



LEGISLATIVE UPDATE

July 1, 2016

The budget, [HB 1030](#) 2016 Appropriations Act, passed today and has gone to the Governor for his signature. The General Assembly will soon adjourn, striving to achieve its goal of wrapping up the State's business before the Fourth of July holiday. As of Friday afternoon, House Committees are still feverishly meeting and moving bills, making a joint resolution to adjourn sine die all that much more remote. Keep watching "[SJR 903](#) Adjourn" for final adjournment status; it could happen in the early morning hours tomorrow, or it may happen next week.

The pages that follow set forth the rapid-fire action on bills this week and summarize the key education budget items. Some of the hottest topics include:

1. An average 4.7% raise for teachers, including an experience-based step increase (see the new teacher salary schedule below, assuming the Governor signs the budget bill);
2. An average 1.5% salary increase for school-based administrators as well as a 0.5% nonrecurring bonus;
3. State retirement contributions increase and a one-time 1.6% cost-of-living adjustment for retirees;
4. The "Math Standard Course of Study Revision" [HB 657](#) is still locked up in [Conference Committee](#).
5. [HB 1080](#) Achievement School District passed both chambers and was presented to the Governor on Thursday.

The following table contains more details on the teacher raises included in the budget:

Years	2015-2016 Current "A" Salary Schedule	Increase to Salary Schedule	2016-17 Proposed Salary Schedule	Increase with Step	% Increase with Step	2018-19 Proposed Salary Schedule
0	\$35,000	\$0	\$35,000			\$35,000
1	\$35,000	\$750	\$35,750	\$750	2.1%	\$36,000
2	\$35,000	\$1,000	\$36,000	\$1,000	2.9%	\$37,000
3	\$35,000	\$1,250	\$36,250	\$1,250	3.6%	\$38,000
4	\$35,000	\$1,750	\$36,750	\$1,750	5.0%	\$39,000
5	\$36,500	\$750	\$37,250	\$2,250	6.4%	\$40,000
6	\$36,500	\$1,500	\$38,000	\$1,500	4.1%	\$41,000
7	\$36,500	\$2,000	\$38,500	\$2,000	5.5%	\$42,000
8	\$36,500	\$2,500	\$39,000	\$2,500	6.8%	\$43,000
9	\$36,500	\$3,000	\$39,500	\$3,000	8.2%	\$44,000
10	\$40,000	\$250	\$40,250	\$3,750	10.3%	\$45,000
11	\$40,000	\$1,000	\$41,000	\$1,000	2.5%	\$46,000

12	\$40,000	\$1,750	\$41,750	\$1,750	4.4%	\$47,000	
13	\$40,000	\$2,500	\$42,500	\$2,500	6.3%	\$48,000	
14	\$40,000	\$3,250	\$43,250	\$3,250	8.1%	\$49,000	
15	\$43,500	\$1,750	\$45,250	\$5,250	13.1%	\$50,000	
16	\$43,500	\$1,750	\$45,250	\$1,750	4.0%	\$50,000	
17	\$43,500	\$1,750	\$45,250	\$1,750	4.0%	\$50,000	
18	\$43,500	\$1,750	\$45,250	\$1,750	4.0%	\$50,000	
19	\$43,500	\$1,750	\$45,250	\$1,750	4.0%	\$50,000	
20	\$46,500	\$1,500	\$48,000	\$4,500	10.3%	\$50,000	
21	\$46,500	\$1,500	\$48,000	\$1,500	3.2%	\$50,000	
22	\$46,500	\$1,500	\$48,000	\$1,500	3.2%	\$50,000	
23	\$46,500	\$1,500	\$48,000	\$1,500	3.2%	\$50,000	
24	\$46,500	\$1,500	\$48,000	\$1,500	3.2%	\$50,000	
25	\$50,000	\$1,000	\$51,000	\$4,500	9.7%	\$51,000	
26	\$50,000	\$1,000	\$51,000	\$1,000	2.0%	\$51,000	
27	\$50,000	\$1,000	\$51,000	\$1,000	2.0%	\$51,000	
28	\$50,000	\$1,000	\$51,000	\$1,000	2.0%	\$51,000	
29	\$50,000	\$1,000	\$51,000	\$1,000	2.0%	\$51,000	
30	\$50,000	\$1,000	\$51,000	\$1,000	2.0%	\$51,000	
31	\$50,000	\$1,000	\$51,000	\$1,000	2.0%	\$51,000	
32	\$50,000	\$1,000	\$51,000	\$1,000	2.0%	\$51,000	
33	\$50,000	\$1,000	\$51,000	\$1,000	2.0%	\$51,000	
34	\$50,000	\$1,000	\$51,000	\$1,000	2.0%	\$51,000	
35	\$50,000	\$1,000	\$51,000	\$1,000	2.0%	\$51,000	
36	\$50,000	\$1,000	\$51,000	\$1,000	2.0%	\$51,000	
37	\$50,000	\$0	\$51,000	\$1,000	2.0%	\$51,000	
				Bonuses: No bonuses			Bonuses: No bonuses

Highlights of the budget are contained in the table below:

Budget Line Item	Dollar Amount
Average Daily Membership	\$46,781,057 R
Instructional Supplies	\$2,500,000 R
Teacher Salary Increase	\$190,947,111 R
School-Based Administrators Step Increase	\$8,443,728 R
School-Based Administrators Bonus	\$1,610,575 NR
Non-Educator Merit Bonuses	\$17,242,627 NR
Textbooks & Digital Materials	\$10,000,000 NR
Digital Learning Plan	\$4,000,000 R \$700,000 NR
School Connectivity	No Change
3 rd Grade Reading Teaching Performance Pilot Program Bonus	\$10,000,000 NR
AP/IB Teacher Bonuses	\$4,300,000 NR

At-Risk Student Supplemental Funding	(\$4,784,539) R \$2,000,000 NR
NC Educational Endowment Fund	\$5,000,000 R
LEA Central Offices	(\$2,500,000) R
LEA Retirement	\$18,594,062 R \$27,891,094 NR
Department of Public Instruction	(\$250,000) NR \$250,000* NR
Opportunity Scholarships	\$34,840,000 NR
Principal Preparation Program	\$3,500,000 R

Source: NCDPI Financial & Business Office ([website](#))

*Appropriation contingent on SB 867 becoming law.

Education-Related Bills

[HB 3](#) Omnibus Constitutional Amendments

This week, HB 3 passed quickly through the Senate with a 31-18 vote after one amendment failed and another was tabled. HB 3 provides for three amendments to the Constitution of North Carolina, which regard eminent domain, limiting state income tax to 5.5%, and hunting and wildlife rights. Although some legislators have expressed concerns about a constitutional referendum, the bill was passed by the Senate and sent to the House for concurrence.

[HB 561](#) School System Auth. Re: Legal Proceedings

This bill has passed and currently awaits the Governor's signature. This bill expands the allowable uses of otherwise confidential personnel file records under G.S. 115C-321(a), and it grants further subpoena powers for the production of tangible items in court proceedings under G.S. 115C-45(a). Furthermore, the bill contains a new study to be conducted by the General Assembly's non-partisan Program Evaluation Division on the procedures for resolving funding disputes between local boards of education and county commissioners.

[HB 657](#): Math Standard Course of Study Revisions

This carefully-watched bill that would offer two math course sequence options to high school students is still undergoing consideration by House and Senate negotiators. Once their final compromise emerges, Senators and Representatives will record their votes and, if passed, it will proceed to the Governor's desk for his approval or veto.

[HB 1080](#) Achievement School District

HB 1080 moved swiftly through the General Assembly, clearing both the Senate and House chambers this week. As discussed in previous updates, HB 1080 will establish an Achievement School District (ASD) to address some of North Carolina's lowest-performing elementary schools. On Monday, HB 1080 passed the Senate after intense debate. Six amendments were presented and discussed, however, only three amendments were adopted. Tuesday's Senate session made way for the adoption of two additional amendments. The first adopted amendment will allow the State Board of Education (SBE) and ASD Superintendent to make

the decision to extend a contract for three years instead of leaving the decision in the hands of the Achievement School operator. The second adopted amendment will put provisions back in the bill regarding Project L.I.F.T. and Charlotte-Mecklenburg Schools (CMS). The amendment will mandate the SBE to allow CMS to create an Innovation Zone among Project L.I.F.T. and Beacon Initiative schools. The House passed the amended bill on Wednesday night (66-40). HB 1080 will now be sent to the Governor for final approval.

[SB 53](#) Private Alternative Teacher Preparation

SB 53 would make way for lateral entry teachers to receive the required post-training from alternative, for-profit or nonprofit lateral entry teacher education preparation programs. Currently, lateral entry teachers are granted a three-year initial license upon completion of the lateral entry program, but must complete additional training, including pre-service training and coursework, to receive a continuing license at the conclusion of the three-year period. As of now, lateral entry teachers have to complete the required additional training at a North Carolina Community College or an approved educator preparation program at a private, nonprofit two-year college that can fulfill the content and pedagogy requirements set by the SBE. If passed, this bill would direct the SBE to approve qualifying alternative private, for-profit or nonprofit lateral entry teacher education programs. The programs must meet the standards set by the SBE. SB 53 will require the SBE to approve at least one, but no more than four programs--including any application from North Carolina Teachers of Tomorrow--by December 15, 2016 and may begin operation at the start of the Spring 2017 academic term. On Wednesday, the amended version of the bill was passed by the House (112-2) and sent to the Senate to concur on the amended version. SB 53 was placed on the Senate calendar, but has been removed and referred to the Senate Committee on Rules, Calendar, and Operations.

[SB 554](#) School Building Leases

On Monday, SB 554 passed from the Senate to the House, when it was assigned to the House Committee on Rules, Calendar, and Operations. SB 554 would easily allow for local boards of education to enter into leases for school buildings and facilities. Local boards of education would follow this bill in regards to forming any leasing agreements. The bill re-enacts the laws that expired July 1, 2015 that allowed local boards of education to enter into capital leases and build-to-suit capital leases with private developers. Leases such as these may include agreements related to construction projects and repairs. Local boards of education would be granted greater flexibility to enter into leases for real or personal property. Leases of less than three years will not be subject to approval by the board of county commissioners, but leases for a period of three years or more will need the aforementioned approval. If adopted, the bill would become effective July 1, 2016 and apply to contracts entered into on or after that date.

[SB 867](#) Protect Students in Schools

As of the 5:00 p.m. mark today, this bill was still on the House calendar with four amendments teed up for action, still needing to return to Senate for potential concurrence. It began as a relatively clean criminal backgrounds check bill for school personnel, but has become the proverbial catch-all for education provisions, ranging from school building reform to alternative teacher preparation programs. One amendment seeks to change the effective date from October 2016 to January 2017, so that there is ample time to allow a host of agencies/entities to work together to align local, state and federal criminal background

checking systems, as well as re-program necessary computer systems. Moreover, it will require communications to licensure applicants and job applicants in public schools about the anticipated new law requiring criminal background checks.

[SJR 902](#) SBE Confirmation

This week the House and Senate convened in a joint session to authorize the [Governor's nominations](#) to the State Board of Education by way of SJR 902. According to the North Carolina Constitution, the Governor must submit the names of nominations to be considered and confirmed by the General Assembly before appointing new members to the State Board of Education. The newly appointed members of the State Board of Education, [James Todd Chasteen](#) and [Amy Bannister White](#), were confirmed by the General Assembly in joint session on Thursday, June 30. The new members will serve on the State Board of Education until March 23, 2023.

Other Relevant Bills with Action This Week:

1. [HB 3](#) Omnibus Constitutional Amendments
 - Senate passed amended version, sent to the House for concurrence
 - Referred to the House Committee on Rules
2. [HB 100](#) Local Gov't Immigration Compliance
 - Senate passed amended version, sent to the House for concurrence
 - Referred to the House Committee on Rules
3. [HB 169](#) Regulatory Reduction Act
 - [Conferees Changed](#)
4. [HB 242](#) Various Charter School Law Changes
 - House passed Senate version, sent to the Governor
5. [HB 287](#) Amend Ins. Laws
 - House passed Senate version, sent to the Governor
6. [HB 424](#) Prohibit Unlawful Custody Transfer of Child
 - House passed Senate version, sent to the Governor
7. [HB 483](#) Land-Use Regulatory Changes
 - Senate passed amended version, sent to the House for concurrence
8. [HB 561](#) School System Auth. Re: Legal Proceedings
 - Conference Report adopted, sent to the Governor
9. [HB 593](#) Amend Environmental & Other Laws
 - Reported Unfavorable for concurrence by House Committee on Environment
 - House Sub Committee failed to concur, [Conference Committee](#) appointed

10. [HB 742](#) Professional Engineer (PE) Licensure/Allow School Maint. Plumbers
 - Senate passed amended version, sent to the House for concurrence
 - House passed Senate version, sent to the Governor
11. [HB 805](#) Measurability Assessments/Budget Tech. Corr.
 - House passed Senate version, sent to the Governor
12. [HB 842](#) Medicaid Waiver Protection/Military Families
 - Passed the House, sent to the Governor
13. [HB 959](#) DOT Proposed Legislative Changes
 - Conference Report adopted, sent to the Governor
14. [HB 960](#) Retirement Creditable Service Charter Schools
 - Sent to the Governor
15. [HB 1011](#) Retirement Technical Corrections Act of 2016
 - Signed the Governor
 - Session Law – Ch. SL 2016-56
16. [HB 1021](#) Amend Sex Offender Certain Premises
 - House passed Senate version, sent to the Governor
17. [HB 1035](#) LGC/Training for Local Gov't Finance Officers
 - Passed the Senate, sent to the Governor
18. [HB 1044](#) Law Enforcement Omnibus Bill
 - House passed Senate version, sent to the Governor
19. [HB 1063](#) GSC Technical Corrections 2
 - Referred to House Committee on Rules
20. [HB 1074](#) Schools/CC Facilities – Test Water for Lead
 - House passed amended version, sent to the Senate
 - Referred to Senate Committee on Health Care
21. [HB 1126](#) Red Light Cameras/City of Greenville
 - Session Law – Ch. SL 2016-64
22. [HB 1133](#) Partisan Election/Transylvania Bd. of Ed.
 - Session Law - Ch. SL 2016-44
23. [HB 1134](#) Admin. Changes Retirement System/Treasurer
 - Referred to the House Committee on Appropriations
24. [HB 1137](#) Treasurer's 2016 Investment Admin. Changes
 - Signed the Governor
 - Session Law – Ch. SL 2016-55

25. [SB 303](#) Regulatory Reform Act of 2016
 - [Conference Committee](#) appointed
26. [SB 330](#) Change Orders on School Construction Projects
 - Signed by the Governor
 - Session Law – Ch. SL 2016-58
27. [SB 419](#) Limit Revolving Door Employment
 - Referred to the House Committee on Rules
28. [SB 508](#) Amd. Bail Bond/Coll. Agcy/Crim. Mediat'n Laws
 - House passed amended version, sent to the Senate
29. [SB 554](#) School Building Leases
 - Passed the Senate, sent to the House
 - Referred to the House Committee on Rules, Calendar and Operations
30. [SB 727](#) Moore County Sales Tax Use Restriction
 - Senate failed to concur on House version, [Conference Committee](#) appointed
31. [SB 747](#) State-Owned Real Property Management/PED
 - Passed the House, sent to the Governor
32. [SB 770](#) NC Farm Act of 2016
 - Senate passed House version, sent to the Governor
33. [SB 803](#) Rev Laws Technical, Clarifying, & Admin. Chg
 - Senate passed House version, sent to the Governor
34. [SB 792](#) State IT Contracts/Contractor Liability
 - Senate passed House version, sent to the Governor
35. [SB 815](#) Charter School in State Health Plan
 - Referred to the House Committee on Rules
36. [SB 821](#) GSC Technical Corrections 1
 - Placed on the House Calendar for Friday, July 1
37. [SB 865](#) State Health Plan/Admin Changes/Local Govts
 - Senate passed House version, sent to the Governor
38. [SB 886](#) Retirement Amendments
 - Senate passed House version, sent to the Governor
39. [SB 898](#) 2016 Appointments Bill
 - Senate passed House version, sent to the Governor

Contact Information:

Rachel E. Beaulieu
Department of Public Instruction
Legislative & Community Relations Director
919-807-4035
Rachel.Beaulieu@dpi.nc.gov

Robb Jansen
State Board of Education
Policy Analyst and Legislative Liaison
919-807-3407
Robb.Jansen@dpi.nc.gov

Anne Murtha
Legislative Specialist
919-807-3403
Anne.Murtha@dpi.nc.gov

Bailey Franklin
Legislative Intern
Bailey.Franklin@dpi.nc.gov

Arianna Allen
Legislative Intern
Arianna.Allen@dpi.nc.gov