House Appropriations Committee on Education

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

May 14, 2015
GENERAL ASSEMBLY OF NORTH CAROLINA

SPECIAL PROVISIONS
HOUSE APPROPRIATIONS, EDUCATION REPORT

MAY 14, 2015
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SECTION #: The State Board of Education shall allocate additional funds for children with disabilities on the basis of three thousand nine hundred twenty-six dollars and ninety-seven cents ($3,926.97) per child. Each local school administrative unit shall receive funds for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and one-half percent (12.5%) of its 2015-2016 allocated average daily membership in the local school administrative unit. The dollar amounts allocated under this section for children with disabilities shall also adjust in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve children with disabilities.
Requested by: Representative

**Funds for Academically Gifted Children**

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

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

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

1. "Anticipated county property tax revenue availability" means the county-adjusted property tax base multiplied by the effective State average tax rate.
2. "Anticipated total county revenue availability" means the sum of the following:
   a. Anticipated county property tax revenue availability.
   b. Local sales and use taxes received by the county that are levied under Chapter 1096 of the 1967 Session Laws or under Subchapter VIII of Chapter 105 of the General Statutes.
   c. Sales tax hold harmless reimbursement received by the county under G.S. 105-521.
   d. Fines and forfeitures deposited in the county school fund for the most recent year for which data are available.
3. "Anticipated total county revenue availability per student" means the anticipated total county revenue availability for the county divided by the average daily membership of the county.
4. "Anticipated State average revenue availability per student" means the sum of all anticipated total county revenue availability divided by the average daily membership for the State.
5. "Average daily membership" means average daily membership as defined in the North Carolina Public Schools Allotment Policy Manual, adopted by the State Board of Education. If a county contains only part of a local school administrative unit, the average daily membership of that county includes all students who reside within the county and attend that local school administrative unit.
6. "County-adjusted property tax base" shall be computed as follows:
a. Subtract the present-use value of agricultural land, horticultural land, and forestland in the county, as defined in G.S. 105-277.2, from the total assessed real property valuation of the county.

b. Adjust the resulting amount by multiplying by a weighted average of the three most recent annual sales assessment ratio studies.

c. Add to the resulting amount the following:
   1. Present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2.
   2. Value of property of public service companies, determined in accordance with Article 23 of Chapter 105 of the General Statutes.
   3. Personal property value for the county.

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

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

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

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

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

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

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

(14) "State average current expense appropriations per student" means the most recent State total of county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.
"State average adjusted property tax base per square mile" means the sum of the county-adjusted property tax bases for all counties divided by the number of square miles of land area in the State.

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

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

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

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

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

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

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

1. The current expense appropriation per student of the county for the current year is less than ninety-five percent (95%) of the average of local current expense appropriation per student for the three prior fiscal years.
2. The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this section.

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

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

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

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

*Session 2015*

**DRAFT**

**SPECIAL PROVISION**

Department of Public Instruction
House Appropriations, Education

**Requested by:** Representative

**SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING**

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

<table>
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<tr>
<th>Allotted ADM</th>
<th>Small County Allotment</th>
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<tr>
<td>0-600</td>
<td>$1,710,000</td>
</tr>
<tr>
<td>601-1,300</td>
<td>$1,820,000</td>
</tr>
<tr>
<td>1,301-1,700</td>
<td>$1,548,700</td>
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<tr>
<td>1,701-2,000</td>
<td>$1,600,000</td>
</tr>
<tr>
<td>2,001-2,300</td>
<td>$1,560,000</td>
</tr>
<tr>
<td>2,301-2,600</td>
<td>$1,470,000</td>
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<tr>
<td>2,601-2,800</td>
<td>$1,498,000</td>
</tr>
<tr>
<td>2,801-3,200</td>
<td>$1,548,000</td>
</tr>
</tbody>
</table>

**SECTION #.(b)** Phase-Out Provision for the 2015-2016 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the schedule in subsection (a) of this section in the 2015-2016 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local administrative units shall be reduced in equal increments in each of the five years after the local administrative unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local administrative unit becomes ineligible. Allotments for eligible local school administrative units under this subsection shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year 2014-2015 in any fiscal year.

**SECTION #.(c)** Phase-Out Provision for the 2016-2017 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the schedule in subsection (a) of this section in the 2016-2017 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local administrative units shall be reduced in equal increments in each of the five years after the local administrative unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local administrative unit becomes ineligible. Allotments for eligible local school administrative units under this subsection shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year 2015-2016 in any fiscal year.

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

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

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

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

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

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

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

**DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)**

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

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

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

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

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

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

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

1 LITIGATION RESERVE FUNDS
2 SECTION #. The State Board of Education may expend up to five hundred
3 thousand dollars ($500,000) each year for the 2015-2016 and 2016-2017 fiscal years from
4 unexpended funds for licensed employees' salaries to pay expenses related to litigation.
UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS

SECTION #. Funds appropriated for the Uniform Education Reporting System (UERS) for the 2015-2017 fiscal biennium shall not revert at the end of each fiscal year but shall remain available until expended.
Section #.  G.S. 115C-238.54 is amended by adding a new subsection to read:

"(j) Any State funds appropriated for cooperative innovative high schools shall not be adjusted to reflect legislative salary increments, retirement rate adjustments, and health benefit adjustments for school personnel, unless specifically provided for by the General Assembly."
Funds for EVAAS in Grades K-2

SECTION #. The State Board of Education may use funds appropriated to the Department of Public Instruction under this act to implement the requirements of the Excellent Public Schools Act, established under Part 7A of S.L. 2012-142, as amended by Sections 2.1 and 2.5 of S.L. 2012-145 and Section 9.4 of S.L. 2013-360, to provide access to the Education Value-Added Assessment System for kindergarten, first, and second grades.
§ 66-58. Sale of merchandise or services by governmental units.

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

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

   (1) Counties and municipalities.

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

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

   (4) The State hospitals for the mentally ill.

   (5) The Department of Health and Human Services.


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

   (7) The North Carolina Schools for the Deaf.

   (7a) The North Carolina Virtual Public School.

   …

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

   …

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

   …"
NCVPS ALTERNATIVE FUNDING FORMULA

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

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

SECTION #.(c) This section applies beginning with the 2016-2017 school year.
COMPETENCY-BASED LEARNING AND ASSESSMENTS

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

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

Representative

NO DECREASE IN SALARY FOR ASSISTANT PRINCIPALS WHO BECOME PRINCIPALS

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

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

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

COLLABORATIVE PROCUREMENT

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

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

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

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

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

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

1. The recipient has been approved by the State Board of Education to operate a charter school.
2. The charter school shall be located in a county with a local school administrative unit that currently has a grade level proficiency less than or equal to fifty percent (50%) on end-of-grade and end-of-course tests.
3. The recipient charter school shall be subject to audit oversight by the State Auditor.

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

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

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

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

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

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

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

SECTION #.(c) The State Board of Education shall require proposals to be submitted no later than October 15, 2015. The State Board shall select one constituent institution of The University of North Carolina to award one hundred thousand dollars ($100,000) in recurring funds for the 2015-2016 and 2016-2017 fiscal years no later than
December 15, 2015, for personnel and other costs associated with the redesign of the teacher education program in accordance with this section.

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

STATEWIDE MICROSOFT® OFFICE COOPERATIVE AGREEMENT

SECTION #. The Department of Public Instruction shall enter into a statewide cooperative purchasing agreement to provide Microsoft® Office products to students, teachers, and other school personnel in the North Carolina public schools, including charter schools, at no cost to local school administrative units, charter schools, school personnel, and students.
GENERAL ASSEMBLY OF NORTH CAROLINA
Session 2015
DRAFT
SPECIAL PROVISION
Department of Public Instruction
House Appropriations, Education

Requested by: Representative

REVISE THE DESIGNATION OF THE TEXTBOOK FUNDING ALLOTMENT

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

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

BONUSES FOR INDUSTRY CERTIFICATIONS AND CREDENTIALS PROGRAM

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

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

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

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

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

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

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

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

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

5. The Department of Commerce, in consultation with the State Board of Education, shall rank each industry certification based on academic rigor and
employment value in accordance with this subdivision. Fifty percent (50%) of the ranking shall be based on academic rigor and the remaining fifty percent (50%) on employment value. Academic rigor and employment value shall be based on the following elements:

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

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

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

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

ADVANCED PLACEMENT/INTERNATIONAL BACCALAUREATE TEACHER BONUSES

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


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

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

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

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

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

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

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

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

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

   (2)  Number of students enrolled in advanced courses and participating in advanced course examinations, including demographic information by gender, race, and free and reduced-price lunch status.
(3) Student performance on advanced course examinations, including information by course, local school administrative unit, and school.

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

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

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

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

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

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

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

"§ 115C-83.3. Definitions.

The following definitions apply in this Part:

…

(2) "Alternative assessment" means a valid and reliable standardized assessment of reading comprehension, approved by the State Board of Education, that is not the same test as the State-approved standardized test of reading comprehension administered to third grade students. The State Board of Education shall (i) provide several valid and reliable alternative assessments to local school administrative units upon request, (ii) approve valid and reliable alternative assessments submitted by local school administrative units, and (iii) establish achievement level ranges for each approved alternative assessment. The State Board of Education shall annually review all alternative assessments to ensure ongoing relevance, validity, and reliability. The State Board of Education shall complete the review and approval process as provided in this subdivision by September 15 of each year.

…

(8) "Student reading portfolio" means a compilation of independently produced student work selected by the student's teacher, beginning during the first half of the school year, and signed by the teacher and principal, as an accurate picture of the student's reading ability—proficiency. The student reading portfolio shall include an organized collection of evidence of the student's mastery of the State's reading standards that are assessed by the State-approved standardized test of reading comprehension administered to third grade students—reading proficiency. A single piece of evidence may be used to show mastery of reading proficiency for up to two standards. For each benchmark, reading standard, there shall be three two examples of student work—work, gathered over the course of the school year, demonstrating mastery by a grade of seventy percent (70%) or above the student's reading proficiency. If a student correctly responds to eighty percent (80%) of the comprehension questions about one reading passage as used as an initial work sample, then that one work sample shall suffice to demonstrate student reading proficiency on the standards covered in that sample. A student reading portfolio shall only be compiled with students when it is determined that administration of a standardized test of reading comprehension would likely not yield positive findings of a student's reading proficiency.
SECTION #(b) G.S. 115C-83.6 reads as rewritten:

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

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

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

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

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

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

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

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

"(a) Parents or guardians of students not demonstrating reading proficiency shall be encouraged to enroll their student in a reading camp provided by the local school administrative unit. Parents or guardians of a student not demonstrating reading proficiency shall make the final decision regarding a student's reading camp attendance. If a parent or guardian does not enroll the student in a reading camp, the parent shall notify the school in which the student is enrolled of any alternative reading interventions or instructional supports that shall be provided to the student to achieve reading proficiency. Local school administrative units shall provide at least one opportunity for students not participating in a reading camp to demonstrate reading proficiency appropriate for third grade students on an alternative assessment or through a student reading portfolio process approved by the State Board of Education prior to retaining the student."

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

"(d) Teachers and principals shall provide opportunities, including, but not limited to, information sessions, to discuss with parents and guardians the notifications listed in this
section. Principals shall provide at least one information session within the first 30 days of
school regarding the requirement for reading proficiency for third grade students.”

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

“§ 115C-174.11. Components of the testing program.

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

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

(2) In determining which instruments to approve for use by local school
administrative units, the State Board shall also consider at least the following
factors:
   a. The time required to conduct formative and diagnostic assessments
      with the intention of minimizing the impact on instructional time.
   b. The level of integration of assessment results with instructional
      support for teachers and students.
   c. The timeliness in reporting assessment results to teachers and
      administrators.
   d. The ability to provide timely assessment results to parents and
      guardians.

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

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

....”

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

TWELVE-MONTH PERSONNEL POSITIONS FOR VOCATIONAL AGRICULTURE 
TEACHERS

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

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

Each local board of education shall establish a set date on which monthly salary payments

to State-allotted teachers shall be made. This set pay date may differ from the end of the month

of service. The daily rate of pay for teachers shall equal midway between one twenty-first and
one twenty-second of the monthly rate of pay. Except for teachers employed in a year-round
school or paid in accordance with a year-round calendar, or both, the initial pay date for
teachers shall be no later than August 31 and shall include a full monthly payment. Subsequent
pay dates shall be spaced no more than one month apart and shall include a full monthly
payment.

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

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

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

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

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

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

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

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

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

a. For teachers, in classroom instruction related to their graduate academic preparation in their field or subject area within their area of licensure. Most of the teachers' remaining time shall be spent in one or more of the following:
   1. Mentoring teachers.
   3. Writing curricula.
   4. Developing and leading staff development programs for teachers.

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

SECTION #.(c) Beginning with the 2015-2016 fiscal year and subsequent fiscal years thereafter, for teachers who are classified as "M" teachers under subdivision (4) of subsection (b) of this section, determination of whether teachers and instructional support personnel shall be classified as "M" teachers or receive a salary supplement for academic preparation shall take place on an annual basis. Teachers and instructional support personnel may be removed from the classification as an "M" teacher or discontinue receiving salary supplements if they are not meeting the requirements of subdivision (4) of subsection (b) of this section in that year.
SECTION #.(d) Unless an individual otherwise qualifies under subdivision (2) or (3) of subsection (b) of this section, teachers and instructional support personnel who earn an advanced degree in school administration shall not be classified as "M" teachers or receive a salary supplement for academic preparation unless they serve as an assistant principal or principal.
NC ELEVATING EDUCATORS ACT/ADVANCED TEACHING ROLES

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

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

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

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

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

1. Advanced teaching roles eligibility and duties. -
   a. Create job classifications for which eligible classroom teachers may apply for advanced teaching roles that include minimum qualifications and specific job responsibilities.
      1. Minimum qualifications for advanced teaching roles shall include criteria demonstrating that the individual is a qualified classroom teacher as well as an effective collaborator with other staff members. Minimum qualifications shall include at least one of the following:
         a. Advanced certifications, such as National Board Certification or a master's degree in the area in which the teacher is licensed and teaching.
         b. A rating of at least accomplished on each of the Teacher Evaluation Standards 1-5 on the North Carolina Teacher Evaluation instrument.
2. Job responsibilities for advanced teaching roles may include opportunities for leadership, advising, and mentoring, such as leading a collaborative teaching community, modeling planning and assessment strategies, serving as an advisor and mentor, helping develop other teachers, completing and sharing action research projects focused on solving a school or classroom level concern for learning, co-teaching across multiple classrooms with other teachers, or coaching other teachers in highly effective instruction through modeling, co-teaching, and reflection.

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

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

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

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

(2) Advanced teaching role supplements. -

a. Pay advanced teaching role salary supplements of up to thirty percent (30%) of the State teacher salary schedule.

b. Require that advanced teaching role salary supplements be paid as a supplement to the teacher's regular salary and not be included in the average salary calculation used for budgeting State allotments.

c. Require that teacher in an advanced teaching role who (i) fails to maintain the minimum criteria established for the position or (ii) is not successfully performing the additional duties associated with the advanced teaching role shall be paid only the salary applicable to him or her on the State salary schedule and any other local supplements that would otherwise apply to the teacher's compensation.

d. Require that a teacher who opts out of the advanced teaching role pilot shall be paid only the salary applicable to him or her on the State salary schedule and any other local supplements that would otherwise apply to the teacher's compensation.

(3) System goals. - Develop measures for determining how the advanced teaching role plan shall do at least the following:

a. Improve the quality of classroom instruction and increase school-wide growth.

b. Increase the attractiveness of teaching.

c. Encourage the recognition, impact, and retention of high-quality teachers.

d. Assist and retain beginning teachers.
e. Improve and expand use of technology and digital learning.

(4) Implementation Requirements. – By the end of the 2016-2017 school year, demonstration of implementation of the advanced teaching role plan in at least five schools or twenty-five percent (25%) of the schools within the local school administrative unit, whichever is less. Implementation is defined as a minimum of seventy five percent (75%) of students enrolled in schools with the advanced teaching role plan having, as their teacher of record in at least English Language Arts, math, social studies, and science, a classroom teacher who:

a. Has an advanced certification, such as National Board Certification or a master's degree in the area in which the teacher is licensed and teaching.

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

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

SECTION #.(c) Selection of Pilot Units. – By March 15, 2016, the State Board of Education shall review the proposals submitted by local boards of education in accordance with subsection (b) of this section and shall select up to 10 local school administrative units that meet criteria established by the State Board, including plans for incorporating digital tools in classroom instruction to expand learning opportunities and sharing of lessons as follows:

(1) Up to five local school administrative units with an average daily membership (ADM) equal to or less than 4,000.

(2) Up to three local school administrative units with an ADM of 4,001 to 20,000.

(3) Up to two local school administrative units with an ADM of 20,001 or more.

SECTION #.(d) Pilot Implementation. – The selected local school administrative units shall implement their approved pilots beginning with the 2016-2017 school year and ending with the 2018-2019 school year. The local board of education for each selected pilot local school administrative unit shall provide any requested information and access to the independent research organization selected by the State Board of Education to evaluate the pilots.

SECTION #.(e) Use of grant funds. - Funds awarded to pilot local school administrative units shall be used for any of the following:

(1) Salary supplements for advanced teaching roles.

(2) Development of advanced teaching role plans.

(3) Transition costs associated with designing and implementing advanced teaching role models in schools within the local school administrative unit. Transition costs may include employing staff members or contractors to assist with design and implementation of the pilot plan.

SECTION #.(f) Pilot Evaluation. – The State Board of Education shall contract with an independent research organization to evaluate how the advanced teaching role pilots have accomplished, at a minimum, the following:

(1) Improvement in the quality of classroom instruction and increases in school-wide growth.

(2) An increase in the attractiveness of teaching.

(3) Recognition, impact, and retention of high quality teachers.

(4) Assistance to and retention of beginning teachers.

(5) Improvement in and expansion of use of technology and digital learning.
The independent research organization shall report annually beginning October 15, 2016, until the conclusion of the pilot, to the State Board of Education on all aspects of the implementation and evaluation of the pilot. The independent research organization shall also evaluate, as part of the annual report, the existing Project LIFT, Inc. program in the Charlotte-Mecklenburg local school administrative unit and the proposed Project Advance in the Chapel Hill-Carrboro City Schools, if that project is implemented. The State Board of Education shall provide the annual report to the offices of the President Pro Tempore of the Senate and the Speaker of the House of Representatives, the Senate Appropriations/Base Budget Committee, the House Committee on Appropriations, the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Subcommittee on Education, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee.

SECTION #.(g) Of the funds appropriated to the Department of Public Instruction under this act for the 2015-2017 fiscal biennium to implement the requirements of this section, the Department may use up to two hundred thousand dollars ($200,000) for each fiscal year for the State Board of Education to contract with an independent research organization for the pilot evaluations. For the 2016-2017 fiscal year, the Department shall use the sum of nine million eight hundred thousand dollars ($9,800,000) for the State Board of Education to select up to five local school administrative units to award funds for the advanced teaching role pilot program in accordance with this section. Funds awarded to local school administrative units shall be awarded in proportion to the current expenditure of the pilot local school administrative unit on teacher salaries.
REPEAL UNNECESSARY STATE BOARD OF EDUCATION REPORTS

SECTION #.(a) School Connectivity Initiative report. – Section 7.28(d) of S.L. 2007-323 is repealed.

SECTION #.(b) Report on paperwork reduction. – G.S. 115C-12(19) reads as rewritten:

"(19) Duty to Identify Required Reports and to Eliminate Unnecessary Reports and Paperwork. – Prior to the beginning of each school year, the State Board of Education shall identify all reports that are required at the State level for the school year.

The State Board of Education shall adopt policies to ensure that local school administrative units are not required by the State Board of Education, the State Superintendent, or the Department of Public Instruction staff to (i) provide information that is already available on the student information management system or housed within the Department of Public Instruction; (ii) provide the same written information more than once during a school year unless the information has changed during the ensuing period; (iii) complete forms, for children with disabilities, that are not necessary to ensure compliance with the federal Individuals with Disabilities Education Act (IDEA); or (iv) provide information that is unnecessary to comply with State or federal law and not relevant to student outcomes and the efficient operation of the public schools. Notwithstanding the foregoing, the State Board may require information available on its student information management system or require the same information twice if the State Board can demonstrate a compelling need and can demonstrate there is not a more expeditious manner of getting the information.

The State Board shall permit schools and local school administrative units to submit all reports to the Department of Public Instruction electronically.

The State Board of Education, in collaboration with the education roundtables within the Department of Public Instruction, shall consolidate all plans that affect the school community, including school improvement plans. The consolidated plan shall be posted on each school's Web site for easy access by the public and by school personnel.

The State Board shall report to the Joint Legislative Education Oversight Committee by November 15 of each year on the reports identified that are required at the State level, the evaluation and determination for continuing individual reports, including the consideration of whether those reports exceed what is required by State and federal law, and any reports that it has consolidated or eliminated for the upcoming school year."
SECTION #.(c) Report on the ABC's. – G.S. 115C-12(25) reads as rewritten:

"(25) Duty to Report to Joint Legislative Education Oversight Committee. – Upon the request of the Joint Legislative Education Oversight Committee, the State Board shall examine and evaluate issues, programs, policies, and fiscal information, and shall make reports to that Committee. Furthermore, beginning October 15, 1997, October 15, 2015, and annually thereafter, the State Board shall submit reports to that Committee regarding the continued implementation of Chapter 716 of the 1995 Session Laws, 1996 Regular Session. Each report shall include information regarding the composition and activity of assistance teams, schools that received incentive awards, schools identified as low-performing, school improvement plans found to significantly improve student performance, personnel actions taken in low-performing schools, and recommendations for additional legislation to improve student performance and increase local flexibility."

SECTION #.(d) Notification of federal grant applications. – G.S. 115C-12(42) is repealed.

SECTION #.(e) Report on Founding Principles/Civic Literacy. – G.S. 115C-81(g)(6) is repealed.

SECTION #.(f) Report on State School Technology Plan. – G.S. 115C-102.6B(b) reads as rewritten:

"(b) The Board shall submit the plan to the State Chief Information Officer for approval of the technical components of the plan set out in G.S. 115C-102.6A(1) through (4). At least one-fourth of the members of any technical committee that reviews the plan for the State Chief Information Officer shall be people actively involved in primary or secondary education.

The Board shall report annually by February 15 of each year to the Joint Legislative Education Oversight Committee on the status of the State School Technology Plan."

SECTION #.(g) Evaluation of the School-Based Accountability System. – G.S. 115C-105.35(a) reads as rewritten:

"(a) The School-Based Management and Accountability Program shall (i) focus on student performance in the basics of reading, mathematics, and communications skills in elementary and middle schools, (ii) focus on student performance in courses required for graduation and on other measures required by the State Board in the high schools, and (iii) hold schools accountable for the educational growth of their students. To those ends, the State Board shall design and implement an accountability system that sets annual performance standards for each school in the State in order to measure the growth in performance of the students in each individual school. During the 2004-2005 school year and at least every five years thereafter, the State Board shall evaluate the accountability system and, if necessary, modify the testing standards to assure the testing standards continue to reasonably reflect the level of performance necessary to be successful at the next grade level or for more advanced study in the content area.

As part of this evaluation, the Board shall, where available, review the historical trend data on student academic performance on State tests. To the extent that the historical trend data suggest that the current standards for student performance may not be appropriate, the State Board shall adjust the standards to assure that they continue to reflect the State's high expectations for student performance."

SECTION #.(h) Reports by local school administrative units and charter schools on students with diabetes. – G.S. 115C-375.3 reads as rewritten:

"§ 115C-375.3. Guidelines to support and assist students with diabetes.

Local boards of education and boards of directors of charter schools shall ensure that the guidelines adopted by the State Board of Education under G.S. 115C-12(31) are implemented
in schools in which students with diabetes are enrolled. In particular, the boards shall require
the implementation of the procedures set forth in those guidelines for the development and
implementation of individual diabetes care plans. The boards also shall make available
necessary information and staff development to teachers and school personnel in order to
appropriately support and assist students with diabetes in accordance with their individual
diabetes care plans. Local boards of education and boards of directors of charter schools shall
report to the State Board of Education annually, on or before August 15, whether they have
students with diabetes enrolled and provide information showing compliance with the
guidelines adopted by the State Board of Education under G.S. 115C-12(31). These reports
shall be in compliance with the federal Family Educational Rights and Privacy Act, 20 U.S.C. §
1232g."
Request by: Representative

SCHOOL SAFETY/STATEWIDE SCHOOL RISK AND RESPONSE MANAGEMENT SYSTEM

SECTION #.(a) G.S. 115C-47(40) reads as rewritten:

"(40) To adopt emergency response plans. Local boards Adopt School Risk Management Plans. – Each local board of education shall, in coordination with local law enforcement and emergency management agencies, adopt emergency response plans. School Risk Management Plan (SRMP) relating to incidents of school violence. For each school in its jurisdiction. In constructing and maintaining these plans, local boards of education and local school administrative units shall utilize the School Risk and Response Management System (SRRMS) established pursuant to G.S. 115C-105.49A. These plans are not a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6."

SECTION #.(b) G.S. 115C-105.49 reads as rewritten:

"§ 115C-105.49. School safety exercises.

(a) At least every two years, once annually, each local school administrative unit is encouraged to hold a full school safety and school lockdown exercise with the school-wide tabletop exercise and drill based on the procedures documented in its School Risk Management Plan (SRMP). The drill shall include a practice school lockdown due to an intruder on school grounds. Each school is encouraged to hold a tabletop exercise and drill for multiple hazards included in its SRMP. Schools are strongly encouraged to include local law enforcement agencies that are part of the local board of education’s emergency response plan, and emergency management agencies in its tabletop exercises and drills. The purpose of the exercise tabletop exercises and drills shall be to permit participants to (i) discuss simulated emergency situations in a low-stress environment, (ii) clarify their roles and responsibilities and the overall logistics of dealing with an emergency, and (iii) identify areas in which the emergency response plan SRMP needs to be modified.

(b) As part of a local board of education’s emergency response plan, at least once a year, each school is encouraged to hold a full schoolwide school safety and lockdown exercise with local law enforcement agencies. For the purposes of this section, a tabletop exercise is an exercise involving key personnel conducting simulated scenarios related to emergency planning.

(c) For the purposes of this section, a drill is a school-wide practice exercise in which simulated scenarios related to emergency planning are conducted.

(d) The Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools shall provide guidance and recommendations to local school
administrative units on the types of multiple hazards to plan and respond to, including intruders on school grounds.”

SECTION #.(c) Article 8C of Chapter 115C of the General Statutes is amended by adding a new section to read:

“§ 115C-105.49A. School Risk and Response Management System.
(a) The Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools shall construct and maintain a statewide School Risk and Response Management System (SRRMS). The system shall fully integrate and leverage existing data and applications that support school risk planning, exercises, monitoring, and emergency response via 911 dispatch.

(b) In constructing the SRRMS, the Division of Emergency Management and the Center for Safer Schools shall leverage the existing enterprise risk management database, the School Risk Management Planning tool managed by the Division. The Division shall also leverage the local school administrative unit schematic diagrams of school facilities. Where technically feasible, the system shall integrate any anonymous tip lines established pursuant to G.S. 115C-105.51 and any 911-initiated panic alarm systems authorized as part of an SRMP pursuant to G.S. 115C-47(40). The Division and Center for Safer Schools shall collaborate with the Department of Public Instruction and the North Carolina 911 Board in the design, implementation, and maintenance of the SRRMS.

(c) All data and information acquired and stored in the SRRMS as provided in subsections (a) and (b) of this section are not considered public records as the term “public record” is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.”

SECTION #.(d) G.S. 115C-105.51 reads as rewritten:

“§ 115C-105.51. Anonymous tip lines, lines and monitoring and response applications.
(a) Each local school administrative unit is encouraged to develop and operate an anonymous tip line, in coordination with local law enforcement and social services agencies, to receive anonymous information on internal or external risks to the school population, school buildings, buildings, and school-related activities. The Department of Public Safety, in consultation with the Department of Public Instruction, may develop standards and guidelines for the development, operation, and staffing of tip lines.

(b) The Department of Public Instruction, in consultation with the Department of Public Safety, may develop standards and guidelines for the development, operation, and staffing of the Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools, in collaboration with the Department of Public Instruction, shall implement and maintain an anonymous safety tip line application for purposes of receiving anonymous student information on internal or external risks to the school population, school buildings, and school-related activities.

(c) The Department of Public Instruction may provide information to local school administrative units on federal, State, local, and private grants available for this purpose. The Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools, in collaboration with the Department of Public Instruction and the North Carolina 911 Board, shall implement and maintain a statewide panic alarm system for the purposes of launching real-time 911 messaging to public safety answering points of internal and external risks to the school population, school buildings, and school-related activities. The Department of Public Safety, in consultation with the Department of Public Instruction and the North Carolina 911 Board, may develop standards and guidelines for the operations and use of the panic alarm tool.

(d) The Department of Public Safety shall ensure that the anonymous safety tip line application is integrated with and supports the statewide School Risk and Response
Management System (SRRMS) as provided in G.S. 115C-105.49A. Where technically feasible
and cost-efficient, the Department of Public Safety is encouraged to implement a single
solution supporting both the anonymous safety tip line application and panic alarm system.

(e) All data and information acquired and stored by the anonymous safety tip line
application are not considered public records as the term "public record" is defined under
G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

(f) Notwithstanding subsection (e) of this section, the Division may collect the annual
aggregate number and type of tips sent to the anonymous tip line. The collection of this
aggregate data shall not have any identifying information on the reporter of the tip, including,
but not limited to, the school where the incident was reported and the date the tip was
reported."

SECTION #.(e) G.S. 115C-105.52 reads as rewritten:

"§ 115C-105.52. School crisis kits.
The Department of Public Instruction, in consultation with the Department of Public Safety
through the North Carolina Center for Safer Schools, may develop and adopt policies on the
placement of school crisis kits in schools and on the contents of those kits. The kits should
include, at a minimum, basic first-aid supplies, communications devices, and other items
recommended by the International Association of Chiefs of Police.
The principal of each school, in coordination with the law enforcement agencies that are
part of the local board of education’s emergency response plan, School Risk Management Plan,
may place one or more crisis kits at appropriate locations in the school."

SECTION #.(f) G.S. 115C-105.53 reads as rewritten:

"§ 115C-105.53. Schematic diagrams and emergency access to school buildings for local
law enforcement agencies.

(a) Each local school administrative unit shall provide the following to local law
enforcement agencies: (i) schematic diagrams, including digital schematic diagrams, and (ii)
either keys to the main entrance of all school buildings or emergency access to key storage
devices such as KNOX® boxes for all school buildings. Local school administrative units shall
provide updates of the schematic diagrams to local law enforcement agencies when substantial
modifications such as new facilities or modifications to doors and windows are made to school
buildings. Local school administrative units shall also be responsible for providing local law
enforcement agencies with updated access to school building key storage devices such as
KNOX® boxes when changes are made to these boxes or devices; or buildings when changes are
made to the locks of the main entrances or to key storage devices such as KNOX® boxes.

(b) The Department of Public Instruction, in consultation with the Department of Public
Safety, shall develop standards and guidelines for the preparation and content of schematic
diagrams and necessary updates. Local school administrative units may use these standards and
guidelines to assist in the preparation of their schematic diagrams.

(c) Schematic diagrams are not considered a public record as the term "public record" is
defined under G.S. 132-1 and shall not be subject to inspection and examination under
G.S. 132-6."

SECTION #.(g) G.S. 115C-105.54 reads as rewritten:

"§ 115C-105.54. Schematic diagrams and emergency response information provided to
Division of Emergency Management.

(a) Each local school administrative unit shall provide the following to the Division of
Emergency Management (Division) at the Department of Public Safety: (i) schematic diagrams,
including digital schematic diagrams, and (ii) emergency response information requested by the
Division for the School Risk Management Plan (SRMP) and the School Emergency Response
Plan (SERP). Local school administrative units shall also provide updated schematic
diagrams and emergency response information to the Division when such updates are made.
The Division shall ensure that the diagrams and emergency response information are securely stored and distributed as provided in the SRMP and SERP to first responders, emergency personnel, and school personnel and approved by the Department of Public Instruction.

(b) The schematic diagrams and emergency response information are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

SECTION 2. G.S. 115C-218.75 reads as rewritten:

§ 115C-218.75. General operating requirements.
(a) Health and Safety Standards. – A charter school shall meet the same health and safety requirements required of a local school administrative unit. The Department of Public Instruction shall ensure that charter schools provide parents and guardians with information about meningococcal meningitis and influenza and their vaccines at the beginning of every school year. This information shall include the causes, symptoms, and how meningococcal meningitis and influenza are spread and the places where parents and guardians may obtain additional information and vaccinations for their children.

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

The Department of Public Instruction shall also ensure that charter schools provide students in grades seven through 12 with information annually on the preventable risks for preterm birth in subsequent pregnancies, including induced abortion, smoking, alcohol consumption, the use of illicit drugs, and inadequate prenatal care.

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

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

The Department of Public Instruction shall ensure that charter schools comply with G.S. 115C-375.2A. The board of directors of a charter school shall provide the school with a supply of emergency epinephrine auto-injectors necessary to carry out the provisions of G.S. 115C-375.2A.

(b) Emergency Response Plan. – A School Risk Management Plan. – Each charter school, in coordination with local law enforcement agencies, is encouraged to adopt an emergency response plan or School Risk Management Plan (SRMP) relating to incidents of school violence. In constructing and maintaining these plans, charter schools may utilize the School Risk and Response Management System (SRRMS) established pursuant to G.S. 115C-105.49A. These plans are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

Charter schools are encouraged to provide schematic diagrams and keys to the main entrance of school facilities to local law enforcement agencies, in addition to implementing the provisions in G.S. 115C-105.49(b) and G.S. 115C-105.52.
Policy Against Bullying. – A charter school is encouraged to adopt a policy against bullying or harassing behavior, including cyber bullying, that is consistent with the provisions of Article 29C of this Chapter. If a charter school adopts a policy to prohibit bullying and harassing behavior, the charter school shall, at the beginning of each school year, provide the policy to staff, students, and parents as defined in G.S. 115C-390.1(b)(8).

School Safety Exercises. – At least once a year, a charter school is encouraged to hold a full school-wide lockdown exercise with local law enforcement and emergency management agencies that are part of the charter school's SRMP.

School Safety Information Provided to Division of Emergency Management. – A charter school is encouraged to provide the following: (i) schematic diagrams, including digital schematic diagrams, and (ii) emergency response information requested by the Division for the SRMP. The schematic diagrams and emergency response information are not considered public records as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

SECTION #.(i)  G.S. 115C-238.66 reads as rewritten:

"§ 115C-238.66.  Board of directors; powers and duties.

The board of directors shall have the following powers and duties:

(1)  Academic program. –

a. The board of directors shall establish the standard course of study for the regional school. This course of study shall set forth the subjects to be taught in each grade and the texts and other educational materials on each subject to be used in each grade. The board of directors shall design its programs to meet at least the student performance standards adopted by the State Board of Education and the student performance standards contained in this Chapter.

b. The board of directors shall conduct student assessments required by the State Board of Education.

c. The board of directors shall provide the opportunity to earn or obtain credit toward degrees from a community college subject to Chapter 115D of the General Statutes or a constituent institution of The University of North Carolina.

d. The board of directors shall adopt a school calendar consisting of a minimum of 185 days or 1,025 hours of instruction covering at least nine calendar months.

(2)  Standards of performance and conduct. – The board of directors shall establish policies and standards for academic performance, attendance, and conduct for students of the regional school. The policies of the board of directors shall comply with Article 27 of this Chapter.

(3)  School attendance. – Every parent, guardian, or other person in this State having charge or control of a child who is enrolled in the regional school and who is less than 16 years of age shall cause such child to attend school continuously for a period equal to the time that the regional school shall be in session. No person shall encourage, entice, or counsel any child to be unlawfully absent from the regional school. Any person who aids or abets a student's unlawful absence from the regional school shall, upon conviction, be guilty of a Class 1 misdemeanor. The principal shall be responsible for implementing such additional policies concerning compulsory attendance as shall be adopted by the board of directors, including regulations concerning lawful and unlawful absences, permissible excuses for temporary absences, maintenance of attendance records, and attendance counseling.
(4) Reporting. — The board of directors shall comply with the reporting requirements established by the State Board of Education in the Uniform Education Reporting System.

(5) Assessment results. — The board of directors shall provide data to the participating unit in which a student is domiciled on the performance of that student on any testing required by the State Board of Education.

(6) Education of children with disabilities. — The board of directors shall require compliance with laws and policies relating to the education of children with disabilities.

(7) Health and safety. — The board of directors shall require that the regional school meet the same health and safety standards required of a local school administrative unit.

The Department of Public Instruction shall ensure that regional schools comply with G.S. 115C-375.2A. The board of directors of a regional school shall provide the school with a supply of emergency epinephrine auto-injectors necessary to carry out the provisions of G.S. 115C-375.2A.

(7a) Emergency Response Plan. — A School Risk Management Plan. — Each regional school, in coordination with local law enforcement agencies, is encouraged to adopt an emergency response plan, a School Risk Management Plan (SRMP) relating to incidents of school violence. In constructing and maintaining these plans, a regional school may utilize the School Risk and Response Management System (SRRMS) established pursuant to G.S. 115C-105.49A. These plans are not considered a public record as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

(7b) Schematic diagrams and school crisis kits. — Regional schools are encouraged to provide schematic diagrams and keys to the main entrance of school facilities to local law enforcement agencies, in addition to implementing the provisions in G.S. 115C-105.49(b) and G.S. 115C-105.52.

(7c) School safety exercises. — At least once a year, a regional school is encouraged to hold a full school-wide lockdown exercise with local law enforcement and emergency management agencies that are part of the regional school's SRMP.

(7d) Safety information provided to Division of Emergency Management. — A regional school is encouraged to provide the following: (i) schematic diagrams, including digital schematic diagrams, and (ii) emergency response information requested by the Division for the SRMP. The schematic diagrams and emergency response information are not considered public records as the term "public record" is defined under G.S. 132-1 and shall not be subject to inspection and examination under G.S. 132-6.

(8) Driving eligibility certificates. — The board of directors shall apply the rules and policies established by the State Board of Education for issuance of driving eligibility certificates.

(9) Purchasing and contracts. — The board of directors shall comply with the purchasing and contract statutes and regulations applicable to local school administrative units.

(10) Exemption from the Administrative Procedures Act. — The board of directors shall be exempt from Chapter 150B of the General Statutes, except final decisions of the board of directors in a contested case shall be subject to
judicial review in accordance with Article 4 of Chapter 150B of the General Statutes.

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

(12) Policy against bullying. – A regional school is encouraged to adopt a policy against bullying or harassing behavior, including cyber-bullying, that is consistent with the provisions of Article 29C of this Chapter. If a regional school adopts a policy to prohibit bullying and harassing behavior, the regional school shall, at the beginning of each school year, provide the policy to staff, students, and parents as defined in G.S. 115C-390.1(b)(8).

SECTION #.(j) G.S. 166A-19.12 is amended by adding a new subdivision to read:

"(22) Serving as the lead State agency for the implementation and maintenance of the statewide School Risk and Response Management System (SRRMS) under G.S. 115C-105.49A."

SECTION #.(k) By March 1, 2017, each local board of education shall adopt a School Risk Management Plan as required under G.S. 115C-47(40), as amended by subsection (a) of this section.

SECTION #.(l) Each charter school is encouraged to adopt a School Risk Management Plan as provided for under G.S. 115C-218.75, as amended by subsection (h) of this section, by March 1, 2017.

SECTION #.(m) Each regional school is encouraged to adopt a School Risk Management Plan as provided for under G.S. 115C-238.66, as amended by subsection (i) of this section, by March 1, 2017.

SECTION #.(n) By July 1, 2016, the Department of Public Safety shall implement an anonymous safety tip line application and a statewide panic alarm system as required under G.S. 115C-105.51, as amended by subsection (d) of this section.

SECTION #.(o) By December 1, 2015, the Department of Public Safety, Division of Emergency Management, and the Center for Safer Schools shall provide a report to the Joint Legislative Commission on Governmental Operations on (i) the status of the School Risk and Response Management System (SRRMS) implementation under G.S. 115C-105.49A, as enacted by this section, and (ii) the anticipated annual cost to operate and maintain the system.

SECTION #.(p) Except as otherwise provided for in this section, this section applies beginning with the 2015-2016 school year.
INVESTING IN INNOVATION GRANT

SECTION #.(a) Section 8.25 of S.L. 2013-360, as amended by Section 8.27 of S.L. 2014-100, is repealed.

SECTION #.(b) The federal Investing in Innovation Fund Grant: Validating Early College Strategies for Traditional Comprehensive High Schools awarded to the North Carolina New Schools Project for 2012-2020 requires students to enroll in a community college course in the 10th grade. Notwithstanding any other provision of law, specified local school administrative units may offer one community college course to participating sophomore (10th grade) students. Participating local school administrative units are Alleghany, Beaufort, Bladen, Duplin, Hertford, Harnett, Jones, Madison, Martin, Richmond, Rutherford, Scotland, Surry, Warren, and Yancey County Schools.

SECTION #.(c) Grant funds shall be used to pay for all costs incurred by the local school administrative units and the community college partners to implement the grant, including community college FTE. Community colleges shall not earn budget FTE for student course enrollments supported with this grant.

SECTION #.(d) Research for the project shall address the effects of early college strategies in preparing students for college completion. The North Carolina New Schools Project shall report on the implementation of the grant to the State Board of Education, State Board of Community Colleges, Office of the Governor, and the Joint Legislative Education Oversight Committee no later than March 15, 2016, and annually thereafter until the end of the grant period.
REQUESTED by:  Representative

STUDY ON CHARTER SCHOOL CLOSURE FUNDS

SECTION #.(a) The State Board of Education shall study and develop a proposed policy regarding circumstances in which a charter school, approved by the State Board pursuant to G.S. 115C-218.5, shall not be subject to the minimum value requirement of fifty thousand dollars ($50,000) as required by G.S. 115C-218.100 for the purposes of ensuring payment of expenses related to closure proceedings. The State Board shall consider providing certain charter schools with a total or partial waiver of the requirement. In doing so, the State Board shall examine criteria for potentially eligible charter schools, such as the years of operation of the charter school, proven compliance with finance, governance, academic requirements of its charter, State law, and State Board policy requirements, as well as appropriate documentation to show the charter school’s financial health and sustainability.

SECTION #.(b) By February 15, 2016, the State Board of Education shall report to the Joint Legislative Education Oversight Committee on the results of the study and a proposed policy as required by subsection (a) of this section, including any legislative recommendations.
GENERAL ASSEMBLY OF NORTH CAROLINA
Session 2015

DRAFT
SPECIAL PROVISION

Department of Public Instruction
House Appropriations, Education

Requested by:  Representative

AFTER-SCHOOL QUALITY IMPROVEMENT COMPETITIVE GRANTS

SECTION #.(a) Of the funds appropriated by this act for the At-Risk Student Services Alternative School Allotment for the 2015-2017 fiscal biennium, the State Board of Education shall use six million dollars ($6,000,000) for the 2015-2016 fiscal year and six million dollars ($6,000,000) for the 2016-2017 fiscal year for the After-School Quality Improvement Grant Program administered by the Department of Public Instruction. The Department may use these funds to provide a second-year grant to grant recipients approved under the After-School Quality Improvement Grant Program pursuant to Section 8.19 of S.L. 2014-100. Of the funds appropriated for the program, the Department of Public Instruction may use up to two hundred thousand dollars ($200,000) for each fiscal year to administer the program.

SECTION #.(b) The purpose of the After-School Quality Improvement Grant Program is to pilot after-school learning programs for at-risk students that raise standards for student academic outcomes by focusing on the following:

(1) Use of an evidence-based model with a proven track record of success.
(2) Inclusion of rigorous, quantitative performance measures to confirm their effectiveness during the grant cycle and at the end-of-grant cycle.
(3) Alignment with State performance measures, student academic goals, and the North Carolina Standard Course of Study.
(4) Prioritization in programs to integrate clear academic content, in particular, science, technology, engineering, and mathematics (STEM) learning opportunities or reading development and proficiency instruction.
(5) Emphasis on minimizing student class size when providing instruction.
(6) Expansion of student access to learning activities and academic support that strengthen student engagement and leverage community-based resources, which may include organizations that provide mentoring services and private-sector employer involvement.

SECTION #.(c) Grants may be provided for new or existing after-school learning programs for at-risk students operated by local school administrative units, charter schools, nonprofits, and nonprofits working in collaboration with local school administrative units. Participants are eligible to receive grants for up to two years in an amount of up to five hundred thousand dollars ($500,000) each year. Programs should focus on serving at-risk students not performing at grade level as demonstrated by statewide assessments.

A grant participant shall provide certification to the Department of Public Instruction that the grants received under the program shall be matched on the basis of three dollars ($3.00) in grant funds for every one dollar ($1.00) in nongrant funds. Matching funds shall not include other State funds. Matching funds may include in-kind contributions.

SECTION #.(d) A nonprofit may act as its own fiscal agent for the purposes of this program. Grant recipients shall report to the Department of Public Instruction after the first
year of funding on the progress of the grant, including alignment with State academic
standards, data collection for reporting student progress, the source and amount of matching
funds, and other measures, before receiving funding for the next fiscal year. Grant recipients
shall report after the second year of funding on key performance data, including statewide test
results, attendance rates, and promotion rates, and financial sustainability of the after-school
program.

SECTION #.(e) The Department of Public Instruction shall provide interim reports
on the grant program to the Joint Legislative Education Oversight Committee by September 15,
2016, with a final report on the program by September 15, 2017. The final report shall include
the final results of the program and recommendations regarding effective after-school program
models, standards, and performance measures based on student performance, leveraging of
community-based resources to expand student access to learning activities and academic
support, and the experience of the grant recipients.
SECTION #.(a) The Department of Public Instruction shall study and develop potential policy changes for improving the outcomes for elementary and secondary students with disabilities, including raising the graduation rates, providing more outcome-based goals, creating greater access to career-ready diplomas, increasing integration of accessible digital learning options, and providing earlier and improved transition services planning. The Department shall do at least the following toward achieving the goals set forth in this section:

1. Examine current Individualized Education Program (IEP) requirements and develop reforms with greater focus on outcome-based goals for students with disabilities.
2. Solicit input and bring together stakeholders and other interested parties to develop policies on transition services plans for students with disabilities from elementary to middle school, middle to high school, and high school to postsecondary education and for employment opportunities and adult living options.
3. Solicit input and bring together stakeholders to create accessible ways for students with IEPs to access the Future Ready Core Course of Study in more significant numbers as a viable option to the Occupational Course of Study.
4. Examine model programs that may be employed by local school administrative units aimed at increasing the graduation rate and school performance of students with disabilities.

SECTION #.(b) The funds appropriated to the Department of Public Instruction for the 2015-2017 fiscal biennium to implement the requirements of this section shall be used to (i) implement methods for improving outcomes for children with disabilities developed in accordance with subsection (a) of this section and (ii) provide technical assistance to local school administrative units to establish model programs aimed at increasing the graduation rate and school performance of students with disabilities.

SECTION #(c) By November 15, 2015, and annually thereafter, the Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee on the progress of developing and implementing policy changes on (i) IEP reforms, (ii) transition planning policies, (iii) increased access to Future Ready Core Course of Study for students with disabilities, and (iv) model programs for use by local school administrative units to improve graduation rates and school performance of students with disabilities.
Reorganized by: Representative

**REORGANIZATION OF THE COMMUNITY COLLEGES SYSTEM OFFICE**

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

**SECTION #. (b)** This section expires June 30, 2017.
(a) G.S. 115D-5(b) is amended by adding a new subdivision to read:

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

... (15) Courses providing employability skills, job-specific occupational or technical skills, or developmental education instruction to certain students who are concurrently enrolled in an eligible community college literacy course, in accordance with rules adopted by the State Board of Community Colleges.

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

(b) G.S. 115D-31(b1) reads as rewritten:

"(b1) A local community college may use all State funds allocated to it, except for Literacy funds and Customized Training funds, for any authorized purpose that is consistent with the college’s Institutional Effectiveness Plan. The State Board of Community Colleges may authorize a local community college to use up to twenty percent (20%) of the State Literacy funds allocated to it to provide employability skills, job-specific occupational and technical skills, and developmental education instruction to students concurrently enrolled in an eligible community college literacy course.

Each local community college shall include in its Institutional Effectiveness Plan a section on how funding flexibility allows the college to meet the demands of the local community and to maintain a presence in all previously funded categorical programs."
REQUESTED BY: Representative

EQUIPMENT FUNDING

SECTION #. For the 2015-2017 fiscal biennium, community colleges may expend regular equipment allocations on equipment and on repairs, renovations, and new construction necessary to accommodate equipment. Colleges must match funds expended on new construction on an equal matching-fund basis in accordance with G.S. 115D-31. Notwithstanding any other provision of law, community colleges are not required to match funds expended on repairs and renovations of existing facilities.

Colleges must have capital improvement projects approved by the State Board of Community Colleges and any required matching funds identified by June 30, 2017.
EXPAND AGRICULTURAL AND TRANSPORTATION CLASSES TO FRESHMEN AND SOPHOMORES

SECTION #.  G.S. 115D-20(4)a. reads as rewritten:

"§ 115D-20.  Powers and duties of trustees.

The trustees of each institution shall constitute the local administrative board of such institution, with such powers and duties as are provided in this Chapter and as are delegated to it by the State Board of Community Colleges. The powers and duties of trustees shall include the following:

…

(4) To apply the standards and requirements for admission and graduation of students and other standards established by the State Board of Community Colleges. Notwithstanding any law or administrative rule to the contrary, local community colleges are permitted to offer the following programs:

a. Subject to the approval of the State Board of Community Colleges, local community colleges may collaborate with local school administrative units to offer courses through the following programs:

1. Cooperative innovative high school programs as provided by Part 9 of Article 16 of Chapter 115C of the General Statutes.

2. Academic transition pathways for qualified junior and senior high school students that lead to a career technical education certificate or diploma and academic transition pathways for qualified freshmen and sophomore high school students that lead to a career technical education certificate or diploma in (i) industrial and engineering technologies, (ii) agriculture and natural resources, or (iii) transportation technology.

3. College transfer certificates requiring the successful completion of thirty semester credit hours of transfer courses, including English and mathematics, for qualified junior and senior high school students."
COLLEGES EARN BUDGET FTE FOR CURRICULUM COURSES TAUGHT DURING THE SUMMER TERM

SECTION #.(a) G.S. 115D-5(v) reads as rewritten:
"(v) Community colleges may teach technical education, health care, developmental education, and STEM-related curriculum courses at any time during the year, including the summer term. Student membership hours from these courses shall be counted when computing full-time equivalent students (FTE) for use in budget funding formulas at the State level."

SECTION #.(b) The State Board of Community Colleges shall report to the Joint Legislative Education Oversight Committee by October 1, 2015, on FTE for the summer 2015 term.

SECTION #.(c) This section is effective when it becomes law and applies beginning with the summer 2015 term.
COMMUNITY COLLEGES PROGRAM COMPLIANCE REVIEW FUNCTION

SECTION #.(a) Section 10.15(a) of S.L. 2013-360 is repealed.

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

"(m) The State Board of Community Colleges shall maintain an education program auditing-accountability function that conducts an annual audit-periodic reviews of each community college operating under the provisions of this Chapter. The purpose of the annual audit-compliance review shall be to ensure that college programs and related fiscal operations comply with State law, State regulations, State Board policies, and System Office guidance. (i) data used to allocate State funds among community colleges is reported accurately to the System Office and (ii) community colleges are charging and waiving tuition and registration fees consistent with law. The State Board of Community Colleges shall require auditors of community college programs to the use of a statistically valid sample size in performing program audits-compliance reviews of community colleges. All education program audit compliance review findings that are determined to be material shall be forwarded to the college president, local college board of trustees, the State Board of Community Colleges, and the State Auditor. The State Board of Community Colleges shall adopt rules governing the frequency, scope, and standard of materiality for compliance reviews."

SECTION #.(c) Subsection (b) of this section applies to compliance reviews beginning with the 2015-2016 academic year.
LIMIT ACTIVE DUTY SOLDIERS CC TUITION

SECTION #. G.S. 116-143.3 is amended by adding a new subsection to read:

"(b3) Notwithstanding G.S. 115D-5(b), if the amount of the out-of-State tuition rate for a community college exceeds the amount of tuition assistance available from the federal government, as set forth in the U.S. Department of Defense Directive, 1322.08E, promulgated pursuant to 10 U.S.C. §§ 2005 and 2007, for active duty members of the Armed Forces, the amount by which the out-of-State tuition rate exceeds the amount of the federal tuition assistance available to the institution or active duty member of the Armed Forces shall be waived, provided the amount of the tuition waived shall not exceed ten percent (10%) of the out-of-State tuition amount and all of the following conditions are met:

1. The active duty member of the Armed Forces was enrolled in a degree or other program at a community college and charged the in-State tuition rate at the time of deployment or reassignment.
2. The active duty member of the Armed Forces was not able to remain continuously enrolled in the degree or other program at the community college due to deployment or reassignment.
3. The active duty member of the Armed Forces reenrolls in the degree or other program at the community college in which the member was enrolled at the time the member was deployed or reassigned within 18 months of deployment or reassignment.
4. The active duty member of the Armed Forces does not otherwise qualify for the in-State tuition rate.

The amount of tuition charged to an active duty member of the Armed Forces eligible to receive this waiver shall not be lower than the in-State tuition rate."
REQUESTED BY:
Representative

COMMUNITY COLLEGE REMEDIATION PILOT PROJECT

SECTION #.(a) A four-year remediation Pilot Project shall be established at South Piedmont Community College. The purpose of the Pilot Project is to implement a program that will (i) increase high school graduation rates and community college completion rates in Union and Anson Counties and (ii) serve as a model for the rest of the State.

SECTION #.(b) The Pilot Project shall consist of two components:
(1) Identification and remediation of high school students who do not meet community college entrance requirements. This component shall be implemented as follows:
  a. South Piedmont Community College shall administer a college competency examination to a representative population of high school sophomores, juniors, and seniors in the Union County Public Schools, the Anson County Schools, or both.
  b. Students who are determined by the examination to be deficient in mathematics, English, or reading skills shall have the opportunity to be enrolled during their junior or senior years in community college remediation courses in lieu of other high school graduation completion electives.
  Participating students shall be included in the average daily membership of the local school administrative unit and the budget FTE of South Piedmont Community College. Participating students enrolled in remediation courses at South Piedmont Community College associated with this pilot shall not be charged tuition.
  c. Students successfully completing community college remediation courses may continue their education under the Career and College Promise program.
  d. South Piedmont Community College shall report to the Joint Legislative Education Oversight Committee (i) on the implementation of this component of the Pilot Project by February 15, 2016, and (ii) on its impact on the college readiness of participating students annually by September 15, 2016, through September 15, 2020.
  e. No State funds shall be used to develop and administer the college competency examination or to determine the impact of the Pilot Project on college readiness.
  f. During the Pilot Project, students electing to participate in this program shall not be calculated in the local school administrative unit's graduation or dropout rates or in the South Piedmont Community College performance funding metrics. These students
shall be regarded as transfer students from the local school administrative unit to South Piedmont Community College.

(2) Authorization for high school students who are at high risk of dropping out of school to complete high school at South Piedmont Community College. This component shall be implemented as follows:

a. South Piedmont Community College and the each participating local school administrative unit shall sign a memorandum of understanding for a recovery program for students at high risk of dropping out of school to complete high school in an alternative setting. Under this memorandum of understanding, students with no serious disciplinary experience who are at high risk of dropping out of school may, with the consent of the local school administrative unit and South Piedmont Community College, earn a high school diploma at South Piedmont Community College.

b. The participating students and their parents shall sign a contract with the high school and college agreeing to the terms and conditions of the program.

c. South Piedmont Community College shall generate budget FTE for these students.
COMMUNITY COLLEGE INNOVATIVE PILOT PROGRAM

SECTION #.(a) The State Board of Community Colleges shall establish the Community College Innovative Pilot Program for participating community colleges to establish new, innovative workforce development programs in development tier one and tier two counties as defined in G.S. 143B-437.08. The purpose of the pilot program is to expand the options available to community colleges in establishing new programs targeting the workforce development needs of economically distressed areas of the State by providing (i) initial funding for planning and start-up operational costs for new programs and (ii) the opportunity for community colleges to build student enrollment to create tuition-supported programs and increased job attainment for students. Implementation of the pilot program shall begin with the 2016-2017 academic year, continue for a period of three academic years, ending with the 2018-2019 academic year.

SECTION #.(b) The State Board of Community Colleges, in collaboration with the Department of Commerce, shall develop criteria for approval of an application submitted by a community college serving a development tier one or tier two county to participate in the pilot program in accordance with the provisions of this section. Depending on the pool of applicants, the State Board shall select community college programs for participation in the pilot program that represent the geographic diversity of North Carolina's resident population. A community college seeking to participate in the pilot program shall submit to the State Board a completed Curriculum Program Application for a New-to-the-System Program Title.

SECTION #.(c) The State Board of Community Colleges shall report to the Joint Legislative Education Oversight Committee by September 1, 2019, on the implementation and administration of the pilot program, including at least the following information:

(1) The use of funds by community colleges participating in the pilot program, including:
   a. Start-up costs to establish new programs.
   b. Costs associated with student instruction, including faculty salaries, instructional supplies, and related instructional equipment.
   c. Financial assistance for students, including assistance with tuition, registration fees, books, and certification costs.

(2) Evaluation of the success of the community college programs, including:
   a. Student enrollment numbers.
   b. Student outcomes, including job attainment and placement data and completion of any certification, diploma, or associate degree programs.
   c. Number and type of programs that were fully supported by student tuition by the completion of the pilot program.
(3) Any recommendations on the expansion of the pilot program statewide and
potential modifications to the State funding method for community colleges
related to providing funds for new programs.

SECTION #.(d) Of the funds appropriated under this act to the Community
Colleges System Office for the 2015-2017 fiscal biennium to implement the requirements of
this section, the System Office shall use the sum of two million dollars ($2,000,000) for the
2015-2016 fiscal year and the sum of two million dollars ($2,000,000) for the 2016-2017 fiscal
year to award funds to community colleges participating in the pilot program. The System
Office may use up to one hundred thousand dollars ($100,000) of those funds each fiscal year
for administration and evaluation of the pilot program.
STUDY COMMUNITY COLLEGE FACULTY SALARIES

SECTION #. The Joint Legislative Education Oversight Committee shall study the adequacy of community college faculty salaries for recruiting and retaining qualified faculty members. In the course of the study, the Committee shall consider (i) instructional areas and geographical areas for which it is difficult to recruit and retain qualified faculty members, (ii) labor market conditions, including opportunities in the private sector and in four-year institutions of higher education for the individuals with identical qualifications, (iii) the need to increase salaries to appropriately staff certain instructional areas, especially in Tier 1A and 1B courses, and (iv) other relevant factors. The Committee shall report its findings to the 2015 General Assembly upon the convening of the 2016 Regular Session.
REQUESTED BY: Representative

USE OF ESCHEAT FUNDS FOR NEED-BASED FINANCIAL AID PROGRAMS

SECTION #.(a) The funds appropriated by this act from the Escheat Fund for the 2015-2017 fiscal biennium shall be allocated by the State Education Assistance Authority (SEAA) for need-based student financial aid in accordance with G.S. 116B-7. If the interest income generated from the Escheat Fund is less than the amounts referenced in this section, the difference may be taken from the Escheat Fund principal to reach the appropriations referenced in this section; however, under no circumstances shall the Escheat Fund principal be reduced below the sum required in G.S. 116B-6(f). If any funds appropriated from the Escheat Fund by this act remain uncommitted for need-based financial aid as of the end of a fiscal year, the funds shall be returned to the Escheat Fund, but only to the extent the funds exceed the amount of the Escheat Fund income for that fiscal year.

SECTION #.(b) The State Education Assistance Authority shall perform all of the administrative functions necessary to implement this program of financial aid. The SEAA shall conduct periodic evaluations of expenditures of the scholarship programs to determine if allocations are utilized to ensure access to institutions of higher learning and to meet the goals of the respective programs. SEAA may make recommendations for redistribution of funds to The University of North Carolina, Department of Administration, and the President of the Community College System regarding their respective scholarship programs, who then may authorize redistribution of unutilized funds for a particular fiscal year.
General Assembly of North Carolina
Session 2015

DRAFT
SPECIAL PROVISION

University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: Representative

Amend Regulation of UNC Institutional Trust Funds and Funds of UNC Health Care System

Section #. G.S. 116-36.1(h) reads as rewritten:

"(h) The Board may authorize, through the President, that the chancellors may deposit or invest each institution's available trust fund cash balances in interest-bearing accounts and other investments as may be authorized by the Board in the exercise of its sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries. The amount of funds on deposit in an official depository shall be fully secured by deposit insurance, surety bonds, or investment securities of such nature, in such amounts, and in such manner as is prescribed by the Board of Governors for the security of public deposits generally."
Requested by: Representative

IN-STATE TUITION FOR CERTAIN VETERANS AND OTHER INDIVIDUALS
ENTITLED TO FEDERAL EDUCATIONAL BENEFITS

SECTION #.(a) Article 14 of Chapter 116 of the General Statutes is amended by
adding a new section to read:

"§ 116-143.3A. Waiver of 12-month residency requirement for certain veterans and other
individuals entitled to federal education benefits under 38 U.S.C. Chapter 30 or
38 U.S.C. Chapter 33,

(a) Definitions. – The following definitions apply in this section:

(1) Abode. – Has the same meaning as G.S. 116-143.3(a)(1).
(2) Armed Forces. – Has the same meaning as G.S. 116-143.3(a)(2).
(3) Veteran. – A person who served active duty for not less than 90 days in the
Armed Forces, the Commissioned Corps of the U.S. Public Health Service,
or the National Oceanic and Atmospheric Administration and who was
discharged or released from such service under conditions other than
dishonorable.

(b) Waiver of 12-Month Residency Requirement for Veteran. – Any veteran who
qualifies for admission to an institution of higher education as defined in G.S. 116-143.1(a)(3)
is eligible to be charged the in-State tuition rate and applicable mandatory fees for enrollment
without satisfying the 12-month residency requirement under G.S. 116-143.1, provided the
veteran meets all of the following criteria:

(1) The veteran applies for admission to the institution of higher education and
enrolls within three years of the veteran's discharge or release from the
Armed Forces, the Commissioned Corps of the U.S. Public Health Service,
or the National Oceanic and Atmospheric Administration.
(2) The veteran qualifies for and uses educational benefits pursuant to 38 U.S.C.
Chapter 30 (Montgomery G.I. Bill Active Duty Education Assistance
Program) or 38 U.S.C. Chapter 33 (Post-9/11 Educational Assistance), as
administered by the U.S. Department of Veterans Affairs.
(3) The veteran's abode is North Carolina.
(4) The veteran provides the institution of higher education at which the veteran
intends to enroll a letter of intent to establish residence in North Carolina.

(c) Eligibility of Other Individuals Entitled to Federal Educational Benefits Under 38
U.S.C. Chapter 30 or 38 U.S.C. Chapter 33. – Any person who is entitled to federal educational
benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 is also eligible to be charged the
in-State tuition rate and applicable mandatory fees for enrollment without satisfying the
12-month residency requirement under G.S. 116-143.1 if the person meets all of the following
criteria:

(1) The person qualifies for admission to the institution of higher education as
defined in G.S. 116-143.1(a)(3) and enrolls in the institution of higher
education within three years of the veteran's discharge or release from the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration.

(2) The person is the recipient of federal educational benefits pursuant to 38 U.S.C. Chapter 30 (Montgomery G.I. Bill Active Duty Education Assistance Program) or 38 U.S.C. Chapter 33 (Post-9/11 Educational Assistance), as administered by the U.S. Department of Veterans Affairs.

(3) The person's abode is North Carolina.

(4) The person provides the institution of higher education at which the person intends to enroll a letter of intent to establish residence in North Carolina.

(d) Eligibility While Continuously Enrolled at the Same Institution of Higher Education. – After enrollment in an institution of higher education, any veteran entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 and any other individual entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 who is eligible for in-State tuition under this section shall continue to be eligible for the in-State tuition rate so long as the covered individual remains continuously enrolled (other than during regularly scheduled breaks between courses, quarters, terms, or semesters) at that institution of higher education."

SECTION #.(b) G.S. 116-143.8 is repealed.

SECTION #.(c) This section becomes effective July 1, 2015, and applies to qualifying veterans and other individuals entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 who are enrolled or who enroll in institutions of higher education for any academic quarter, term, or semester that begins on or after that date.
UNIVERSITY OF NORTH CAROLINA and Private Instruction
House Appropriations, Education

Requested by: Representative

UNC MANAGEMENT FLEXIBILITY REDUCTION

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

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

(a) Reducing State funding for centers and institutes, speaker series, and other nonacademic activities.
(b) Faculty workload adjustments.
(c) Restructuring of research activities.
(d) Implementing cost saving span of control measures.
(e) Reducing the number of senior and middle management positions.
(f) Eliminating low-performing, redundant, or low-enrollment programs.
(g) Using alternative funding sources.
(h) Protecting direct classroom services.

The Board of Governors and the campuses of the constituent institutions also shall review the institutional trust funds and the special funds held by or on behalf of The University of North Carolina and its constituent institutions to determine whether there are monies available in those funds that can be used to assist with operating costs. In addition, the campuses of the constituent institutions also shall require their faculty to have a teaching workload equal to the national average in their Carnegie classification.

SECTION #. (b) In allocating the management flexibility reduction, no reduction in State funds shall be allocated in either fiscal year of the 2015-2017 biennium to any of the following:

(1) UNC Need-Based Financial Aid.
(2) North Carolina Need-Based Scholarship.
(3) Elizabeth City State University.
(4) Fayetteville State University.
(5) NC School of Science and Mathematics.
(6) University of North Carolina at Asheville.
(7) University of North Carolina School of the Arts.

SECTION #. (c) The University of North Carolina shall report on the implementation of the management flexibility reduction in subsection (a) of this section to the Office of State Budget and Management and the Fiscal Research Division no later than April 1, 2016. This report shall identify both of the following by campus:

(a) The total number of positions eliminated by type (faculty/nonfaculty).
(2) The low-performing, redundant, and low-enrollment programs that were eliminated.
University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: Representative

UNC TO FUND NORTH CAROLINA RESEARCH CAMPUS

SEC. 1. Of the funds appropriated in this act to the Board of Governors of
The University of North Carolina, the Board of Governors shall use twenty-nine million dollars
($29,000,000) for the 2015-2016 fiscal year and twenty-nine million dollars ($29,000,000) for
the 2016-2017 fiscal year to support UNC-related activities at the North Carolina Research
Campus at Kannapolis.
LIMIT USE OF STATE FUNDS FOR UNC ADVANCEMENT PROGRAMS

For the 2015-2016 fiscal year and subsequent fiscal years, a constituent institution as defined in G.S. 116-2 shall not expend more than one million dollars ($1,000,000) of State funds annually on advancement programs. Constituent institutions shall take reasonable actions to increase the reliance of advancement programs on funds generated from fund-raising activities.
NC GUARANTEED ADMISSION PROGRAM (NCGAP)

SECTION #.(a) The General Assembly finds that the six-year graduation rate for students pursuing a baccalaureate degree from any constituent institution of The University of North Carolina is too low. The General Assembly further finds that it is important to design and implement a program for the purpose of achieving the following goals: to assist more students to obtain a baccalaureate degree within a shorter time period; to provide students with a college education at significantly lower costs for both the student and the State; to help decrease the amount of debt resulting from loans that a student may owe upon graduation; to provide a student with an interim degree that may increase a student's job opportunities if the student chooses not to continue postsecondary education; and to provide easier access to academic counseling that will assist a student in selecting coursework that reflects the student's educational and career goals and helps the student succeed academically.

SECTION #.(b) To address the issues and goals set out in subsection (a) of this section, the Board of Governors of The University of North Carolina shall establish a deferred admission program for students identified as academically at risk to be known as the North Carolina Guaranteed Admission Program (NCGAP). Under NCGAP, each constituent institution shall analyze its current six-year graduation rate, determine what factors lead to academic success and failure within those campuses, and report those findings to the Board of Governors of The University of North Carolina no later than January 30, 2016.

Based on the results of the analysis conducted pursuant to this subsection, the constituent institution shall develop a deferred admission program that requires a student who satisfies the admission criteria of the constituent institution but whose academic credentials are not as competitive as other students admitted to the institution to enroll in a community college in this State and earn an associate degree prior to enrolling as a student at the constituent institution. A student who earns an associate degree from a community college in this State within three years from the date of the deferred acceptance is guaranteed admission at that constituent institution to complete the requirements for a baccalaureate degree. A constituent institution shall hold in reserve an enrollment slot in the appropriate future academic year for any student who accepts a deferred admission. A constituent institution shall also reduce its enrollment for each academic year by the number of deferred admissions granted for that academic year.

The Board of Governors of The University of North Carolina shall ensure that a minimum of 1,305 budget FTEs are deferred admissions and are encouraged to increase the number of deferred admissions as appropriate.

SECTION #.(c) The State Board of Community Colleges, in consultation with the Board of Governors of The University of North Carolina, shall adopt rules to ensure that a student participating in NCGAP is provided counseling and assistance in selecting coursework that reflects the student's educational and career goals and that provides a smooth transition from the community college to the constituent institution.
SECTION #.(d) The State Board of Community Colleges shall allocate a portion of the nonrecurring funds appropriated to the NCGAP Reserve by this act for the 2016-2017 fiscal year to assist community colleges with students who are participating in NCGAP.

SECTION #.(e) The Board of Governors of The University of North Carolina shall study and report to the Joint Legislative Education Oversight Committee by March 1, 2016, on methods to improve the collection of data regarding completion and outcomes of students who enroll as undergraduates. The report shall include (i) methods of measuring completion by student, year, and type of entry and (ii) methods of measuring success by student, year, and type of entry.

SECTION #.(f) NCGAP shall be implemented for the 2016-2017 academic year and shall continue for each subsequent academic year.

SECTION #.(g) This section does not apply to the North Carolina School of Science and Mathematics.
University of North Carolina and Private Instruction
House Appropriations, Education

Requested by: Representative

APPALACHIAN STATE UNIVERSITY TEACHER RECRUITMENT PROGRAM/FRIDAY INSTITUTE EVALUATION OF TEACHER RECRUITMENT AND PREPARATION PROGRAMS

SECTION #.(a) Of the funds appropriated by this act to the Board of Governors of The University of North Carolina, the sum of ninety-one thousand dollars ($91,000) for the 2015-2016 fiscal year and the sum of ninety-one thousand dollars ($91,000) for the 2016-2017 fiscal year shall be allocated to the College of Education at Appalachian State University. These funds shall be used for a personnel position to implement a pilot program to recruit undergraduate students to the College of Education and to provide counseling and advising services to those students once enrolled.

SECTION #.(b) Of the funds appropriated by this act to the Board of Governors of The University of North Carolina, the sum of two hundred thirty-five thousand dollars ($235,000) for the 2015-2016 fiscal year and the sum of four hundred seventy thousand dollars ($470,000) for the 2016-2017 fiscal year shall be allocated to the Friday Institute for Educational Innovation at North Carolina State University to be used to conduct a three-year evaluation of six teacher recruitment and training programs in North Carolina that meet the following criteria:

1. One university program that focuses on recruiting high school high achievers into a four-year teacher preparation program, such as the Maynard Scholarship at East Carolina University.
2. One university program that focuses on recruiting undergraduate students into teacher preparation programs, such as the Teacher Education Marketing Pilot at Appalachian State University.
3. One university program that focuses on providing fifth-year students an opportunity to earn a Masters of Arts in Teaching in a shortened time frame, such as the MAT Program at Meredith College.
4. One university program that focuses on connecting community college students to university teacher preparation programs in connection with the Comprehensive Articulation Agreement and related 2+2 initiatives, such as the 2+2 Online Program in Agricultural Education at North Carolina Agricultural and Technical State University.
5. The Regional Alternative Licensing Centers that are focused on improving the quality and effectiveness of the workforce to lateral entry process.
6. One innovative statewide university program focused on improving the recruitment of educators, such as NC INSPIRE at the University of North Carolina at Charlotte.

Each evaluation shall be contingent upon the continued operation of each program being evaluated.
SECTION #.(c) Over the course of the three-year evaluation described in subsection (b) of this section, the Friday Institute shall, at a minimum, measure the following outcomes at each of the selected programs:

1. Number of applicants and participants and progress toward one hundred percent (100%) participant capacity.
2. Applicant and participant diversity, including information about demographics and geographic location.
3. Where applicable, indicators of participant quality, including participants’ grade point averages and initial leadership qualities and the quality of participants’ colleges and universities.
4. Cost per program and per participant.
5. Participant assessment of program quality, including information gathered from participants via surveys, focus groups, or interviews.
7. Program completion rates.
8. Hiring locations for program completers.
9. Changes in program participation rates and cohort size across time.
10. Changes in applicant and participant diversity, including information about demographics and geographic locations.
11. Where applicable, changes in participant quality across time, including changes in cohort grade point averages, the quality of participants’ colleges and universities, and direct and indirect measurements of leadership growth.
12. Changes in costs across time, including the costs per program and the costs per participant over time.

Where practical, the Friday Institute shall consult with the State Board of Education and the Board of Governors on the design and implementation of the evaluations.

SECTION #.(d) Beginning December 1, 2016, and annually thereafter until submission of a final report on December 1, 2018, the Friday Institute shall report to the Joint Legislative Education Oversight Committee on the status of the evaluation process for each of the selected programs conducted pursuant to subsections (b) and (c) of this section, including any outcome data that can be reliably measured at the time of the report. If, upon the submission of the final report, the Friday Institute finds further outcomes could be determined, the Friday Institute may request a six-month, no-cost extension to submit a revised version of the final report.

SECTION #.(e) The funds allocated pursuant to subsection (b) of this section for the 2015-2017 fiscal biennium shall not revert but shall remain available for expenditures pursuant to subsections (b), (c), and (d) of this section through the 2017-2018 fiscal year. Any unexpended, unencumbered balance of these funds shall revert at the end of the 2017-2018 fiscal year.
TRANSFORMING PRINCIPAL PREPARATION

SECTION #.(a) Purpose. – The purpose of this section is to establish a competitive grant program for eligible entities to elevate educators in North Carolina public schools by transforming the preparation of principals across the State. The State Education Assistance Authority (Authority) shall administer this grant program through a cooperative agreement with a private, nonprofit corporation to provide funds for the preparation and support of highly effective future school principals in North Carolina.

SECTION #.(b) Definitions. – For the purposes of this section, the following definitions apply:

1. Eligible entity. – A for-profit or nonprofit organization or an institution of higher education that has an evidence-based plan for preparing school leaders who implement school leadership practices linked to increased student achievement.

2. High-need school. – A public school, including a charter school, that meets one or more of the following criteria:
   a. Is a school identified under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended.
   b. Is a persistently low-achieving school, as identified by the Department of Public Instruction for purposes of federal accountability.
   c. A middle school containing any of grades five through eight that feeds into a high school with less than a sixty percent (60%) four-year cohort graduation rate.
   d. A high school with less than a sixty percent (60%) four-year cohort graduation rate.

3. Principal. – The highest administrative official in a public school building with primary responsibility for the instructional leadership, talent management, and organizational development of the school.

4. School leader. – An individual employed in a school leadership role, including principal or assistant principal roles.

5. Student achievement. – At the whole school level, after three years of leading a school, consistent and methodologically sound measures of:
   a. Student academic achievement.
   b. Aggregated individual student academic growth.
   c. Additional outcomes, such as high school graduation rates, the percentage of students taking advanced-level coursework, or the percentage of students who obtain a career-related credential through a national business certification exam.
**SECTION #.(c)** Program Authorized. – The Authority shall award grants to eligible entities to support programs that develop well-prepared school leaders in accordance with the provisions of this section. The Authority shall establish any necessary rules to administer the grant program.

**SECTION #.(d)** Contract With a Nonprofit for Administration. – By September 1, 2015, the Authority shall issue a Request for Proposal (RFP) for a private, nonprofit corporation to contract with the Authority for the administration of the program, including making recommendations to the Authority for the award of grants, as authorized by this section. The nonprofit corporation applying to the Authority shall meet at least the following requirements:

1. The nonprofit corporation shall be a nonprofit corporation organized pursuant to Chapter 55A of the General Statutes and shall comply at all times with the provisions of section 501(c)(3) of the Internal Revenue Code.

2. The nonprofit corporation shall employ sufficient staff who have demonstrated a capacity for the development and implementation of grant selection criteria and a selection process to promote innovative school leader education programs, including:
   a. Focus on school leader talent.
   b. Expertise supporting judgments about grant renewal based on achievement of or substantial school leader progress toward measurable results in student achievement.
   c. Expectation of creating positive experiences working with the educational community in North Carolina to establish the foundation for successfully administering the programs set forth in this section.

3. The nonprofit corporation shall comply with the limitations on lobbying set forth in section 501(c)(3) of the Internal Revenue Code.

4. No State officer or employee may serve on the board of the nonprofit corporation.

5. The board of the nonprofit corporation shall meet at least quarterly at the call of its chair.

**SECTION #.(e)** Report on Selection of the Nonprofit. – The Authority shall select a nonprofit corporation to enter into a contract with to administer the program by January 1, 2016. The Authority shall report to the Joint Legislative Education Oversight Committee on the selection of the nonprofit corporation by January 15, 2016.

**SECTION #.(f)** Application Requirements. – The nonprofit corporation entering into a contract with the Authority under subsection (d) of this section shall issue an initial RFP with guidelines and criteria for the grants no later than March 1, 2016. An eligible entity that seeks a grant under the program authorized by this section shall submit to the nonprofit corporation an application at such time, in such manner, and accompanied by such information as the nonprofit may require. An applicant shall include at least the following information in its response to the RFP for consideration by the nonprofit corporation:

1. The extent to which the entity has a demonstrated record of preparing school leaders who implement school leadership practices linked to increased student achievement.

2. The extent to which the entity has a rigorous school leader preparation program design that includes the following research-based programmatic elements:
   a. A proactive, aggressive, and intentional recruitment strategy.
   b. Rigorous selection criteria based on competencies that are predictive of success as a school leader, including, but not limited to, evidence
of significant positive effect on student learning growth in the
classroom, at the school-level, and the local school administrative
unit-level, professional recommendations, evidence of problem
solving and critical thinking skills, achievement drive, and leadership
of adults.

c. Alignment to high-quality national standards for school leadership
development.

d. Rigorous coursework that effectively links theory with practice
through the use of field experiences and problem-based learning.

e. Full-time clinical practice of at least five months in duration in an
authentic setting, including substantial leadership responsibilities
where candidates are evaluated on leadership skills and effect on
student outcomes as part of program completion.

f. Multiple opportunities for school leader candidates to be observed
and coached by program faculty and staff.


g. Clear expectations for and firm commitment from school leaders
who will oversee the clinical practice of candidates.

h. Evaluation of school leader candidates during and at the end of the
clinical practice based on the North Carolina School Executive
Evaluation Rubric.

i. A process for continuous review and program improvement based on
feedback from partnering local school administrative units and data
from program completers, including student achievement data.

j. Established relationship and feedback loop with affiliated local
school administrative units that is used to inform and improve
programmatic elements from year to year based on units’ needs.

SECTION #.(g) Priorities. – The nonprofit corporation shall evaluate the
applicants for grants by giving priority to an eligible entity with a record of preparing principals
demonstrating the following:

(1) Improvement in student achievement.

(2) Placement as school leaders in eligible schools.

(3) A proposed focus on and, if applicable, a record of serving high-need
schools, high-need local school administrative units, or both.

(4) A detailed plan and commitment to share lessons learned and to improve the
capacity of other entities in reaching similar outcomes.

SECTION #.(h) Uses of Funds. – By June 1, 2016, the nonprofit corporation shall
recommend to the Authority the recipients of grants under the program. Each eligible entity
that receives grant funds shall use those funds to carry out the following:

(1) Recruiting and selecting, based on a rigorous evaluation of the competencies
of the school leader candidates participating in the program and their
potential and desire to become effective school leaders.

(2) Operating a school leader preparation program by doing the following:

a. Utilizing a research-based content and curriculum, including
embedded participant assessments to evaluate candidates before
program completion, that prepares candidates to do the following:

1. Provide instructional leadership, such as developing teachers’
instructional practices and analyzing classroom and
school-wide data to support teachers.

2. Manage talent, such as developing a high-performing team.
3. Build a positive school culture, such as building a strong school culture focused on high academic achievement for all students, including gifted and talented students, students with disabilities, and English learners, maintaining active engagement with family and community members, and ensuring student safety.

4. Develop organizational practices, such as aligning staff, budget, and time to the instructional priorities of the school.

   b. Providing opportunities for sustained and high-quality job-embedded practice in an authentic setting where candidates are responsible for moving the practice and performance of a subset of teachers or for school-wide performance as principal-in-planning or interim school leaders.

(3) Collecting data on program implementation and program completer outcomes for continuous program improvement.

SECTION #.(i) Duration of Grants. – The nonprofit corporation shall also recommend to the Authority the duration and renewal of grants to eligible entities according to the following:

(1) The duration of grants shall be as follows:

   a. Grants shall be no more than five years in duration.

   b. The nonprofit corporation may recommend renewal of a grant based on performance, including allowing the grantee to scale up or replicate the successful program as provided in subdivision (2) of this subsection.

(2) In evaluating performance for purposes of grant renewal and making recommendations to the Authority, the nonprofit corporation shall consider:

   a. For all grantees, the primary consideration in renewing grants shall be the extent to which program participants improved student achievement in eligible schools.

   b. Other criteria from data received in the annual report in subsection (j) of this section may include the following:

      1. The percentage of program completers who are placed as school leaders in this State within three years of receiving a grant.

      2. The percentage of program completers who are rated proficient or above on the North Carolina School Executive Evaluation Rubric.

SECTION #.(j) Reporting Requirements for Grant Recipients. – Recipients of grants under the program shall submit an annual report to the nonprofit corporation contracting with the Authority, beginning in the third year of the grant, with any information requested by the nonprofit corporation. Whenever practicable and within a reasonable amount of time, grant recipients shall also make all materials developed as part of the program and with grant funds publically available to contribute to the broader sharing of promising practices. Materials shall not include personally identifiable information regarding individuals involved or associated with the program, including, without limitation, applicants, participants, supervisors, evaluators, faculty, and staff, without their prior written consent. The nonprofit corporation shall work with recipients and local school administrative units, as needed, to enable the collection, analysis, and evaluation of at least the following relevant data, within necessary privacy constraints:

(1) Student achievement in eligible schools.
(2) The percentage of program completers who are placed as school leaders within three years in the State.

(3) The percentage of program completers rated proficient or above on school leader evaluation and support systems.

SECTION #.(k) Licensure Process. – By June 1, 2016, the State Board of Education shall adopt a policy to provide for a specific licensure process applicable to school administrators who provide documentation to the State Board of successful completion of a principal preparation program selected for a competitive grant in accordance with this section.

SECTION #.(l) Evaluation and Revision of Program. – The nonprofit corporation administering the program shall provide the State Board of Education with the data collected in accordance with subsection (j) of this section on an annual basis. By September 15, 2021, the State Board of Education, in coordination with the Board of Governors of the University of North Carolina, shall revise, as necessary, the licensure requirements for school administrators and the standards for approval of school administrator preparation programs after evaluating the data collected from the grant recipients, including the criteria used in selecting grant recipients and the outcomes of program completers. The State Board of Education shall report to the Joint Legislative Education Oversight Committee by November 15, 2021, on any changes made to the licensure requirements for school administrators and the standards for approval of school administrator preparation programs in accordance with this section.

SECTION #.(m) Of the funds appropriated each fiscal year for this program the sum of five hundred thousand dollars ($500,000) shall be allocated to the State Education Assistance Authority to contract with the nonprofit corporation selected pursuant to subsection (e) of this section to establish and administer the program. The State Education Assistance Authority may use up to five percent of those funds each fiscal year for administrative costs.

SECTION #.(n) Of the funds appropriated each fiscal year for this program the sum of nine million dollars ($9,000,000) shall be allocated to the State Education Assistance Authority to award grants to selected recipients.

SECTION #.(o) This section is effective when it becomes law.
SPECIAL PROVISION


§ 116-209.60. Definitions.
The following definitions apply in this Part:


(2) Director. – The Director of the North Carolina Competitive Teaching Scholarship Loan Program.

(3) Fund. – The North Carolina Competitive Teaching Scholarship Loan Fund.

(4) Program. – The North Carolina Competitive Teaching Scholarship Loan Program.

(5) Scholarship loan. – A forgivable scholarship loan made under the Program.

§ 116-209.61. North Carolina Competitive Teaching Scholarship Loan Commission established; membership.

(a) Commission Established. – There is established the North Carolina Competitive Teaching Scholarship Loan Commission. The Director of the North Carolina Competitive Teaching Scholarship Loan Program shall staff the Commission. The Authority shall be responsible for implementing scholarship loan agreements, monitoring, cancelling through service, collecting, and otherwise enforcing the agreements for the Program scholarship loans established in accordance with this Part.

(b) Membership. – The Commission shall consist of 11 members appointed or shall serve ex officio as follows:

(1) One dean of an approved school of education at a postsecondary constituent institution of The University of North Carolina, appointed by the President of The University of North Carolina.

(2) One dean of an approved school of education at a private postsecondary institution operating in the State, appointed by the President of the North Carolina Independent Colleges and Universities, Inc.

(3) The North Carolina Teacher of the Year, ex officio.

(4) A teacher who graduated from an approved teacher preparation program located in the State within three years of appointment to serve on the Commission, appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives.

(5) The North Carolina Principal of the Year, ex officio.

(6) A principal, appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate.

(7) The North Carolina Superintendent of the Year, ex officio.
(8) One member to represent business and industry appointed by the Governor.
(9) One local school board member appointed by the chair of the State Board of Education.
(10) The chairperson of the Board of the State Education Assistance Authority, ex officio.
(11) The Director of the North Carolina Competitive Teaching Scholarship Loan Program, ex officio. The Director shall chair the Commission.
(c) Terms of Office. – Appointments to the Commission shall be for two-year terms, expiring on July 1 in odd-numbered years. Members serving ex officio, other than the chairperson of the Board of the State Education Assistance Authority and Director of the North Carolina Competitive Teaching Scholarship Loan Program, who have otherwise completed their term of service, shall continue to serve on the Commission until July 1, annually.
(d) Vacancies. – Except as otherwise provided, if a vacancy occurs in the membership, the appointing authority shall appoint another person to serve for the balance of the unexpired term.
(e) Expenses. – Commission members shall receive per diem, subsistence, and travel allowances in accordance with G.S. 138-5 or G.S. 138-6, as appropriate.
(f) Meetings. – The Commission shall meet regularly, at times and places deemed necessary by the chair.
§ 116-209.62. North Carolina Competitive Teaching Scholarship Loan Program
established; administration.
(a) Program. – There is established the North Carolina Competitive Teaching Scholarship Loan Program to be administered by the Authority in collaboration with the Commission. The purpose of the Program is to recruit, prepare, and support North Carolina residents for preparation as highly effective teachers serving in hard-to-staff licensure areas and hard-to-staff schools. The Program shall be used to provide a scholarship loan to individuals interested in preparing to teach in the public schools of the State in hard-to-staff licensure areas and hard-to-staff schools.
(b) Fund. – There is established the North Carolina Competitive Teaching Scholarship Loan Program Fund to be administered by the Authority. The purpose of the Fund is to provide financial assistance to qualified students for completion of teacher education and licensure programs to fill hard-to-staff licensure areas and hard-to-staff schools in the State. All funds appropriated to or otherwise received by the Authority to provide loans through the Program, all funds received as repayment of loans, and all interest earned on these funds shall be placed in the Fund. The Fund shall be used only for loans made pursuant to this section and for administrative costs of the Authority.
(c) Director. – The board of directors of the Authority shall appoint a Director of the Program. The Director shall chair and staff the Commission and shall be responsible for recruitment and coordination of the Program, including proactive, aggressive, and strategic recruitment of potential recipients, active engagement with educators, business leaders, experts in human resources, elected officials, and other community leaders throughout the State, and attracting candidates in hard-to-staff licensure areas. The Authority shall provide office space and clerical support staff for the Program.
(d) Student Selection Criteria. – The Commission shall determine selection criteria, methods of selection, and shall select recipients to receive scholarship loans. The Commission shall adopt stringent standards for awarding these scholarship loans based on multiple measures to ensure that only the strongest applicants receive them, including, but not limited to, the following:
   (1) Grade point averages.
   (2) Performance on relevant career and college readiness assessments.
(3) Experience, accomplishments, and other criteria demonstrating qualities positively correlated with highly effective teachers.

(4) Stated commitments to either serving in a hard-to-staff school or licensure in a hard-to-staff licensure area for a minimum of four years.

(e) Program Selection Criteria. – The Authority shall administer the program in cooperation with selected institutions of higher education with educator preparation programs selected by the Commission, including North Carolina community colleges, postsecondary constituent institutions of The University of North Carolina, and private postsecondary institutions operating in the State. The Commission shall adopt stringent standards for selection of only the most effective educator preparation programs, including, but not limited to, the following:

(1) Measures of program quality based on objective criteria developed by third parties.

(2) Measurable impact of prior graduates on student learning, including impact of graduates teaching in hard-to-staff schools and graduates teaching in hard-to-staff licensure areas.

(3) Demonstration of appropriate program accreditation and program approval by the State Board of Education.

(4) Measurable success of the program’s clinical component based on student outcomes on a nationally normed and valid pedagogy assessment to determine clinical practice performance.

(f) Awards. – The Program shall provide scholarship loans to selected students to be used at selected institutions for completion of a program leading to teacher licensure as follows:

(1) North Carolina high school seniors. – Scholarship loans of up to eight thousand five hundred dollars ($8,500) per year for up to four years.

(2) Community college students applying for transfer to an educator preparation program at an institution of higher education. – Scholarship loans of up to eight thousand five hundred dollars ($8,500) per year for up to two years.

(3) Individuals currently holding a bachelor’s degree seeking preparation for teacher licensure. – Scholarship loans of up to eight thousand five hundred dollars ($8,500) per year for up to two years.

Scholarship loans may be used for tuition, fees, and the cost of books.

(g) Identification of Hard-to-Staff Licensure Areas and Hard-to-Staff Schools. – The State Board of Education shall annually identify and provide to the Commission and the Authority a list of hard-to-staff areas of licensure and a list of hard-to-staff schools by local school administrative unit using, at a minimum, the following criteria to identify those lists:

(1) Hard-to-staff licensure areas. – The number of available positions in a licensure area relative to the number of current and anticipated teachers in that area of licensure.

(2) Hard-to-staff school. – Annual teacher turnover rates, number and percentage of teaching positions unfilled for more than half of the school year, number and percentage of teachers with entry professional educator licenses intended for teachers with two or less years of teaching experience, percentage of students at school failing to meet expected growth, percentage of students at school scoring below grade level on standardized assessments, and school performance grade on the annual school report card.

The Commission shall make the list readily available to applicants. A student awarded a scholarship loan who enrolls in a program leading to a hard-to-staff licensure area shall continue to receive the scholarship and be permitted to fulfill the requirements of the scholarship loan even if that licensure area does not remain on the list following the student’s
year of enrollment. A student awarded a scholarship loan who, upon graduation, is employed
by a local board of education to teach in a hard-to-staff school shall be permitted to fulfill the
requirements of the scholarship loan even if that school does not remain on the list following
the student's year of initial employment.

(h) Upon the naming of recipients of the scholarship loans by the Commission, the
Commission shall transfer to the Authority its decisions. The Authority, in coordination with
the Director, shall perform all of the administrative functions necessary to implement this Part,
which functions shall include rule making, dissemination of information, disbursement, receipt,
liason with participating educational institutions, determination of the acceptability of service
repayment agreements, and all other functions necessary for the execution, payment, and
enforcement of promissory notes required under this Part.

(i) Annual Report. – The Commission, in coordination with the Authority, shall report
no later than January 1, 2017, and annually thereafter, to the Joint Legislative Education
Oversight Committee regarding the following:

(1) Loans awarded from the Fund, including the following:
   a. Demographic information regarding recipients.
   b. Number of recipients by institution of higher education and program.
   c. Information on number of recipients by anticipated program licensure area.

(2) Placement and repayment rates, including the following:
   a. Number of graduates who have been employed in a hard-to-staff
      school and number of graduates who have been employed in a
      hard-to-staff area within two years of program completion.
   b. Number of graduates who have begun loan repayment, including
      years of service, if any, prior to beginning loan repayment, including
      information as to whether the person was designated as hard-to-staff
      area or hard-to-staff subject loan.
   c. Number of graduates who have fulfilled service requirements
      through employment in a hard-to-staff school and number of
      graduates who have fulfilled service requirements through
      employment in a hard-to-staff area.
   d. Number of graduates employed in a hard-to-staff school or
      hard-to-staff area who have received an overall rating of at least
      accomplished and of meeting expected growth on applicable
      standards of the teacher evaluation instrument.
   e. Aggregate information on student growth and proficiency in courses
      taught by graduates who have fulfilled service requirements through
      employment in a hard-to-staff school and in a hard-to-staff area.

(3) Selected school outcomes, by program, including the following:
   a. Turnover rate for scholarship loan graduates.
   b. Aggregate information on student growth and proficiency in courses
      taught by scholarship loan graduates.
   c. Fulfillment rate of scholarship loan graduates.

§ 116-209.63. Terms of loans; receipt and disbursement of funds.

(a) Notes. – All scholarship loans shall be evidenced by notes made payable to the
Authority that bear interest at a rate not to exceed ten percent (10%) per year as set by the
Authority and beginning 90 days after completion of the program leading to teacher licensure,
or 90 days after termination of the scholarship loan, whichever is earlier. The scholarship loan
may be terminated upon the recipient’s withdrawal from school or by the recipient’s failure to
meet the standards set by the Commission.
(b) Forgiveness. – The Authority shall forgive the loan and any interest accrued on the
loan if, within seven years after graduation from a program leading to teacher licensure,
exclusive of any authorized deferment for extenuating circumstances, the recipient serves for
four years as a teacher at a North Carolina public school identified as hard to staff or at a North
Carolina public school in an identified hard-to-staff area of licensure, as provided in
G.S. 116-209.61(d). The Authority shall also forgive the loan if it finds that it is impossible for
the recipient to work for four years, within seven years after completion of the program leading
to teacher licensure at a North Carolina public school because of the death or permanent
disability of the recipient. If the recipient repays the scholarship loan by cash payments, all
indebtedness shall be repaid within eight years after completion of the program leading to
teacher licensure supported by the scholarship loan. If the recipient completes a program
leading to teacher licensure, payment of principal and interest shall begin no later than 27
months after the completion of the program. Should a recipient present extenuating
circumstances, the Authority may extend the period to repay the loan in cash to no more than a
total of 12 years.

(c) Purposes of Fund. – All funds appropriated to, or otherwise received by, the
Program for scholarships, all funds received as repayment of scholarship loans, and all interest
earned on these funds shall be placed in the Fund. The Fund may be used only for scholarship
loans granted under the Program and administrative costs associated with the Program,
including recruitment and recovery of funds advanced under the Program. The Authority may
use up to two hundred thousand dollars ($200,000) from the Fund in each fiscal year for its
administrative costs, the salary of the Director of the Program, and expenses of the
Commission.

SECTION #.(b) Notwithstanding the requirements established in G.S. 116-209.61,
as enacted by this section, initial appointments to the Commission shall be made no later than

SECTION #.(c) The Commission shall establish initial selection criteria for
recipients and institutions of higher education no later than November 15, 2015, and shall make
available applications to prospective students no later than December 31, 2015.

SECTION #.(d) The State Board of Education shall establish criteria and identify
hard-to-staff areas of licensure and hard-to-staff schools by local school administrative unit and
provide that information to the Commission and Authority no later than November 1, 2015.

SECTION #.(e) The Commission shall select recipients and award the initial
scholarship loans for the 2016-2017 school year no later than April 1, 2016.
SPECIAL EDUCATION SCHOLARSHIP CHANGES AND REEVALUATION FUNDS

SECTION #.(a) G.S. 115C-112.6 reads as rewritten:

§ 115C-112.6. Scholarships.
(a) Scholarship Applications. – The Authority shall make available no later than May 1 annually applications to eligible students for the award of scholarships. Information about scholarships and the application process shall be made available on the Authority's Web site. The Authority shall give priority in awarding scholarships to eligible students who received a scholarship during the previous semester. Except as otherwise provided by the Authority for prior scholarship recipients, scholarships shall be awarded to eligible students in the order in which the applications are received.
(a1) Web Site Availability. – Information about scholarships and the application process shall be made available on the Authority's Web site. The Authority shall also include information on the Web site notifying parents that federal regulations adopted under IDEA provide that no parentally placed private school child with a disability has an individual right to receive some or all of the special education and related services that the child would receive if enrolled in a public school.

(b) Scholarship Awards. – Scholarships awarded to eligible students shall be for amounts of not more than $3,000 per semester per eligible student. Eligible students awarded scholarships may not be enrolled in a public school to which that student has been assigned as provided in G.S. 115C-366. Scholarships shall be awarded only for tuition and for the reimbursement of tuition, special education, related services, and educational technology, as provided in subsection (b1) of this section. The Authority shall notify parents in writing of their eligibility to receive scholarships for costs that will be incurred during the spring semester of the following year by December 1 and for costs incurred during the fall semester of that year by July 1.
(b1) Disbursement of Scholarship Funds. – The Authority shall disburse scholarship funds for tuition and for the reimbursement of costs incurred by the parent of an eligible student as follows:
(1) Scholarship endorsement for tuition. – The Authority shall remit, at least two times each school year, scholarship funds awarded to eligible students for endorsement by at least one of the student's parents or guardians for tuition to attend (i) a North Carolina public school other than the public school to which that student has been assigned as provided in G.S. 115C-366 or (ii) a nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of this Chapter as identified by the Department of Administration, Division of Nonpublic Education. Scholarship funds shall not be provided for tuition for home schooled students. If the student is attending a nonpublic school, the school must be deemed eligible by the Division of Nonpublic Education, pursuant to G.S. 115C-562.4, and the school shall be subject to the
requirements of G.S. 115C-562.5. The parent or guardian shall restrictively endorse the scholarship funds awarded to the eligible student to the school for deposit into the account of the school. The parent or guardian shall not designate any entity or individual associated with the school as the parent’s attorney-in-fact to endorse the scholarship funds but shall endorse the scholarship funds in person at the site of the school. A parent’s or guardian’s failure to comply with this section shall result in forfeiture of the scholarship funds. A scholarship forfeited for failure to comply with this section shall be returned to the Authority to be awarded to another student.

(2) Scholarship Reimbursements.—reimbursements for costs. — Scholarship reimbursement for costs incurred shall be provided as follows:

(a) Preapproval process. — Prior to the start of each school semester, the parent of an eligible student may submit documentation of the tuition, special education, related services, or educational technology the parent anticipates incurring costs on in that semester for preapproval by the Authority.

(b) Reimbursement submissions. — Following the conclusion of each school semester, the parent of an eligible student shall submit to the Authority any receipts or other documentation approved by the Authority to demonstrate the costs incurred during the semester. In addition, parents shall provide documentation of the following to seek reimbursement:

a. Tuition reimbursement. — Parents may only receive reimbursement for tuition if the parent provides documentation that the student was enrolled in nonpublic school or public school for which payment of tuition is required for no less than 75 days of the semester for which the parent seeks reimbursement. Tuition reimbursement shall not be provided for home schooled students.

b.1. Special education reimbursement. — Parents may only receive reimbursement for special education if the parent provides documentation that the student received special education for no less than 75 days of the semester for which the parent seeks reimbursement. Special education reimbursement shall not be provided for special education instruction provided to a home schooled student by a member of the household of a home school, as defined in G.S. 115C-563(a).

c.2. Related services reimbursement. — Parents may only receive reimbursement for related services if the parent provides documentation that the student also received special education for no less than 75 days of the semester for which the parent seeks reimbursement for the related services. Related services reimbursement shall not be provided for related services provided to a home schooled student by a member of the household of a home school, as defined in G.S. 115C-563(a).

d.3. Educational technology reimbursement. — Parents may only receive reimbursement for educational technology if the parent provides documentation that the student used the
educational technology for no less than 75 days of the semester for which the parent seeks reimbursement.

Scholarship award. – The Authority shall award a scholarship in the amount of costs demonstrated by the parent up to the maximum amount. If the costs incurred by the parent do not meet the maximum amount, the Authority shall use the remainder of those funds for the award of scholarships to eligible students for the following semester. The Authority shall award scholarships to the parents of eligible students at least semiannually.

(c) Student Reevaluation. – After an eligible student's initial receipt of a scholarship, the Authority shall ensure that the student is reevaluated at least every three years by the local educational agency in order to verify that the student continues to be a child with a disability.

(d) Rule Making. – The Authority shall establish rules and regulations for the administration and awarding of scholarships. The Authority shall adopt rules providing for pro rata return of funds if a student withdraws prior to the end of the semester from a school to which scholarship funds have been remitted. The Authority shall annually develop a list of educational technology for which scholarships may be used and shall provide scholarship recipients with information about the list.

(e) Public Records Exception. – Scholarship applications and personally identifiable information related to eligible students receiving scholarships shall not be a public record under Chapter 132 of the General Statutes. For the purposes of this section, personally identifiable information means any information directly related to a student or members of a student’s household, including the name, birthdate, address, Social Security number, telephone number, e-mail address, financial information, or any other information or identification number that would provide information about a specific student or members of a specific student’s household.”

SECTION #.(b) G.S. 115C-112.9 reads as rewritten:

"§ 115C-112.9. Duties of State Board of Education agencies.

(a) The State Board, as part of its duty to monitor all local educational agencies to determine compliance with this Article and IDEA as provided in G.S. 115C-107.4, shall ensure that local educational agencies do the following:

(1) Conduct evaluations requested by a child's parent or guardian of suspected children with disabilities, as defined in G.S. 115C-107.3, in a timely manner as required by IDEA.

(2) Provide reevaluations to identified children with disabilities receiving scholarships as provided in Part 1H of this Article at the request of the parent or guardian to ensure compliance with G.S. 115C-112.6(c).

(b) The Authority shall analyze, in conjunction with the Department of Public Instruction, past trends in scholarship data on an annual basis to ensure that the amount of funds transferred each fiscal year by the Authority to the Department for reevaluations by local school administrative units of eligible students under G.S. 115C-112.6(c) are sufficient and based on actual annual cost requirements.

SECTION #.(c) The Authority shall adopt rules within 60 days of the date this act becomes law providing for pro rata return of funds if a student withdraws prior to the end of the semester from a school to which scholarship funds have been remitted.

SECTION #.(d) This section applies to scholarships awarded for the 2015-2016 school year.
INTERNSHIPS AND CAREER-BASED OPPORTUNITIES FOR STUDENTS ATTENDING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU)

SECTION #. (a) The internship program created pursuant to S.L. 2014-100 to provide internships and career-based opportunities for students attending Historically Black Colleges and Universities may be offered to four or more HBCUs in the discretion of the Board of Governors of The University of North Carolina. Further, there is no requirement that Elizabeth City State University be a permanent participant in the internship program. The internship program shall be administered as provided by subsection (b) of this section.

SECTION #. (b) The Board of Governors shall conduct a competitive process to select institutions of higher education that are Historically Black Colleges and Universities to participate in the internship program which links 60 students attending Historically Black Colleges and Universities with North Carolina-based companies. The Board of Governors shall determine the number of institutions that may participate in the program; however, at least two of the institutions shall be private institutions. Funds appropriated by this act for this internship program shall be allocated only to constituent institutions of The University of North Carolina that are designated as an HBCU and private colleges and universities located in North Carolina that are designated as an HBCU.

SECTION #. (c) Of the funds appropriated by this act for the support of the internship program, The University of North Carolina may use up to five percent (5%) for costs associated with administering this program.

SECTION #. (d) This section applies to the 2015-2016 fiscal year and each subsequent fiscal year.
Requested by: Representative

ELIZABETH CITY STATE UNIVERSITY BUDGET STABILIZATION FUNDS REPORT

SECTION #. No later than October 1, 2015, and quarterly thereafter, the president of The University of North Carolina shall report to the Office of State Budget and Management and the Fiscal Research Division of the General Assembly on the status of budget stabilization funds appropriated to Elizabeth City State University by this act for the purpose of enhancing technology related to enrollment and recruitment of students, campus access and safety, and human resources management. The reports shall provide detailed descriptions of the scope of work that has been completed to date, anticipated activities for the next quarter, and a plan with time line to complete the full scope of work. The reports shall also include evidence of improved services and outcomes achieved from improvements implemented using these funds.
Requested by: Representative

UNC ENROLLMENT GROWTH REPORT

SECTION #. G.S. 116-30.7 reads as rewritten:


By October-December 15 of each even-numbered year, the General Administration of The University of North Carolina shall provide to the Joint Education Legislative Oversight Committee and to the Office of State Budget and Management a projection of the total student enrollment in The University of North Carolina that is anticipated for the next biennium. The enrollment projection shall be divided into the following categories and shall include the projected growth for each year of the biennium in each category at each of the constituent institutions: undergraduate students, graduate students (students earning master’s and doctoral degrees), first professional students, and any other categories deemed appropriate by General Administration. The projection shall also distinguish between on-campus and distance education students. The projections shall be considered by the Director of the Budget when determining the amount the Director proposes to appropriate to The University of North Carolina in the Recommended State Budget submitted pursuant to G.S. 143C-3-5(b)."
NEED-BASED SCHOLARSHIPS FOR STUDENTS ATTENDING ONLINE PRIVATE SCHOOLS OF HIGHER EDUCATION

SECTION #.(a) G.S. 116-280(3) reads as rewritten:


The following definitions apply to this Article:

... (3) Eligible private postsecondary institution. – A school that is any of the following:

   a. A nonprofit postsecondary educational institution with a main permanent campus located in this State that is not owned or operated by the State of North Carolina or by an agency or political subdivision of the State or by any combination thereof that satisfies all of the following:
      1. Is accredited by the Southern Association of Colleges and Schools under the standards of the College Delegate Assembly of the Association or by the New England Association of Schools and Colleges through its Commission on Institutions of Higher Education.
   b. A postsecondary institution owned or operated by a hospital authority as defined in G.S. 131E-16(14) or school of nursing affiliated with a nonprofit postsecondary educational institution as defined in sub-subdivision a. of this subsection.
   c. A nonprofit postsecondary online educational institution that is not owned or operated by the State of North Carolina or by an agency or political subdivision of the State or by any combination thereof that satisfies all of the following:
      1. Is accredited by the Northwest Commission on Colleges and Universities through its Commission on Institutions of Higher Education.
      3. Satisfies the competencies for online educational institutions established by executive order of the Governor."

SECTION #.(b) G.S. 147-12(a) is amended by adding a new subdivision to read:

"(15) To establish competencies and any other standards necessary to ensure that all programs conducted by nonprofit postsecondary online educational institutions shall be of high quality and relevant to student needs."
Requested by: Representative

**EARLY COLLEGE GRADUATES/UNC ADMISSION POLICY**

SECTION #.(a) The Board of Governors of The University of North Carolina shall adopt a policy to require each constituent institution to offer to any student who graduated from a cooperative innovative high school program with an associate degree and who applies for admission to the constituent institution the option of being considered for admission as a freshman or as a transfer student. The constituent institution shall also provide written information to the student regarding the consequences that accompany each option and any other relevant information that may be helpful to the student when considering which option to select.

SECTION #.(b) Beginning November 1, 2016, the Board of Governors shall report annually to the Joint Legislative Education Oversight Committee regarding the number of students who graduated from a cooperative innovative high school program with an associate degree and which option was chosen by those students when applying for admission to a constituent institution.

SECTION #.(c) This section applies to the 2016-2017 academic year and each subsequent academic year.