



## LEGISLATIVE UPDATE

May 13, 2016

The big ticket item of the week was the House Education Appropriations Committee's [recommendations](#) for the coming fiscal year. This proposal seeks to increase K-12 public education funding by \$12,900,384. The proposed increase, however, is a drop in the bucket compared to the anticipated announcement on Tuesday of next week, May 17, by the full House Appropriations Committee, which is set to begin at 9:30 a.m. with a [live audio feed](#) for listeners across the state. It is at this Tuesday committee that the House will likely announce its proposal for educators' salary increases. Where every 1% across-the-board increase in teachers' salaries equals an estimated \$50 million, the proposal on Tuesday will be the "big bucket" that everyone has been waiting for this year. The House then expects to vote on its budget next week, sending it to the Senate by the week before Memorial Day weekend.

Here are some of the highlights of the House's education spending package (not including any salary increases yet):

1. Student population increase for 2016-17: \$46.8 million
2. Literacy Coaches for Read to Achieve: \$25 million
3. Performance bonuses for AP/IB teachers: \$4.3 million
4. Performance bonuses for CTE teachers: \$600,000
5. Salary supplement for National Board Certified Instructional Coaches: \$1.3 million
6. Instructional supplies increased by \$5 million nonrecurring
7. Digital Learning Plan implementation: \$9.4 million nonrecurring
8. Textbooks and digital materials: \$11.6 million nonrecurring
9. Cooperative and Innovative High Schools: \$29.7 million
10. Grants for educational programs: Distinguished Leadership in Practice, Triangle Literacy Council, National Academy Foundation, and Muddy Sneakers. Existing grants for Teach for America and Communities in Schools would become nonrecurring.

Other items in this budget proposal include an elimination of the scheduled class-size reduction for 1<sup>st</sup> grade in 2016-2017, and funding for summer reading camps for 1<sup>st</sup> and 2<sup>nd</sup> graders would be reduced by 50% and become nonrecurring. The plan also provides for \$1.1 million to create a three-year pilot program to explore advanced teaching roles with differentiated pay. For more details, please see the proposed [special provisions](#) outlining these budget items.

[HB 474](#) Exclude Yr-Round Track-Out Program/Child Care

On Wednesday, the Senate Committee on Education/Higher Education approved the proposed committee substitute for HB 474, which would grant an exemption to "track-out" programs provided for school-aged children enrolled in year-round schools. This

exemption would exclude such programs from the statutory definition of “child care” under G.S. 110-86(2). It is now calendared for a vote before the full Senate.

#### [HB 1012](#) Study Allocation of CC Subsidies/Waitlist

This bill, passed by the House on Wednesday, directs the Department of Health and Human Services to study the allocation of child care subsidies, in particularly focused on families who move from one county to another.

#### [HB 1013](#) Study Alignment of CC Services Applications

The House voted Wednesday to approve this bill, which would study ways to streamline the application process for eligible families to apply for and receive child care services including NC Pre-K, Title I, and Head Start, among others. The study would be conducted by the Division of Child Development and Early Education within the Department Health and Human Services.

#### [HB 1014](#) NC Pre-K Conforming Change/Taylor’s Law

The House passed HB 1014 on Wednesday, and this bill strikes references to the former “More at Four” program in state statute, replacing such references with “NC Pre-K”. The bill would also make changes to the Advisory Council on Rare Diseases. The bill will now head to the Senate.

#### [HB 1040](#) Study Costs Associated with NC Pre-K Slots

Also receiving House approval on Wednesday, HB 1040 directs the Division of Child Development and Early Education in NC DHHS to study the costs associated with funding slots for the NC Pre-K program. The bill requires the Division to reports its findings to the chairs of the House and Senate Appropriations Committees on Health and Human Services and the Fiscal Research Division by February 1, 2017.

#### [SB 726](#) IRC (Internal Revenue Code) Update

The General Assembly annually reviews how well state tax code aligns with federal tax code and determines whether to make conforming updates in line with changes on the federal level. This year, that includes a deduction for teachers’ classroom expenses, allowing educators to deduct up to \$250 for qualified expenditures paid out-of-pocket during the year. SB 726 includes this among other provisions. On Tuesday, the Senate voted not to concur with changes made by the House, which means this bill now heads to a conference committee, where select legislators from both chambers confer on any final provisions.

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

Tuesday, May 10, was the bill filing deadline for most bills this short session (except for local bills and bills affecting the retirement systems). Therefore, legislators filed a spate of 132 new bills this week. The list below reflects those involving public education and/or state agency law.

1. [HB 474](#) Exclude Yr-Round Track-Out Program/Child Care
  - Passed Senate Committee on Education/Higher Education
  - Placed on Senate Calendar for Tuesday, May 17, 2016
2. [HB 960](#) Retirement Creditable Service Charter Schools.
  - Referred to House Committee on Pensions and Retirement
3. [HB 1014](#) ([SB 799](#)) NC Pre-K Conforming Change/Taylor's Law
  - Passed the House sent to the Senate (HB 1014)
  - Referred to Senate Committee on Education/Higher Education (SB 799)
4. [HB 1028](#) ([SB 804](#)) SOG Pilot Project Standards/Overnight Respite
  - Referred to House Appropriations
5. [HB 1029](#) ([SB 810](#)) Economic Development Changes & Study
  - Referred to House Committee on Rules, Calendar and Operations (HB 1029)
  - Referred to Senate Committee on Commerce (SB 810)
6. [HB 1036](#) ([SB 792](#)) State IT Contracts/Contractor Liability
  - Referred to House Judiciary I (HB 1036)
  - Referred to Senate Committee on Rules and Operations (SB 792)
7. [HB 1040](#) ([SB 800](#)) Study Costs Associated With NC Pre-K Slots
  - Passed the House sent to the Senate (HB 1040)
  - Referred to Senate Committee on Health Care (SB 800)
8. [HB 1046](#) Constitutional Amendment/Up Minimum Wage
  - Referred to House Committee on Rules, Calendar and Operations
9. [HB 1049](#) Fund National Board Professional Teaching Standards (NBPTS) Certification
  - Referred to House Appropriations
10. [HB 1054](#) 10% Teacher Salary Increase
  - Referred to House Appropriations
11. [HB 1057](#) Funds for Literacy Coaches
  - Referred to House Appropriations
12. [HB 1065](#) School Building Leasing Reform
  - Referred to House Committee on Education – K-12, if favorable Judiciary IV
13. [HB 1067](#) Long-Term Suspension and Dropout Study
  - Referred to House Appropriations

14. [HB 1069](#) 2016 NC Employee Protection Act
  - Referred to House Committee on Regulatory Reform, if favorable, Appropriations
15. [HB 1070](#) Retirement System 4% COLAs
  - Referred to House Committee on Pensions and Retirement, if favorable, Appropriations
16. [HB 1074](#) Schools Test for Lead/HS Dropout Pilot Program
  - Referred to House Appropriations
17. [HB 1075](#) Funds for D and F Schools/Charter Changes
  - Referred to House Appropriations
18. [HB 1078](#) The Equality for All Act
  - Referred to House Judiciary I
19. [HB 1079](#) Up Pay/State Employees/Teachers/Retirees
  - Referred to House Appropriations
20. [HB 1080](#) Achievement School District
  - Referred to House Committee on Education – K-12
21. [HB 1081](#) Tuition Fairness Act
  - Referred to House Appropriations
22. [HB 1085](#) Increase Government Contract Transparency
  - Referred to House Committee on Elections, if favorable, Appropriations
23. [HB 1086](#) Refugee Resettlement Act of 2016
  - Referred to House Judiciary II, if favorable, Appropriations
24. [HB 1095](#) Use of Excess Opportunity Scholarship Funds
  - Referred to House Appropriations
25. [HJR 1101](#) Paid Sick/Disability/Family Leave & Trust
  - Referred to House Committee on Rules, Calendar and Operations
26. [HJR 1103](#) NC Equal Pay Act
  - Referred to House Committee on Rules, Calendar and Operations
27. [HB 1111](#) State and Local Funds for Charter Schools
  - Referred to House Committee on Rules, Calendar and Operations

28. [HB 1112](#) Living Wage By 2020
  - Referred to House Committee on Rules, Calendar and Operations
29. [HB 1113](#) Paid Sick/Disability/Family Leave & Trust
  - Referred to House Committee on Commerce and Job Development, if favorable, Regulatory Reform
30. [HB 1114](#) NC Equal Pay Act
  - Referred to House Committee on Rules, Calendar and Operations
31. [HB 1116](#) Teacher Loan Repayment Assistance Program
  - Referred to House Appropriations
32. [HB 1118](#) Provide Protections Against Discrimination
  - Referred to House Judiciary I, if favorable, Appropriations
33. [HB 1119](#) Reserved Funds Nontraditional Public Schools
  - Referred to House Appropriations
34. [HB 1121](#) State Health Plan Admin. Changes
  - Referred to House Committee on State Government and State Personnel
35. [SB 725](#) ([HB 945](#)) Unemployment Insurance Technical Changes
  - Signed by the Governor – SL 2016-4 (SB 725)
36. [SB 726](#) ([HB 973](#)) Internal Revenue Code (IRC) Update
  - Amended and passed in the House (SB 726)
  - Senate Conference Committee Appointed (SB 726)
  - Referred to House Committee on Finance (HB 973)
37. [SB 729](#) ([HB 974](#)) Various Changes to the Revenue Laws
  - Signed by the Governor – SL 2016-5 (SB 729)
38. [SB 815](#) Charter School in State Health Plan
  - Referred to Senate Committee on Insurance
39. [SB 817](#) Const. Amd. - Max. Income Tax Rate of 5.5%
  - Referred to Senate Committee on Finance
40. [SB 818](#) Increase the Zero Tax Bracket
  - Referred to Senate Committee on Finance
41. [SB 819](#) Military State Income Tax Relief
  - Referred to Senate Committee on Finance

42. [SB 820](#) Appropriations Act of 2016
  - Referred to Senate Appropriations
43. [SB 834](#) Give Retirees 1.5% COLA/Funds
  - Referred to Senate Appropriations
44. [SB 836](#) Alternative Teacher Preparation
  - Referred to Senate Committee on Education/Higher Education, if favorable, Appropriations
45. [SB 845](#) UNC Fixed Tuition Plan
  - Referred to Senate Committee on Education/Higher Education, if favorable, Appropriations
46. [SB 855](#) Modify School Performance Grades
  - Referred to Senate Rules and Operations
47. [SB 862](#) Opp. Scholarships Forward Funding
  - Referred to Senate Committee on Education/Higher Education, if favorable, Appropriations
48. [SB 864](#) Increase NC Minimum Wage/Set COLA
  - Referred to Senate Committee on Ways and Means
49. [SB 865](#) State Health Plan/Admin Changes/Local Govts
  - Referred to Senate Committee on Insurance
50. [SB 867](#) Protect Students in Schools
  - Referred to Senate Committee on Education/Higher Education, if favorable, Judiciary I
51. [SB 873](#) Access to Affordable College Ed. Act
  - Referred to Senate Committee on Education/Higher Education, if favorable, Appropriations

**Committee Meetings/Session: May 16-19**

Monday, May 16:

- 10:00 AM House Session
- 11:30 AM Senate Session
- 5:30 PM House Committee on Rules, Calendar and Operations
- 7:00 PM House Session reconvenes

Tuesday, May 17:

- 8:30 AM House Committee on Finance, 544 LOB
  - HB 1030 2016 Appropriations Act
- 9:30 AM House Committee on Appropriations, 643 LOB
  - HB 1030 2016 Appropriations Act
- 11:00 AM Senate Committee on Health Care, 544 LOB
- 12:00 PM Senate Committee on State and Local Government, 423 LOB
  - SB 727 Moore County Local Sales Tax Use Restriction

Wednesday, May 18:

- 12:30 PM House Committee on Judiciary I, 643 LOB
- 1:00 PM Senate Committee on Finance, 544 LOB
  - SB 728 Lottery - JLOC Recommendations

Thursday, May 19:

- TBA

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