



## LEGISLATIVE UPDATE

March 6, 2015

Following several weeks of winter weather that stalled the Legislature, things were back in full swing this week. Many bills were filed in each chamber, committees worked diligently, and votes were taken on the floor. However, the big news of the week came on Thursday with the much-anticipated release of Governor McCrory's [Recommended Budget](#). This is the first step in the appropriations process that creates a two-year budget for the State over this Biennium (2015-17). Below are key highlights of this proposal.

On Tuesday, Wednesday, and Thursday, the House and Senate Education Appropriations Committees met jointly for the General Assembly Fiscal Research Division to continue providing legislators with an [overview of the K-12 budget](#). The primary focus of these meetings was on the various public school allotment categories that the state and federal governments fund.

### **Highlights of the Governor's Recommended Budget for Public Education:**

#### **A. Salary and Positions**

	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>1. Fulfill Commitment to Beginning Teacher Salary</b>	<b>41,846,123 (R)</b>	<b>41,846,123 (R)</b>
Increases the beginning teacher salary for teachers on the first tier of the North Carolina Public School Salary Schedule from \$33,000 to \$35,000.		
<b>2. Fund Movement on the Teacher Salary Schedule</b>	<b>64,871,243 (R)</b>	<b>64,871,243 (R)</b>
Supports movement of eligible teachers, based on years of experience, to the next tier on the Salary Schedule.		
<b>3. One-Time Bonus to Retain Teacher Salaries</b>	<b>4,545,525 (NR)</b>	<b>4,545,525 (NR)</b>
Funds a nonrecurring \$1,000 bonus to those teachers who received the bonus in 2014-15. Ensures that certified school personnel remain held harmless.		
<b>4. Increase Beginning Salary for State Agency Teachers</b>	<b>103,200 (R)</b>	<b>103,200 (R)</b>
Increases the beginning teacher salary for state agency teachers on the first tier of the North Carolina Public School Salary Schedule from \$33,000 to \$35,000.		
<b>5. Salary Schedule Movement for Agency Teachers</b>	<b>57,500 (R)</b>	<b>57,500 (R)</b>
Supports movement of state agency teachers in DPI who are eligible, based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.		
<b>6. Fund Movement on Administrators Salary Schedule</b>	<b>3,494,924 (R)</b>	<b>3,494,924 (R)</b>
Supports movement of principals and assistant principals who are eligible, based on years of experience, to the next tier on the Salary Schedule.		
<b>7. One-Time Bonus to Retain Administrator Salaries</b>	<b>1,055,995 (NR)</b>	<b>1,055,995 (NR)</b>
Funds a nonrecurring \$1,000 bonus to school-based administrators who received the bonus in 2014-15.		

Ensures that school-based administrators remain held harmless.

**8. Salary Schdl. Movement for Agency Administrators** 2,900 (R) 2,900 (R)  
 Supports movement of state agency principals and assistant principals in DPI who are eligible based on years of experience, to the next tier on the North Carolina Public School Salary Schedule.

**9. Maintain 2014-15 Teacher Assistants Funding** 64,039,628 (NR) 64,039,628 (NR)  
 Provides ecurring funds to maintain the 2014-15 level of funding for teacher assistants to ensure the retention of teacher assistant positions that were supported with lottery receipts in 2014. Lottery revenue projections for 2015-16 will not support these positions on a recurring basis.

**10. Reward High Performing Teachers** 5,000,000 (R) 5,000,000 (R)  
 This appropriation would be deposited in the North Carolina Education Endowment Fund in addition to other remittances, interest accrued, and the current balance. Per GS 115C-472.16, these funds may only be used for a pay for performance plan that is directly related to improving student outcomes. Funds deposited in this trust fund will not revert.

**11. Reward Teaching in High Need Fields** - -  
 Provides Master's level pay to those teachers in a high need field with in-field graduate preparation. High need fields are defined as Science, Technology, Engineering, and Math (STEM) and Exceptional Children. There is no increased appropriation associated with this item as the recurring appropriation for master's pay resides in DPI's budget.

**B. Fully Fund Enrollment Growth** **FY 2015-16** **FY 2016-17**

**1. Projected student growth** 100,236,542 (R) 106,959,322 (R)  
 Ensures funding for instructional positions and supplies are allocated to LEAs for student enrollment growth. ADM is currently budgeted for 1,520,305 in the 2014-15 school year. Projected ADM for FY 2015-16 is 1,537,643, an increase of 17,333. This appropriation supports an additional 678 teacher positions.  
 An additional appropriation of \$106,959,322 in 2016-17 would fund an estimated enrollment increase of 17,701. Funds would be placed in a statewide reserve for the 2016-17 school year. Distribution from the statewide reserve will be adjusted for revised 2016-17 enrollment projections. Current projected ADM for FY 2016-17 is 1,555,344 and the 2016-17 appropriation supports 753 additional teacher positions for a projected increase of 1,431 teacher positions during the biennium. The total projected student enrollment increase for 2015-16 and 2016-17 is 35,034.

**C. School Needs** **FY 2015-16** **FY 2016-17**

**1. Textbooks and Instructional Resources** 35,000,000 (R) 35,000,000 (R)  
 Increases funding for textbooks and other instructional resources. Districts may use this funding source for textbooks, instructional supplies and equipment, and for payment to use the optional services of Home Base. This instructional resource funding also complements the funds available to districts in the School Technology Fund.

**2. Classroom Connectivity to Support Digital Learning** 7,400,000 (NR) 12,000,000 (NR)  
 Provides funds to support the equipment and installation costs to provide WI-FI access to enhance digital learning opportunities. This appropriation supports WI-FI access to all North Carolina classrooms by the end of the 2016-17 school year, and allows for ongoing equipment upgrade and replacement for approximately 20% of schools each year. Some school districts have begun this process with one-time Race to the Top funds, which expire early in FY 2015-16. The total cost is offset by rebates from the E-rate Modernization Act

intended for this purpose, and represents the cost that will be incurred by school districts after E-rate rebates.

*New Cooperative Innovative High Schools (CIHSs)* 2,485,352 (R) 2,485,352 (R)  
 Funds eight new CIHSs in five LEAs that have been approved by the SBE. Each school will receive \$310,669, the same amount appropriated to existing CIHS programs.

**D. Miscellaneous**

**FY 2015-16**

**FY 2016-17**

*1. Achieve Efficiencies in DPI* (4,117,254) (R) (4,117,254) (R)  
 SBE shall direct the implementation of a plan to achieve efficiencies in DPI's budget, allowing for a 10% reduction. SBE shall make no reduction to funding or positions for the NC School for the Deaf, the Eastern School for the Deaf, the Governor Morehead School, NCCAT, Communities in Schools, Inc., Teach for America, Inc., or Beginnings for Parents of Children who are Deaf and Hard of Hearing.

*2. Adjust Central Office Allotment* 1,894,338 (R) 1,900,938 (R)  
 Implements efficiencies in LEA central office functions to achieve a 2% reduction. The balance for this allotment is \$92.8 million for the 2015-16 school year.

*3. Align School Bus Fuel Budget with Actual Need* 20,079,807 (R) 20,079,807 (R)  
 Reflects an adjustment to the budgeted price/gallon for fuel from \$3.16 to \$2.35. This adjustment is based upon actual fuel prices and projected per gallon costs.

*4. NC GEAR – Leverage Buying Power for LEAs* 2,000,000 (NR) 124,000 (R)  
 4,000,000 (NR)  
 Establishes regional, or statewide, shared services to provide support more efficiently and consistently across LEAs. Potential areas for implementation include administrative and financial services, janitorial and facilities management, IT, procurement, security, transportation, and nutrition services.

**Relevant Bills on the Floor This Week:**

[SB 14](#) Academic Standards/Rules Review/Coal Ash/Funds  
 This bill was amended on the House Floor to remove \$100,000 for the Office of Administrative Hearings in its defense costs associated with the declaratory judgment action, *North Carolina State Board of Education v. The State of North Carolina and the Rules Review Commission* that would have come from DPI. Following the dismissal of certain claims in this case, the House found that these funds are no longer necessary. This bill would still require DPI to transfer \$275,000 from available funds to the Department of Administration to support operations of the Academic Standards Review Commission (ASRC). The bill passed with broad support in the House, but the Senate did not concur. As such, each chamber will appoint a conference committee to settle the differences and then vote on a compromise bill.

## **Relevant Bills in Committee This Week:**

### **HB 18** Planning Year for Cooperative Innovative High Schools (CIHSs)

This bill was heard in the House Education Committee on K-12 and would provide new, properly approved CIHSs with the option of opening at the beginning of the subsequent school year or after a planning year. Currently, CIHSs can request additional funds, which must be specifically appropriated by the General Assembly. This bill would further allow those additional funds to be used during an optional planning year for new CIHSs if requested. HB 18 would appropriate \$750,000 for FY 2015-16 for planning year funding at \$75,000 for each approved CIHS. The bill will now go to the House Appropriations Committee.

### **HB 35** Education Innovation Task Force

This bill was heard in the House Education Committee on K-12 and would create the Legislative Task Force on Education Innovation. The Task Force would consist of 19 members as follows:

- The 2015 North Carolina Teacher of the Year.
- Both the President Pro Tempore of the Senate and the Speaker of the House would each appoint nine members as follows:
  - Five persons who are members of the Senate/House at the time of appointment.
  - A school system superintendent.
  - A school system principal.
  - A public school teacher.
  - A parent of a student who is enrolled in a public school.

This Task Force would study the need to create a permanent entity dedicated to examining innovative practices in education that could improve student achievement throughout North Carolina. All State departments, agencies, local governments, and respective subdivisions thereof would be required to provide the Task Force with any information in their possession or available to them. A final report of this study and recommendations, including any proposed legislation, would be presented to the General Assembly by December 31, 2016 for the 2017 Legislative Session.

### **HB 47** Youth Career Connect

This bill was heard in the House Education Committee on Community Colleges and would allow South Piedmont Community College (SPCC) to enroll ninth and tenth grade students in community college courses in association with the federal Youth Career Connect Grant awarded to Anson County Schools for 2014-18. Students enrolled under this provision would not be charged tuition. SPCC would earn budget FTE for applicable student course enrollments. This bill will now go to the House Appropriations Committee.

### **HB 13** Amend School Health Assessment Requirement

This bill was heard in the House Committee on Health and would require each child entering the NC public school system for the first time to have submitted proof of a recent

health assessment. It would further require that the assessment transmittal form be permanently maintained in the child's official school record. Currently, a health assessment is only required if the child enters public school in kindergarten. This legislation would apply to children enrolling in the public schools for the first time beginning with the 2015-16 school year. The bill will now go to the House Education Committee on K-12.

### **Relevant Bills with Action This Week:**

- [HB 13](#) Amend School Health Assessment Requirement (Torbett)
- Favorable report from the House Committee on Health
  - Re-referred to the House Committee on Education – K-12
- [HB 15](#) Year-Round Funds for Community Colleges UGETC (Pendleton, Stam, Yarborough)
- Re-referred to the House Committee on Appropriations
- [HB 118](#) ([SB 126](#)) Create Veterans Task Force/PED Report (Horn)
- Referred to the Committee on Homeland Security, Military, and Veterans Affairs
- [HB 123](#) Legislators Spend Time in Schools (R. Johnson, Brockman)
- Referred to the Committee on Rules, Calendar, and Operations of the House
- [HB 129](#) High Achieving Tuition Scholarships (Elmore, Dobson, Holloway, McNeill)
- Referred to the House Committee on Education – Community Colleges, if favorable, Appropriations
- [HB 133](#) Modify Special Education Scholarships (Jordan, Jones, Brockman, Stam)
- Referred to the Committee on Education – K-12, if favorable, Appropriations
- [HB 137](#) School Calendar Flexibility (Baskerville)
- Referred to the Committee on Education – K-12
- [HB 138](#) Arts Education Requirement (Carney, L. Johnson, Elmore, Glazier)
- Referred to the House Committee on Education – K-12
- [HB 139](#) Guns on Private School Property/Forsyth County (Conrad, Lambeth)
- Referred to the House Committee on Judiciary I
- [HB 144](#) Appropriations 2015 (Lambeth)
- Referred to the House Committee on Appropriations
- [HB 149](#) School Calendar Flexibility/Orange County (Meyer, Insko)
- Referred to the Committee on Education – K-12

- [HB 150](#) School Calendar Flexibility/Chapel Hill-Carrboro (Meyer, Insko)
- Referred to the Committee on Education – K-12
- [HB 153](#) School Calendar Flexibility/Certain LEA's (McNeill, Hurley)
- Referred to the Committee on Education – K-12
- [HB 155](#) School Calendar Flexibility/Certain Counties (Dobson)
- Referred to the Committee on Education – K-12
- [HB 158](#) ([SB 125](#)) Jim Fulghum Teen Skin Cancer Prevention Act (Lambeth, Dollar, Hurley, McElraft)
- Referred to the House Committee on Health
- [HB 162](#) Sudden Cardiac Arrest Prevention/Students (Carney, Horn, McGrady, Glazier)
- Filed
- [HB 164](#) School Calendar Flexibility (Setzer)
- Filed
- [SB 37](#) ([HB 19](#)) Waive Tuition/Fallen Officer Was Guardian (Smith, Apodaca)
- Favorable report from the Senate Committee on Education/Higher Education
  - Passed the Senate on Thursday, March 5
- [SB 108](#) Change Crossover Deadline (Apodaca)
- Adopted
- [SB 110](#) ([HB 67](#)) Phase Out Certain Highway Fund Transfers (Rabon, Harrington, Meredith)
- Referred to the Committee on Rules and Operations of the Senate
- [SB 117](#) School Calendar Flexibility/Certain School Systems (Bingham)
- Referred to the Committee on Rules and Operations of the Senate
- [SB 119](#) GCS Technical Corrections 2015 (Hartsell)
- Referred to the Committee on Rules and Operations of the Senate
- [SB 121](#) The Excellence in School Leadership Act (Tillman)
- Referred to the Committee on Rules and Operations of the Senate
- [SB 127](#) All State Agencies/Use Temporary Solutions (Hartsell, Randleman)
- Referred to the Committee on Rules and Operations of the Senate
- [SB 129](#) Legal Notices/Require Internet Publication (Sanderson, Apodaca, Hise)
- Referred to the Committee on Rules and Operations of the Senate

- [SB 136](#) Charter School in State Health Plan (Tarte)
  - Referred to the Committee on Rules and Operations of the Senate
- [SB 158](#) Occupational License/School Maintenance Plumbing License (Bingham)
  - Referred to the Committee on Rules and Operations of the Senate
- [SB 176](#) Charter School Grade Level Expansion (Rabin)
  - Referred to the Committee on Rules and Operations of the Senate
- [SB 177](#) School Calendar Flexibility/Chatham County Schools (Foushee)
  - Referred to the Senate Committee on Ways and Means
- [SB 189](#) Appropriations Act of 2015 (Harrington, Jackson, Brown)
  - Filed

**Meetings March 10 – March 13:**

Tuesday, March 10

- 8:30 AM House and Senate (Joint) Appropriations, 643 LOB
  - Presentation of the Governor’s Recommended Budget
- 8:30 AM House and Senate (Joint) Education Appropriations, 423 LOB
- 11:00 AM House Education – Universities, 643 LOB
  - HB 47 19 Waive Tuition/Fallen Officer Was Guardian

Wednesday, March 11

- 8:30 AM House and Senate (Joint) Education Appropriations, 423 LOB
- 11:00 AM House Health Committee, 643 LOB
  - HB 158 Jim Fulghum Teen Skin Cancer Prevention Act
- 12:00 PM Senate Workforce and Economic Development, 544 LOB

Thursday, March 12

- 8:30 AM House and Senate (Joint) Education Appropriations, 423 LOB

Friday, March 13

- 12:00 PM Summative Assessment Task Force, State Boardroom

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