to insure and protect effectively public school property, and ~~the~~he or she shall fix their compensation consistent with the approval policies of the Personnel State Human Resources Commission."

SECTION 26. G.S. 116-239.12(g) reads as rewritten:

"(g) There shall be no liability for negligence on the part of the board of trustees, or its employees, or the ~~State Board of Education~~Education, the Superintendent of Public Instruction, or ~~its~~their members or employees, individually or collectively, arising from any act taken or omission by any of them in carrying out the provisions of this section. The immunity established by this subsection shall not extend to gross negligence, wanton conduct, or intentional wrongdoing that would otherwise be actionable. The immunity established by this subsection shall be deemed to have been waived to the extent of indemnification by insurance, indemnification under Articles 31A and 31B of Chapter 143 of the General Statutes, and to the extent sovereign immunity is waived under the Tort Claims Act, as set forth in Article 31 of Chapter 143 of the General Statutes."

SECTION 27. G.S. 143B-146.16(g) reads as rewritten:

"(g) There shall be no liability for negligence on the part of the Secretary, the Department of Health and Human Services or its employees, a residential school or its employees, or the ~~State Board of Education~~Education, Superintendent of Public Instruction, or ~~its~~their members or employees, individually or collectively, arising from any act taken or omission by any of them in carrying out the provisions of this section. The immunity established by this subsection shall not extend to gross negligence, wanton conduct, or intentional wrongdoing that would otherwise be actionable. The immunity established by this subsection shall be deemed to have been waived to the extent of indemnification by insurance, indemnification under Articles 31A and 31B of Chapter 143 of the General Statutes, and to the extent sovereign immunity is waived under the Tort Claims Act, as set forth in Article 31 of Chapter 143 of the General Statutes."

SECTION 28. Section 8.37 of S.L. 2015-241, as amended by Section 8.30 of S.L. 2016-94, reads as rewritten:

"BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION

"SECTION 8.37.(a) Notwithstanding G.S. 143C-6-4, the ~~State Board of Education~~Department of Public Instruction may, after consultation with the Office of State Budget and Management and the Fiscal Research Division, reorganize the Department of Public Instruction, if necessary, to implement the budget reductions for the 2015-2017 fiscal biennium. Consultation shall occur prior to requesting budgetary and personnel changes through the budget revision process. The ~~State Board~~Department of Public Instruction shall provide a current organization chart for the Department of Public Instruction in the consultation process and shall report to the Joint Legislative Commission on Governmental Operations on any reorganization.

1 **"SECTION 8.37.(b)** In implementing budget reductions for the 2015-2017 fiscal biennium,
2 the ~~State Board of Education~~ Department of Public Instruction shall make no reduction to funding
3 or positions for (i) the North Carolina Center for Advancement of Teaching and (ii) the Eastern
4 North Carolina School for the Deaf, the North Carolina School for the Deaf, and the Governor
5 Morehead School, except that the ~~State Board~~ Superintendent of Public Instruction may, in its
6 discretion, reduce positions at these institutions that have been vacant for more than 16 months.
7 The ~~State Board~~ Department of Public Instruction shall also make no reduction in funding to any of
8 the following entities:

- 9 (1) Communities in Schools of North Carolina, Inc.
- 10 (2) Teach For America, Inc.
- 11 (3) Beginnings for Parents of Children who are Deaf or Hard of Hearing, Inc.

12 **"SECTION 8.37.(c)** In implementing budget reductions for the 2016-2017 fiscal year, the
13 Department of Public Instruction shall do all of the following:

- 14 (1) In addition to the prohibition on a reduction to funding and positions for the
15 items listed in subsection (b) of this section, the Department shall make no
16 transfers from or reduction to funding or positions for the following:
 - 17 a. The Excellent Public Schools Act, Read to Achieve Program, initially
18 established under Section 7A.1 of S.L. 2012-142.
 - 19 b. The North Carolina School Connectivity Program.
- 20 (2) The Department shall transfer the sum of fifty thousand dollars (\$50,000) to the
21 Office of Administrative Hearings to be allocated to the Rules Review
22 Commission, created by G.S. 143B-30.1, to pay for any litigation costs incurred
23 in the defense of *North Carolina State Board of Education v. The State of North*
24 *Carolina and The Rules Review Commission*, Wake County Superior Court,
25 File No. 14 CVS 14791 (filed November 7, 2014). These funds shall not revert
26 at the end of the 2016-2017 fiscal year but shall remain available during the
27 2017-2018 fiscal year for expenditure in accordance with the provisions of this
28 subdivision."

29 **SECTION 29.** By May 15, 2017, the State Board of Education shall revise, as
30 necessary, any of its rules and regulations to comply with the provisions of this Part.

31 **SECTION 30.** The Department of Public Instruction shall review all State laws and
32 rules and regulations governing the public school system to ensure compliance with the intent of
33 this Part to restore authority to the Superintendent of Public Instruction as the administrative head
34 of the Department of Public Instruction and the Superintendent's role in the direct supervision of
35 the public school system. By April 15, 2017, the Department of Public Instruction shall report to
36 the 2017 General Assembly on the results of its review, including any recommended legislation.

37 **SECTION 31.** Notwithstanding G.S. 115C-11, as amended by this act, the current
38 student advisor and the local superintendent advisor members serving on the State Board of
39 Education as of the effective date of this Part shall serve the remainder of their terms. Thereafter,
40 as terms expire, or when a vacancy occurs prior to the expiration of a term, the student advisor and
41 local superintendent advisor members on the State Board shall be appointed by the Superintendent
42 of Public Instruction in accordance with G.S. 115C-11, as amended by this act.

43 **SECTION 32.** Notwithstanding G.S. 115C-218, as amended by this act, the current
44 members serving on the North Carolina Charter Schools Advisory Board as of the effective date of
45 this Part shall serve the remainder of their terms. Thereafter, as terms expire, or when a vacancy
46 occurs prior to the expiration of a term, the members on the North Carolina Charter Schools
47 Advisory Board shall be appointed in accordance with G.S. 115C-218, as amended by this act. If a
48 vacancy occurs in a seat appointed by the Governor, the State Board of Education shall fill that
49 vacancy for the remainder of that term. Upon expiration of that term, the member shall be
50 appointed in accordance with G.S. 115C-218.

SECTION 33. Sections 1 through 6 and Sections 8 through 32 of this Part become effective January 1, 2017. The remainder of this Part is effective when it becomes law.

PART II. MODIFY APPOINTMENT OF UNC BOARDS OF TRUSTEES

SECTION 35. G.S. 116-31 reads as rewritten:

"§ 116-31. Membership of the boards of trustees.

(a) ~~All persons who, as of June 30, 1972, are serving as trustees of the regional universities and of the North Carolina School of the Arts, redesignated effective August 1, 2008, as the "University of North Carolina School of the Arts," except those who may have been elected to the Board of Governors, shall continue to serve for one year beginning July 1, 1972, and the terms of all such trustees shall continue for the period of one year.~~

(b) Effective July 1, 1972, a separate board of trustees shall be created for each of the following institutions: North Carolina State University at Raleigh, the University of North Carolina at Asheville, the University of North Carolina at Chapel Hill, the University of North Carolina at Charlotte, the University of North Carolina at Greensboro, and the University of North Carolina at Wilmington. ~~For the period commencing July 1, 1972, and ending June 30, 1973, each such board shall be constituted as follows:~~

~~(1) Twelve or more persons elected prior to July 1, 1972, by and from the membership of the Board of Trustees of the University of North Carolina, and~~

~~(2) The president of the student government of the institution, ex officio.~~

(c) ~~If any vacancy should occur in any board of trustees during the year beginning July 1, 1972, the Governor may appoint a person to serve for the balance of the year.~~

(d) Except as provided in G.S. 116-65, effective July 1, 1973, each of the 16 institutions of higher education set out in G.S. 116-2(4) shall have board of trustees composed of 13 persons chosen as follows:

(1) ~~Eight elected by the Board of Governors, Governors.~~

(2) ~~Four appointed by the Governor, and~~

(2a) Four members appointed by the General Assembly under G.S. 120-121, two of whom shall be appointed upon the recommendation of the President Pro Tempore of the Senate and two of whom shall be appointed upon the recommendation of the Speaker of the House of Representatives.

(3) The president of the student government ex officio.

The Board of Trustees of the North Carolina School of Science and Mathematics shall be established in accordance with G.S. 116-233.

(e) ~~From and after July 1, 1973, the~~The term of office of all trustees, except the ex officio member, shall be four years, commencing on July 1 of odd-numbered years. In every odd-numbered year the Board of Governors shall elect four persons to each board of trustees and ~~the Governor-General Assembly shall appoint two persons one person upon the recommendation~~of the President Pro Tempore of the Senate and one person upon the recommendation of the Speaker of the House of Representatives to each such board.

(g) ~~From and after July 1, 1973, any~~Any person who has served two full four-year terms in succession as a member of a board of trustees shall, for a period of one year, be ineligible for election or appointment to the same board but may be elected or appointed to the board of another institution.

(h) No member of the General Assembly or officer or employee of the State, The University of North Carolina, or any constituent institution shall be eligible for election or appointment as a trustee. No spouse of a member of the General Assembly, or of an officer or employee of a constituent institution may be a trustee of that constituent institution. Any trustee who is elected or appointed to the General Assembly or who becomes an officer or employee of the State, The University of North Carolina, or any constituent institution or whose spouse is elected or appointed to the General Assembly or becomes an officer or employee of that

1 constituent institution shall be deemed thereupon to resign from his or her membership on the
2 board of trustees.

3 (i) No person may serve simultaneously as a member of a board of trustees and as a
4 member of the Board of Governors. Any trustee who is elected or appointed to the Board of
5 Governors shall be deemed to resign as a trustee effective as of the date that his or her term
6 commences as a member of the Board of Governors.

7 (j) ~~From and after July 1, 1973, whenever~~Whenever any vacancy shall occur in the
8 membership of a board of trustees among those appointed by the ~~Governor, General Assembly,~~ it
9 shall be the duty of the secretary of the board to inform the ~~Governor General Assembly~~ of the
10 existence of such vacancy, and the ~~Governor shall appoint a person to fill the unexpired term,~~
11 vacancy shall be filled as provided in G.S. 120-122, and whenever any vacancy shall occur among
12 those elected by the Board of Governors, it shall be the duty of the secretary of the board to inform
13 the Board of Governors of the existence of the vacancy, and the Board of Governors shall elect a
14 person to fill the unexpired term. Whenever a member shall fail, for any reason other than ill
15 health or service in the interest of the State or nation, to be present for three successive regular
16 meetings of a board of trustees, his or her place as a member shall be deemed vacant."

17 **SECTION 36.** G.S. 116-233 reads as rewritten:

18 **"§ 116-233. Board of Trustees; appointment; terms of office.**

19 (a) Notwithstanding the provisions of G.S. 116-31(d), there shall be a Board of Trustees of
20 the School, which shall consist of up to 30 members as follows:

- 21 (1) Thirteen members who shall be appointed by the Board of Governors of The
22 University of North Carolina, one from each congressional district.
- 23 (2) Four members without regard to residency who shall be appointed by the Board
24 of Governors of The University of North Carolina.
- 25 (3) Three members, ex officio, who shall be the chief academic officers,
26 respectively, of constituent institutions. The Board of Governors shall in 1985
27 and quadrennially thereafter designate the three constituent institutions whose
28 chief academic officers shall so serve, such designations to expire on June 30,
29 1989, and quadrennially thereafter.
- 30 (4) The chief academic officer of a college or university in North Carolina other
31 than a constituent institution, ex officio. The Board of Governors shall
32 designate in 1985 and quadrennially thereafter which college or university
33 whose chief academic officer shall so serve, such designation to expire on June
34 30, 1989, and quadrennially thereafter.
- 35 (5) ~~Two—Three~~ members appointed by the General Assembly upon the
36 recommendation of the President Pro Tempore of the Senate in accordance with
37 G.S. 120-121.
- 38 (6) ~~Two—Three~~ members appointed by the General Assembly upon the
39 recommendation of the Speaker of the House of Representatives in accordance
40 with G.S. 120-121.
- 41 ~~(7) Two members appointed by the Governor.~~
- 42 (8) The president of the student government, ex officio, who shall be a nonvoting
43 member.
- 44 (9) Up to two additional nonvoting members selected at the discretion of the
45 chancellor and the Board of Trustees, with terms expiring June 30 of each year.

46 (b) Appointed members of the Board of Trustees shall be selected for their interest in and
47 commitment to public education and to the purposes of the School, and they shall be charged with
48 the responsibility of serving the interests of the whole State. In appointing members, the objective
49 shall be to obtain the services of the best qualified persons, taking into consideration the
50 desirability of diversity of membership, including men and women, representatives of different
51 races, and members of different political parties.

(c) No member of the General Assembly or officer or employee of the State, the School, The University of North Carolina, or of any constituent institution of The University of North Carolina, shall be eligible to be appointed to the Board of Trustees except as specified under subdivision (3) of subsection (a) of this section. No spouse of a member of the General Assembly, or of an officer or employee of the school may be a member of the Board of Trustees. Any appointed trustee who is elected or appointed to the General Assembly or who becomes an officer or employee of the State, except as specified under subdivision (3) of subsection (a) of this section, or whose spouse is elected or appointed to the General Assembly or becomes such an officer or employee of the School, shall be deemed thereupon to resign from his or her membership on the Board of Trustees. This subsection does not apply to ex officio members.

(d) Members appointed under subdivisions (1) or (2) of subsection (a) of this section shall serve staggered four-year terms expiring June 30 of odd numbered years.

(d1) Only an ex officio member shall be eligible to serve more than two successive terms.

(d2) Any vacancy in the membership of the Board of Trustees appointed under G.S. 116-233(a)(1) or (2) shall be reported promptly by the Secretary of the Board of Trustees to the Board of Governors of The University of North Carolina, which shall fill any such vacancy by appointment of a replacement member to serve for the balance of the unexpired term. Any vacancy in members appointed under G.S. 116-233(a)(5) or (6) shall be filled in accordance with G.S. 120-122. ~~Any vacancy in members appointed under G.S. 116-233(a)(7) shall be filled by the Governor for the remainder of the unexpired term.~~ Reapportionment of congressional districts does not affect the right of any member to complete the term for which the member was appointed.

(e) ~~Of the initial members appointed under G.S. 116-233(a)(5), G.S. 116-233(a)(5) in 1985, one member shall serve a term to expire June 30, 1987, and one member shall serve a term to expire June 30, 1989. Subsequent appointments shall be for four-year terms. The initial members appointed under G.S. 116-233(a)(6), G.S. 116-233(a)(6) in 1985 shall be appointed for terms to expire June 30, 1987. Subsequent appointments shall be for two-year terms. The initial members appointed under G.S. 116-233(a)(7) shall be appointed for terms to expire January 15, 1989. Successors shall be appointed for four-year terms.~~ terms until January 15, 2017, at which point subsequent appointments shall be for four-year terms.

(e1) The initial members appointed under G.S. 116-233(a)(5) and (6) in 2017, and successors of those members, shall serve four-year terms.

(f) Whenever an appointed member of the Board of Trustees shall fail, for any reason other than ill health or service in the interest of the State or nation, to be present at three successive regular meetings of the Board, his or her place as a member of the Board shall be deemed vacant."

SECTION 37. This Part is effective when it becomes law and applies to (i) vacancy appointments made on or after that date and (ii) appointments to fill terms expiring January 15, 2017, and thereafter. A vacancy by any board member appointed by the Governor to any board affected by this Part shall be filled by joint recommendation of the Speaker of the House of Representatives and the President Pro Tempore of the Senate, as provided in G.S. 120-121. The terms of members holding office as of the effective date of this Part shall not be affected.

PART III. SENATE CONFIRMATION OF CABINET APPOINTEES

SECTION 38. G.S. 143B-9 reads as rewritten:

"§ 143B-9. Appointment of officers and employees.

(a) The head of each principal State department, except those departments headed by popularly elected officers, shall be appointed by the Governor and serve at ~~his~~ the Governor's pleasure. The salary of the head of each of the principal State departments shall be set by the Governor, and the salary of elected officials shall be as provided by law.

For each head of each principal State department covered by this subsection, the Governor shall notify the President of the Senate of the name of each person to be appointed, and the

1 appointment shall be subject to senatorial advice and consent in conformance with Section 5(8) of
2 Article III of the North Carolina Constitution unless (i) the senatorial advice and consent is
3 expressly waived by an enactment of the General Assembly or (ii) a vacancy occurs when the
4 General Assembly is not in regular session. Any person appointed to fill a vacancy when the
5 General Assembly is not in regular session may serve without senatorial advice and consent for no
6 longer than the earlier of the following:

7 (1) The date on which the Senate adopts a simple resolution that specifically
8 disapproves the person appointed.

9 (2) The date on which the General Assembly shall adjourn pursuant to a joint
10 resolution for a period longer than 30 days without the Senate adopting a simple
11 resolution specifically approving the person appointed.

12 (b) The head of a principal State department shall appoint a chief deputy or chief assistant,
13 and such chief deputy or chief assistant shall not be subject to the North Carolina Human
14 Resources Act. The salary of such chief deputy or chief assistant shall be set by the Governor.
15 Unless otherwise provided for in the Executive Organization Act of 1973, and subject to the
16 provisions of the Personnel-Human Resources Act, the head of each principal State department
17 shall designate the administrative head of each transferred agency and all employees of each
18 division, section, or other unit of the principal State department."

19 **SECTION 39.** This Part is effective when it becomes law.
20

21 **PART IV. ESTABLISH TASK FORCE FOR SAFER SCHOOLS; TRANSFER CENTER** 22 **FOR SAFER SCHOOLS**

23 **SECTION 41.1.(a)** Effective December 15, 2016, the Center for Safer Schools is
24 hereby moved to the Department of Public Instruction, Division of Safe and Healthy Schools
25 Support. This transfer shall have all of the elements of a Type I transfer, as defined in
26 G.S. 143A-6.

27 **SECTION 41.1.(b)** Article 8C of Chapter 115C of the General Statutes is amended by
28 adding two new sections to read:

29 **"§ 115C-105.55. Establish Task Force for Safer Schools.**

30 (a) Task Force Established. – There is hereby created the Task Force for Safer Schools
31 within the North Carolina Department of Public Instruction.

32 (b) Memberships. – The Task Force shall consist of 25 members. The composition of the
33 Task Force shall include all of the following:

34 (1) The Secretary of the Department of Public Safety or the Secretary's designee.

35 (2) The Secretary of the Department of Health and Human Services or the
36 Secretary's designee.

37 (3) A member of the State Board of Education appointed by the Governor.

38 (4) Two local school board members appointed by the Chair of the State Board of
39 Education.

40 (5) A representative from the North Carolina Department of Public Safety,
41 Division of Emergency Management, appointed by the Secretary of the
42 Department of Public Safety.

43 (6) A representative from the North Carolina Justice Academy appointed by the
44 Attorney General.

45 (7) A member of the Governor's Crime Commission appointed by the Governor.

46 (8) Two local law enforcement officers appointed by the Governor.

47 (9) Two public school administrators appointed by the Chair of the State Board of
48 Education.

49 (10) A public school teacher appointed by the Chair of the State Board of Education.

50 (11) A public school psychologist appointed by the Governor.

51 (12) A public school resource officer appointed by the Governor.

- 1 (13) Two high school students currently enrolled at public high schools appointed by
2 the Governor.
3 (14) A parent of a currently enrolled public school student appointed by the
4 Governor.
5 (15) A juvenile justice professional appointed by the Governor.
6 (16) A North Carolina licensed social worker appointed by the Governor.
7 (17) A North Carolina licensed school counselor appointed by the Governor.
8 (18) An expert in gang intervention and prevention in schools appointed by the
9 Governor.
10 (19) Three at-large members appointed by the Governor.

11 (c) Appointment of Chair and Vice-Chair. – The Governor shall appoint a Chair and
12 Vice-Chair from among the membership of the Task Force. The Chair and Vice-Chair shall serve
13 at the pleasure of the Governor.

14 (d) Terms; Vacancies. – Effective December 1, 2016, all members shall be appointed for a
15 term of four years. Members may be reappointed to successive terms. Any appointment to fill a
16 vacancy on the Task Force created by the resignation, dismissal, death, disability, or
17 disqualification of a member shall be for the balance of the unexpired term.

18 (e) Removal. – The Governor shall have the authority to remove any member of the Task
19 Force for misfeasance, malfeasance, or nonfeasance, pursuant to the provisions of G.S. 143B-13.

20 (f) Per Diem, Etc. – Members of the Task Force may receive necessary per diem,
21 subsistence, and travel allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as
22 appropriate.

23 **"§ 115C-105.56. Task Force for Safer Schools; powers and duties.**

24 The Task Force shall have all of the following duties:

- 25 (1) To serve as an advisory board to the Center for Safer Schools.
26 (2) To provide guidance and recommendations to the Governor, Superintendent of
27 Public Instruction, and the General Assembly to improve statewide policy to
28 enhance statewide and local capacities to create safer schools.
29 (3) To encourage interagency collaboration among State and local government
30 agencies to achieve effective policies and streamline efforts to create safer
31 schools.
32 (4) To Assist the Center for Safer Schools in collecting and disseminating
33 information on recommended best practices and community needs related to
34 creating safer schools in North Carolina.
35 (5) Other duties as assigned by the State Board of Education."

36
37 **PART V. SEVERABILITY CLAUSE AND EFFECTIVE DATE**

38 **SECTION 42.** If any provision of this act or its application is held invalid, the
39 invalidity does not affect other provisions or applications of this act that can be given effect
40 without the invalid provisions or application, and to this end, the provisions of this act are
41 severable.

42 **SECTION 43.** Except as otherwise provided, this act is effective when it becomes
43 law.



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VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

12-16-16

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

GuanVice	Duke Energy
Josh Gunt	Smith Anderson
Phelbel Blank	NC DPI
Anne Murtha	NC DPI
Donna C. Bynum	SEB
JOE LANIER R	TBS
Ernest W. Robinson	NORMA
Brian Perkins	DHHS
Matt Ellinwood	NCJC
Kris Nordstrom	NCJC
Jonathan Murik	Gov Office



VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

12.16.16

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Jimmy Braggs	Gov. Office
Erin Wynia	NCLM
Sarah Collins	NCLM
Lisa Marlow	Cop-Ad
Marquand Duke	OSTHR/DMAA
Caroline Daley	Governor's Office
Steven Monge	NCLLA
AL	awc
HL	awc



VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

12-16-16

Name of Committee

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

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FIRM OR AGENCY AND ADDRESS

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M. William D. Totmar

MWC LLC

Bruce Eldred

NCSBA

Don West

NOTICE

Henry M Lancaster

LCA

Den Move

UNCGA



2015-2016

**SENATE
APPROPRIATIONS –
EDUCATION/
HIGHER EDUCATION**

MINUTES

NORTH CAROLINA GENERAL ASSEMBLY

SENATE APPROPRIATIONS ON EDUCATION/HIGHER EDUCATION COMMITTEE 2015 – 2016 SESSION

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NORTH CAROLINA GENERAL ASSEMBLY

SENATE APPROPRIATIONS ON EDUCATION/HIGHER EDUCATION COMMITTEE
2015 - 2016 SESSION



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Chairman



Sen. Chad Barefoot
Chairman



Sen. Dan Soucek
Chairman



Sen. David L. Curtis



Sen. Don Davis



Sen. Fletcher L. Hartsell, Jr.



Sen. Bob Rucho



Sen. Erica Smith-Ingram



Sen. Jerry W. Tillman



Sen. Joyce Waddell



Senate Committee on Appropriations on Education/Higher Education
Thursday, February 19, 2015 at 8:30 AM
Room 423 of the Legislative Office Building

MINUTES

The Senate Committee on Appropriations on Education/Higher Education met at 8:30AM on February 19, 2015 in Room 423 of the Legislative Office Building. Fourteen members were present.

Senator Chad Barefoot, Chair, presided.

Chairman Barefoot called the meeting to order at 8:30AM and thanked the pages and sergeants-at-arms.

He then introduced Bill Cobey, Chairman of the State Board of Education, who presented the State Board's Strategic Plan (see attachment).

Following Chairman Cobey's presentation, Superintendent of Public Instruction Dr. June Atkinson was recognized and gave a presentation outlining the role of the Department of Public Instruction (see attachment).

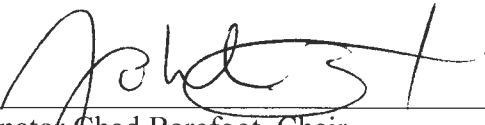
Chairman Barefoot then recognized members for questions before introducing Jonathan Pruitt, Chief Financial Officer of the University of North Carolina, for a presentation on the UNC System (see attachment).

Following member questions, Dr. Scott Ralls, President of the North Carolina Community College System was called forward to present (see attachment).

Chairman Barefoot allowed member questions for Dr. Ralls, and then finally, Hope Williams, President of the North Carolina Independent Colleges and Universities Association was recognized and presented an outline of the position of the State's independent colleges and universities.

Following final questions from members, Chairman Barefoot thanked the committee members and declared the meeting adjourned.

The meeting adjourned at 10:05AM.



Senator Chad Barefoot, Chair
Presiding



John Clark, Committee Clerk





AGENDA

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

February 19, 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

Senator Chad Barefoot
Presiding Co-Chair

II. North Carolina Department of Public Instruction

Mr. William Cobey,
Chairman of the State Board of Education

Dr. June Atkinson,
State Superintendent

III. The University of North Carolina

Mr. Jonathan Pruitt,
Senior Vice President for Finance

IV. North Carolina Community College System

Dr. R. Scott Ralls,
President

IV. North Carolina Independent Colleges and Universities

Dr. A. Hope Williams,
President

Adjourn

NEXT MEETING: February 24, 2015



State Board of Education Strategic Plan

Vision: Every public school student will graduate ready for post-secondary education and work, prepared to be a globally engaged and productive citizen.

Mission: The State Board of Education has the constitutional authority to lead and uphold the system of public education in North Carolina.

Goals	Objectives
1. Every student in the NC Public School System graduates from high school prepared for work, further education and citizenship	<ol style="list-style-type: none"> 1. Increase the cohort graduation rate 2. Graduate students prepared for post-secondary education 3. Graduate students pursuing a Career and Technical Education (CTE) concentration prepared for careers 4. Reduce the percentage of students needing remediation in post-secondary education 5. Increase student performance on the state's End of Grade (EOG) and End of Course (EOC) Assessments and on the National Assessment of Educational Progress (NAEP)
2. Every student has a personalized education	<ol style="list-style-type: none"> 1. Increase the number of students who graduate from high school with post secondary credit 2. Increase the number of teachers and students using digital learning tools => dig - now 3. Increase the number of schools designated as Science, Technology, Engineering and Mathematics (STEM)- or Global Education-ready => "Science" 4. Increase the number of charter schools meeting academic, operational, and financial goals 5. Increase the percentage of schools with a performance composite at or above 60% and meeting or exceeding academic growth
3. Every student, every day has excellent educators	<ol style="list-style-type: none"> 1. Develop and support highly effective teachers 2. Develop and support highly effective principals - leaders 3. Increase the number of teachers graduating from quality traditional and <u>alternative educator preparation</u> programs need? 4. Increase the number of principals graduating from quality traditional and alternative educator preparation programs 5. Increase the percentage of effective or highly effective teachers in schools with a performance composite below 60% and not meeting or exceeding academic growth
4. Every school district has up-to-date financial, business, and technology systems to serve its students, parents and educators	<ol style="list-style-type: none"> 1. Provide all schools with sufficient wireless coverage to support 1:1 computing initiatives 2. Use Home Base as an essential resource for instructional delivery and communications with parents and students 3. Use State and federal funding according to State and federal laws and State Board of Education policies
5. Every student is healthy, safe, and responsible	<ol style="list-style-type: none"> 1. Create and maintain a safe and respectful school environment 2. Promote healthy, active lifestyles for students 3. Decrease the number of students who are chronically absent, dropout, or suspended out of school 4. Decrease violence and crime in schools



Momentum... Every Child Ready

2012-2014
BIENNIAL
REPORT

//////////////////////////////////// NC DEPARTMENT OF PUBLIC INSTRUCTION //////////////////////////////////////

The path of success for today's students starts by staying ahead of change, and the challenge for North Carolina is anticipating what today's students will need as adults.

S percent of all US jobs require education beyond high school, and North Carolina students must be ready for life after graduation, including citizenship, college and careers.

Public schools have shifted into high gear over the past two years to meet ever-changing student needs. North Carolina has overhauled its *Standard Course of Study* for all subjects and grades, implemented new digital learning tools, focused attention on low-achieving schools and refocused educator evaluation to include student growth as one of six key indicators of effective teacher performance.

This work began in 2008, with a complete transition to these changes in the 2012-13 school year. It has been a tough journey and one that no other state has undertaken in such a comprehensive fashion. There are still goals to meet and challenges to overcome, but the rewards of this work are life-changing for students.

Our goal? Students who are ready for anything they want to do.

See an animated view of what NC public schools are doing to help every student be ready for the next step at <http://www.ncpublicschools.org/ready/multimedia>





Message from the State Superintendent of Public Instruction

Over the past two years, North Carolina public schools have implemented unprecedented and coordinated improvements in standards, assessments, accountability, educator evaluation and technology, all with significant one-time support from a competitive federal Race to the Top grant. Teachers, principals and other education leaders in traditional and charter public schools have demonstrated their willingness to adapt to change, to meet new challenges and to be held accountable for student success.

As our state moves farther away from the recession of 2008 and nears the 2015 conclusion of its Race to the Top grant, we continue to catch up on priorities that could not be met fully by the state during the recession. The Department of Public Instruction also is preparing for the loss of more than 120 employees when the Race to the Top grant ends in June 2015. While lawmakers enabled us to make a first step of progress with teacher salaries in 2014, pay levels and other classroom support for educators continue to be important. In addition to ensuring that every classroom has a well-prepared and qualified teacher, it also is important to make sure that every classroom and student is equipped with textbooks, supplies, technology and other support needed for learning.

This report highlights areas of growth and success, the ongoing needs of public school classrooms and how North Carolina's momentum can continue toward teaching and learning that is personalized for students and enriched with appropriate technology. Throughout the report, you will see web links to learn more about how public schools are addressing the needs of students.

The State Board of Education and Department of Public Instruction's budget request meets the 2 percent target required by the Office of State Budget and Management and reflects a focus on basic classroom needs - ample textbooks, technology and support for students to strengthen their skills and receive sound instruction. The full expansion budget request is online at <http://www.ncpublicschools.org/docs/fbs/budget/boardexpansionrequest2015-17.pdf>

June St. Clair Atkinson
STATE SUPERINTENDENT

Turning Around Lowest Achieving Schools

One of the NCDPI's most effective means of closing the achievement gap has been its Turning Around Lowest Achieving Schools (TALAS) initiative.

In 2010, North Carolina leveraged a portion of its Race to the Top grant to expand its successful turnaround and transformation work already underway across the state. With this award, North Carolina enhanced the efforts of the agency's District and School Transformation (DST) division to implement a comprehensive program that targets low performing schools and responds to state and federal legislation and requirements, as well as North Carolina's own judicial and executive directives.

North Carolina's TALAS initiative targets the bottom 5 percent of

elementary, middle and high schools, all of which have performance composites below 60 percent (based on 2009-10 data). The performance composite score for a school is the proportion of students' scores on state end-of-course and end-of-grade assessments that are at or above proficiency. TALAS also targets high schools with graduation rates below 60 percent. A total of 118 schools met one of these two criteria. In addition, District and School Transformation works with the lowest-performing 10 percent of districts in the state.

The Department of Public Instruction uses one of three approaches to help identified schools:

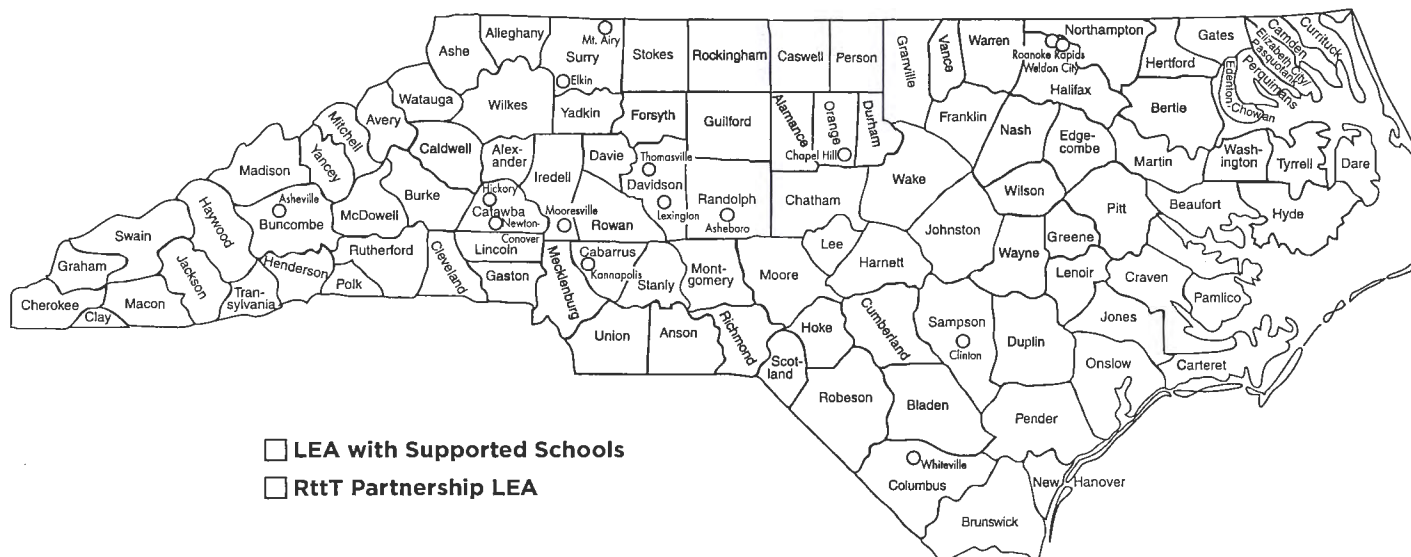
- 1) turnaround,
- 2) restart, and
- 3) closure and transformation.

Based on the 2013-2014 school accountability results, 83 percent of the originally identified 118 schools ranked in the bottom 5 percent of conventional schools have improved their overall performance and no longer fall in the bottom 5 percent. After analyzing the data further, 67 percent of these same schools are no longer in the bottom 10 percent statewide.

See where NCDPI staff are turning around school districts and schools:
<http://www.ncpublicschools.org/docs/schooltransformation/overview/rttt-map.pdf>

For a complete list of all schools being served through TALAS:
<http://www.ncpublicschools.org/docs/schooltransformation/overview/supported.pdf>

SCHOOLS AND DISTRICTS SPECIFICALLY SERVED BY DST THROUGH FUNDING OF RACE TO THE TOP



Professional Development Supports Teachers for Better Student Outcomes

With so many significant improvements underway over the past four years, professional development for local educators has been essential. Race to the Top has reinvigorated North Carolina's state-sponsored and coordinated professional development effort. The Educator Effectiveness division has partnered with Regional Education Service Alliances, local school districts and vendors to provide multiple layers of professional development – train-the-trainer models, annual regional summer institutes, and virtual or digital professional development including the development of a Massive Online Course on effective digital strategies in the K-12 classroom.

This area also created the application, selection and pathway process for the Governor's Teacher Network, which launched June 30, 2014, with 450 teacher participants developing digital resources to support the state's *Standard Course of Study*.



Educators Want and Need Training Professional Development by the Numbers:

- Eighty-eight percent of participants in 2014's eight summer institutes agreed that the Summer Institutes will help their district develop a strategic plan for professional development;
- Deployed more than 138 virtual and face-to-face sessions on Home Base (Educator Effectiveness System, PowerSchool, SchoolNet), EVAAS, Data Literacy;
- Held 18 Principal READY statewide sessions for more than 1,100 principals; and
- Created and implemented a regional differentiated statewide professional development calendar based upon feedback from eight Summer Institutes.

WHAT DO TEACHERS SAY?

According to the 2014 North Carolina Teachers Working Condition Survey Summary report, 86.2 percent of teachers (state average) feel that professional development enhances their ability to help improve student learning.

Accountability is Key for Parents and Taxpayers

Measuring performance is a key component of education. Students and their parents expect to receive grades that show progress in learning and demonstrate preparedness for colleges and careers. Taxpayers expect schools to serve as good stewards of the state's investment in education and to prepare young people to be productive members of society.

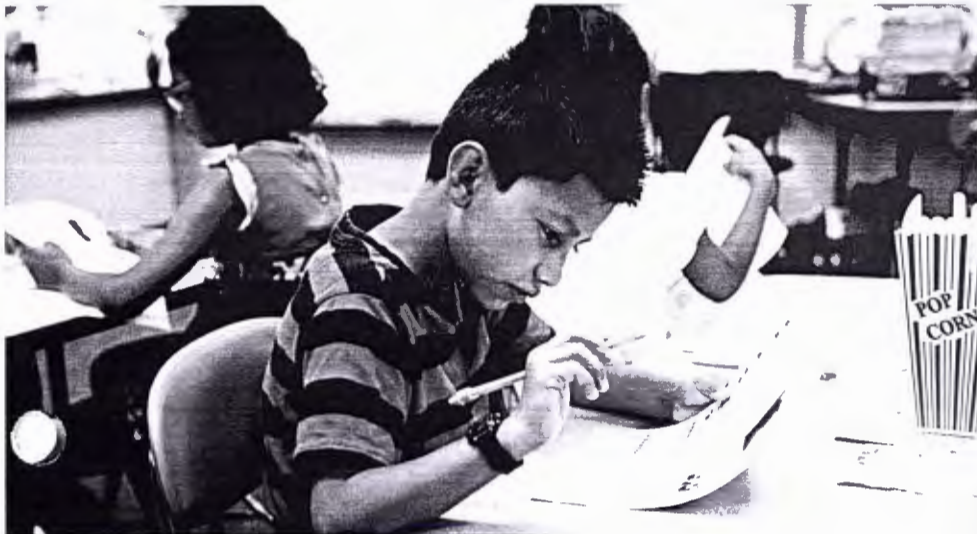
Standardized testing provides a low-cost and efficient way to measure student performance over time.

Though test scores have limitations, both state and federal laws require certain assessments of reading, mathematics and science in grades 3-8 to gauge school-wide success. Key components of the state's school accountability measure include the ACT college admissions exam and WorkKeys for students who complete a Career and Technical Education sequence. State standardized end-of-

grade and end-of-course tests provide a framework of accountability at a cost of less than \$6 per student. Most students in middle and high school will take one final exam per class in the final days of the course or school year.

North Carolina also participates in the National Assessment of Educational Progress (NAEP). Since 1992, when the state initially volunteered to administer this test, NAEP has given North Carolina a fair comparison of its students' performance alongside the students in other states. NAEP test items are given to a sample of fourth, eighth and twelfth grade students chosen to reflect the state's overall population in terms of race, gender, affluence and urban or rural setting.

The latest NAEP results, including North Carolina's Snapshot is at <http://www.ncpublicschools.org/accountability/policies/naep/2>.



QUICK FACTS ABOUT NORTH CAROLINA PUBLIC SCHOOLS

- 115 school districts
- 2,526 traditional public schools
- 148 public charter schools (open for students)
- 11 new charter schools scheduled to open fall 2015
- 1.52 million public school students
- \$12.3 billion public school budget
 - \$7.8 billion in state funds (62.2%)
 - \$1.5 billion in federal funds (12%)
 - \$3 billion in local funds (25.8%)
- Projected student enrollment growth in 2014-15: 9,000 students (at a cost of \$69.9 million)
- Textbook funding in 2013-14: approximately \$15 per student (in 2008 it was \$67.15 per student.)
- Average cost of a typical textbook: \$35-\$86
- More than 500 courses are taught in NC public schools
- 22 credits are required for high school graduation (<http://www.ncpublicschools.org/docs/curriculum/home/graduationrequirements.pdf>)
- 32 credits possible under block schedule
- 142 courses offered in NC Virtual Public School
- 35,205 of students taking at least one NCVPS course in 2013-14

Momentum: North Carolina Public Schools Move from 20th Century to Digital-Age Models

Traditional Instructional Model Digital-Age Learning Model*

Advancement based on time

- Credit by Demonstrated Mastery is now available to middle school students at local school district discretion and is required for all interested/qualified high school students. Students demonstrate mastery through standard examination and an artifact which requires the student to apply knowledge and skills relevant to the content standards that ensure deep understanding of the course.

Competency Mastery

- Students are able to earn industry-accepted credentials through examinations that test knowledge and skills and can include performance demonstration.
- Teachers are able to earn badges to demonstrate expertise in a specific topic.

Fixed places and times for learning

- The NC Virtual Public School (NCVPS) is a public program available to supplement middle and high school course offerings. It provides “24/7” learning for students with licensed teachers who facilitate learning through pre-assessment, notes, video/animation, practice and mastery opportunities. NCVPS is the 2nd largest virtual public school in the country, manages 50,000 full-credit enrollments annually and continues to grow. NCVPS is available to non-public school students also.

Anywhere and anytime learning

- NC public school teachers may benefit from 51 online learning modules that address professional teaching standards as well as content standards. Some courses are independent studies while others are facilitated by instructors.

One-size instruction

- Early college high schools offer first-generation college students an opportunity to earn both a high school diploma and significant college credit/credentials/associate's degree during a five-year program located on a higher education campus. There are approximately 80 schools across the state, with the number growing each year. About one-half of early college high schools post 100 percent graduation rates and about one-third of the students graduate with an associate's degree or 30 hours of transferable college credit.

Personalized learning

- The Career and College Promise offers qualified traditional high school students an opportunity to take college courses on college campuses or online. The courses are designed in pathways that lead students to CTE credentials or programs of study resulting in an associate's or bachelor's degree.
- SchoolNet (within the Home Base technology) allows teachers to use formative assessment tools to diagnose a student's mastery of the content and identify instructional resources to meet student learning needs.

* Adapted from Digital Learning Plan, Friday Institute, 2014

Teacher-Centered Instruction

Student-Centered Instruction

- MClass Reading 3D (R3D) is a diagnostic reading assessment system that allows teachers to benchmark and monitor student learning to ensure that they are making progress on reading standards. R3D provides instant reports and reading strategies to meet individual learning needs. The system also provides reports to parents so that they can monitor their child's progress and provide assistance at home.
- The True North Logic system for teacher evaluation allows teachers to access modules for professional development based on the teacher's strengths and areas for improvement.
- By using EVAAS data, teachers can determine which students are not making sufficient growth in reading and mathematics. Teachers also can access instructional strategies in the system.
- Using the same EVAAS system, principals can determine which teachers are not impacting student growth positively. With these data, the principal can provide the teacher with assistance and professional development matched to his or her need.
- Flipped Classrooms – In the flipped classroom, students listen or view the lecture/classroom explanation at home. During class time, students practice using the concepts they have learned through viewing the lectures at home.



Printed, static text

Digital Content

- Home Base offers teachers digital content in reading, mathematics, science and social studies, and Career and Technical Education.
- Schools use Discovery, PBS, NC Wise Owl and other sources for up-to-date instructional resources.

End-of-course standardized assessments

Assessments integrated into learning

- Home Base provides digital formative assessment systems to assist teachers in determining student achievement during the learning process so the teacher can adjust the instructional program for the student.

Limited parent information

Parent Portals

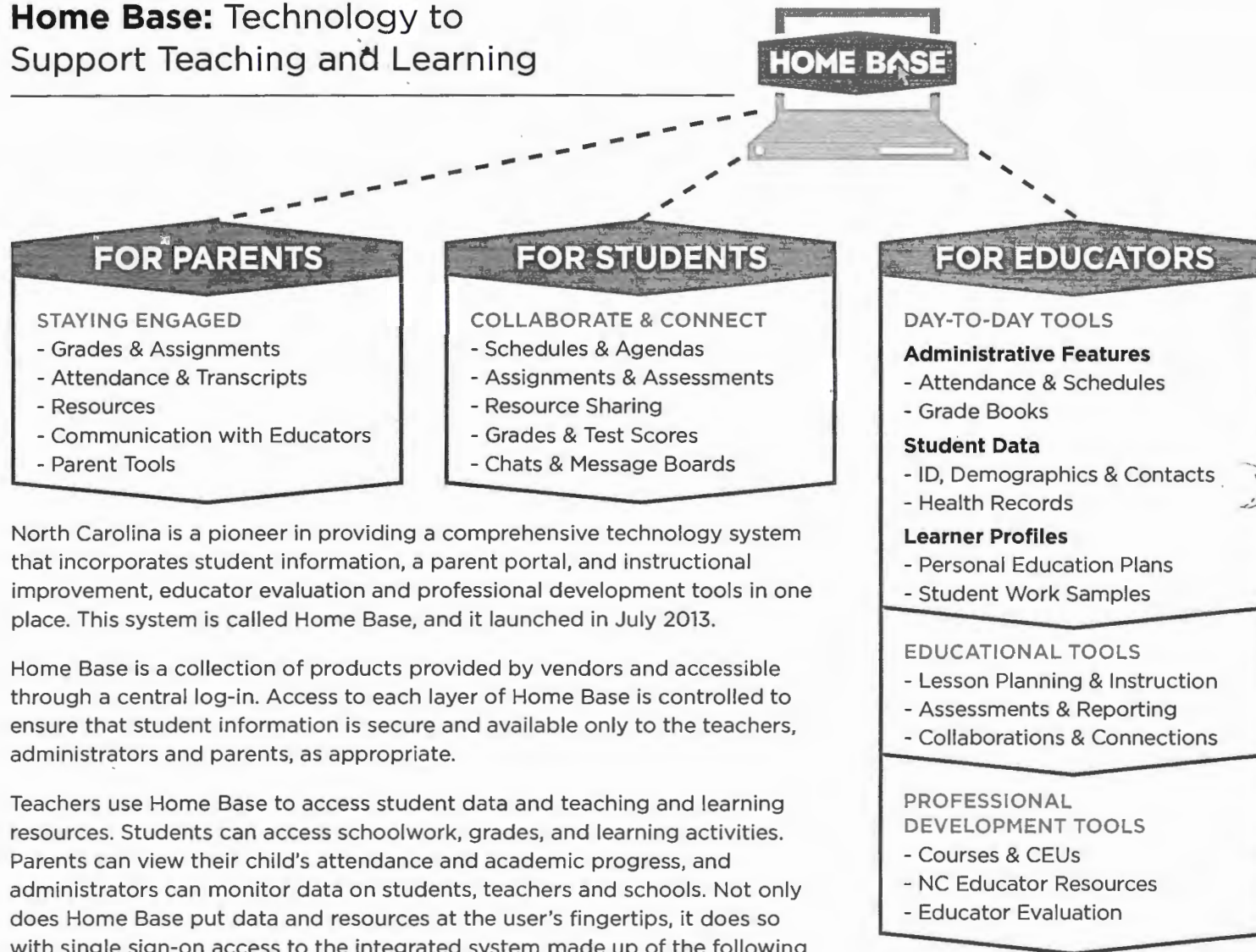
- Home Base offers parents a portal into their children's school records. Parents may view attendance, assignments, grades, discipline reports, etc.

Academics in isolation

Project-Based

- Project-based learning is taking hold across NC. NC New Schools has been a leader in the effort in partnership with the NCDPI.
- STEM schools are focusing on the grand engineering challenges as one design model.
- STEM schools are being recognized for progress and achievement.
- Global education initiatives are expanding across the state in partnership with VIF, Center for International Understanding, and World View.

Home Base: Technology to Support Teaching and Learning



North Carolina is a pioneer in providing a comprehensive technology system that incorporates student information, a parent portal, and instructional improvement, educator evaluation and professional development tools in one place. This system is called Home Base, and it launched in July 2013.

Home Base is a collection of products provided by vendors and accessible through a central log-in. Access to each layer of Home Base is controlled to ensure that student information is secure and available only to the teachers, administrators and parents, as appropriate.

Teachers use Home Base to access student data and teaching and learning resources. Students can access schoolwork, grades, and learning activities. Parents can view their child's attendance and academic progress, and administrators can monitor data on students, teachers and schools. Not only does Home Base put data and resources at the user's fingertips, it does so with single sign-on access to the integrated system made up of the following components: Learner Profile and Student Information; Standards & Curriculum; Instructional Design, Practice & Resources; Assessment; Data Analysis and Reporting; and Professional Development & Educator Evaluation.

Beginning in 2014-15, all components of Home Base were made available to all districts and charter schools at no additional cost. The required portions, such as PowerSchool and Educator Evaluation, will always be free of charge to local school districts. Depending on state funding availability, the NCDPI may have to charge local school districts a nominal fee per student to access the instructional resources in future years. The cost so far for this instructional content is approximately \$4 per student.

Learn more about Home Base at
www.ncpublicschools.org/homebase

All Subjects, All Grades New Standards Increase Rigor, Expectations

North Carolina has had a *Standard Course of Study* for at least 75 years, but 2012 marked the first time in our state's history that all standards in all subjects and grades were revised at the same time. This comprehensive overhaul began in 2008 with the Accountability and Curriculum Reform Effort (ACRE) initiated by a Blue Ribbon Commission that included lawmakers, parents, business representatives and educators. The process started with extensive input from local teachers and other educators and continued with assistance from experts in each subject, including industry and business representatives. The recommendations of this group were fully implemented in the state's classrooms in 2012-13.

In November 2014, the early stages of content standards review began again with English language arts and mathematics. All of the state's teachers and other educators were invited to participate in an online survey that asked for input standard-by-standard and grade-by-grade. This survey, which closes on Dec. 31, 2014, kicked off the initial reviews that will drive the next revisions in these two core subjects. From there, parents and other members of the public also will have an opportunity to provide input and guidance before revisions are presented to the State Board of Education. Historically, North Carolina has considered revisions in each subject's standards on a five-to-seven year cycle.

In addition, an Academic Standards Review Commission, created by the General Assembly and coordinated by the NC Department of Administration, began its work in September 2014 and is anticipated to make recommendations to the State Board of Education about changes to the English language arts and mathematics standards by December 2015.

View all current standards at www.ncpublicschools.org/curriculum/



KEY INDICATORS

- NC's high school graduation rate is **83.9 percent**, the highest in state history.
- The 2014 average SAT score for North Carolina was 1,483 (499 critical reading, 507 mathematics, 477 writing) versus a 1,497 national average.
- The 2014 ACT average composite score was 18.6, compared to the 21.0 national average. North Carolina is one of 12 states nationwide to test 100 percent of graduates.
- North Carolina public schools are among the top 11 participating education systems in the world for fourth and eighth grade math scores on the Trends in International Mathematics and Science Study.
- North Carolina is 14th in the nation in the percentage of seniors scoring a 3 or higher on Advanced Placement exams in high school.
- NC students earned 115,000 business and industry credentials in 2013-14.

MORE DATA ON SCHOOLS

- www.ncschoolreportcard.org
- www.ncpublicschools.org
- <http://www.ncpublicschools.org/docs/fbs/resources/data/highlights/2014highlights.pdf>

Budget Expansion Request – 2015-17 Biennium

ITEM NAME AND DESCRIPTION	FY 2015-16 REQUESTED INCREASE	FY 2016-17 REQUESTED INCREASE
Textbooks (Digital Materials, Devices, and Hard Cover) – Elimination of the non-recurring reduction to textbooks will reinstate the per student funding level to \$77.16 (up from \$15.28 for FY 2012-13). Funding at the FY 2008-09 level of \$67.15 per ADM (rather than \$14.86), would cost an additional \$79.5 million.	\$ 76,850,000	\$ 76,850,000
Classroom Technology* – Funding to accommodate technology needs in our public schools during implementation of the Instructional Improvement System. Technology needs include, handheld devices, digital content, network infrastructure, or technology facilitators in the school building (\$18m to come from fines and forfeitures and \$6m from Indian Gaming Commission).	25,000,000	25,000,000
Instructional Supplies – Elimination of the non-recurring reduction to instructional supplies will reinstate the per student funding level to \$59.33 (up from \$33.60 for FY 2012-13). Funding at the FY 2008-09 level of \$58.77 per ADM (rather than \$28.38), would cost an additional \$46.2 million.	20,000,000	20,000,000
Home Base – Funding to manage delivery of instructional tools & resources, and engagement with districts and schools regarding daily operation of the system.	6,000,000	6,000,000
Turning Around Lowest Achieving Schools* – Funding to provide intensive support (planning/coaching) for principals and teachers in lowest-achieving 5% of schools (118 schools, across 36 districts) and to provide intensive support (planning/coaching) for superintendents, central office staff, principals, and teachers in lowest 10% of districts (12). (Amount is funding to be provided to DPI for this purpose.)	8,600,000	8,600,000
Professional Development* – Funding to provide year-round calendar of regionally based professional development (including summer institutes) and to support district and charter professional development leadership teams.	4,400,000	4,400,000
NC Procurement Alliance – Funding to support the NC Procurement Alliance after GA report indicated that for every \$1 invested with the Alliance, LEAs saved \$6. This converts to an estimated district savings of \$480,000.	80,000	80,000

ITEM NAME AND DESCRIPTION	FY 2015-16 REQUESTED INCREASE	FY 2016-17 REQUESTED INCREASE
Connectivity - The initial Connectivity Project was designed to establish and sustain internet access to the school buildings. Funding for this project is \$19.9 million. We need to expand school connectivity support to include internal school network infrastructure. In order to transition to digital learning statewide, school internal networks must support scalable and reliable wireless and wired connectivity. The Federal Communication Commission's E-Rate modernization order issued in July of 2014 establishes a baseline of \$150 per ADM as the 5-year budget for school network infrastructure.	12,000,000	12,000,000
Distinguished Leadership in Practice* - Funding to provide leadership programs to strengthen skills and practices of current principals and assistant principals.	600,000	600,000
Regional Leadership Academies - Funding to provide regionally based Leadership Academies (Northeast, Sandhills, Piedmont) to prepare aspiring principals to transform lowest-achieving schools.	4,000,000	4,000,000
K-2 EVAAS - Funding to expand our current contract to include students in grades K-2 in all North Carolina public schools and to provide reports using the Educational Value Added Assessment System (EVAAS) that will show analyses of student achievement data for potential summative and formative use for districts. (Grades 3-12 EVAAS: \$2,795,000)	870,000	870,000
NCEES - Funding to operate NC Educator Evaluation System (an online tool, including Professional Development System). Activities will include managing contract with SAS for the Educator Value-Added Assessment System (EVAAS); providing NC Final Exams, Analysis of Student Work (ASW), and related processes (amount includes \$964,560, which is the DPI state funding for accountability).	3,600,000	3,600,000
The State Board of Education and Department of Public Instruction will request continued improvements to educators' pay. This request is in addition to the expansion items.	\$ 162,000,000	\$ 162,000,000

*Denotes funding can be used for professional development.

How is my school doing?

Since 2001-02, North Carolina's School Report Cards have been issued annually to give parents and others a "one-stop shop" of information about each public and public charter school. Although test scores are a backbone of this report, other key information is provided including teacher quality details, school climate and safety, student demographics and more. In February 2015, for the first time, the School Report Cards will include a letter grade for each school, as required by the North Carolina General Assembly. These A-F performance grades, based 80 percent on student performance and 20 percent on student academic growth, will be accompanied by specific data for each measure that is used to determine these grades.

This year, the School Report Cards have been re-designed to make it easier for users to do school-to-school comparisons.



See the School Report Cards at
www.ncschoolreportcards.org



In compliance with federal law, the NC Department of Public Instruction administers all state-operated educational programs, employment activities and admissions without discrimination because of race, religion, national or ethnic origin, color, age, military service, disability, or gender, except where exemption is appropriate and allowed by law.

Inquiries or complaints regarding discrimination issues should be directed to: Dr. Rebecca Garland, Deputy State Superintendent
6368 Mail Service Center, Raleigh, NC 27699-6368 :: Telephone: (919) 807-3200 :: Fax: (919) 807-3388

Visit us on the Web: www.ncpublicschools.org

G.S.115C-21. Administrative duties of the State Superintendent of Public Instruction...

(3) To report biennially to the Governor 30 days prior to each regular session of the General Assembly, such report to include information and statistics of the public schools, with recommendations for their improvement and for changes in the school law.

The North Carolina Department of Public Instruction (NCDPI) implements North Carolina's school laws and the State Board of Education's policies for pre-kindergarten through 12th grade public education. The elected State Superintendent of Public Instruction leads the Department under the policy direction of the State Board of Education.

The agency provides leadership and service to

- the 115 local public school districts
- more than 2,500 traditional public schools,
- more than 150 charter schools,
- three residential schools for students with hearing and visual impairments,
- the NC Virtual Public School and the Governor's School.

Broad areas of NCDPI support include:

- Standard Course of Study development;
- curriculum and instruction;
- student testing and school accountability;
- finance;
- teacher and administrator preparation and licensing;
- professional development;
- technology support, including Home Base, a suite of digital tools and learning resources; and
- school business support and operations, including transportation and insurance.

The NCDPI administers annual state and federal public school funds totaling more than \$10 billion and licenses the approximately 120,000 teachers and administrators that serve public schools. The state agency also works closely with nine Regional Education Service Alliances/Consortia and six regional accountability offices.

NCDPI's divisions are supported with state, federal and receipt funding.

Dear North Carolinian,

While the Department of Public Instruction does not teach most of the 1.5 million students in our state, our mission is to do our part to make sure that all students have a successful education experience. Some ways we help: saving teachers and districts time, developing technology systems, bringing partners together to work on our state's needs and securing federal dollars to help North Carolina schools.

NCDPI staff have been master teachers, principals and local school superintendents. Others have deep expertise in technology, finance, transportation, facilities and school design, child nutrition, insurance and more.

Our work is not always directly with students, but it is all about students.

*Sincerely,
June Atkinson
State Superintendent*



NC Department of Public Instruction

Serving Public Schools and Students



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

KEY FUNCTIONS

School, District, Standards and Assessment Support

- Develops curriculum, including Career and Technical Education programs
- Monitors K-3 literacy program
- Creates and purchases appropriate student assessments
- Develops and operates school accountability model
- Reports school and district performance
- Operates NC Virtual Public School
- Helps develop and manage cooperative and innovative high schools
- Supports programs for students with disabilities and academically and intellectually gifted students
- Identifies, describes and shares best practices for improving student learning
- Operates the NC Governor's School, a summer program for gifted students

Great Teachers and Leaders

- Licenses educators
- Provides and coordinates professional development
- Develops and implements educator evaluation tools
- Monitors and approves teacher education programs

Facilities

- Ensures school building plans meet required health and safety codes in a cost-effective way
- Insures school facilities

Infrastructure – Technology, Business and Finance

- Ensures proper distribution of more than \$10 billion in state and federal funds including oversight of funding formulas, distribution of funds, cash monitoring and reporting.
- Ensures compliance to state salary schedules, monitoring of all salaries and audit compliance with federal and state financial laws
- Ensures that the state's 13,700 school buses are maintained for safety and efficiency
- Builds technology infrastructure to connect school districts and support teaching and learning
- Runs statewide student information system, including student transcripts
- Negotiates for lowest possible textbook and digital learning material rates and handles distribution

Federal Grants and Support

- Assists low-performing schools so they can improve
- Monitors and regulates programs for children with disabilities and English language learners
- Oversees federal school breakfast and lunch programs to assure that state and federal nutritional guidelines are met and food is procured to save money and support health
- Oversees all work and reporting for federal grants and programs, including Race to the Top, Exceptional Children, No Child Left Behind/Elementary and Secondary Education Act (Title I), IDEA and others

Miscellaneous

- Monitors and supports public charter schools, including application process, operations, school business practices and governance
- Manages Residential Schools and Early Childhood services for children who are deaf and blind
- Coordinates healthy schools initiatives and efforts to address public health needs in schools
- Maintains ncpublicschools.org website visited by 3 million people annually and serving as a comprehensive information resource
- Responds to public records and public information requests

KEY CONTACTS

State Board of Education
919-807-3304

State Superintendent's Office
919-807-3430

Deputy State Superintendent
919-807-3200


Academic Services & Digital Learning
919-807-3759

Financial and Business Services
919-807-3600

Technology Services
919-807-3247

**Online Education Directory
& Other Information**
www.ncpublicschools.org

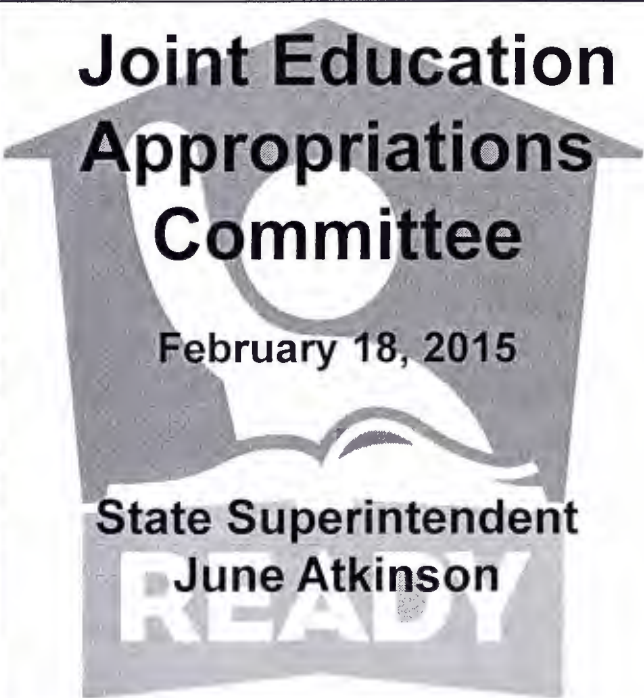
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Joint Education Appropriations Committee

February 18, 2015

State Superintendent
JUNE ATKINSON



READY





STATE OF NORTH CAROLINA
STATE BOARD OF EDUCATION • DEPARTMENT OF PUBLIC INSTRUCTION

Professional Educator's License

DATE ISSUED: 01/1/2011
RENEWAL CYCLE: 07/01/2013 TO 06/30/2014
DATE EFFECTIVE: 12/31/2010
DATE EXPIRES: 06/30/2014

THE PERSON NAMED HAS COMPLETED A PROGRAM OF PREPARATION APPROVED BY THE STATE BOARD OF EDUCATION AND IS AWARDED THIS LICENSE TO SERVE IN THE SCHOOLS OF NORTH CAROLINA IN THE AREAS INDICATED. THIS LICENSE HAS BEEN ISSUED IN ACCORDANCE WITH STATE BOARD OF EDUCATION REGULATIONS.

PROGRAM CODE/STATUS	NO CODE	CODE-AREA	CLASS CODE	EXP
1 STANDARD PROFESSIONAL II	87	00P10 ART (GRADES K-12)	H	5

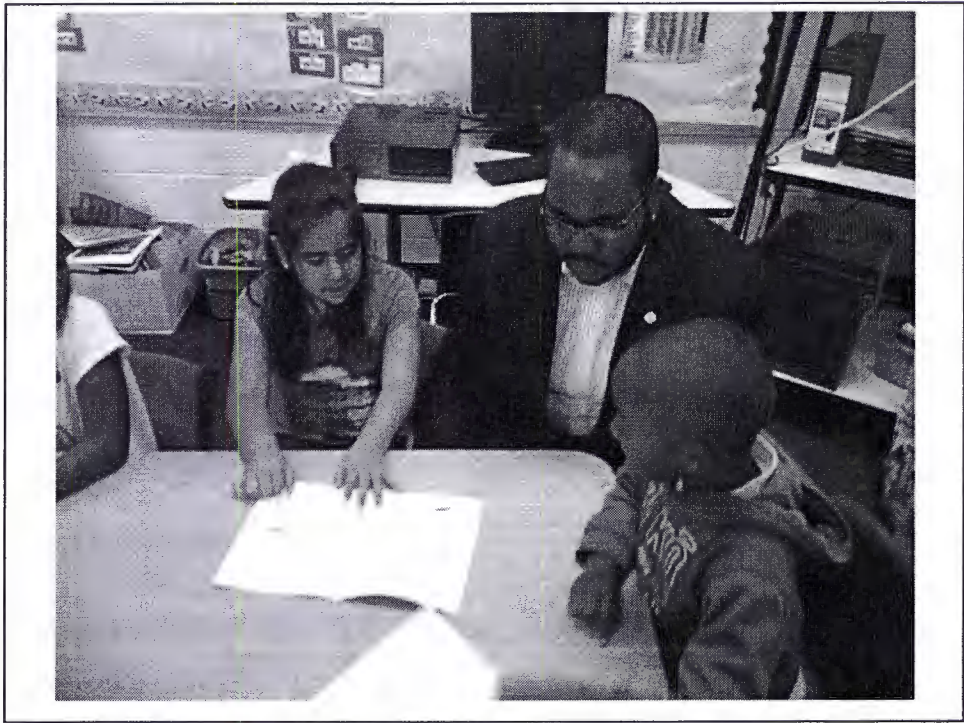
Class Codes:
 V Non-Degree level
 A Bachelor's level
 M Master's level
 S AP ASL
 C, DS, TD

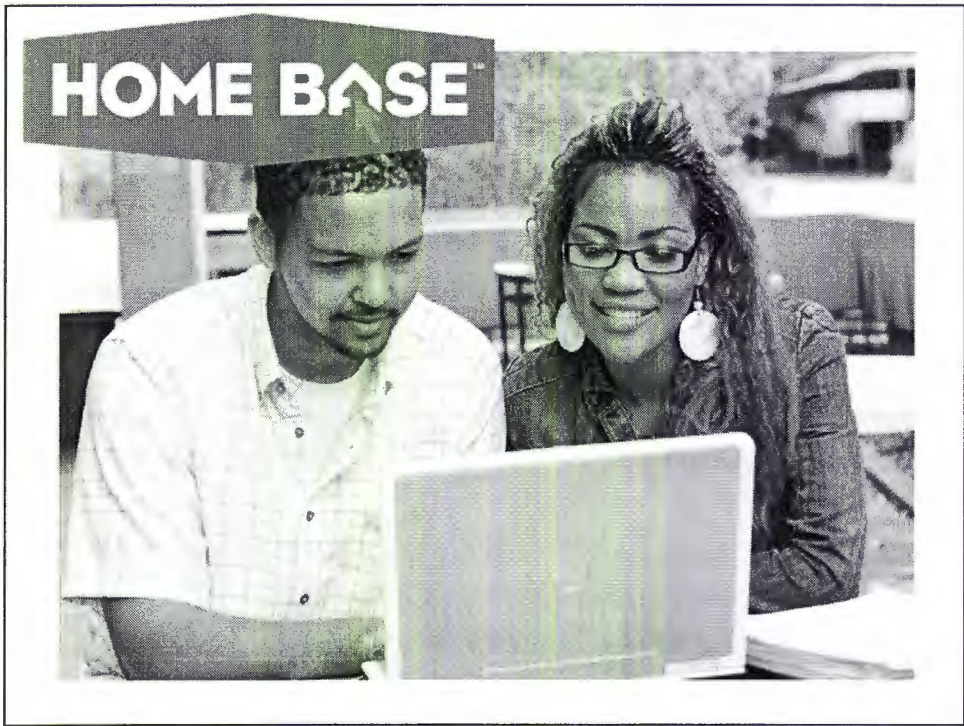
Highly Qualified (HQ) status indicators, pursuant to PL 107-110 (NCLB Act of 2001):
 86 - Not Highly Qualified
 87 - Not Applicable for Non-Core Academic Areas
 88 - Highly Qualified not determined
 89 - Highly Qualified based on undergraduate academic major
 90 - Highly Qualified based on coursework equivalent to an undergraduate major
 91 - Highly Qualified based on NYC licensing test
 92 - Highly Qualified based on Other State licensing test
 93 - Highly Qualified based on a graduate degree
 94 - Highly Qualified based on master's level licensure or above
 95 - Highly Qualified based on NBPTS
 96 - Highly Qualified based on NC HOUSSE standard
 97 - Highly Qualified based on Other State HOUSSE standard
 98 - Highly Qualified based on Other State's verification

EACH LICENSE HOLDER IS RESPONSIBLE FOR KNOWING AND SATISFYING LICENSE RENEWAL REQUIREMENTS AND/OR ANY IDENTIFIED PROVISIONS OR DEFICIENCIES REQUIRED TO REISSUE HIS OR HER LICENSE.

John L. Clair Ottensm
SUPERINTENDENT OF PUBLIC INSTRUCTION

STATE BOARD OF EDUCATION
DEPARTMENT OF PUBLIC INSTRUCTION
KIDS MAIL SERVICE CENTER
RALEIGH, NORTH CAROLINA 27619-1399











Every Student READY





The University of North Carolina

Joint Education Appropriations Subcommittee
February 18, 2015

Evolution of a Multi-campus University



1789

The nation's first public university opens in Chapel Hill



1863

NC General Assembly begins funding other institutions of higher education, beginning with the State Colored Normal School (now FSU)



1931

Legislation creates three-campus UNC including UNC (now UNC-CH), NC State College (now NCSU), and Woman's College (now UNCG)



1963-69

Three more campuses join the University by legislative action—UNCC, UNCA, and UNCW

1971

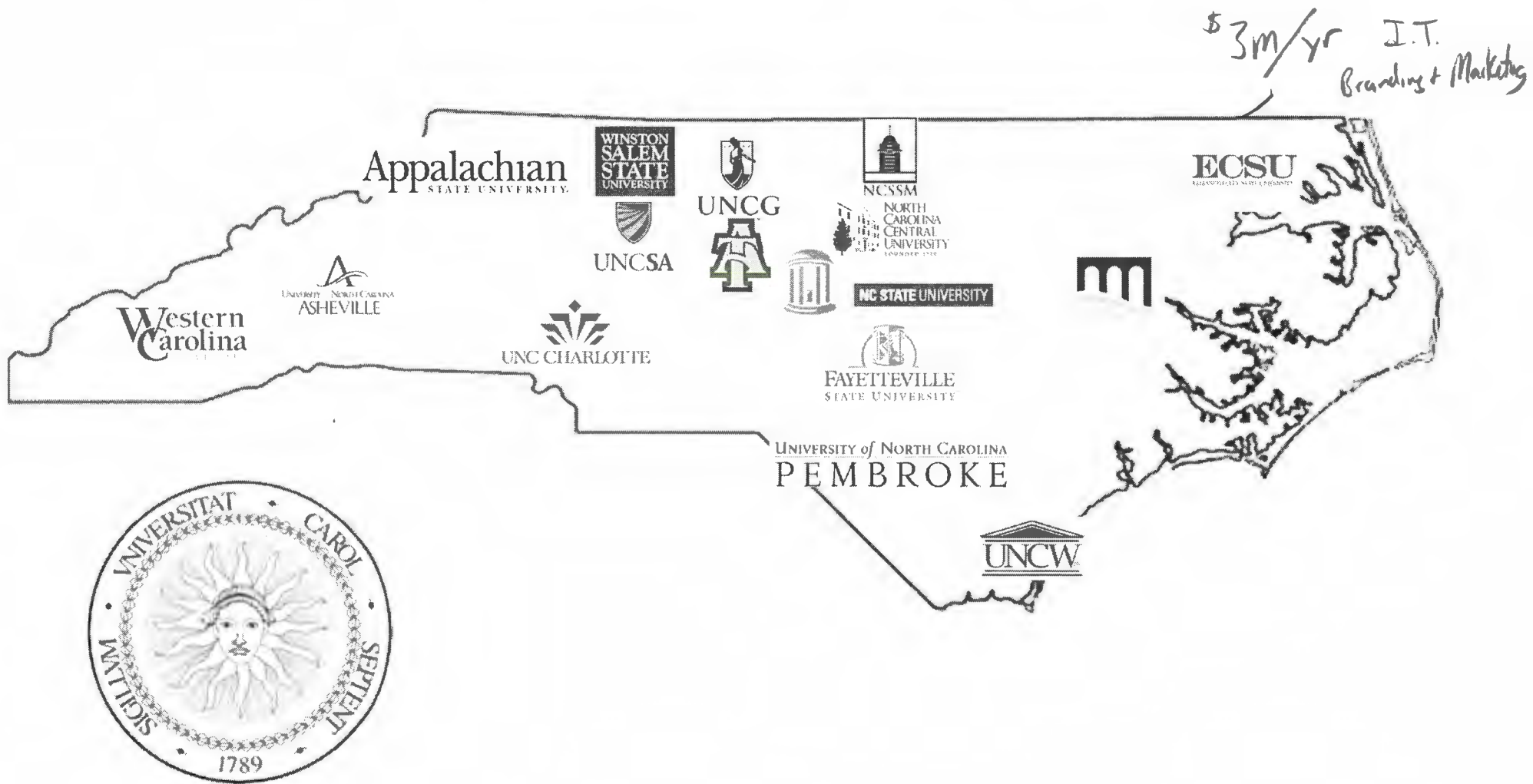
State's ten remaining public institutions join to create the 16-campus University of North Carolina

Our Mission

Key elements of UNC's mission, as codified in NCGS 116-1:

- UNC is public, multi-campus university dedicated to the service of North Carolina and its people.
- This mission is accomplished through
 - instruction;
 - research;
 - and public service.
- In the fulfillment of this mission, the University shall seek an efficient use of available resources to ensure the highest quality in its service to the citizens of the State.

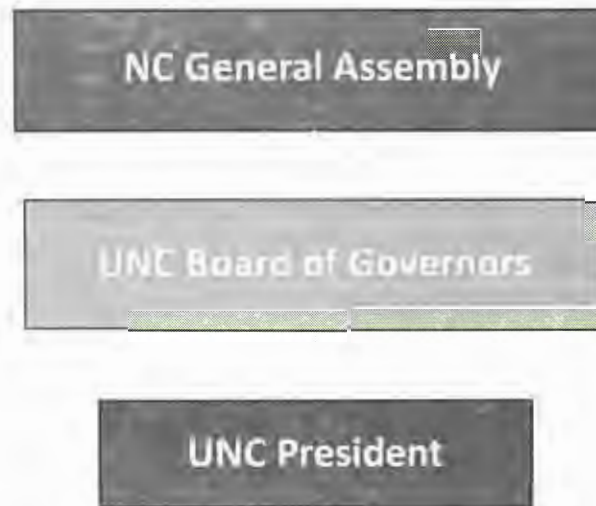
Location of Institutions



Also Under the UNC Umbrella

- **UNC Health Care System**
- **Area Health Education Centers**
- **Small Business and Technology Development Center**
- **Cooperative and Industrial Extension**
- **UNC Center for Public Television**
- **North Carolina Arboretum**
- **UNC Center for School Leadership Development**
- **NC Center for International Understanding**
- **UNC Press**

Organizational Structure



Campus Boards of Trustees/Chancellors



Guided by a Set of Strategic Directions

- Setting degree attainment goals responsive to state needs
- Strengthening academic quality
- Serving the people of North Carolina
- Maximizing efficiencies
- Ensuring an accessible and financially stable university

Some Statistics of Interest

- 222,913 students
- 52,618 degrees conferred
- 62,039 employees
- 81 million square feet of building space
- 93 members of General Assembly have attended or graduated from a UNC System institution (61 House; 32 Senate)
- Recent research rankings
 - UNC Chapel Hill #9 (up 17 places in last 5 years)

UNC General Administration

- **Charles Perusse**
 - Chief Operating Officer
 - ceperusse@northcarolina.edu
- **Drew Moretz**
 - Vice President of State Government Relations
 - agmoretz@northcarolina.edu
- **Andrea Poole**
 - Associate Vice President of Finance and University Budgets
 - arpoole@northcarolina.edu
- **Jonathan Kappler**
 - Director of State Government Relations
 - jdkappler@northcarolina.edu



University of North Carolina
Recommended FY 2015-17 Operating Budget Priorities

	FY 2015-16	FY 2016-17
Base Budget <i>(Excludes Aid to Private Institutions)</i>	\$2,539,126,467	\$2,539,134,902
Funding Required to Maintain Current Operations	\$21,220,480	\$21,282,870
Building Reserves	744,214	806,604
Elizabeth City State University Transition	3,000,000	3,000,000
ECU and UNC-CH Medical Schools Sustainability Funds	10,000,000	10,000,000
North Carolina Research Campus	7,476,266	7,476,266
Strategic Plan Investments	\$15,500,000	\$15,500,000
Rewarding Improved Student Performance and Efficiency	5,000,000	5,000,000
Game Changing Research	5,000,000	5,000,000
Convert More Discovery into Innovation	2,000,000	2,000,000
Technology and Competency-Based Learning and Innovation	3,500,000	3,500,000
Retain Talented Workforce	\$10,500,000	\$10,500,000
Optional Retirement Plan Contribution (6.84% to 8.0%)	10,500,000	10,500,000
Salary Increases	Equity with Other State Employees	
Revised FY 2015-17 Operating Budget	\$2,586,346,947	\$2,586,417,772
Percent Change	1.9%	1.9%

Enrollment Changes	\$49,324,741	\$84,698,764
Enrollment Change	49,324,741	80,261,279
Comply with Federal Law on Veterans' Tuition	-	4,437,485
<i>(Cost assumes recurring Yellow Ribbon Program funds repurposed, and FY 2014-15 funds allowed to be carried forward to FY 2015-16.)</i>		

Note: Amended to include technical corrections to FY 2015-17 base budget and enrollment change request.

Changes in UNC Metrics (2008-09 to 2013-14)

	<u>2008-09</u>	<u>2013-14</u>	<u>Change</u>
Campus Appropriations per Student (FTE)	\$11,159	\$10,951	-2%
Tuition Receipts per Student (FTE)	\$4,426	\$6,712	52%
Split of Appropriations / Tuition Revenue	72%/28%	62%/38%	-10%/10%
Degrees Awarded	43,607	51,575	18%
State Appropriation per Degree (all levels)	\$49,684	\$42,819	-14%
Externally Funded Research (in billions)	\$1.16	\$1.34	15%
UNC-CH National Ranking for Research and Development Expenditures (All Universities) *	26th	9th	up 17

* Data are for 2008 and 2013, the most recent year available

Recent UNC Board of Governors' Actions

Increased emphasis on efficiency and effectiveness

- Adopted ten academic and operational efficiency and effectiveness metrics in June 2014. Examples include improving graduation, retention, and space utilization rates; reducing attempted hours to degree; analyzing spending per degree; and increasing private fundraising.
- Completed a comprehensive review of 240 centers and institutes in February 2015.
- Enhanced the pipeline from community colleges to UNC in general education, nursing, and engineering.

Increased efforts to help control students' cost of education

- Froze resident undergraduate tuition rates in 2014-15; limited increases approved for 2015-16 (3.8%) and 2016-17 (3.9%) while remaining in the bottom quartile of peers.
- Decoupled tuition increases from financial aid, capping tuition-funded aid at no more than 15% of tuition revenue.

Major 2015-17 Legislative Priorities

Funding stability

- Limit reductions
- \$49M for enrollment
- \$8M for Brody School of Medicine at ECU
- \$3M for ECSU transition

Faculty and staff compensation

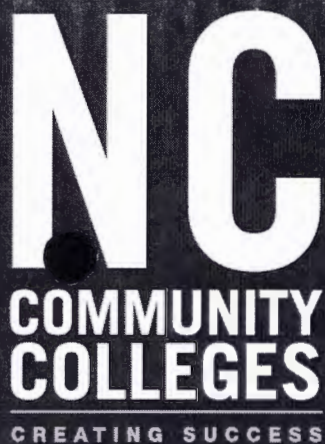
- Treat UNC employees equitably with other state employees

Efficiencies

- Carry-forward reform
- Omnibus efficiency legislation

Capital improvements

- Include UNC in any statewide bond proposal



GET the FACTS

THIRD largest in the nation.

58 COMMUNITY COLLEGES

with 124 remote locations,
all within a 30 minute drive
of North Carolina's citizens,
serving all 100 counties.

STUDENTS

- An estimated 810,000 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.
- The average age of a community college student in North Carolina is 28 years old.
- During the 2012-2013 academic year, our colleges awarded more than 7,000 Associate in Arts Degrees, 15,400 Associate in Applied Science degrees, 1,300 Associate in Science degrees, and more than 1,400 Associate in General Education degrees; as well as more than 15,500 certificates and diplomas.
- Eighty-eight percent of associate degree recipients from the System have a grade-point average of 2.0 or better at the University of North Carolina System institutions or private colleges after two semesters.
- North Carolina awards approximately 15,000 GED and Adult High School diplomas annually.

The Community College System Office is designated as the primary lead agency for delivering workforce development training, adult literacy training and adult education programs in North Carolina. (G.S. 115-D)

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

WORKFORCE & CONTINUING EDUCATION

- Workforce Continuing Education programs offer short term, affordable training opportunities with flexible scheduling.
- More than 800 courses are available through Continuing Education programs with 300 courses leading to a state-regulated or industry-recognized workforce credential.
- Offered at NC Community Colleges, the North Carolina Career Readiness Certificate (NC CRC) is a nationally recognized workplace skills credential. Since its initial implementation in 2006, more than 247,000 individuals have earned the NC CRC credential, placing North Carolina fifth in the nation for number of certificates earned.

TECHNICAL EDUCATION

- Built on the foundation of North Carolina's industrial education centers, our community colleges' technical education programs have provided a highly qualified workforce for our state's business and industry for more than 50 years.
- Recently we streamlined and refocused technical education programs and consolidated more than 80 curriculum standards into only 32, allowing similar program majors to be grouped together under curriculum programs that share a common academic and technical core. Students get a foundation of general skills, with the opportunity to branch into specific program majors in order to explore careers and job opportunities.
- A new funding formula provides more dollars per FTE (full-time equivalent student) for high-cost, technical programs such as nursing, biotech, welding, machining and other lab-based offerings to help fund these in-demand careers.

Enrollment in technical education programs has increased by **35%** since 2007-08.

NCWorks customized training

- North Carolina was one of the first states in the nation to offer Customized Training – no-cost, company-specific training to eligible companies in our state.
- Training may be provided to companies that create eligible jobs, make significant investments in technology or take on critical productivity enhancement efforts.
- During fiscal year 2013-14, the Customized Training Program provided customized job training to 29,299 individuals at 820 eligible companies. A total of \$11,653,721.88 was expended at an average cost of \$397.75 per trainee.

SMALL BUSINESS CENTER NETWORK

- NC Community Colleges' Small Business Center Network (SBCN) is the most extensive state-funded small business assistance program in the nation. Most seminars offered are free, or at a nominal price, and all 58 community colleges have a Small Business Center.
- The NC Community Colleges Small Business Center Network assists in starting an average of more than 650 businesses each year. Small Business Centers have an economic impact in 90% of all NC Counties each year including helping to create and retain more than 3,000 jobs annually.

All 58 community colleges are home to a Small Business Center

BIONETWORK

BioNetwork delivers economic and workforce development for life science industries across the state through education, training, lab services, and outreach.

- BioNetwork participated in 241 outreach events between 2013-2014, sharing information with more than 38,006 job seekers, employees, K-14 students, and teachers about biotechnology and life science careers available in N.C.
- BioNetwork developed 93 eLearning resources, including media development for 13 Customized Training projects, 62 videos and webinars, 14 eLearning Tools and five websites.

2015-17 BUDGET PRIORITIES

CLOSING THE SALARY GAP: Instructor and Staff Salaries

NC Community College instructor and staff salaries rank among the lowest in the southeast – near the bottom in the SREB region. We cannot be the best when our instructors are paid among the worst. We aspire to rise to a salary ranking at the middle – a spot now occupied by Mississippi.

Allow colleges to retain **\$59 million in recurring funds** now returned to the state as part of management flexibility cuts, and invest those funds in instructor and staff salaries which could improve average instructor salary by more than 5%.

2015-2016
2016-2017
(including 2015-16)

\$30 million R \$59 million R

CLOSING THE INTEREST GAP: NCWorks Career Coaches

Overcoming an “interest gap” in technical careers among young people is imperative to increasing interest and enrollment in high school to community college pathways leading to good paying jobs. Employers have expressed the need to develop a pipeline of talented workers to meet current and future workforce demands.

Appropriate **\$7 million in recurring funds over two years** to establish a fund to match business, philanthropic and local funding to place local community college-employed career coaches in high schools. The program will model successful efforts in Lee, Harnett and Chatham counties, as well as programs in Virginia and Arkansas.

\$3.5 million R \$7 million R

CLOSING THE TECHNOLOGY GAP: Equipment and IT

To prepare North Carolina’s workforce, community colleges must have current technology and equipment. As we continue to close the skills gap, colleges are placing significant emphasis on STEM programs for technicians and health care workers that lead to well-paying new jobs, but are struggling to equip shops and labs with the necessary updated equipment.

Appropriate **\$10 million in nonrecurring funds** for equipment to provide a significant infusion of funds to support new technology-based jobs.

\$10 million NR

NC Community Colleges operate one of the largest higher education information systems in the U.S. Our IT system must move to a new operating platform before the current platform reaches end-of-life. Before State ITS will give final approval to move to a new platform, at least half of the colleges must move to a hosted “cloud” environment, which is expected to be more technically efficient.

Appropriate **\$5 million in recurring funds** to provide support to pilot up to nine colleges in the hosted environment in FY 2015-16.

\$5 million R TBD

YEAR-ROUND FUNDING: Articulation Agreement Courses

In 2013, the General Assembly authorized colleges to teach technical education, health care, developmental education, and STEM-related courses year-round and earn FTE. Authorizing the Universal General Education Transfer Courses (UGETC) that transfer to all UNC institutions will give students additional opportunities to earn transfer credits.

(Special
Provision Only)

IN-STATE TUITION FOR VETERANS

Congress enacted legislation requiring public institutions to offer in-state tuition to certain veterans and their dependents. This mandate is expected to reduce tuition receipts by approximately \$2 million.

Carry forward and repurpose Yellow Ribbon Program funds to support the cost of charging resident tuition rates to veterans consistent with federal law. Also, appropriate **\$2 million in recurring funds in FY 2016-17** to offset the remaining impact on tuition receipts.

(Authorize
Carry-Forward) \$ 1 million R



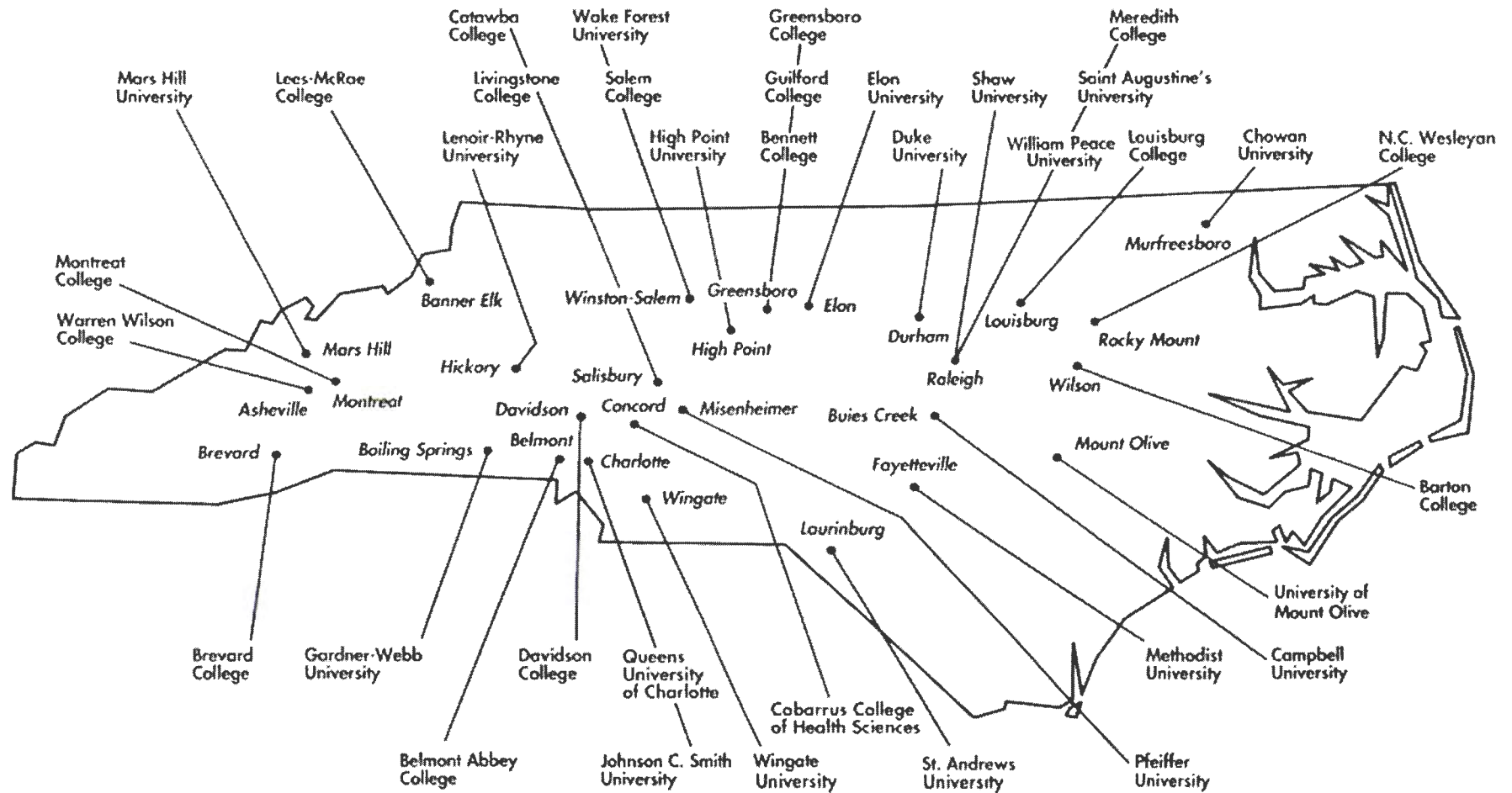
Presentation
to
Senate Appropriations Subcommittee
on Education/Higher Education
House Appropriations Subcommittee on Education

February 2015

Hope Williams, President
Tom West, VP for Government Relations/General Counsel

N O R T H C A R O L I N A
I N D E P E N D E N T
C O L L E G E S & U N I V E R S I T I E S

North Carolina's Independent Colleges and Universities



NCICU

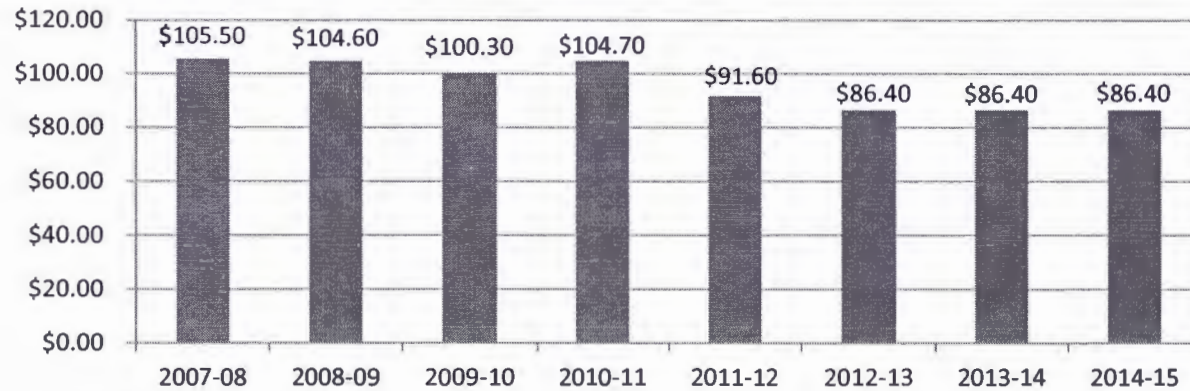
- 36 – private colleges and universities
- 90,000 – undergraduate and graduate students
- 40,000 – North Carolina undergraduate students
- 100 – Counties represented by students at North Carolina's private colleges and universities

Degrees Awarded

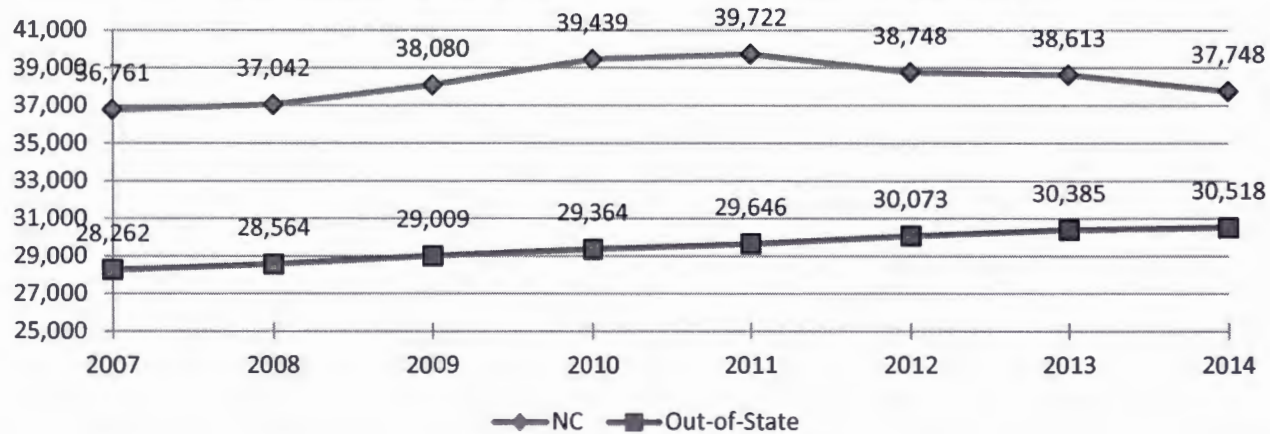
- 30% of the bachelor's degrees
- 50% of the medical degrees
- 50% of the pharmacy degrees
- 88% of the physician assistant degrees
- 65% of the law degrees
- 21% of the nursing degrees (bachelor's)
- 55% of the nursing degrees (masters)



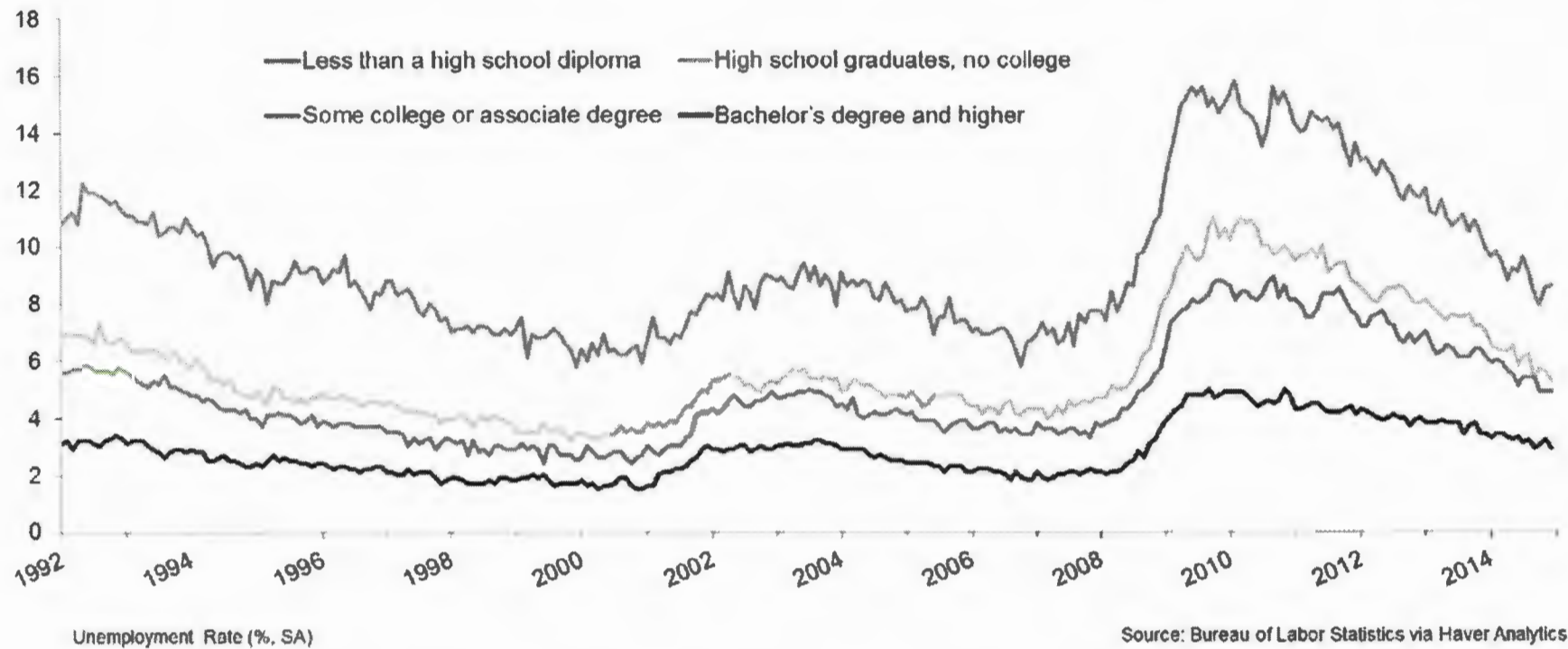
North Carolina State Grants for Private College/University Students



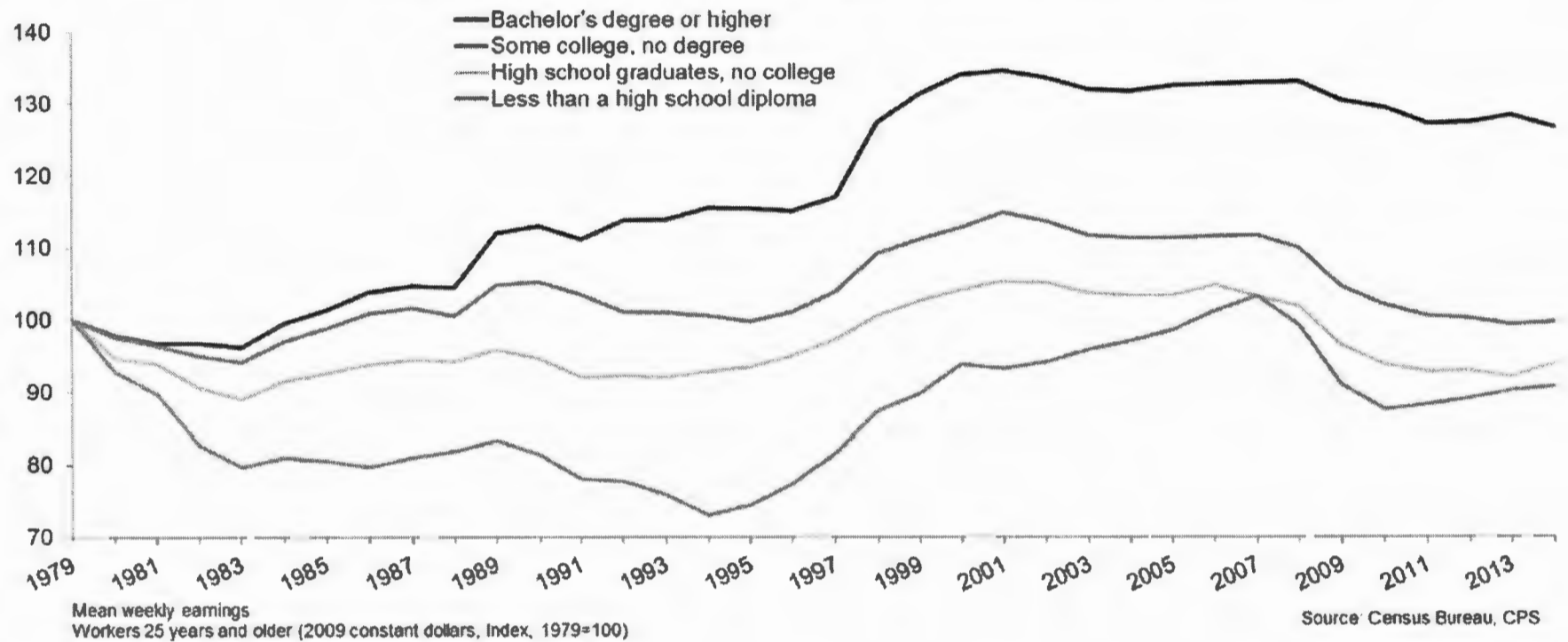
Private College/University Student Enrollment



Unemployment by Educational Attainment



Earnings by Educational Attainment over Time





VISITOR REGISTRATION SHEET

Joint Education

2/19/15

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Fred Aikens	Ofc of Sen Blue
Rachel Beattie	NCDPI
Jane Atkinson	State Superintendent
Hopz Withers	NKCN
Jennifer Haygood	NCCCS
Scott Rales	NCCCS
Mary Shupine	NCCCS
Zane Stilwell	NCSBE
Drew Moretz	UNCGA
Jonathan Pruitt	UNCGA
Andrea Pote	"



VISITOR REGISTRATION SHEET

Joint Education

2-19-15

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Tom West	NCICU
Jackson Francis	US
David Collins	SEANC
Alex Granados	EdNC
Grady O'Brien	Staff
Martez Hill	NC SBE
JB Pinner	NCCLGR
Brent Lauerz	CCNC
Greg Lane	Speaker's Office



VISITOR REGISTRATION SHEET

JOINT EDUCATION

Name of Committee

2/19/15

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Jonathan Kappler

UNC GA

Kathy Voss ^{Officer of SA} ^{Sunderson}

NCGA

Carolyn Guthrie

NCDPI

TERM SCHUL

NCFA

min gray

Governor's Office

Lisa Apodaca



Senate Committee on Appropriations on Education/Higher Education
Tuesday, March 3, 2015 at 8:30 AM
Room 423 of the Legislative Office Building

MINUTES

The Senate Committee on Appropriations on Education/Higher Education met at 8:30 AM on March 3, 2015 in Room 423 of the Legislative Office Building. Twenty members were present.

Senator Dan Soucek, Chair, presided.

Chairman Soucek called the meeting to order at 8:34AM and thanked the Sergeants-at-Arms and the pages.

He then introduced Brian Matteson of the General Assembly's Fiscal Research Division, who began a presentation on the K-12 education budget by outlining the principles of Average Daily Membership (ADM) to the committee members.

Chairman Soucek then recognized members for questions of Mr. Matteson on ADM.

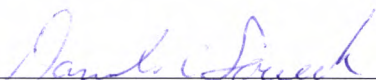
Following the questions, Mr. Matteson continued his presentation by detailing the various K-12 budget allotments.

Chairman Soucek again recognized members for questions, this time regarding the presentation on allotments.

With the committee's time expired and having not completed the intended presentation, Chairman Soucek announced that the K-12 budget presentation would be continued during the committee's next meeting.

He thanked the members and adjourned the meeting.

The meeting adjourned at 9:49AM.



Senator Dan Soucek, Chair
Presiding



John Clark, Committee Clerk





AGENDA

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

March 3, 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

Senator Dan Soucek
Presiding Co-Chair

II. Funding North Carolina's Public Schools

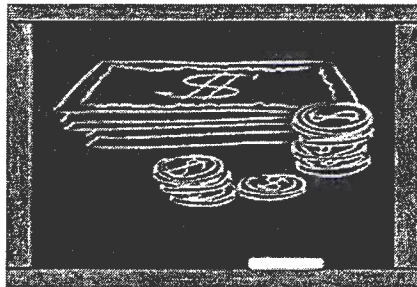
Brian Matteson
Fiscal Research Division

Adjourn

NEXT MEETING: March 4, 2015



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

		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

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

Classroom Teachers

Statewide Salary Schedule

	M+\$126/mo	NBPTS M +\$126/mo	M+\$253/mo	NBPTS M +\$253/mo
Creditable Experience	Advanced (6th Yr.)	Advanced (w/NBPTS)	PhD	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 $\geq 70\%$ 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

<u>Program/Allotment</u>	<u>2014-15 Enacted Budget</u>	
	<u>\$</u>	<u>% Total</u>
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

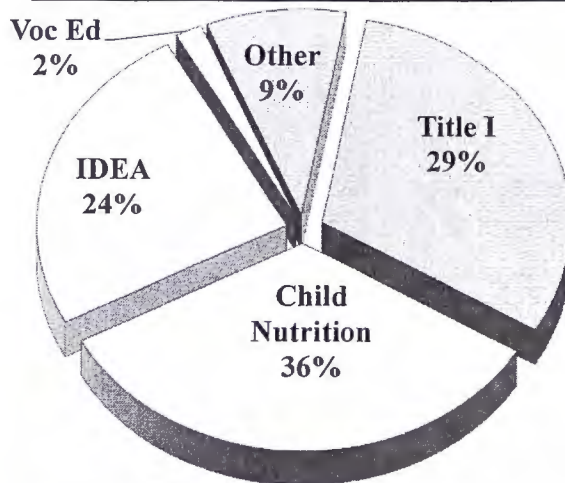
Federal Fund Sources

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

2013-14 State Federal Funding Received



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

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March 3, 2015

FY 2013-14 Federal K-12 Fund Sources

<u>No Child Left Behind</u>		<u>State Aid</u>
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
 <u>Individuals With Disabilities Education Act</u>		
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

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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?

FEDERAL GRANTS 2013 - 2014 (Note 1)

<u>Grant Name</u>	<u>Performance Period</u>	<u>Budget Period</u>	<u>Grant Type</u>	<u>Brief Description</u>
21st Century Community Learning Centers	27 months	12 months	State App./Comp	Funds to provide quality, accessible, after-school, weekend, or summer programs for children, youth, and their families.
Abstinence Education	12 months	12 months	State App./Comp	Funds to enable states to provide mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on those groups which are most likely to bear children out-of-wedlock.
Advanced Placement Fee	12 months	N/A	State Application	Funds to reimburse part or all of the cost of AP test fees for low income students.
Career and Technical Education	27 months	12 months	State Plan/Direct	Funds to expand, improve, and develop quality programs to enhance future workforce skills.
Child Nutrition Prog. Fresh Fruits & Veg.	12 months	12 months	State Plan	Funding for School Fresh Fruits and Vegetables.
Child Nutrition Programs	12 months	12 months	State Plan	Funding for School Lunch, Special Milk, and School Breakfast
Education for Homeless Children & Youth	27 months	12 months	State App./Comp	Ensure that homeless children have greater access to the appropriate educational services provided under Federal, State, and local law.
English Language Acquisition	27 months	27 months	State App./Direct	Funds to assist school districts in teaching English to limited English proficient students and in helping these students meet the same state standards required of all other students.
Enhanced Assessment for the Consortium Project	48 months	48 months	State App./Comp	Funds used to (1) improve the quality, validity, and reliability of state academic assessments; (2) measure student academic achievement using multiple measures of student academic achievement from multiple sources; (3) chart student progress over time; and (4) evaluate student academic achievement through the development of comprehensive academic assessment instruments, such as performance and technology-based academic assessments.
Head Start Collaboration	12 months	60 months	State Application	Funds are used to assist North Carolina in meeting the needs of young children and their families. While North Carolina initiatives such as More At Four Pre-K Program, Smart Start, Healthy Choice and Five-Star Rated License System have benefited many children and families, there is still much to be accomplished.
HIV/STD Prevention and School-Based Surveillance	12 months	60 months	State Application	Funds used to build the capacity of districts and schools to effectively contribute the reduction of HIV infection and other STDs among adolescents; the reduction of disparities in HIV infection and other STDs experienced by specific adolescent sub-populations; and the conducting of school-based surveillance through YRBS and profiles implementation. Program activities are expected to reinforce efforts to reduce teen pregnancy rates; and intervention activities to address HIV infection, other STDs and teen pregnancy.
IDEA Deaf/Blind	12 months	60 months	State Application	State Admin. - To coordinate programs for children to age 22 that are both deaf and blind. Some funds are contracted.
IDEA Special Education - Grants to States	27 months	27 months	State Plan/Direct	Special education programs for handicapped children ages 3 to 21.

FEDERAL GRANTS 2013 - 2014 (Note 1)

Grant Name	Performance Period	Budget Period	Grant Type	Brief Description
IDEA Special Education - Grants to States	27 months	27 months	State Plan/Direct	Special education programs for handicapped children ages 3 to 21.
IDEA Special Education - Preschool	27 months	27 months	State Plan/Direct	Special education programs for handicapped children ages 3 to 5.
IDEA State Improvement	12 months	60 months	State Application	The objective of this grant is to assist States in reforming and improving their systems for personnel preparation and professional development of individuals providing early intervention, educational and transition services to improve results for children with disabilities.
Improving Teacher Quality	27 months	27 months	State App./Direct	Funds to prepare, train, and recruit high quality teachers. Also allows LEAs to reduce class
Math & Science Partnership	27 months	27 months	State App./Comp	students in mathematics and science through projects that support partnerships of organizations representing preschool through higher education.
NAEP State Coordinator	12 months	N/A	Direct	State Admin: Funds to support a position which will serve as a liaison between the state education agency and the National Center for Education Statistics.
Rural Low Income School	27 months	27 months	State App./Comp	Funds to address the unique needs of rural school districts that frequently lack the resources needed to compete effectively for federal competitive grants, and receive formula grant allocations in amounts too small to be effective.
State Assessment and Accountability	27 months	N/A	State Application	State Admin: Funds to assist with establishing a state system of standards and assessment.
Statewide Longitudinal Data System Program	36	12	State App./Comp	Funds used to enable State educational agencies to design, develop, and implement statewide, longitudinal data systems to efficiently and accurately manage, analyze, disaggregate, and use individual student data, consistent with the Elementary and Secondary Education Act of 1965 and to facilitate analyses and research to improve student academic achievement and close achievement gaps.
Title I - Migrant Consortium	27 months	27 months	State App./Direct	Funds provide incentive grants to State educational agencies that participate in consortia with another SEA or other appropriate entity to improve the delivery of services to migrant
Title I - Migrant Education	27 months	27 months	State App./Direct	Funds for the educational needs of migratory children.
Title I - Neglected and Delinquent	27 months	27 months	State App./Direct	Funds for neglected and delinquent children under 21 in state institutions or attending community day programs.
Title I College and Career Ready Students	27 months	27 months	State App./Direct	Supplemental funds to provide special help to educationally deprived children, ages 5 to 17 from low income families.
Title I College and Career Ready Students School Improvement	27 months	27 months	State App./Direct	Supplemental funds to provide special help to educationally deprived children, ages 5 to 17 from low income families.
Title I School Improvement	27 months	27 months	State App./Direct	Funds are used to help States and LEAs address the needs of Title I schools in improvement, corrective action, and
Troops To Teachers	27 months	N/A	State Application	State Admin: Funds to attract retired military personnel to a second career as public school teachers.

Note 1: Data as of December 14, 2013

VISITOR REGISTRATION SHEET

Joint Committee on App. Education

3-3-2015

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 Fogelman	HTGAC
Jackson Stanek	LCS
Jeff Moore	NCDOC/DWS
Nick Goetzsch	OSBM
Philip Barefoot	McGuireWoods
Julie Kowal	BEST NC
Rachel Beaulieu	DPI
Kris Caudle	State Board
Austin Pruitt	Perkinson Law Firm
Prew Moretz	UNCGA
Emelina Hawthorne	CTORC
Melissa Tranter	NCA CC



VISITOR REGISTRATION SHEET

Joint Committee on App, Education

3-3-2015

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Jonathan Keppeler	UNC GA
Bre Wagner	NCEL
Wendy Keely	Focus Carolina
Megan Klitz	Rep. Whitnise
Judsey Wagner	NC Ponzy Watch
Erin Gray	GOV'S OFFICE
JOEL MAYNARD	EDUCATION



VISITOR REGISTRATION SHEET

Joint Committee on App, Education

3-3-2015

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Bruce Muldrew	NCSBA
Adam Pridemore	NCAASA
George Kellum	NCSBA
Thip Price	NC DPI
Eric Moore	NC DPI
Alex Grombos	ED NC
Christina Allen	NCSSEA
John Ayer	Ed Consultant
Richard Thompson	NCCAT
Elizabeth Brummett	OSBM
Zane Stilwell	NC SBE



Senate Committee on Appropriations on Education/Higher Education
Thursday, March 5, 2015 at 8:30 AM
Room 423 of the Legislative Office Building

MINUTES

The Senate Committee on Appropriations on Education/Higher Education met at 8:30 AM on March 5, 2015 in Room 423 of the Legislative Office Building. Eighteen members were present.

Senator Chad Barefoot, Chair, presided.

Chairman Barefoot called the meeting to order at 8:32AM and recognized the pages and the sergeants-at-arms.

Having not concluded the K-12 presentation from the previous meeting, Chairman Barefoot called on Brian Matteson of the General Assembly's Fiscal Research Division to conclude his presentation by detailing the items relevant to public charter schools.

Following his presentation on public charter schools, Chairman Barefoot recognized members for questions directed to Mr. Matteson.

After the questions, Mr. Matteson continued his presentation by outlining the Opportunity Scholarships program and non-general fund state funding sources.

Chairman Barefoot then recognized members for questions on non-general fund state funding sources again directed to Mr. Matteson.

Following questions from members, Mr. Matteson concluded his presentation by mentioning the funding that comes to the State from the Federal government.

Chairman Barefoot accepted a question on Federal Funding sources and then called on Brett Altman of the General Assembly's Fiscal Research Division to begin his presentation on the University of North Carolina's budget.

Mr. Altman began by sharing an overview of the system with members and then outlined enrollment in the University System and enrollment trends over the past several years.

Chairman Barefoot recognized members for questions related to enrollment. These questions were answered by Mr. Altman along with Mark Bondo of the General Assembly's Fiscal Research Division and by Andrea Poole, Assistant Vice President of the University of North Carolina (UNC).

Mr. Altman then continued his presentation with an overview of the UNC system budget. He began by outlining the various expenditures.

Chairman Barefoot then recognized members for questions on expenditures.



Continuing in his presentation, Mr. Altman detailed issues surrounding enrollment growth.

Chairman Barefoot accepted a question on enrollment growth before calling on Mr. Altman to conclude his portion of the presentation by outlining the budget flexibility built in to the UNC budget.

Mr. Bondo was then called forward to present to the members of the committee on the subject of University tuition and fees.

Following his presentation, members were recognized for questions about the purposes for tuition increases. Again, Andrea Poole, Assistant Vice President from the UNC system was called on to help answer these questions.

With the committee's time expired, Chairman Barefoot thanked the members and adjourned the meeting.

The meeting adjourned at 9:44AM.



Senator Chad Barefoot, Chair
Presiding



John Clark, Committee Clerk



UNC System: Overview



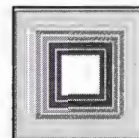
Presentation to Joint Appropriations Subcommittee on Education

Brett Altman

Mark Bondo

Fiscal Research Division

March 5, 2015



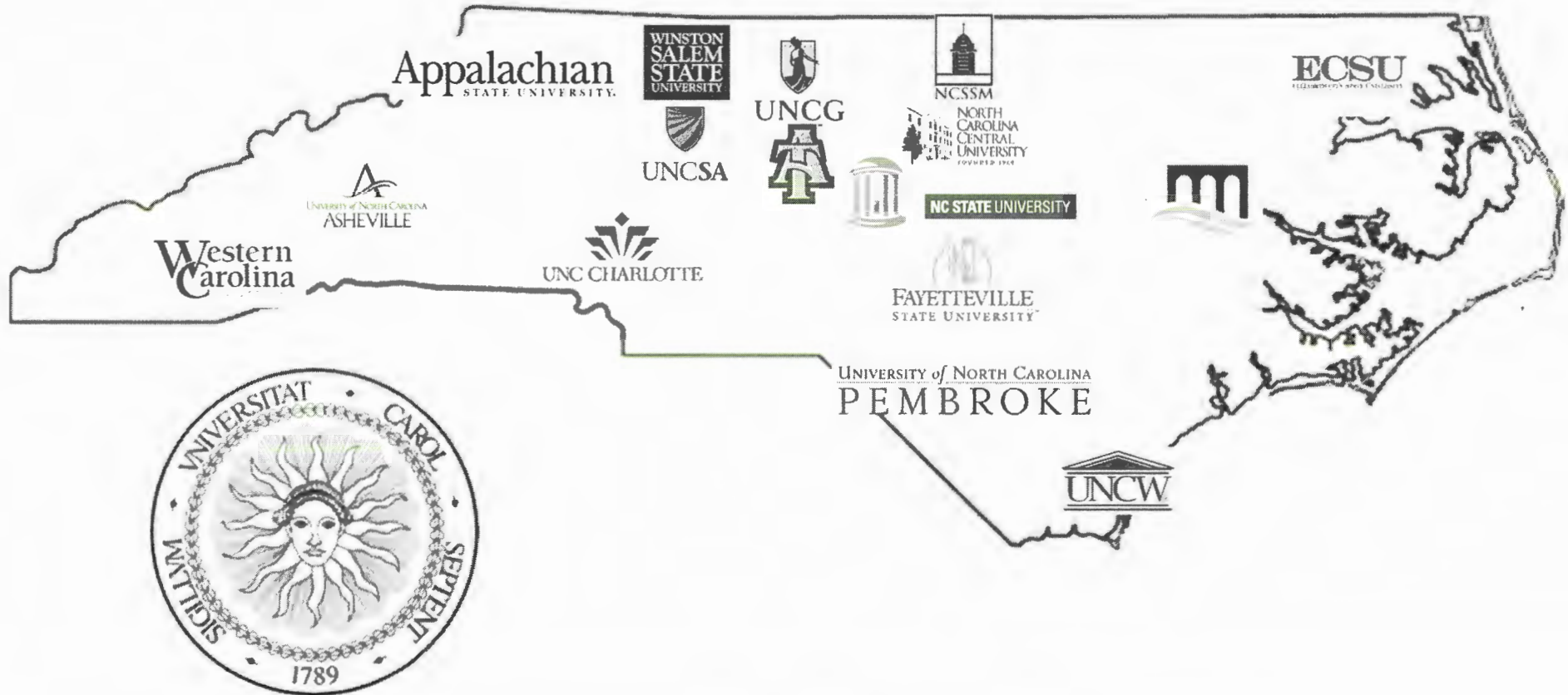
FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Presentation Agenda

1. Overview and Enrollment
2. Budget Overview and Trends
3. Tuition and Fees
4. Performance Metrics

UNC System Overview

System Composition



Source: UNC Presentation to Joint Education Appropriations Subcommittee on February 19, 2015.

Classification of UNC Institutions in the Carnegie Classification System



System Governance

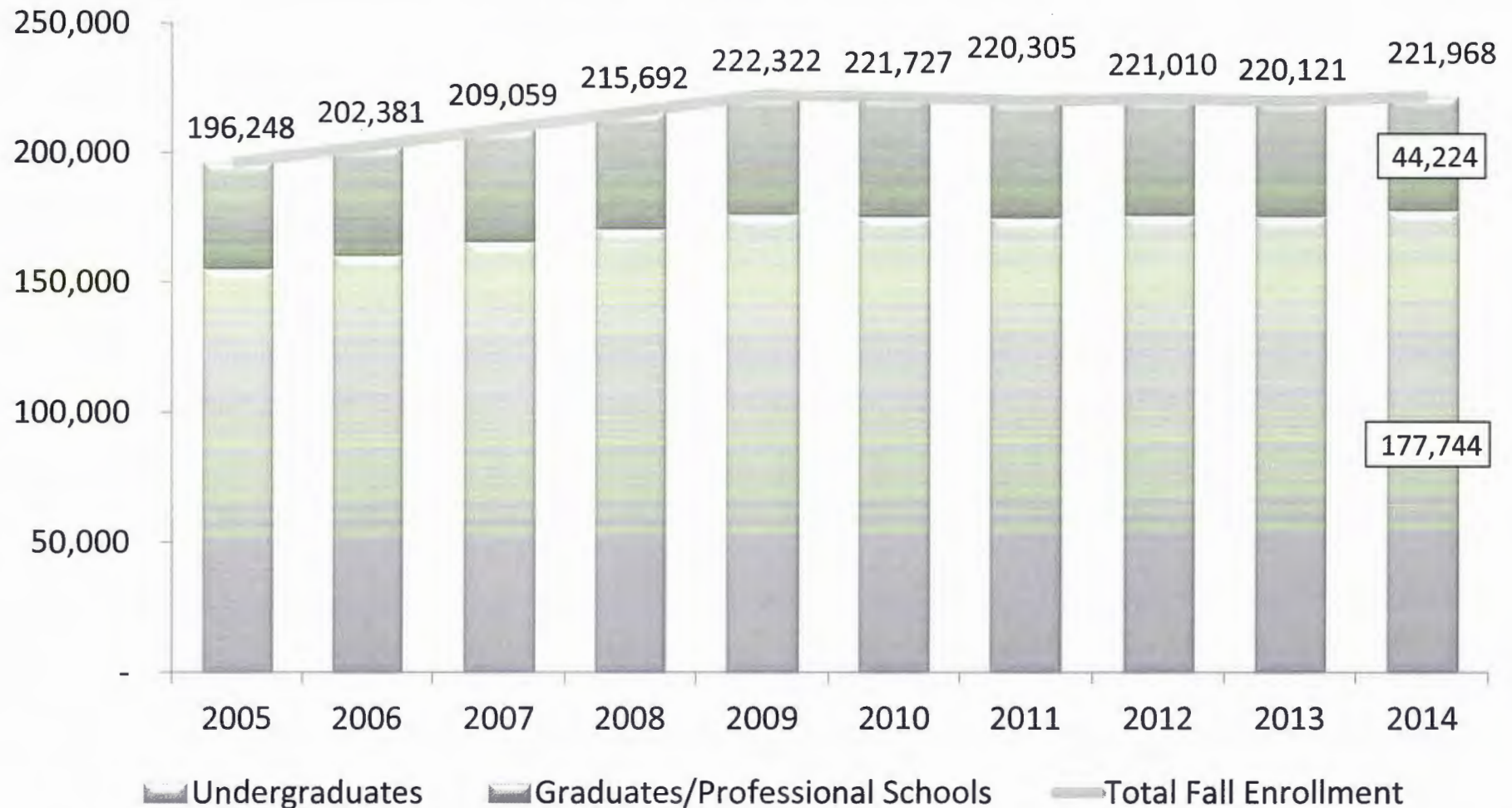
- General Assembly elects the UNC Board of Governors.

- BOG is charged by statute with governing the UNC System
 - Sets system-wide policy
 - Elects the system president and chancellors
 - Appoints a portion of Board of Trustee members

Enrollment

Student Headcount

Fall Student Headcount: 2005-2014



Source: UNC General Administration

Note: Does not include high school students.

Student Characteristics

All Students by Residency



All Students by Course Load



New Students by Entry Type



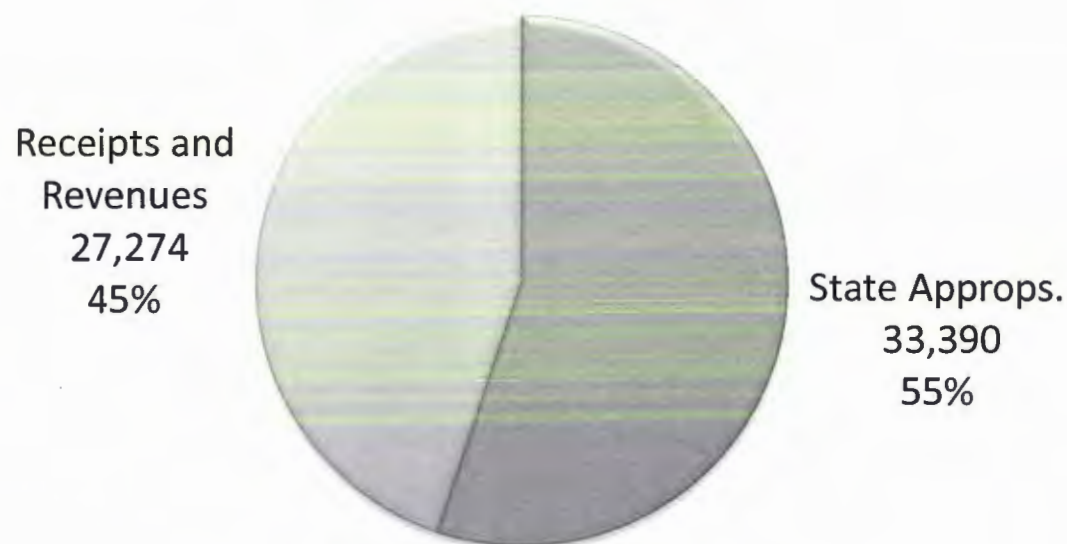
Source: UNC General Administration

Note: Does not include high school students.

Employees: UNC System

UNC Employees by Source of Funds

Total: 60,664 FTE



Source: Annual Salary Survey, December 2014

Budget Overview

UNC Budgeting 101

State General Fund Budget

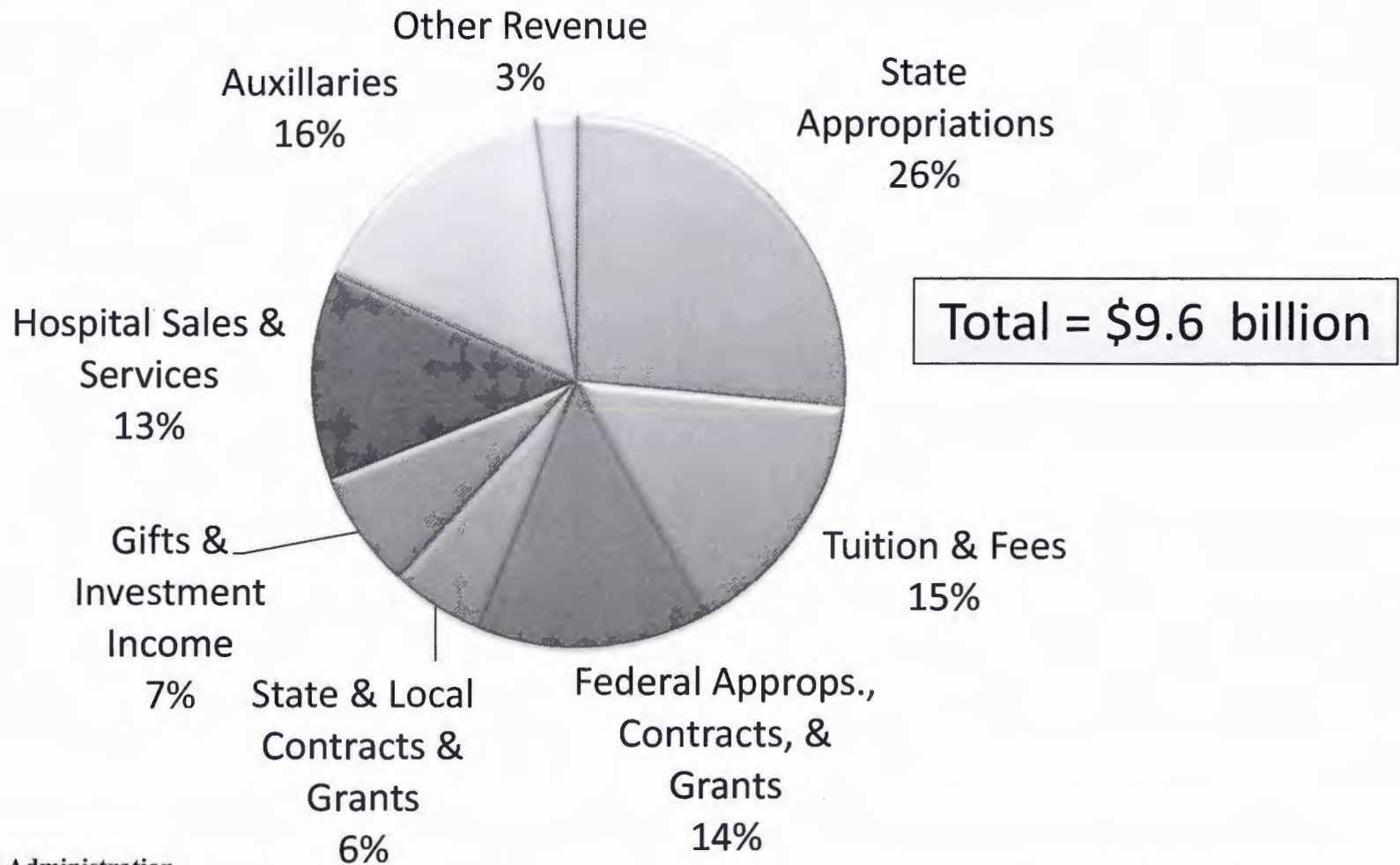
- Education and related spending
- Any State appropriations for other items.

Campus Budgets

- Hospitals
- Auxiliary services
- Research
- Endowments

UNC Total Operating Revenues

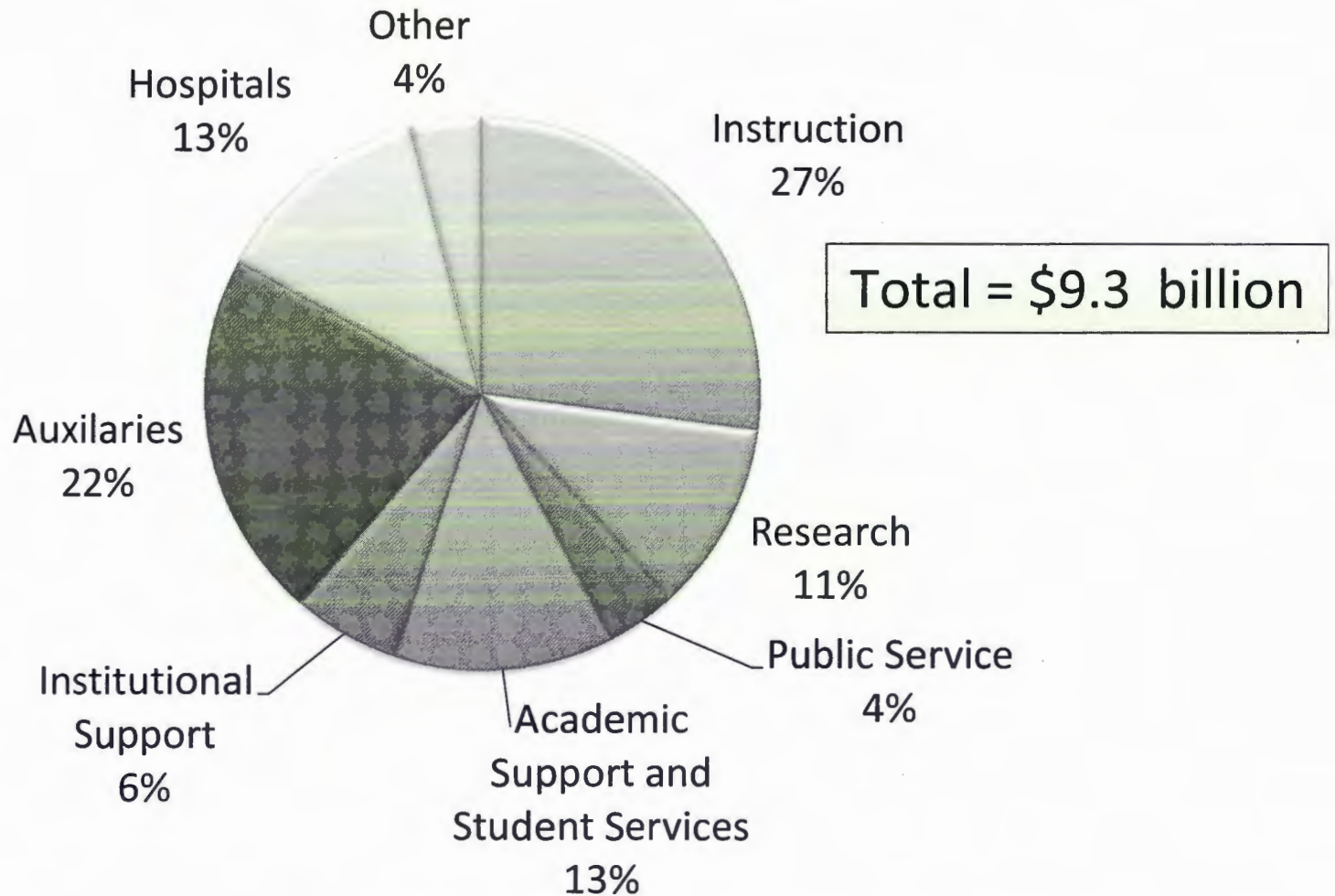
FY 2013-14 Total Operating Revenues (Unaudited)



Source: UNC General Administration

UNC Total Expenditures

FY 2013-14 Total Expenditures (Unaudited)*



Source: UNC General Administration

*Totals include distributed interest, depreciation, and operation and maintenance

State General Fund Budget

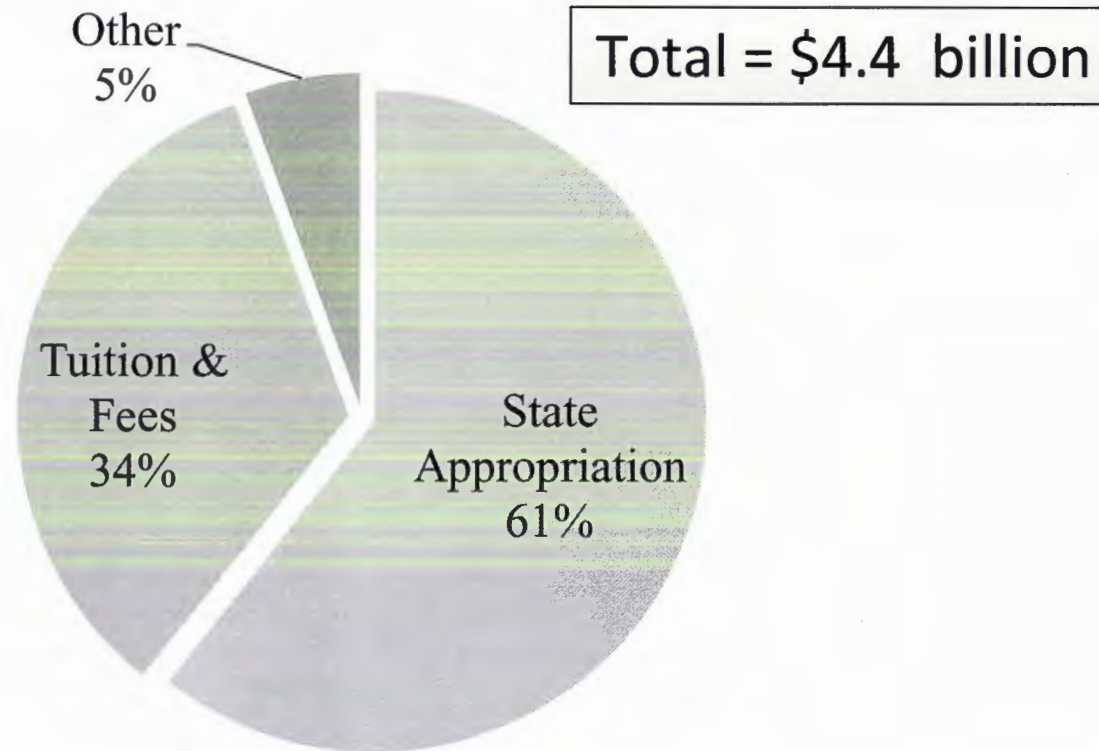
Net State General Fund Appropriations FY 2005-06 to FY 2014-15



Source: June 30 BD 701 reports FY 2005-06 – 2013-14; FY 2014-15 Certified Budget as of December 2014.

State General Fund Budget

FY 2014-15 General Fund budget



Source: FY 2014-15 Certified Budget as of December 2014.

State General Fund Budget

- 89% of net State General Fund appropriations flows directly to the campuses.
- Of the remaining 11%:
 - Aid to private institutions (4.1%)
 - Financial aid (4.1%)
 - UNC General Administration (1.5%)
 - Other non-campus-specific programs (1.3%)

Enrollment Growth

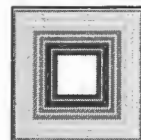
- G.S. 116-11(8) gives the Board of Governors (BOG) authority to set enrollment levels.
- UNC has used an enrollment growth funding model since 1998 to develop its budget request.
 - The General Assembly appropriates enrollment funding in advance based on UNC's own projections of the next year's enrollment.
 - Factors that protected schools in years of declining enrollments have been removed in recent years.

Budget Flexibility

Special Responsibility Constituent Institutions

- Enacted in 1991 as part of the Budget Act
- General Assembly appropriates a lump sum to the institution.
- Institution may:
 - Carry forward 2.5% of appropriations for one-time expenditures
 - Spend overhead receipts
 - Establish and abolish positions
 - Other areas of Flexibility

Tuition and Fees



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A Staff Agency of the North Carolina General Assembly

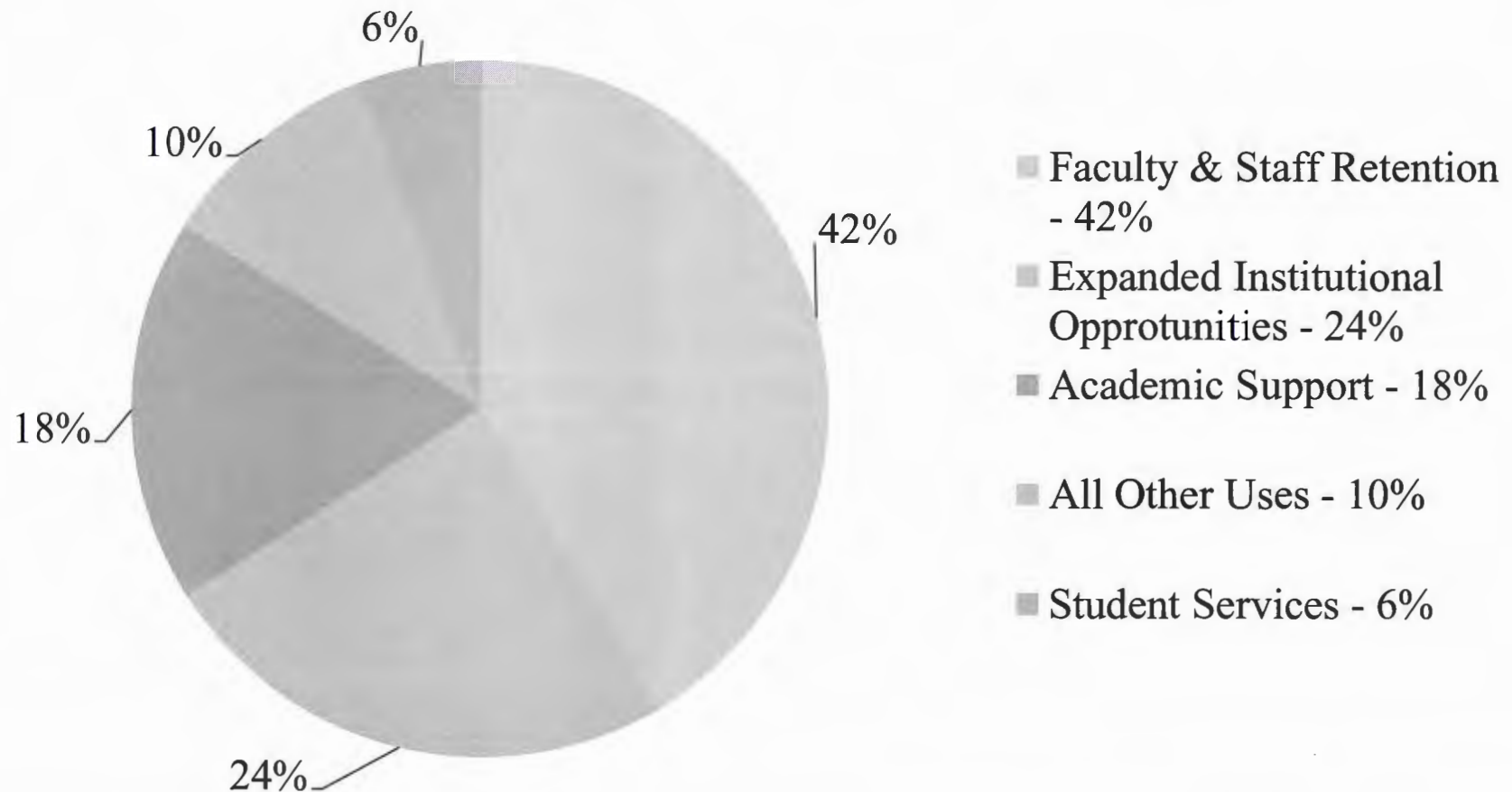
Setting Tuition

- G.S. 116-11(7) directs the Board of Governors to set tuition and fees rates “not inconsistent with actions of the General Assembly.”
- In 2014, the Board of Governors adopted a four-year tuition and fee plan to guide it through 2018.
 - Resident undergraduate tuition and fees must remain in the bottom 25% of each campus’s public “peer institution”
 - Non-resident undergraduate tuition and fees must fully cover the cost of education.
- The Board of Governors annually considers campus requests to increase tuition and fees.

Tuition Increases

- Board of Governors approved biennial increase for 2015-17 to generate and increase of:
 - \$43.8 million in FY 2015-16
 - \$47.0 million in FY 2016-17
- A 3.8 and 3.9% undergraduate NC resident increase for each year, respectively

Tuition Increases: Purposes



Setting Tuition: Undergraduate Peer Comparisons

Institution	Resident Rank	Nonresident Rank
ASU	19 of 19	7 of 19
ECU	19 of 19	12 of 19
ECSU	15 of 16	11 of 16
FSU	17 of 17	10 of 17
NCA&T	16 of 18	10 of 18
NCCU	17 of 17	10 of 18
NCSU	15 of 17	15 of 17
UNCA	15 of 15	3 of 15
UNC-CH	11 of 11	7 of 11
UNCC	17 of 18	11 of 18
UNCG	17 of 19	12 of 19
UNCP	17 of 19	11 of 19
UNCW	18 of 18	9 of 18
UNCSA	13 of 14	12 of 14
WCU	15 of 18	10 of 18
WSSU	16 of 17	14 of 17

- **Compares UNC campuses to public peer institutions**
- **Rank determined by value of FY 2015-16 proposed tuition and fees of UNC campuses compared to FY 2014-15 total tuition and fees for public peer institutions.**

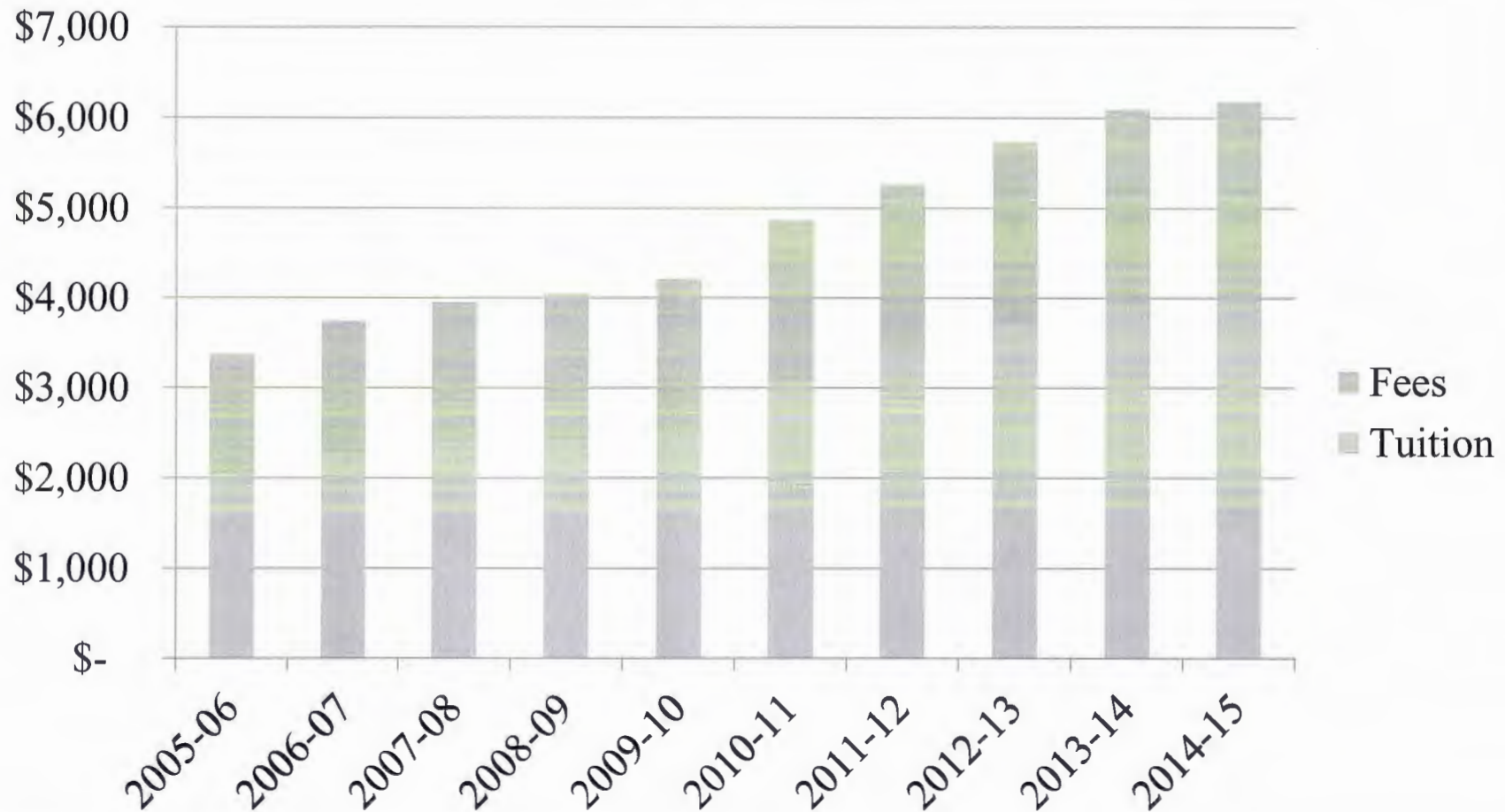
Source: UNC-GA presentation to Board of Governors, January 16, 2015.

Tuition and Fee Revenues

- In the UNC System, tuition is collected and maintained on campus.
- Tuition and fees vary significantly by campus
 - FY 2015-16 (Resident)
 - Low: ECSU: \$4,657
 - High: UNC-SA: \$8,499
 - FY 2015-16 (Non-Resident)
 - Low: UNC-P: \$15,931
 - High: UNC-CH: \$33,416

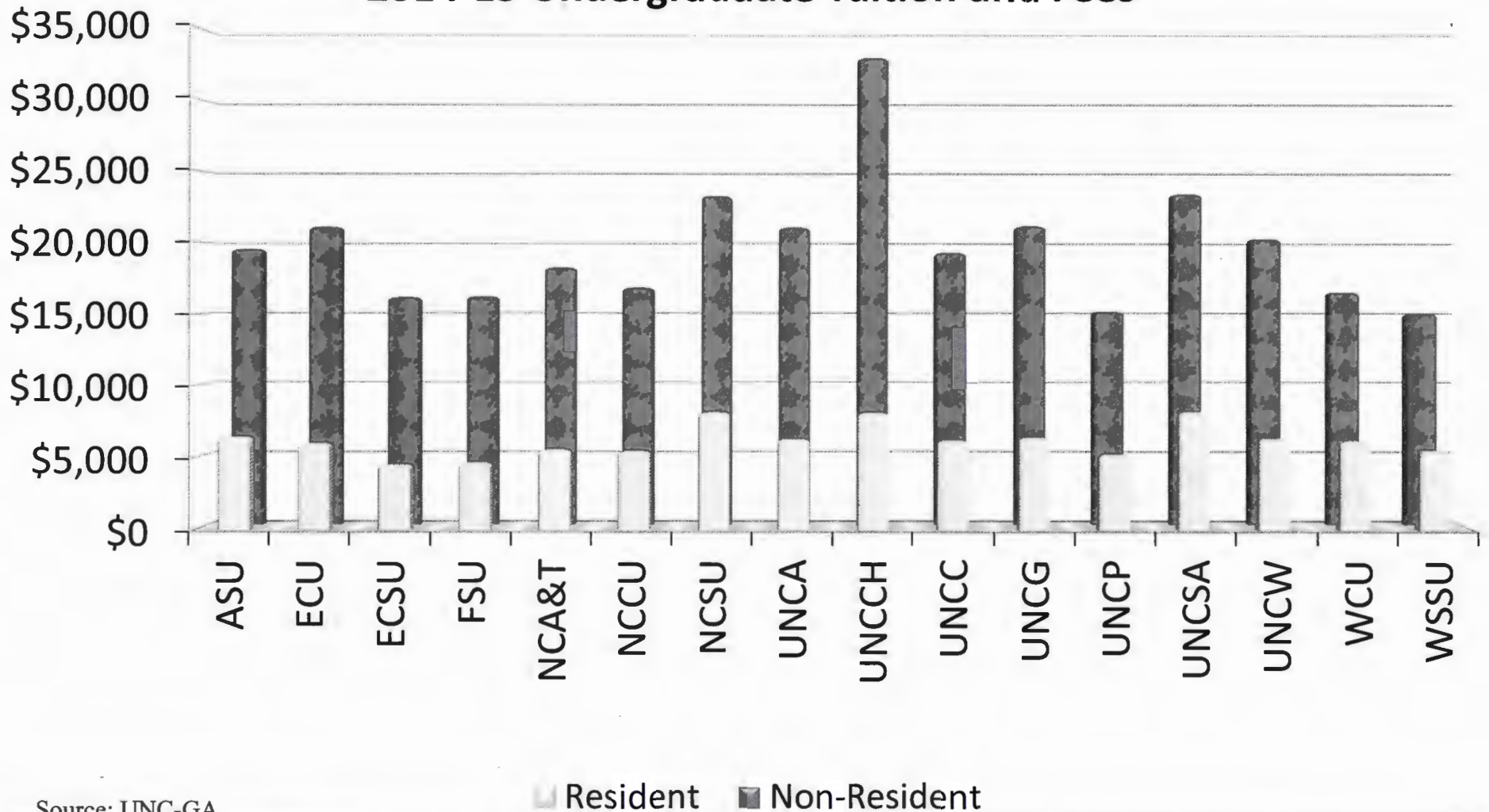
Source: UNC-GA presentation to Board of Governors, January 16, 2015.

Resident Undergraduate Tuition and Fees



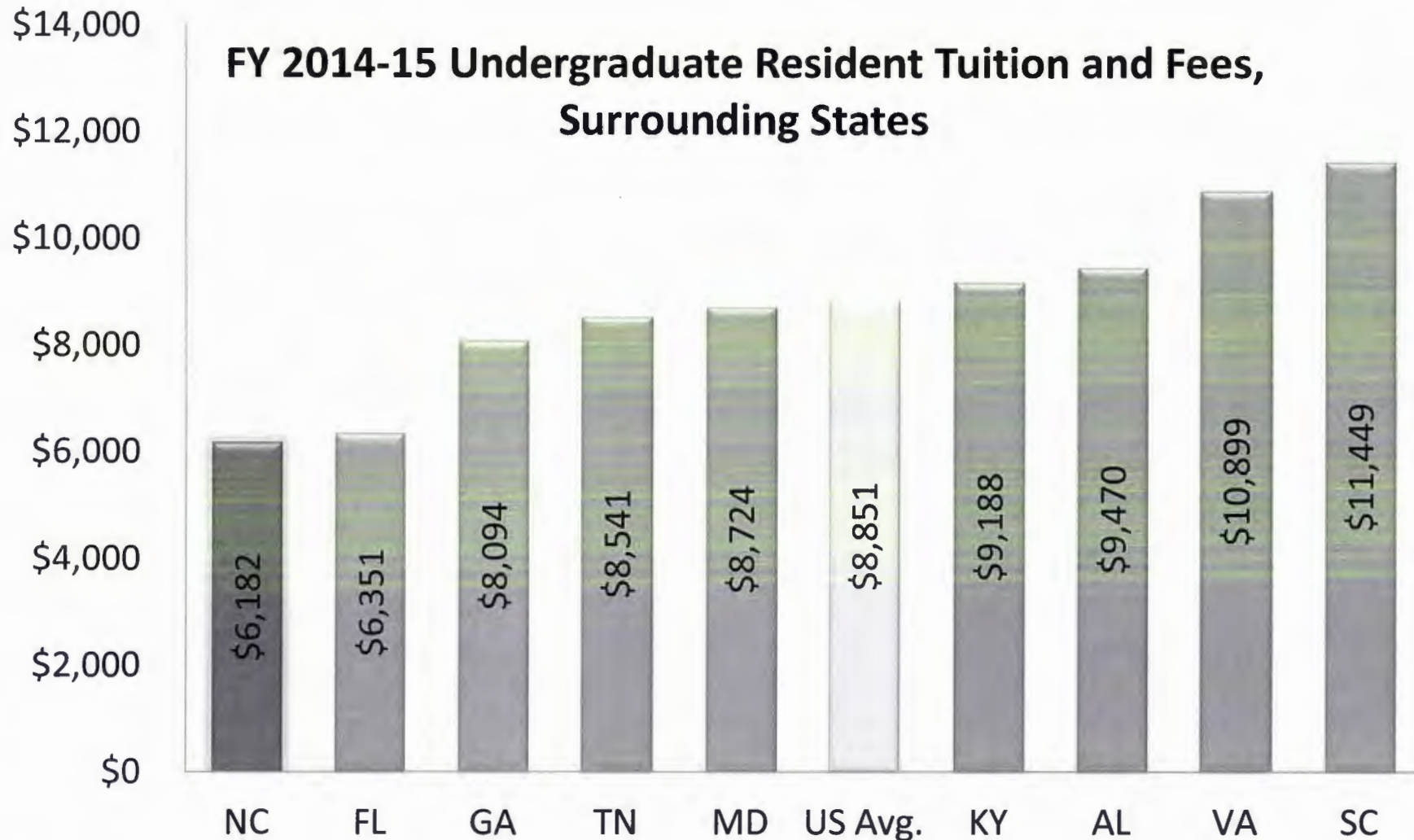
Tuition and Fees by Campus

2014-15 Undergraduate Tuition and Fees



Source: UNC-GA

Tuition Comparisons



Source: College Board, Trends in Higher Education Pricing, <http://trends.collegeboard.org/college-pricing>.

Fees

- Fees vary by campus
- FY 2014-15 total fees range from:
 - Lowest: \$1,721 at Elizabeth City State
 - Highest: \$2,666 at Appalachian State
- The six standard fees are:

Athletics Fee

Health Services
Fee

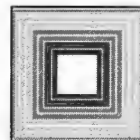
Student
Activities Fees

Educational
and Technology
Fees

Debt Service
Fee

Security Fee

Performance Metrics



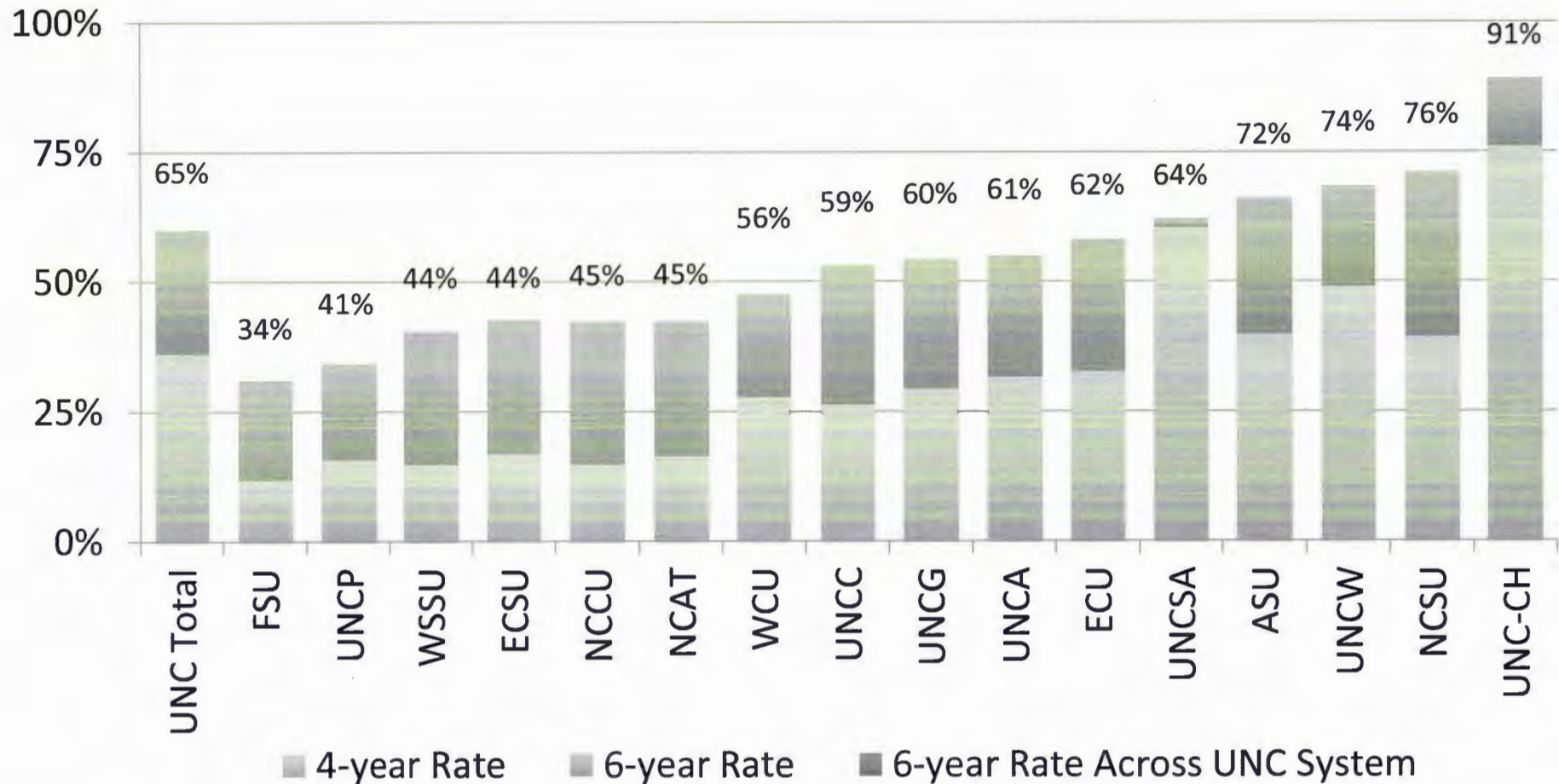
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Performance Measures

- Adopted in August of 2014
- Utilized in FY 2014-15 to apportion the Management Flexibility Reduction
- Compares UNC Campuses to Peer Institutions based on a set of Performance Measures
- Performance Measures do not apply to all campuses
- Other measures are available

Graduation Rates

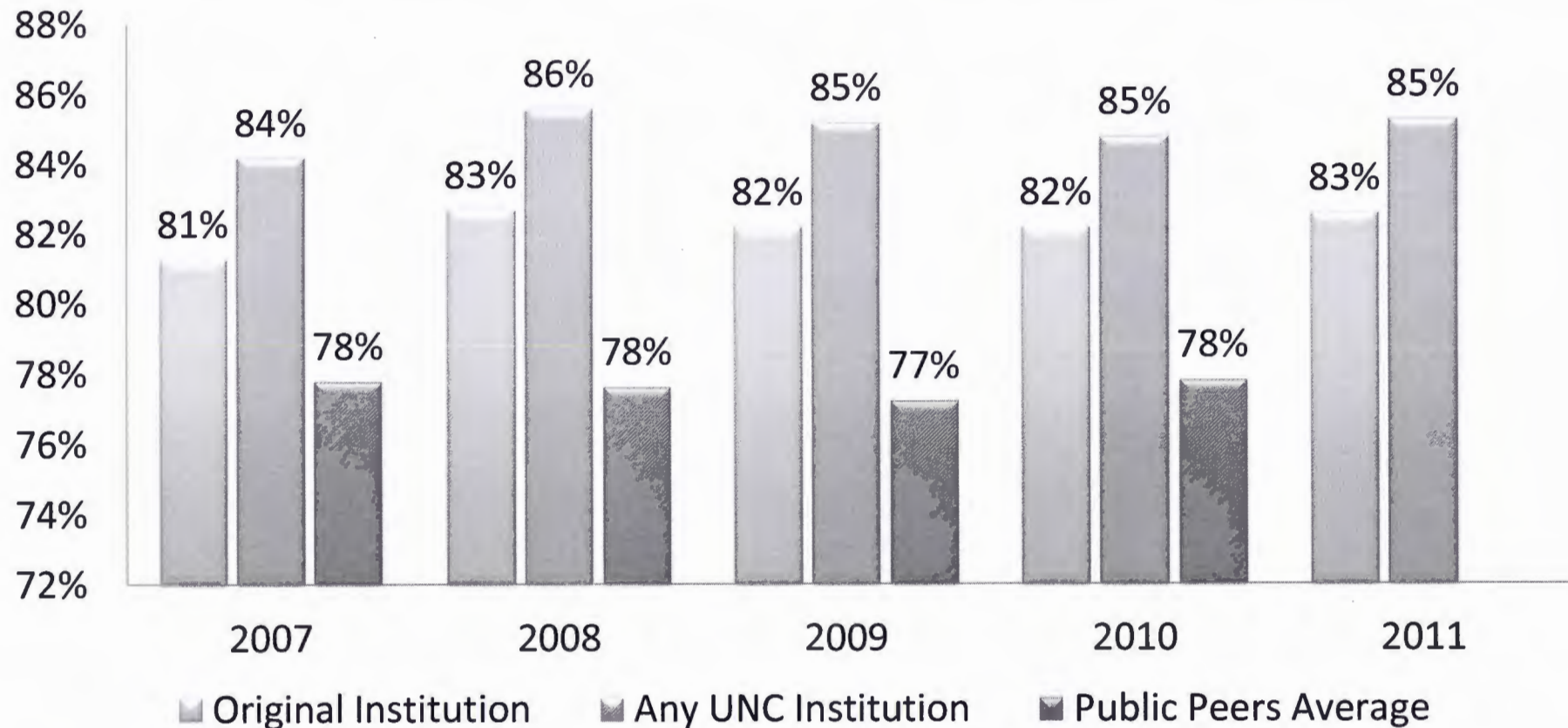
Four and Six Year Graduation Rates (2006 Cohort)



Source: UNC General Administration

Freshman-to-Sophomore Retention

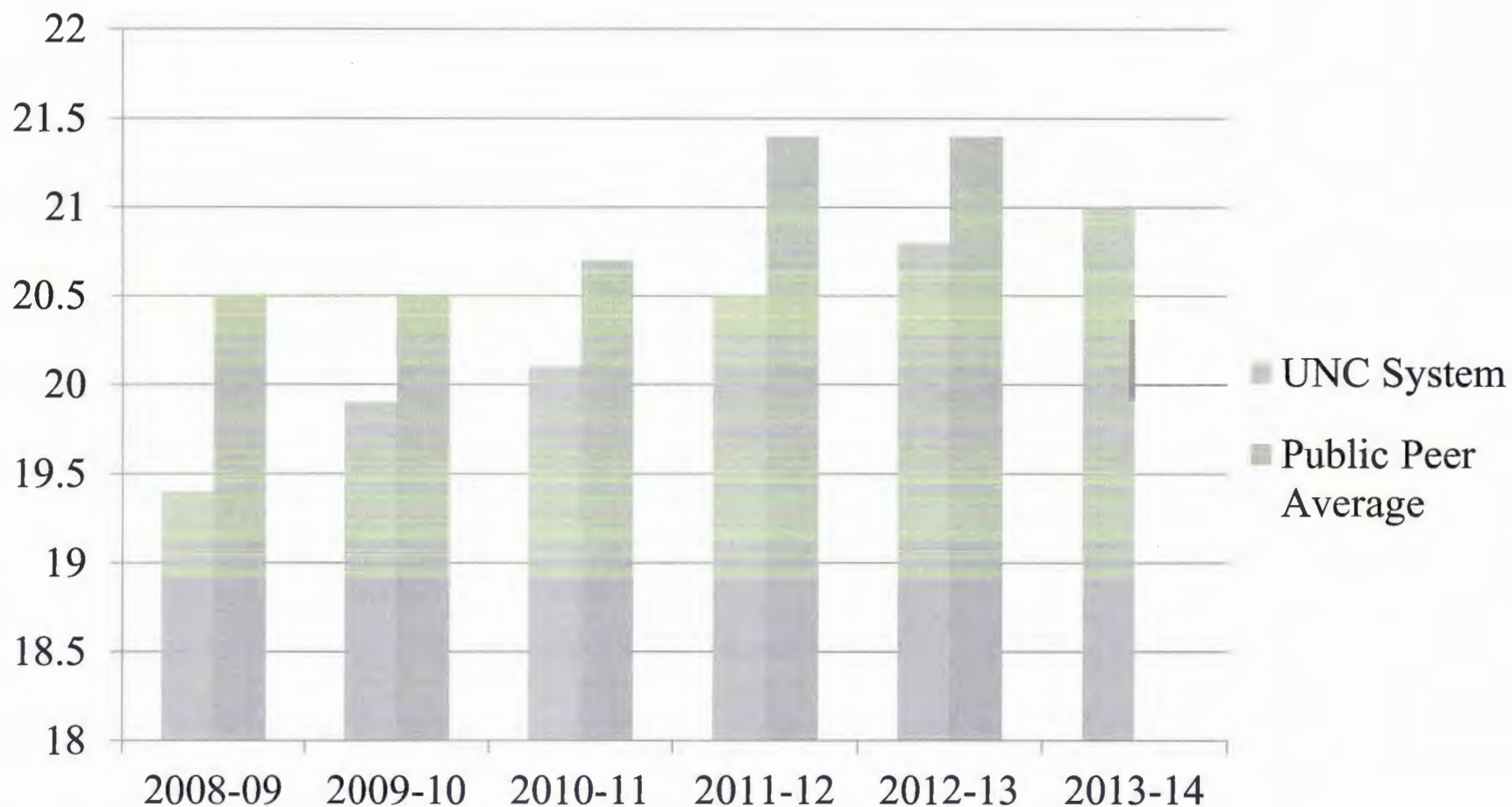
UNC System Freshman-to-Sophomore Retention Rates 2007-2011



Source: UNC General Administration

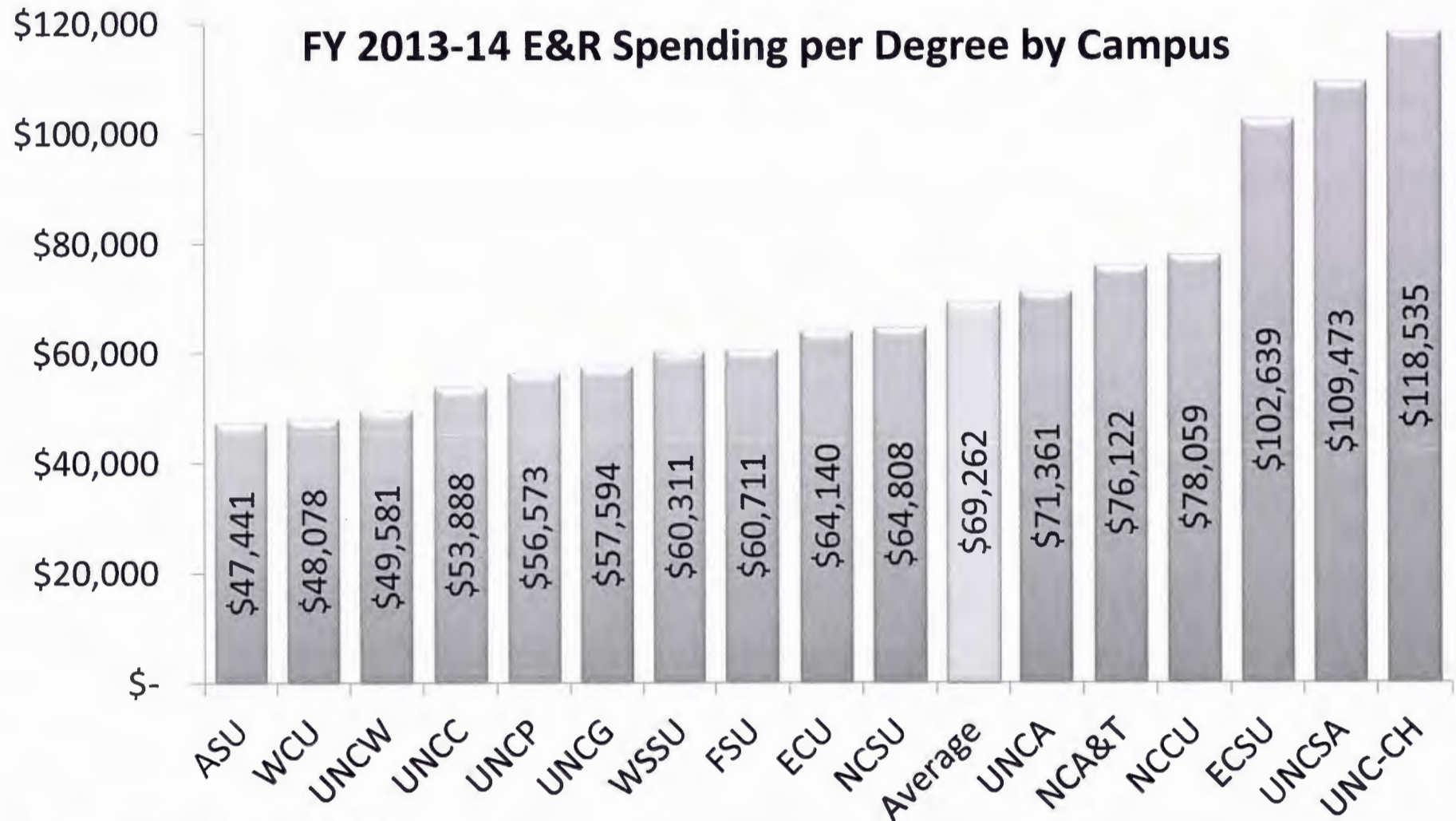
*2011 Public Peers Average Not Available

Degree Efficiency



Source: UNC General Administration and IPEDS Estimate

Education & Related Spending per Degree

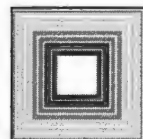


Source: UNC General Administration

Questions?

Brett Altman Brett.altman@ncleg.net

Mark Bondo markb@ncleg.net



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A Staff Agency of the North Carolina General Assembly

Senate Committee on Appropriations on Education/Higher Education
Tuesday, March 17, 2015 at 8:30 AM
Room 423 of the Legislative Office Building

MINUTES

The Senate Committee on Appropriations on Education/Higher Education met at 8:30 AM on March 17, 2015 in Room 423 of the Legislative Office Building. Eighteen members were present.

Senator Dan Soucek, Chair, presided.

Chairman Soucek called the meeting to order at 8:34AM and thanked the pages and sergeants-at-arms.

He then recognized North Carolina State Board of Education (SBE) Chairman Bill Cobey, who presented to the committee on the responsibilities of the SBE and the Department of Public Instruction (DPI).

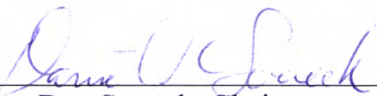
Following his presentation, Chairman Soucek recognized Superintendent June Atkinson, who followed up on the responsibilities of DPI and outlined the budget requests for the department.

Chairman Soucek then recognized members for questions of Superintendent Atkinson and Chairman Cobey.

Following the questions from members, University of North Carolina (UNC) President Tom Ross was recognized to present the budget request from the UNC system. Chairman Soucek then recognized members for questions of President Ross.

With time running out, Chairman Soucek called on Dr. Hope Williams for her presentation on behalf of the Association of North Carolina Independent Colleges and Universities. Following her presentation, Chairman Soucek thanked the members and adjourned the meeting.

The meeting adjourned at 9:52AM.



Senator Dan Soucek, Chair
Presiding



John Clark, Committee Clerk





AGENDA

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

March 17, 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 and Opening Comments

Senator Dan Soucek
Co-Chair, Presiding

II. Department of Public Instruction

Mr. Bill Cobey, Chairman
State Board of Education

Dr. June Atkinson
Superintendent

III. University of North Carolina

Mr. Tom Ross, President

IV. North Carolina Independent Colleges and Universities

Dr. Hope Williams, President
Mr. Tom West, Vice President

Next Meeting: March 18, 2015





Public Schools of North Carolina

Joint Legislative Education Oversight Committee

Responsibilities of the Department of Public Instruction / State Board of Education

State Board of Education
Bill Cobey, Chairman

NC Department of Public Instruction
June Atkinson, Superintendent

March 17, 2015

Functions Required by General Assembly



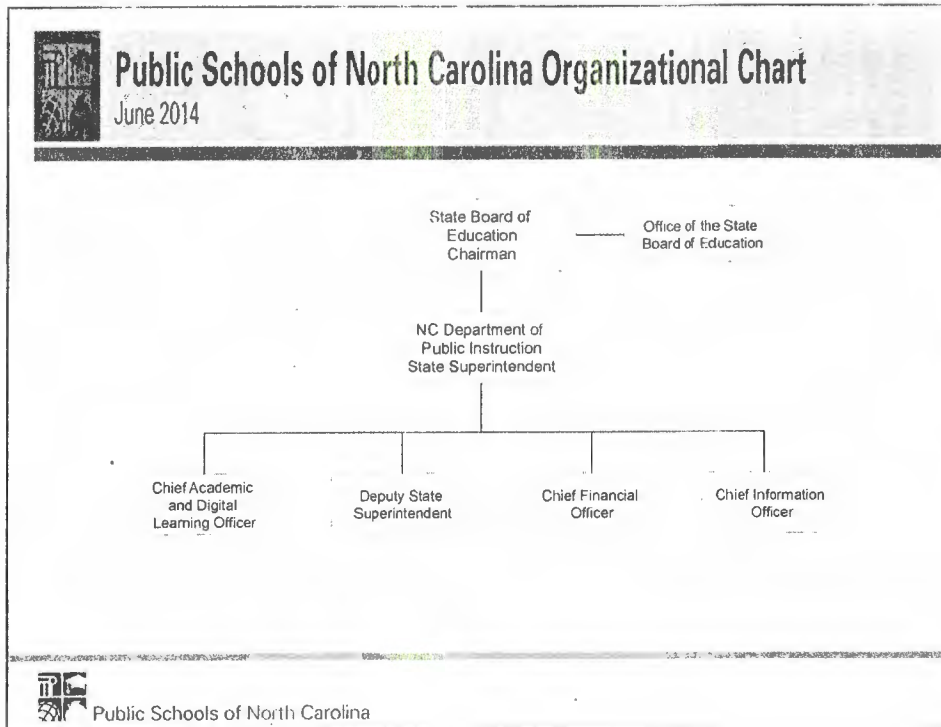
•Regulatory

•Service

•Leadership



Public Schools of North Carolina



Good News about Public Education

	2008	2014
Graduation Rate	70.3%	83.9%
Dropout Rate	22,000	10,404
3 rd Grade Reading		79.2%
Suspensions -Short Term	143,378	84,295
-Long Term	2,448	714

Public Schools of North Carolina

Budget Expansion Needs

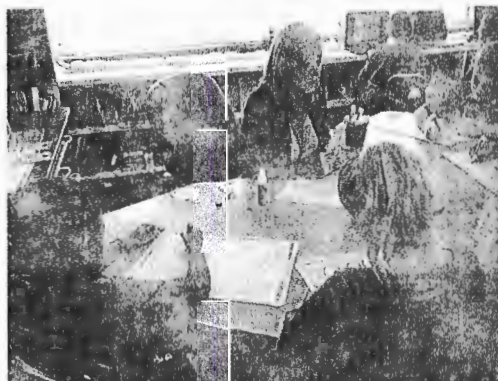
- Educator Support
- Digital and Instructional Materials



Public Schools of North Carolina

Other Budget Needs

- Teacher Compensation



Public Schools of North Carolina

Student Population Growth Funding

	2015-16	2016-17
Students	17,338	35,039
Teachers	678.5	1,431
Funding	\$100 million	\$207 million



Public Schools of North Carolina

Momentum... Every Child Ready

2012-2014
BIENNIAL
REPORT

//////////////////////////////////// NC DEPARTMENT OF PUBLIC INSTRUCTION //////////////////////////////////////

The path of success for today's students starts by staying ahead of change, and the challenge for North Carolina is anticipating what today's students will need as adults.

Seventy percent of all US jobs require education beyond high school, and North Carolina students must be ready for life after graduation, including citizenship, college and careers.

Public schools have shifted into high gear over the past two years to meet ever-changing student needs. North Carolina has overhauled its *Standard Course of Study* for all subjects and grades, implemented new digital learning tools, focused attention on low-achieving schools and refocused educator evaluation to include student growth as one of six key indicators of effective teacher performance.

This work began in 2008, with a complete transition to these changes in the 2012-13 school year. It has been a tough journey and one that no other state has undertaken in such a comprehensive fashion. There are still goals to meet and challenges to overcome, but the rewards of this work are life-changing for students.

Our goal? Students who are ready for anything they want to do.

See an animated view of what NC public schools are doing to help every student be ready for the next step at <http://www.ncpublicschools.org/ready/multimedia>





Message from the State Superintendent of Public Instruction

Over the past two years, North Carolina public schools have implemented unprecedented and coordinated improvements in standards, assessments, accountability, educator evaluation and technology, all with significant one-time support from a competitive federal Race to the Top grant. Teachers, principals and other education leaders in traditional and charter public schools have demonstrated their willingness to adapt to change, to meet new challenges and to be held accountable for student success.

As our state moves farther away from the recession of 2008 and nears the 2015 conclusion of its Race to the Top grant, we continue to catch up on priorities that could not be met fully by the state during the recession. The Department of Public Instruction also is preparing for the loss of more than 120 employees when the Race to the Top grant ends in June 2015. While lawmakers enabled us to make a first step of progress with teacher salaries in 2014, pay levels and other classroom support for educators continue to be important. In addition to ensuring that every classroom has a well-prepared and qualified teacher, it also is important to make sure that every classroom and student is equipped with textbooks, supplies, technology and other support needed for learning.

This report highlights areas of growth and success, the ongoing needs of public school classrooms and how North Carolina's momentum can continue toward teaching and learning that is personalized for students and enriched with appropriate technology. Throughout the report, you will see web links to learn more about how public schools are addressing the needs of students.

The State Board of Education and Department of Public Instruction's budget request meets the 2 percent target required by the Office of State Budget and Management and reflects a focus on basic classroom needs – ample textbooks, technology and support for students to strengthen their skills and receive sound instruction. The full expansion budget request is online at <http://www.ncpublicschools.org/docs/fbs/budget/boardexpansionrequest2015-17.pdf>

A handwritten signature in cursive script that reads "June St. Clair Atkinson".

June St. Clair Atkinson
STATE SUPERINTENDENT

Turning Around Lowest Achieving Schools

One of the NCDPI's most effective means of closing the achievement gap has been its Turning Around Lowest Achieving Schools (TALAS) initiative.

In 2010, North Carolina leveraged a portion of its Race to the Top grant to expand its successful turnaround and transformation work already underway across the state. With this award, North Carolina enhanced the efforts of the agency's District and School Transformation (DST) division to implement a comprehensive program that targets low performing schools and responds to state and federal legislation and requirements, as well as North Carolina's own judicial and executive directives.

North Carolina's TALAS initiative targets the bottom 5 percent of

elementary, middle and high schools, all of which have performance composites below 60 percent (based on 2009-10 data). The performance composite score for a school is the proportion of students' scores on state end-of-course and end-of-grade assessments that are at or above proficiency. TALAS also targets high schools with graduation rates below 60 percent. A total of 118 schools met one of these two criteria. In addition, District and School Transformation works with the lowest-performing 10 percent of districts in the state.

The Department of Public Instruction uses one of three approaches to help identified schools:

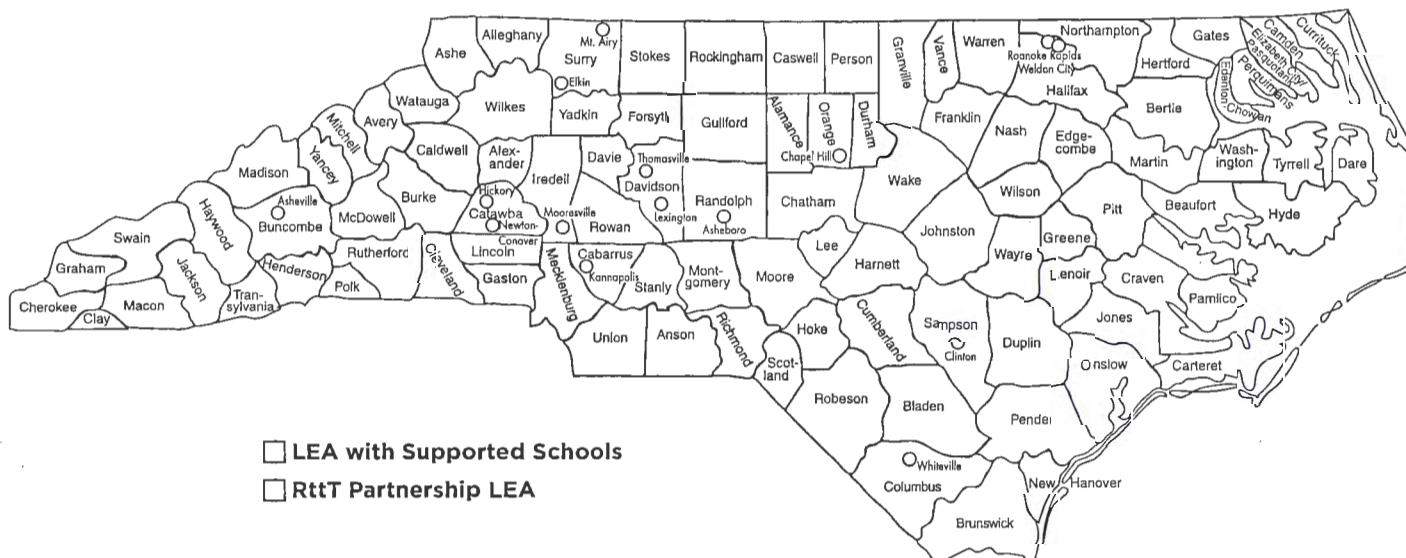
- 1) turnaround,
- 2) restart, and
- 3) closure and transformation.

Based on the 2013-2014 school accountability results, 83 percent of the originally identified 118 schools ranked in the bottom 5 percent of conventional schools have improved their overall performance and no longer fall in the bottom 5 percent. After analyzing the data further, 67 percent of these same schools are no longer in the bottom 10 percent statewide.

See where NCDPI staff are turning around school districts and schools:
<http://www.ncpublicschools.org/docs/schooltransformation/overview/rttt-map.pdf>

For a complete list of all schools being served through TALAS:
<http://www.ncpublicschools.org/docs/schooltransformation/overview/supported.pdf>

SCHOOLS AND DISTRICTS SPECIFICALLY SERVED BY DST THROUGH FUNDING OF RACE TO THE TOP



Professional Development Supports Teachers for Better Student Outcomes

With so many significant improvements underway over the past four years, professional development for local educators has been essential. Race to the Top has reinvigorated North Carolina's state-sponsored and coordinated professional development effort. The Educator Effectiveness division has partnered with Regional Education Service Alliances, local school districts and vendors to provide multiple layers of professional development – train-the-trainer models, annual regional summer institutes, and virtual or digital professional development including the development of a Massive Online Course on effective digital strategies in the K-12 classroom.

This area also created the application, selection and pathway process for the Governor's Teacher Network, which launched June 30, 2014, with 450 teacher participants developing digital resources to support the state's *Standard Course of Study*.



Educators Want and Need Training Professional Development by the Numbers:

- Eighty-eight percent of participants in 2014's eight summer institutes agreed that the Summer Institutes will help their district develop a strategic plan for professional development;
- Deployed more than 138 virtual and face-to-face sessions on Home Base (Educator Effectiveness System, PowerSchool, SchoolNet), EVAAS, Data Literacy;
- Held 18 Principal READY statewide sessions for more than 1,100 principals; and
- Created and implemented a regional differentiated statewide professional development calendar based upon feedback from eight Summer Institutes.

WHAT DO TEACHERS SAY?

According to the 2014 North Carolina Teachers Working Condition Survey Summary report, 86.2 percent of teachers (state average) feel that professional development enhances their ability to help improve student learning.

Accountability is Key for Parents and Taxpayers

Measuring performance is a key component of education. Students and their parents expect to receive grades that show progress in learning and demonstrate preparedness for colleges and careers. Taxpayers expect schools to serve as good stewards of the state's investment in education and to prepare young people to be productive members of society.

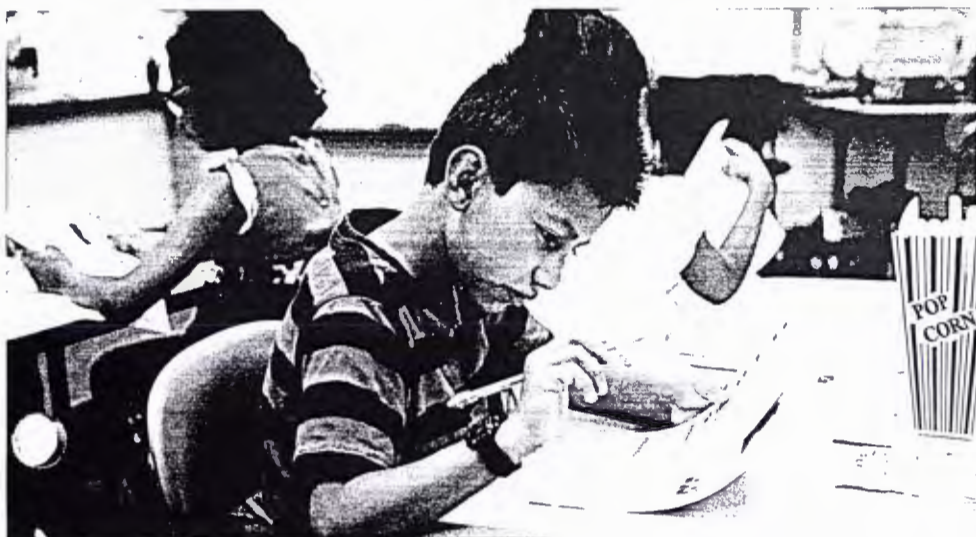
Standardized testing provides a low-cost and efficient way to measure student performance over time.

Though test scores have limitations, both state and federal laws require certain assessments of reading, mathematics and science in grades 3-8 to gauge school-wide success. Key components of the state's school accountability measure include the ACT college admissions exam and WorkKeys for students who complete a Career and Technical Education sequence. State standardized end-of-

grade and end-of-course tests provide a framework of accountability at a cost of less than \$6 per student. Most students in middle and high school will take one final exam per class in the final days of the course or school year.

North Carolina also participates in the National Assessment of Educational Progress (NAEP). Since 1992, when the state initially volunteered to administer this test, NAEP has given North Carolina a fair comparison of its students' performance alongside the students in other states. NAEP test items are given to a sample of fourth, eighth and twelfth grade students chosen to reflect the state's overall population in terms of race, gender, affluence and urban or rural setting.

The latest NAEP results, including North Carolina's Snapshot is at <http://www.ncpublicschools.org/accountability/policies/naep/2>.



QUICK FACTS ABOUT NORTH CAROLINA PUBLIC SCHOOLS

- 115 school districts
- 2,526 traditional public schools
- 148 public charter schools (open for students)
- 11 new charter schools scheduled to open fall 2015
- 1.52 million public school students
- \$12.3 billion public school budget
 - \$7.8 billion in state funds (62.2%)
 - \$1.5 billion in federal funds (12%)
 - \$3 billion in local funds (25.8%)
- Projected student enrollment growth in 2014-15: 9,000 students (at a cost of \$69.9 million)
- Textbook funding in 2013-14: approximately \$15 per student (in 2008 it was \$67.15 per student.)
- Average cost of a typical textbook: \$35-\$86
- More than 500 courses are taught in NC public schools
- 22 credits are required for high school graduation (<http://www.ncpublicschools.org/docs/curriculum/home/graduationrequirements.pdf>)
- 32 credits possible under block schedule
- 142 courses offered in NC Virtual Public School
- 35,205 of students taking at least one NCVPS course in 2013-14

Momentum: North Carolina Public Schools Move from 20th Century to Digital-Age Models

Traditional Instructional Model Digital-Age Learning Model*

Advancement based on time

Competency Mastery

- Credit by Demonstrated Mastery is now available to middle school students at local school district discretion and is required for all interested/qualified high school students. Students demonstrate mastery through standard examination and an artifact which requires the student to apply knowledge and skills relevant to the content standards that ensure deep understanding of the course.
- Students are able to earn industry-accepted credentials through examinations that test knowledge and skills and can include performance demonstration.
- Teachers are able to earn badges to demonstrate expertise in a specific topic.

Fixed places and times for learning

Anywhere and anytime learning

- The NC Virtual Public School (NCVPS) is a public program available to supplement middle and high school course offerings. It provides “24/7” learning for students with licensed teachers who facilitate learning through pre-assessment, notes, video/animation, practice and mastery opportunities. NCVPS is the 2nd largest virtual public school in the country, manages 50,000 full-credit enrollments annually and continues to grow. NCVPS is available to non-public school students also.
- NC public school teachers may benefit from 51 online learning modules that address professional teaching standards as well as content standards. Some courses are independent studies while others are facilitated by instructors.

One-size instruction

Personalized learning

- Early college high schools offer first-generation college students an opportunity to earn both a high school diploma and significant college credit/credentials/associate's degree during a five-year program located on a higher education campus. There are approximately 80 schools across the state, with the number growing each year. About one-half of early college high schools post 100 percent graduation rates and about one-third of the students graduate with an associate's degree or 30 hours of transferable college credit.
- The Career and College Promise offers qualified traditional high school students an opportunity to take college courses on college campuses or online. The courses are designed in pathways that lead students to CTE credentials or programs of study resulting in an associate's or bachelor's degree.
- SchoolNet (within the Home Base technology) allows teachers to use formative assessment tools to diagnose a student's mastery of the content and identify instructional resources to meet student learning needs.

* Adapted from Digital Learning Plan, Friday Institute, 2014

Teacher-Centered Instruction

- MClass Reading 3D (R3D) is a diagnostic reading assessment system that allows teachers to benchmark and monitor student learning to ensure that they are making progress on reading standards. R3D provides instant reports and reading strategies to meet individual learning needs. The system also provides reports to parents so that they can monitor their child's progress and provide assistance at home.
- The True North Logic system for teacher evaluation allows teachers to access modules for professional development based on the teacher's strengths and areas for improvement.

Student-Centered Instruction

- By using EVAAS data, teachers can determine which students are not making sufficient growth in reading and mathematics. Teachers also can access instructional strategies in the system.
- Using the same EVAAS system, principals can determine which teachers are not impacting student growth positively. With these data, the principal can provide the teacher with assistance and professional development matched to his or her need.
- Flipped Classrooms – In the flipped classroom, students listen or view the lecture/classroom explanation at home. During class time, students practice using the concepts they have learned through viewing the lectures at home.

Printed, static text

- Home Base offers teachers digital content in reading, mathematics, science and social studies, and Career and Technical Education.

Digital Content

- Schools use Discovery, PBS, NC Wise Owl and other sources for up-to-date instructional resources.

End-of-course standardized assessments

- Home Base provides digital formative assessment systems to assist teachers in determining student

Assessments integrated into learning

achievement during the learning process so the teacher can adjust the instructional program for the student.

Limited parent information

- Home Base offers parents a portal into their children's school records. Parents may view attendance,

Parent Portals

assignments, grades, discipline reports, etc.

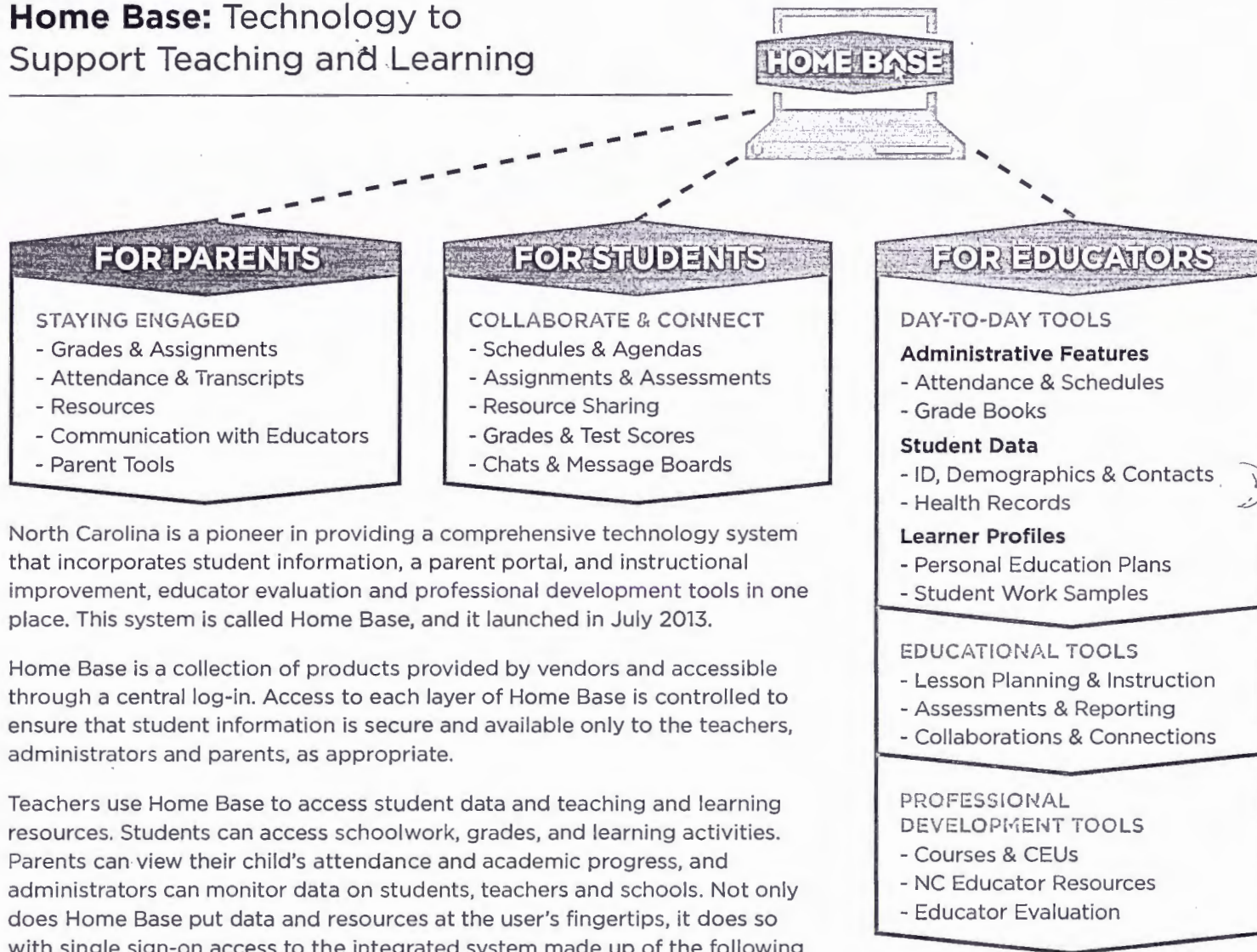
Academics in isolation

- Project-based learning is taking hold across NC. NC New Schools has been a leader in the effort in partnership with the NCDPI.
- STEM schools are focusing on the grand engineering challenges as one design model.

Project-Based

- STEM schools are being recognized for progress and achievement.
- Global education initiatives are expanding across the state in partnership with VIF, Center for International Understanding, and World View.

Home Base: Technology to Support Teaching and Learning



North Carolina is a pioneer in providing a comprehensive technology system that incorporates student information, a parent portal, and instructional improvement, educator evaluation and professional development tools in one place. This system is called Home Base, and it launched in July 2013.

Home Base is a collection of products provided by vendors and accessible through a central log-in. Access to each layer of Home Base is controlled to ensure that student information is secure and available only to the teachers, administrators and parents, as appropriate.

Teachers use Home Base to access student data and teaching and learning resources. Students can access schoolwork, grades, and learning activities. Parents can view their child's attendance and academic progress, and administrators can monitor data on students, teachers and schools. Not only does Home Base put data and resources at the user's fingertips, it does so with single sign-on access to the integrated system made up of the following components: Learner Profile and Student Information; Standards & Curriculum; Instructional Design, Practice & Resources; Assessment; Data Analysis and Reporting; and Professional Development & Educator Evaluation.

Beginning in 2014-15, all components of Home Base were made available to all districts and charter schools at no additional cost. The required portions, such as PowerSchool and Educator Evaluation, will always be free of charge to local school districts. Depending on state funding availability, the NCDPI may have to charge local school districts a nominal fee per student to access the instructional resources in future years. The cost so far for this instructional content is approximately \$4 per student.

Learn more about Home Base at
www.ncpublicschools.org/homebase



All Subjects, All Grades

New Standards Increase Rigor, Expectations

North Carolina has had a *Standard Course of Study* for at least 75 years, but 2012 marked the first time in our state's history that all standards in all subjects and grades were revised at the same time. This comprehensive overhaul began in 2008 with the Accountability and Curriculum Reform Effort (ACRE) initiated by a Blue Ribbon Commission that included lawmakers, parents, business representatives and educators. The process started with extensive input from local teachers and other educators and continued with assistance from experts in each subject, including industry and business representatives. The recommendations of this group were fully implemented in the state's classrooms in 2012-13.

In November 2014, the early stages of content standards review began again with English language arts and mathematics. All of the state's teachers and other educators were invited to participate in an online survey that asked for input on a standard-by-standard and grade-by-grade. This survey, which closes on Dec. 31, 2014, kicked off the initial reviews that will drive the next revisions in these two core subjects. From there, parents and other members of the public also will have an opportunity to provide input and guidance before revisions are presented to the State Board of Education. Historically, North Carolina has considered revisions in each subject's standards on a five-to-seven year cycle.

In addition, an Academic Standards Review Commission, created by the General Assembly and coordinated by the NC Department of Administration, began its work in September 2014 and is anticipated to make recommendations to the State Board of Education about changes to the English language arts and mathematics standards by December 2015.

View all current standards at www.ncpublicschools.org/curriculum/



KEY INDICATORS

- NC's high school graduation rate is **83.9 percent**, the highest in state history.
- The 2014 average SAT score for North Carolina was 1,483 (499 critical reading, 507 mathematics, 477 writing) versus a 1,497 national average.
- The 2014 ACT average composite score was 18.6, compared to the 21.0 national average. North Carolina is one of 12 states nationwide to test 100 percent of graduates.
- North Carolina public schools are among the top 11 participating education systems in the world for fourth and eighth grade math scores on the Trends in International Mathematics and Science Study.
- North Carolina is 14th in the nation in the percentage of seniors scoring a 3 or higher on Advanced Placement exams in high school.
- NC students earned 115,000 business and industry credentials in 2013-14.

MORE DATA ON SCHOOLS

- www.ncschoolreportcard.org
- www.ncpublicschools.org
- <http://www.ncpublicschools.org/docs/fbs/resources/data/highlights/2014highlights.pdf>

Budget Expansion Request – 2015-17 Biennium

ITEM NAME AND DESCRIPTION	FY 2015-16 REQUESTED INCREASE	FY 2016-17 REQUESTED INCREASE
Textbooks (Digital Materials, Devices, and Hard Cover) – Elimination of the non-recurring reduction to textbooks will reinstate the per student funding level to \$77.16 (up from \$15.28 for FY 2012-13). Funding at the FY 2008-09 level of \$67.15 per ADM (rather than \$14.86), would cost an additional \$79.5 million.	\$ 76,850,000	\$ 76,850,000
Classroom Technology* – Funding to accommodate technology needs in our public schools during implementation of the Instructional Improvement System. Technology needs include, handheld devices, digital content, network infrastructure, or technology facilitators in the school building (\$18m to come from fines and forfeitures and \$6m from Indian Gaming Commission).	25,000,000	25,000,000
Instructional Supplies – Elimination of the non-recurring reduction to instructional supplies will reinstate the per student funding level to \$59.33 (up from \$33.60 for FY 2012-13). Funding at the FY 2008-09 level of \$58.77 per ADM (rather than \$28.38), would cost an additional \$46.2 million.	20,000,000	20,000,000
Home Base – Funding to manage delivery of instructional tools & resources, and engagement with districts and schools regarding daily operation of the system.	6,000,000	6,000,000
Turning Around Lowest Achieving Schools* – Funding to provide intensive support (planning/coaching) for principals and teachers in lowest-achieving 5% of schools (118 schools, across 36 districts) and to provide intensive support (planning/coaching) for superintendents, central office staff, principals, and teachers in lowest 10% of districts (12). (Amount is funding to be provided to DPI for this purpose.)	8,600,000	8,600,000
Professional Development* – Funding to provide year-round calendar of regionally based professional development (including summer institutes) and to support district and charter professional development leadership teams.	4,400,000	4,400,000
NC Procurement Alliance – Funding to support the NC Procurement Alliance after GA report indicated that for every \$1 invested with the Alliance, LEAs saved \$6. This converts to an estimated district savings of \$480,000.	80,000	80,000

ITEM NAME AND DESCRIPTION	FY 2015-16 REQUESTED INCREASE	FY 2016-17 REQUESTED INCREASE
Connectivity - The initial Connectivity Project was designed to establish and sustain internet access to the school buildings. Funding for this project is \$19.9 million. We need to expand school connectivity support to include internal school network infrastructure. In order to transition to digital learning statewide, school internal networks must support scalable and reliable wireless and wired connectivity. The Federal Communication Commission's E-Rate modernization order issued in July of 2014 establishes a baseline of \$150 per ADM as the 5-year budget for school network infrastructure.	12,000,000	12,000,000
Distinguished Leadership in Practice* - Funding to provide leadership programs to strengthen skills and practices of current principals and assistant principals.	600,000	600,000
Regional Leadership Academies - Funding to provide regionally based Leadership Academies (Northeast, Sandhills, Piedmont) to prepare aspiring principals to transform lowest-achieving schools.	4,000,000	4,000,000
K-2 EVAAS - Funding to expand our current contract to include students in grades K-2 in all North Carolina public schools and to provide reports using the Educational Value Added Assessment System (EVAAS) that will show analyses of student achievement data for potential summative and formative use for districts. (Grades 3-12 EVAAS: \$2,795,000)	870,000	870,000
NCEES - Funding to operate NC Educator Evaluation System (an online tool, including Professional Development System). Activities will include managing contract with SAS for the Educator Value-Added Assessment System (EVAAS); providing NC Final Exams, Analysis of Student Work (ASW), and related processes (amount includes \$964,560, which is the DPI state funding for accountability).	3,600,000	3,600,000
The State Board of Education and Department of Public Instruction will request continued improvements to educators' pay. This request is in addition to the expansion items.	\$ 162,000,000	\$ 162,000,000

*Denotes funding can be used for professional development.

How is my school doing?

Since 2001-02, North Carolina's School Report Cards have been issued annually to give parents and others a "one-stop shop" of information about each public and public charter school. Although test scores are a backbone of this report, other key information is provided including teacher quality details, school climate and safety, student demographics and more. In February 2015, for the first time, the School Report Cards will include a letter grade for each school, as required by the North Carolina General Assembly. These A-F performance grades, based 80 percent on student performance and 20 percent on student academic growth, will be accompanied by specific data for each measure that is used to determine these grades.

This year, the School Report Cards have been re-designed to make it easier for users to do school-to-school comparisons.



See the School Report Cards at
www.ncschoolreportcards.org



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

In compliance with federal law, the NC Department of Public Instruction administers all state-operated educational programs, employment activities and admissions without discrimination because of race, religion, national or ethnic origin, color, age, military service, disability, or gender, except where exemption is appropriate and allowed by law.

Inquiries or complaints regarding discrimination issues should be directed to: Dr. Rebecca Garland, Deputy State Superintendent
6368 Mail Service Center, Raleigh, NC 27699-6368 :: Telephone: (919) 807-3200 :: Fax: (919) 807-3388

Visit us on the Web: www.ncpublicschools.org

G.S.115C-21. Administrative duties of the State Superintendent of Public Instruction...

(3) To report biennially to the Governor 30 days prior to each regular session of the General Assembly, such report to include information and statistics of the public schools, with recommendations for their improvement and for changes in the school law.



Responsibilities of the
Department of Public Instruction/
State Board of Education
as Required by
State and Federal Law

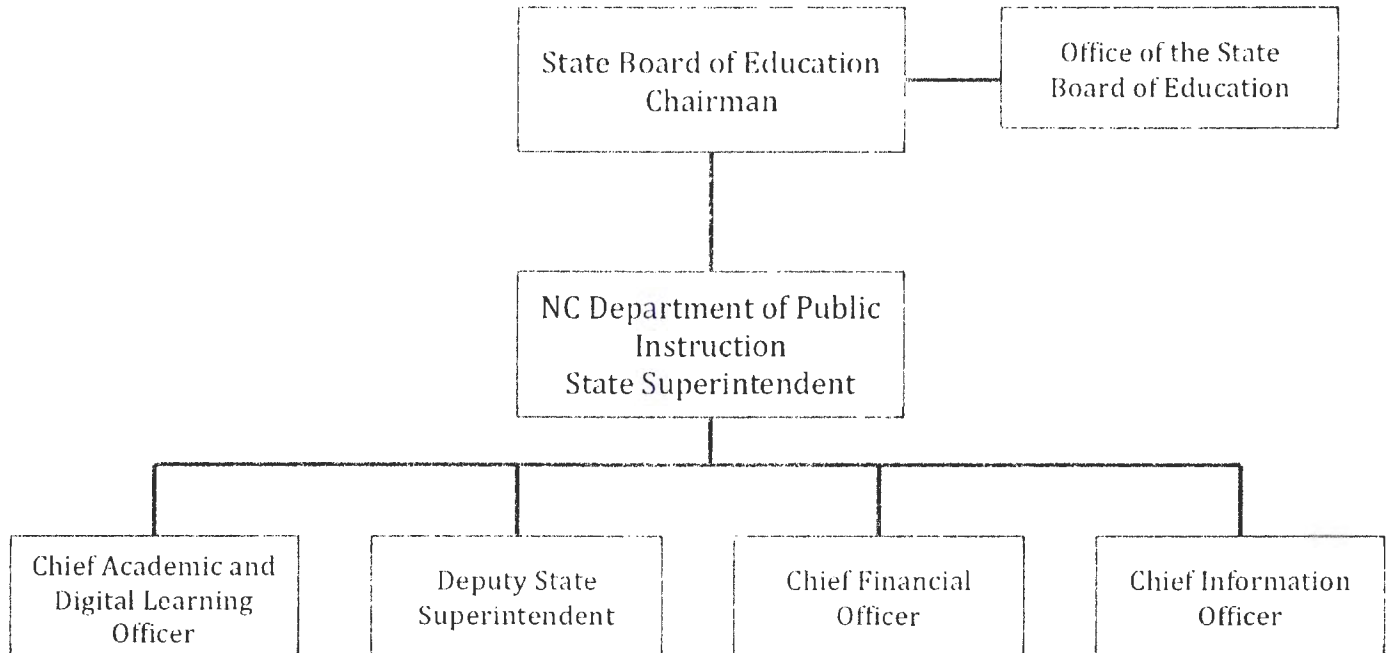
March 17, 2015





Public Schools of North Carolina Organizational Chart

June 2014





**Positions Available to the Department of Public Instruction
as of December 31, 2014**

North Carolina Department of Public Instruction

Permanent Positions	State	Federal	Receipt	Total
	413.10	232.51	107.77	753.38

Race to the Top Time Limited-Permanent Positions

Permanent Positions	State	Federal	Receipt	Total
		122.00		122.00

Schools for the Deaf and Blind (3 Residential Schools)

Permanent Positions	State	Federal	Receipt	Total
	348.25			348.25

North Carolina Virtual Public School (NCVPS)

Permanent Positions	State	Federal	Receipt	Total
	22.00	1.00		23.00

NC Center for the Advancement of Teaching (NCCAT)

Permanent Positions	State	Federal	Receipt	Total
	46.75			46.75

Position information is calculated through BEACON sorting against the Account code (permanent). The groupings are based on administration and independence of the various organizational groups. The RttT positions are employed only for the period of RttT implementation.

North Carolina Department of Public Instruction (Temporary Positions/Temporary Solutions)

Temporary	State	Federal	Receipt	Total
	15.00	7.00	7.00	29.00

Race to the Top Temporary-Permanent Positions

Temporary	State	Federal	Receipt	Total
		43.00		43.00

Schools for the Deaf and Blind (3 Residential Schools)

Contract/Temporary	State	Federal	Receipt	Total
Temporary	8.00			8.00

North Carolina Virtual Public School (NCVPS)

Temporary	State	Federal	Receipt	Total
	711.00			711.00

North Carolina Center for the Advancement of Teaching

Temporary	State	Federal	Receipt	Total
	6.00			6.00

The Department's temporary employees are employed through Temporary Solutions within the Office of State Human Resource Services. This information is based on temporary employee information provided by Temporary Solutions BEACON files for the Department of Public Instruction. The number of temporary positions could fluctuate weekly depending upon workforce needs and period of employee beginning and ending dates.



Functions and Oversight Responsibilities of the NC Department of Public Instruction As Required by State and Federal Law

Outlined below are major functions and oversight responsibilities of the NC Department of Public Instruction

Division or Work Unit (Director)	Responsibilities Authorized or Required by either State or Federal Law or Both State and Federal Law
	<i>Academic Services and Instructional Support</i>
Office of Early Learning	<ul style="list-style-type: none"> • Leads development of Kindergarten Entry Assessment/K-3 Formative Assessment schedule for statewide implementation and scale-up beginning in 2014-15 • Coordinates various early learning programs to ensure program effectiveness and efficiency: <ul style="list-style-type: none"> ○ Sensory Support Programs for Young Children (0-5) ○ Preschool Exceptional Children (IDEA 619) ○ Title I Preschool ○ Head Start State Collaboration
K-3 Literacy	<ul style="list-style-type: none"> • Implement all components of the General Assembly's North Carolina Read to Achieve program in all K-3 classrooms across the state • Facilitates the continuous development and implementation of the state-adopted K-3 formative, diagnostic assessment system • Facilitates the alignment of reading goals in school and district continuous improvement plans with the state Reading Comprehension plan
K-12 Curriculum and instruction	<ul style="list-style-type: none"> • Provides leadership and support to educators across the State of North Carolina to build and reinforce the Common Core State Standards and North Carolina Essential Standards for math, English Language Arts, English as a second language, science, social studies, world languages, arts education, healthful living • Reviews, selects or coordinates the selection of resources and materials implements goals of the North Carolina State Board of Education • Informs, clarifies and disseminates state and federal policies and laws
Career and Technical Education	<ul style="list-style-type: none"> • Develops standards and curriculum for CTE programs in agricultural education, business, finance and information technology education, career development education, family and consumer sciences education, health science education, marketing and entrepreneurship education, technology engineering and design education, trade and industrial education • Supports CTE students to become concentrators (four or more CTE credits) • Promotes student acquisition of industry certifications • Oversees \$21.6 million in federal Carl D. Perkins grants and \$380 million in state CTE funds

Digital Teaching and Learning	<ul style="list-style-type: none"> • Champions authentic, innovative teaching and learning practices • Supports leadership in the transformation of teaching and learning • Fosters collaborative partnerships within the NCDPI and with LEAs, charter schools, IHEs, RESAs, regional entities, professional organizations and other state and federal agencies • Models digital citizenship and the safe, ethical use of resources
Exceptional Children Division	<ul style="list-style-type: none"> • Ensures that students with disabilities develop intellectually, physically, emotionally, and vocationally through the provisions of an appropriate individualized education program in the least restrictive environment • Assures appropriate local expenditure of \$313 million in individuals with Disabilities Education (IDEA) grants
Accountability Services	<ul style="list-style-type: none"> • Gauges student achievement against state and national standards • Designs and develops reliable and valid assessment instruments for student and teacher accountability • Provides accurate and statistically appropriate reports • Responsible for state and federal accountability
Federal Program Monitoring	<ul style="list-style-type: none"> • Ensures that federal and state education funds contribute to the goal of all students meeting or exceeding rigorous state standards • Supports approximately \$475 million in Elementary and Secondary Education Act federal funds provided to districts and schools each year through grants administration, program monitoring, data collection and reporting, and technical assistance
District and School Transformation	<ul style="list-style-type: none"> • Provides support for all North Carolina schools and districts to increase student achievement and improve high school graduation rates • Currently serves schools identified in the bottom 5 percent of conventional schools and the lowest ten percent of districts in North Carolina
Educator Effectiveness	<ul style="list-style-type: none"> • Facilitates and supports professional development for the aligned NC Educator Evaluation System, Standard Course of Study and Home Base • Develops PD opportunities for online, blended learning • Facilitates recruitment and retention through current leadership programs, National Boards, Troops to Teach and the Teacher I Principal of the Year processes • Facilitates program development and approvals with Institutions of Higher Education to prepare graduates to be effective teachers and school leaders • Monitors and supports statewide beginning teacher programs • Manages program approval for teacher and administrator preparation programs
Residential Schools	<ul style="list-style-type: none"> • Manages two residential schools for the deaf and one residential school for the blind • Manages early childhood services for the deaf and blind

	<i>Financial Services, Business and Technology</i>
School Business Administration	<ul style="list-style-type: none"> • Ensures compliance to state salary schedules • Monitors salaries and audit compliance with state and federal financial laws • Manages school allotments
Financial Services	<ul style="list-style-type: none"> • Provides internal budget management • Provides cash management (requisition cash, draw down federal funds, cash reconciliation, reporting) • Provides purchasing services (requisitions for goods, services and contractual agreements)
Safe and Healthy Schools Support	<ul style="list-style-type: none"> • Provides mental health and allied health support • Provides school planning and plant operations services • Provides transportation support for state's 13,700 school buses • Supports and monitors \$860 million child nutrition services program • Insures school facilities, operates insurance system • Ensures timely delivery of textbooks to all 115 LEAs • Provides Workers' Compensation for school employees • Provides Unemployment Insurance for school employees
Learning Systems – Home Base	<ul style="list-style-type: none"> • Designs and delivers tools and resources to help teachers and students use data on a daily basis to improve instruction and learning • Creates and maintains processes for Home Base content management and sharing
Virtual Public Schools	<ul style="list-style-type: none"> • Provides access to high quality instructional content and strategies that are aligned to state and national standards for content and design • Develops a scalable and sustainable learning management platform that supports statewide 21st Century learning
Charter Schools	<ul style="list-style-type: none"> • Guides all aspects of the charter application process • Ensure leadership at the governance and management levels are provided access to authentic and relevant information for the charter school setting • Provides feedback on charter school performance in academics, operations, and finances • Decreases the number of charter schools with performance composites less than 60%
Licensure	<ul style="list-style-type: none"> • Processes requests that are successfully completed and ready to be processed within 30 working days of entry in to the Licensure system during peak season (June-October)
IT Infrastructure	<ul style="list-style-type: none"> • Maintains technology infrastructure to connect all school districts and support teaching and learning • Provides technical support to agency employees
Enterprise Application Development	<ul style="list-style-type: none"> • Develops and maintains IT applications to support Exceptional Children services throughout the state • Develops and maintains agency applications for data access and transmission

PowerSchool	<ul style="list-style-type: none"> • Oversees the transition from NC WISE Student Information System (SIS) to PowerSchool • Oversees the development of supplementary application integration with PowerSchool
IT Department Coordination and Data Management	<ul style="list-style-type: none"> • Maintains business and technical infrastructure to support the Human Resources Management System used by many LEAs across the state • Maintains business and technical infrastructure to support the financial applications used across the state • Maintains business and technical infrastructure to support standardized testing across the state • Provides data extraction services to support agency and legislative requests
	<i>Office of the State Superintendent</i>
Race to the Top Program Management Office	<ul style="list-style-type: none"> • Manages overall implementation of \$400 million federal Race to the Top (RttT) Grant • Supports state implementation of new standard course of study, balanced assessment system, statewide instructional improvement systems, focused support for the lowest-achieving schools, and various other initiatives to develop and support stronger teachers and principals • Administers \$165 million in RttT funds allotted to districts and charter schools for use in accordance with approved plans
Communications	<ul style="list-style-type: none"> • Manages NCDPI's public website and Intranet • Communicates the SBE's goals and priorities and NCDPI activities to North Carolina educators, legislators, citizens and to NCDPI/SBE personnel • Handles internal and external communications, media relations, branding and strategic communication for department and board initiatives • Organizes and staffs events, webinars and face-to-face communication opportunities for State Superintendent and NCDPI leadership • Provides on-site printing, duplicating and graphic design services • Operates publications sales office to provide low-cost publications to local educators and the public in support of Standard Course of Study and other initiatives
Data, Research & Federal Policy	<ul style="list-style-type: none"> • Loads and maintain the state longitudinal data warehouse, CEDARS (Common Education Data Analysis and Reporting System). • Provides high quality data about the performance of North Carolina students and schools to all stakeholders: <ul style="list-style-type: none"> ○ EDEN (Education Data Exchange Network) ○ NC School Report Card ○ P-20W Data System ○ External Data Requests • Supports NCDPI's conversion to the new student information system,

	PowerSchool <ul style="list-style-type: none"> • Provides academic education research findings to stakeholders • Facilitates exchange of education records with other states through SEED (State Exchange of Education Data)
Human Resources	<ul style="list-style-type: none"> • Coordinates recruitment and selection process • Provides training and development for employee supervisors • Coordinates employee benefits and time administration (payroll) • Develops and supports a culture of high performance
Internal Auditor	<ul style="list-style-type: none"> • Provides unbiased, objective assessments to ensure efficient and effective management of department resources • Provides technical assistance and professional guidance to division management

03/16/2015



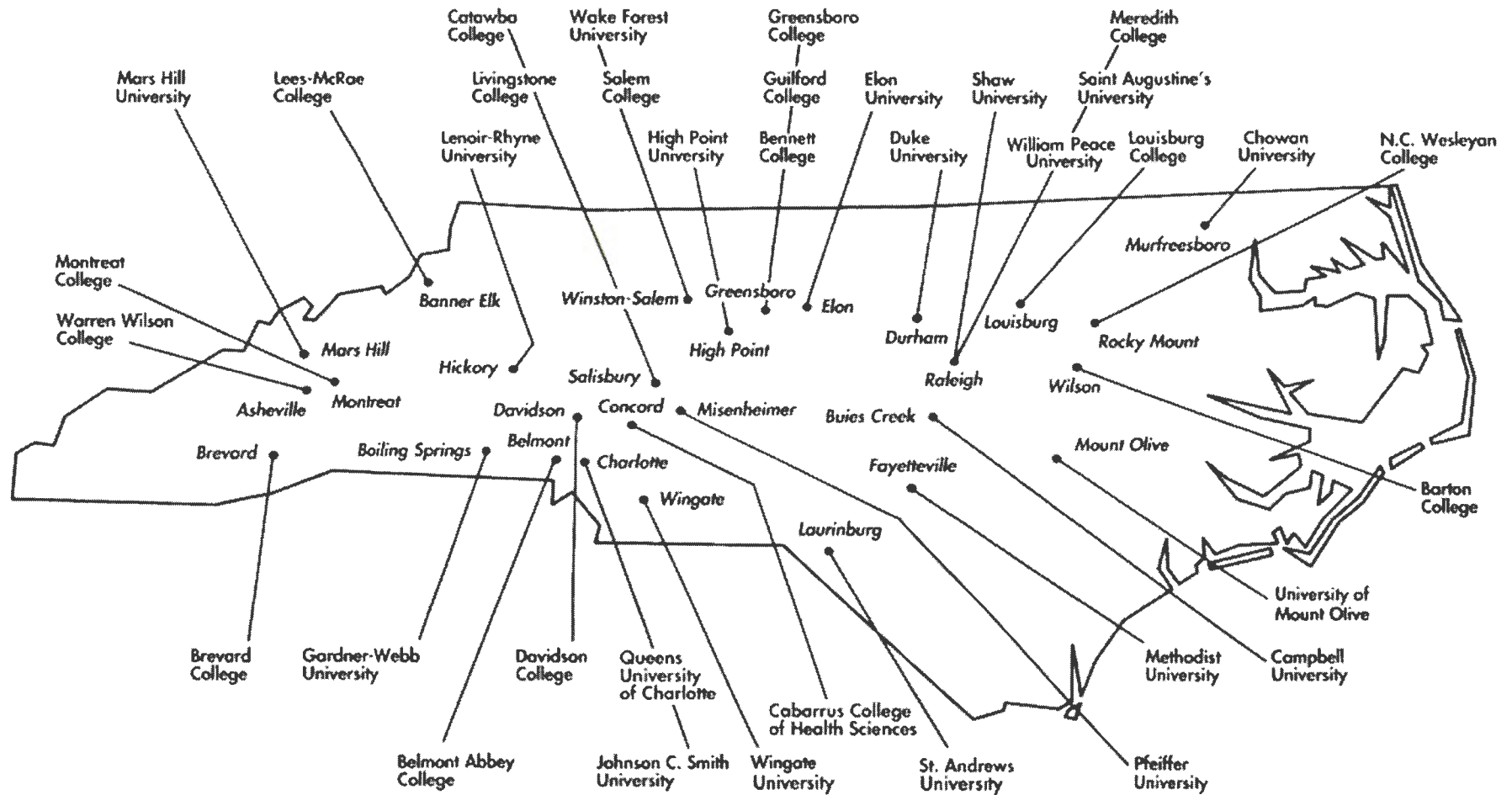
Presentation
to
Senate Appropriations Subcommittee
on Education/Higher Education
House Appropriations Subcommittee on Education

March 17, 2015

Hope Williams, President
Tom West, VP for Government Relations/General Counsel

N O R T H C A R O L I N A
I N D E P E N D E N T
C O L L E G E S & U N I V E R S I T I E S

North Carolina's Independent Colleges and Universities



NCICU

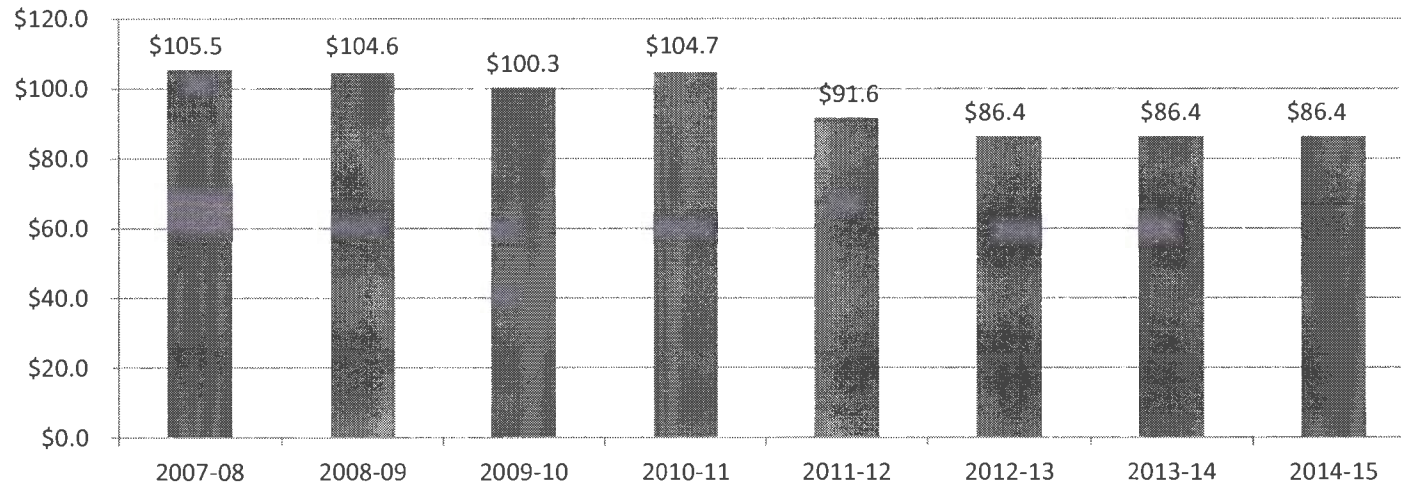
- 36 – private colleges and universities
- 90,000 – undergraduate and graduate students
- 40,000 – North Carolina undergraduate students
- 100 – Counties represented by students at North Carolina's private colleges and universities

Degrees Awarded

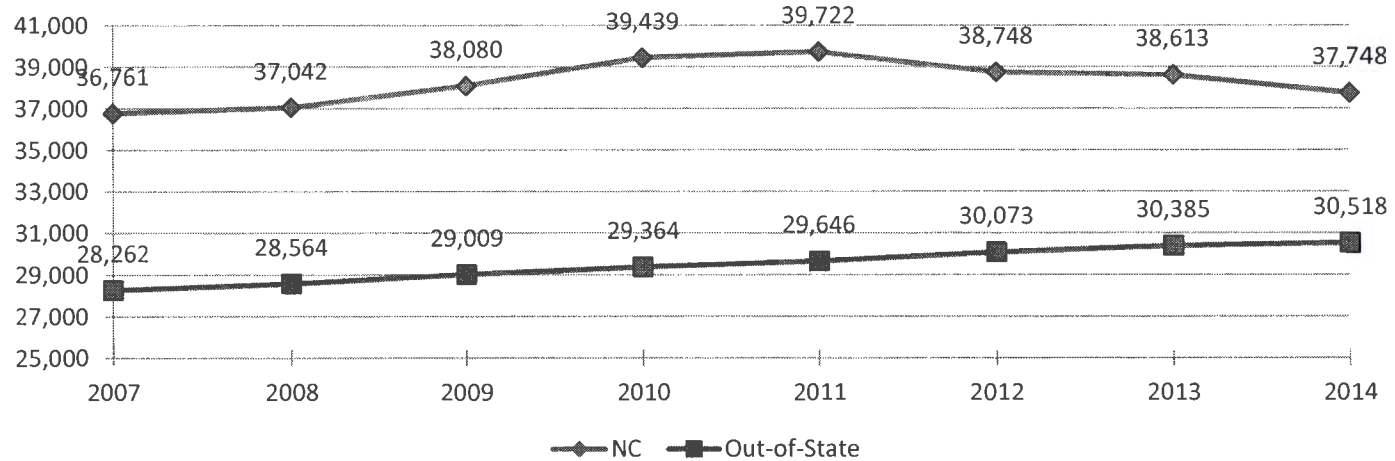
- 30% of the bachelor's degrees
- 50% of the medical degrees
- 50% of the pharmacy degrees
- 88% of the physician assistant degrees
- 65% of the law degrees
- 21% of the nursing degrees (bachelor's)
- 55% of the nursing degrees (masters)



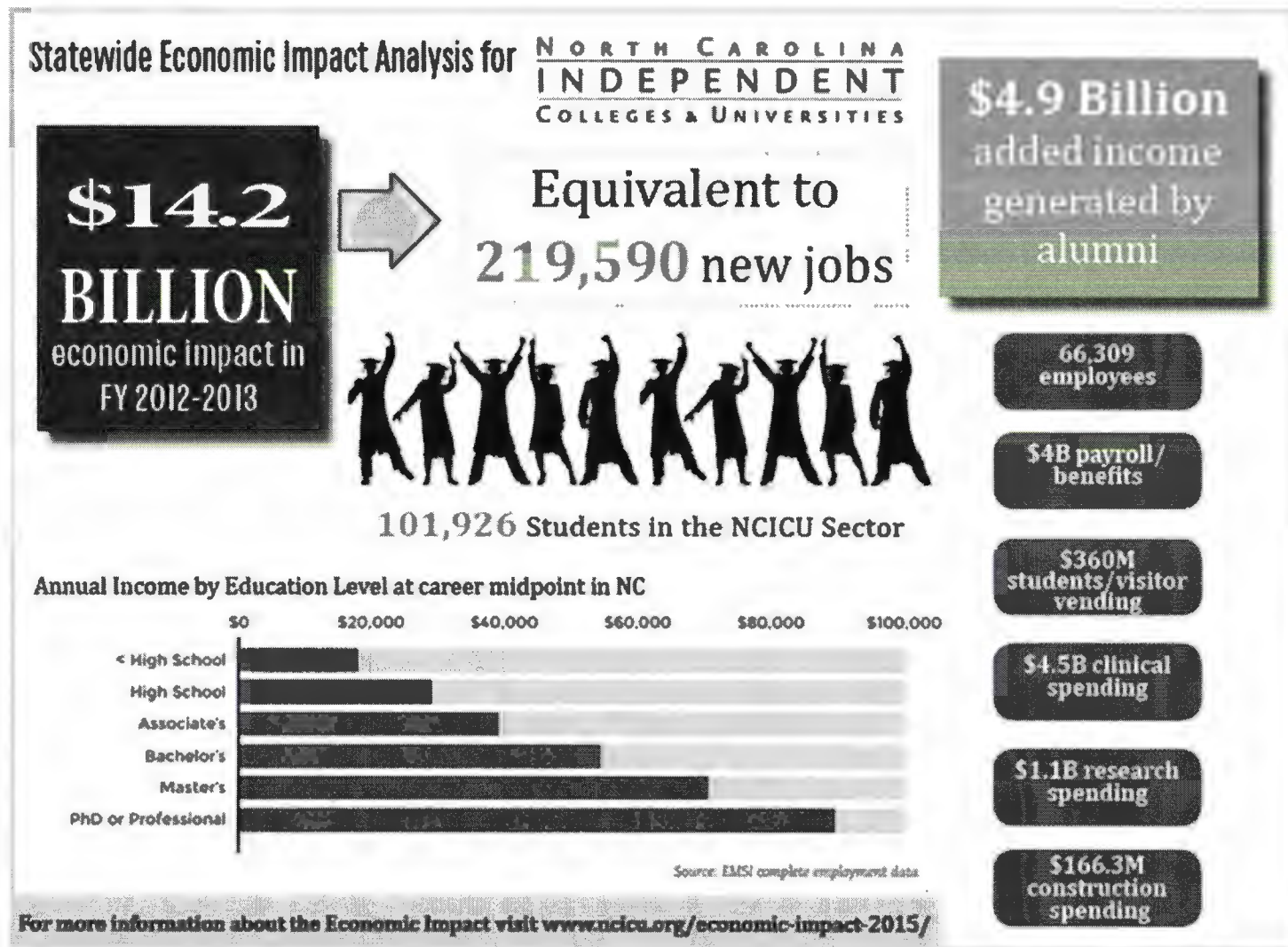
State Grants for Private College/University Students



Private College/University Student Enrollment



Economic Impact



VISITOR REGISTRATION SHEET

Joint Comm. on Appropriation, Education

3/12/2015

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Bruce Mildwurf

NCSBA

Bret Hager

NCEL

Kevin Howell

NCSU

Susan McCracken

ARL -

Susan Harrison

NCSSWA

Lekisha Jordan

Governor's Office

Mike Mann

NCBA

Mortez Hill

NCSBE

Jed Maynard

GRM Assoc



VISITOR REGISTRATION SHEET

Joint Comm. on Appropriation, Education

3/17/2015

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Elizabeth Drowns	Hunt Institute
Alex Grandis	EdNC
Adam Proctor	NCA32
Fred Aikens	Ofc of Senator Blue
David Collins	SEANC
Lowell Lacey	Sen. Joyce Wadell
Richard Thompson	NCCAT
Bryan Conrad	OSBM
Justin Ayer	Ed Consultant
Emily Haddad	EHOR
Douglas Bell	N/C SBA

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VISITOR REGISTRATION SHEET

Joint Comm. on Appropriation, Education 3/12/2015

Name of Committee

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Paul Hoffman	HTGAC
Austin Pruitt	Perkinson
[Signature]	MWC
C. Perrine	UNC System
Andrew Fode	UNC System
Drew Moretz	UNC GA
Jonathan Kappler	UNC GA
Beth Dasker	UNC Charlotte
Jen Willis	UNC-CH
Xoni Worthington	UNC GA
Mary Shuping	NCCCS



VISITOR REGISTRATION SHEET

Joint Comm. on Appropriation, Education 3/12/2015

Name of Committee

Date _____

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Nike Brown

NC A.7

Ed Insley

ap

Terry Yeaman

DPR Construction

Tom Ross

UNC CH

Mike Arnold

505

Lindsay Wagner

NC Policy Watch



**Senate Committee on Appropriations on Education/Higher Education
Wednesday, May 27, 2015 at 8:00 AM
Room 423 of the Legislative Office Building**

MINUTES

The Senate Committee on Appropriations on Education/Higher Education met at 8:00 AM on May 27, 2015 in Room 423 of the Legislative Office Building. Six members were present.


Senator Dan Soucek, Chair, presided.

Chairman Soucek called the meeting to order at 8:05 AM and thanked the Sergeants-at-Arms and the page.

He then called on Brian Matteson of the General Assembly's Fiscal Research Division, who outlined to members the timeline and direction from the Senate Budget Chairs (see attachments).

Following the presentation, Chairman Soucek accepted questions from the members and then adjourned the meeting.

The meeting adjourned at 8:13 AM.



Senator Dan Soucek, Chair
Presiding



John Clark, Committee Clerk





AGENDA

SENATE APPROPRIATIONS COMMITTEE ON EDUCATION/HIGHER EDUCATION

May 26, 2015 8:00 a.m.
Legislative Office Building - Room 423

Senate Committee Co-Chairs

Sen. Tom Apodaca
Sen. Chad Barefoot
Sen. Dan Soucek

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 and Opening Comments

Senator Dan Soucek
Co-Chair, Presiding

II. Review of Budget Guidance and Schedule

Brian Matteson
Fiscal Research Division

III. Committee Adjourns

Next Meeting: TBD



Senate 2015 Appropriations Schedule

June 2015

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 Senate Budget Process	2	3	4	5	6
7	8	9 Senate Approps & Finance	10 Senate 2 nd Reading	11 Senate 3rd Reading	12	13
14	15 Conference Process	16	17	18	19	20
21 Father's Day	22 Conference Process	23	24	25	26	27
28	29	30 Pass Conference Report				

Senate 2015 Appropriations Schedule

May 2015

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5 House Budget Process	6	7	8	9
10 Mother's Day	11	12 House Budget	13	14	15	16
17	18	19 House Approps	20	21 House 2nd Reading	22 House 3rd Reading	23
24	25 Memorial Day	26 Senate Budget Process	27	28	29	30
31						

Senate Appropriations Committee on Education

Spending Targets:

Public Schools

FY 2015-16: \$8,206,269,642

FY 2016-17: \$8,313,228,964

Community Colleges

FY 2015-16: \$1,044,028,672

FY 2016-17: \$1,044,028,672

University System

FY 2015-16: \$2,705,921,724

FY 2016-17: \$2,736,866,697

Guidance for All Subject Area Committees:

Committee Report and Special Provisions

- Evaluate budget programmatically, eliminating programs that aren't needed and providing adequate funding to those that still serve vital functions.
- Recurring money expansion items (funded outside of the Committee spending target) must be funded with recurring reductions.
- Address budget needs for both years of the biennium, minimizing the need for a revised budget in the short session.
- No spending reversions or "shall not revert" language in special provisions or money items.
- Vacant positions are being handled by the Full Chairs. Subcommittees **should not eliminate the funding for vacant positions.**
- If eliminating filled positions, list each position number.
- Consult other subject area committees as necessary.
- Refer certain items to the Full Chairs:
 - Salary-related items, debt service, or other statewide issues
 - Fee increases/decreases
- Worker's Compensation line items should be increased/decreased to reflect an average of FY 2012-13 and FY 2013-14 actuals.
 - Subcommittees must achieve this within their target amounts and should not decrease other accounts that would simply shift a structural budget problem in worker's compensation to another line item.
- All programs receiving funding via a transfer from the Highway Fund will be subject to Continuation Review. Additional information will be provided regarding this process.

Reporting

- Note unresolved or pending items.
- List funding priorities not included in package.

Specific Committee Guidance:

- Education Lottery allocations are the purview of the full Chairs.
- Funding for Public Schools enrollment growth, university enrollment growth, and adjustments to community college enrollment are included within the spending target.
- Changes in the use of Escheats funds are the purview of the full Chairs.
- Salary-related budget items are the purview of the full Chairs.
- Driver's Education should not be funded with a Highway Fund transfer.
- Highway fund transfer for the UNC Center for Alcohol Studies should be eliminated.
- In-State tuition for veterans should be fully funded within the spending target.

VISITOR REGISTRATION SHEET

EDUCATION / HIGHER EDUCATION
(Committee Name)

5-27-15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY</u>
Alex Knapp	PENC
Josh Ehrich	JDA
David Collins	SEAWC
Doug Miskew	PSG
Tommy Seave	INUA
Vicki Bayer	self
Elizabeth Kugler	Hunt Institute
Sharon Hamm	NC DTSEA
Austin Pruitt	Perkinson Law
G. Lane	NCGA



VISITOR REGISTRATION SHEET

EDUCATION / HIGHER EDUCATION

(Committee Name)

5-27-15

Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY</u>
Evan Lee	NCDPI
Rachel E. Beaulieu	NCDPI
Ed Surlyfe	BP
Bruce Thompson	PAZKOR P05
Tom West	N.C.I.C.U.
Nick Goetsch	OSBM
Bryan Conrad	OSBM
Mica Hyslop	NCMMC
Andrea Pore	UNCGA
Jonathan Kappeler	UNZ GA
Don Miretz	UNC GA
Jessica	NC Community College Intern
Adam Brannen	WCHS
Bruce Milder	NCSBA
Paul Foglia	HTGAC
Jim Allen	Ed Committee
Douglas Holbrook	NCSBA



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W. A. ...

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Senate Committee on Appropriations on Education/Higher Education
Monday, June 15, 2015 at 4:00 PM
Room 423

MINUTES

The Senate Committee on Appropriations on Education/Higher Education met at 4:00 PM on June 15, 2015 in Room 423. 8 members were present.

Sen. Chad Barefoot presided.

Sen. Barefoot opened the meeting, went through the agenda, explained the rules for considering amendments and then turned the meeting over to staff from the Fiscal Research Division to explain the budget in detail.


Staff from the Fiscal Research Division explained the money reports and special provisions for the Public Education budget, the Community Colleges budget and the UNC System budget.

Members of the committee addressed questions to Fiscal Research staff members and the chairman.

The meeting adjourned at 5:18 PM.



Sen. Chad Barefoot
Presiding



Eric Naisbitt, Committee Clerk





AGENDA

SENATE APPROPRIATIONS COMMITTEE ON EDUCATION/HIGHER EDUCATION

June 15, 2015 4:00 p.m.
Legislative Office Building - Room 423

Senate Committee Co- Chairs

Sen. Tom Apodaca
Sen. Chad Barefoot
Sen. Dan Soucek

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 and Opening Comments

Senator Chad Barefoot
Co-Chair, Presiding

II. Overview of Recommended Senate Budget

Fiscal Research Division Staff

III. Committee Adjourns



Senate Appropriations/Base Budget Committee

Rules for Considering Amendments

If amendments are offered, then the following rules must be met in order to make the amendment eligible for consideration:

1. Money can only be transferred among items within the same subcommittee section.
 2. Amendments where money is being transferred among items within a subcommittee must clearly identify the items/programs that are being increased and decreased.
 3. Nonrecurring reductions cannot be made to fund recurring additions.
 4. Amendments that spend reversions are not allowed.
 5. Amendments that increase or create new management flexibility reserves are not allowed.
 6. Amendments that increase spending in the subcommittee budgets are not allowed.
 7. Amendments are not allowed where funding for an item comes from statewide reserves.
 8. Amendments that adjust funds from compensation increase reserves or other reserves related to salaries and benefits are not allowed.
 9. Amendments that adjust funds for workers' compensation are not allowed.
 10. Amendments that adjust funds related to vacant positions are not allowed.
 11. Since this is a meeting of Full Appropriations, amendments that address finance portions of the bill will not be heard.
 12. Amendments must be in writing, the original signed, with 100 copies available for distribution.
 13. To be considered, a proposed amendment must have been logged in by the committee clerk in room 643 by 10:00 a.m. on Tuesday, June 16, 2015.
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SENATE APPROPRIATIONS COMMITTEE

ON

EDUCATION/HIGHER EDUCATION

**REPORT
ON THE
CONTINUATION AND EXPANSION BUDGETS**

House Bill 97

June 15, 2015

Public Education

GENERAL FUND

	FY 15-16	FY 16-17
Recommended Base Budget	\$8,106,033,100	\$8,106,033,100

Legislative Changes

A. Reserve for Salaries and Benefits

1 Compensation Increase Reserve - Educators

\$152,270,984	R	\$152,270,984	R
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Provides funds to adjust the tiers of the salary schedule, to increase starting teacher pay from \$33,000 to \$35,000 per year, to grant an experience-based step increase for eligible educators earning a year of creditable experience, and to ensure that all educators, assuming no change in credentials, are paid at least their FY 2014-15 compensation.

2 Compensation Increase Reserve - DPI State Agency Teachers

\$271,634	R	\$271,634	R
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Provides funds to adjust the tiers of the salary schedule, to increase starting teacher pay from \$33,000 to \$35,000 per year, to grant an experience-based step increase for eligible educators earning a year of creditable experience, and to ensure that all educators, assuming no change in credentials, are paid at least their FY 2014-15 compensation.

3 Compensation Increase Reserve - School-based Administrators (SBAs)

\$4,550,919	R	\$4,550,919	R
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Provides funds for an experience-based step increase for SBAs earning a year of creditable experience and funds an \$809 top of the salary schedule bonus. Any funds remaining may be used to implement Section 9.5.

4 Compensation Increase Reserve - DPI School-based Administrators (SBAs)

\$2,900	R	\$2,900	R
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Provides funds for an experience-based step increase for SBAs earning a year of creditable experience and funds an \$809 top of the salary schedule bonus. Any funds remaining may be used to implement Section 9.5.

B. Technical Adjustments

5 Average Daily Membership (ADM) (Multiple)

\$100,236,542	R	\$207,195,864	R
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Revises allotted FY 2015-16 ADM to reflect 17,338 more students than are included in FY 2014-15 allotted ADM and an additional 17,701 students in FY 2016-17 as compared to FY 2015-16. This adjustment includes revisions to multiple position, dollar, and categorical allotments.

Total allotted ADM for FY 2015-16 is 1,537,643 and total allotted ADM for FY 2016-17 is 1,555,344.

6 Exceptional Children Headcount (1860)

\$404,103

R

\$404,103

R

Adjusts funding budgeted for the Children with Disabilities preschool and school age allotments to reflect actual student headcount. This adjustment revises budgeted funding for both preschool and school-age children with special needs to reflect the April 1, 2015 headcount and does not modify per-student funding.

7 Average Certified Personnel Salaries (Multiple)

(\$14,839,270)

R

(\$14,977,035)

R

Revises budgeted funding for certified personnel salaries based on actual salary data from December 2014. The adjustment does not reduce any salary paid to certified personnel, nor does it reduce the number of guaranteed State-funded teachers, administrators, or instructional support personnel.

8 Classroom Teachers (1800)

\$254,586,185

R

\$254,586,185

R

Adjusts the receipts budgeted for the Classroom Teachers allotment to reflect a new distribution of Lottery receipts. This adjustment, while eliminating Lottery support for this allotment, does not impact the combined total funding from Lottery and other General Fund sources available to it.

9 Noninstructional Support Personnel (1800)

(\$345,571,558)

R

(\$361,666,883)

R

Adjusts the receipts budgeted for the Noninstructional Support Personnel allotment to reflect a new distribution of Lottery receipts. This adjustment, while nearly eliminating General Fund support for this allotment, does not impact the combined total funding from Lottery and other General Fund sources available to it.

C. Public School Funding Adjustments**10 Low Wealth Supplemental Funding (1800)**

(\$10,091,091)

R

(\$10,091,091)

R

Adjusts the supplemental allotment for school districts in low wealth communities to align funding availability with actual school district eligibility. This adjustment will not reduce funding to eligible districts. A related provision in this act adjusts the Low Wealth formula to provide the same amount of supplemental funding to school districts in certain low wealth counties as received in the 2012-2013 fiscal year. These local school administrative units have an average daily membership of more than 23,000 students and are in counties that also contain a base of the Armed Forces of the United States. \$205.5 million will be available in this allotment.

11 Teacher Assistants (1800)

(\$57,516,650)

R

(\$166,146,805)

R

Reduces funding for this allotment. \$181.5 million will be available in this allotment in FY 2015-16 and \$75.4 million will be available in FY 2016-17.

12 Class Size Reduction (1800)

\$79,932,891

R

\$192,931,335

R

Increases funding to school districts for guaranteed Classroom Teacher positions in grades K-3. In FY 2015-16, ratios will be decreased by 1 student per teacher in grades 1-3. In FY 2016-17, ratios will be decreased by 2 students per teacher in grades 1-3 and by 1 student per teacher in kindergarten. The new allotment ratios to provide guaranteed positions from this allotment are as follows:

2015-16

1-3: 1 teacher per 16 students

2016-17

K: 1 teacher per 17 students

1-3: 1 teacher per 15 students

Total funding for guaranteed classroom teacher positions, inclusive of salary and benefits costs, will be \$4.17 billion in FY 2015-16 and \$4.34 billion in FY 2016-17.

13 Textbooks and Digital Resources (1800)

\$29,000,000

R

\$29,000,000

R

Increases General Fund support for textbooks and digital resources, bringing total funding for this allotment, inclusive of State receipts, to \$59.6 million in FY 2015-16 and \$59.9 million in FY 2016-17.

14 Cooperative and Innovative High Schools (1821)

\$621,338

R

\$932,007

R

Provides Cooperative and Innovative High Schools (CIHS) allotment support to fulfill the funding requests for new CIHSs. Funding will support schools in Pitt, Watauga, and Wilson Counties. These schools will receive the \$310,669 allotment provided to other CIHS programs. Wilson Academy of Applied Technology will begin to receive funds in FY 2016-17, as it is anticipated to open a year later than the other CIHSs listed above. Total support in the Public Schools budget for CIHS programs will be \$24.2 million in FY 2015-16 and \$24.5 million in FY 2016-17.

15 Cooperative and Innovative High School Tuition (1821)

\$800,000

R

\$800,000

R

Provides additional support to the Department of Public Instruction (DPI) for the payment of tuition at four-year colleges and universities on behalf of students taking college-level classwork through CIHS programs. Total support for tuition will be \$2.5 million.

16 Transportation (1830)

(\$20,079,807)

R

(\$20,079,807)

R

Reduces by approximately 4% the total budget for the allotment, which supports the salaries of transportation personnel, diesel fuel, replacement parts, and the maintenance of yellow school buses. This reduction reflects a lower projected cost for diesel fuel (\$2.35/gallon) than is included in the base budget (\$3.15/gallon). Total funding for this allotment will be \$449.4 million in FY 2015-16 and \$454.7 million in FY 2016-17.

Senate Appropriations Committee on Education/Higher Education

FY 15-16

FY 16-17

17 ADM Contingency Reserve (1800)

\$2,500,000

R

\$2,500,000

R

Provides funding for the ADM Contingency Reserve to offset the potential costs associated with two virtual charter schools beginning operations in the 2015-16 school year. Total support for the reserve will be \$8.8 million.

18 Excellent Public Schools Act (Multiple)

\$3,812,141

R

\$8,520,748

R

Provides additional funds to the Department of Public Instruction to carry out elements of the Excellent Public Schools Act contained in Section 7A.1 and Section 7A.7 of S.L. 2012-142. DPI will have \$41.8 million available to implement these requirements in FY 2015-16 and \$46.5 million in FY 2016-17.

19 Education Value Added Assessment System (EVAAS) (1800)

\$871,474

R

\$871,474

R

Provides additional support to expand EVAAS capacities in support of the Read to Achieve program as well as student and teacher performance measurement. Total State support for EVAAS will be \$3.7 million.

20 Workers' Compensation Adjustment Reserve (1901)

(\$596,080)

R

(\$596,080)

R

Decreases funding to adjust workers' compensation line items to the average FY 2012-13 and FY 2013-14 actual expenditures estimated to be from net General Fund appropriations. Agencies are directed to further adjust these line items using receipts to reflect the average FY 2012-13 and FY 2013-14 actual expenditures from all fund sources.

E. Department of Public Instruction**21 DPI Flexible Reduction (Multiple)**

(\$4,781,195)

R

(\$4,781,195)

R

Reduces State General Fund support for DPI by 10%. The State Board of Education may allocate this reduction at its discretion. \$43.0 million will remain available to support DPI operations.

22 Office of Educator Licensure (Multiple)

Reflects the elimination of the Licensure Section of the Department of Public Instruction, whose duties and responsibilities will be administered by a new entity, the Office of Educator Licensure, with a direct reporting relationship to the North Carolina State Board of Education. The receipt-supported positions associated with the Licensure Section are eliminated by January 1, 2016. Receipt-supported positions may be established within the Office of Educator Licensure, from the proceeds of the fees previously established in G.S. 115C-296(a2).

Total Legislative Changes

\$176,385,460

R

\$276,499,257

R

Total Position Changes**Revised Budget**

\$8,282,418,560

\$8,382,532,357

Community Colleges

GENERAL FUND

	FY 15-16		FY 16-17	
Recommended Base Budget	\$1,048,495,115		\$1,048,495,115	
Legislative Changes				
A. Reserve for Salaries and Benefits				
23 Compensation Increase Reserve - NCCCS Instructional Personnel	\$21,374,722	R	\$21,374,722	R
Provides funds for salary increases for North Carolina Community College System (NCCCS) instructional personnel. Local community college boards are provided flexibility in allocating these funds.				
B. Technical and Formula Adjustments				
24 Enrollment Growth Adjustment (Multiple)	(\$6,466,443)	R	(\$6,466,443)	R
Adjusts funds for the biennium based on the decline in community college enrollment.				
The Community College System total enrollment declined by 4,864 Full Time Equivalent (FTE) students (2.1%) from the budgeted amount in the FY 2014-15 certified budget for a savings of \$6.5 million.				
25 Summer Enrollment Funding (Multiple)			\$2,944,296	R
Allows the Community College System to include curriculum courses contained within the Universal General Education Articulation Agreement between the University of North Carolina and the North Carolina Community College System for enrollment funding calculation needs. These courses are funded at the Tier 2 rate of \$4,907 per FTE. There are currently 600 FTE enrolled in these courses.				
26 Curriculum Tuition (1620)	(\$16,138,793)	R	(\$16,138,793)	R
Increases curriculum tuition by \$4.00 per credit hour and budgets the expected increase in receipts.				
Tuition will increase from \$72 to \$76 per credit hour for residents and from \$264 to \$268 for non-residents. Tuition for resident students will increase by a maximum of \$128 per year, from \$2,304 to \$2,432.				
27 Workers' Compensation Adjustment Reserve (1625)	\$37,366	R	\$37,366	R
Provides funding to adjust workers' compensation line items to the average FY 2012-13 and FY 2013-14 actual expenditures estimated to be from net General Fund appropriations. Agencies are directed to further adjust these line items using receipts to reflect the average FY 2012-13 and FY 2013-14 actual expenditures from all fund sources.				

C. Other Adjustments

28 Procurement Efficiencies (Multiple)

(\$2,519,343)	R	(\$2,519,343)	R
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Reduces funds related to purchase and contract to reflect efficiencies created by participation in the State's Procurement Transformation Program administered by the Department of Administration.

29 Audit Services (1300)

\$551,752	R	\$551,752	R
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Restores funding for the System Office's Audit Services division.

7.00

7.00

30 Equipment (1623)

Provides funds for the purchase of instructional equipment and technology at all 58 colleges. These funds are in addition to the \$49.0 million included in the base budget for this purpose. Funds shall be distributed in accordance with the existing equipment allocation formula.

\$4,444,296	NR
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31 Caldwell Community College Truck Driver Training Program (1624)

\$150,000	R	\$150,000	R
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Provides funds for the Caldwell Community College Truck Driver Training program.

32 NC Works Career Coaches

\$500,000	R	\$1,000,000	R
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Establishes a program to place local community college-employed career coaches in high schools.

33 Fayetteville Technical Community College Botanical Lab (1624)

Increases support for the Botanical Lab at Fayetteville Technical Community College by \$100,000 nonrecurring in each year of the biennium. The total program funding for both FY 2015-16 and FY 2016-17 will be \$200,000.

\$100,000	NR	\$100,000	NR
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D. Financial Aid Adjustments

34 Yellow Ribbon G.I. Education Enhancement Program (1900)

(\$1,000,000)	R	(\$1,000,000)	R
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Eliminates funding for the Yellow Ribbon Program which leveraged federal matching funds to reduce tuition costs for certain non-resident veterans.

35 Resident Tuition for Certain Non-Resident Veterans (1620)

\$2,000,000	R	\$2,000,000	R
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Provides funds to offset a reduction in tuition receipts as a result of granting certain non-resident veterans resident status for tuition purposes. The federal Veterans Access, Choice, and Accountability Act of 2014 requires public institutions of higher education to charge certain non-resident veterans no more than the resident tuition and fee rates or risk losing approval to receive federal educational benefits. This item funds the expected costs of compliance with that Act for the Community College System.

Senate Appropriations Committee on Education/Higher Education

FY 15-16

FY 16-17

Total Legislative Changes	(\$1,510,739)	R	\$1,933,557	R
	\$4,544,296	NR	\$100,000	NR
Total Position Changes	7.00		7.00	
Revised Budget	\$1,051,528,672		\$1,050,528,672	

Motorcycle Safety Program

Budget Code: 26800

	FY 2015-16	FY 2016-17
Beginning Unreserved Fund Balance	\$1,696,937	\$1,496,937
Recommended Budget		
Requirements	\$542,742	\$542,742
Receipts	\$542,742	\$542,742
Positions	0.00	0.00

Legislative Changes

Requirements:

Study for Driver Training

Directs the Community College System Office to study the implementation of statewide Driver Training for FY 2016-17.

\$0	R	\$0	R
\$200,000	NR	\$0	NR
0.00		0.00	

Subtotal Legislative Changes

\$0	R	\$0	R
\$200,000	NR	\$0	NR
0.00		0.00	

Receipts:

Study for Driver Training

\$0	R	\$0	R
\$0	NR	\$0	NR

Subtotal Legislative Changes

\$0	R	\$0	R
\$0	NR	\$0	NR

Senate Appropriations Committee on Education

	FY 2015-16	FY 2016-17
Revised Total Requirements	\$742,742	\$542,742
Revised Total Receipts	\$542,742	\$542,742
Change in Fund Balance	(\$200,000)	\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$1,496,937	\$1,496,937

UNC System

GENERAL FUND

	FY 15-16	FY 16-17
Recommended Base Budget	\$2,647,296,221	\$2,647,304,656

Legislative Changes

A. Reserve for Salaries and Benefits

36 Compensation Increase Reserve - NCSSM Teachers	\$100,365	R	\$100,365	R
Provides funds to increase starting teacher pay from \$33,000 to \$35,000 per year, to grant an experience-based step increase for educators earning a year of creditable experience, and to ensure that all educators, assuming no change in credentials, are paid at least their FY 2014-15 compensation.				
37 Compensation Increase Reserve - NCSSM School-based Administrators (SBAs)	\$5,624	R	\$5,624	R
Provides funds for an experience-based step increase for SBAs earning a year of creditable experience and funds an \$809 top of the salary schedule bonus. Any funds remaining may be used to implement Section 9.5.				

B. Technical and Formula Adjustments

38 Enrollment Growth Adjustment (16011)	\$49,324,741	R	\$80,261,279	R
Fully funds projected enrollment growth at the University of North Carolina (UNC) System. Enrollment is expected to increase by 3,345 Full Time Equivalent (FTE) students (1.7%) in FY 2015-16 and 3,017 FTE students (1.5%) in FY 2016-17.				
39 Building Reserves (Multiple)	\$470,912	R	\$714,678	R
Provides funding for new and renovated buildings coming online during the FY 2015-17 biennium at Appalachian State University, East Carolina University, North Carolina State University, and UNC-Wilmington.				
	\$170,282	NR	\$91,170	NR
40 Workers' Compensation Adjustment Reserve (16011)	\$4,929,337	R	\$4,929,337	R
Provides funding to adjust workers' compensation line items to the average FY 2012-13 and FY 2013-14 actual expenditures estimated to be from net General Fund appropriations. Agencies are directed to further adjust these line items using receipts to reflect the average FY 2012-13 and FY 2013-14 actual expenditures from all fund sources.				

C. Other Adjustments

41 Management Flexibility Reduction (16011)	(\$17,913,812)	R	(\$17,913,812)	R
Mandates a management flexibility reduction for the UNC operating budget. The UNC Board of Governors shall not allocate this reduction on an across-the-board basis to constituent institutions.				

Senate Appropriations Committee on Education/Higher Education

FY 15-16

FY 16-17

42 East Carolina University: Medical School Sustainability Funds (16011)

Provides funds to stabilize the Brody School of Medicine due to lower revenues.

\$8,000,000 NR

\$8,000,000 NR

43 Elizabeth City State University: Budget Stabilization Funds (16086)

Provides funds to Elizabeth City State University to stabilize enrollment. The funds will be used to enhance technology related to enrollment and recruitment of students, campus access and safety, and human resource management.

\$3,000,000 NR

44 Mountain Area Health Education Center (16022)

Provides funds to the Mountain Area Health Education Center for surgery and family medicine residencies in the MAHEC service area.

\$5,900,000 R

\$5,900,000 R

45 Western Governors University Challenge Grant (16015)

Provides a challenge grant to Western Governors University for development of a North Carolina campus contingent on the University raising \$5 million in private funds.

\$2,000,000 NR

46 Academic Summer Bridge Program (16011)

Eliminates funding for the Academic Summer Bridge Program.

(\$1,193,000) R

(\$1,193,000) R

47 Hunt Institute (16020)

Eliminates General Fund support for The Hunt Institute.

(\$737,230) R

(\$737,230) R

48 Bowles Center for Alcohol Studies (16021)

Eliminates the diversion of revenue from the Highway Fund to the Bowles Center for Alcohol Studies.

49 Union Square Campus, Inc. (16011)

Provides additional funds to the Union Square Campus, Inc., a non-profit entity providing nursing education and training facilities with North Carolina A&T, UNC Greensboro, Guilford Technical Community College, and Cone Health. This project received \$2 million in nonrecurring funds in FY 2014-15.

\$2,000,000 NR

D. Financial Aid Adjustments**50 Yellow Ribbon G.I. Education Enhancement Program (16011)**

Eliminates funding for the Yellow Ribbon Program which leveraged federal matching funds to reduce tuition costs for certain non-resident veterans.

(\$4,863,276) R

(\$4,863,276) R

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51 Resident Tuition for Certain Non-Resident Veterans (16011)

\$9,300,762

R

\$9,300,762

R

Provides funds to offset a reduction in tuition receipts as a result of granting certain non-resident veterans resident status for tuition purposes. The federal Veterans Access, Choice, and Accountability Act of 2014 requires public institutions of higher education to charge certain non-resident veterans no more than the resident tuition and fee rates or risk losing approval to receive federal educational benefits. This item funds the expected costs of compliance with that Act for the UNC System.

52 Opportunity Scholarships (16015)

\$6,800,000

R

\$6,800,000

R

Increases funds for the Opportunity Scholarships program. The program provides scholarship grants of up to \$2,100 per semester for eligible students to attend nonpublic schools. The total program funding will be \$17.6 million.

53 National Guard Tuition Assistance Program (16012)

\$200,000

R

\$200,000

R

Increases funding for the National Guard Tuition Assistance Program by 10%, which provides financial aid to active members of the North Carolina Army or Air National Guard. The total program funding after the adjustment will be \$2.1 million.

54 Special Education Scholarships (16015)

\$250,000

R

\$250,000

R

Increases funds for the Special Education Scholarships program by 6%. The program provides scholarship grants of up to \$4,000 per semester for eligible students. The total funding after this adjustment will be \$4.2 million.

Total Legislative Changes

\$52,574,423

R

\$83,754,727

R

\$15,170,282

NR

\$8,091,170

NR

Total Position Changes**Revised Budget**

\$2,715,040,926

\$2,739,150,553

