2011 General Session
Activity Through July 6, 2011

Reshaping Education

1. **SB 8 (SL 2011-164) No Cap on the Number of Charter Schools**
   An Act to remove the cap on the number of charter schools.
   Amends: 115C-238.29D, 115C-105.37B
   Application/Effective date: July 1, 2011
   LEA action required: none
   SBE action required: The State Board is required to report on its application process and results to the General Assembly by May 10, 2012, and June 11, 2012. While the law does not establish parameters for an advisory council, the State Board also is required to report on the composition and use of such a council. The State Board and DPI must address new standards in the law and create processes to address the lifting of the cap on the number of charter schools.
   Summary: Senate Bill 8 was one of the most controversial education bills of this session. Starting as a bill that simply lifted the cap, it quickly turned into a 22-page bill that fundamentally altered governance and funding of charter schools. These issues, along with concerns regarding virtual schools, quality standards, and equal access, led to House and Senate versions that while quite different from each other, did not satisfy the vast majority of Democrats and caused vehement opposition from education associations representing the interests of school districts. The State Board opposed changes in governance that could lead to a dual system of schools.
   After being parked in a conference committee for almost two months, the bill emerged on June 9 as a bill just a little over two pages in length. This version received unanimous support in the Senate, and passed 108 to 5 in the House. The Governor signed the bill June 17, recognizing the long road that led to a workable bill.
   This bill does the following:
   (1) completely lifts the cap (i.e. no prescribed limitations per year;
   (2) gives the State Board full authority in the approval of charter applicants, so long as they meet the statutory requirements;
   (3) enables charter schools to grow up to 20% more than what was provided in their charter application or above their previous year's enrollment without seeking a waiver (instead of 10% as previously provided by law);
   (4) sets minimum academic performance standards that must be met and gives authority to the State Board to revoke or not renew a charter that fails to meet these standards; and
   (5) requires the State Board to report back to the General Assembly on its processes and the results of the application process of 2012.
   The State Board will begin the process of addressing these issues at the July 7, 2011, Board meeting.

2. **HB 200 (SL 2011-145. Sec 10.7a) Consolidate More at Four Program into Division of Child Development**
   2011 Budget Bill
   Amends: 143B-168.4
   ***Application/Effective date*:** July 1, 2011
   ***LEA action required*:** determine participation in program, meet new requirements
   SBE/DPI action required: transfer program
   Summary: The budget bill transfers the More at Four pre-kindergarten program to the Department of Health and Human Services. It also reduces funding by 20% and shifts the program from a free prekindergarten program for at-risk children to a child-care subsidy model in which no more than 20% of the children can be at-risk. The State Board opposed this move as it affects the ability of school districts and the department to effectively combine the program with federal funds and requirements, including Head Start, Title I, and Exceptional Children. Research has found the More at Four prekindergarten program to be highly effective given its alignment with K-3. Judge Manning heard evidence regarding the move on June 22 to consider whether it has an impact on an equal opportunity for a sound basic education.

3. **HB 344 (SL 2011-395) Tax Credits for Children with Disabilities**
An Act to allow an individual income tax credit for children with disabilities who require special education and to create a fund for special education and related services.
***Adds new section*:** 105-151.33, 115C-472.15 (also revises HB 200 by adding Section 7.31 on ADM adjustment)
Application/Effective date: Applies to semesters for which credit is claimed beginning on or after July 1, 2011; specific other dates apply to other provisions
LEA action required: conduct reevaluations for continued eligibility
SBE/DPI action required: Manage "Fund for Special Education and Related Services".
Summary: Representative Stam has introduced similar legislation in prior sessions and had a broader bill this session for tuition tax credits. This legislation provides a tax credit for up to $3000 per semester as reimbursement for actual expenses for a child with a disability whose individualized education program developed at a public school provides for special education or related services on a daily basis. For initial eligibility for the tax credit, the child must have attended at least the two preceding semesters in a public school. Beginning in 2016, this initial eligibility is reduced to one semester. The tax credit can be claimed for tuition at a private school or for special education and related service expenses for a child who is home-schooled; it is not a flat rate, but rather expenses must be documented. The child also must be reevaluated by the local education agency every three years to verify that the child continues to have a disability as defined by law. The cost of the reevaluation is intended to be covered by the "Fund for Special Education and Related Services," a fund held by the State Board from a portion of the income tax collections.

4. **HB 822 (SL 2011-259) Dropout Recovery Pilot Program**
An Act directing the State Board of Education to implement a Dropout Prevention Pilot Program.
Amends: Does not affect General Statutes
Application/Effective date: July 1, 2011
LEA action required: option to participate; requirements in law for program
SBE/DPI action required: Approves education partners for the pilot program; selects three local school administrative units. If a request for proposals is necessary, the process shall be completed within 60 days of the effective date of the legislation.
The SBE shall authorize participating local school administrative units to implement flexible attendance requirements for students participating in the pilot program; the SBE can operate the program or it can be operated through the contracting school administrative unit.
Summary: This legislation provides for New Hanover County Schools and three other school administrative units selected by the State Board to participate in a pilot program to bring back students who have dropped out of school. These students would go to an "education partner," which can be a nonprofit or for-profit entity, which would provide flexible scheduling and a blended learning environment. The student will be included in the ADM of the school district and 95% of funds transferred to the educational partner. The school administrative unit is also responsible for issuing the diploma. The law is silent on what rights the student has while participating in the program, such as in issues of student discipline or disability laws.

5. **SB 125 (SL 2011-241) Regional Schools**
An Act to permit local boards of education to jointly establish regional schools.
Adds: 115C-238.56A-N; rewrites 114-19.2, 115B-2, 115C-238.50A, 126-5(c1)
Application/Effective date: Effective when it becomes law (June 23, 2011)
LEA action required: No action required, but provides opportunity to create regional schools; the local school administrative unit identified as the finance agent shall have all duties specified in Article 31.
SBE/DPI action required: The SBE shall approve the creation of a regional school upon receiving resolutions from all local boards identified in the resolution; shall allocate funds to the regional school based on funding requirements specified in the law.
Summary: This bill was originally entitled, "NC School of Biotechnology and Agriscience," and was based on an extensive report, "Establishing a Regional School of Agriscience and Biotechnology: Solving Key Problems to Enable Success." The intent was to set up the structure for a partnership between school districts in the Northeast in partnership with North Carolina State University. With some uncertainty as to whether those districts would want to participate as the details of the legislation were considered, the bill was expanded to provide a model for any two or more school districts to develop regional schools.

The purpose is to provide an opportunity to combine resources and collaborate with other partners in higher education or private businesses or organizations in order to expand opportunities for students. The regional school may set priorities for student attendance for first-generation students and must consider demonstrated academic achievement and student interest and parental support for attendance. The funding model is similar to charter schools, requiring the transfer of funding received on an ADM basis. It also adds the requirement to develop a plan for transportation and, to the extent practicable, to provide school food services. No employees of the regional school are eligible for career status with that school. The board of directors is a separate corporate entity apart from the local boards or other partners. This is a complex statute and any local board considering involvement will want to understand all implications of developing a regional school.

6. **HB 342 (SL 2011-306) High School Accreditation**
An Act prohibiting any public institution of higher education from soliciting or using information regarding the accreditation of a secondary school attended by a student as a factor affecting admissions, loans, scholarships, or other educational activity at the public institution, unless the accreditation was conducted by a state agency; authorizing the State Board of Education to accredit schools in a local school administrative unit at the request of and at the expense of that unit; and modifying the budget of the Department of Public Instruction accordingly.
Amends: 115C-12(38), 116-11, 115D-1.3 (See also SB 479, HB 338)
Application/Effective date: Applies beginning with the 2011-2012 school year
LEA action required: option for accreditation
SBE/DPI action required: Use funds available within its budget to establish position to coordinate accreditation process; provide accreditation service upon request of local boards of education
Summary: Representative Blackwell sponsored this legislation to address the issue of schools not receiving accreditation because of the conduct and processes of the local board of education. (Representative Blackwell also sponsored HB 338, S.L. 2011-157, providing a process for the recall of members of the Burke County Board of Education.) This legislation requires the State Board to provide accreditation services based on "rigorous academic standards." Those standards include the Common Core State Standards that the State Board has adopted. (See SB 479 that requires the State Board to continue this work.) The local board requesting the service must compensate the State Board for the actual costs. The legislation further provides that universities and community colleges in the state system may not use information regarding accreditation.

7. **HB 200 (SL 2011-145, sec. 7.9) Tuition Charge for Governor's Schools**
Amends: 115C-115C-12(36)
Application/Effective date: July 1, 2011
LEA action required: none
SBE/DPI action required: May implement tuition charge for students attending the Governor's School to cover the costs of the School.
Summary: The budget eliminates all state funding for the Governor's Schools beginning in 2012. Tuition would need to increase substantially from $500 in order to make up for the loss of a minimum of $850,000 in state funding. About 600 students participate in the summer program. The State Board of Education is authorized to adopt tuition charges and will need to decide the future of the Governor's School.

8. **HB 200 (SL 2011-145, sec. 7.25) Residential Schools**
(See also section 44 of the Money Report)
Amends: Does not affect General Statutes
Application/Effective date:
LEA action required: none
SBE/DPI action required: DPI shall report to Joint Legislative Education Oversight Committee by January 15, 2012, on its plan for closing one residential school and consolidating services at the remaining two residential schools; DPI must implement the closure and consolidation July 1, 2012.

Summary: The Governor Morehead School for the Blind (in Raleigh) and the Eastern North Carolina School for the Deaf (in Wilson) and the North Carolina School for the Deaf (in Morganton) were transferred to the State Board on June 1, 2011, from the Department of Health and Human Services as a result of legislation passed last year. That legislation also eliminated the 15 positions in DHHS that supported the schools, along with all the principalships and over 60 other positions.
This year's budget does not restore any of these positions, including the principalships at the schools. It instead takes the continuation budget that does not have these positions and then requires a 5% reduction. It further removes funding for the one central office position of superintendent and instead requires that these functions be performed by the director of one of the residential schools with a pay increase of $20,000. No positions are given to the Department of Public Instruction to continue the services that had been provided by DHHS.

The Department of Public Instruction is directed to identify one of the three schools to close and to consolidate services at the remaining schools. Leaders in the General Assembly have indicated that they expect the Eastern School to be closed.

9. **HB 22 (SL 2011-391, sec. 7.15) Transfer of Federal Agricultural Education Funds**
Amends: Does not affect General Statutes
Application/Effective date: July 1, 2011
LEA action required: none
SBE/DPI action required: Transfer funds to the Department of Agricultural and Extension Education at NCSU.
Summary: This special provision in the budget bill requires that the Department of Public Instruction transfer $90,500 to the Agricultural Education and FFA Program and NCSU to support the secondary Agricultural Education Program. In House Bill 200 (budget bill), it required a portion of federal grants to be shared with NCSU. As this would violate federal law, the language was changed to the specific amount in the technical corrections. However, issues remain with a transfer of funds.

Impact on Globally Competitive Students

1. **HB 200 (SL 2011-145, sec. 7.1A) Career and College Promise**
Amends: 115C-238.50, -238.50A, -238.51, -238.54 as well as changes to laws affecting community colleges in Chapter 115D.
Application/Effective date: January 1, 2012, except Cooperative and Innovative High Schools approved prior to July 1, 2011, must meet new requirements by July 1, 2014; and community colleges shall generate budget FTE for instruction provided through Career and College Promise effective January 1, 2013, through June 30, 2015
LEA action required: Modify any cooperative innovative high schools in the district as necessary to meet new requirements.
SBE/DPI action required: Establish the Career and College Promise program in conjunction with the North Carolina Community College System (7.1A.(a)); adopt career and college ready standards (7.1A.(b), (c)); DPI and NC Community College shall jointly develop and implement accountability plan (7.1A.(d))
Summary: The Career and College Promise, an initiative of Governor Perdue, consolidates and replaces existing high school transition programs to provide clear pathways for dual enrollment in high school and community college. Cooperative innovative high schools are redefined, including a new limit that it has no more than 100 students per grade level. Duties are specified for the higher education systems.

2. **HB 200 (SL 2011-145, sec. 7.22) North Carolina Virtual Public Schools**
Adds G.S. 66-58(c) Repeals 7.4 of SL 2010-31.
***Application/Effective date*:** Fiscal year 2011-12
LEA action required: None
SBE/DPI action required: Implement allotment formula for NCVPS; establish a separate per student tuition for out-of-state students, home-schooled students, and private school students; direct NCVPS to develop and submit a plan to the Board by September 15, 2011, on generating revenue from the sale of courses to out-of-state educational entities.
Summary: This special provision of the budget bill revises the payment structure for NCVPS courses. (More information is available from the Financial and Business Services Division of DPI.)

3. **HB 769 (SL 2011-91) High School Work Partnership**
An Act directing local boards of education to adopt and implement policies that encourage high school to work partnerships.
Amends by adding new subsection: 115C-47(34a)
Application/Effective date: Applies beginning with the 2011-2012 school year
LEA action required: adopt policy with provisions for students absent from school for job-shadowing activities.
SBE/DPI action required: to conform with local flexibility in developing attendance policies, the State Board may want to review the requirements in TCS-L-001, Policy defining attendance (16 NCAC 6E.0101) and TCS-L-002, Policy defining excused absences (16 NCAC 6E.0102), and the School Attendance and Accounting Manual.
Summary: Local boards shall encourage high school to work partnerships and shall encourage high schools to designate a contact for businesses. The required local board policy shall address provisions for students to make up school work who were absent for job-shadowing. Local boards may determine the maximum number of days for such activities.

4. **HB 48 (SL 2011-8) No Standardized Testing Unless Req'd by Feds**
An Act to reduce spending by eliminating statewide standardized testing in the public schools, except as required by federal law or as a condition of a federal grant.
Amends: 115C-174.11 (See also SB 479 (SL 2011-280) Testing in Public Schools and HB 588 (SL 2011-273) The Founding Principles Act**)**
Application/Effective date: Applies beginning with the 2011-2012 school year.
LEA action required: None – may want to consider any eliminated tests to continue at the local level.
SBE/DPI action required: Elimination of tests; report of strategies to education committees.
Summary*:* This bill passed early in the legislative session with bi-partisan support but was not signed by the Governor. It eliminates four of seven high school tests (United States History, Civics and Economics, Algebra II, and Physical Science). It further prohibits the State Board from requiring any other tests except those required by federal law or as a condition of a federal grant. The State Board opposed the bill as it eliminates the only remaining tests in history and that the four tests were an important part of the high school accountability model. The legislation required the Department of Public Instruction to consider alternative strategies and report to the education committees by June 1. The Department submitted draft legislation in response, proposing a system of alternative assessments that included diagnostics and nationally benchmarked tests. This was passed as SB 479.

5. **SB 479 (SL 2011-280) Testing in Public Schools**
An Act to provide for the assessment of career and college readiness with nationally and internationally benchmarked tests; the continuation of North Carolina's participation in the development and implementation of tests related to common core state standards adopted by a majority of states; a pilot study of a new assessment of U.S. History based on the revised curriculum and that assesses critical thinking and writing skills; and diagnostic tools to assist in teaching and student learning.
Amends: 115C-174.11, -174.20, -174.25 (also repeals duplicative provision in HB 200, Section 7.30)
Application/Effective date: July 1, 2011
LEA action required: No immediate action.
SBE/DPI action required: Continue to participate in the development of Common Core State Standards; implement other assessments as funds are available; could look for non-state funding for assessments.

Summary: This legislation was introduced after House Bill 48 removed four end of course tests in high school. Receiving bi-partisan support, it passed the Senate 43-0 and House 103-1. It does not appropriate any funds: it provides that, as funds are available, the State Board shall plan for the administration of the ACT test in the 11th grade, diagnostics aligned with this test in the 8th and 10th grade, and WorkKeys for those in the vocational courses. These assessments are nationally and internationally benchmarked and relate to the Common Core State Standards adopted last year by the State Board of Education. They will provide for assessment in areas previously tested in the end of course high school tests, except in history. The General Assembly has prohibited testing of this subject at any grade level. (See also HB 588 The Founding Principles Act)

6. **SB 726 (SL 2011-354) Multiple Birth Sibling Classroom Placement**
An Act to allow parents or guardians to make the decision regarding classroom placement for multiple birth siblings.
***Adds new section*:** 115C-366.3
Application/Effective date: July 1, 2011
LEA action required: Processes at the school level for addressing placement of multiple birth siblings.
SBE/DPI action required: none
Summary: This legislation gives parents of multiple birth siblings the ability to specify whether these siblings are placed in the same or separate classrooms in their initial school placement. The principal must accept this request if made within the first 5 days before school begins or if made within 5 days if the students begin after the school year commences, with the only exception being if separate placement would require the school to create an additional class. After the first grading semester, the principal has authority to separate multiple birth siblings if they are causing a disruption. There is no authority for the principal to change placements based upon other factors, such as the educational appropriateness of the placement. Note that this law only addresses initial school placement so that decisions afterwards regarding placement should be under the principal's authority to grade and classify in G.S. 115C-288(a).

7. **HB 744 (SL 2011-388) Safe Students Act**
An Act to enact the Safe Students Act.
Amends: 115C-364(c), 130A-109
Application/Effective date: Applies beginning with the 2011-2012 school year
LEA action required: Make sure admission process provides for requiring a birth certificate or other competent and verifiable evidence of age.
SBE/DPI action required: none
Summary: This bill went through different versions, with earlier forms requiring the principal to seek information about citizenship status. This controversial provision was removed. In its final form, the bill changes current law, making it mandatory for the principal to require the parent to furnish a certified copy of the child's birth certificate. It does, however, permit when the certificate is not available for school authorities to accept "competent and verifiable evidence as secondary proof of age, specifically including but not limited to: (i) a certified copy of any medical record of the child's birth issued by the treating physician or the hospital in which the child was born, or (ii) a certified copy of a birth certificate issued by a church, mosque, temple, or other religious institution that maintain birth records of its members." The bill is silent on the time period for the parent to produce the birth certificate. (By contrast G.S. 130A-155 provides 30 days for immunization records).

8. **HB 200 (SL 2011-145) Driver Education Reform -** As amended by SL 2011-334, SB 339
2011 Budget Bill
Amends: 115C-215, -216
Application/Effective date: July 1, 2011
LEA action required: Must implement standardized curriculum provided by the Department of Public Instruction.
SBE/DPI action required: The State Board shall (1) establish and implement strategic plan for the driver education program and approve criteria and standards for the program; (2) adopt the required curriculum; and (3) adopt the salary range for delivery of driver education courses based on instructor's qualifications and license for driver's education. The State Superintendent shall organize and administer the standardized driver education program.

Summary: The driver education law, 115C-215, is rewritten to require a standardized curriculum that meets specific requirements in the law. Local boards are required to implement this program. These provisions originally were in SB 339 but were later incorporated into the budget bill. Senate Bill 339 was then stripped to address only a new issue of the payment of instructors. This requires that the "salary range shall be based on the driver education instructor's qualifications, certification, and licensure specific to driver education." The intent is to avoid paying teachers differently based upon their qualifications and experience in their primary role with the school district.

9. **HB 588 (SL 2011-273) The Founding Principles Act**
An Act to enact the Founding Principles Act.
Amends: 115C-81(g)
Application/Effective date: Applies beginning with the 2014-2015 school year
LEA action required: none until implementation in 2014-2015
SBE/DPI action required: Meet curriculum requirements of the legislation and provide biennial report by October 15 of each odd-numbered year to the Joint Legislative Education Oversight Committee.
Summary: The Founding Principles Act requires a semester course that includes specified founding principles and a review of contributions made by Americans of all races. A passing grade is required for graduation. It also requires that any high school level curriculum-based tests beginning with the 2014-2015 academic year include questions related to the philosophical foundations and principles of the U.S. Constitution and other documents. Other legislation passed this session (HB 48) removed history tests and prohibits the State Board from administering any new tests.

10. **HB 200 (SL 2011-145, sec. 7.29) Increase Number of Instructional Days**
2011 Budget Bill
Amends: 115C-84.2
Application/Effective date: July 1, 2011
LEA action required: amend school calendar
SBE/DPI action required: waiver process
Summary: The budget bill increases the instructional days in the school calendar from 180 to 185 and the instructional hours from 1000 to 1025. Except for year-round schools, these days must occur within the existing legal requirements of beginning no sooner than August 25 or closing no later than June 10. These additional days are created by removing five protected teacher workdays. No additional funds are provided in the budget for transportation or other expenses incurred in holding school on these days. The legislation does provide authority for the State Board to grant a waiver for up to five instructional days to be used as teacher workdays if the State Board finds that it will enhance student performance to do so. The State Board set policy on this issue on June 24 and will act on any individual waiver requests at the July and August Board meetings.

11. **HB 200 (SL 2011-145, sec. 7.17(a)) School Calendar Pilot Program**
Amends: Does not affect General Statutes (but see other calendar legislation, Section 7.29(a) amending 115C-84.2)
Application/Effective date:
LEA action required: *n*one
SBE/DPI action required: Report to the Joint Legislative Education Oversight Committee by March 15, 2012, on the pilot program, including cost savings from consolidation of the school calendar and the impact on student achievement.
Summary: This provision adds pilot programs for Stanly County Schools and Montgomery County Schools with the existing pilot for Wilkes County Schools for allowing a school calendar of 185 days <u>or</u> 1,025 hours of instruction. (See changes in calendar law applying to school districts requiring 185 days and 1,025 hours.) The State Board may approve a calendar waiver for up to five days or an equivalent number of instructional hours as teacher workdays.

12. **HB 197 (SL 2011-93) School Calendar Flexibility/Inclement Weather)**
An Act to give certain local boards of education additional flexibility with regard to instructional time lost due to inclement weather.
Amends: 115C-84.2, -238.29F(d)(1) (Sections also amended by HB 200, Sec. 7.29)
Application/Effective date: Applied to the 2010-2011 school year only
LEA action required: optional
SBE/DPI action required: none
Summary: This bill provided flexibility in instructional hours and days due to inclement weather and destruction due to storms and flooding. As it made its way through the committees, a number of legislators noted that it would make more sense to make permanent changes in the law rather than this process of annually identifying exemptions.

13. **HB 765 (SL 2011-257) Study Length of School Year**
An Act to establish a blue ribbon commission to study the current length of the school year in North Carolina and to determine how long the school year should be.
Amends: Does not affect General Statutes (See also HB 200 (SL 2011-145, sec. 7.29) Increase Number of Instructional Days, HB 200 (SL 2011-145, sec. 7.17(a)) School Calendar Pilot Program)
Application/Effective date: July 1, 2011
LEA action required: *n*one
SBE/DPI action required: Commission includes SBE Chair and State Superintendent.
Summary: This legislation establishes a Blue Ribbon Commission to Study the Current Length of the School Year. It reaffirms the General Assembly's intent that every child in North Carolina deserves an opportunity to a sound basic education. It will study specified matters related to implementing a longer school year and will make an interim report to the 2012 session and final report to the 2013 General Assembly.

14. **HB 200 (SL 2011-145, sec. 7.1B) Class Size Reduction for Grades 1-3**
Amends: 115C-
Application/Effective date: *N/A*
LEA action required: none
SBE/DPI action required: none
Summary: The special provisions of the budget bill include a statement of the intent of the General Assembly "to reduce class size in grades 1 through 3 to a class size allotment not exceeding 1:15 as funds become available."

Impact on Healthy and Responsible Students

1. **HB 792 (SL 2011-147) Gfeller-Waller Concussion Awareness Act**
An Act to enact the Gfeller-Waller Concussion Awareness Act.
Amends: 115C-12(23)
Application/Effective date: Applies beginning with the 2011-2012 school year
LEA action required: Each middle and high school must have a venue specific emergency action plan to address serious injuries and acute medical conditions; provide concussion and head injury information sheet to be signed by school employees, first responders, volunteers, and students/parents; and maintain records of compliance with requirements pertaining to head injuries.
SBE action required: Shall adopt rules that address specific requirements in the statute for use of the concussion and head injury information sheet; the already adopted curriculum will be amended to add motorcycle safety and will be presented to the State Board for action.
Summary: This legislation sets out specific requirements for safety related to concussions and other head injuries. The Matthew A. Gfeller Sport-Related Traumatic Brain Injury Research Center at UNC-Chapel Hill, in consultation with other organizations, including the Department of Public Instruction, shall develop an athletic concussion safety training program. See other requirements above under LEA and SBE action. The Research Center is working this month (July, 2011) to prepare sample information sheets and training. DPI will help in sharing information with schools.

2. **SB 415 (SL 2011-342) Eliminate Cost of Reduced Price School Meals**
An Act to eliminate the cost of reduced price lunches for school children who qualify for reduced price meals.
Amends: S.L. 1999-235, sec. 8.26
Application/Effective date: July 1, 2011
LEA action required: use funds appropriated for school breakfasts to provide breakfasts at no costs to the extent funds are available.
SBE/DPI action required: Report by November 15, 2011, to Joint Legislative Education Oversight Committee and Joint Legislative Commission on overview of federally supported food service programs; participate in audit of the Division of School Support, Child Nutrition Services to determine if local school administrative units' participation effectively serves intent of General Assembly and complies with federal and State law and regulations.
Summary: Different versions of this bill worked their way through the legislature. The final version requires that breakfast be provided at no cost to students of all grade levels qualifying for reduced-price meals. If funds are insufficient, local programs shall charge the allowable amount.

These funds will be allotted to each eligible School Food Authority (SFAs) – including charter schools - based on the number of students eligible for reduced-price meals as of September 30, 2010. This allotment plan will ensure that all SFAs receive an equitable allocation of the available funds. For every breakfast meal served to an eligible child, the State allocation will pay $ .30 and the SFA will draw down an additional $1.46 in Federal funds in severe need schools and $1.18 in non-severe need schools. (Currently 80% of all schools are eligible for severe need rates.)

The current allocation is adequate as long as reduced price breakfast meal participation remains at approximately 30% – 35%. If student meal participation increases, LEAs will have the option of using all or a portion of the current required State Revenue Match to continue the program for the duration of the school year (as opposed to ending the program mid-year). The current State Revenue Match requirement is in the amount of $45,000 annually to be deposited from each LEA's Central Office Allotment into the non-profit Child Nutrition Account). In the event the LEA uses all $45,000 for this purpose, the district will draw down an additional $219,000 (severe need schools) or $177,000 (non-severe need schools) in Federal funds, thus quadrupling or tripling the district's initial investment.

In a committee meeting discussion, some legislators made clear their concern that there may be some families fraudulently obtaining eligibility. The audit required in Section 3 of the report appears to be targeted towards this concern.

3. **SB 394 (SL 2011-248) Clarify Process/Reportable Offenses in School**
An Act to clarify the requirement that school principals report certain acts to law enforcement.
Amends: 115C-288(g)
***Application/Effective date*:** Applies beginning with the 2011-2012 school year
***LEA action required*:** removes requirements
SBE/DPI action required: State Board Policy HRS-A-000 must be modified not to require any additional reporting to law enforcement.
Summary: This bill was sought by school administrators and others to address concerns regarding implementation of state law and State Board policy on reportable offenses. It limits the kinds of crimes that must be reported by principals to those listed in the statute, which are all serious crimes, such as rape or assault resulting in serious injury. The State Board's policy had required that any criminal offense be reported. This policy will be changed to conform to the new requirement. The law expands when the principal has sufficient information to believe a serious crime has been committed, adding to "personal knowledge" and "actual notice" a broader standard of "reasonable belief." This standard had previously been in the law but was removed at the same time that it was made a misdemeanor for failure to report. This legislation also removes this criminal penalty but provides that willful failure to make a report can be the basis for demotion or dismissal. While no longer required, LEAs may want to continue to pursue understandings with their law enforcement for reporting of crimes not covered by the statute.

4. **HB 736 (SL 2011-282) Amend Law Re: School Discipline**
An Act to reorganize the general statutes relating to school discipline; prevent litigation by adding definitions to and clarifying ambiguities in the current law; codify existing case law; and increase local control and flexibility regarding discipline.
Repeals: 115C-390 and -391 and adds sections 115C-390.1-390.12 and conforming changes to 115C-391.1, -12(27), -45(c), -238.29B (b) (11), -238.29F (g) (7), -276(r), -299(e), -366, -402(b), -208.19(f), and 20-11(n1)d.2.
Application/Effective date: Applies beginning with the 2011-2012 school year
***LEA action required*:** Provide corporal punishment opt-out form; local board policies likely will have to be rewritten to reflect changes in the laws; report to State Board on use of corporal punishment.
SBE/DPI action required: Incorporate corporal punishment data in student discipline reports.
***Summary*:** This is an extensive revision of student discipline laws. It was drafted in advance of the session by groups representing the interests of parents/students, teachers, school administrators, and local boards of education. As a consensus bill, it gained bipartisan support and the conference report was adopted 47-0 in the Senate and 112-1 in the House. The following are some of the major changes:
- Parents may elect out of the use of corporal punishment by returning a form provided at the beginning of the school year or when the student first begins to attend that year (115C-390.4)
- Local boards must annually report to the State Board of Education on the use of corporal punishment (see details in 115C-290.4(c))
- Local board policy may not allow for suspension of student for more than two days solely for truancy or tardiness offenses (115C-390.2)
- Local board policies cannot be zero tolerance for long-term suspensions: they must allow the principal and superintendent to consider issues such as the student's intent and disciplinary and academic history (see 115C-390.2(g) for full list)
- Local board policies can only provide for long-term suspension or expulsion if the conduct meets the standard set in the law: threatens the safety of students, staff, or school visitors or threatens to substantially disrupt the educational environment (See 115C-390.2 for list of examples)
- Allows continuation of a long-term suspension through the first semester of the following school year for offenses that occurred in the last quarter of the year (115C-390.1(b)(6)
- Eliminates 365-days suspensions except as required by federal law for gun possession.
- Revises the process for requests for re-entry after expulsion and makes the same process available for 365-day suspensions.

5. **SB 498 (SL 2011-270) Modify Law Re: Corporal Punishment**
An act to require the involvement of a parent or guardian before school officials may administer corporal punishment on a student.
Amends: 115C-391(a)(5) (Same provision is in comprehensive legislation, HB 736/SL 2011-282)
Application/Effective date: Applies beginning with the 2011-2012 school year
***LEA action required*:** Provide form at the beginning of school year or when student first enters to allow parents to make the election not to allow corporal punishment.
SBE/DPI action required: none (Requirements related to corporal punishment are included in HB 736)
Summary: This legislation modifies the law regarding corporal punishment. This gives parents the option to opt out of allowing corporal punishment. The North Carolina School Boards Association opposes banning corporal punishment. This legislation provided a compromise in positions expressed by interest groups as well as legislators. School districts will need to develop a form that parents can sign to opt out of corporal punishment. The form must alert parents that for the same behavior, suspension could be required.

6. **HB 200 (SL 2011-145, sec. 7.13(w), (x), (y), (z)) Elimination of Reporting Requirements – Safe School Plan** (Cross-referenced under Impact on Efficiency and Funding Mechanisms)
2011 Budget Bill
Amends: 115C-47(32(a), -105.27(b)(2), 105.46; repeals 115C-105.47
Application/Effective date: July 1, 2011
LEA action required: removes requirements - LEAs may want to consider how to continue useful parts of the plan.
SBE/DPI action required: removes requirements
Summary: In order to reduce reporting requirements, the budget bill eliminates the school district safe school plan. The plan required school districts to identify procedures for identifying and serving students who are at-risk, provide a plan for working with law enforcement, and identify professional development related to the goals of the safe school plan. Earlier version of the budget bill also called for eliminating the school improvement plan and the personal education plans. These were restored in the technical corrections to the budget bill.

7. **SB 49 (SL 2011-64) Increase Fine for Speeding/School Zones**
An act to increase the fine for speeding in a school zone.
Amends: 20-141.1
Application/Effective date: July 1, 2011
LEA action required: none
SBE/DPI action required: none
Summary: This increases the minimum fine for speeding in a school zone or on school property from $25.00 to $250.00.

Twenty-First Century Professionals

1. **SB 466 (SL 2011-348) Modify Teacher Career Status Law**
An Act to modify the law relating to career status for public school teachers.
Amends: 115C-276, -288, -296, -325, -333, -333.1, -334, -335
Application/Effective date: July 1, 2011
LEA action required: May adopt policies for mandatory improvement plans; shall create list of qualified observers from recommendations submitted by school improvement teams; must follow the detailed provisions for dismissal of probationary and tenured teachers.
SBE/DPI action required: Develop guidelines to assist local boards in evaluating teachers and developing effective mandatory improvement plans. Annually notify all local boards with the names of teachers dismissed for any reason other than a reduction in force. If a local board hires one of these teachers, the State Board shall review and provide recommendations to the superintendent on the mandatory improvement plan that the law requires the superintendent to develop. The State Board shall initiate license revocation in prescribed circumstances. More detailed requirements are provided for selection of hearing officers and enforcing statutory requirements for performance of hearing officers.
Summary: This bill revises statutes related to the teacher dismissal process and evaluation. It was offered as consensus legislation by organizations representing school boards, school administrators, and teachers. It includes the following:
   - For career teachers, inadequate performance is defined as the failure to meet a proficient level on any standard of the evaluation instrument unless the principal noted on the instrument that the teacher is making adequate progress toward proficiency given the circumstances. This might apply, for example, if new curriculums were implemented or the teacher was teaching a new subject or grade level.
   - For probationary teachers, the superintendent or designee may deem whether failure to meet a proficient level on any standard of the evaluation instrument is "inadequate performance" or is "adequate at that stage of development."
   - Evaluation requirements for teachers are made consistent with Race to the Top grant requirements by providing that the frequency of evaluation must be consistent with state or federal requirements.

- Detailed provisions are provided for implementing a "mandatory improvement plan" when a teacher's performance is not satisfactory. This includes the use of "qualified observers."
- School improvement teams shall identify teachers and administrators to be on the local board of education's list of qualified observers. These teachers and administrators shall have excellent reputations for competence and fairness.
- Any teacher – other than one assigned to a low-performing school - has a right to be observed by a qualified observer in the areas identified on the mandatory improvement plan.
- The hearing process is modified, providing for a hearing officer (instead of a case manager) and giving more stringent requirements for qualifications and for meeting deadlines.

2. HB 200 (SL 2011-145, sec. 7.23) Performance-Based Reductions in Force
2011 Budget Bill
Amends: 115C-325(e)(2)
Application/Effective date: July 1, 2011; board policy required by July 15, 2011
LEA action required: a policy is required to be in place by July 15, 2011, that addresses criteria specified in law (see below).
SBE/DPI action required: none
Summary: This provision does two things: (1) it eliminates the priority given to career teachers for re-employment who have been dismissed due to a reduction in force as previously provided in 115C-325(e)(2); and (2) requires a Reduction in Force policy by July 15, 2011, that addresses criteria set out in the budget bill. These provisions are not a part of the changes to 115C-325 so that it is necessary to review the budget bill for these requirements. They are as follows (verbatim other than the numbering):

1. "Structural considerations, such as identifying positions, departments, courses, programs, operations, and other areas where there are (i) less essential, duplicative, or excess personnel; (ii) job responsibility and/or position inefficiencies; (iii) opportunities for combined work functions; and/or (iv) decreased student or other demands for curriculum, programs, operations, or other services."
2. "Organizational considerations, such as anticipated organizational needs of the school system and program/school enrollment."
3. "In determining which employees in similar positions shall be subject to a reduction in force, a local school administrative unit shall consider work performance."

3. **HB 200 (SL 2011-145, sec. 7.14(a)) School Building Administration**
Amends: Does not affect General Statutes
Application/Effective date: July 1, 2011
LEA action required: compliance with funding requirements
SBE/DPI action required: DPI will implement and monitor compliance.
Summary: For schools created after July 1, 2011, a school with fewer than 100 students in final average daily membership is not entitled to 12 months of employment for a principal. In transferring funds out of school building administration, the salary transferred shall be based on the first step of the assistant principal salary schedule/first step of the principal III salary schedule.

4. HB 200 (SL 2011-145, sec. 7.13A) Renewal Credits for Licensure
2011 Budget Bill
Amends: Does not affect General Statutes
Application/Effective date: July 1, 2011
LEA action required: none – may want to advise teachers
SBE/DPI action required: Revise board policy TCP-A-005/16 N.C.A.C. 6C.307, Policies regarding renewal requirements.
Summary: The budget bill cuts in half the number of renewal credits for a North Carolina Standard Professional 2 professional educator's license – from 15 to 7.5. Current board policy will need to be revised to reflect this change. The State Board also could adjust the amount of credit given for experience. Current policy provides that a unit of credit is equal to one-quarter hour or two-thirds of a semester hour of IHE credit, ten clock hours of professional development, or one school year of teaching experience.

Impact on Efficiency and Funding Mechanisms

1. **HB 720 (SL 2011-379) School and Teacher Paperwork Reduction Act**
   An Act to enact the School and Teacher Paperwork Reduction Act.
   Amends: 115C-12, -47, -105.27, -302.1 (See also HB 200, Section 7.13)
   Application/Effective date: Applies beginning with the 2011-2012 school year
   LEA action required: Prior to the beginning of each school year, the local board make available software protocols that can minimize repetitious data entry by teachers.
   SBE/DPI action required: Adopt policies for consolidation of applications for State funding; report to Joint Legislative Education Oversight Committee by November 15 of each year on reports consolidated or eliminated for the upcoming school year.
   Summary: The legislation requires the State Board to (1) allow electronic submission of all reports; (2) to "consolidate all plans that affect the school community;" and (3) adopt policies for consolidation of applications for State funding. Further, if the school improvement plan adequately covers another required plan, the school administrative unit shall not be required to prepare an additional plan. New statutory local board duties (115C-47) requires local boards to identify and make available to teachers software protocols to minimize repetitious data entry and to monitor access to these protocols.

   In other legislation related to paperwork, the budget bill eliminates the local technology plan and the safe school plan. The school improvement plan, which was eliminated in the Senate version of HB 200, but was restored in the technical corrections bill, HB 22.

   This bill (HB 720) also eliminates pre-payment of teachers, beginning July 1, 2012. This does not prevent paying teachers for 10 months over 12 months. However, school districts will need to adjust accounting and payroll systems to comply with the prohibition against pre-payment.

2. **HB 200 (SL 2011-145, sec. 7.13(aa), (bb), (cc)) Elimination of Reporting Requirements – Technology Plan**
   2011 Budget Bill
   Repeals: 115C-102.6C, -102.6D(d); amends 115C-102.7
   Application/Effective date: July 1, 2011
   LEA action required: removes requirements
   SBE/DPI action required: Removes requirements; may need alternative means for monitoring compliance with technology funds.
   Summary: In order to reduce reporting requirements, the budget bill eliminates the local technology plan. School districts will still need plans for applying for e-rate and must be able to provide sufficient documentation of use of technology funds.

3. **HB 200 (SL 2011-145, sec. 7.13(w), (x), (y), (z)) Elimination of Reporting Requirements – Safe School Plan** (Cross-referenced under Healthy and Responsible Students)
   2011 Budget Bill
   Amends: 115C-47(32(a), -105.27(b)(2), 105.46; repeals 115C-105.47
   Application/Effective date: July 1, 2011
   LEA action required: removes requirements - LEAs may want to consider how to continue useful parts of the plan.
   SBE/DPI action required: removes requirements
   Summary: In order to reduce reporting requirements, the budget bill eliminates the school district safe school plan. The plan required school districts to identify procedures for identifying and serving students who are at-risk, provide a plan for working with law enforcement, and identify professional development related to the goals of the safe school plan. Earlier version of the budget bill also called for eliminating the school improvement plan and the personal education plans. These were restored in the technical corrections to the budget bill.

4. **SB 243 (SL 2011-285) Public-Private Partnerships for Schools**
An act to extend the sunset on the law allowing capital lease financing for public schools
Amends: S.L. 2006-232
Application/Effective date: Effective when it becomes law (June 23, 2011)
LEA action required: Continues previous options.
SBE/DPI action required: none
Summary: This bill moves the sunset for the 2006 session law of the same title from July 1, 2001, to July 1, 2015. This law allows capital leases for new or existing buildings. While it extends the timeframe to utilize this method, the requirements create barriers for creating an affordable plan for obtaining facilities with through this law.

5. **HB 427 (SL 2011-271) Run and You're Done**
An Act to provide for the seizure, forfeiture, and sale of motor vehicles used by defendants in felony cases involving speeding to elude arrest.
Amends: 20-141.5
Application/Effective date: Applies to offenses committed on or after December 1, 2011.
LEA action required: none
SBE/DPI action required: none
Summary: This legislation adds a new impoundment and sale of motor vehicles with the net proceeds going to the fines and forfeitures fund. "Run and you're done" applies to felony violations of speeding to elude arrest.

Commissions & Studies

1. **HB 758 (SL 2011-301) Establish Arts Education Commission**
An Act to establish the Arts Education Commission.
Amends: Does not affect General Statutes
Application/Effective date: Act is effective when it becomes law (June 23, 2011)
LEA action required: none
SBE/DPI action required: work with the Commission in creating arts education assessment models as part of report due by May 1, 2012.
Summary: This session law establishes the Arts Education Commission with the emphasis on incorporating skills and creativity in public schools. The commission will address curriculum, accountability, and evaluation system for arts education teachers.

2. **HB 200 (SL 2011-145, sec. 7.1(a)) Education Reform in North Carolina**
Amends: Does not affect General Statutes
Application/Effective date: July 1, 2011
LEA action required: none
SBE/DPI action required: none specified, although may be asked to provide input
Summary: The Joint Education Oversight Committee will study
   (1) implementation of a third-grade literacy policy, including a review of Florida's reading specialist program;
   (2) ways to hold high schools accountable for performance of students in higher education, including paying for developmental education; and
   (3) the most cost-effective way to provide remedial education in higher education, including redirecting university appropriations for such education to community colleges.

The budget provides $200,000 to hire an outside consultant for the study which much be reported by Ed Oversight to the 2012 General Assembly.

3. **HB 595 (SL 2011-291) Reorganization/Legislative Oversight Comns.**
An Act changing the structure of certain legislative committees and commissions, transferring the duties of certain committees and commissions to other committees and commissions, changing the composition of various legislative committees and commissions, and making conforming changes.
Amends: **1**20-31
Application/Effective date: Effective when it becomes law (June 23, 2011)
LEA action required: none
SBE/DPI action required: **none**
Summary: This bill reorganizes and consolidates various legislative commissions and committees. The responsibilities of the Joint Legislative Education Oversight Committee is expanded by including the duties of the prior Legislative Study Commission on Children and Youth. Education Oversight continued to consist of 22 members – 11 from each chamber. The one change is on the Senate side, now 3 (instead of 2) shall be members of the minority party.

4. **HB 181 (SL 2011-121) Add Supt. to NC Econ. Dev. Bd.**
An Act to add the State Superintendent of Public Instruction to the Economic Development Board, as recommended by the Joint Legislative Joining Our Businesses and Schools (Jobs) Study Commission.
Amends: 143B-434(b)
Application/Effective date: When it becomes law (June 13, 2011)
LEA action required: none
SBE/DPI action required: The State Superintendent will participate on the Economic Development Board.
Summary: This legislation amends the current statute on the Economic Develop Board to add the Superintendent of Public Instruction, or designee, to the Board. As indicated in the long title, this addition is recommended by the Joint Legislative Joining our Businesses and Schools (JOBS) Study Commission.

Ann McColl
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State Board of Education

Report revised July 13, 2011
Please visit website, http://legislative.ncpublicschools.gov and the tab for 2011 Legislation Analysis for updated reports.