



PUBLIC EDUCATION: NORTH CAROLINA'S BEST INVESTMENT

2011 LEGISLATIVE SUMMARY

Prepared by:

Leanne E. Winner
Director of Governmental Relations
lwinner@ncsba.org

Matt Harrell
Governmental Relations Specialist
mharrell@ncsba.org

Sean Holmes
Governmental Relations Assistant
sholmes@ncsba.org

North Carolina School Boards Association

P.O. Box 97877
Raleigh, North Carolina 27624-7877

919.841.4040

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2011 Legislative Summary

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SUMMARY OF FY 2011-13 APPROPRIATIONS ACT
HB 200 – (S.L. 2011-145)

Money Report

PUBLIC EDUCATION	FY 11-12		FY 12-13	
Recommended Continuation Budget	\$7,923,543,951		\$7,923,543,951	
A. Technical Adjustments				
ADM Increase	\$55,882,651	R	\$143,087,414**	R
Average Teacher Salary Adjustment	(\$21,838,817)	R	(\$22,040,287)	R
B. Other Public School Funding Adjustments				
LEA Adjustment/Reversion	(\$124,217,542)	R	(\$198,293,574)	R
Classroom Teachers – Class Size Reduction in Grades 1-3	\$61,697,942	R	\$62,767,803	R
Education Reform Studies	\$200,000	NR		
Testing	(\$2,725,029)	R	(\$2,729,677)	R
Dropout Prevention Grants	(\$13,290,683)	R*	(\$13,290,683)	R*
Student Diagnostic Pilot	(\$10,000,000)	R*	(\$10,000,000)	R*
Learn & Earn Online	(\$4,875,000)	R*	(\$4,875,000)	R*
Noninstructional Support Personnel	(\$59,497,471)	R	(\$60,054,792)	R
Textbooks	(\$13,000,000)	R	(\$13,000,000)	R
Textbooks	(\$79,166,861)	NR	(\$76,500,000)	NR
Instructional Supplies/Equipment	(\$38,520,358)	NR	(\$38,417,147)	NR
Instructional Supplies/Equipment	(\$3,450,000)	R	(\$3,450,000)	R
Central Office Administration	(\$17,211,294)	R	(\$17,254,494)	R
School Building Administration	(\$22,193,080))	R	(\$22,403,290)	R
School Building Administration Position Conversion	(\$7,700,000)	R	(\$7,700,000)	R
Instructional Support Personnel	(\$22,934,278)	R	(\$23,149,479)	R
Transportation	(\$10,340,115)	R	(\$10,442,266)	R
School Bus Replacement			(\$20,000,000)	NR
Mentoring	(\$9,214,190)	R*	(\$9,214,190)	R*
School Technology Fund	(\$10,000,000)	R	(\$10,000,000)	R
Staff Development	(\$12,565,063)	R*	(\$12,626,995)	R*
Uniform Education Reporting System	(\$2,101,213)	R	(\$2,101,213)	R
More at Four	(\$16,000,000)	R	(\$16,000,000)	R
More at Four Transfer to DHHS	(\$65,011,651)	R	(\$65,011,651)	R
Liability Insurance for School Personnel	\$3,700,000	R	\$3,700,000	R
JOBS Commission Schools	(\$200,000)	R	(\$200,000)	R

Learn & Earn Early College High Schools	\$200,000	R	\$200,000	R
C. Pass-Through Funds				
Teacher Cadet	(\$340,000)	R	(\$340,000)	R
Science Olympiad	(\$127,500)	R	(\$127,500)	R
Kids Voting	(\$50,000)	R	(\$50,000)	R
NC Science, Math & Tech Ed Center	(\$100,000)	R	(\$100,000)	R
Tarheel ChalleNge Academy	\$250,000	NR		
Teaching Fellows Fund	(\$210,000)	R	(\$3,475,000)	R
D. Department of Public Instruction				
Curriculum	(\$457,690) -5.50	R	(\$457,690) -5.50	R
Technology Services	(\$2,712,988) -30.00	R	(\$2,712,988) -30.00	R
Communications	(\$246,586) -4.00	R	(\$246,586) -4.00	R
Learn & Earn Administration	(\$139,050) -1.00	R	(\$139,050) -1.00	R
Governor's Education Cabinet	(\$206,063) -2.00	R	(\$206,063) -2.00	R
NC Professional Teaching Standards Commission	(\$235,646) -2.00	R	(\$235,646) -2.00	R
Teacher Academy	(\$4,762,874) -14.00	R	(\$4,762,874) -14.00	
NCCAT	(\$3,000,000) -40.00	R	(\$3,000,000) -40.00	R
Connectivity	(\$650,000)	R	(\$650,000)	R
Governor's Schools			(\$849,588)	R
Residential Schools for the Deaf and Blind	(\$1,691,445) -1.00	R	(\$7,191,445) -1.00	R
Total Legislative Changes	(\$341,814,675)	R	(\$338,626,804)	R
	(\$117,237,219)	NR	(\$134,917,147)	NR
Revised Budget	\$7,464,492,057		\$7,450,000,000**	

* Denotes elimination of program/allotment funding.
**Tax credits for children with disabilities (see HB 344 below) reduces available appropriations by \$5,877,900 for FY 2012-13. This reduction will be taken out of the ADM adjustment increase, putting 2012-13 ADM adjustment at \$137,209,514 and total K-12 appropriations at \$7,444,122,100.

OTHER MONEY PROVISIONS	FY 11-12		FY 12-13	
E. Community Colleges				
Reduce 2+2 E-Learning Initiative	(\$97,000)	R	(\$97,000)	R
GED Program	(\$208,533) -2.50	R	(\$208,533) -2.50	R
F. UNC System				
Elimination of Certain Nonresident Tuition Waivers	(\$1,892,640)	R	(\$1,892,640)	R
Principal Fellows			(\$362,000)	R
Future Teachers Scholarship- Remaining Budget	(\$455,000)	R	(\$455,000)	R
Teacher Assistant Scholarship Fund	\$600,000	R	\$600,000	R
G. Department of Health and Human Services				
Prekindergarten Funds Transfer	\$65,011,651	R	\$65,011,651	R
Smart Start	(\$37,600,000)	R	(\$37,600,000)	R
More at Four Match- Elimination of child care subsidy funds for More at Four student instructional days	(\$1,305,008)	R	(\$1,305,008)	R
Child and Family Support Teams – LME Coordinator Positions	(\$523,638)	R	(\$523,638)	R
Early Intervention	(\$3,118,046) -11.00	R	(\$3,118,046) -11.00	R
Child and Family Support Teams – Elimination of Funding to Local Social Services Departments	(\$420,804)	R	(\$420,804)	R
H. Department of Juvenile Justice and Delinquency Prevention				
DJJDP Superintendent	(\$113,637) -1.00	R	(\$113,637) -1.00	R
Education Director Position Elimination	(\$155,550) -2.00	R	(\$155,550) -2.00	R
K. Transportation				
Increase Highway Trust Fund Transfer to General Fund for School Bus Replacement	\$35,223,642	NR	\$115,408	R
Driver's Ed Program - Reduction in Funding to Account for New Fees	(\$5,211,990)	R	(\$5,265,585)	R

Special Provisions

***ALL SPECIAL PROVISIONS ARE EFFECTIVE **JULY 1, 2011** UNLESS OTHERWISE
NOTED***

PART II – CURRENT OPERATIONS AND EXPANSION GENERAL FUND

Section 2.2(c) General Fund Availability Statement

The corporate income tax transfer to the Public School Building Capital Fund (PSBCF) is diverted to the General Fund for FY 2011-12 (\$72.1 million) and FY 2012-13 (\$74.8 million).

PART V - OTHER APPROPRIATIONS

Section 5.2(c)-(d) Other Receipts from Pending Grant Awards

Prohibits State agencies from accepting a grant not anticipated by the budget if acceptance of the grant would obligate the State to make future expenditures relating to the program receiving the grant or would otherwise result in a financial obligation.

Authorizes DPI to spend up to the following for FY 2011-12 in grants awarded subsequent to the enactment of the budget.

Child Nutrition Equipment Assistance - \$815,762
Verizon Thinkfinity State Education Partnership - \$40,000
State Abstinence Education Program - \$1,585,347

Section 5.3 Civil Forfeiture Funds

Allocates from the Civil Fines and Forfeiture Fund \$18 million in each fiscal year of the biennium to the School Technology Fund and \$120.3 million in each fiscal year of the biennium to the Public School Fund.

Section 5.4 Education Lottery*

Allocates \$424,973,630 from the State Lottery Fund for FY 2011-12 as follows:

Class Size Reduction in Early Grades - \$220,643,188 (51.9%)
More at Four - \$63,135,709 (14.9%)
Public School Building Capital Fund - \$100,000,000 (23.5%)
Scholarships for Needy Students - \$30,450,000 (7.2%)
UNC Need-Based Financial Aid - \$10,744,733 (2.5%)

Provides that during FY 2011-12, all PSBCF funds are to be allocated to LEAs **on the basis of ADM**. Provides that any excess lottery revenues for FY 2011-12 are to be allocated for school capital on the basis of ADM.

*Modified by budget technical corrections bill (see HB 22, below).

PART VI – GENERAL PROVISIONS

Section 6.5 Interim Appropriations Committees/Meetings/Consultation by Governor

Authorizes the House and Senate Appropriations Committees to meet monthly between legislative sessions to examine and oversee State agencies' execution and administration of the budget and to perform specified tasks, including: conducting zero-based budgeting or another systematic approach in order to examine the use of State funds on an ongoing basis; proposing legislation that would result in enhanced program accountability; and evaluating State agencies' plans or proposals regarding the funding of new or expanded programs not previously approved by the General Assembly as part of the budget.

Requires that the Governor consult with the Committees prior to certain events and expenditures, including: taking any extraordinary measures under Section 5(3) of Article III of the NC Constitution to effect necessary economies in State expenditures required to balance the budget due to a revenue shortfall.

Section 6.9 Utilization Review/Public School and Public Health Nurses

Requires that the Fiscal Research Division review, in consultation with DPI and the Department of Health and Human Services, all publicly funded public school nurse positions to determine the most effective and cost efficient ways to provide nursing services. Specifies content of the review. Requires commencement of the review by July 1, 2011 and report by May 1, 2012.

Section 6.16 Unemployment Insurance/Implement Three-Year Look Back

Allows extended UI benefits to be paid under the Federal Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 so long as the payment of benefits does not hinder the State's ability to reduce its federal debt incurred to pay for the extended benefits. *Effective April 16, 2011 through January 1, 2012.*

PART VII. PUBLIC SCHOOLS

Section 7.1 Education Reform in North Carolina

Declares that a priority of the General Assembly is for high school graduates to enter the workforce or higher education fully prepared. Directs the Joint Education Oversight Committee, in furtherance of this priority, to study literacy and ways to reduce the need for remedial education in the State's postsecondary education institutions. Allows funds to be used to hire external consultants for the study. Directs the Committee to report to the 2012 Regular Session of the 2011 General Assembly with a plan that addresses:

- implementation of a 3rd grade literacy policy, including the advisability of a program modeled on Florida's reading specialist program;
- ways to hold high schools accountable for the performance of their students in postsecondary education institutions, including requiring that high schools fund developmental education; and
- determining the most cost-effective way to provide remedial education in higher education.

Section 7.1A Career and College Promise

Directs the State Board of Education and the Community College System (NCCCS) to establish the Career and College Promise (CCP) program. Consolidates and replaces all existing high school transition programs, including Huskins, Concurrent Enrollment, Cooperative and Innovative High Schools, Learn and Earn, and Learn and Earn Online, with the CCP program. Establishes the purpose of the CCP program as providing structured opportunities for qualified high school students to dually enroll in community college courses that follow Career and College pathways that lead to a certificate, diploma, or degree as well as entry-level job skills.

Outlines three specific Career and College Pathways that community colleges can offer as part of the CCP program. The pathways are to be aligned with the K-12 curriculum and Career and College ready standards adopted by the SBE. Allows UNC constituent institutions to offer a pathway through a cooperative innovative high school program.

Directs NCCCS, UNC General Administration, and the NC Independent Colleges and Universities, Inc. (should it choose to participate) to develop a plan for articulation of a college transfer certificate to all UNC institutions and participating independent colleges and universities.

Expands the target groups for cooperative innovative high school programs to include high school students with parents who did not continue education beyond high school. Makes additional changes streamlining the list of objectives for cooperative innovative high school programs. Revises the definition of *cooperative innovative high school* to mean: a high school that (1) has no more than 100 students per grade level; (2) partners with an institution of higher education to enable students to concurrently obtain a high school diploma and begin or complete an associate degree program, master certificate or vocational program or earn up to two years of college credit within five years; and (3) is located on the campus of the institution of higher education unless the governing board specifically waives the requirement through a formal resolution. Requires cooperative innovative high schools approved by the SBE prior to July 1, 2011, to align with the new definition no later than July 1, 2014. Provides that any cooperative innovative high school which fails to meet the specified requirements by July 1, 2014, will no longer be authorized as such.

Effective January 1, 2012.

Section 7.1B Class Size Reduction for Grades 1-3

Sets a goal of reducing class size allotment in grades 1-3 to 1:15 as funds become available. Money report allocates funds to change the classroom teacher funding allotment formula in grades 1-3 from 1:18 to 1:17 in FY 2011-12 and FY 2012-13. Retains maximum class size of 1:24.

Section 7.2 Funds for Children with Disabilities

Allocates supplemental funding for children with disabilities to reflect actual numbers based upon the April 1, 2011 headcount. Funding per student per student decreases to \$3,585.88/child (was, \$3,598.55/child) throughout the fiscal biennium. Allotment cap of 12.5% of an LEA's ADM remains in place.

Section 7.3 Funds for Academically Gifted Children

Allocates supplemental funds for academically or intellectually gifted children. Per child supplemental funding allotment frozen at \$1,192.90 per child for the fiscal biennium. The 4% funding cap remains in place.

Section 7.4 Use of Supplemental Funding in Low-Wealth Counties

Standard provision detailing the distribution and expenditure of low-wealth funds. Provisions are same as previous years.

Section 7.5 Litigation Reserve Funds

Allows SBE to expend up to \$500,000 in each fiscal year of the biennium from unexpended funds for certified employees' salaries to pay litigation expenses.

Section 7.6 Uniform Education Report System (UERS) Funds

Provides that appropriated funds for the UERS shall not revert at the end of the 2010-11 fiscal year.

Section 7.7 Focused Education Reform Program Funds Do Not Revert

Provides that appropriated funds for the Focused Education Reform Pilot Program that are unexpended and unencumbered at the end of FY 2010-11 shall not revert but instead remain available for expenditure through FY 2011-12.

Section 7.8 Disadvantaged Student Supplemental Funding (DSSF)

Outlines allocation method of DSSF funds for the fiscal biennium. Provides that DSSF funds are only to be used to: provide instructional positions or instructional support positions and/or professional development; provide intensive in-school and/or after-school remediation; purchase diagnostic software and progress-monitoring tools; and provide funds for teacher bonuses and supplements (subject to a maximum level established by SBE).

Also provides that SBE may require DSSF recipient LEAs to purchase EVAAS in order to provide in-depth analysis of student performance and help identify strategies for improving student achievement. Data gathered thereby is to be used exclusively for instructional and curriculum decisions made in the best interest of children and for professional development for teachers and administrators.

Section 7.9 Tuition Charge for Governor's School

Removes mandatory \$500 tuition charge for the Governor's School and instead gives the SBE discretionary authority to charge a tuition sufficient to cover the costs of the School.

Section 7.10 School Connectivity Initiative Funds

Provides that up to \$350,000 of School Connectivity Initiative funds may be used for FY 2010-11 (was, for this and subsequent fiscal years) for education innovation and the education E-learning portal.

Provides that up to \$300,000 may be transferred annually through June 30, 2011 (was, June 30, 2013) to the Friday Institute at North Carolina State University to evaluate the effectiveness of using technology and its impact on 21st Century Teaching and Learning outcomes approved by the SBE.

Section 7.12 Small School System Supplemental Funding

Maintains funding base of \$717,360, excluding textbooks, for FY 2011-2012 and FY 2012-2013. Other provisions same as previous years.

Section 7.13 Elimination of Reporting Requirements

Eliminates the following State-required reports:

- School Improvement Team and Plan, including the plan for a duty free lunch period and planning time;*
- Safe School Plans;
- Personalized Education Plans;*
- School Technology Plans.

LEAs may still implement such plans at the local level.

*School Improvement Team/Plan and Personalized Education Plans are reinstated by the budget technical corrections bill (see HB 22, below).

Section 7.13A Renewal of Professional Educator's License

Reduces the continuing education requirement for teacher licensure from 10 to 5 semester hours or 15 to 7.5 units of renewal.

Section 7.14 School Building Administration

Provides that a school created after July 1, 2011 with less than 100 students in final ADM is not entitled to 12 MOE for a principal.

Authorizes LEAs to transfer school building administration funds for any purpose, not otherwise prohibited by SBE policy, by submitting an ABC transfer form to DPI. Provides that principal position funds may be converted using the first step of the principal III salary schedule and assistant principal funds may be converted using the first step of the assistant principal salary schedule (these positions could previously be converted using Statewide average salary and benefits).

Section 7.15 Transfer of Federal Agricultural Education Funds*

Directs the Agricultural Education Program in the Department of Agricultural and Extension Education at NC State University to develop specified secondary agricultural education curricula as detailed and recommend such curricula to the SBE, which must adopt the curricula for inclusion in the Standard Course of Study.

Provides for the transfer of a prorated share of funds from federal CTE funds to the Agricultural Education and FFA Program.

*Modified by technical corrections bill (see HB 22, below).

Section 7.17 School Calendar Pilot Program

Establishes a school calendar pilot program in the Wilkes County, Montgomery County, and Stanly County school systems, in which the three systems may meet the minimum student instructional time requirement through either 185 days or 1,025 hours of instruction covering 9 calendar months. Provides that a calendar of at least 1,025 instructional hours is deemed to be a calendar of 185 instructional days, and that teachers employed for a 10-month term are deemed to have been employed for the days being made up and shall be compensated as if they had worked the days being made up.

Requires SBE to report to the Joint Legislative Education Oversight Committee by March 15, 2012 on the administration of the program, cost-savings, and impact on student achievement.

Section 7.19 Budget Reductions/Department of Public Instruction

Provides that DPI may reorganize if necessary to implement required budget reductions. Requires reorganization consultation to occur prior to DPI requesting budgetary and personnel changes through the budget revision process. Prohibits DPI from increasing the number of State-funded positions in any division identified for reductions. Prohibits reduction of funding or positions for the Positive Behavioral Support Program.

Section 7.20 LEA Budget Adjustment

Directs SBE to notify each LEA of the amount that the LEA must reduce from General Fund appropriations within 14 days of the date the budget became law (6/15/11). Provides that SBE is to determine the amount of each LEA's reduction on the basis of ADM. Requires each LEA to report to DPI on the flexibility budget reductions it has identified within 30 days of the date the budget becomes law (6/15/11).

Section 7.21 LEA Budgetary Flexibility

Provides that LEAs are to continue to have maximum flexibility in the transferring of State funds with the following exceptions:

- Funds may **not** be transferred into central office administration;
- Classroom teacher funds may **only** be transferred into the teacher assistant allotment;
- Teacher assistant funds may **only** be transferred into classroom teacher allotment.

Directs LEAs to make every effort to reduce spending during the fiscal biennium whenever and wherever such budget reductions are appropriate, with the goal of protecting direct classroom services such as teacher assistants and classroom teachers. In making reductions, LEAs are to first consider reductions to central office administration and other administrative functions.

Establishes that LEAs are to have the maximum flexibility to use allotted teacher positions to maximize student achievement in grades 4-12. Class size requirements in grades K-3 are to remain unchanged.

Section 7.22 North Carolina Virtual Public Schools

Requires the North Carolina Virtual Public School (NCVPS) program to report to SBE and maintain an administrative office at DPI.

Repeals NCVPS funding formula established in 2010 budget bill.

Directs DPI to take the following steps in implementing a NCVPS Allotment Formula:

- (1) Project NCVPS student enrollment by semester and year-long course types for each LEA and charter school.
- (2) Establish a per course teacher payment structure for the instructional costs of NCVPS. In establishing this payment structure, the following need to be considered:
 - a. The payment structure is based on a total compensation analysis to ensure NCVPS teacher pay has parity with similar programs. The total compensation analysis shall take into account salaries, benefits, and work effort to ensure valid comparisons between occupations.
 - b. The effects any change in NCVPS teacher payments may have on the attraction and retention of NCVPS teachers.
- (3) Develop a per student fee structure for in-State students based upon the per course teacher pay structure.
- (4) Multiply the per course fees for in-State students by the projected enrollment by course type for each LEA and charter school.
- (5) Transfer a dollar amount equal to 75% of the LEA or charter school's projected instructional cost from the classroom teacher allotment to NCVPS.
- (6) No later than February 21 of each year, calculate the actual instructional cost for each LEA and charter school based upon actual NCVPS enrollment as of that date.
- (7) Subtract the amount transferred due to projected enrollment from the actual instructional cost for each LEA or charter school and transfer the remaining dollar amount owed, up to a maximum of 100% of the projected cost.
- (8) Develop and implement a policy regarding returning funds to local school administrative units and charter schools in cases where the amount transferred pursuant to subdivision (5) of this subsection exceeds the actual instructional costs.

Provides that recommendations from the eLearning Commission and the NCVPS Advisory Board shall be considered in establishing the fee structure and payment structure for NCVPS.

Provides that SBE shall establish a separate per student tuition for out-of-state students, home-schooled students, and private school students, which shall be adjusted upward from the in-State student fee structure by an amount determined appropriate by SBE.

NCVPS is to also develop a plan by September 15, 2011 to generate revenue from the sale of courses to out-of-state educational entities. Revenue generated by NCVPS shall be used to offset instructional costs to LEAs and charter schools.

Directs the SBE to reduce each LEA or charter school classroom teacher allotment, or other allotment, as determined, on the basis of ADM in grades 6-12 to provide \$2,866,923 for the State-level operations and administration of NCVPS, and to provide \$2,000,000 for an NCVPS enrollment reserve for FY 2011-12. The administrative allotment reduction is to continue in future fiscal years and be adjusted annually based upon the percentage growth in NCVPS enrollment, ensuring the expansion of services due to increased virtual student enrollment. The enrollment reserve is to be used to cover NCVPS instructional costs of LEAs or charter schools with actual enrollment exceeding projected enrollment.

Section 7.23 Performance-Based Reductions in Force*

Requires LEAs to have a reduction in force policy in place on or before July 15, 2011.

Required RIF policies must include the following criteria:

- (1) Determination of positions that will be subject to RIFs must take into consideration:
 - (a) structural considerations, such as identification of positions, departments, courses, programs, operations, and other areas where there are less essential, duplicative, or excess personnel; job responsibility and/or position inefficiencies; opportunities for combined work functions; decreased student or other demands for curriculum, programs, operations, or other services.
 - (b) organizational considerations, such as anticipated organizational needs of the school system and program/school enrollment.
- (2) The determination of which employees in similar positions will be subject to RIFs shall take work performance into account.

Repeals law which provides career employees who have been dismissed due to a RIF with priority consideration for all positions that later become available in which they had career status and for which they were qualified for three consecutive years following their RIF-induced dismissal.

*Modified by technical corrections bill (see HB 22, below).

Section 7.24 Teaching Fellows Administrative Reduction

Reduces the annual administrative allowance for the Public School Forum as administrator for the Teaching Fellows Program from \$810,000 to \$600,000.

Section 7.25 Residential Schools

Declares that there no longer needs to be 3 residential schools and directs DPI to determine which one of the three residential schools is to be closed. Requires DPI to report its decision as to which school is to close and its plan for consolidating that school's programs with those at the two remaining schools to Ed Oversight no later than January 15, 2012. Specifies criteria to be considered by DPI in deciding which residential school is to be closed. Requires closure and consolidation by July 1, 2012.

Makes provisions regarding the procedure for dismissal of school administrators and teachers employed in low performing residential schools applicable to DPI.

Section 7.27 Department of Public Instruction Receipts

Permits DPI to realign receipts among specified General Fund purpose codes on a recurring basis through the budget certification process for the sole purpose of correctly aligning the certified budget with the appropriate purpose or programs.

Section 7.29 Increase Number of Instructional Days

Establishes a minimum student instructional day requirement of 185 days by converting 5 existing teacher workdays to student instructional days *effective starting with the 2011-12 school year*. Removes current protection on 5 of the remaining calendar days. Retains current mandated school calendar start and end dates.

Allows LEAs to petition the State Board to use any of the 5 new instructional days as teacher workdays. SBE may grant the request if it finds that doing so will enhance student performance.

Section 7.30 Testing Program*

Incorporates elements of SBE's Accountability and Curriculum Reform Effort into statute. Gives SBE statutory directive to continue to participate in the development of Common Core State Standards in conjunction with a consortium of other states. Requires SBE to review all national assessments developed by both multistate consortia and to implement the assessments that SBE deems most appropriate to assess student achievement on Common Core Standards. Also requires SBE to plan for and require the administration of the ACT test in 11th grade to the extent that funds are available. Provides an exemption from taking the ACT test for students who have already taken a comparable test and scored at or above a level set by SBE.

Requires SBE to plan for and require the administration of diagnostic tests in grades 8 and 10 that align with the ACT test to the extent that there are funds available. Directs SBE to plan for and require LEAs to make the appropriate WorkKeys tests available for all students who complete the second level of vocational/career courses, to the extent that funds are available. *Applies beginning with the 2011-12 school year.*

*Replaced by identical provisions in SB 479, below

Section 7.31 ADM Adjustment (added by HB 344, see below)

Provides that appropriations for the ADM adjustment shall be \$55,882,651 in FY 2011-12 and \$137,209,514 in FY 2012-13. Provides that the funds appropriated for the ADM adjustment will be distributed to modify allotments to charter schools and LEAs, reflecting changes in ADM due to population growth and other changes in State law.

PART IX – UNIVERSITIES

Section 9.10 Consolidate Assets of Millennium Teaching Scholarship Loan Program and Prospective Teachers Scholarship Load Fund/Give Priority for Scholarship Loans for Prospective Teachers to Certain Former Teacher Assistants

Abolishes the Millennium Teaching Scholarship Loan Program, effective January 1, 2012. Provides that all financial obligations to any student receiving a scholarship loan from the Program before January 1, 2012 will be fulfilled with funds from the Scholarship Loan Fund for

Prospective Teachers established under G.S. 116-209.33, if the student remains eligible under the provisions of the Program. Provides that all contractual agreements between a student who received a Program loan before January 1, 2012 and the SEAA regarding the loan remain enforceable. Directs the assets and liabilities for the Program to be transferred as follows:

- (1) \$500,000 to the Escheat Fund on July 1, 2011.
- (2) The remaining balance to the Scholarship Loan Fund for Prospective Teachers established under G.S. 116-209.33 on January 1, 2012.

Directs the SEAA to give priority when awarding scholarship loans to any applicant who qualifies for a scholarship loan if the applicant was formerly employed as a teacher assistant at a public school in North Carolina and lost the position as a result of a reduction in force.

Section 9.13 Eliminate Certain UNC Tuition Waivers for Nonresident Students

Repeals eligibility for in-state tuition at UNC institution for certain teachers.

Prohibits the Board of Governors from granting tuition waivers, fee waivers, and reduced rates except when expressly authorized by statute (was, statute and Board of Governors).

Abolishes the Prospective Teacher Scholars program.

PART X – DEPARTMENT OF HEALTH AND HUMAN SERVICES

Section 10.1(c) Child Care Subsidy Rates

Establishes requirements associated with the purchase of child-care services for low-income students. Among the requirements is that no payments are to be made for transportation services.

Section 10.4A Expiration of Early Education Certification Requirement

Sets a July 1, 2011 expiration date on legislation passed in 2010 which established early education certification requirements that new and existing teaching staff have their education certified by the North Carolina Institute for Child Development Professionals by July 1, 2012, and existing and new licensed family child care homes have their education certified by the North Carolina Institute for Child Development Professionals. The law also required child care administrators to have their education certified with an Administrator Endorsement.

Section 10.5(k)-(l) Early Childhood Education and Development Initiatives Enhancements

Establishes that implementation of prekindergarten programs is to be one of the funded activities of the NC Partnership for Children, Inc.

Declares General Assembly intent that the NC Partnership for Children, Inc. implement an evidence-based pilot literacy program that improves literacy of children from birth through five years of age and increases children's chances of success in school.

Section 10.7 Consolidate More at Four Program into Division of Child Development

Transfers the More at Four program from DPI to DHHS's Division of Child Development, which is renamed the Division of Child Development and Early Education (DCDEE). Renames

the More at Four program the “prekindergarten program.” Requires DHHS to incorporate 8 consultant positions into DCDEE’s regulation and accounting sections and eliminate the remaining transferred positions.

Directs the Childcare Commission to adopt rules for prekindergarten programmatic standards, and to approve and add new comprehensive, evidence-based early childhood curricula with a reading component to the existing prekindergarten/More at Four curricula.

Increases membership of the Childcare Commission from 15 to 17 members by adding 2 early childhood education specialists who will be appointed by the General Assembly.

Requires additional curricula approved and taught in prekindergarten/More at Four classrooms to also be taught in four- and five-star rated child care facilities’ non-prekindergarten four-year-old classrooms. Requires Childcare Commission to increase standards in four- and five-star rated facilities to place an emphasis on early reading and to require those facilities to teach from the Commission’s approved curricula.

Directs DCDEE to adopt a policy to encourage prekindergarten classrooms to blend private pay families with prekindergarten subsidized children. A waiver or transition period is permitted for public classrooms.

Authorizes the prekindergarten/More at Four program to continue to serve at-risk children identified through existing “child find” methods. Requires that total number of at-risk children are to constitute no more than 20% of the four-year-olds served within the program. Establishes that any age-eligible child of either (1) an active member of the armed forces of the United States or a reserve component ordered to active duty by the proper authority within the last 18 months; or (2) a member of the armed forces of the United States or a reserve component who was injured or killed while serving on active duty, is eligible for the program.

Directs DCDEE to adopt policies that improve the quality of child care for children who receive subsidies. Prohibits subsidy funds for one- or two-star rated facilities, but with an allowance for exemptions in nonstar-rated programs, such as religious programs.

Directs DCDEE to implement a parent co-payment for prekindergarten programs that matches the co-payment requirements for parents of children receiving regular child care subsidies. Parents of at-risk children and age-eligible children of military personnel are exempt from co-payments.

Requires all prekindergarten classrooms to participate in the Subsidized Early Education for Kids (SEEK) accounting system.

Requires DCDEE to establish reimbursement rates based on the newly increased requirements for four- and five-star-rated facilities and the higher More at Four teacher standards for prekindergarten classrooms. Requires prekindergarten curriculum day to cover between 6.5 and 10 hours daily and no less than 10 months per year. Provides a one-year transition period for public classrooms to become licensed through DCDEE.

Section 10.15 Collaboration Among Departments of Administration, Health and Human Services, Juvenile Justice and Delinquency Prevention, and Public Instruction on School-Based Child and Family Team Initiative

Reauthorizes, for the fiscal biennium, the School-Based Child and Family Team Initiative. The Initiative's purpose is to identify and coordinate appropriate community services and support for children at risk of school failure or out-of-home placement in order to address the physical, social, legal, emotional, and developmental factors that affect academic performance.

Section 10.18 Reduce Funding for Nonprofit Organizations

DHHS is required to reduce funding to nonprofits by \$5 million on recurring basis. Any reduction made to the NC High School Athletic Association is not to exceed 10%.

Section 10.22 Funds for School Nurses

Requires that all funds appropriated for the School Nurse Funding Initiative must be used to supplement and not supplant other sources of funds for school nurses. Provides that the appropriated funds shall not be used to fund nurses for state agencies. Distributes funds to local health departments according to a formula that includes the following:

- School nurse-to-student ratio;
- Percentage of students eligible for free or reduced meals;
- Percentage of children in poverty;
- Per capita income;
- Eligibility as a low-wealth county;
- Mortality rates for children between 1-19;
- Percentage of students with chronic illnesses;
- Percentage of county population consisting of minorities.

Directs the Division of Public Health to ensure that school nurses funded with State funds perform specified duties for school health programs, but do not assist in instructional or administrative duties associated with a school's curriculum.

Section 10.60(k) Temporary Assistance for Needy Families (TANF) Contingency Funds

Appropriates \$2,500,000 to make grants for approved Boys and Girls Clubs programs to implement programs that would be expected to reduce gang participation, school dropout, and teen pregnancy rates. Directs DHHS to facilitate collaboration between Boys and Girls Clubs and Support Our Students, Communities in Schools, and similar programs and encourage them to submit joint applications.

Section 10.60(cc)-(dd) Maternal and Child Health Block Grant

Appropriates \$650,000 to Teen Pregnancy Prevention.

Stipulates that if federal funds are received under the Maternal and Child Health Block Grant for abstinence education in FY 2011-12, then those funds are to be transferred to the SBE to be administered by DPI to establish an abstinence until marriage education program. DPI shall delegate to 1 or more persons the responsibility of implementing the program and State

abstinence until marriage education law. DPI shall strictly and carefully follow federal guidelines in implementing and administering the abstinence education grant funding.

PART XVII – JUVENILE JUSTICE AND DELINQUENCY PREVENTION

Section 17.5 Funding for Juvenile Justice and Delinquency Prevention Education Programming

Requires DJJDP to work with DPI to identify all education fund sources that can be used to cover DJJDP education programming costs. Requires reporting.

PART XIX – DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY

Section 19.1 Consolidate Department of Correction, Department of Crime Control and Public Safety, and Department of Juvenile Justice and Delinquency Prevention into the Department of Public Safety

Folds the Department of Juvenile Justice and Delinquency Prevention into a new Department of Public Safety and renames it the Division of Juvenile Justice. Provides that former Secretary of Juvenile Justice and Delinquency Prevention is to be Head of the Division of Juvenile Justice, and responsible for youth detention centers, court services, community programs, and youth development centers. Recodifies and makes conforming changes to various statutes.

PART XVII – GENERAL ASSEMBLY

Section 22.4 Client Decisions

Entities that receive all or part of their support from the State that employ counsel other than the Attorney General shall allocate authority in accordance with Rule 1.2 of the NC Rules of Professional Conduct. In instances where more than one counsel is providing legal representation, the client shall designate in writing which legal counsel possesses final decision making authority.

PART XVIII – DEPARTMENT OF TRANSPORTATION

Section 28.32(a) School Bus Funding From Unexpended Mid-Currituck Bridge Gap Funds and Urban Loop Fund; Reduce Garden Parkway Gap Funds and Transfer Funding to Urban Loop Program

Redirects highway trust funds appropriated to the NC Turnpike Authority for the Mid-Currituck Bridge Gap Project that are unencumbered at the end of FY 2010-11 to the General Fund to finance school bus replacements. Also redirects \$5,223,642 from the Urban Loop Fund into the General Fund for school bus replacement.

Section 28.36 Cost-Efficient Tire Retreads on State Vehicles and School Buses

Requires the procurement and installation of tires for state vehicles and school buses that possess the original, unaltered, and uncovered tire sidewall. Prohibits a State agency or local board of education from executing a contract for the repair or refurbishment of tires for state vehicles or school buses that provides for the removal, covering, or other alteration of the critical tire

information contained on the sidewall. Applies to contracts for the purchase, repair, or refurbishment of tires for state vehicles and school buses, or for the purchase of related products or services that are executed on or after July 1, 2011. Exempt tires with altered or covered sidewalls that are currently owned or that will be purchased in the future under a legally binding contract existing prior to July 1, 2011.
G.S. 115C-249.1; 143-63.2.

Section 28.37 Driver Education Reform

Recodifies existing laws related to driver education programs. Adds the following new requirements to driver education program statutes:

- The driver education program organized and administered by DPI shall be a standardized program (*codifies the standardized curriculum required by 2010 budget*).
- Students receiving instruction through a home school, and who meet all other eligibility criteria, may qualify for the driver education program offered by the LEA.
- Curriculum must include at least one hour of motorcycle awareness training.
- SBE is to establish and implement a strategic plan for the program with specific minimum elements.
- Driver education courses shall be noncredit courses (*codifies SBE policy*).
- Driver education program expenses shall be appropriated out of the Highway Fund *based on an annual appropriation by the General Assembly*.

Provides reporting requirements on the status of the implementation of the standardized curriculum required by the 2010 budget.

Specifies that for the 2011-12 school year, no State funds are to be used for driver education programs that do not use the standard driver education curriculum.

Directs SBE to establish a pilot program to deliver driver education by electronic means in at least 5 LEAs.

Directs SBE to report to the Joint Legislative Education Oversight Committee and to the Joint Legislative Program Evaluation Oversight Committee by June 15, 2012 on specified issues.

**Senate Bill 339, below, makes further changes to new statute.*
G.S. 115C-215, -216; 20-88.1, -11(b), -322(b).

PART XXIX – SALARIES AND BENEFITS

Section 29.1 Governor and Council of State

Freezes the salary of the Superintendent of Public Instruction, along with the Governor and other members of the Council of State, for the 2011-13 fiscal biennium.

Section 29.8 Salary Adjustments for Special Circumstances Only/No Automatic Increases

Provides that the annual pay of all State employees for the 2011-13 fiscal biennium shall remain unchanged from that authorized on June 30, 2011, or the last date in pay status during the 2010-11 fiscal year, if earlier.

Allows for an exception from the salary freeze in the following situations: all State employees regardless of funding sources and employees of local school boards who are paid from State funds may be subject to salary increases for reallocations or promotions, in-range adjustments for job change, career progression adjustments for demonstrated competencies, or any other adjustment related to an increase in job duties or responsibilities.

Section 29.12 Teacher Salary Schedules

Establishes the FY 2011-12 monthly teacher salary schedules for “A” and “M” teachers. The schedule contains 35 steps (34 steps in the 2010-11 schedule) with each step corresponding to one year of teaching experience. Salaries remain frozen and provides that teachers who did not work required number of months to acquire an additional year of experience on the schedule are not to receive a salary decrease. Employees who earned a Master’s degree or NBPTS certification shall not be prohibited from receiving the appropriate increase in salary.

Section 29.13 School Based Administrator Salary Schedule

Provides that the base salary schedule for school based administrators applies only to principals and assistant principals. Directs that school based administrators (1) employed during the 2010-11 school year who did not work the required number of months to acquire an additional year of experience and (2) employed during the 2011-12 school year in the same classification are not to receive a decrease in salary as otherwise would be required by the salary schedule. Adds an additional step to each schedule to bring total steps to 34 for Assistant Principals and Principals classified in I-IV range; and 28 for Principals classified in V-VIII range. Salaries remain frozen.

Prohibits a principal acquiring an additional step during FY 2011-12 or FY 2012-13 from receiving a corresponding increase in salary. Specifies that a principal or assistant principal continue to receive any additional State funded percentage increases earned for the 1997-98, 1998-99, and 1999-00 school years for improvement in student performance or maintaining a safe and orderly school. Retains all other provisions from previous years.

Section 29.14 Central Office Salaries

Directs the monthly salary ranges for superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers and remain unchanged for the 2011-13 fiscal biennium.

Directs each local board of education to determine the appropriate category and placement for each assistant superintendent, associate superintendent, director/coordinator, supervisor, or finance officer within the salary ranges and within funds appropriated by the General Assembly. The category in which an employee is placed must be included in the contract of any employee.

Directs each local board of education to determine the appropriate category and placement for the superintendent based on ADM of the LEA and within funds appropriated by the General Assembly.

Directs that longevity pay for superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers must be equivalent to those provided for State employees under the State Personnel Act.

Authorizes the \$126 and \$253 per month salary supplement for superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers with certification based on academic preparation at the six year degree level and the doctoral degree level, respectively.

Prohibits SBE from permitting LEAs to transfer State funds from other funding categories for salaries for central office administrators.

Specifies that the salaries for permanent, full time personnel paid from the Central Office Allotment remain unchanged for the 2011-13 fiscal biennium.

Section 29.15 Noncertified Personnel Salaries

Full and part-time noncertified public school employees who are paid out of the State's General Fund shall remain unchanged for the 2011-13 biennium.

Section 29.18 All Furloughs Prohibited Except as Ordered to Balance the Budget

Prohibits any furlough of a public employee paid with State funds unless ordered by the Governor while acting to balance the budget, or by the Chief Justice or the Legislative Services Officer.

Requires the UNC Board of Governors, the State Board of Community Colleges, and local school boards to petition the Governor in order to furlough employees.

Provides that a member of (1) any of the State-supported retirement plans administered by the Retirement Systems Division of the Department of the State Treasurer or (2) an Optional Retirement Program is considered in active service during any period of an authorized furlough and entitled to all of the same benefits to which the employee was entitled on the workday immediately preceding the furlough. Directs that there is to be no diminution of retirement average final compensation based on being on furlough and that the retirement average final compensation be calculated based on the undiminished compensation. Requires the employer to pay both employer and employee contributions to the Retirement Systems Division or ORP on behalf of the employee on furlough. Directs that a member of the State Health Plan for Teachers and State Employees is to be considered eligible for coverage under the Plan on the same basis as the workday immediately preceding the furlough. Requires the employer to pay contributions on behalf of the furloughed employee as if the employee were in active service. Specifies exceptions for when this section does not apply to a furlough within a public agency. Directs the respective authorizing officer or entity to report certain specifics regarding an authorized furlough including the positions affected, the employees affected, and make certain certifications regarding the reason for the furlough.

Section 29.19 Monitor Compliance with Freeze on Most Salary Increases

Directs the Office of State Budget and Management and the Office of State Personnel jointly to monitor the compliance of a number of units of government (including local boards of education) with the public employee salary freezes established in the budget.

Section 29.20 Comprehensive Review for Reform of Public Employee Compensation Plans/Recommendations for Legislation by May 1, 2012

Declares the intent of the General Assembly to create and implement a modernized, fair, and fully-functional performance-based compensation system for employees of State agencies, departments, institutions, UNC system, NC Community College System, and LEAs; orders the commission of a study and review of the current compensation plans of the named entities.

Specifies that the study, at a minimum, include the following with regards to public schools:

- An analysis, including an assessment of effectiveness and best practice identification, of the performance-based compensation system proposed by Charlotte-Mecklenburg Schools.
- An evaluation of longevity pay and recommendations as to whether longevity pay should be continued for new hires.
- An evaluation of current laws and policies related to tenure for public school teachers, including an evaluation of the relationship between tenure and student performance, if any.
- An evaluation of salary supplements for public school employees paid on account of master's degrees, attainment of other advanced degrees, and national board certification, including any relationship to student performance.
- An analysis of the effect of in-State regional variables on employee compensation and recommendations as to how these variables should be addressed in the future.
- Recommendations, timetable, and design of a comprehensive performance-based compensation plan across all government sectors for implementation by the General Assembly.

Findings and recommendations are to be reported to the 2012 Regular Session of the 2011 General Assembly by May 1, 2012.

Section 29.21 Establish Severance Expenditure Reserve

Establishes a reserve fund for the purpose of funding severance-related obligations to State employees, including employees of LEAs, who are separated from service due to a RIF action. Establishes that expenditures shall include obligations to fund (1) a State employee's severance salary continuation with an age adjustment factor, including employer-related contributions for Social Security, and (2) noncontributory health premiums for up to 12 months. Monies in the fund are to be allocated to various agencies for positions that are funded by the General Fund or Highway Fund.

Section 29.22 Salary Related Contributions

FY 2011-12 maximum monthly employer contributions per State employee: 13.12% - retirement; \$4,931 - hospital benefits.

FY 2012-13 maximum monthly employer contributions per State employee: 14.31% - retirement; \$5,192 - hospital benefits.

PART XXXI – FEE PROVISIONS

Section 31.1 Education/Driver Education Course Fee

Authorizes LEAs to charge each student participating in a driver education course a fee of up to \$45.00 to offset training/instructional costs.

Section 31.2 Education/State Board Authority to Establish GED Testing Fees

Authorizes the State Board of Community Colleges to institute fees for GED testing and retesting.

SUMMARY OF LEGISLATION ENACTED BY THE GENERAL ASSEMBLY

****ALL BILLS ARE EFFECTIVE UPON BECOMING LAW UNLESS OTHERWISE NOTED****

Public/Statewide Legislation

House Bills

HB 22: 2011 Budget Technical Corrections (S.L. 2011-391) *(all secondary sections referenced are from the budget bill)*

Section 4. Amends Section 5.4 and G.S. 115C-546.2(d)(4) to allow counties to use lottery proceeds to retire *any debt*, not just debt incurred after January 1, 2003.

Section 7.31. Repeals the statutory provisions of the Teacher Academy (funding eliminated in budget).

Section 7.32. Repeals the statutory provisions of the Professional Teaching Standards Commission (funding was eliminated in budget).

Section 14. Repeals Section 7.13(ee) thus reinstating personal education plans, and repeals Section 7.13 a-u thus restoring school improvement plans.

Section 15. Amends 7.15 to require DPI to transfer \$90,500 (previously prorated share of CTE) be transferred to Ag Education and FFA Program at NCSU.

Section 16. Limits the required policy in Section 7.25 on RIFs to only apply to *certified school employees*.

Effective July 1, 2011.

HB 48: No Standardized Testing Unless Required by Feds (S.L. 2011-8) eliminates SBE authority to require the administration of standardized tests other than those required by federal law or as a condition of a federal grant.

Expressly eliminates the following end-of-course tests: United States History, Physical Science, Algebra II, Civics and Economics.

Requires SBE and DPI to consider alternative assessment strategies to measure student academic performance and teacher evaluation, with a report to the House and Senate Education Committees by June 1, 2011.

Effective July 1, 2011 and applicable beginning with the 2011-12 school year.

G.S. 115C-174.11.

HB 92: Repeal Land Transfer Tax (S.L. 2011-18) repeals county authority to issue a land transfer tax referendum. This authority had been initially granted in 2007.

G.S. 105-600 to -605.

HB 181: Add Supt. To NC Econ. Dev. Board (2011-121) adds the Superintendent of Public Instruction to the North Carolina Economic Development Board, bringing the membership to a total of 39 members.

G.S. 120-3.1; 138-5, -6.

HB 289: Authorize Various Special Plates (S.L. 2011-392)

Section 3. Authorizes a number of new special motor vehicle registration plates. Among the new special authorized plates are:

- School Board Plate - issuable to a school board member and which will bear the words *School Board* followed first by a number representing the school board and then by a letter or number that distinguishes plates issued to members of the same board. Specifies that DMV may not issue the plate unless it receives at least 300 applications for the plate. **\$10 per plate fee will apply.**
- Support NC Education - issuable to a registered owner of a motor vehicle. The plate shall bear the phrase *Support NC Education* with a picture of a mortar board hat and a diploma. 300 plates must be developed before being issued. Cost is \$30 per plate (\$10 to the special registration plate account and \$20 to the Collegiate and Cultural Attraction Plate Account). Proceeds go to the scholarships at the UNC system.

G.S. 20-79.4(b).

HB 313: Repeal Savings Bond Payroll Savings Program (S.L. 2011-210) eliminates the voluntary payroll deduction plan for the purchase of United States savings bonds by State employees. Repeals similar voluntary plan for LEA employees.

G.S. 115C-343; 143-301 to -305.

HB 342: High School Accreditation (S.L. 2011-306) reinstates the SBE as an authorized accrediting entity for public schools. Provides that SBE is to adopt rigorous academic standards for accreditation after consideration of (1) standards of regional and national accrediting agencies (2) Common Core Standards and (3) other information it deems appropriate.

Provides that local school boards may request that their schools be accredited by the SBE and must compensate the SBE for actual costs of the process.

Prohibits the State Board of Community Colleges and UNC institutions from considering accreditation of an applicant student's secondary school as a factor affecting admissions, loans

scholarships or other educational activity at the school, unless the accreditation was conducted by a State agency.

G.S. 115C-12(38); 115D-1.3; 116-11(8b).

HB 344: Tax Credits for Children with Disabilities (S.L. 2011-395) authorizes a nonrefundable tax credit of up to \$6,000 per year for special education and related services expenses for parents of a child with disabilities who is:

- (1) enrolled in a nonpublic school or a public school at which tuition is charged;
- (2) IDEA-eligible;
- (3) determined to require an IEP;
- (4) receiving special education or related services on a daily basis.

Defines *special education* as specially designed instruction to meet the unique needs of a child with a disability, including physical education and instruction conducted in a classroom, the home, a hospital, or institution, and other settings. Defines *related services* consistent with federal law.

Establishes that to be initially eligible for the tax credit the child must have spent 2 semesters either enrolled in a public school or receiving special education or related services through the public schools as a preschool child with a disability. **Beginning in 2016, the initial eligibility requirement will be reduced to 1 semester.*

Provides that the LEA is to reevaluate the child every 3 years to determine the child's continued status as IDEA-eligible.

Establishes that if the child meets any of the following conditions the parents may *not* claim the tax credit:

- was placed in a nonpublic school or facility by a public agency at public expense;
- spent any time enrolled as a full-time student taking at least 12 hours of academic credit at a postsecondary educational institution;
- was 22 years of age or older during the entire semester;
- graduated from high school prior to the end of the semester.

Delineates 7 items of information that parents claiming the credit must provide to the Department of Revenue.

Establishes a new fund entitled the "Fund for Special Education and Related Services" as a special revenue fund under the control and direction of the SBE. Credits to the fund \$2,000 per tax credit claimed annually. Monies in the fund are to be used to reimburse LEAs for conducting continued IDEA eligibility examinations and developing IEP programs for children receiving the credit.

Reduces available revenue in the budget (see HB 200) by \$1,350,000 in FY 2011-12 as a result of the estimated tax credits that will be taken, to be supplanted by an equal reduction in savings reserve account set-aside. Reduces revenue availability by \$5,877,900 in FY 2012-13 as a result of the tax credit, and reduces available appropriations to public schools by an equal amount (FY 2012-13 ending appropriation in HB 200, above, will be \$7,444,122,000).

Tax credit applies to semesters beginning on or after July 1, 2011. Transfers to the special education fund shall not be made before FY 2012-13.

G.S. 105-151.33; 115C-472.15.

HB 380: Amend RCP/Electronically Stored Information (S.L. 2011-199) amends the Rules of Civil Procedure to incorporate *electronically stored information* into the scope of discovery.

Defines *electronically stored information* as reasonably accessible metadata that enables the party requesting discovery the ability to access such information as the date sent, the date received, the author, and recipients. The phrase does not include other metadata unless the parties agree otherwise or the court orders otherwise upon motion of a party and a showing of good cause for production.

Permits the court to combine discovery conference with a pretrial conference.

Requires that an answer to an interrogatory that specifies the business records from which the answer may be derived must be in sufficient detail to allow the party proposing the interrogatories to locate and identify the records where the answers may be found.

Effective October 1, 2011, and applies to actions filed on or after that date.

G.S. 1A-1, Rule 16, Rule 26, Rule 33(c), Rule 34, Rule 37, Rule 45.

HB 427: Run and You're Done (S.L. 2011-271) requires that a motor vehicle driven by an individual charged with a felony speeding to elude arrest violation is subject to seizure and sale. Requires county sheriff to hold the vehicle pending trial, unless the vehicle owner posts bond for amount double the value. Provides for return to owner upon an acquittal or dismissal of the charge. Gives court discretion to turn the vehicle over to the lienholder, and requires lienholder to pay proceeds of sale exceeding amount of lien to court.

Provides that upon defendant's conviction of a felony speeding to elude arrest violation, the vehicle must be sold at public auction, and proceeds of sale be allocated to expenses, liens in order of priorities, and the county school fund, in that order.

Establishes other procedural requirements.

Effective December 1, 2011 and applies to offenses committed on or after that date.

G.S. 20-141.5.

HB 588: The Founding Principles Act (S.L. 2011-273) modifies civic literacy curriculum requirements related to the founding of the United States. Removes general requirements that high school students learn and be required to demonstrate understanding of the United States founding, including the Declaration of Independence, the Constitution, and the most important of the Federalist Papers. Replaces these general requirements with a specific requirement that high school students take a semester-long course entitled "American History I – The Founding Principles." Outlines 10 specific ideas, philosophies, and rights that must be taught as part of the course

Establishes that a passing grade in the course will be a high school graduation requirement beginning with the 2014-2015 school year.

Requires that any high school level curriculum-based tests developed and administered statewide beginning with the 2014-2015 school year include questions related to the philosophical foundations of the U.S. form of government, and the principles underlying the Declaration of Independence, the Constitution, and the most important of the Federalist Papers.

Requires DPI to report by October 15 of each odd-numbered year to the Education Oversight Committee covering the implementation of the new curriculum.

G.S. 115C-81(g).

HB 595: Reorganization/Legislative Oversight Commission (S.L. 2011-291)

Section 1.5 (a)-(b). Eliminates the Legislative Study Commission on Children and Youth and transfers all duties to the Joint Legislative Education Oversight Committee.

Section 1.5(c). Alters the make-up of the Joint Legislative Education Oversight Committee by adding an additional member from the minority party, going from 2 to 3. Total committee membership remains at 11.

Section 1.5(d). Changes Ed Oversight Committee duties from “shall” study to “may” study. Also broadens the scope of the Committees’ duties to include studying the needs of children and youth. This study may include, but is not limited to:

- Developing strategies for addressing the issues of school dropout, teen suicide, and adolescent pregnancy.
- Identifying and evaluating the impact on children and youth of other economic and environmental issues.

Section 2.21. Requires reports previously made to the Legislative Study Commission on Children and Youth be made instead to the Joint Legislative Education Oversight Committee. G.S. 120-70.80, -70.81, -215 to -221; 95-25.23C(c).

HB 642: Justice Reinvestment Act (S.L. 2011-192)

Section 5(b). Allows individuals to expunge certain misdemeanor drug crimes as long as they occurred before the age of 21. The judge to whom the applicant files will be allowed to call on the probation officer to serve as a character witness and to verify the applicants’ behavior since arrest. This will only apply to misdemeanants of drug charges of schedule I through VI and/or possession of drug paraphernalia. G.S. 15A-145.2.

HB 649: Amend Grounds/License Revocation/Bail Bondsmen (S.L. 2011-377)

Section 2. Allows bail bond surety licenses to be put on probation. Revises conditions under which the Insurance Commissioner may suspend, place on probation, revoke, deny, or refuse to renew a license to include fraudulent, coercive, or dishonest practices demonstrating incompetence, untrustworthiness, financial irresponsibility, adverse action in another jurisdiction, violating laws governing bail bonding or insurance, failing to comply with orders, failing to pay taxes, or forging a name on a bail bond transaction.

G.S. 58-71-80(a).

Section 3. Allows a person to hold both a professional bondsman’s license and a runner’s license.

G.S. 58-71-82.

Section 5. Stipulates how outstanding bail bond obligations are to be addressed when a bondsman’s business is transferred or sold.

G.S. 58-71-122.

Section 6 and Section 9. Authorizes a professional bondsman, a runner acting on behalf of the bondsman, or a bail agent acting on behalf of an insurance company to file motions to set aside bond forfeitures and motions for relief from forfeiture judgments.

Effective December 1, 2011

G.S. 15A-544.5(d)(1), -544.8(c)(1).

Section 7 and Section 10. Directs the clerk of superior court, by mail or personal delivery, to provide to the county district attorney and the board attorney a copy of any motion to set aside forfeiture or motion for relief from forfeiture judgment that is filed.

Effective December 1, 2011

G.S. 15A-544.5(d)(2), -544.8(c)(2).

Section 8. Specifies that the 20-day statute of limitations for the county district attorney or board attorney to file an objection to a motion to set aside a bond forfeiture is triggered on the date the *clerk of superior court provides a copy of the motion*. (Conforming change to Section 7)

G.S. 15A-544.5(d)(4).

HB 650: Amend Various Gun Laws/Castle Doctrine (S.L. 2011-268)

Section 4 requires that a person would have to knowingly carry a firearm onto school grounds to be criminally liable of a Class I felony.

Effective as to claims pending on or after June 24, 2011.

G.S. 14-269.2(b).

HB 709: Protect and Put NC Back to Work (S.L. 2011-287) makes a number of reforms to North Carolina workers' compensation law, the most significant of which is Section 10, which places a 500 week limit on total disability compensation for injured employees. The section also specifies certain conditions which an employee must meet to qualify for permanent total disability compensation.

The bill also makes a number of changes to the structure and appointment process of the NC Industrial Commission and brings the Commission under the jurisdiction of the APA.

The bill also increases the maximum time limit for partial incapacity compensation from 300 weeks to 500 weeks, allows employer to prove *willful misrepresentation by employee in applying for employment*, adds a vocational rehabilitation service option and modifies the law with regards to second opinion examinations, change of treatment, employer access to medical information, and medical examinations during compensation.

G.S. 97-2, -12.1, -17, -18, -25, -25.6, -26, -27, -29, -30, -32, -32.2, -38, -40, -77, -78.1, -80(a), -84; 150B-1(c), -1(e).

HB 713: Multiple Award Contracts for Ground Maintenance, Construction, Communication and Forestry Equipment (S.L. 2011-360) instructs the Department of Administration to begin awarding multiple companies with State contracts in these specific areas.

G.S. 143-52.3.

HB 720: School and Teacher Paperwork Reduction Act (S.L. 2011-379) In order to streamline the paperwork process and to alleviate unnecessary, duplicative paperwork the SBE will be instructed to monitor this process and make necessary changes.

SBE shall permit all reports to be submitted electronically and shall adopt policies to consolidate and streamline application for State funds. Local boards are required to identify software protocols to minimize repetitious data entry.

DHHS will also be instructed to work along with More-At-Four (now, prekindergarten program) to review all reporting requirements and reduce the frequency of reporting as appropriate. LEAs will also be granted permission to decline to file additional plans or paperwork if the School Improvement Plan adequately covers the subject. *These provisions will become effective at the beginning of the 2011-2012 school year.*

Additionally, the bill eliminates pre-payment of teachers starting July 1, 2012. From that day forward teachers will be paid for the days that they work in each month instead of the whole month.

G.S. 115C-12(19), -12(19a), -47(18), -105.27, -302.1(b),

HB 736: Amend Law Re: School Discipline (S.L. 2011-282)

Repeals existing student discipline statutes and institutes new statutory guidelines and procedures governing student discipline.

General Requirements

Provides a declaration of public policy regarding school discipline and the importance of balancing the interests of school officials and disciplined students in the administration of school discipline. Creates definitions incorporating commonly-accepted definitions of terms used throughout student discipline law.

Creates new definition for *long-term suspension*, which provides that if the offense leading to long-term suspension occurs during the first 3 quarters of the school year, the suspension can last no longer than the end of the existing school year; if the offense occurs during the final quarter of the school year, the length of the suspension *can carry over to the first semester of the following school year*.

Outlines general policies regarding school discipline. Retains authority of each individual board of education to adopt its own policies governing the conduct of students and the use of school discipline, consistent with state and federal law and constitutions. Creates the following statutory restrictions on board of education discipline policies:

- Policies may authorize suspension for off-campus conduct only if the student's conduct is reasonably expected to have a direct and immediate impact on safety at school or orderly and efficient operation of the school (*codification of case law*).
- Policies may not authorize long-term suspension for truancy and must limit short-term suspension for truancy to 2 days.
- Policies may not impose mandatory penalties for identified conduct except as authorized by state or federal law (*no zero-tolerance policies*).
- Policies may not prohibit superintendent from considering mitigating and aggravating circumstances when imposing suspension.
- Policies must limit the use of long-term suspension to serious offenses that threaten safety of students and staff or substantially disrupt the educational environment; principals retain authority to consider aggravating circumstances of minor offenses as justifying long-term suspension.

Local boards and school administrators are encouraged to use positive approaches to discipline and alternatives to removal from school.

Seclusion/Restraint

Retains and recodifies existing law concerning reasonable use of force in seclusion and restraint of students.

Corporal Punishment

Retains local board authority to decide whether to allow corporal punishment within their school system. Requires local board to allow a parent to opt their child out of any administration of corporal punishment if the parent has submitted a written request that corporal punishment

shall not be administered on their child. Provides that substitute teachers may not administer corporal punishment, and substitute teachers, teacher assistants, and student teachers may not be official witnesses to corporal punishment. Adds student gender to the list of items that must be reported in documentation of each administration of corporal punishment.

Short-Term Suspensions

Outlines short-term suspension guidelines. Incorporates current law providing principals with authority to suspend for up to 10 days and allowing short-term suspended students to take home textbooks, receive missed assignments, and take major tests missed during the exclusion. Minor revision to current law allows students to have access to school materials when practicable.

Outlines procedures that must accompany short-term suspension. Codifies existing case law providing that students are entitled to an informal hearing before short-term suspension unless safety is an issue. Requires written notice to parents of the short-term suspension. Establishes timing and content of the notice. Retains current law providing that short-term suspensions are not appealable. Provides that local boards, in their discretion, may provide students with a short-term suspension review or appeal procedure to the superintendent or board.

Long-Term Suspensions

Outlines long-term suspension guidelines. Incorporates current law providing that principals have authority to recommend and superintendents have authority to impose long-term suspensions. Codifies constitutional procedural due process requirements that a student must be offered a hearing prior to the imposition of a long-term suspension. If the student declines the hearing, the superintendent must review the circumstances and determine that long-term suspension would be consistent with board policies before imposing the long-term suspension. Provides that if a student has assaulted or injured a teacher, the student shall not be reassigned to that teacher without the teacher's consent. Differentiates long-term suspension from a disciplinary reassignment and establishes that if disciplinary reassignment is to a full-time education program that allows the student the chance to make timely progress toward grade promotion and graduation, such a reassignment is not a suspension and is not subject to due process procedures. Omits mandatory suspensions for certain acts.

Outlines procedures that must accompany long-term suspensions. Recodifies 2009 provisions regarding notice to parents of a recommended suspension. Codifies federal regulations by adding that all long-term suspension notices include a short statement in the main foreign language spoken by parents in the district, alerting the parent of the importance of the notice and need to contact school officials. Retains current law allowing each local board to develop its own hearing procedures, allowing for a hearing to be conducted by the local board itself, or by a person or panel appointed to conduct hearings. Provides that hearing procedures must be consistent with constitutional due process. Includes express requirements that student has a right to be represented by an attorney, the right to question witnesses presenting evidence against him/her, the right to present evidence on his/her own behalf, and the right to a written decision based on substantial evidence produced at the hearing. The person(s) designated to conduct the hearing may not be under the direct supervision of the principal recommending the suspension. Retains current law providing that long-term suspensions may be appealed to the board of education and to superior court. When appealed to court, the student's case is entitled to a peremptory hearing.

Alternative Education

Outlines guidelines for alternative educational services. Codifies recent case law requiring school districts to offer alternative education services to suspended students unless the superintendent provides a significant or important reason for declining such services. Provides examples of potentially sufficient reasons.

365-Day Suspensions

Codifies federal law mandating a 365-day suspension for gun possession. Destructive devices are included. Adds exemption for a student who finds, or takes from another student, a firearm or weapon if it is turned over to law enforcement or a school official as soon as practicable, so long as the superintendent determines the student had no intent to use the weapon in a harmful or threatening way. Also exempted is a student using firearms used in activities approved by the school district.

Expulsions

Outlines general requirements concerning expulsion. Recodifies current law. Clarifies that students facing expulsion are entitled to a hearing. Retains current law providing that a student may be expelled only upon clear and convincing evidence that his/her continued presence constitutes a clear threat to other students and staff.

Readmissions

Establishes right to request readmission for students who have been expelled (*current law*) or suspended for 365 days (*new*). Changes provisions regarding when a student can petition for readmission, allowing a student to request readmission not sooner than 180 days after a suspension or expulsion. Subsequent petitions for expelled students may be made not more often than every 6 months. Provides that local boards must develop policies and procedures for readmission petitions; delineates minimum requirements for those policies. Requires that students shall be readmitted only if the student demonstrates that his/her presence in school no longer constitutes a threat to the safety of others in the school. Allows readmitted student to be readmitted to any program in the system, with reasonable conditions imposed. Readmission decision is not subject to judicial review.

Makes technical and conforming changes throughout the public school statutes.

All provisions apply beginning with the 2011-12 school year.

G.S. 115C-12(27), -45(c)(1), -238.29B(b)(11), -276(r), -288(e), -390.1 to -390.12, -391.1(i), -366, -402(b); 14-208.18(f); 20-11(n1)d.2.

HB 744: Safe Students Act (S.L. 2011-388) provides that principals *shall* (was, may) require the parent or guardian of a child presented for admission to a school for the first time to furnish a certified copy of the child's birth certificate or other satisfactory evidence of birth. Adds a certificate of required immunizations to the documents that a principal must require from a parent or guardian of a student presented for admission to a school for the first time (*already required*).

Establishes that secondary proof of age may only be established through competent and verifiable evidence. Such evidence may include a medical record of the child's birth issued by

the treating physician or the hospital in which the child was born or a certified copy of a birth certificate issued by a church, mosque, temple or other religious institution that maintains birth records of its members.

Applies beginning with the 2011-12 school year.

G.S. 115C-364(c); 130A-109.

HB 758: Establish Arts Education Commission (S.L. 2011-301) establishes a 9-member Arts Education Commission to do the following: (1) review, prioritize, and recommend implementation strategies for the recommendations of the Comprehensive Arts Education Plan for K-12; (2) recommend the content and process to establish an arts education report card; (3) recommend ways to assess and promote opportunities for students to learn the skills of creativity and innovation; (4) work with DPI on the creation of arts education assessment models based on existing assessments and tests; (5) recommend the establishment of arts education accountability incentives for schools under the accountability component of ACRE for specified areas; and (6) study and recommend a permanent financing strategy for K-12 arts education.

Provides for Commission membership, filling of vacancies, member compensation, and Commission administration. Requires the Commission to report to the 2012 Regular Session of the General Assembly by May 1, 2012, at which time the Commission terminates.

HB 765: Study Length of School Year (S.L. 2011-257). In order for North Carolina's children to remain competitive the school calendar must be examined. This bill establishes a Blue Ribbon Task Force to study the length of the school year, cost of implementation, current cost of remediation, effects current calendar has of math and science scores. The report is due to the General Assembly by December 31, 2012. Membership includes the Executive Director of NCSBA.

HB 769: High School to Work Partnership (S.L. 2011-91) directs local boards of education to encourage high schools and local businesses to partner, specifically target students who may not seek higher education, and facilitate high school to work partnerships.

Directs local boards of education to encourage high schools to designate the Career Development Coordinator or other designee of the local CTE administrator to be the point person for local businesses to contact in regards to working with targeted students in a high school to work partnership. Establishes requirements of high schools who participate in the partnership.

Directs local boards of education to develop a policy with provisions for students who are absent from school while doing a job shadow to make up the work. Students are not to be counted as absent when participating in job shadow activities or in CTE student organization activities. Local boards may determine maximum days to be used for job shadowing activities. G.S. 115C-47(34a).

HB 792: Gfeller-Waller Concussion Awareness Act (S.L. 2011-147) directs the Matthew A. Gfeller Sport-Related Traumatic Brain Injury Research Center at UNC-Chapel Hill, in consultation with DPI, the NC High School Athletic Association, and other specified entities, to develop an athletic concussion safety training program to be used by coaches, school nurses, school athletic directors, volunteers, student athletes, and parents of student athletes. Provides that the program is to include at least: (1) written information detailing recognition of signs and symptoms of concussions and other head injuries; (2) a description of the physiology and the

potential short-term and long-term effects of concussions and other head injuries; and (3) the medical return-to-play protocol for post-concussion participation in interscholastic athletic sports.

Establishes new interscholastic athletic activity requirements to be incorporated into SBE rules and instituted in public schools beginning with the 2011-12 school year, as follows.

- School nurses, athletic directors, first responders, volunteers, student athletes, and parents of student athletes in middle schools and high schools must annually receive a concussion and head injury information sheet. School employees, first responders, and volunteers must sign the sheet and return it to the coach before being allowed to participate in interscholastic athletic activities. Student athletes and their parents must sign and return the sheet before the student can participate.
- Students participating in middle school/high school interscholastic athletic activity who show *signs* or *symptoms* consistent with concussion must be removed from the activity and be prohibited from returning until cleared by one of five specified medical professionals.
- Each middle school and high school must develop a venue specific emergency action plan with specified procedures and items responding to serious injuries and acute medical conditions in which the condition of the patient may deteriorate rapidly.

Each middle school and high school must maintain complete and accurate records of its compliance with established rules.

Applies beginning with the 2011-12 school year.

G.S. 115C-12(23).

HB 822: Dropout Recovery Pilot Program (S.L. 2011-259) instructs SBE to establish a dropout recovery pilot program in four North Carolina counties, including New Hanover. Participation in this program will be on a voluntary basis by the LEA and a vendor for the program will be selected through a bid process. The vendor will receive compensation by collecting 95% of the per pupil allotment for every child that they educate. The participating LEA will receive the remaining 5% and the child will receive all academic credit as if they had been educated through the traditional program. The program will also offer classes at varying times in order to accommodate these struggling students' lifestyles.

Effective July 1, 2011.

Senate Bills

SB 7: Add Controlled Substances (S.L. 2011-12) makes it illegal to sell, manufacture or possess synthetic cannabinoids (K2 or Spice), MPDV (synthetic cocaine), MDPK (MTV, Magic, Maddie, Super Coke, PV) or Mephedrone (M4, meph, drone, MCAT). Sale or manufacture will be a felony. Penalties for possession vary dependent upon weight of substance.

Applies to offenses committed on or after June 1, 2011.

G.S. 90-89(5), -94, -95(b)(2), -95(d)(1), -95(d)(4), -95(h).

SB 8: No Cap on Number of Charter Schools (S.L. 2011-164) removes the cap on the number of charter schools allowed to be in operation statewide. Gives SBE discretion over whether to approve charter schools who meet the application requirements set out in statute.

Increases the annual charter school enrollment growth cap from 10% per year to 20% per year without SBE approval.

Allows a charter school to charge the same fees that are charged by the LEA in which it is located.

Directs SBE to establish adequate performance criteria for charter schools and to identify charter schools which have inadequate performance. Requires that the criteria include designating no growth and annual performance composites below 60% in any 2 years in a 3 year period as inadequate performance by a charter schools. Charters which are inadequate within their first 5 years are to develop a strategic plan to meet specific student performance goals delineated by the SBE and the charter mission; the charter may be terminated or non-renewed for failure to meet the strategic plan. Charters which have been in operation for more than five years and are inadequate may be terminated or non-renewed by SBE.

Requires SBE to submit a preliminary report by May 10, 2012 and a final report by June 11, 2012 to the General Assembly on the implementation of the legislation. Delineates specific items to be covered in the report.

G.S. 115C-238.29D(a), -238.29D(b), -238.29D(d), -238.29F(b), -239.29G, -105.37B(a)(2).

SB 22: APA Rules: Limit Additional Costs (S.L. 2011-13) creates a two-year moratorium on agency rulemaking that result in *substantial estimated additional costs* (\$500,000 aggregate financial impact in a 12-month period) unless a rule is required to respond to specified events. *Expires July 1, 2012.*

SB 49: Increase Fine for Speeding/School Zones (S.L. 2011-64) increases the penalty for exceeding the posted speed limit in a school zone from a minimum \$25 fine to a flat \$250 fine. *Effective August 25, 2011 and applies to offenses committed on or after that date.*

G.S. 20-141(e1), -141.1.

SB 109: Spending Cuts for the Current Fiscal Year (S.L. 2011-15) requires Governor to increase General Fund availability for FY 2011-12 by \$537,740,799 by taking certain actions. *Effective for the 2010-11 fiscal year only.*

SB 125: Regional Schools (S.L. 2011-241) authorizes any two or more local boards of education to jointly establish regional schools, which would serve students in grades 9-12 and may also include grades 7 and 8, and which may include partnerships with other education partners, including institutions of higher education and private businesses or organizations, to serve students enrolled in two or more LEAs. Specifies that regional schools are exempt from statutes and rules otherwise applicable to local boards of education, unless otherwise indicated.

Establishes that a regional school is to be created through each local board of education adopting a resolution which incorporates the following information: (1) name of the regional school; (2) names of all other local boards of education known to be adopting resolutions to create the regional school; (3) identification of one of the named LEAs to serve as the finance agent for the regional school; and (4) identification of one of the named LEAs to provide school food services to the regional school. Provides that once SBE has received resolutions from all

local boards of education identified in each resolution for the creation of a regional school, SBE must approve the creation of the regional school. Outlines process for expansion of an existing regional school.

Establishes that each regional school is to have a Board of Directors consisting of: (1) one member appointed by the participating local boards of education from among the membership of the participating local boards of education; (2) the superintendent of the LEA identified as the finance agent for the regional school (ex-officio) and an additional superintendent, as specified; (3) three members representing the business community appointed by the Economic Development Regional Partnership for the economic development region in which the regional school is located with at least one of the appointees being a resident of the county in which the regional school is located; (4) one member appointed by the Parent Advisory Council from its membership; and (5) a representative of any institution of higher education (ex-officio). Specifies terms, organization, procedures, and 10 powers of the Board; designates the Board as a corporate entity and delineates its corporate powers. Details residency requirements for students and admission criteria. Provides for staff appointments, including requirements that principals be employed through rolling contracts of up to three years, that at least 50% of teachers be certified, and that no employees be eligible for career status.

Establishes a Parent Advisory Council consisting of 2 members appointed by each local board of education for the participating LEAs to serve as a resource and provide input to the Board as to the operation of the regional school.

Outlines the same State and local funding allocation to a regional school that applies to a charter school. Provides that the LEA identified as the finance agent by resolution will serve as the finance agent for the Board, with reasonable compensation for the service. Requires that participating LEAs develop a plan to provide transportation to the students attending the school who reside in the LEA. Directs the board of directors to adopt a policy for criminal record checks. Includes immunity provision.

Adds students enrolled in a regional school to those who are permitted to attend classes without paying tuition at UNC constituent institutions and community colleges- applicable only if there is a written agreement.

Requires the regional school to adhere to the same school calendar as other public schools. Requires that if a career teacher returns to an LEA after taking a leave of absence to teach at a regional school, and no appropriate positions are available, the career teacher is to be placed on a list of available teachers but is not to be given priority consideration as positions become available.

G.S. 115C-238.56A to -238.56N, -238.50A; 114-19.2; 115B-2(a); 126-5(c1).

SB 182: Statewide Email Subscription Lists (S.L. 2011-54) makes statewide a law previously limited to certain local governments which provides that email addresses of individual subscribers to a unit of local government's email list must be made available for public inspection but are not records of which the unit is required to make copies.

Requires that employees or officers of the local governmental unit are only to use an electronic email list: for the purpose for which it was subscribed to; to notify subscribers of an emergency to the public health or safety; or to notify subscribers, upon deletion of the original list, of the existence of any similar lists.

G.S. 132-1.13.

SB 243: Public Private Partnerships for Schools (S.L. 2011-234) extends sunsets from July 1, 2001 to July 1, 2015 that apply to public school capital lease financing.

SB 339: Modify Driver Education Program (S.L. 2011-334) amends recodified driver education statute as provided in the budget (see Section 28.37 of the budget).

Repeals requirement that driver education instructors who hold teacher licenses are to be paid on the teacher salary schedule and qualify for a day of employment under the same circumstances as regular classroom teachers. Requires instead that SBE adopt a salary range for driver education instructors who are public school employees and specifies that the salary range is to be based on the instructor's qualifications, certification, and licensure specific to driver education.

G.S. 115C-215(d).

SB 356: No Filing for Party and Unaffiliated (S.L. 2011-214) prohibits an individual from filing for two separate offices during the general election, unless one of the offices is for the remainder of the unexpired term for an office that requires an election to fill the unexpired portion of the term.

Effective for elections occurring on or after January 1, 2012.

G.S. 163-124.

SB 384: Conforming Changes/Persons with Disabilities Act (S.L. 2011-94) makes changes to the NC Persons with Disabilities Protection Act to conform with changes made by U.S. Congress through the Americans with Disabilities Act Amendments.

Reorganizes the statute to provide a definition for *covered governmental entity* that incorporates definitions elsewhere in the Act. Clarifies the definition of *physical or mental impairment*, included within *person with a disability*, and adds that a disorder, condition, or disfigurement that is episodic or in remission is a physical or mental impairment if it would substantially limit a major life activity when active. Expands the list of functions included under *major life activities*. Adds that the determination of whether an impairment substantially limits a major life activity is made without considering the beneficial effects of medication, technology, or other mitigating measures, as specified. Clarifies the definition for *reasonable accommodations*.

Clarifies that it is a discriminatory practice for a covered governmental entity to exclude a qualified person with a disability from services, programs, or activities because of the disability.

Forbids any entity or person covered under the Act from retaliating against or otherwise interfering with a person exercising rights or helping a person exercise protected rights under the Act.

G.S. 168A-3, -4, -7, -9, -10.

SB 394: Clarify Reportable Offenses in Schools (S.L. 2011-248) amends the statute requiring school principals to report certain criminal acts to law enforcement by adding *reasonable belief* that a specified criminal act has occurred to the bases of knowledge that will trigger an obligation to report. Establishes that a violation subject to penalty occurs only if the failure to report is *willful*. Removes criminal penalty for failure to report and establishes instead that a principal in violation of the law may be subject to demotion or dismissal.

Prohibits SBE from requiring that any offenses be reported to law enforcement that are in addition to the 10 specifically delineated in statute (*nullifies SBE policy adopted in March, 2010*).

Provides that nothing in the reportable offenses statute shall be interpreted to interfere with school employee due process rights or student privacy rights.

Applicable beginning with the 2011-12 school year.

G.S. 115C-288(g).

SB 397: Expunge Nonviolent Offense by Minor (S.L. 2011-278). Allows those that committed certain offenses under the age of 18 an opportunity to have their records expunged of the offense.

This provision will only be allowed for an individual that committed a *non-violent felony*, defined as: any felony except Class A through Class G felonies; felony assaults; sex crimes; certain drug felonies involving methamphetamines, heroin, or cocaine; certain hate crimes; contaminating food or drink under G.S. 14-401.16; and a felony where a commercial motor vehicle was used in the commission of the offense.

Provides that if the crime contained multiple offenses that these felonies will be treated as one for the purposes of this section, as long as they were entered in the same session of court.

Petitioner must also produce affidavits stating that the individual is of good moral character and has not been convicted of any subsequent crime. May not be applied for years less than 4 years after the conviction or end of active sentence, probation or post-release supervision, whichever is later.

Effective December 1, 2011.

G.S. 15A-145.4, -151(a); 17C-13; 17E-12.

SB 404: Department of Administration/Procurement Modernization (S.L. 2011-338). In order to modernize the procurement process this act allows for the Secretary of the Department of Administration to use reverse auctions, best value methods, negotiations, and electronic bids in order to procure the best pricing for the State and its subsidiaries. For any contract for services that exceeds \$100,000, the act states that the Attorney General or designee shall assist in the negotiations.

Effective July 1, 2011.

G.S. 143-49, -51, -52, -53, -55.

SB 415: Elimination of Reduced Price Breakfast (S.L. 2011-342) requires that funds appropriated for school breakfasts be used to provide breakfast free of charge to those qualifying for reduced-price meals. If funds are insufficient, students may be charged the amount allowable under national School Breakfast Program guidelines. Requires reporting by the SBE and audits by the State Auditor.

Effective July 1, 2011.

SB 466: Modify Teacher Career Status Law (S.L. 2011-348) modifies the system of public school teacher employment and procedures for dismissal or demotion as follows.

Inadequate Performance

Creates a definition of *inadequate performance* for teachers- failure to perform at a proficient level on any standard of DPI's teacher evaluation instrument or otherwise performing

in a manner that is below standard. Authorizes certain variances for probationary and career teachers.

Case Manager/Hearing Officer Proceedings

Renames individual authorized to review a career teacher dismissal recommendation upon request as a *hearing officer*. Increases the time by which a superintendent must notify the Superintendent of Public Instruction that a hearing before a hearing officer has been requested from 2 days to 5 days after receipt of request. Adds requirement that a hearing officer be a North Carolina attorney who has demonstrated experience and expertise in certain areas of law, such as education and employment. Allows the largest statewide education associations to jointly endorse individuals for consideration by SBE. Requires SBE to provide training to a hearing officer on the teacher evaluation instrument and performance standards before that hearing officer may conduct a teacher demotion or dismissal hearing. Establishes a number of circumstances by which a hearing officer may be removed from the master list. Authorizes SBE to reduce the hearing officer's compensation for failure to perform the job as required.

Extends the time allowed for a hearing officer to conduct a hearing and prepare a report to the superintendent from 10 days to 90 days. Allows for time extension past 90 days only upon showing of extraordinary cause and written agreement by both parties.

Narrows hearing officer role to that of making findings of fact. Prohibits hearing officer from making recommendations regarding conclusions of law or case disposition. Imposes a 3 day time limit on a hearing before a hearing officer, unless extended by the hearing officer upon showing of extraordinary cause. Establishes that the parties may present their case-in-chief for up to 8 hours and may cross-examine witnesses, present rebuttal evidence or arguments of counsel in the remaining time allowed.

Increases the timeframe within which a superintendent must decide whether to recommend dismissal, demotion, disciplinary action, drop charges, or request a supplemental report after receiving a hearing officer report from 2 days to 5 days after receipt. Provides that the hearing officer may not take more than 30 days to provide the supplemental report and establishes penalty for violation thereof.

Increases the timeframe within which a local board must set a time and a place for a hearing after receiving a superintendent's recommendation with regard to a career teacher from 2 days to 5 days. Broadens the time period within which a local board must schedule the hearing to no less than 10 nor more than 30 days after the board has notified the career teacher (was, not less than 7 nor more than 10 days).

Teacher Evaluation - Low-Performing Schools

Requires annual evaluation of licensed employees assigned to *all schools identified as low-performing* (was, identified as low-performing but had not received an assistance team).

Requires local boards to use performance standards and criteria adopted by SBE and allows local boards to adopt additional evaluation criteria and standards (was, a local board could develop an alternative evaluation with similar performance standards and criteria to those of SBE).

Replaces *action plans* with *mandatory improvement plans*. Current procedures that apply to action plans apply to mandatory improvement plans except as herein noted. Specifies that mandatory improvement plans are to notify a teacher of specific performance areas that have substantial deficiencies and provide a set of strategies including specific support to be provided

to the individual. Specifies that a mandatory improvement plan or dismissal shall be instituted by the superintendent for teachers who receive a below proficient rating on any standard of the teacher evaluation instrument or otherwise represents unsatisfactory or below standard performance in an area that the teacher was expected to demonstrate.

Establishes a procedure by which principals may place a teacher on a mandatory improvement plan regardless of evaluation ratings if the principal documents that the teacher has engaged in inappropriate conduct or performed inadequately to such a degree that such conduct or performance is causing substantial harm to the educational environment and that immediate dismissal or demotion is inappropriate.

Repeals requirement that local boards adopt policies to require action plans for teachers performing below proficient. Authorizes local boards to adopt policies for the development and implementation of mandatory improvement plans and policies for the implementation of monitored and directed growth plans.

Specifies that reassessment of teachers on a mandatory improvement plan should be focused on the teacher attaining proficiency on the standards articulated in the mandatory improvement plan or demonstrating sufficient improvement towards such standards.

Teacher Evaluation – Schools Not identified as Low-Performing

Retains and recodifies current law regarding how and when probationary and career teacher evaluations can occur in schools not identified as low-performing. Adds new requirement that probationary teacher observations in schools *not identified as low-performing* must be conducted at least 3 times annually by a principal and at least 1 time annually by a teacher.

Provides that if a teacher receives a rating that is below proficient or otherwise represents unsatisfactory or below standard performance on any standard that the teacher was expected to demonstrate on an observation report or year-end evaluation, a principal may place the teacher on a mandatory improvement plan equivalent to those in low-performing schools. The principal may only institute the Plan if the superintendent or designee finds that the performance deficiencies cannot be sufficiently addressed through an individual, monitored, or directed growth plan. Authorizes principals to place a teacher on a mandatory improvement plan regardless of ratings evaluation ratings if the principal documents that the teacher has engaged in inappropriate conduct or performed inadequately to such a degree that the conduct or performance is causing substantial harm to the educational environment and that immediate dismissal or demotion is inappropriate.

Establishes a procedure for the teacher to request a modification of a Plan. Provides that the teacher has a minimum of 60 instructional days to complete the mandatory improvement plan.

Allows a teacher to request, if placed on a mandatory improvement plan, that they be observed by a *qualified observer* in an area or areas of concern identified in the Plan. A qualified observer may be an administrator or teacher licensed by DPI and working in North Carolina, an employee of DPI trained in evaluating licensed employees or an instructor or professor teaching in a North Carolina School of Education who holds an educator's license. Instructs a local board of education to maintain a list of qualified observers who are employed by that board. Provides for a joint selection process for designating the qualified observer and requiring a report be submitted to the principal before the end of the mandatory improvement plan period.

Establishes that after reassessment of the teacher on the areas of deficiency identified in the Plan, if the teacher is not proficient in any of the performance standards identified in the plan or has not demonstrated sufficient improvement towards those standards, the superintendent may recommend demotion or dismissal; reassessment results shall constitute substantial evidence of the teacher's inadequate performance. Provides that the superintendent shall not be entitled to the substantial evidence provision without utilizing a mandatory improvement plan.

Other

Creates anti-retaliation provision. Establishes immunity for negligence for acts or omissions taken with regards to teacher evaluation/observations and institution of mandatory improvement plans.

Makes technical changes throughout statutes replacing the word "certificate" with "license."

Effective July 1, 2011 and applies to persons recommended for dismissal or demotion on or after that date.

G.S. 115C-276(s), -288, -296, -325, -333, -333.1, -335.

SB 479: Testing in the Public Schools (S.L. 2011-280). Incorporates elements of SBE's Accountability and Curriculum Reform Effort into statute. Gives SBE statutory directive to continue to participate in the development of Common Core State Standards in conjunction with a consortium of other states. Requires SBE to review all national assessments developed by both multistate consortia and to implement the assessments that SBE deems most appropriate to assess student achievement on Common Core Standards. Also requires SBE to plan for and require the administration of the ACT test in 11th grade to the extent that funds are available. Provides an exemption from taking the ACT test for students who have already taken a comparable test and scored at or above a level set by SBE.

Requires SBE to plan for and require the administration of diagnostic tests in grades 8 and 10 that align with the ACT test *to the extent that funds are available*. Directs SBE to plan for and require LEAs to make the appropriate WorkKeys tests available for all students who complete the second level of vocational/career courses, *to the extent that funds are available*
Effective July 1, 2011.

Repeals and replaces identical budget provision, Section 7.30.

G.S. 115C-174.11, -174.20, -174.25.

SB 498: Modify Law Re: Corporal Punishment (S.L. 2011-270)

Creates same opt-out procedure for corporal punishment as HB 736.

*Repealed by HB 736

SB 593: Reducing State Government by Abolishing Certain Boards and Commissions (S.L. 2011-266) will reduce the number of boards and commissions by abolishing some and/or combining functions into other committees. The commissions being repealed that are of interest to public education are:

- The Taskforce of School Based Management;
- Task Force on the Coordination of Children's Services;
- Blue Ribbon Taskforce on State Health Plan for Teachers;

- North Carolina Teacher Academy Board of Trustees;
- North Carolina Teaching Fellows Commission (*Effective July 15, 2015*);
- North Carolina Professional Teaching Standards Commission;
- Governor’s Commission on Early Childhood Vision Care;
- Joint Legislative Commission on Dropout Prevention and High School Graduation;
- NC Education Standards and Accountability Commission;
- State Board of Education Selection Committee for Superintendent.

G.S. 115C-295.2, -295.1, -363.22 to -363.23A, -296.4, -105.31, -64.7, -64.9; 120-221, -123(63); 126-5(c1)(26).

SB 597: Behavior Health Services For Military (S.L. 2011-185)

Section 9. Requires SBE to collect from LEAs and report a number of items of information to the Education Oversight Committee on an annual basis working with students whose families are in the military. LEAs will be required to report on the number of children with immediate family members in the military served and whether the LEA has an employee trained to handle the unique needs of children with immediate family members in the military. An employee will be deemed to be properly trained if they receive training in the following areas:

1. The number of children of members of the active or reserve components of the Armed Forces of the United States who live in the LEA.
2. Available curricula on military families.
3. The impact of deployments on the emotional and psychological well-being of the children and families.
4. Potential warning signs of emotional and mental health disorders, substance use disorders, suicide risks, child maltreatment, or domestic violence.
5. Appropriate resources to which students and their families may be referred as needed.
6. Scholarships for after-school and enrichment activities available through the United States Department of Defense, the National Guard, or the reserve components of the Armed Forces of the United States for the children of parents who are actively deployed.

Effective October 1, 2011.

G.S. 115C-47, -12.

SB 726: Multiple Birth Sibling Classroom Placements (S.L. 2011-354) requires that multiple birth children be placed in the same classroom or in different classrooms in accordance with the wishes of the parents if the parent exercises their right. However, the principal retains the right to override the placement at the end of the 1st grading period if the placement is causing disruptions.

Effective beginning with the 2011-12 school year.

G.S. 115-366.3.

SB 781: Regulatory Reform Act of 2011 (S.L. 2011-398)

Section 1. Prohibits an “agency,” as defined in the Administrative Procedure Act, from seeking to implement or enforce a policy, guideline, or other nonbinding interpretive statement that has not been adopted as a *rule* in accordance with the APA.

G.S. 150B-18.

Effective upon becoming law

Section 2. Directs agencies to adhere to the following principles in developing and drafting rules for adoption: (1) agencies may only adopt rules *expressly authorized* by federal or state law and that are necessary to serve the public interest; (2) agencies must seek to reduce the burden on those persons or entities who must comply with a rule; (3) rules must be written in a clear and unambiguous manner and be reasonably necessary to implement or interpret federal or state law; (4) individual agencies must consider cumulative effect of all rules adopted by that agency and cannot adopt a rule that is unnecessary or redundant; (5) when appropriate, rules are to be based on sound, reasonably available scientific, technical, economic, and other relevant information and include a reference to this information in the notice of text; and (6) rules must be designed to achieve the regulatory objective in a cost-effective and timely manner.

Directs each agency subject to the APA to conduct an annual review of its rules to identify any rules that are unnecessary, unduly burdensome, or inconsistent with specified rule making principles and to repeal any rule identified by this review.

Requires each agency subject to the APA to post specified information on its website, to maintain the information in a searchable database, and to periodically update the information.

Requires each agency to quantify costs and benefits to all parties of a proposed rule to the greatest extent possible. Provides that if a proposed rule has a *substantial economic impact*, the proposing agency must consider at least two alternatives. Requires that an agency prepare and post on the agency website a certification identifying a federal law requiring the adoption of a proposed rule whenever an agency proposes a rule that is identified as implementing a federal law or required under federal law

Establishes a Rules Modification and Improvement Program, under the coordination and oversight of the Office of State Budget and Management (OSBM), to conduct an annual review of existing rules. Requires OSBM to direct each agency to engage in an internal review of its rules as required and to submit a report. Specifies the responsibilities of each agency in reviewing and taking appropriate action based on public comment. Includes annual reporting requirements for agencies and OSBM. Requires OSBM to establish a single Web portal dedicated to receiving public comments and tracking agency progress on reforming rules.

G.S. 150B-19.1, -19.2.

Section 5. Require agencies to accept comments at a public hearing on both the proposed rule *and* any fiscal note. Directs an agency to review any fiscal note received in connection with the proposed rule and consider any public comment offered on fiscal note before adopting a proposed rule.

G.S. 150B-21.2.

Section 6. Provides that in addition to the proposed text of a permanent rule change and its fiscal note, an agency must also submit to OSBM (was, the Director of the Budget) an analysis of the proposed rule change before publishing a permanent rule change that requires a distribution of funds under the State Budget Act. Transfers responsibilities regarding certification from Director the Budget to OSBM.

Requires submission of proposed rule change text that affects expenditures or revenues of a unit of local government and the fiscal note to OSBM instead of Governor's Office.

Lowers the threshold for when a rule is deemed to have a *substantial economic impact* to an aggregate financial impact on all persons affected of at least \$500,000 (was, \$3 million) in a 12-month period. Provides guidelines to be followed by an agency in analyzing substantial economic impact.

Requires that a fiscal note required to be prepared in the case of a proposed permanent rule that would have a substantial economic impact be prepared by the agency (was, the agency could obtain fiscal note from OSBM). Conditions agency authority to request a fiscal note from OSBM on the agency having exhausted all resources, internal and external, to otherwise prepare the fiscal note.

Establishes that failure to prepare or obtain approval of the fiscal note is basis for Rules Review Commission objection to the rule.

G.S. 150B-21.4.

Section 14. Provides that OSBM (was, the Governor) is to conduct preliminary review of administrative rules that would affect the expenditures or revenues of a unit of local government at least 60 days (was, 30) before an agency publishes the proposed text of the permanent rule change.

Sections 2-6 Effective October 1, 2011, and applies to rules adopted on or after that date.

G.S. 150B-21.26.

Sections 15-55. Repeals authority of agencies to make final decisions in contested cases. Makes conforming changes throughout statutes. *Effective January 1, 2012, and applies to contested cases commenced on or after that date.*

Section 56. Removes agency authority to decline to issue a declaratory ruling applying a rule to a particular set of facts if agency deems such undesirable. Directs an agency, upon request, to issue a declaratory ruling to resolve a conflict or inconsistency within the agency regarding an interpretation of the law or a rule adopted by the agency. Requires the agency to also prescribe in its rules the procedure for requesting a declaratory ruling. Establishes procedure by which an agency is to respond to a request for a declaratory ruling.

G.S. 150B-4.

Effective upon becoming law

Section 57. Directs every entity with rule-making powers to deliver to the Joint Select Regulatory Reform Committee of the General Assembly, no later than October 1, 2011, a list of all permanent rules adopted by that entity that includes specified information for each rule. Includes study requirements and a reporting deadline for the Reform Committee.

Effective upon becoming law

Section 61.3. Institutes a process for injunctive relief for any person, firm, or corporation who is injured or suffers damages as a result of a violation of the statute that restricts the sale of merchandise or services by governmental units unless an exception exists either contained within this statute or by local act. Injunctive relief action may be maintained against any unit, department or agency of the State, or any division or subdivision of the unit, department or agency, or any individual employee or employees of the unit, department or agency, in his or her, or their capacity as employee or employees, who or which has committed a violation. Allows for prospective declaratory ruling or injunction.

G.S. 66-58(m).

Effective upon becoming law

State Health Plan & Retirement Bills

HB 263: Retirement Allowance/Remarriage Option (S.L. 2011-208) allows a retired member of the Teachers' and State Employees' Retirement System or the Local Governmental Employees' Retirement System (1) who designated a spouse as a survivor, (2) whose designated spouse predeceased him/her, and (3) who remarried before the enactment of a technical correction to the retirement laws, to nominate the new spouse to receive the survivor retirement benefits in accordance with that technical correction, provided the nomination is made within 90 days after this legislation becomes law.

HB 578: State Health Plan/Additional Changes (S.L. 2011-96) will permanently move the State health plan under the control of the State Treasurer. The Treasurer will be responsible for maintaining the plan and assuring that rates stay as competitive as possible. The plan will remain free to all who wish to join at the 70/30 level; however, premiums will be in place for the 80/20 plan. A board will also be created to assist the Treasurer and maintain the plan for generations to come.

G.S. 135-45.

HB 596: Transfer Surplus Property to Retirement System (S.L. 2011-373). Upon the sale of any surplus property valued at less than \$6 million the proceeds of that sale will be divided as follows: 25% will be allocated to the agency that held the property; 25% will go to the State Treasurer to support the General Fund; 50% will go to the Teachers' and State Employees' Retirement System. Properties that are sold at a price exceeding \$6 million the proceeds will go 100% to the General Fund.

Effective July 1, 2011 and expires January 1, 2016.

G.S. 146-30(a), -30(a1).

HB 730: Local Boards of Education/403(b) Option (S.L. 2011-310) allows the Department of State Treasurer to designate a single, third-party vendor to offer 403(b) options to employees of local school boards. Designates statewide plan title as "North Carolina Public School Teachers and Professional Educators' Investment Plan." Outlines criteria for vendor selection and provides that employees of local boards of education choosing to participate in the Plan must be allowed to use this third-party vendor for the 403(b) option of their choice.

Allows annuity contracts, trust accounts, and/or custodial accounts offered through the State Plan to be administered by the vendor offering the investment options. Delineates items that must be provided by third-party administrator to employers choosing to participate in the Plan, including compliance monitoring/oversight for all 403(b) plans within a participating local board of education. Any existing 403(b) vendor within a local board participating in the State Plan must either agree to share data with the State 403(b) vendor for the purposes of monitoring/compliance or be directed by the participating employer to cease accepting any new contributions, loans, and hardship withdrawals.

Provides that investment options shall be solely determined by the Department of State Treasurer and Retirement BOT.

Establishes other requirements associated with the program.

Effective July 1, 2011.

G.S. 115C-341, -341.2.

HB 927: State Pension Solvency Reform Act (S.L. 2011-232) increases the minimum retirement age for unreduced benefits to 60 and 25 years of service. To be eligible for early reduction the requirement will be 20 years of service and 50 years of age. The minimum years of service to attain vestment will also be raised to 10 years of service up from 5. These changes apply to those who become a member on or after August 1, 2011. In order to start drawing benefits one must submit electronically or by written request not less than one day or more than 120 days prior to retirement (increased from 90).

Makes it a Class 1 misdemeanor to fraudulently receive the retirement benefit of a deceased retiree at least two months after the retiree's death.

Penalty effective December 1, 2011, remainder effective June 23, 2011.

G.S. 135-3(8), -5(a), -5(a2), -5(b19), -5(b20), -5(m), -5(m3), -18.11, -57, -75.2; 128-38.5; 120-4.34; 143-166.41.

SB 323: State Health Plan/Appropriation & Transfer II (S.L. 2011-85) makes changes to the State Health Plan and transfers control of the program to the Office of the State Treasurer. The Treasurer will be charged with the duty of maintaining low premiums by finding operational savings in the plan; implementing a program for long-term care benefits; and establishing a separate premium rates for the benefits.

The State Health Plan for Teachers and State Employees may charge up to the listed monthly premiums for partially contributory coverage in 2011-12 and 2012-13 (previously active members were allowed to participate in the Basic Plan at no cost). Provides that premium rates for contributory coverage may increase by up to 5.3% (previously 5.43%) in 2011-12 and by up to an additional 5.3% (previously 5.43%) for FY 2012-13. Increase co-payment for generic prescriptions from \$10 to \$12.

G.S. 135-45(g), -45(b), -45.1(10), -45.2, -45.3, -45.4.

LOCAL LEGISLATION

House Bills

HB 17: Wayne Board of Education Vacancies (S.L. 2011-49) amends the local act to give the authority to appoint individuals to fill vacancies that occur on the Board to sitting members of the Board instead of the Wayne County Commissioners. Provides the Board with authority to seek recommendations from the Wayne County Commissioners.

HB 197: School Calendar Flexibility/Inclement Weather (S.L. 2011-93) allows certain LEAs and schools to comply with the minimum instructional time requirement in the 2010-11 school year by scheduling less than 180 instructional days provided that no less than 1,000 instructional hours are provided.

Applies to the following **LEAs**:

- 1) Those that missed more than 20 instructional days during the 2010-11 school year due to inclement weather, provided that school ends no earlier than June 10; or

2) Those in counties of 25,000 people or less that were declared to be a disaster area due to April 16, 2011 storms; and in which instructional days were missed at one or more schools during the 2010-11 school year due to partial or complete destruction of a school building.

Applies to the following **schools**:

1) Those in LEAs that are part of counties that were declared to be a disaster area due to April 16, 2011 storms; and which missed instructional days during the 2010-11 school year due to partial or complete destruction of a school building or

2) Those in coastal counties with a population greater than 175,000 where a state of emergency was declared by county commissioners in March 2011; and which missed instructional days during the 2010-11 school year due to the partial or complete destruction of a school building.

Effective for the 2010-11 school year only.

G.S. 115C-84.2(a)(1).

HB 338: Burke School Board Recall (S.L. 2011-157) provides for recall of members of the Burke County Board of Education. In order for a recall to be put to the voters, a petition must be signed by at least 15% of the registered voters in the LEA and must be delivered to the Superintendent within 30 days of the filing of an affidavit naming the member and the grounds upon which removal is sought. Requires that a recall vote is to be held between 60 and 90 days after a recall petition is deemed sufficient by the County Board of Elections. If general law prohibits the holding of special elections during the time provided, and no general or special election is otherwise scheduled during the period of time, then the BOE is to schedule the recall vote for some date within 10 days after the last day of the period of time during which special elections are prohibited. A vacancy resulting from removal of a member through a recall election is to be filled in the manner provided by law for filling vacancies. The removed member may not be appointed to fill the vacancy.

Provides that recall petitions are not to be filed against: a member during their first or last 6 months in office or a member who was subject to a recall vote but was not removed and is serving during the same term of office.

Effective January 1, 2012

HB 498: Wake School Board Presiding Officer Voting (2011-138). Currently the Chairman of the Wake County Board of Education serves as the presiding officer and is not allowed to vote except to break a tie. This amends that law by stating that the Wake Board will elect a chair and a vice-chair and that whomever is presiding will be allowed to vote on all issues brought before the board.

Effective December 1, 2011.

HB 523: Change Winston-Salem/Forsyth Election Method (S.L. 2011-141)

Section 2 reinstates partisan elections for the Winston Salem/Forsyth Board of Education (had been changed to nonpartisan in 2009). Elections shall continue to be held during the general election in even-numbered years, and primaries will be conducted in May of even-

numbered years. Requires that candidates, at the time of filing notice of candidacy, certify in writing the exact location of the candidate's residence and that the candidate is a bona fide resident.

Provides that members of the Board who were elected in 2010 for two-year terms shall instead have four-year terms and that their terms shall expire on the first Monday in December of 2014, thus eliminating the staggering of terms.

Provides that changes made to the Winston-Salem/Forsyth Board of Education electoral district boundaries by the 2010 census shall apply to the 2014 election.

HB 528: Duplin Elections (S.L. 2011-112) adds an additional member to the Duplin County Board of Education, to be elected by the county at-large. The member is to be elected in 2012 and is to serve four-year terms.

Brings the Duplin County Board of Education under the jurisdiction of general State law regarding how and when local boards of education are to revise electoral district boundaries. G.S. 115C-37(i).

HB 536: Lincoln And Chatham School Board Districts (S.L. 2011-181) requires both the Lincoln County and Chatham County Boards of Education to redistrict on a decennial basis even though they have residency districts and not electoral districts. Changes the Lincoln County Board of Education from 6 district, 1 at-large member to 5 district, 2 at-large members. Requires the board to redistrict.

Divides a two member residency district on the Chatham County Board of Education into two separate districts.

Senate Bills

SB 83: Wilson School Board (S.L. 2011-53) changes the date for Wilson Board of Education members to take office from the second Monday in January to the second Monday in December following their election.

SB 260: Pitt County School Board Election (S.L. 2011-174) reduces the number of members on the Pitt County Board of Education from 12 to 7. Retains existing electoral districts and provides that 1 member will be elected from each of the 6 districts, and 1 member will be elected by the county at-large.

Reduces member term lengths from 6 to 4 years.

Provides that one at-large member will be selected for a two-year term in the 2014 election, and that there will be no races for the districts in which there would otherwise be an election.

Provides that, beginning in 2016, elections to the Board shall be held quadrennially.

SB 411: Stanly County Local Changes (S.L. 2011-175) changes the time period for candidates to file for the Stanly County Board of Education. Eliminates the 4 Board of Education appointments to the Community College Board and increases the appointments by the county commissioners from 4 to 8.