

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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HOUSE BILL 1139

Short Title: Local Boards of Education Budget Flexibility. (Public)

Sponsors: Representatives Lofton, Horn, Fraley, and Clemmons (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Appropriations, if favorable, Rules, Calendar, and Operations of the House

May 18, 2020

A BILL TO BE ENTITLED
AN ACT TO ALLOW BUDGET FLEXIBILITY FOR LOCAL BOARDS OF EDUCATION
FOR THE 2020-2021 FISCAL YEAR.

The General Assembly of North Carolina enacts:

SECTION 1. Budget Flexibility for Fiscal Year 2020-2021. – Effective July 1, 2020, notwithstanding G.S. 115C-105.25 and any other provision of law, for the 2020-2021 fiscal year only, local boards of education may transfer and may approve transfers of funds in an allotment category to another allotment category subject to the following limitations:

- (1) Funds for career and technical education and other purposes may be transferred only as permitted by federal law and the conditions of federal grants or as provided through any rules that the State Board of Education adopts to ensure compliance with federal regulations.
- (2) No funds shall be transferred out of the children with disabilities, students with limited English proficiency, and academically or intellectually gifted students categories.
- (3) No funds shall be transferred into the central office allotment category.
- (4) Positions allocated for classroom teachers may be converted to dollar equivalents to contract for visiting international exchange teachers through a visiting international exchange teacher program approved by the State. These positions shall be converted at the statewide average salary for classroom teachers, including benefits. The converted funds shall be used only to provide visiting international exchange teachers with salaries commensurate with their experience levels, to provide any State-approved bonuses, and to cover the costs associated with supporting visiting international exchange teachers within the local school administrative unit, including programming and related activities, background checks, medical coverage, and other program administration services in accordance with the federal regulations for the Exchange Visitor Program, 22 C.F.R. Part 62.
- (5) Except as provided in subdivision (4) of this subsection, positions allocated for classroom teachers and instructional support personnel may be converted to dollar equivalents for any purpose authorized by the policies of the State Board of Education. These positions shall be converted at the salary on the first step of the "A" Teachers Salary Schedule. Certified position allotments shall not be transferred to dollars to hire the same type of position.



1 (6) Funds allocated for school building administration may be converted for any
2 purpose authorized by the policies of the State Board of Education. For funds
3 related to principal positions, the salary transferred shall be based on the first
4 step of the Base column of the Principal Salary Schedule. For funds related to
5 assistant principal months of employment, the salary transferred shall be based
6 on the first step of the "A" Teachers Salary Schedule at the salary level for
7 assistant principals. Certified position allotments shall not be transferred to
8 dollars to hire the same type of position.

9 (7) Funds to carry out the elements of the Excellent Public Schools Act that are
10 contained in Section 7A.1 of S.L. 2012-142 shall not be transferred.

11 (8) Funds allotted for textbooks and digital resources may be used only to acquire
12 textbooks and digital resources and related technology, including any
13 hardware, software, or equipment or devices necessary for the use of the
14 digital resources. These funds shall not be transferred out of the allotment for
15 any other purpose.

16 Notwithstanding G.S. 20-88.03, G.S. 115C-215, and any other provision of law, a
17 local board of education may transfer funds in the drivers education allotment category to another
18 allotment category in accordance with this section.

19 **SECTION 2.(a)** The Department of Public Instruction shall study the
20 implementation and impact of the budget flexibility guidelines listed in this act and shall submit
21 a report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division
22 on or before April 1, 2021. The report shall identify areas where either a greater or lesser amount
23 of flexibility would enable local boards of education to meet the needs of students, teachers,
24 administrators, and other school employees, along with any legislative recommendations.

25 **SECTION 2.(b)** There is appropriated from the General Fund to the Department of
26 Public Instruction the sum of fifty thousand dollars (\$50,000) in nonrecurring funds for the
27 2020-2021 fiscal year to be used to conduct the study required by this section.

28 **SECTION 3.** This act becomes effective July 1, 2020.