

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 272 (Proposed House Committee Sub)

SHORT TITLE: Excellent Schools Act

SPONSOR(S): Proposed House Committee Substitute for SB 272

FISCAL IMPACT

**Yes (X) No () No Estimate Available (X)
on portions of the bill**

FY 1997-98 FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02

REVENUES

EXPENDITURES

Case Manager Expenses \$48,000-\$135,000 \$48,000-\$135,000 \$48,000-\$135,000 \$48,000-\$135,000 \$48,000-\$135,000
@\$75 per hour. Range of cases: 8-15 per year. 80-120 hours per case.

Tuition and fees for teachers in remediation programs. @\$1,661 per teachers. No Cost No Cost Total cost cannot be estimated at this time Total cost cannot be estimated at this time Total cost cannot be estimated at this time

POSITIONS:

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: State Board of Education, Local boards of education, Board of Governors of the UNC

EFFECTIVE DATE: Because different sections of the bill have various effective dates, see the chart on the following page.

Effective dates

Performance Objectives Tied to Salary Increases	SBE Action.	Effective Date	Who the standard will effect.	When that teacher would have started teaching.
Initial Certification	Adopt new PRAXIS cut scores 3/15/99 (report to JLEOC by 3/15/98)	Bill is silent.	Bill is silent.	NA
Continuing Certification	Adopt new standards by 5/15/98 (report to JLEOC by 3/15/98).	January 1, 1998.	Teachers who have not received continuing certification by Jan. 1, 1998.	1996-97 school year.
Tenure (Career Status)	Adopt new evaluations by 5/15/98 (report to JLEOC by 3/15/98).	Decisions made on or after July 1, 1998.	Teachers who have not achieved career status by July 1, 1998.	1996-97 school year.
Certificate Renewal	Adopt new standards by 5/15/98 (report to JLEOC by 3/15/98).	Any certificate that expires after July 1, 1998.	Varies.	Varies.
Masters and Advanced Competencies	Report to JLEOC by 1/15/98 with plan for new certificate	September 1, 2000 (no more "G" certificates after that date).	SBE should address this in plan for new certificate.	Varies.
National Board for Professional Teaching Standards	None	July 1, 1997 (Upon ratification of the appropriation)	All teachers with NBTS certification.	Varies.

BILL SUMMARY: *Raise student performance standards.* Adds new GS 115C-105.38A to assure teacher competency. Requires that staff members working in low-performing schools demonstrate competency in their certification area. Requires the State Board to develop a plan to require the same test of all teachers in low performing schools. Requires remediation training of staff members who fail to meet competency standards. Calls for eventual dismissal of teachers who fail to be certified, after remediation, testing, and more remediation. Requires that UNC Board of Governors designate constituent institutions to provide training. Requires reports on development

of student academic performance standards for kindergarten through eighth grade by March 15, 1998 and Sept. 1, 1999.

Standards for entering teacher profession. Requires all non special-education teachers to have demonstrated competencies (was, courses) in the identification and education of children with learning disabilities. Requires all NC institutions offering undergraduate and graduate teacher education to provide annual performance reports to the State Board of Education. Requires State Board to develop a plan to provide review of teacher education programs and an annual report for each training program, which would include graduation rates, scores on competency tests, and percentage of graduates receiving initial certification. State Board must report to the Joint Legislative Education Oversight Committee by Feb. 15, 1998 about this performance reporting. Requires that State Board conduct a teacher supply and demand study and report on its results by Nov. 15, 1998. Requires that UNC Board of Governors report by March 15, 1998 on its effort to improve teacher preparation through implementation of a second major requirement. Requires (was, urges) State Board to continue to make the standard initial certification examination more rigorous. Requires State Board to report to Joint Legislative Education Oversight Committee by March 15, 1998 results of its review of admission standards for teacher education programs and initial certification requirements.

Standards for continuing certification. Expands applicability of this section to teachers who have not received continuing certification prior to January 1, 1998. Requires that State Board develop more rigorous standards for continuing certification and report about that effort by March 15, 1998.

Standards, evaluation, and support before career status is considered. Adds greater detail to mentor program, including requirements that State Board study new teacher needs and develop guidelines addressing optimum working conditions, in topics such as teaching load and extracurricular duties. Clarifies that revision of GS 115C-326(a) includes developing performance standards for school administrators. Specifies that UNC Board of Governors must develop training programs for school administrators. Requires that teachers who have not attained career status must be observed three times annually by a school administrator, once by a teacher, and evaluated at least once annually by a school administrator (was, three evaluations per year, without distinction between observation and evaluation). Amends GS 115C-325(c) to provide that teachers who have not attained career status before July 1, 1998 will be reviewed for career teacher status at the end of the fourth, fifth, and sixth year of employment. Prohibits a local board of education from reemploying a teacher after a sixth year of employment if (a) the board fails to vote on granting career status, (b) a majority of the board votes against granting career status, or (c) the board vote on this issue results in a tie.

Professional development opportunities and standards for teachers with career status. Amends GS 115C-12 to require State Board to monitor and make recommendations about professional development programs and to require that the UNC Board of Governors administer such programs. Makes additional changes in GS 115C-325, including expansion of meaning of "demote" to include items such as reduction of bonus payments, reduction in salary as a result of elimination of a special duty provisions for removing poor teachers from the classroom, and transfer of a career

school administrator. Adds definition of school administrator. Addresses issue of board acceptance or rejection of a case manager's findings of fact. Provides that the board is not required to provide a transcript of the hearing to the career employee, but if the board does make a transcript, the employee may have a copy at no charge for any appeal. Permits employee to have hearing transcribed at own expense. Adds provisions describing a board hearing process for reductions in force and suspension of career employees without pay (process does not involve a case manager). Changes some time frames throughout the statute, generally shortening them to provide for a quicker process. Expands appeal to include school administrators and probationary teachers who have not had their contracts renewed. Requires that State Board reevaluate and enhance requirements for renewal of teacher certificates. Requires adoption of new certificate renewal standards by May 15, 1998, to be applied to certificates expiring after July 1, 1998.

Salary plan to attract and retain high quality teachers. Revises salary schedules (shown in bill) to show pay plans for nontenured and tenured teachers separately. Deletes \$2,500 bonus in eighth year.

Pay for exemplary performance and special assignments. Clarifies that teacher earning certificate of "Masters/Advanced Competencies" must earn a masters degree. Distinguishes certification by the National Board for Professional Teaching Standards (NBPTS) and the "Masters/Advanced Competencies" certification. States goal of 10% pay bonuses for teachers with NBPTS certification for 1997-98 (was, 12%) and 8% pay bonuses for those with the "Masters/Advanced Competencies" certification by 2000. Expands provision concerning incentive awards under the ABC's program, including increasing the award to individual teachers in schools that achieve higher than expected improvements to \$1,500 (was, \$1000).

Miscellaneous provisions. Adds goals for funding the State Board of Education's teacher supply and demand study, funding training of case managers, and funding development of revised uniform performance standards.¹

ASSUMPTIONS AND METHODOLOGY:

This fiscal note deals only with the direct costs of House Bill 351.

Where a section of the bill is set out as a goal of the General Assembly to fund an item at some point in the future, then no costs have been projected for that section. Section 32 of the bill provides that the General Assembly is not obligated to appropriate funds to implement the provisions of this act.

If, however, the estimated costs to reach the national average teacher salary were included, they would exceed \$1.2 billion over the next five years.

The following items are set out as goals in the Excellent Schools Act.

- Salary schedules for Bachelor and Masters degrees, and certification by the National Board for Professional Teaching Standards.

¹ Institute of Government Bill Summary and General Research Division

- ABC incentive awards
- Mentor teachers
- Professional development
- Pay for vacation days used as required work days
- Extra days for extra responsibilities

The requirement for teachers in low performing school buildings to demonstrate competency in their certification area will require additional state funds in 1999. Costs will vary depending on whether the State Board of Education adopts an existing test such as the Praxis or develops a new test. Costs will also vary by the number of school buildings identified as low performing and the number of teachers who fail the board adopted test.

- All test costs will be borne by the state.
- The cost of tuition and fees to the university for remediation costs will be paid by the state. Estimated annual resident tuition cost, plus fees \$1,661. This is an average cost based on tuition and fees at the Masters campuses in the University of North Carolina system..
- If teacher is taken from the classroom to participate in the remediation program the costs of a substitute will be paid by the state. If the teacher were out full time then the cost would include an additional teaching position.
- No projection can be made on the number of teachers that might be required to take the new examination.
- No data will be available until after July 1997 on the number of low performing school buildings. Projections on the test failure rate cannot be made until the State Board adopts a test.

By 1998 better projections should be available once the number of low performing buildings is known, and the test has been selected.

Case managers costs associated with cases involving career employees will be paid by the State Board of Education at hourly rates comparable to a Superior Court Mediator. The current rate for Superior Court Mediators is \$75 per hour.

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: James D. Johnson

APPROVED BY: Tom CovingtonTomC

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