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## **The Budget Bill**

### **Public School Funding**

Though there is \$400 million more in funding going to DPI this year compared to last year, the budget does not include pay raises for teachers or other public school employees over the next two years. Like last budget, it does provide five additional bonus leave days that must be used prior to June 30, 2014. The reduction in teacher assistant funding is the most significant cut at \$120 million, a 21% decrease in funding for TAs. Also, additional pay for teachers with advanced degrees is being phased out, which means that teachers must earn their advanced degrees prior to the 2014-2015 school if they wish to keep their advanced degree salary supplements. Certified school nurses and instructional support personnel who require an advanced degree (e.g. master's) for licensure are exempted from the supplemental pay phase-out. The full discretionary cuts that are typically made were eliminated, leaving districts with money in some areas that they did not expect. Districts have requested and continue to request flexibility to shift monies allotted in certain areas to offset state cuts.

### **Career Status**

Career status is being replaced by teacher contracts. Teachers with less than three years of teaching experience will be eligible for one-year contracts, while teachers with at least three years of teaching experience will be eligible for two or four-year contracts. Final authority over the length of the contracts lies with the local board of education, but the superintendent is charged with recommending who should be renewed and non-renewed and what contract duration teachers should receive. Teachers who have not achieved career status by the 2013-2014 school year will not be able to achieve career status during the 2013-2014 school year. Career status will be completely phased out by 2018, meaning that teachers who have already have career status will be able to keep it from now until 2018, after which point every North Carolina public school teacher will be employed by contract. The superintendent is charged with recommending 25 percent of teachers for four-year contracts and the teachers recommended for four-year contracts must exhibit effectiveness and earn ratings of at least proficient on their teacher evaluations. Teachers who are non-renewed may petition their local board of education for a hearing, but the local board does not have to hear the matter. The decision to fire a teacher during the term of his or her contract must be for one of 15 "just cause" reasons, which are identical to the 15 just cause bases that public school employees have always known.

### **Private-School Vouchers**

Though vouchers will not affect public schools in 2013-2014, an appropriation of \$10 million is included in the budget for the 2014-2015 school year. Vouchers will actually have a budget impact of \$11.8 million. Students from families making no more than 133% of the free and reduced lunch standard – *not* the federal poverty level – who meet certain criteria will be

eligible to receive \$4,200 in “opportunity scholarships” to attend a private school. Recipient students will not receive the money in the form of a check, rather the money will be sent directly to the private school. Unlike public schools, private school recipients of voucher money will not have to account for the funds or student results.

### **Vouchers for Students with Disabilities**

This provision is different from legislation passed earlier in the 2013 session (HB 269) that replaces the 2011 tuition tax credit program for children with disabilities and replaces it with a voucher program. About \$8 million is appropriated over the next two years for a voucher program for students with disabilities to apply for vouchers of up to \$6,000 per year for special education and related services at private schools, which includes services provided to home school students. The LEA is still required to reevaluate the student every three years to determine if the child is still eligible under IDEA to receive special education services.

### **North Carolina Pre-K**

The budget bill keeps North Carolina Pre-K services in place by providing \$12.5 million to NC Pre-K services and adding 2,500 additional student slots. The provision sets eligibility levels at 75% of the state median income. Twenty percent of students can exceed the 75% requirement if they meet certain designated risk factors.

### **Volunteer School Safety Resource Officer Program**

The budget bill allows, but does not require, local school boards to enter into agreements with sheriffs and chiefs of police to provide volunteer school security officers to schools to supplement any SROs that may already be in place at the school. The law includes a good faith provision that eliminates liability for schools and volunteer officers as long as the actions that they take are taken in good faith and in furtherance of their performance of duties as a volunteer security officer. The volunteer SROs would have to have prior experience as a sworn law enforcement officer or at least two years as a military police officer.

### **School Performance Grades**

The new school report cards denoting an A-F grade and a percentage score will not go into effect for the 2013-2014 school year, but they will be distributed in time for the 2014-2015 school year. The law makes it clear that they cannot be distributed earlier than August 1, 2014. The school performance grading formula is generally comprised of 80% end-of-course test proficiency and 20% student growth.

### **Advanced Courses and Tests**

To the extent that funds are made available, any student who completes an advanced course (e.g. AP or IB courses) will be allowed to take the coinciding AP or IB exam at no cost to the student regardless of what score they earn on that exam. Nearly \$11 million has been appropriated to cover the costs of these tests for the 2014-2015 school year.

### **National Board Certification Loan Funds**

The General Assembly effectively eliminated National Board Certification loans for the upcoming year, transferring about \$3.5 million from the National Board Certification Loan program to the UNC Need-Based Financial Aid Forward Funding Reserve.

### **Teach for America / North Carolina Teacher Corps**

The General Assembly increased Teach for America's funding over the next two years to \$6 million per year. They will be required to establish another office located in the Triad region and to expand TFA's presence in southeastern North Carolina. TFA is also going to be required to start a program called "Teach Back Home" to recruit candidates who are residents of North Carolina. Two other TFA programs will be created that are designed to keep more candidates beyond their required two years and to increase the emphasis on STEM-related education. TFA will start administering the NC Teacher Corps program in the 2014-2015 school year and it is authorized to use some of the recurring \$6 million for recruitment of those teachers during the 2013-2014 school year.

### **Education and Workforce Innovation Matching Grants**

The state has created the North Carolina Education and Workforce Innovation Commission, which will be housed under DPI. The Commission will be charged with distributing \$2 million a year in a new matching grants program that would reward schools, districts, and regional partnerships for establishing workforce development partnerships with businesses and institutions of higher learning. School districts would raise 25% of the funds from local sources, 25% of the funds from private businesses, and the other 50% would be matched in state dollars.

### **Pay for Performance**

Pay for performance will not start during the 2013-2014 school year, but the General Assembly has statutorily repeated its intent to create a "pay for excellence" teacher pay structure once a "robust evaluation instrument and process" has been established. That is, no state money has been appropriated in this year's budget, nor has an evaluation formula or process been established.

## **School Technology**

### **Digital Learning Competencies/School Employees (HB 23 / S.L. 2013-11)**

The State Board of Education is now charged with reevaluating and enhancing teacher licensure requirements by integrating digital teaching and learning into the requirements for licensure renewal. This law also adds a requirement for teachers seeking lateral entry into a school district to be able to demonstrate competencies in using digital and other instructional technologies so that students are provided with a high-quality, integrated digital education.

## **Transition to Digital Learning in Schools (HB 44 / S.L. 2013-12)**

The General Assembly officially declared its intent to transition from funding for physical textbooks to funding for digital learning by 2017.

### **Curriculum**

#### **Back to the Basics**

Cursive handwriting and memorization of mathematics tables are now a required part of public schools' mandatory curriculum. Students will have to show that they can write a legible, handwritten document in cursive by the end of the fifth grade. There is no mandatory grade-level or time frame by which students must exhibit proficiency in math table memorization.

#### **Health Curriculum / Preterm Birth**

This law adds a required instructional area to students' reproductive health and safety education, including instruction about the preventable risks for preterm birth in later pregnancies. Schools will now be required to teach information about induced abortion, smoking, alcohol consumption, inadequate prenatal care, and the use of illicit drugs.

### **School Safety**

#### **Amend Various Firearms Laws**

Gun rights for concealed weapons permit holders have expanded, especially with regard to rights on school property. Under this new law, anyone on a public K-12 or college campus who has a concealed carry permit may now store their handgun in a compartment within their locked car, regardless of whether they are an employee or non-employee.

#### **Caylee's Law/Report Missing Children**

Caylee's Law makes it a Class I felony for a parent or any other person providing care of supervision to a child under the age of 16 to knowingly and wantonly fail to report the disappearance of a child to law enforcement. The law clarifies that teachers are not obligated to report students who are absent from school to law enforcement as long as they have reported the student's absence as required by North Carolina's compulsory attendance laws. The law also provides immunity from both criminal and civil liability for those who report a child's disappearance in good faith. Caylee's Law goes into effect December 1, 2013.

#### **Clarify Sex Offender Residence Law**

This law clarifies the legal prohibitions against sex offenders that reside within 1,000 feet of a public school or day care facility. In brief, a registered sex offender who did not establish his or her residency by purchasing, owning, leasing, or residing with a family member by August 16, 2006 shall not live within 1,000 feet of a public school or day care facility.

## **Charter School Related**

### **NC Charter School Advisory Board**

Replaces the Charter School Advisory Council with the Charter School Advisory Board. The new Board will be composed differently, with three members appointed by the Governor, three members appointed by the General Assembly as recommended by the Senate Pro Tem, three members appointed by the General Assembly as recommended by the Speaker of the House, one member appointed by the State Board of Education, and the Lt. Governor serving as a member of the Board. The Board will be housed under DPI and required to report to the State Board of Education. Members will serve four-year terms. Specifically, the law:

- Lowers the percentage of licensed teachers charters must have in grades K-5 from 75% to 50%. This means that only half of the individuals teaching in North Carolina's charter schools have to be licensed teachers.
- Eliminates the requirement that a charter applicant must copy the local board of education of the LEA in which the charter hopes to operate. This also eliminates the local board's requirement to respond with an impact statement in response to the charter candidate's application.
- Establishes a 30-day timeline in which LEAs must transfer to charters the per pupil share of the local current expense fund to the charter school, which is triggered by the LEA's receipt of funds into its local current expense fund.
- LEAs are also required to share with each charter within its borders information on (1) the total amount of money the LEA has in each of the funds required through the uniform budget format and other allowable funds, (2) student membership numbers used to calculate the per pupil share of the local current expense fund, and (3) how the per pupil share of the local current expense fund was actually calculated.

## **Career and Technical Education (CTE)**

### **College and Career High School Diploma Endorsements**

Starting with students graduating in the 2014-2015 school year, high school diplomas will have one of three endorsements displayed on them: college-ready, career-ready, or college and career-ready. The endorsements will also reflect courses completed, overall GPA, and other criteria that the State Board of Education develops.

### **Incentive for Students to Pursue CTE Education**

Starting with the 2013-2014 school year, students enrolled in public school CTE courses will be exempt from paying any fees for one administration of exams leading to industry certification and credentials, pursuant to rules adopted by the State Board. The Department of Commerce will work with the State Board to identify occupations that are identified as in high need of skilled workers.

## Miscellaneous

### **Public Contracts / Project Labor**

Prohibits public bodies, including public schools and their respective boards of education, from requiring certain terms within a contract dealing with government building construction, repair, or alteration including. Specifically, the law prohibits the following:

- Requiring or prohibiting a contractor/bidder from adhering to an agreement with any labor organizations as it relates to that project or a related construction project.
- Otherwise discriminating against the contractor/bidder for any reason that relates to their adherence to an agreement with any labor organization as it relates to that project.

The law clarifies that this does not prohibit a contractor or subcontractor from voluntarily entering into or complying with an agreement he or she may have with a labor organization that relates to a contract with the state of North Carolina or a political subdivision of the state.

### **Substitute Teacher Deduction/Personal Leave**

LEAs are now required to refund the amount taken for the substitute teacher deduction for use of personal leave on a non-teacher workday if no substitute is actually hired for the teacher.

## On the Horizon

### **County Takeover of School Property**

More than one piece of legislation was introduced this session that, had it not been defeated, would have resulted in county commissioners taking over, owning, constructing, and managing property that is currently owned and managed by local school boards. The legislation has taken both local and statewide forms, but none has passed, even that which was limited to Wake County – the genesis of the dispute over school property.

### **Eliminating School Boards' Budget Dispute Capabilities**

Legislation that would have virtually eliminated local school boards' ability to dispute county funding for capital projects (i.e. school buildings, sites, etc.) was also defeated, but it may resurface in future legislative sessions.

### **Drop-out Prevention Charter School in Mecklenburg County**

There was an effort in both chambers to establish a dropout prevention and recovery charter school, piloted in Mecklenburg County. Although there was talk about pushing this measure through in a technical corrections bill, legislators stated that they did not have time to push this measure through in the long session.

### **Teacher Pay**

There will be a widespread push to increase teacher pay, both base pay and through a new pay for performance structure that is established by the General Assembly and DPI. Teachers must



feel appreciated if they are going to be recruited to or retained in North Carolina. Despite its limited duration, the short session provides a real opportunity to further amend items in the budget bill, including the reality that teachers are slated to forego pay increases yet again for the next two years. Equally critical is the fundamental evaluation system that is established by the legislative leadership in Raleigh. Molding the right formula is a critical starting point and we should start trying to make progress on a robust formula that enjoys widespread community buy-in.

### **Voucher Expansion**

The impact of vouchers may be limited for now, but recall that there is a legislative intent to appropriate \$50 million in recurring funding for vouchers starting with the 2015-2016 school year. This will weaken traditional public education by sending taxpayers' money to private schools that do not have to account for the funds or the academic results of the students receiving the vouchers.

### **Common Core**

The leadership in the General Assembly intends to study the Common Core more to see if it will embrace or oppose it in North Carolina. Many members within the Republican majority agree that it is a "step up" in terms of its overall requirements, but they have not finished dissecting the projected impact of Common Core on North Carolina. If there is a strong push in the General Assembly to do away with Common Core, a study will almost surely precede any formal push to rid North Carolina of Common Core requirements.