

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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HOUSE BILL 885

Short Title: Sound Basic Education for Every Child. (Public)

Sponsors: Representatives von Haefen, Gill, Ball, and Prather (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Rules, Calendar, and Operations of the House

April 26, 2023

A BILL TO BE ENTITLED
AN ACT TO PROVIDE FOR A SOUND BASIC EDUCATION FOR EVERY CHILD IN
NORTH CAROLINA.

The General Assembly of North Carolina enacts:

PART I. WELL-PREPARED, HIGH-QUALITY, AND SUPPORTED TEACHER IN EVERY CLASSROOM

PEPSC POSITIONS

SECTION 1.1. There is appropriated from the General Fund to the Department of Public Instruction the sum of two hundred thousand dollars (\$200,000) in recurring funds for the 2023-2024 fiscal year to support two additional positions for the Professional Educator Preparation and Standards Commission (Commission) to increase the capacity of the Commission to coordinate efforts to recruit, prepare, retain, and support the State's teaching workforce on behalf of the State Board of Education and the Department of Public Instruction.

EDUCATOR LICENSURE AND COMPENSATION REFORM PLAN

SECTION 1.2.(a) The State Board of Education shall develop a plan for implementing a teacher licensure and compensation reform model designed to restore respect for the teaching profession; to build a more diverse, quality teaching force; to increase instructional capabilities of teachers; and to entice more young professionals, mid-career professionals, and out-of-state individuals into the teaching profession. The plan shall include at least the following components:

- (1) Offer early, inclusive, and clear pathways into the profession.
- (2) Reward excellence and advancement among teachers.
- (3) Encourage retention in the profession.

The State Board of Education shall submit details on the plan and any recommended legislative changes to implement the plan to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management by March 15, 2024.

SECTION 1.2.(b) There is appropriated from the General Fund to the Department of Public Instruction the sum of fifty thousand dollars (\$50,000) in nonrecurring funds for the 2023-2024 fiscal year to develop the plan required by subsection (a) of this section.

EDUCATOR PREPARATION PROGRAM CAPACITY STUDY



1 **SECTION 1.3.(a)** The State Board of Education, in consultation with The University
2 of North Carolina System Office, shall conduct a study to identify the resources and structures
3 that educator preparation programs at the constituent institutions of The University of North
4 Carolina need to be able to do the following:

- 5 (1) Increase capacity in educator preparation programs to recruit, prepare,
6 support, and graduate at least 5,000 in-State trained teachers annually.
- 7 (2) Increase capacity in educator preparation programs to recruit, prepare,
8 support, and graduate more educators of color annually.

9 The State Board of Education shall report on the findings of this study to the Joint
10 Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of
11 State Budget and Management by March 15, 2024.

12 **SECTION 1.3.(b)** There is appropriated from the General Fund to the Department
13 of Public Instruction the sum of twenty-five thousand dollars (\$25,000) in nonrecurring funds for
14 the 2023-2024 fiscal year to conduct the study required by subsection (a) of this section.

15 16 **ALTERNATIVE PATHWAYS TEACHER RECRUITMENT MODELS**

17 **SECTION 1.4.(a)** There is appropriated from the General Fund to the Department
18 of Public Instruction the sum of three million dollars (\$3,000,000) in recurring funds for the
19 2023-2024 fiscal year to support research-based Grow-Your-Own and 2+2 teacher recruitment
20 education programs in all regions of the State, including high school-based career academy
21 programs, the North Carolina Teacher Cadet Program, the Teaching as a Profession program,
22 and the TA to Teachers program.

23 **SECTION 1.4.(b)** There is appropriated from the General Fund to the Department
24 of Public Instruction the sum of one million dollars (\$1,000,000) in recurring funds for the
25 2023-2024 fiscal year to establish new Grow-Your-Own and 2+2 teacher recruitment education
26 programs in high-need public school units.

27 28 **STUDY ON CONSOLIDATING AND COORDINATING TEACHER RECRUITMENT** 29 **AND RETENTION EFFORTS**

30 **SECTION 1.5.(a)** The State Board of Education shall develop a plan to implement
31 and fund a statewide system or entity to coordinate, enhance, and evaluate efforts to recruit, place,
32 and retain teacher candidates and beginning teachers between institutions of higher education
33 and local school administrative units. This study shall focus on, but not be limited to, how best
34 to consolidate and coordinate statewide teacher recruitment and retention efforts. The State Board
35 of Education shall submit details on the plan and any recommended legislative changes to
36 implement the plan to the Joint Legislative Education Oversight Committee, the Fiscal Research
37 Division, and the Office of State Budget and Management by March 15, 2024.

38 **SECTION 1.5.(b)** There is appropriated from the General Fund to the Department
39 of Public Instruction the sum of twenty-five thousand dollars (\$25,000) in nonrecurring funds for
40 the 2023-2024 fiscal year to be used to support the development of the plan required by this
41 section.

42 43 **EXPAND NC TEACHING FELLOWS PROGRAM**

44 **SECTION 1.6.(a)** Part 3 of Article 23 of Chapter 116 of the General Statutes reads
45 as rewritten:

46 "Part 3. North Carolina Teaching Fellows Program.

47 **"§ 116-209.60. Definitions.**

48 The following definitions apply in this Part:

- 49 (1) Commission. – The North Carolina Teaching Fellows Commission.
- 50 (2) Director. – The Director of the North Carolina Teaching Fellows Program.
- 51 (3) Forgivable loan. – A forgivable loan made under the Program.

- 1 (4) Program. – The North Carolina Teaching Fellows Program.
 2 (5) Public school. – An elementary or secondary school located in North Carolina
 3 that is governed by a local board of education, charter school board of
 4 directors, regional school board of directors, or University of North Carolina
 5 laboratory school board of trustees.
 6 ~~(6) STEM. – Science, technology, engineering, and mathematics.~~
 7 (7) Trust Fund. – The North Carolina Teaching Fellows Program Trust Fund.

8 ...

9 **"§ 116-209.62. North Carolina Teaching Fellows Program established; administration.**

10 (a) Program. – There is established the North Carolina Teaching Fellows Program to be
 11 administered by the System Office of The University of North Carolina, in conjunction with the
 12 Authority and the Commission. The purpose of the Program is to recruit, prepare, and support
 13 students residing in or attending institutions of higher education located in North Carolina for
 14 preparation as highly effective ~~STEM or special education~~ teachers in the State's public schools.
 15 The Program shall be used to provide a forgivable loan to individuals interested in preparing to
 16 teach in the public schools of the ~~State in STEM or special education licensure areas.~~ State.

17 (b) Trust Fund. – There is established the North Carolina Teaching Fellows Program
 18 Trust Fund to be administered by the Authority, in conjunction with the System Office of The
 19 University of North Carolina. All funds (i) appropriated to, or otherwise received by, the Program
 20 for forgivable loans and other Program purposes, (ii) received as repayment of forgivable loans,
 21 and (iii) earned as interest on these funds shall be placed in the Trust Fund. The purpose of the
 22 Trust Fund is to provide financial assistance to qualified students for completion of teacher
 23 education and licensure programs to ~~fill STEM or special education licensure areas in~~ teach in
 24 the public schools of the State.

25 (c) Uses of Monies in the Trust Fund. – The monies in the Trust Fund may be used only
 26 for (i) forgivable loans granted under the Program, (ii) administrative costs associated with the
 27 Program, including recruitment and recovery of funds advanced under the Program, (iii)
 28 mentoring and coaching support to forgivable loan recipients, and (iv) extracurricular
 29 enhancement activities of the Program in accordance with the following:

- 30 (1) The Authority shall transfer the greater of six hundred thousand dollars
 31 (\$600,000) or ten percent (10%) of the available funds from the Trust Fund to
 32 ~~the General Administration of The~~ University of North Carolina System
 33 Office at the beginning of each fiscal year for the Program's administrative
 34 costs, the salary of the Director of the Program and other Program staff,
 35 expenses of the Commission, and to provide the Commission with funds to
 36 use for the extracurricular enhancement activities of the Program.
 37 (2) The Authority may use the greater of two hundred fifty thousand dollars
 38 (\$250,000) or four percent (4%) of the funds appropriated to the Trust Fund
 39 each fiscal year for administrative costs associated with the Program.
 40 (3) The Authority shall provide the Commission with up to six hundred thousand
 41 dollars (\$600,000) from the Trust Fund in each fiscal year for the Commission
 42 to provide mentoring and coaching support to forgivable loan recipients
 43 through the North Carolina New Teacher Support Program in an amount of
 44 up to two thousand two hundred dollars (\$2,200) for each Program recipient.
 45 Funds shall be prioritized for teachers serving in North Carolina public
 46 schools identified as low-performing under G.S. 115C-105.37.

47 (d) Director of the Program. – The Board of Governors of The University of North
 48 Carolina shall appoint a Director of the Program. The Director shall appoint staff to the
 49 Commission and shall be responsible for recruitment and coordination of the Program, including
 50 proactive, aggressive, and strategic recruitment of potential recipients. Efforts shall include
 51 identifying and encouraging students of color and students who may not otherwise consider a

1 career in teaching to enter the program. Recruitment activities shall include a broad-based
2 strategy (i) targeting regions of the State with the highest teacher attrition rates and teacher
3 recruitment ~~challenges~~, challenges and (ii) actively engaging with educators, business leaders,
4 experts in human resources, elected officials, and other community leaders throughout the ~~State,~~
5 ~~and (iii) attracting candidates in STEM and special education licensure areas to the Program.~~
6 State to attract a diverse pool of applicants. The Director shall report to the President of The
7 University of North Carolina. The Authority shall provide office space and clerical support staff,
8 as necessary, to the Director for the Program.

9 (e) Student Selection Criteria for Forgivable Loans. – The Commission shall adopt
10 stringent standards for awarding forgivable loans based on multiple measures to ensure that only
11 the strongest applicants receive them, including the following:

- 12 (1) Grade point averages.
- 13 (2) Performance on relevant career and college readiness assessments.
- 14 (3) Experience, accomplishments, and other criteria demonstrating qualities
15 positively correlated with highly effective teachers, including excellent verbal
16 and communication skills.
- 17 (4) Demonstrated commitment to serve in a ~~STEM or special education licensure~~
18 ~~area in~~ North Carolina public schools.

19 (f) Program Selection Criteria. – The Authority shall administer the Program in
20 cooperation with ~~up to eight~~ institutions of higher education with approved educator preparation
21 programs selected by the Commission that represent a diverse selection of both postsecondary
22 constituent institutions of The University of North Carolina and private postsecondary
23 institutions operating in the ~~State.~~ State, including minority-serving institutions. The
24 Commission shall adopt stringent standards for selection of the most effective educator
25 preparation programs, including the following:

- 26 (1) Demonstrates high rates of educator effectiveness on value-added models and
27 teacher evaluations, including using performance-based, subject-specific
28 assessment and support systems, such as edTPA or other metrics of evaluating
29 candidate effectiveness that have predictive validity.
- 30 (2) Demonstrates measurable impact of prior graduates on student learning,
31 including impact of graduates teaching in STEM or special education
32 licensure areas.
- 33 (3) Demonstrates high rates of graduates passing exams required for teacher
34 licensure.
- 35 (4) Provides curricular and co-curricular enhancements in leadership, facilitates
36 learning for diverse learners, and promotes community engagement,
37 classroom management, and reflection and assessment.
- 38 (5) Requires at least a minor concentration of study in the subject area that the
39 candidate may teach.
- 40 (6) Provides early and frequent internship or practical experiences, including the
41 opportunity for participants to perform practicums in diverse school
42 environments.
- 43 (7) Is approved by the State Board of Education as an educator preparation
44 program.

45 (g) Awards of Forgivable Loans. – The Program shall provide forgivable loans to selected
46 students to be used at ~~up to eight~~ selected institutions for completion of a program leading to
47 initial teacher licensure as follows:

- 48 (1) North Carolina high school seniors. – Forgivable loans of up to four thousand
49 one hundred twenty-five dollars (\$4,125) per semester for up to eight
50 semesters.

- 1 (2) Students applying for transfer to a selected educator preparation program at
 2 an institution of higher education. – Forgivable loans of up to four thousand
 3 one hundred twenty-five dollars (\$4,125) per semester for up to six semesters.
 4 (3) Individuals currently holding a bachelor's degree seeking preparation for
 5 teacher licensure. – Forgivable loans of up to four thousand one hundred
 6 twenty-five dollars (\$4,125) per semester for up to four semesters.
 7 (4) Students matriculating at institutions of higher education who are changing to
 8 an approved program of study at a selected educator preparation program. –
 9 Forgivable loans of up to four thousand one hundred twenty-five dollars
 10 (\$4,125) per semester for up to four semesters.

11 Forgivable loans may be used for tuition, fees, the cost of books, and expenses related to
 12 obtaining licensure.

13 (g1) Extracurricular Enhancement Activities. – The Program shall provide planning,
 14 training, and ongoing support for Program leaders and recipients, including training on topics
 15 such as culturally responsive teaching, teaching students with disabilities, and trauma-informed
 16 teaching.

17 ~~(h) Identification of STEM and Special Education Licensure Areas. – The Superintendent~~
 18 ~~of Public Instruction shall identify and provide to the Commission and the Authority a list of~~
 19 ~~STEM and special education licensure areas and shall annually provide to the Commission the~~
 20 ~~number of available positions in each licensure area relative to the number of current and~~
 21 ~~anticipated teachers in that area of licensure. The Commission shall make the list of STEM and~~
 22 ~~special education licensure areas readily available to applicants.~~

23 (i) Administration of Forgivable Loan Awards. – Upon the naming of recipients of the
 24 forgivable loans by the Commission, the Commission shall transfer to the Authority its decisions.
 25 The Authority, in coordination with the Director, shall perform all of the administrative functions
 26 necessary to implement this Part, which functions shall include rule making, disseminating
 27 information, acting as a liaison with participating institutions of higher education, implementing
 28 forgivable loan agreements, loan monitoring, loan cancelling through service and collection,
 29 determining the acceptability of service repayment agreements, enforcing the agreements, and
 30 all other functions necessary for the execution, payment, and enforcement of promissory notes
 31 required under this Part.

32 (j) Annual Report. – The Commission, in coordination with the Authority, the
 33 Department of Public Instruction, and the selected educator education programs participating in
 34 the Program shall report no later than January 1, ~~2019~~, 2023, and annually thereafter, to the Joint
 35 Legislative Education Oversight Committee regarding the following:

- 36 (1) Forgivable loans awarded from the Trust Fund, including the following:
 37 a. Demographic information regarding recipients.
 38 b. Number of recipients by institution of higher education and program.
 39 c. Information on number of recipients by anticipated ~~STEM and special~~
 40 ~~education~~ licensure area.
 41 (2) Placement and repayment rates, including the following:
 42 a. Number of graduates who have been employed ~~in a STEM or special~~
 43 ~~education licensure area~~ within two years of program completion.
 44 b. Number of graduates who accepted employment at a low-performing
 45 school identified under G.S. 115C-105.37 as part of their years of
 46 service.
 47 c. Number of graduates who have elected to do loan repayment and their
 48 years of service, if any, prior to beginning loan repayment.
 49 d. Number of graduates ~~employed in a STEM or special education~~
 50 ~~licensure area~~ who have received an overall rating of at least

- 1 accomplished and have met expected growth on applicable standards
2 of the teacher evaluation instrument.
- 3 e. Aggregate information on student growth and proficiency in courses
4 taught by graduates who have fulfilled service requirements through
5 ~~employment in a STEM or special education licensure~~
6 ~~area-employment.~~
- 7 (2a) Mentoring and coaching support through the North Carolina New Teacher
8 Support Program, including the following:
- 9 a. Number of forgivable loan recipients who received mentoring and
10 coaching support when employed at a low-performing school
11 identified under G.S. 115C-105.37.
- 12 b. Number of forgivable loan recipients who received mentoring and
13 coaching support when employed at a school not identified as
14 low-performing under G.S. 115C-105.37.
- 15 (3) Selected school outcomes by program, including the following:
- 16 a. Turnover rate for forgivable loan graduates, including the turnover rate
17 for graduates who also received mentoring and coaching support
18 through the North Carolina New Teacher Support Program.
- 19 b. Aggregate information on student growth and proficiency as provided
20 annually by the State Board of Education to the Commission in courses
21 taught by forgivable loan graduates.
- 22 c. Fulfillment rate of forgivable loan graduates.

23 **"§ 116-209.63. Terms of forgivable loans; receipt and disbursement of funds.**

24 (a) Notes. – All forgivable loans shall be evidenced by notes made payable to the
25 Authority that bear interest at a rate not to exceed ten percent (10%) per year as set by the
26 Authority and beginning on the first day of September after the completion of the program
27 leading to teacher licensure or 90 days after graduation, whichever is later. If a forgivable loan is
28 terminated, the note shall be made payable to the Authority 90 days after termination of the
29 forgivable loan. The forgivable loan may be terminated upon the recipient's withdrawal from the
30 Program or by the recipient's failure to meet the standards set by the Commission.

31 (b) Forgiveness. – The Authority shall forgive the loan and any interest accrued on the
32 loan if, within 10 years after graduation from a program leading to teacher licensure, exclusive
33 of any authorized deferment for extenuating circumstances, the recipient serves as a teacher ~~in a~~
34 ~~STEM or special education licensure area, as provided in G.S. 116-209.62(h),~~ for every year the
35 teacher was awarded the forgivable loan, in any combination of the following:

- 36 (1) One year at a North Carolina public school identified as low-performing under
37 G.S. 115C-105.37 at the time the teacher accepts employment at the school
38 or, if the teacher changes employment during this period, at another school
39 identified as low-performing.
- 40 (2) Two years at a North Carolina public school not identified as low-performing
41 under G.S. 115C-105.37.

42 The Authority shall also forgive the loan if it finds that it is impossible for the recipient to
43 work for up to eight years, within 10 years after completion of the program leading to teacher
44 licensure, at a North Carolina public school because of the death or permanent disability of the
45 recipient. If the recipient repays the forgivable loan by cash payments, all indebtedness shall be
46 repaid within 10 years after completion of the program leading to teacher licensure supported by
47 the forgivable loan. If the recipient completes a program leading to teacher licensure, payment
48 of principal and interest shall begin no later than the first day of September after the completion
49 of the program. Should a recipient present extenuating circumstances, the Authority may extend
50 the period to repay the loan in cash to no more than a total of 12 years."

1 **SECTION 1.6.(b)** There is appropriated from the General Fund to the North Carolina
2 Teaching Fellows Program Trust Fund the sum of eleven million three hundred thousand dollars
3 (\$11,300,000) in recurring funds for the 2023-2024 fiscal year to support an additional 490
4 teacher licensure candidates.

5 **SECTION 1.6.(c)** Subsection (a) of this section applies beginning with the
6 2023-2024 academic year.

7
8 **RECRUITMENT BONUS PILOT PROGRAM FOR TEACHERS IN LOW-WEALTH,**
9 **LOW-PERFORMING, OR HIGH-NEEDS SCHOOLS**

10 **SECTION 1.7.(a)** Purpose. – The State Board of Education shall establish a grant
11 program to assist local school administrative units in providing multiyear recruitment bonuses to
12 certified teachers who commit to teach multiple years in a low-performing or high-needs school.
13 Bonuses awarded as part of this grant program shall include, but are not limited to, the following
14 components:

- 15 (1) Awards over multiple years with a requirement that teachers remain in the
16 school over multiple years to receive the bonus.
- 17 (2) Awards to licensed teachers who commit to teach in a school identified as
18 low-performing, as defined in G.S. 115C-105.37, a school identified as
19 continually low-performing, as defined in G.S. 115C-105.37A, or a school
20 where seventy-five percent (75%) or greater of students qualify for free or
21 reduced-price lunch under the National School Lunch Program.

22 **SECTION 1.7.(b)** Request for Proposal. – By September 1, 2023, and annually
23 thereafter, the State Board of Education shall issue a Request for Proposal (RFP) for the grant
24 program. Local boards of education shall submit their proposals by December 1, 2023. The RFP
25 shall require that proposals include the following information at a minimum:

- 26 (1) Description of the proposal, including details on targeted schools for the
27 bonuses and how the bonus program will be structured.
- 28 (2) Evidence-based research that supports the proposal.
- 29 (3) Implementation time line for the plan.
- 30 (4) Plans for financial sustainability once grant money is no longer available.

31 **SECTION 1.7.(c)** Grant Awards. – By February 15, 2024, the State Board of
32 Education shall review the proposals submitted by local boards of education and shall select up
33 to 10 local school administrative units for grant awards. The State Board of Education may make
34 grant awards for up to three years. A local school administrative unit may not receive more than
35 five hundred thousand dollars (\$500,000) in a single fiscal year from the grant program.

36 **SECTION 1.7.(d)** Evaluation and Reporting. – Of the funds appropriated by this
37 section, the State Board of Education may use up to three hundred thousand dollars (\$300,000)
38 to contract with an independent research organization to evaluate the impact of this grant
39 program. The independent research organization shall report the results of this evaluation to the
40 Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office
41 of State Budget and Management by September 1, 2026. The Department of Public Instruction
42 shall report annually on the implementation of this grant program beginning March 15, 2024.

43 **SECTION 1.7.(e)** Appropriation. – There is appropriated from the General Fund to
44 the Department of Public Instruction the sum of four million seven hundred thousand dollars
45 (\$4,700,000) in recurring funds for the 2023-2024 fiscal year to implement the grant program in
46 accordance with this section.

47 **SECTION 1.7.(f)** Carryforward. – Any unexpended funds appropriated under this
48 section at the end of the 2023-2024 fiscal year shall not revert to the General Fund but shall
49 remain available for the purposes set forth in this section.

50
51 **TEACHER PREPARATION RESIDENCY PILOT GRANT PROGRAM**

1 **SECTION 1.8.(a)** Purpose. – The State Board of Education shall establish a grant
2 program to assist local school administrative units in the development of teacher preparation
3 residency pilot programs. Teacher preparation residency programs provide the necessary
4 preparation and induction supports to teacher preparation candidates pursuing a continuing
5 professional license. Teacher preparation residency programs eligible to receive grant funding
6 through this program shall include, at a minimum, the following components:

- 7 (1) Coursework in the candidate's area of licensure.
- 8 (2) Tuition and stipends.
- 9 (3) Faculty advising.
- 10 (4) Clinical training experiences.
- 11 (5) Ongoing induction support.

12 Residency programs eligible for this grant program may include partnerships between
13 local school administrative units, educator preparation programs, local community colleges or
14 universities, and other community organizations. Grant funds awarded to local school
15 administrative units under this program shall be matched by the local school administrative units
16 on the basis of one dollar (\$1.00) in non-grant funds for every one dollar (\$1.00) in grant funds.

17 **SECTION 1.8.(b)** Request for Proposal. – By October 1, 2023, the State Board of
18 Education shall issue a Request for Proposal (RFP) for the grant program. Local boards of
19 education shall submit their proposals by January 15, 2024. The RFP shall require that proposals
20 include the following information at a minimum:

- 21 (1) Description of the proposal, including the number of teacher preparation
22 candidates to be served.
- 23 (2) Evidence-based research that supports the proposal.
- 24 (3) Implementation time line for the plan.
- 25 (4) Plans for financial sustainability once grant money is no longer available.

26 **SECTION 1.8.(c)** Grant Awards. – By April 15, 2024, the State Board of Education
27 shall review the proposals submitted by local boards of education and shall select up to 10 local
28 school administrative units for grant awards. The State Board of Education may make grant
29 awards for up to three years. A local school administrative unit may not receive more than five
30 hundred thousand dollars (\$500,000) in a single fiscal year from this grant program.

31 **SECTION 1.8.(d)** Evaluation and Reporting. – Of the funds appropriated by this
32 section, the State Board of Education may use up to three hundred thousand dollars (\$300,000)
33 to contract with an independent research organization to evaluate the impact of this grant
34 program. The independent research organization shall report the results of this evaluation to the
35 Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office
36 of State Budget and Management by September 1, 2027. The Department of Public Instruction
37 shall report annually on the implementation of this grant program beginning by March 15, 2025.

38 **SECTION 1.8.(e)** Appropriation. – There is appropriated from the General Fund to
39 the Department of Public Instruction the sum of ten million dollars (\$10,000,000) in recurring
40 funds for the 2023-2024 fiscal year to implement the grant program in accordance with this
41 section.

42 **SECTION 1.8.(f)** Carryforward. – Any unexpended funds appropriated under this
43 section at the end of the 2023-2024 fiscal year shall not revert to the General Fund but shall
44 remain available for the purposes set forth in this section.

45 **EXPAND PARTNERSHIP TEACH**

46 **SECTION 1.9.** There is appropriated from the General Fund to the Board of
47 Governors of The University of North Carolina the sum of two hundred thousand dollars
48 (\$200,000) in recurring funds for the 2023-2024 fiscal year to expand Partnership Teach to up to
49 two additional hub sites, including providing funds for staffing, fellowship support, mentoring,
50 and increasing recruitment capacity.
51

1
2 **DEVELOPING A REPRESENTATIVE AND INCLUSIVE VISION FOR EDUCATION**
3 **(DRIVE) GRANT PROGRAM**

4 **SECTION 1.10.(a)** Purpose. – The State Board of Education, in consultation with
5 the Office of the Governor, The University of North Carolina System Office, and the Community
6 College System Office, shall establish a grant program to support strategic partnerships
7 committed to increasing the pipeline of educators of color across the State. As an extension of
8 the recommendations and strategies presented by the Governor's DRIVE Task Force on January
9 1, 2021, the grants shall be provided to local school administrative units, institutions of higher
10 education, and community organizations to implement innovative initiatives that support the
11 recruitment, preparation, support, and retention of racially, ethnically, and linguistically diverse
12 educators. The purpose of this program shall be to do at least the following:

- 13 (1) Increase the diversity of the educator workforce across the State through novel
14 recruitment efforts.
- 15 (2) Strengthen the pipeline of aspiring teachers of color across the State through
16 traditional and alternative certification pathways.
- 17 (3) Provide mechanisms to support and retain educators of color currently serving
18 in elementary and secondary public schools.
- 19 (4) Promote collaboration between school systems, institutions of higher
20 education, and community and nonprofit organizations to diversify the
21 educator workforce.

22 **SECTION 1.10.(b)** Applications. – Applicants for grants shall demonstrate at least
23 the following for grant award consideration:

- 24 (1) A partnership between at least two of the following entities: local school
25 administrative units, Historically Black Colleges and Universities,
26 Historically Minority-Serving Institutions, educator preparation programs,
27 alternative certification programs, public and private colleges and universities,
28 community colleges, and community or nonprofit organizations.
- 29 (2) Proposals for strategies that address one or more of the following components
30 of the educator development continuum as highlighted by the DRIVE Task
31 Force's 2021 Report to the Governor: recruitment, placement and induction,
32 and support and retention of educators of color.

33 **SECTION 1.10.(c)** Use of Funds. – Grant funds may be used for the following
34 activities:

- 35 (1) Strengthening existing high school dual enrollment programs to offer
36 education-based college credit or honors courses as streamlined pathways for
37 future careers in education.
- 38 (2) Implementing targeted school system–level and community-based
39 recruitment programs for aspiring educators of color interested in traditional
40 and alternative educator preparation programs.
- 41 (3) Utilizing and leveraging existing financial aid programs that include
42 scholarships, loan forgiveness, and tuition reimbursement that reduce the
43 disproportionate financial burden incurred by aspiring candidates of color.
- 44 (4) Increasing preparation and supporting preservice educators of color through
45 paid clinical learning experiences, with a commitment to teaching in North
46 Carolina public schools.
- 47 (5) Offering support for job placement and licensure for candidates of color after
48 completing their educator preparation program.
- 49 (6) Providing induction and mentoring programs that address the needs of
50 educators of color that include sustaining networking and professional
51 learning communities or affinity groups.

- (7) Encouraging and financially supporting educators of color interested in joining national professional organizations or attending national conferences.

SECTION 1.10.(d) Request for Proposal. – By October 1, 2023, the State Board of Education shall issue a Request for Proposal (RFP) for the grant program. Applicants shall submit their proposals by December 1, 2023. The RFP shall require that proposals include the following information at a minimum:

- (1) Description of the proposal.
- (2) Evidence-based research that supports the proposal.
- (3) An implementation time line for the plan.
- (4) Plans for financial sustainability once grant money is no longer available.

SECTION 1.10.(e) Selection. – By February 1, 2024, a selection committee shall select up to five grantees, making the effort to ensure that there is representation across the State as reflected by rural and urban districts, institutions of higher education, and community-based partners. Any grants awarded may be spent over a five-year period from the initial award. Grants may be awarded for new or existing projects.

SECTION 1.10.(f) Reporting Requirements. – No later than September 1 of each year, grant recipients shall submit to the State Board of Education an annual report for the preceding grant year that describes the implementation of the program. This report must include qualitative and quantitative data to demonstrate program effectiveness.

SECTION 1.10.(g) Evaluation and Reporting. – Of the funds appropriated by this section, the State Board of Education may use up to three hundred thousand dollars (\$300,000) to contract with an independent research organization to evaluate the impact of this grant program. The independent research organization shall report the results of this evaluation to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management by September 1, 2025. The State Board of Education shall report annually on the implementation of this grant program beginning on January 1, 2025.

SECTION 1.10.(h) Appropriation. – There is appropriated from the General Fund to the Department of Public Instruction the sum of two million dollars (\$2,000,000) in recurring funds for the 2023-2024 fiscal year to implement the grant program in accordance with this section.

SECTION 1.10.(i) Carryforward. – Any unexpended funds at the end of each fiscal year from the funds appropriated for the grant program under this section shall not revert to the General Fund but shall remain available for expenditure for the purposes set forth in this section.

ANNUAL EDUCATOR DIVERSITY REPORT

SECTION 1.11.(a) G.S. 115C-12(22) reads as rewritten:

"(22) Duty to Monitor the State of the Teaching Profession and Educator Diversity in North Carolina. – The State Board of Education shall monitor and compile ~~an annual report~~ reports on the following:

- a. The state of the teaching profession in North Carolina that includes Carolina. This report shall include data on the decisions of teachers to leave the teaching profession and data on teaching positions that local boards of education are unable to fill, as provided in G.S. 115C-299.5.
- b. Educator diversity in North Carolina. This report shall include data on the diversity of educators and future educators in the State, as provided in G.S. 115C-299.7."

SECTION 1.11.(b) Article 20 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-299.7. Duty to monitor educator diversity.

- (a) Definitions. – As used in this section, the following definitions apply:
 - (1) Diversity categories. – Race and ethnicity.

- 1 (2) Education entity. – Any of the following:
2 a. A public school unit, as defined in G.S. 115C-5(7a).
3 b. An educator preparation program, as defined in G.S. 115C-269.1(10).
4 (3) Educators. – Teachers employed by a public school unit.
5 (4) Future educators. – Students enrolled in an educator preparation program.
6 (5) Grade level. – Where applicable, the grade level taught by an educator and the
7 grade level attended by a future educator.
8 (6) Mobility rates. – The percentage of educators who move from one school or
9 public school unit to another.
10 (7) Qualitative data. – Information collected via questionnaire, interview, and
11 other nonquantitative methods.
12 (b) Education Entity Diversity Report. – No later than July 30, 2024, and annually
13 thereafter, each education entity shall report to the Department of Public Instruction the following
14 information regarding the diversity of educators and future educators in the entity from the
15 previous school year, disaggregated by diversity category and, where applicable, by grade level:
16 (1) Total number of educators and future educators.
17 (2) The number of persons who apply to work in or attend the education entity as
18 an educator or future educator.
19 (3) The number of educators and future educators who are employed by or
20 enrolled in an education entity.
21 (4) Retention rates of educators.
22 (5) Mobility rates of educators between schools in a public school unit.
23 (6) The number of future educators who do the following:
24 a. Complete an educator preparation program.
25 b. Become licensed in North Carolina.
26 c. Become employed in a public school unit.
27 (7) Qualitative data from educators and future educators on the diversity and
28 inclusiveness of the education entity, including applicable information on
29 recruitment, educator preparation, retention, mobility, and turnover. This
30 information should include related reasons for educator attrition provided on
31 educator workforce reports.
32 (8) Recommendations from the entity to improve diversity of educators and future
33 educators, including strategies to recruit and retain a diverse pool of educators
34 and future educators.
35 (c) Statewide Diversity Report. – No later than October 15, 2024, and annually thereafter,
36 the Department of Public Instruction shall collect the information provided pursuant to
37 subsection (b) of this section and report that information, organized to include at least the
38 following, to the Joint Legislative Education Oversight Committee, disaggregated by diversity
39 category and, where applicable, by grade level:
40 (1) Statewide data for each education entity, including mobility rates of educators
41 between public school units.
42 (2) Recommendations from the Department to improve diversity among
43 educators and future educators in education entities, including strategies to
44 recruit and retain a diverse pool of educators and future educators.
45 (d) Statistical Profile. – The Department of Public Instruction shall include the
46 information regarding public school units collected pursuant to this act in the statistical profile
47 of public schools maintained on its website.
48 (e) Certain Information Excluded. – Nothing in this section shall be construed to require
49 an education entity or the Department of Public Instruction to report any data that reveals
50 confidential or personally identifiable information about an educator or future educator."
51

1 **ESTABLISH THE OFFICE OF EQUITY AFFAIRS WITHIN THE DEPARTMENT OF**
2 **PUBLIC INSTRUCTION**

3 **SECTION 1.12.(a)** Chapter 115C of the General Statutes is amended by adding a
4 new Article to read:

5 "Article 6E.

6 "Office of Equity Affairs.

7 **"§ 115C-64.35. Establishment, purpose, and duties of Office of Equity Affairs.**

8 (a) There is established within the Department of Public Instruction the Office of Equity
9 Affairs. The purpose of the Office of Equity Affairs is to provide internal oversight within the
10 Department of Public Instruction and the State Board of Education specific to compliance with
11 the State's constitutional role to provide each child the opportunity to receive a sound basic
12 education and to direct the recruitment and retention of a diverse educator workforce.

13 (b) The Office of Equity Affairs shall review educational policies, programs, and
14 initiatives and shall provide an independent, objective source of information to be used in
15 evaluating substantial compliance with sound basic education standards and the goal of recruiting
16 and retaining a diverse educator workforce, giving special attention and consideration to
17 outcomes for at-risk students. The Office of Equity Affairs may suggest adjustments to the
18 content and delivery of educational policies, programs, and initiatives to improve their efficacy.
19 The authority of the Office of Equity Affairs to evaluate and advise shall extend to all policies,
20 programs, and initiatives related to ensuring that all students have access to a sound basic
21 education and to the goal of recruiting and retaining a diverse educator workforce.

22 (c) In carrying out its duties, the Office of Equity Affairs has authority to obtain full and
23 unrestricted access to all records, information, and data in the possession of or legally available
24 to the Department of Public Instruction or State Board of Education.

25 (d) Beginning no later than January 15, 2024, and semiannually thereafter, the Office of
26 Equity Affairs shall submit a report to the Joint Legislative Education Oversight Committee on
27 the (i) implementation of its duties as set forth in this Article, (ii) progress of the Department of
28 Public Instruction and the State Board of Education in effectively providing each child the
29 opportunity to receive a sound basic education, and (iii) the diversity of the educator workforce.
30 Prior to the reporting of any deficiencies in progress, the Office of Equity Affairs shall give to
31 the Department of Public Instruction and the State Board of Education ample notice of the
32 deficiencies and an opportunity to correct or improve the deficiencies and shall include in the
33 report any efforts to do so. The report shall include any recommended legislation.

34 **"§ 115C-64.36. Administrative organization; organizational independence.**

35 (a) There is established within the Department of Public Instruction the position of
36 Deputy Superintendent of Equity Affairs who shall serve as the chief officer of the Office of
37 Equity Affairs. The Deputy Superintendent shall have professional, administrative, technical, and
38 clerical personnel as may be necessary in carrying out the duties of the position.

39 (b) The Superintendent of Public Instruction shall recommend to the State Board of
40 Education the individual to be appointed as Deputy Superintendent of Equity Affairs, and the
41 recommended appointee shall be appointed upon approval by the State Board of Education. The
42 Deputy Superintendent shall report to the Superintendent of Public Instruction and the State
43 Board of Education jointly and may be removed only upon the joint agreement of the
44 Superintendent of Public Instruction and a majority of the members of the State Board of
45 Education. The Deputy Superintendent shall be organizationally situated to avoid impairments
46 to independence of the Deputy Superintendent's professional judgment on how to best
47 accomplish the purposes of the Office of Equity Affairs."

48 **SECTION 1.12.(b)** There is appropriated from the General Fund to the Department
49 of Public Instruction for the 2023-2024 fiscal year the sum of four hundred thousand dollars
50 (\$400,000) in recurring funds to permit the Deputy Superintendent of Equity Affairs, as
51 established by this section, to appoint up to four full-time staff to assist in the administration of

1 the Deputy Superintendent's duties under Article 6E of Chapter 115C of the General Statutes, as
2 enacted by this section. Personnel appointed to these positions shall report solely to the Deputy
3 Superintendent of Equity Affairs. The appointments shall not be subject to approval or
4 disapproval by the Superintendent of Public Instruction or the State Board of Education. Of the
5 four time-limited positions, one shall be an administrative assistant position and at least one shall
6 be an attorney position.

7 8 **NORTH CAROLINA NEW TEACHER SUPPORT PROGRAM**

9 **SECTION 1.13.** There is appropriated from the General Fund to the Board of
10 Governors of The University of North Carolina the sum of sixteen million one hundred thousand
11 dollars (\$16,100,000) in recurring funds for the 2023-2024 fiscal year for the New Teacher
12 Support Program to provide mentoring and coaching support to beginning teachers who are
13 employed in public schools identified as low-performing or high-poverty at no cost to the local
14 school administrative units.

15 16 **ADVANCED TEACHING ROLES CHANGES**

17 **SECTION 1.14.(a)** G.S. 115C-311(i) reads as rewritten:

18 "(i) Class Size Flexibility. – Notwithstanding G.S. 115C-301, with the approval of the
19 State Board of Education, Advanced Teaching Roles schools selected to participate in the
20 program may exceed the maximum class size requirements for kindergarten through third grade
21 during any term of up to three years in which State funds are awarded to the local school
22 administrative unit where the school is located. At the conclusion of the term, any class size
23 flexibility approved for an Advanced Teaching Roles school pursuant to this subsection shall
24 expire grade."

25 **SECTION 1.14.(b)** There is appropriated from the General Fund to the Department
26 of Public Instruction for the 2023-2024 fiscal year the sum of four million seven hundred sixty
27 thousand dollars (\$4,760,000) in recurring funds to support teacher compensation models and
28 advanced teaching roles and to develop implementation plans for teacher compensation models
29 and advanced teaching roles pursuant to G.S. 115C-311. These funds shall not revert at the end
30 of the fiscal year but shall remain available until expended.

31 **SECTION 1.14.(c)** Of the funds appropriated to the Department of Public Instruction
32 to support teacher compensation models and advanced teaching roles and to develop associated
33 implementation plans pursuant to this section, the Department may use up to four percent (4%)
34 each fiscal year to evaluate the program, contract with an independent research organization to
35 evaluate the program, or continue any preexisting contract with an independent research
36 organization formed pursuant to Section 8.7 of S.L. 2016-94. Any remaining funds may be
37 awarded to selected local school administrative units in accordance with this act to support
38 teacher compensation models and advanced teaching roles and to develop associated
39 implementation plans.

40 41 **EDUCATOR PROFESSIONAL DEVELOPMENT ALLOTMENT**

42 **SECTION 1.15.(a)** Effective July 1, 2023, there is established the Educator
43 Professional Development Allotment in the State Public School Fund. The State Board of
44 Education shall establish the purposes for which the funds within the new Educator Professional
45 Development funding allotment may be used, including at least the following:

- 46 (1) Educator professional development for targeted public school units and
47 schools requiring multitiered support for prekindergarten through grade three,
48 including the following:
49 a. Child development.
50 b. Early literacy.
51 c. Social and emotional learning.

- d. Family engagement.
- (2) Implementation of literacy training.
- (3) Mentoring programs for beginning educators.

SECTION 1.15.(b) There is appropriated from the General Fund to the Department of Public Instruction the sum of forty-seven million two hundred thousand dollars (\$47,200,000) in recurring funds for the 2023-2024 fiscal year to be used to fund the Educator Professional Development Allotment. Funds shall be allotted to local school administrative units based on average daily membership.

REPORT FINDINGS OF COMPENSATION STUDY

SECTION 1.16. The Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management (OSBM) by March 1, 2024, on the findings of the compensation study it conducted on alternative teacher compensation models and advanced teaching roles using funds awarded by OSBM from the North Carolina Evaluation Fund.

TEACHER SALARY SCHEDULE

SECTION 1.17.(a) The following monthly teacher salary schedule shall apply for the 2023-2024 fiscal year to licensed personnel of the public schools who are classified as teachers. The salary schedule is based on years of teaching experience.

2023-24 Teacher Monthly Salary Schedule

| Years of Experience | "A" Teachers |
|---------------------|--------------|
| 0 | 4,100 |
| 1 | 4,200 |
| 2 | 4,300 |
| 3 | 4,400 |
| 4 | 4,500 |
| 5 | 4,600 |
| 6 | 4,700 |
| 7 | 4,800 |
| 8 | 4,900 |
| 9 | 5,000 |
| 10 | 5,100 |
| 11 | 5,200 |
| 12 | 5,300 |
| 13 | 5,400 |
| 14 | 5,500 |
| 15 | 5,610 |
| 16-18 | 5,720 |
| 19-21 | 5,790 |
| 22-24 | 5,850 |
| 25-27 | 5,940 |
| 28+ | 6,000 |

SECTION 1.17.(b) Salary Supplements for Teachers Paid on This Salary Schedule.

- (1) Licensed teachers who have NBPTS certification shall receive a salary supplement each month of twelve percent (12%) of their monthly salary on the "A" salary schedule.
- (2) Licensed teachers who are classified as "M" teachers shall receive a salary supplement each month of ten percent (10%) of their monthly salary on the "A" salary schedule.

- 1 (3) Licensed teachers with licensure based on academic preparation at the
2 six-year degree level shall receive a salary supplement of one hundred
3 twenty-six dollars (\$126.00) per month in addition to the supplement provided
4 to them as "M" teachers.
- 5 (4) Licensed teachers with licensure based on academic preparation at the
6 doctoral degree level shall receive a salary supplement of two hundred
7 fifty-three dollars (\$253.00) per month in addition to the supplement provided
8 to them as "M" teachers.
- 9 (5) Certified school nurses shall receive a salary supplement each month of ten
10 percent (10%) of their monthly salary on the "A" salary schedule.
- 11 (6) School counselors who are licensed as counselors at the master's degree level
12 or higher shall receive a salary supplement of one hundred dollars (\$100.00)
13 per month.

14 **SECTION 1.17.(c)** For school psychologists, school speech pathologists who are
15 licensed as speech pathologists at the master's degree level or higher, and school audiologists
16 who are licensed as audiologists at the master's degree level or higher, the following shall apply:

- 17 (1) The first step of the salary schedule shall be equivalent to the sixth step of the
18 "A" salary schedule.
- 19 (2) These employees shall receive the following salary supplements each month:
20 a. Ten percent (10%) of their monthly salary, excluding the supplement
21 provided pursuant to sub-subdivision b. of this subdivision.
22 b. Five hundred dollars (\$500.00).
- 23 (3) These employees are eligible to receive salary supplements equivalent to those
24 of teachers for academic preparation at the six-year degree level or the
25 doctoral degree level.
- 26 (4) The twenty-sixth step of the salary schedule shall be seven and one-half
27 percent (7.5%) higher than the salary received by these same employees on
28 the twenty-fifth step of the salary schedule.

29 **SECTION 1.17.(d)** Beginning with the 2014-2015 fiscal year, in lieu of providing
30 annual longevity payments to teachers paid on the teacher salary schedule, the amounts of those
31 longevity payments are included in the monthly amounts under the teacher salary schedule.

32 **SECTION 1.17.(e)** A teacher compensated in accordance with this salary schedule
33 for the 2023-2024 school year shall receive an amount equal to the greater of the following:

- 34 (1) The applicable amount on the salary schedule for the applicable school year.
35 (2) For teachers who were eligible for longevity for the 2013-2014 school year,
36 the sum of the following:
37 a. The salary the teacher received in the 2013-2014 school year pursuant
38 to Section 35.11 of S.L. 2013-360.
39 b. The longevity that the teacher would have received under the longevity
40 system in effect for the 2013-2014 school year provided in Section
41 35.11 of S.L. 2013-360 based on the teacher's current years of service.
42 c. The annual bonus provided in Section 9.1(e) of S.L. 2014-100.
- 43 (3) For teachers who were not eligible for longevity for the 2013-2014 school
44 year, the sum of the salary and annual bonus the teacher received in the
45 2014-2015 school year pursuant to Section 9.1 of S.L. 2014-100.

46 **SECTION 1.17.(f)** As used in this section, the term "teacher" shall also include
47 instructional support personnel.

48 **SECTION 1.17.(g)** There is appropriated from the General Fund to the Department
49 of Public Instruction for the 2023-2024 fiscal year the sum of six hundred fifty-four million seven
50 hundred ninety-five thousand four hundred fourteen dollars (\$654,795,414) in recurring funds to
51 implement the teacher raises provided in this section.

1 **SECTION 1.17.(h)** It is the intent of the General Assembly to adjust compensation
2 for teachers in the 2024-2025 fiscal year and subsequent fiscal years in accordance with
3 information provided by the Department of Public Instruction in March of 2024 pursuant to the
4 compensation study currently underway.

5
6 **FUNDS FOR NATIONAL BOARD CERTIFICATION APPLICATION FEE**

7 **SECTION 1.18.(a)** G.S. 115C-296.2(c) reads as rewritten:

8 "(c) Payment of the NBPTS Participation Fee; Paid Leave. – The State shall provide for
9 payment of the NBPTS participation fee as follows:

10 (1) For up to 1,000 teachers each fiscal year, the Department of Public Instruction
11 shall provide grants for the full participation fee.

12 (2) For all other teachers, the State shall lend teachers the participation fee and
13 shall provide up to three days of approved paid leave to all teachers
14 participating in the NBPTS program who:

15 ~~(1)~~a. Have completed three full years of teaching in a North Carolina public
16 school; and

17 ~~(2)~~b. Have (i) not previously received State funds for participating in any
18 certification area in the NBPTS program, (ii) repaid any State funds
19 previously received for the NBPTS certification process, or (iii)
20 received a waiver of repayment from the State Board of Education.

21 Teachers participating in the program shall take paid leave only with the approval of their
22 supervisors."

23 **SECTION 1.18.(b)** There is appropriated from the General Fund to the Department
24 of Public Instruction the sum of one million nine hundred thousand dollars (\$1,900,000) in
25 recurring funds for the 2023-2024 fiscal year to provide grants to up to 1,000 teachers for the full
26 participation fee for National Board for Professional Teaching Standards (NBPTS) certification
27 pursuant to subsection (a) of this section. From these funds, the Department of Public Instruction
28 shall transfer the sum of up to one million nine hundred thousand dollars (\$1,900,000) to the
29 State Education Assistance Authority each fiscal year to administer the payment of fees to
30 teachers pursuant to G.S. 115C-296.2.

31
32 **PART II. WELL-PREPARED, HIGH-QUALITY, AND SUPPORTED PRINCIPAL IN**
33 **EVERY SCHOOL**

34
35 **EXPANSION OF THE NORTH CAROLINA PRINCIPAL FELLOWS PROGRAM**

36 **SECTION 2.1.** There is appropriated from the General Fund to the North Carolina
37 Principal Fellows Trust Fund the sum of thirteen million two hundred thousand dollars
38 (\$13,200,000) in recurring funds for the 2023-2024 fiscal year to be used to provide forgivable
39 loans to an additional 122 new principal candidates each year through principal preparation
40 programs provided grants under the North Carolina Principal Fellows Program (Program)
41 established pursuant to Article 5C of Chapter 116 of the General Statutes. Any unexpended funds
42 in the Trust Fund each fiscal year shall not revert to the General Fund but shall remain available
43 for the purposes of the Program consistent with G.S. 116-74.41B.

44
45 **STATEWIDE SCHOOL LEADERSHIP ACADEMY**

46 **SECTION 2.2.(a)** The State Board of Education shall develop a plan for the creation
47 of a School Leadership Academy to provide initial and ongoing support to the State's local school
48 administrative units and school leaders. The plan for the School Leadership Academy shall
49 include at least the following components:

50 (1) Equity training for all local school administrative units and school leaders.

- (2) Training and ongoing support for local board of education members focused on the needs of successful schools and turnaround schools.
- (3) Mentorship and individualized coaching for novice principals and for experienced principals in high-need schools focused on dismantling impediments to student success in their schools.
- (4) Peer support networks, such as facilitated partnership networks and rapid response hotlines that provide immediate assistance.
- (5) Aligned, ongoing, research-driven professional learning.

The State Board shall take into consideration any existing school administrator leadership training opportunities when creating this plan.

SECTION 2.2.(b) By February 15, 2024, the State Board shall report to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management on its proposal for the School Leadership Academy, including the plan for implementation and an estimation of costs.

SECTION 2.2.(c) Beginning with the 2024-2025 school year, the Department of Public Instruction shall operate and support the School Leadership Academy according to the plan developed by the State Board of Education pursuant to subsection (a) of this section.

PRINCIPAL SALARY SCHEDULE

SECTION 2.3.(a) The following annual salary schedule for principals shall apply for the 2023-2024 fiscal year, beginning July 1, 2023.

2023-24 Principal Annual Salary Schedule

| Avg. Daily Membership | Base | Met Growth | Exceeded Growth |
|------------------------------|-------------|-------------------|------------------------|
| 0-200 | \$79,883 | \$87,871 | \$95,860 |
| 201-400 | \$83,877 | \$92,265 | \$100,652 |
| 401-700 | \$87,871 | \$96,658 | \$105,446 |
| 701-1,000 | \$91,865 | \$101,052 | \$110,239 |
| 1,001-1,600 | \$95,860 | \$105,446 | \$115,031 |
| 1,601+ | \$99,854 | \$109,839 | \$119,824 |

A principal's placement on the salary schedule shall be determined according to the average daily membership of the school supervised by the principal, as described in subsection (b) of this section, and the school growth scores, calculated pursuant to G.S. 115C-83.15(c), for each school the principal supervised in one or more prior school years, as described in subsection (c) of this section, regardless of a break in service, and provided the principal supervised each school as a principal for at least a majority of the school year, as follows:

- (1) A principal shall be paid according to the Exceeded Growth column of the schedule as follows:
 - a. Between July 1, 2023, and December 31, 2023, if the school growth score shows the school exceeded expected growth.
 - b. Between January 1, 2024, and June 30, 2024, if the higher school growth score in one of the two prior school years shows that the school exceeded expected growth.
- (2) A principal shall be paid according to the Met Growth column of the schedule as follows:
 - a. Between July 1, 2023, and December 31, 2023, if the school growth score shows the school met expected growth or the principal supervised a school in the prior school year that was not eligible to receive a school growth score.
 - b. Between January 1, 2024, and June 30, 2024, if any of the following apply:

- 1 1. The higher school growth score in one of the two prior school
- 2 years shows that the school met expected growth.
- 3 2. The principal supervised a school in the two prior school years
- 4 that was not eligible to receive a school growth score.
- 5 (3) A principal shall be paid according to the Base column as follows:
- 6 a. Between July 1, 2023, and December 31, 2023, if the school growth
- 7 score shows the school did not meet expected growth or the principal
- 8 has not supervised any school as a principal for a majority of the prior
- 9 school year.
- 10 b. Between January 1, 2024, and June 30, 2024, if any of the following
- 11 apply:
- 12 1. The school growth scores from the two prior school years show
- 13 that the school did not meet expected growth in both years.
- 14 2. The principal has not supervised any school as a principal for
- 15 a majority of the two prior school years.

16 **SECTION 2.3.(b)** For purposes of determining the average daily membership of a
17 principal's school, the following shall apply:

- 18 (1) The following amounts shall be used during the following time periods:
- 19 a. Between July 1, 2023, and December 31, 2023, the average daily
- 20 membership for the school from the 2022-2023 school year. If the
- 21 school did not have an average daily membership in the 2022-2023
- 22 school year, the projected average daily membership for the school for
- 23 the 2023-2024 school year.
- 24 b. Between January 1, 2023, and June 30, 2023, the average daily
- 25 membership for the school for the 2023-2024 school year.
- 26 (2) The average daily membership of a principal's school shall include the average
- 27 daily membership of any prekindergarten students in membership at the
- 28 school.

29 **SECTION 2.3.(c)** For purposes of determining the school growth scores for each
30 school the principal supervised in one or more prior school years, the following school growth
31 scores shall be used during the following time periods:

- 32 (1) Between July 1, 2023, and December 31, 2023, the school growth score from
- 33 the 2021-2022 school year.
- 34 (2) Between January 1, 2023, and June 30, 2023, the school growth scores from
- 35 the 2021-2022 and 2022-2023 school years.

36 **SECTION 2.3.(d)** Beginning with the 2017-2018 fiscal year, in lieu of providing
37 annual longevity payments to principals paid on the principal salary schedule, the amounts of
38 those longevity payments are included in the annual amounts under the principal salary schedule.

39 **SECTION 2.3.(e)** A principal compensated in accordance with this section for the
40 2023-2024 fiscal year shall receive an amount equal to the greater of the following:

- 41 (1) The applicable amount on the salary schedule for the applicable year.
- 42 (2) For principals who were eligible for longevity in the 2016-2017 fiscal year,
- 43 the sum of the following:
- 44 a. The salary the principal received in the 2016-2017 fiscal year pursuant
- 45 to Section 9.1 or Section 9.2 of S.L. 2016-94.
- 46 b. The longevity that the principal would have received as provided for
- 47 State employees under the North Carolina Human Resources Act for
- 48 the 2016-2017 fiscal year based on the principal's current years of
- 49 service.

- 1 (3) For principals who were not eligible for longevity in the 2016-2017 fiscal
2 year, the salary the principal received in the 2016-2017 fiscal year pursuant to
3 Section 9.1 or Section 9.2 of S.L. 2016-94.

4 **SECTION 2.3.(f)** There is appropriated from the General Fund to the Department of
5 Public Instruction for the 2023-2024 fiscal year the sum of twenty-eight million four hundred
6 forty-eight thousand two hundred fifty-three dollars (\$28,448,253) in recurring funds to increase
7 salaries for principals in accordance with this section.

8 **SECTION 2.3.(g)** It is the intent of the General Assembly to adjust compensation
9 for principals in the 2024-2025 fiscal year and subsequent fiscal years in accordance with any
10 information provided by the Department of Public Instruction in March of 2024 pursuant to the
11 compensation study currently underway.

12 **ASSISTANT PRINCIPAL SALARIES**

13 **SECTION 2.4.(a)** For the 2023-2024 fiscal year, beginning July 1, 2023, assistant
14 principals shall receive a monthly salary based on the salary schedule for teachers who are
15 classified as "A" teachers plus nineteen percent (19%). An assistant principal shall be placed on
16 the step on the salary schedule that reflects the total number of years of experience as a certified
17 employee of the public schools. For purposes of this section, an administrator with a one-year
18 provisional assistant principal's certificate shall be considered equivalent to an assistant principal.

19 **SECTION 2.4.(b)** Assistant principals with certification based on academic
20 preparation at the six-year degree level shall be paid a salary supplement of one hundred
21 twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a salary
22 supplement of two hundred fifty-three dollars (\$253.00) per month.

23 **SECTION 2.4.(c)** Participants in an approved full-time master's in school
24 administration program shall receive up to a 10-month stipend during the internship period of the
25 master's program. The stipend shall be at the beginning salary of an assistant principal or, for a
26 teacher who becomes an intern, at least as much as that person would earn as a teacher on the
27 teacher salary schedule. The North Carolina Principal Fellows Program or the school of education
28 where the intern participates in a full-time master's in school administration program shall supply
29 the Department of Public Instruction with certification of eligible full-time interns.

30 **SECTION 2.4.(d)** Beginning with the 2017-2018 fiscal year, in lieu of providing
31 annual longevity payments to assistant principals on the assistant principal salary schedule, the
32 amounts of those longevity payments are included in the monthly amounts provided to assistant
33 principals pursuant to subsection (a) of this section.

34 **SECTION 2.4.(e)** An assistant principal compensated in accordance with this section
35 for the 2023-2024 fiscal year shall receive an amount equal to the greater of the following:

- 36 (1) The applicable amount on the salary schedule for the applicable year.
37 (2) For assistant principals who were eligible for longevity in the 2016-2017 fiscal
38 year, the sum of the following:
39 a. The salary the assistant principal received in the 2016-2017 fiscal year
40 pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.
41 b. The longevity that the assistant principal would have received as
42 provided for State employees under the North Carolina Human
43 Resources Act for the 2016-2017 fiscal year based on the assistant
44 principal's current years of service.
45 (3) For assistant principals who were not eligible for longevity in the 2016-2017
46 fiscal year, the salary the assistant principal received in the 2016-2017 fiscal
47 year pursuant to Section 9.1 or Section 9.2 of S.L. 2016-94.

48 **SECTION 2.4.(f)** There is appropriated from the General Fund to the Department of
49 Public Instruction for the 2023-2024 fiscal year the sum of eighteen million eight hundred
50

1 seventeen thousand four hundred thirty-seven dollars (\$18,817,437) in recurring funds to
2 increase salaries for assistant principals in accordance with this section.

3 **SECTION 2.4.(g)** It is the intent of the General Assembly to adjust compensation
4 for assistant principals in the 2023-2024 fiscal year and subsequent fiscal years in accordance
5 with any information provided by the Department of Public Instruction in March of 2024
6 pursuant to the compensation study currently underway.

7 8 **PLAN FOR SCHOOL-BASED ADMINISTRATOR GRANT PROGRAM**

9 **SECTION 2.5.(a)** No later than March 15, 2024, the State Board of Education shall
10 develop and report to the Joint Legislative Education Oversight Committee and the Fiscal
11 Research Division a plan to implement and evaluate the effectiveness of incentive programs to
12 encourage well-qualified principals and assistant principals to work in high-need schools. These
13 programs may include salary supplements for principals who take positions in chronically
14 low-performing schools, protection for principals against salary reduction for working in
15 high-need or low-performing schools, and rewards for principals and assistant principals for
16 making progress on school performance.

17 **SECTION 2.5.(b)** It is the intent of the General Assembly to implement advisable
18 components of the plan developed pursuant to subsection (a) of this section.

19 20 **RECOMMENDATIONS FOR ADDITIONAL AUTONOMY AND RESOURCES FOR** 21 **PRINCIPALS AND SUPERINTENDENTS IN LOCAL SCHOOL ADMINISTRATIVE** 22 **UNITS**

23 **SECTION 2.6.(a)** No later than November 15, 2024, the Department of Public
24 Instruction shall survey local school administrative units on recommendations to increase
25 autonomy and resources for principals and superintendents. No later than February 15, 2025, the
26 Department shall compile responses from this survey and report them to the Joint Legislative
27 Education Oversight Committee and the Fiscal Research Division.

28 **SECTION 2.6.(b)** It is the intent of the General Assembly to implement advisable
29 recommendations submitted to the Department pursuant to subsection (a) of this section in the
30 2025-2026 fiscal year and subsequent fiscal years.

31 32 **PART III. FINANCE SYSTEM THAT PROVIDES ADEQUATE, EQUITABLE, AND** 33 **EFFICIENT RESOURCES**

34 35 **BUDGET FLEXIBILITY FOR LOCAL BOARDS OF EDUCATION**

36 **SECTION 3.1.(a)** G.S. 115C-105.25(b) reads as rewritten:

37 "(b) Subject to the following limitations, local boards of education may transfer and may
38 approve transfers of funds between funding allotment categories:

39 (1) Repealed by Session Laws 2013-360, s. 8.14, effective July 1, 2013.

40 (1a) Funds for career and technical education and other purposes may be
41 transferred only as permitted by federal law and the conditions of federal
42 grants or as provided through any rules that the State Board of Education
43 adopts to ensure compliance with federal regulations.

44 ~~(1b) No funds shall be transferred out of the children with disabilities allotment~~
45 ~~category.~~

46 (2), (2a) Repealed by Session Laws 2013-360, s. 8.14, effective July 1, 2013.

47 (3) No funds shall be transferred into the central office administration allotment
48 category.

49 (3a) No funds shall be transferred out of the teacher assistants allotment category.

50 ~~(3b) No funds shall be transferred out of the academically or intellectually gifted~~
51 ~~children allotment category.~~

- 1 (4), (5) Repealed by Session Laws 2013-360, s. 8.14, effective July 1, 2013.
- 2 (5a) ~~No positions shall be transferred out of the allocation for classroom teachers~~
3 ~~for kindergarten through twelfth grade, except as provided in this subdivision.~~
4 Positions allocated for classroom teachers may be converted to dollar
5 equivalents to contract for visiting international exchange teachers through a
6 visiting international exchange teacher program approved by the State. These
7 positions shall be converted at the statewide average salary for classroom
8 teachers, including benefits. The converted funds shall be used only to provide
9 visiting international exchange teachers with salaries commensurate with their
10 experience levels, to provide any State-approved bonuses, and to cover the
11 costs associated with supporting visiting international exchange teachers
12 within the local school administrative unit, including programming and
13 related activities, background checks, medical coverage, and other program
14 administration services in accordance with the federal regulations for the
15 Exchange Visitor Program, 22 C.F.R. Part 62.
- 16 (5b) ~~Positions allocated~~ Except as provided in subdivision (5a) of this subsection,
17 positions allocated for classroom teachers and for instructional support
18 personnel may be converted to dollar equivalents for any purpose authorized
19 by the policies of the State Board of Education. These positions shall be
20 converted at the salary on the first step of the "A" Teachers Salary Schedule.
21 Certified position allotments shall not be transferred to dollars to hire the same
22 type of position.
- 23 (5c) Funds allocated for school building administration may be converted for any
24 purpose authorized by the policies of the State Board of Education. For funds
25 related to principal positions, the salary transferred shall be based on the first
26 step of the Base column of the Principal Salary Schedule. For funds related to
27 assistant principal months of employment, the salary transferred shall be based
28 on the first step of the "A" Teachers Salary Schedule at the salary level for
29 assistant principals. Certified position allotments shall not be transferred to
30 dollars to hire the same type of position.
- 31 (5d) ~~No positions shall be transferred out of the allocation for program~~
32 ~~enhancement teachers for kindergarten through fifth grade except as provided~~
33 ~~in this subdivision. Positions allocated for program enhancement teachers for~~
34 ~~kindergarten through fifth grade may be converted into positions allocated for~~
35 ~~classroom teachers for kindergarten through twelfth grade. For the purposes~~
36 ~~of this subdivision, the term "program enhancement" is as defined in~~
37 ~~G.S. 115C 301(c2).~~
- 38 (6) through (9) Repealed by Session Laws 2013-360, s. 8.14, effective July 1,
39 2013.
- 40 (10) Funds to carry out the elements of the Excellent Public Schools Act that are
41 contained in Section 7A.1 of S.L. 2012-142 shall not be transferred.
- 42 (10a) ~~No funds shall be transferred out of the limited English proficiency allotment~~
43 ~~category.~~
- 44 (11) No funds shall be transferred into or out of the driver education allotment
45 category.
- 46 (12) ~~Funds allotted for textbooks and digital resources may only be used for the~~
47 ~~purchase of textbooks and digital resources. These funds shall not be~~
48 ~~transferred out of the allotment for any other purpose.~~
- 49 (13) No positions shall be transferred out of the allocation for school psychologists
50 except as provided in this subdivision. Positions allocated for school
51 psychologists may be converted to dollar equivalents for contracted services

1 directly related to school psychology. These positions shall be converted at
2 the minimum salary for school psychologists on the "A" Teachers Salary
3 Schedule."

4 **SECTION 3.1.(b)** This section applies beginning with the 2023-2024 school year.
5

6 **FUNDS FOR CHILDREN WITH DISABILITIES**

7 **SECTION 3.2.(a)** The State Board of Education shall allocate additional funds for
8 children with disabilities on the basis of six thousand two hundred dollars (\$6,200) per child for
9 the 2023-2024 fiscal year and six thousand seven hundred forty dollars (\$6,740) per child for the
10 2024-2025 fiscal year. Each local school administrative unit shall receive funds for the total
11 number of children who are identified as children with disabilities in the local school
12 administrative unit. The dollar amounts allocated under this section for children with disabilities
13 shall also be adjusted in accordance with legislative salary increments, retirement rate
14 adjustments, and health benefit adjustments for personnel who serve children with disabilities.

15 **SECTION 3.2.(b)** There is appropriated from the General Fund to the Department
16 of Public Instruction the sum of one hundred sixty-eight million four hundred thousand dollars
17 (\$168,400,000) in recurring funds for the 2023-2024 fiscal year and two hundred sixty-six
18 million seven hundred thousand dollars (\$266,700,000) in recurring funds for the 2024-2025
19 fiscal year to implement the provisions of this section.
20

21 **WEIGHTED FUNDING FOR EC STUDENTS**

22 **SECTION 3.3.** The Department of Public Instruction shall develop a model, based
23 on the study conducted pursuant to Section 7.44 of S.L. 2021-180, for funding children with
24 disabilities services on the basis of the reported cost of the services provided. The Department
25 shall report to the Joint Legislative Education Oversight Committee by January 15, 2024, on the
26 model of funding developed pursuant to this section and a comparison by public school unit of
27 funds provided under the existing model and the model developed pursuant to this section.
28

29 **REVISE SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES**

30 **SECTION 3.4.(a)** Subsections (d) and (e) of Section 7.3 of S.L. 2021-180 read as
31 rewritten:

32 **"SECTION 7.3.(d)** Allocation of Funds. – Except as provided in subsection (f) of this
33 section, the amount received per average daily membership for a county shall be the difference
34 between one hundred ten percent (110%) of the State average current expense appropriations per
35 student and the current expense appropriations per student that the county could provide given
36 the county's wealth and an average effort to fund public schools. To derive the current expense
37 appropriations per student that the county could be able to provide given the county's wealth and
38 an average effort to fund public schools, multiply the county's wealth as a percentage of State
39 average wealth by the State average current expense appropriations per student. The funds for
40 the local school administrative units located in whole or in part in the county shall be allocated
41 to each local school administrative unit located in whole or in part in the county based on the
42 average daily membership of the county's students in the school units. If the funds appropriated
43 for supplemental funding are not adequate to fund the formula fully, each local school
44 administrative unit shall receive a pro rata share of the funds appropriated for supplemental
45 funding.

46 **"SECTION 7.3.(e)** Formula for Distribution of Supplemental Funding Pursuant to This
47 Section Only. – The formula in this section is solely a basis for distribution of supplemental
48 funding for low-wealth counties and is not intended to reflect any measure of the adequacy of
49 the educational program or funding for public schools. The formula is also not intended to reflect
50 any commitment by the General Assembly to appropriate any additional supplemental funds for
51 low-wealth counties. It is the intent of the General Assembly to incrementally increase

1 appropriations for the low-wealth allotment to provide eligible counties supplemental funding
 2 equal to one hundred ten percent (110%) of the statewide local revenue per student by fiscal year
 3 2027-2028. The State Board of Education shall adjust the formula to ensure each local school
 4 administrative unit receives a pro rata share of the additional funds appropriated for the
 5 low-wealth allotment in this section for supplemental funding."

6 **SECTION 3.4.(b)** There is appropriated from the General Fund to the Department
 7 of Public Instruction the sum of sixty-eight million five hundred thousand dollars (\$68,500,000)
 8 in recurring funds for the 2023-2024 fiscal year to implement the changes to the low-wealth
 9 allotment in this section.

10
 11 **FUNDING FOR LIMITED ENGLISH PROFICIENCY STUDENTS**

12 **SECTION 3.5.(a)** The State Board of Education shall allocate funds for services to
 13 students with limited proficiency in the English language to local school administrative units and
 14 to charter schools based on the three-year weighted headcount of students in the units or charter
 15 school with limited English proficiency. The State Board of Education shall adopt formulas for
 16 computing the allotments that do not include a cap on funds allocated.

17 **SECTION 3.5.(b)** There is appropriated from the General Fund to the Department
 18 of Public Instruction the sum of sixty million two hundred thousand dollars (\$60,200,000) in
 19 recurring funds for the 2023-2024 fiscal year to implement this section.

20
 21 **TEACHER ASSISTANT ALLOTMENT**

22 **SECTION 3.6.(a)** Section 8.47(b) of S.L. 2015-41 is repealed.

23 **SECTION 3.6.(b)** Article 21 of Chapter 115C of the General Statutes is amended by
 24 adding a new section to read:

25 **"§ 115C-316.6. Teacher assistant allotment.**

26 (a) To the extent funds are made available, the State Board of Education shall establish a
 27 funding allotment for teacher assistant positions. The State Board is authorized to adopt rules for
 28 the allocation of teacher assistant positions pursuant to this allotment. Funds allocated pursuant
 29 to this section shall be distributed based on the following:

30 (1) An estimated statewide average salary and benefits per teacher assistant
 31 position.

32 (2) The requirements of subsection (d) of this section.

33 (b) Beginning with the 2024-2025 fiscal year, there is appropriated from the General
 34 Fund to the Department of Public Instruction for the following fiscal years the following amounts
 35 to the teacher assistant allotment:

| <u>Fiscal Year</u> | <u>Appropriation</u> |
|--|-----------------------|
| 36 <u>2023-2024</u> | <u>\$35,800,000</u> |
| 37 <u>2024-2025</u> | <u>\$77,900,000</u> |
| 38 <u>2025-2026</u> | <u>\$128,900,000</u> |
| 39 <u>2026-2027</u> | <u>\$168,400,000</u> |
| 40 <u>2027-2028</u> | <u>\$213,300,000</u> |
| 41 <u>2028-2029 and each subsequent fiscal year thereafter</u> | <u>\$264,900,000.</u> |

42
 43 (c) When developing the base budget, as defined by G.S. 143C-1-1, for each fiscal year
 44 specified in subsection (b) of this section, the Director of the Budget shall include the
 45 appropriated amount for that fiscal year.

46 (d) Funds appropriated pursuant to subsection (b) of this section shall be allocated to local
 47 school administrative units to increase positions for teacher assistants in the following fiscal years
 48 to the following statewide ratios of teacher assistants to students in kindergarten through grade
 49 three:

| <u>Fiscal Year</u> | <u>Teacher Assistants</u> |
|---------------------|---------------------------|
| 50 <u>2023-2024</u> | <u>1:39</u> |

| | | |
|---|---|---------------|
| 1 | <u>2024-2025</u> | <u>1:36</u> |
| 2 | <u>2025-2026</u> | <u>1:33</u> |
| 3 | <u>2026-2027</u> | <u>1:31</u> |
| 4 | <u>2027-2028</u> | <u>1:29</u> |
| 5 | <u>2028-2029 and each subsequent fiscal year thereafter</u> | <u>1:27."</u> |

INCREASE FUNDING FOR INSTRUCTIONAL SUPPORT PERSONNEL

SECTION 3.7. Article 21 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-316.8. Appropriation for certain instructional support personnel.

(a) Beginning with the 2023-2024 fiscal year, there is appropriated from the General Fund to the Department of Public Instruction for the following fiscal years the following amounts to the instructional support allotment:

| <u>Fiscal Year</u> | <u>Appropriation</u> |
|---|-----------------------|
| <u>2023-2024</u> | <u>\$103,000,000</u> |
| <u>2024-2025</u> | <u>\$206,600,000</u> |
| <u>2025-2026</u> | <u>\$309,900,000</u> |
| <u>2026-2027</u> | <u>\$413,100,000</u> |
| <u>2027-2028</u> | <u>\$516,400,000</u> |
| <u>2028-2029 and each subsequent fiscal year thereafter</u> | <u>\$619,700,000.</u> |

(b) When developing the base budget, as defined by G.S. 143C-1-1, for each fiscal year specified in subsection (a) of this section, the Director of the Budget shall include the appropriated amount for that fiscal year.

(c) Funds appropriated pursuant to subsection (a) of this section shall be allocated to local school administrative units to increase positions for certain instructional support personnel in the following fiscal years as follows:

(1) For school counselors, school social workers, and school psychologists, to the following statewide ratios of personnel to students:

| <u>Fiscal Year</u> | <u>Counselors</u> | <u>Social Workers</u> | <u>Psychologists</u> |
|---|-------------------|-----------------------|----------------------|
| <u>2023-2024</u> | <u>1:342</u> | <u>1:830</u> | <u>1:1,539</u> |
| <u>2024-2025</u> | <u>1:319</u> | <u>1:683</u> | <u>1:1,242</u> |
| <u>2025-2026</u> | <u>1:298</u> | <u>1:581</u> | <u>1:1,041</u> |
| <u>2026-2027</u> | <u>1:280</u> | <u>1:505</u> | <u>1:896</u> |
| <u>2027-2028</u> | <u>1:264</u> | <u>1:447</u> | <u>1:786</u> |
| <u>2028-2029 and each subsequent fiscal year thereafter</u> | <u>1:250</u> | <u>1:400</u> | <u>1:700.</u> |

(2) For school nurses and school media coordinators, to the following statewide ratios of personnel to students and, in the 2028-2029 fiscal year and subsequent fiscal years, to the greater of the following statewide ratio of personnel to students or an amount necessary to provide at least one school nurse per school with 100 or more students and one school media coordinator per school with 200 or more students:

| <u>Fiscal Year</u> | <u>Nurses</u> | <u>Media Coordinators</u> |
|---|---------------|---------------------------|
| <u>2023-2024</u> | <u>1:877</u> | <u>1:761</u> |
| <u>2024-2025</u> | <u>1:813</u> | <u>1:730</u> |
| <u>2025-2026</u> | <u>1:758</u> | <u>1:702</u> |
| <u>2026-2027</u> | <u>1:710</u> | <u>1:676</u> |
| <u>2027-2028</u> | <u>1:668</u> | <u>1:652</u> |
| <u>2028-2029 and each subsequent fiscal year thereafter</u> | <u>1:630</u> | <u>1:630."</u> |

CONSOLIDATE ALLOTMENTS INTO A SINGLE ALLOTMENT

SECTION 3.8. The Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee on a method to combine all dollar allotments currently distributed on the basis of ADM into a single allotment. The Department shall submit the report no later than February 15, 2024.

INCREASE ALLOTTED ASSISTANT PRINCIPAL MONTHS OF EMPLOYMENT

SECTION 3.9. There is appropriated from the General Fund to the Department of Public Instruction the recurring sums of six million two hundred thousand dollars (\$6,200,000) in the 2023-2024 fiscal year and twelve million four hundred thousand dollars (\$12,400,000) in the 2024-2025 fiscal year to increase the school building administration allotment. These funds shall be used to increase the ratio of assistant principals to students in all local school administrative units.

INCREASE FUNDING FOR CENTRAL OFFICE STAFF

SECTION 3.10. There is appropriated from the General Fund to the Department of Public Instruction the recurring sums of eleven million seven hundred thousand dollars (\$11,700,000) in the 2023-2024 fiscal year and twenty-three million five hundred thousand dollars (\$23,500,000) in the 2024-2025 fiscal year to increase the central office administration allotment. These funds shall be used to support additional personnel and services provided by central office staff in local school administrative units.

CENTRAL OFFICE SALARIES

SECTION 3.11.(a) The monthly salary maximums that follow apply to assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers for the 2023-2024 fiscal year, beginning July 1, 2023:

| | 2023-2024 Fiscal Year |
|--------------------------|------------------------------|
| | Maximum |
| School Administrator I | \$7,528 |
| School Administrator II | \$7,977 |
| School Administrator III | \$8,453 |
| School Administrator IV | \$8,783 |
| School Administrator V | \$9,133 |
| School Administrator VI | \$9,676 |
| School Administrator VII | \$10,061 |

The local board of education shall determine the appropriate category and placement for each assistant superintendent, associate superintendent, director/coordinator, supervisor, or finance officer within the maximums and within funds appropriated by the General Assembly for central office administrators and superintendents. The category in which an employee is placed shall be included in the contract of any employee.

SECTION 3.11.(b) The monthly salary maximums that follow apply to superintendents for the 2023-2024 fiscal year, beginning July 1, 2023:

| | 2023-2024 Fiscal Year |
|--------------------|------------------------------|
| | Maximum |
| Superintendent I | \$10,665 |
| Superintendent II | \$11,301 |
| Superintendent III | \$11,979 |
| Superintendent IV | \$12,699 |
| Superintendent V | \$13,463 |

The local board of education shall determine the appropriate category and placement for the superintendent based on the average daily membership of the local school administrative

1 unit and within funds appropriated by the General Assembly for central office administrators and
2 superintendents.

3 **SECTION 3.11.(c)** Longevity pay for superintendents, assistant superintendents,
4 associate superintendents, directors/coordinators, supervisors, and finance officers shall be as
5 provided for State employees under the North Carolina Human Resources Act.

6 **SECTION 3.11.(d)** Superintendents, assistant superintendents, associate
7 superintendents, directors/coordinators, supervisors, and finance officers with certification based
8 on academic preparation at the six-year degree level shall receive a salary supplement of one
9 hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided
10 pursuant to this section. Superintendents, assistant superintendents, associate superintendents,
11 directors/coordinators, supervisors, and finance officers with certification based on academic
12 preparation at the doctoral degree level shall receive a salary supplement of two hundred
13 fifty-three dollars (\$253.00) per month in addition to the compensation provided for under this
14 section.

15 **SECTION 3.11.(e)** The State Board of Education shall not permit local school
16 administrative units to transfer State funds from other funding categories for salaries for public
17 school central office administrators.

18 **SECTION 3.11.(f)** This section applies for the 2023-2024 fiscal year.

19 20 **ESTABLISH MECHANISM TO CONTINUALLY UPDATE STATE SPENDING FOR** 21 **INFLATION AND ENROLLMENT GROWTH**

22 **SECTION 3.12.** The Department of Public Instruction, when submitting budget
23 adjustment requests to the General Assembly and the Office of State Budget and Management,
24 shall include adjustments for inflation and other rising costs associated with providing a Sound
25 Basic Education.

26 27 **APPROPRIATE FUNDS DIRECTLY TO CHARTER SCHOOLS**

28 **SECTION 3.13.(a)** G.S. 115C-218.105 reads as rewritten:

29 **"§ 115C-218.105. State and local funds for a charter school.**

30 (a) The State Board of Education shall ~~allocate~~ appropriate to each charter school:

- 31 (1) An amount equal to the average per pupil allocation for average daily
32 membership ~~from the local school administrative unit allotments for the local~~
33 school administrative unit in which the charter school is located for each child
34 attending the charter school ~~except for the allocation for children with~~
35 ~~disabilities and for the allocation for children with limited English~~
36 ~~proficiency;~~ school.
- 37 (2) An additional amount for each child attending the charter school who is a child
38 with ~~disabilities; and~~ disabilities.
- 39 (3) An additional amount for children with limited English proficiency attending
40 the charter school, based on a formula adopted by the State Board.

41 In accordance with G.S. 115C-218.7 and G.S. 115C-218.8, the State Board shall allow for
42 annual adjustments to the amount allocated to a charter school based on its enrollment growth in
43 school years subsequent to the initial year of operation.

44 In the event a child with disabilities leaves the charter school and enrolls in a public school
45 during the first 60 school days in the school year, the charter school shall return a pro rata amount
46 of funds allocated for that child to the State Board, and the State Board shall reallocate those
47 funds to the local school administrative unit in which the public school is located. In the event a
48 child with disabilities enrolls in a charter school during the first 60 school days in the school year,
49 the State Board shall allocate to the charter school the pro rata amount of additional funds for
50 children with disabilities.

1 (b) Funds allocated by the State Board of Education may be used to enter into operational
2 and financing leases for real property or mobile classroom units for use as school facilities for
3 charter schools and may be used for payments on loans made to charter schools for facilities,
4 equipment, or operations. However, State funds shall not be used to obtain any other interest in
5 real property or mobile classroom units. The school also may own land and buildings it obtains
6 through non-State sources. No indebtedness of any kind incurred or created by the charter school
7 shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of
8 the charter school shall involve or be secured by the faith, credit, or taxing power of the State or
9 its political subdivisions. Every contract or lease into which a charter school enters shall include
10 the previous sentence.

11 (c) ~~If a student attends a charter school, the local school administrative unit in which the~~
12 ~~child resides shall transfer to the charter school. The county or city in which a charter school is~~
13 ~~located shall appropriate~~ an amount equal to the per pupil share of the local current expense fund
14 of the local school administrative unit in which the charter school is located for the fiscal year.
15 ~~The per pupil share of the local current expense fund shall be transferred to the charter school~~
16 ~~within 30 days of the later of (i) the receipt of monies into the local current expense fund or (ii)~~
17 ~~the receipt by a local school administrative unit of the enrollment verification and transfer request~~
18 ~~document as provided under subsections (c2) and (c3) of this section from the charter school.~~
19 ~~Charter schools shall send the enrollment verification and transfer request document to the local~~
20 ~~school administrative units on a monthly basis. If the local school administrative unit receives~~
21 ~~additional monies into the local current expense fund following the initial transfer to the charter~~
22 ~~school, the local school administrative unit shall transfer the per pupil share of those additional~~
23 ~~monies to the charter school within 30 days of receipt of those monies.~~

24 (e1) ~~If a local school administrative unit receives written notice directed to the~~
25 ~~superintendent and school finance officer from a charter school that the per pupil share of the~~
26 ~~local current expense fund has not been transferred as required by subsection (c) of this section,~~
27 ~~the local school administrative unit shall pay a late fee of three percent (3%) on the amount if the~~
28 ~~monies are not electronically transferred or, if mailed, not postmarked within 15 days of the~~
29 ~~notice. Interest on the amount owed to the charter school shall accrue at eight percent (8%)~~
30 ~~annually until the transfer is made. A local school administrative unit shall not owe late fees and~~
31 ~~interest on (i) any amounts not owed under subsection (c) of this section or (ii) per pupil amounts~~
32 ~~owed for any student whose information is ultimately shown to be materially incorrect on the~~
33 ~~enrollment verification and transfer request document shared with the local school administrative~~
34 ~~unit. A local school administrative unit shall be given an additional 30 days to make the transfer~~
35 ~~of the per pupil share of the local current expense fund to a charter school for any month in which~~
36 ~~the charter school fails to send the enrollment verification and transfer request document with~~
37 ~~the information required by subsection (c2) of this section.~~

38 (e2) ~~The Superintendent of Public Instruction shall, in consultation with charter schools~~
39 ~~and local school administrative units, create a standardized enrollment verification and transfer~~
40 ~~request document that each charter school shall use to request the per pupil share of the local~~
41 ~~current expense fund from the local school administrative units. Charter schools shall only be~~
42 ~~required to list the name, age, grade, address, date of charter enrollment, date of charter~~
43 ~~withdrawal, district of residence, and student identification number of each student as provided~~
44 ~~to the charter school by the student's parent or guardian in the enrollment verification and transfer~~
45 ~~request document that the charter school submits to the local school administrative units. A~~
46 ~~charter school, in its discretion, may take further steps to confirm the student's residence in a~~
47 ~~particular local school administrative unit.~~

48 (e3) ~~The Superintendent of Public Instruction shall, in consultation with charter schools~~
49 ~~and local school administrative units, create a standardized procedure that local school~~
50 ~~administrative units shall use when transferring the per pupil share of the local current expense~~
51 ~~fund to charter schools. The standardized procedure for transfer of the per pupil share of the local~~

1 current expense fund shall require, to the extent practicable, that the local school administrative
2 units make the transfers by electronic transfer.

3 ~~(c4) The local school administrative unit and charter school may use the process for
4 mediation of differences between the State Board and a charter school provided in
5 G.S. 115C-218.95(d) to resolve differences on calculation and transference of the per pupil share
6 of the local current expense fund. In the event the local school administrative unit and the charter
7 school disagree on the amount owed to the charter school, the local school administrative unit
8 may delay transfer of the disputed amount but shall not delay the transfer of the undisputed
9 amount. The amount transferred under this subsection that consists of revenue derived from
10 supplemental taxes shall be transferred only to a charter school located in the tax district for
11 which these taxes are levied and in which the student resides.~~

12 (d) The local school administrative unit shall also provide each charter school to which
13 it transfers a per pupil share of its local current expense fund with all of the following information
14 within the 30-day time period provided in subsection (c) of this section:

- 15 (1) The total amount of monies the local school administrative unit has in each of
16 the funds listed in G.S. 115C-426(c).
- 17 (2) The student membership numbers used to calculate the per pupil share of the
18 local current expense fund.
- 19 (3) How the per pupil share of the local current expense fund was calculated.
- 20 (4) Any additional records requested by a charter school from the local school
21 administrative unit in order for the charter school to audit and verify the
22 calculation and transfer of the per pupil share of the local current expense
23 fund.

24 In addition, the local school administrative unit shall provide to the State Board of Education
25 all of the information required by this subsection for each charter school to which it transfers a
26 per pupil share of its local current expense fund. This information shall be provided to the State
27 Board of Education by November 1 of each year. The State Board shall adopt a policy to govern
28 the collection of this information. The State Board shall issue a letter of noncompliance to a local
29 school administrative unit that does not provide the State Board with the information required by
30 this subsection.

31 (e) Prior to commencing an action under subsection (c) of this section, the complaining
32 party shall give the other party 15 days' written notice of the alleged violation. The court shall
33 award the prevailing party reasonable attorneys' fees and costs incurred in an action under
34 subsection (c) of this section. The court shall order any delinquent funds, costs, fees, and interest
35 to be paid in equal monthly installments and shall establish a time for payment in full that shall
36 be no later than one year from the entry of any judgment.

37"

38 **SECTION 3.13.(b)** G.S. 115C-431 reads as rewritten:

39 "**§ 115C-431. Procedure for resolution of dispute between a board of education or a board
40 of directors of a charter school and board of county commissioners.**

41 (a) If the board of education or the board of directors of a charter school determines that
42 the amount of money appropriated to the local current expense fund, fund or directly to the
43 charter school, or the capital outlay fund, or both, by the board of county commissioners is not
44 sufficient to support a system of free public schools, the chairman of the board of education or
45 board of directors and the chairman of the board of county commissioners shall arrange a joint
46 meeting of the ~~two~~ boards to be held within seven days after the day of the county commissioners'
47 decision on the school appropriations.

48 Prior to the joint meeting, the Senior Resident Superior Court Judge shall appoint a mediator
49 unless the boards agree to jointly select a mediator. The mediator shall preside at the joint meeting
50 and shall act as a neutral facilitator of disclosures of factual information, statements of positions
51 and contentions, and efforts to negotiate an agreement settling the boards' differences.

1 At the joint meeting, the entire school budget shall be considered carefully and judiciously,
2 and the ~~two~~ boards shall make a good-faith attempt to resolve the differences that have arisen
3 between them.

4 (b) If no agreement is reached at the joint meeting of the ~~two~~ boards, the mediator shall,
5 at the request of ~~either~~ a board, commence a mediation immediately or within a reasonable period
6 of time. The mediation shall be held in accordance with rules and standards of conduct adopted
7 under Chapter 7A of the General Statutes governing mediated settlement conferences but
8 modified as appropriate and suitable to the resolution of the particular issues in disagreement.

9 Unless otherwise agreed upon by ~~both~~ the boards, the following individuals shall constitute
10 the two working groups empowered to represent their respective boards during the mediation:

11 (1) The chair of each board or the chair's ~~designee~~; designee.

12 (2) The superintendent of the local school administrative unit or the principal of
13 the charter school and the county ~~manager~~ manager, or ~~either's designee~~; any
14 of their designees.

15 (3) The finance officer of each ~~board~~; and board.

16 (4) The attorney for each board.

17 Members of ~~both~~ the boards, their chairs, and representatives shall cooperate with and respond
18 to all reasonable requests of the mediator to participate in the mediation. Notwithstanding Article
19 33C of Chapter 143 of the General Statutes, the mediation proceedings involving the ~~two~~ working
20 groups shall be conducted in private. Evidence of statements made and conduct occurring in a
21 mediation are not subject to discovery and are inadmissible in any court action. However, no
22 evidence otherwise discoverable is inadmissible merely because it is presented or discussed in a
23 mediation. The mediator shall not be compelled to testify or produce evidence concerning
24 statements made and conduct occurring in a mediation in any civil proceeding for any purpose,
25 except disciplinary hearings before the State Bar or any agency established to enforce standards
26 of conduct for mediators. Reports by members of ~~either~~ any working group to their respective
27 boards shall be made in compliance with Article 33C of Chapter 143 of the General Statutes.

28 Unless ~~both~~ the boards agree otherwise, or unless the boards have already resolved their
29 dispute, the mediation shall end no later than August 1. The mediator shall have the authority to
30 determine that an impasse exists and to discontinue the mediation. The mediation may continue
31 beyond August 1 provided ~~both~~ the boards agree. If ~~both~~ the boards agree to continue the
32 mediation beyond August 1, the board of county commissioners shall appropriate to the local
33 school administrative unit for deposit in the local current expense fund or directly to a charter
34 school a sum of money sufficient to equal the local contribution to this fund for the previous year.

35 If the working groups reach a proposed agreement, the terms and conditions must be
36 approved by each board. If no agreement is reached, the mediator shall announce that fact to the
37 chairs of ~~both~~ the boards, the Senior Resident Superior Court Judge, and the public. The mediator
38 shall not disclose any other information about the mediation. The mediator shall not make any
39 recommendations or public statement of findings or conclusions.

40 The local board of education or the board of directors of a charter school and the board of
41 county commissioners shall share equally the mediator's compensation and expenses. The
42 mediator's compensation shall be determined according to rules adopted under Chapter 7A of the
43 General Statutes.

44 (b1) If agreement is not reached in mediation on the amount of money appropriated to the
45 local current expense fund, and the amount to be appropriated has not been calculated pursuant
46 to this subsection for longer than the prior year, the sum to be appropriated for the budget year
47 in dispute shall be calculated as follows:

48 (1) The amount of moneys appropriated to the local current expense fund by the
49 board of county commissioners in the prior fiscal year that are expended in
50 that year by the local school administrative unit or transferred as required by
51 G.S. 115C-75.10, ~~115C-218.105~~, 115C-238.70, and 116-239.11 shall be

1 divided by the sum of the following: the average daily membership of the local
2 school administrative unit plus the share of the average daily membership of
3 any innovative, ~~charter~~, regional, or laboratory school whose students reside
4 in the local school administrative unit for the prior school year. For charter
5 schools, the amount of moneys appropriated to the charter school in the prior
6 fiscal year that are expended in that year divided by the average daily
7 membership of the charter school.

8 (2) The amount from subdivision (1) of this subsection, rounded to the nearest
9 penny, shall then be multiplied by the sum of one plus the twelve month
10 percent change in the second quarter Employment Cost Index for elementary
11 and secondary school workers as reported by the Federal Bureau of Labor
12 Statistics.

13 (3) The amount from subdivision (2) of this subsection, rounded to the nearest
14 penny, shall then be multiplied by the sum of the following: the allotted
15 average daily membership for the school year plus the share of the average
16 daily membership of any innovative, ~~charter~~, regional, or laboratory school
17 whose students reside in the local school administrative unit for the budget
18 year in dispute. For charter schools, the amount shall be multiplied by the
19 allotted average daily membership for the school year.

20 The board of county commissioners shall appropriate to the local current expense fund or the
21 charter school the sum from subdivision (3) of this subsection, rounded to the nearest penny, ~~to~~
22 ~~the local board of education~~ for the budget year in dispute.

23 (b2) If agreement is not reached in mediation, and the amount to be appropriated has been
24 calculated pursuant to subsection (b1) of this section ~~to the local current expense fund~~ for the
25 prior two years, the sum to be appropriated for the budget year in dispute shall be calculated as
26 follows:

27 (1) The amount of moneys appropriated to the local current expense fund by the
28 board of county commissioners in the prior fiscal year that are expended in
29 the prior fiscal year by the local school administrative unit and transferred as
30 required by G.S. 115C-75.10, ~~115C-218.105~~, 115C-238.70, and 116-239.11
31 shall be divided by the sum of the following: the average daily membership
32 plus the share of the average daily membership of any innovative, ~~charter~~,
33 regional, or laboratory school whose students reside in the local school
34 administrative unit for the prior school year. For charter schools, the amount
35 of moneys appropriated to the charter school in the prior fiscal year that are
36 expended in that year divided by the average daily membership of the charter
37 school.

38 (2) The twelve month percent change in the second quarter Employment Cost
39 Index for elementary and secondary school workers as reported by the Federal
40 Bureau of Labor Statistics shall be increased by three percent (3%).

41 (3) The amount from subdivision (1) of this subsection, rounded to the nearest
42 penny, shall then be multiplied by the sum of one plus the sum from
43 subdivision (2) of this subsection, rounded to the nearest penny.

44 (4) The amount from subdivision (3) of this subsection shall then be multiplied
45 by the sum of the following: the allotted average daily membership for the
46 school year plus the share of the average daily membership of any innovative,
47 ~~charter~~, regional, or laboratory school whose students reside in the local
48 school administrative unit for the budget year in dispute. For charter schools,
49 the amount shall be multiplied by the funded average daily membership for
50 the school year.

1 The board of county commissioners shall appropriate to the local current expense fund or to
2 the charter school the sum from subdivision (4) of this subsection, rounded to the nearest penny,
3 ~~to the local board of education~~ for the budget year in dispute.

4 (b3) Neither the local board of education nor the board of directors of a charter school nor
5 the board of county commissioners shall file any legal action challenging the determination as to
6 the funds to be appropriated by the board of county commissioners ~~to the local current expense~~
7 ~~fund in accordance with~~ under the formulas found in subsections (b1) and (b2) of this section.

8 (c) Within five days after an announcement of no agreement on the amount of money to
9 be appropriated to the capital outlay fund by the mediator, the local board of education or the
10 charter school board of directors may file an action in the superior court division of the General
11 Court of Justice. Either board has the right to have the issues of fact tried by a jury. When a jury
12 trial is demanded, the cause shall be set for the first succeeding term of the superior court in the
13 county, and shall take precedence over all other business of the court. However, if the judge
14 presiding certifies to the Chief Justice of the Supreme Court, either before or during the term,
15 that because of the accumulation of other business, the public interest will be best served by not
16 trying the cause at the term next succeeding the filing of the action, the Chief Justice shall
17 immediately call a special term of the superior court for the county, to convene as soon as
18 possible, and assign a judge of the superior court or an emergency judge to hold the court, and
19 the cause shall be tried at this special term. The judge shall find, or if the issue is submitted to
20 the jury, the jury shall find the amount of money legally necessary from the board of county
21 commissioners to provide the local school administrative units or charter schools with buildings
22 suitably equipped, as required by G.S. 115C-521, in order to maintain a system of free public
23 schools as defined by State law and State Board of Education policy. In making the finding, the
24 judge or the jury shall consider the educational goals and policies of the State and the local board
25 of ~~education, education or charter school~~, the budgetary request of the local board of ~~education,~~
26 ~~education or charter school~~, the financial resources of the county and the local board of ~~education,~~
27 ~~education or charter school~~, and the fiscal policies of the board of county commissioners and the
28 local board of ~~education, education or charter school~~.

29 All findings of fact in the superior court, whether found by the judge or a jury, shall be
30 conclusive. When the facts have been found, the court shall give judgment ordering the board of
31 county commissioners to appropriate a sum certain to the local school administrative unit or
32 charter school for the amount of money to be appropriated to the capital outlay fund and to levy
33 such taxes on property as may be necessary to make up this sum when added to other revenues
34 available for the purpose.

35 (d) An appeal from the judgement entered as provided in subsection (c) of this section
36 may be taken to the appellate division of the General Court of Justice, and notice of appeal shall
37 be given in writing within 10 days after entry of the judgment. All papers and records relating to
38 the case shall be considered a part of the record on appeal. The conclusion of the school or fiscal
39 year shall not be deemed to resolve the question in controversy between the parties while an
40 appeal is still pending. Any final judgment shall be legally binding on the parties at the conclusion
41 of the appellate process. The payment of any final judgment by the county in favor of the local
42 school administrative unit or charter school shall not be considered, or used in any manner, to
43 deny or reduce appropriations to the local school administrative unit or the charter school by the
44 county in fiscal years subsequent to the one at issue to offset such payment of a final judgment.

45"

46 **SECTION 3.13.(c)** G.S. 115C-448(d) reads as rewritten:

47 "(d) Special funds of individual schools shall not be included as part of the local current
48 expense fund of a local school administrative unit for the purposes of determining the per pupil
49 ~~share of the local current expense fund transferred~~ amount to be appropriated from the county or
50 city to a charter school pursuant to G.S. 115C-218.105(c)."

ISSUE CAPITAL BONDS

SECTION 3.14.(a) Purpose. – It is the intent of the General Assembly by this section to provide, subject to a vote of the qualified voters of the State, for the issuance of two billion dollars (\$2,000,000,000) general obligation bonds of the State for the purpose of providing funds, with any other available funds, for public school facilities through grants to counties for public school capital outlay projects, repairs, and renovations.

SECTION 3.14.(b) Definitions. – Unless the context otherwise requires, the following definitions apply in this section:

(1) Bonds. – Bonds issued under this section.

(2) Cost. – Without intending thereby to limit or restrict any proper definition of this term in financing the cost of any capital outlay projects as authorized by this section, any of the following:

a. The cost of constructing, reconstructing, enlarging, acquiring, and improving projects and acquiring equipment and land therefor.

b. The cost of engineering, architectural, and other consulting services as may be required.

c. Administrative expenses and charges, including expenses related to determining compliance with applicable requirements of federal law and expenses relating to issuance. Nothing in this section shall permit use of bond funds to pay salaries or fees for bond administration; such salaries and fees shall come from funds appropriated by the General Assembly.

d. Finance charges and interest prior to and during construction and, if deemed advisable by the State Treasurer, for a period not exceeding three years after the estimated date of completion of construction.

e. The cost of bond insurance, investment contracts, credit enhancement and liquidity facilities, interest rate swap agreements or other derivative products, financial and legal consultants, and related costs of bond and note issuance, and costs incurred by the State in administering the bond issues, including costs of trustees, escrow agents, arbitrage rebate liability consultants, securities disclosure counsel or similar securities disclosure consultants, tax consultants and financial advisors, to the extent and as determined by the State Treasurer.

f. The cost of reimbursing the State for any payments made for any cost described in this subdivision.

g. Any other costs and expenses necessary or incidental to the purposes of this school.

Allocations in this section of proceeds of bonds to the costs of a project or undertaking in each case may include allocations to pay the costs set forth in sub-subdivisions c. through g. of this subdivision in connection with the issuance of bonds for the project or undertaking.

(3) Credit facility agreement. – An agreement entered into by the State Treasurer on behalf of the State with a bank, savings and loan association, or other banking institution; an insurance company, reinsurance company, surety company, or other insurance institution; a corporation, investment banking firm, or other investment institution; or any financial institution or other similar provider of a credit facility agreement, which provider may be located within or without the United States of America, such agreement providing for prompt payment of all or any part of the principal or purchase price (whether at maturity, presentment or tender for purchase, redemption, or acceleration),

1 redemption premium, if any, and interest on any bonds or notes payable on
2 demand or tender by the owner, in consideration of the State agreeing to repay
3 the provider of the credit facility agreement in accordance with the terms and
4 provisions of such agreement.

5 (4) Notes. – Notes issued under this section.

6 (5) Par formula. – Any provision or formula adopted by the State to provide for
7 the adjustment, from time to time, of the interest rate or rates borne by any
8 bonds or notes, including the following:

9 a. A provision providing for such adjustment so that the purchase price
10 of such bonds or notes in the open market would be as close to par as
11 possible;

12 b. A provision providing for such adjustment based upon a percentage or
13 percentages of a LIBOR rate, a prime rate, or base rate, which
14 percentage or percentages may vary or be applied for different periods
15 of time; or

16 c. Such other provision as the State Treasurer may determine to be
17 consistent with this and will not materially and adversely affect the
18 financial position of the State and the marketing of bonds or notes at a
19 reasonable interest cost to the State.

20 (6) Public school capital outlay project. – A project for any of the following:

21 a. Construction of one or more new public school buildings.

22 b. Renovation of one or more existing public school buildings.

23 c. Construction, acquisition, and installation of technology infrastructure
24 for a public school building.

25 d. Acquisition and installation of equipment or fixtures to ensure
26 building security for a public school building.

27 e. Acquisition and installation of equipment for a public school building
28 that will be used for an instructional or related purpose.

29 f. Purchase of land necessary for construction to commence within 24
30 months of one or more public school buildings.

31 g. Other related capital outlay projects to provide facilities for individual
32 public schools that are used for instructional or related purposes.

33 The term does not include projects for facilities for centralized administration,
34 trailers, relocatable classrooms, or mobile classrooms.

35 (7) State. – The State of North Carolina.

36 **SECTION 3.14.(c)** Authorization of Bonds and Notes. – Subject to a favorable vote
37 of a majority of the qualified voters of the State who vote on the question of issuing bonds for
38 public school capital outlay projects in the election called and held as provided in this section,
39 the State Treasurer is hereby authorized, by and with the consent of the Council of State, to issue
40 and sell, at one time or from time to time, general obligation bonds of the State to be designated
41 "State of North Carolina Education Bonds," with any additional designations as may be
42 determined to indicate the issuance of bonds from time to time, or notes of the State as provided
43 in this section, in an aggregate principal amount not exceeding two billion dollars
44 (\$2,000,000,000) for the purpose of providing funds, with any other available funds, for the
45 purposes authorized in this section. In determining whether this limit has been reached, the
46 issuance of a note or bond to pay an outstanding note is not considered an issuance.

47 **SECTION 3.14.(d)** Use of Education Bond and Note Proceeds. –

48 (1) Subject to the provisions of subdivision (2) of this subsection, two billion
49 dollars (\$2,000,000,000) of the proceeds of education bonds and notes,
50 including premium thereon, if any, shall be used for the purpose of making
51 grants to counties for paying the cost of public school capital outlay projects,

1 repairs, and renovations. Proceeds of education bonds and notes shall be
2 distributed to public school units as if they were funds in the Needs-Based
3 Public School Capital Fund, except there shall be no matching requirements
4 imposed on the public school units.

5 Any additional monies that may be received by means of a grant or grants
6 from the United States of America or any agency or department thereof or
7 from any other source to aid in financing the cost of public school capital
8 outlay projects authorized by this section may be placed by the State Treasurer
9 in the Education Bonds Fund or in a separate account or fund and shall be
10 disbursed, to the extent permitted by the terms of the grant or grants, without
11 regard to limitations imposed by this section.

12 (2) The State Board of Education shall also require counties to report annually on
13 the impact of funds provided under this section on the property tax rate for
14 that year. These reports shall be public documents and shall be furnished to
15 any citizen upon request.

16 (3) The General Assembly encourages, in projects for which bond proceeds are
17 allocated, consideration by counties and local school administrative units of
18 projects that primarily involve materially improving the energy efficiency of
19 the school facility.

20 **SECTION 3.14.(e) Allocation and Tracking of Proceeds. –**

21 (1) Education bonds. – The proceeds of education bonds and notes, including
22 premium thereon, if any, except the proceeds of bonds, the issuance of which
23 has been anticipated by bond anticipation notes or the proceeds of refunding
24 bonds or notes, shall be placed by the State Treasurer in a special fund to be
25 designated "Education Bonds Fund," which may include such appropriate
26 special accounts therein as may be determined by the State Treasurer and shall
27 be disbursed as provided in this section. Monies in the Education Bonds Fund
28 shall be allocated and expended as provided in this section.

29 Any additional monies that may be received by means of a grant or grants
30 from the United States of America or any agency or department thereof or
31 from any other source for deposit to the Education Bonds Fund may be placed
32 in the Education Bonds Fund or in a separate account or fund and shall be
33 disbursed, to the extent permitted by the terms of the grant or grants, without
34 regard to any limitations imposed by this section.

35 Monies in the Education Bonds Fund or any separate account established
36 under this section may be invested from time to time by the State Treasurer in
37 the same manner permitted for investment of monies belonging to the State or
38 held in the State treasury, except with respect to grant money to the extent
39 otherwise directed by the terms of the grant. Investment earnings, except
40 investment earnings with respect to grant monies to the extent otherwise
41 directed or restricted by the terms of the grant, may be (i) credited to the
42 Education Bonds Fund or (ii) used to satisfy compliance with applicable
43 requirements of the federal tax law.

44 The proceeds of education bonds and notes, including premium thereon,
45 if any, may be used with any other monies made available by the General
46 Assembly for funding the projects authorized by this section, including the
47 proceeds of any other State bond issues, whether heretofore made available or
48 that may be made available at the session of the General Assembly at which
49 this section is ratified or any subsequent sessions. The proceeds of education
50 bonds and notes, including premium thereon, if any, shall be expended and
51 disbursed under the direction and supervision of the Director of the Budget.

1 The funds provided by this section shall be disbursed for the purposes
 2 provided in this section upon warrants drawn on the State Treasurer by the
 3 State Controller, which warrants shall not be drawn until requisition has been
 4 approved by the Director of the Budget and which requisition shall be
 5 approved only after full compliance with the State Budget Act, Chapter 143C
 6 of the General Statutes.

7 (2) Tracking of bond proceeds. – The State Treasurer or the State Treasurer's
 8 designee is hereby authorized and directed to set up a comprehensive system
 9 of tracking the proceeds of the education bonds and notes, including premium
 10 thereon, if any, to the extent necessary to enable the State Treasurer or the
 11 State Treasurer's designee to properly account for the use of such proceeds for
 12 compliance with applicable requirements of the federal tax law or otherwise.
 13 All recipients of such proceeds shall comply with any tracking system
 14 implemented by the State Treasurer or the State Treasurer's designee for this
 15 purpose. The State Treasurer may withhold proceeds if the recipient fails to
 16 comply with this subdivision.

17 (3) Costs. – Allocations to the costs of a capital improvement or undertaking in
 18 each case may include allocations to pay the costs set forth in sub-subdivisions
 19 (b)(2)c. through (b)(2)g. of this section in connection with the issuance of
 20 bonds for that capital improvement or undertaking.

21 **SECTION 3.14.(f) Election.** – The question of the issuance of the bonds authorized
 22 by this section shall be submitted to the qualified voters of the State at the time of the election in
 23 2024 when voters of this State are given an opportunity to express their preference for the person
 24 to be the presidential candidate of their political party. Any other primary, election, or
 25 referendum, validly called or scheduled by law at the time the election on the bond question
 26 provided for in this subsection is held, may be held as called or scheduled. Notice of the election
 27 shall be given in the manner and at the times required by G.S. 163-33(8). The election and the
 28 registration of voters therefor shall be held under and in accordance with the general laws of the
 29 State. Absentee ballots shall be authorized in the election.

30 Ballots, voting systems authorized by Article 14A of Chapter 163 of the General
 31 Statutes, or both may be used in accordance with rules prescribed by the State Board. The bond
 32 question to be used in the ballots or voting systems shall be in substantially the following form:

33 "[] FOR [] AGAINST

34 The issuance of two billion dollars (\$2,000,000,000) State of North Carolina
 35 Education Bonds constituting general obligation bonds of the State secured by a pledge of the
 36 faith and credit and taxing power of the State for the purpose of providing funds, with any other
 37 available funds, to fund capital improvements, construction of new facilities, and the renovation
 38 and rehabilitation of existing facilities for the State's kindergarten through grade 12 public
 39 education system."

40 If a majority of those voting on a bond question in the election vote in favor of the
 41 issuance of the bonds described in the question, those bonds may be issued as provided in this
 42 section. If a majority of those voting on the bond question in the election do not vote in favor of
 43 the issuance of the bonds described in the question, those bonds shall not be issued.

44 The results of the election shall be canvassed and declared as provided by law for
 45 elections for State officers; the results of the election shall be certified by the State Board to the
 46 Secretary of State in the manner and at the time provided by the general election laws of the
 47 State.

48 **SECTION 3.14.(g) Issuance of Bonds and Notes.** –

49 (1) Terms and conditions. – Bonds or notes may bear such date or dates, may be
 50 serial or term bonds or notes, or any combination thereof, may mature in such
 51 amounts and at such time or times, not exceeding 40 years from their date or

1 dates, may be payable at such place or places, either within or without the
2 United States of America, in such coin or currency of the United States of
3 America as at the time of payment is legal tender for payment of public and
4 private debts, may bear interest at such rate or rates, which may vary from
5 time to time, and may be made redeemable before maturity, at the option of
6 the State or otherwise as may be provided by the State, at such price or prices,
7 including a price less than the face amount of the bonds or notes, and under
8 such terms and conditions, all as may be determined by the State Treasurer by
9 and with the consent of the Council of State.

10 (2) Signatures; form and denomination; registration. – Bonds or notes may be
11 issued as certificated or uncertificated obligations. If issued as certificated
12 obligations, bonds or notes shall be signed on behalf of the State by the
13 Governor or shall bear the Governor's facsimile signature, shall be signed by
14 the State Treasurer or shall bear the State Treasurer's facsimile signature, and
15 shall bear the Great Seal of the State of North Carolina or a facsimile thereof
16 shall be impressed or imprinted thereon. If bonds or notes bear the facsimile
17 signatures of the Governor and the State Treasurer, the bonds or notes shall
18 also bear a manual signature, which may be that of a bond registrar, trustee,
19 paying agent, or designated assistant of the State Treasurer. Should any officer
20 whose signature or facsimile signature appears on bonds or notes cease to be
21 such officer before the delivery of the bonds or notes, the signature or
22 facsimile signature shall nevertheless have the same validity for all purposes
23 as if the officer had remained in office until delivery, and bonds or notes may
24 bear the facsimile signatures of persons who at the actual time of the execution
25 of the bonds or notes shall be the proper officers to sign any bond or note,
26 although at the date of the bond or note such persons may not have been such
27 officers. The form and denomination of bonds or notes, including the
28 provisions with respect to registration of the bonds or notes and any system
29 for their registration, shall be as the State Treasurer may determine in
30 conformity with this section; provided, however, that nothing in this section
31 shall prohibit the State Treasurer from proceeding, with respect to the issuance
32 and form of the bonds or notes, under the provisions of Chapter 159E of the
33 General Statutes, the Registered Public Obligations Act, as well as under this
34 section.

35 (3) Manner of sale; expenses. – Subject to the consent of the Council of State, the
36 State Treasurer shall determine the manner in which bonds or notes shall be
37 offered for sale, whether at public or private sale, whether within or without
38 the United States of America, and whether by publishing notices in certain
39 newspapers and financial journals, mailing notices, inviting bids by
40 correspondence, negotiating contracts of purchase, or otherwise, and the State
41 Treasurer is authorized to sell bonds or notes at one time or from time to time
42 at such rate or rates of interest, which may vary from time to time, and at such
43 price or prices, including a price less than the face amount of the bonds or the
44 notes, as the State Treasurer may determine. All expenses incurred in
45 preparation, sale, and issuance of bonds or notes shall be paid by the State
46 Treasurer from the proceeds of bonds or notes or other available monies.

47 (4) Notes; repayment. –

48 a. Subject to the consent of the Council of State, the State Treasurer is
49 hereby authorized to borrow money and to execute and issue notes of
50 the State for the same, but only in the following circumstances and
51 under the following conditions:

1. For anticipating the sale of bonds to the issuance of which the Council of State shall have given consent if the State Treasurer shall deem it advisable to postpone the issuance of the bonds.
 2. For the payment of interest on or any installment of principal of any bonds then outstanding if there shall not be sufficient funds in the State treasury with which to pay the interest or installment of principal as they respectively become due.
 3. For the renewal of any loan evidenced by notes herein authorized.
 4. For the purposes authorized in this section.
 5. For refunding bonds or notes as herein authorized.
- b. Funds derived from the sale of bonds or notes may be used in the payment of any bond anticipation notes issued under this section. Funds provided by the General Assembly for the payment of interest on or principal of bonds shall be used in paying the interest on or principal of any notes and any renewals thereof, the proceeds of which shall have been used in paying interest on or principal of the bonds.
- (5) Refunding bonds and notes. – By and with the consent of the Council of State, the State Treasurer is authorized to issue and sell refunding bonds and notes pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding bonds or notes issued pursuant to this section. The refunding bonds and notes may be combined with any other issues of State bonds and notes similarly secured.
 - (6) Tax exemption. – Bonds and notes shall be exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding inheritance and gift taxes, income taxes on the gain from the transfer of bonds and notes, and franchise taxes. The interest on bonds and notes shall not be subject to taxation as to income.
 - (7) Investment eligibility. – Bonds and notes are hereby made securities in which all public officers, agencies, and public bodies of the State and its political subdivisions; all insurance companies, trust companies, investment companies, banks, savings banks, savings and loan associations, credit unions, pension or retirement funds, other financial institutions engaged in business in the State; executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Bonds and notes are hereby made securities that may properly and legally be deposited with and received by any officer or agency of the State or political subdivision of the State for any purpose for which the deposit of bonds, notes, or obligations of the State or any political subdivision of the State is now or may hereafter be authorized by law.
 - (8) Faith and credit. – The faith and credit and taxing power of the State are hereby pledged for the payment of the principal of and the interest on bonds and notes. In addition to the State's right to amend any provision of this section to the extent it does not impair any contractual right of a bond owner, the State expressly reserves the right to amend any provision of this section with respect to the making and repayment of loans, the disposition of any repayments of loans, and any intercept provisions relating to the failure of a local government unit to repay a loan, the bonds not being secured in any respect by loans, any repayments thereof, or any intercept provisions with respect thereto.

1 **SECTION 3.14.(h)** Variable Interest Rates. – In fixing the details of bonds and notes,
2 the State Treasurer may provide that any of the bonds or notes may:

- 3 (1) Be made payable from time to time on demand or tender for purchase by the
4 owner thereof, provided a credit facility agreement supports the bonds or
5 notes, unless the State Treasurer specifically determines that a credit facility
6 agreement is not required, upon a finding and determination by the State
7 Treasurer that the absence of a credit facility agreement will not materially or
8 adversely affect the financial position of the State and the marketing of the
9 bonds or notes at a reasonable interest cost to the State;
- 10 (2) Be additionally supported by a credit facility agreement;
- 11 (3) Be made subject to redemption or a mandatory tender for purchase prior to
12 maturity;
- 13 (4) Bear interest at a rate or rates that may vary for such period or periods of time,
14 all as may be provided in the proceedings providing for the issuance of the
15 bonds or notes, including, without limitation, such variations as may be
16 permitted pursuant to a par formula; and
- 17 (5) Be made the subject of a remarketing agreement whereby an attempt is made
18 to remarket bonds or notes to new purchasers prior to their presentment for
19 payment to the provider of the credit facility agreement or to the State.

20 If the aggregate principal amount repayable by the State under a credit facility
21 agreement is in excess of the aggregate principal amount of bonds or notes secured by the credit
22 facility agreement, whether as a result of the inclusion in the credit facility agreement of a
23 provision for the payment of interest for a limited period of time or the payment of a redemption
24 premium or for any other reason, then the amount of authorized but unissued bonds or notes
25 during the term of such credit facility agreement shall not be less than the amount of such excess,
26 unless the payment of such excess is otherwise provided for by agreement of the State executed
27 by the State Treasurer.

28 **SECTION 3.14.(i)** Interpretation of Section. –

- 29 (1) Additional method. – The foregoing subsections of this section shall be
30 deemed to provide an additional and alternative method for the doing of the
31 things authorized thereby and shall be regarded as supplemental and
32 additional to powers conferred by other laws and shall not be regarded as in
33 derogation of any powers now existing.
- 34 (2) Statutory references. – References in this section to specific sections or
35 Chapters of the General Statutes or to specific acts are intended to be
36 references to these sections, Chapters, or acts as they may be amended from
37 time to time by the General Assembly.
- 38 (3) Broad construction. – This section, being necessary for the health, welfare,
39 and advancement of the people of the State, shall be broadly construed to
40 affect the purposes thereof.
- 41 (4) Inconsistent provisions. – Insofar as the provisions of this section are
42 inconsistent with the provisions of any general laws, or parts thereof, the
43 provisions of this section shall be controlling.
- 44 (5) Severability. – If any provision of this section or the application thereof to any
45 person or circumstance is held invalid, such invalidity shall not affect other
46 provisions or applications of the section that can be given effect without the
47 invalid provision or application and, to this end, the provisions of this section
48 are declared to be severable.

49 **SECTION 3.14.(j)** Other Agreements. – The State Treasurer may authorize, execute,
50 obtain, or otherwise provide for bond issuance, investment contracts, credit and liquidity
51 facilities, interest rate swap agreements and other derivative products, and any other related

1 instruments and matters the State Treasurer determines to be desirable in connection with the
2 issuance of bonds and notes.

3 **SECTION 3.14.(k)** Each entity, upon receiving the proceeds of education bonds and
4 notes, including premium thereon, if any, issued pursuant to and for purposes listed in subsection
5 (a) of this section, shall administer, supervise, and ensure that use of the proceeds comports with
6 those purposes. Each local school administrative unit, along with the corresponding board of
7 county commissioners, shall jointly submit to the State Board of Education a plan for the
8 distribution of the proceeds of education bonds and notes pursuant to this section. After the State
9 Board of Education determines that a local school administrative unit's planned expenditure of
10 part or all of the proceeds is within the purposes provided in this section, the State Board of
11 Education shall make the proceeds to which the plans apply available to the local school
12 administrative unit. Each local school administrative unit receiving the proceeds of education
13 bonds and notes, including premium thereon, if any, issued pursuant to subsection (a) of this
14 section shall report by January 1, 2024, and quarterly thereafter, to the State Board of Education
15 on the projects funded from education general obligation bonds authorized by subsection (a) of
16 this section, and the State Board of Education shall combine the reports and submit them to the
17 Joint Legislative Capital Oversight Committee, the House of Representatives Appropriations
18 Committee, and the Senate Committee on Appropriations/Base Budget. Each report shall include
19 the total project costs, the amount to be funded from the bonds, the expenditures to date from the
20 bonds and other sources, and the percentage of each project completed.

21 **SECTION 3.14.(l)** Projects funded in whole or in part with the proceeds of education
22 bonds and notes, including premium thereon, if any, issued pursuant to this section, and that
23 portion of funds estimated to be needed for escalation of costs shall remain with the Office of
24 State Budget and Management and shall be disbursed only for the following purposes:

- 25 (1) To address unforeseen contingencies related to the specific project for which
26 the funds were made available.
- 27 (2) To address inflation costs related to that specific project.

28 **SECTION 3.14.(m)** Any funds retained by the Office of State Budget and
29 Management pursuant to subsection (l) of this section at the time a project is completed shall be
30 retained by the Office of State Budget and Management. The Office of State Budget and
31 Management shall report on any funds retained pursuant to this subsection within 90 days of a
32 project's completion.

33 **SECTION 3.14.(n)** Any funds from the Education Bond expended for school
34 technology for public schools shall be reported to the State Board of Education and shall be
35 credited against the judgment in *N.C. Sch. Bds. Ass'n. v. Moore*, No. 98-CVS-14159 (N.C. Super.
36 Ct.).
37

38 **DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)/AT-RISK** 39 **STUDENT SERVICES/ALTERNATIVE SCHOOLS**

40 **SECTION 3.15.(a)** Funds appropriated in this act for disadvantaged student
41 supplemental funding shall be used, consistent with the policies and procedures adopted by the
42 State Board of Education, only to do the following:

- 43 (1) Provide instructional positions or instructional support positions.
- 44 (2) Provide professional development.
- 45 (3) Provide intensive in-school or afterschool remediation, or both.
- 46 (4) Purchase diagnostic software and progress-monitoring tools.
- 47 (5) Provide funds for teacher bonuses and supplements.

48 The State Board of Education may require local school administrative units receiving
49 funding under the Disadvantaged Student Supplemental Fund to purchase the Education
50 Value-Added Assessment System (EVAAS) in order to provide in-depth analysis of student
51 performance and help identify strategies for improving student achievement. This data shall be

1 used exclusively for instructional and curriculum decisions made in the best interest of children
2 and for professional development for their teachers and administrators.

3 **SECTION 3.15.(b)** Disadvantaged student supplemental funding (DSSF) shall be
4 allotted to a local school administrative unit based on (i) the unit's eligible DSSF population and
5 (ii) the difference between a teacher-to-student ratio of 1:21 and the following teacher-to-student
6 ratios:

- 7 (1) For counties with wealth greater than ninety percent (90%) of the statewide
8 average, a ratio of 1:19.9.
- 9 (2) For counties with wealth not less than eighty percent (80%) and not greater
10 than ninety percent (90%) of the statewide average, a ratio of 1:19.4.
- 11 (3) For counties with wealth less than eighty percent (80%) of the statewide
12 average, a ratio of 1:19.1.
- 13 (4) For local school administrative units that received DSSF funds in fiscal year
14 2005-2006, a ratio of 1:16. These local school administrative units shall
15 receive no less than the DSSF amount allotted in fiscal year 2006-2007.

16 For the purpose of this subsection, wealth shall be calculated under the low-wealth
17 supplemental formula as provided for in this act.

18 **SECTION 3.15.(c)** If a local school administrative unit's wealth increases to a level
19 that adversely affects the unit's disadvantaged student supplemental funding (DSSF) allotment
20 ratio, the DSSF allotment for that unit shall be maintained at the prior year level for one additional
21 fiscal year.

22 **SECTION 3.15.(d)** For the 2024-2025 fiscal year, the State Board of Education shall
23 transfer the At-Risk Student Services/Alternative Schools allotment into the DSSF allotment and
24 allocate these funds to local school administrative units under a formula that:

- 25 (1) Expands the allowable uses of the DSSF allotment to incorporate activities
26 allowed under the current At-Risk allotment; and
- 27 (2) Provides that no local administrative unit receives a decrease in combined
28 funding.

29 Reallocated At-Risk funding must be counted as an independent supplement to
30 existing DSSF funds.

31 **SECTION 3.15.(e)** There is appropriated from the General Fund to the Department
32 of Public Instruction the sum of two hundred eighty-eight million six hundred thousand dollars
33 (\$288,600,000) in nonrecurring funds for the 2023-2024 fiscal year and five hundred seven
34 million two hundred thousand dollars (\$507,200,000) in recurring funds for the 2024-2025 fiscal
35 year to implement the provisions of this section.

36 **INCREASE FUNDING FOR CLASSROOM SUPPLIES AND TEXTBOOKS**

37 **SECTION 3.16.(a)** There is appropriated from the General Fund to the Department
38 of Public Instruction the sum of twelve million two hundred thousand dollars (\$12,200,000) in
39 recurring funds for the 2023-2024 fiscal year and the sum of twenty-four million five hundred
40 thousand dollars (\$24,500,000) in recurring funds for the 2024-2025 fiscal year to increase the
41 State Textbook Fund.

42 **SECTION 3.16.(b)** There is appropriated from the General Fund to the Department
43 of Public Instruction the sum of ten million seven hundred thousand dollars (\$10,700,000) in
44 recurring funds for the 2023-2024 fiscal year and the sum of twenty-three million four hundred
45 thousand dollars (\$23,400,000) in recurring funds for the 2024-2025 fiscal year to increase the
46 Classroom Materials/Instructional Supplies/Equipment Allotment.

47 **PART IV. ASSESSMENT AND ACCOUNTABILITY SYSTEM THAT RELIABLY** 48 **ASSESSES MULTIPLE MEASURES OF STUDENT PERFORMANCE**

ADJUST WEIGHTING BETWEEN PROFICIENCY AND GROWTH

SECTION 4.1.(a) G.S. 115C-83.15(d) reads as rewritten:

"(d) Calculation of the Overall School Performance Scores and Grades. – The State Board of Education shall calculate the overall school performance score by adding the school achievement score, as provided in subsection (b) of this section, and the school growth score, as determined using EVAAS as provided in subsection (c) of this section, earned by a school. The school achievement score shall account for ~~eighty-five percent (80%)~~, (51%), and the school growth score shall account for ~~twenty-four percent (20%)~~, (49%) of the total sum. For all schools, the total school performance score shall be converted to a 100-point scale and used to determine an overall school performance grade. The overall school performance grade shall be based on the following scale and shall not be modified to add any other designation related to other performance measures, such as a "plus" or "minus":

...."

SECTION 4.1.(b) The Department of Public Instruction shall amend the State plan under the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act, to reflect the changes to achievement and growth score weighting in this section.

SECTION 4.1.(c) This section applies beginning with school performance scores issued based on data from the 2023-2024 school year.

STUDY ON ADDITIONAL MEASURES IN THE SCHOOL ACCOUNTABILITY SYSTEM

SECTION 4.2. The State Board of Education, in consultation with the Department of Public Instruction, shall study methods of adding to the State school accountability system indicators that provide information on the opportunity of students to access a sound basic education. Additional indicators recommended shall not be inconsistent with the requirements of the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act, and shall not replace indicators included in the State school accountability system under Part 1B of Article 8 of Chapter 115C of the General Statutes. The State Board of Education shall submit a report with its recommended changes regarding the school accountability system to the Joint Legislative Education Oversight Committee on or before June 15, 2024.

PART V. ASSISTANCE AND TURNAROUND FUNCTION THAT PROVIDES NECESSARY SUPPORT TO LOW-PERFORMING SCHOOLS AND LOW-PERFORMING LOCAL SCHOOL ADMINISTRATIVE UNITS**DISTRICT AND REGIONAL SUPPORT MODEL**

SECTION 5.1. There is appropriated from the General Fund to the Department of Public Instruction the sum of nineteen million dollars (\$19,000,000) in recurring funds for the 2023-2024 fiscal year to be used to continue to implement the District and Regional Support model developed by the State Board of Education to support the improvement of low-performing and high-poverty schools. Implementation shall (i) provide support in needed content areas and instructional and leadership coaching and (ii) include direct, comprehensive, and progressive turnaround assistance to the State's chronically low-performing schools and low-performing districts.

REVIEW AND UPDATE CURRICULUM ADOPTION PROCESSES

SECTION 5.2. Before March 15, 2024, the State Board of Education shall review, update, and strengthen the State-level process for reviewing and adopting core curriculum resources. The State Board of Education shall provide statewide and regional support, resources, and professional learning opportunities to assist schools and districts in selecting and successfully employing high-quality, standards-aligned, culturally responsive, evidence-based resources and

1 practices to assist educators in applying innovative practices that promote continuous
2 improvement. No later than June 30, 2024, the Department of Public Instruction shall provide a
3 model implementation plan to each local school administrative unit.

4 5 **SUPPORT FOR HIGH-POVERTY SCHOOLS**

6 **SECTION 5.3.(a)** Article 13 of Chapter 115C of the General Statutes is amended by
7 adding a new section to read:

8 **"§ 115C-209.2. Community schools support program.**

9 (a) Program Established. – The Department of Public Instruction shall establish a
10 program (Program) to provide support to high-poverty schools that adopt a community school
11 model or other evidence-based models to address out-of-school barriers to learning.

12 (b) Definitions. – The following definitions shall apply in this section:

13 (1) Community school model. – The model following the Department of Public
14 Instruction's Whole School, Whole Community, Whole Child model based on
15 the Centers for Disease Control and Prevention's guidance.

16 (2) Evidence-based model. – Any model established using evidence-based
17 methods that, in the discretion of the State Board of Education, achieve the
18 goals set in the Whole School, Whole Community, Whole Child model.

19 (c) Participation. – The Department of Public Instruction shall disseminate an application
20 form for participation in the Program for the following school year no later than June 1 of each
21 year. No later than July 1, any school that uses a community school model or other
22 evidence-based model to address out-of-school barriers to learning may apply to participate in
23 the Program. No later than August 1 of each school year that funds are made available for this
24 purpose, the Department of Public Instruction shall select geographically and culturally diverse
25 schools from among the applicants for that school year to participate in the Program. Priority
26 shall be given to schools that have high rates of student poverty.

27 (d) Implementation. – Each participating local school administrative unit shall hire one
28 full-time school-based coordinator per participating school. The school-based coordinator shall
29 assess local needs and assets and organize the integration of social, academic, and health supports
30 in coordination with school support personnel. The school-based coordinator shall also assess the
31 school's access to technical assistance and professional support to effectively plan and implement
32 the community school model or other evidence-based model. No later than July 15 of each school
33 year that a school participates in the Program, the school-based coordinator shall submit to the
34 Department of Public Instruction a request for funds for goods or services beneficial to meeting
35 the goals of the community school model or other evidence-based model for the following school
36 year. No later than August 15 of each school year, the Department of Public Instruction shall
37 evaluate each funding request and allocate funds as it deems necessary.

38 (e) Report. – No later than October 15 of each school year, the Department of Public
39 Instruction, in consultation with each school-based coordinator, shall provide a report to the Joint
40 Legislative Education Oversight Committee on the following:

41 (1) The amount of funds requested by each school.

42 (2) The purposes of funds requested by each school.

43 (3) The amount of funds allocated to each school.

44 (4) The use of funds allocated to each school.

45 (5) Any effects of the model on school outcomes, including attendance rates,
46 academic outcomes, or any other measure the school-based coordinator or the
47 Department deems relevant.

48 (6) Any other information the Department deems relevant."

49 **SECTION 5.3.(b)** Appropriation. – There is appropriated from the General Fund to
50 the Department of Public Instruction the sum of forty-four million eight hundred sixty-six

1 thousand nine hundred four dollars (\$44,866,904) in recurring funds for the 2023-2024 fiscal
2 year for the implementation of this Program.

3 **SECTION 5.3.(c)** This section applies beginning with the 2023-2024 school year.
4

5 **COVER REDUCED-PRICE COPAYS**

6 **SECTION 5.4.(a)** There is appropriated from the General Fund to the Department
7 of Public Instruction the sum of three million nine hundred thousand dollars (\$3,900,000) in
8 recurring funds for the 2023-2024 fiscal year to be used to fund the reduced-price lunch copays
9 for all students who qualify for reduced-price lunches under the National School Lunch Program.
10 Funds shall be used to ensure that qualifying students receive free lunches.

11 **SECTION 5.4.(b)** Part 2 of Article 17 of Chapter 115C of the General Statutes is
12 amended by adding a new section to read:

13 **"§ 115C-264.5. School meal debt report.**

14 No later than October 15, 2024, and annually thereafter, the State Board of Education shall
15 report to the Joint Legislative Education Oversight Committee on unpaid meal charges in local
16 school administrative units. At a minimum, the report shall include the following information:

- 17 (1) The percentage of students of all grade levels in each local school
18 administrative unit who (i) qualify for and participate in reduced-price meals
19 and (ii) do not carry an unpaid meal charge.
- 20 (2) The total amount of funds received by each local school administrative unit
21 related to unpaid meal charges.
- 22 (3) Summaries of approaches adopted by each local school administrative unit
23 regarding unpaid meal charges.
- 24 (4) Options for a statewide policy on the uniform administration of unpaid meal
25 charges in local school administrative units. Every option shall ensure that
26 students are not prevented from receiving nutritious meals because of an
27 unpaid meal charge."

28 **COMMUNITY ELIGIBILITY PROVISION**

29 **SECTION 5.5.(a)** Purpose. – The State Board of Education shall establish a
30 four-year pilot program (Program), beginning in the 2024-2025 school year, to assist public
31 school units (PSUs) to expand participation in the federal Community Eligibility Provision (CEP)
32 program and to increase the number of students with access to healthy, cost-free school breakfast
33 and lunch. A PSU is eligible for the Program if the PSU qualifies for the federal CEP program
34 and did not participate in CEP during the 2023-2024 school year.

35 **SECTION 5.5.(b)** Request for Proposals. – By January 15, 2024, the State Board of
36 Education shall issue a Request for Proposal (RFP) for the grant program. Applicant public
37 school units shall submit their proposals by March 1, 2024. The RFP shall require that proposals
38 include the following information at a minimum:

- 39 (1) The school or schools that will participate in the Program.
- 40 (2) The Identified Student Percentage (ISP) for the school or schools for the
41 2024-2025 school year.
- 42 (3) The number of students enrolled in the school or schools for the 2024-2025
43 school year.
- 44 (4) Participation rates in the National School Breakfast and Lunch programs for
45 the 2023-2024 school year.

46 **SECTION 5.5.(c)** Selection. – By April 30, 2024, the State Board of Education shall
47 select qualifying public school units to participate in the Program. The number of public school
48 units selected shall be determined based on the amount of funds available for the Program.
49 Priority shall be given to schools, clusters of schools, or local school administrative units with an
50 Identified Student Percentage (ISP) of greater than or equal to forty-seven percent (47%).
51

1 Selected public school units participating in the Program shall offer breakfast after the bell and
2 in the classroom.

3 **SECTION 5.5.(d) Grants.** – In order to assist local school nutrition authorities to
4 cover costs associated with participation in the federal CEP program, public school units that
5 have been accepted by the State Board of Education for the Program will receive reimbursements
6 for school meals served to supplement federal reimbursements of school meals. State
7 reimbursement will equal the difference between the federal free rate and the federal paid rate
8 for the number of meals served at the school, school cluster, or local school administrative unit
9 equal to a 0.2 multiplier of the ISP for the participating school, school cluster, or local school
10 administrative unit. State and federal reimbursements shall not exceed one hundred percent
11 (100%) of the federal free rate of meals served.

12 **SECTION 5.5.(e) Nonsupplant Requirement.** – A public school unit which receives
13 funds under this Program shall use the funds to supplement local current expense funds and shall
14 not supplant local current expense funds.

15 **SECTION 5.5.(f) Evaluation.** – The State Board of Education shall evaluate the
16 impact of this Program and may use up to one hundred thousand dollars (\$100,000) of the funds
17 appropriated by this section to contract with an independent research organization for this
18 purpose. The evaluation shall include, at a minimum, the following information:

- 19 (1) How many schools have participated in the Program.
- 20 (2) How many students receive free meals who have not before due to the
21 Program.
- 22 (3) How much federal money participating nutrition authorities have received.

23 The State Board shall annually report the results of this evaluation to the Joint
24 Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of
25 State Budget and Management beginning on January 1, 2025.

26 **SECTION 5.5.(g) Appropriation.** – Of the funds appropriated in this section, the
27 Department of Public Instruction may use up to five hundred thousand dollars (\$500,000) for
28 software updates in order to implement this pilot program.

29 **SECTION 5.5.(h) Carryforward.** – Funds unspent in the 2023-2024 and 2024-2025
30 fiscal years shall not revert to the General Fund but shall remain available for use until the end
31 of the pilot program.

32 **PART VI. SYSTEM OF EARLY EDUCATION THAT PROVIDES ACCESS TO** 33 **HIGH-QUALITY PREKINDERGARTEN AND OTHER EARLY CHILDHOOD** 34 **LEARNING OPPORTUNITIES** 35

36 **EXPAND NC PREKINDERGARTEN (NC PRE-K) PROGRAM** 37

38 **SECTION 6.1.(a) Appropriation.** – There is appropriated from the General Fund to
39 the Department of Health and Human Services, Division of Child Development and Early
40 Education, the sum of one hundred eight million dollars (\$108,000,000) in recurring funds for
41 the 2023-2024 fiscal year and the sum of one hundred ninety-three million one hundred thousand
42 dollars (\$193,100,000) in recurring funds for the 2024-2025 fiscal year for the purpose of
43 expanding the NC Prekindergarten (NC Pre-K) program for eligible children who are 4 years of
44 age by allocating funds for each of the following:

- 45 (1) Incrementally increase State funding for each NC Pre-K slot with the goal of
46 paying one hundred percent (100%) of the actual cost by the end of the
47 2027-2028 fiscal year.
- 48 (2) Gradually increase the number of eligible children able to be served in the NC
49 Pre-K program with the goal of reaching at least seventy-five percent (75%)
50 of eligible children in each county by the end of the 2027-2028 fiscal year.

- 1 (3) Raise the rate for the county administrator to provide oversight, monitoring,
2 enrollment, and support to ten percent (10%) by the end of the 2024-2025
3 fiscal year.
- 4 (4) Phasing-in extension of the NC Pre-K program year from 10 to 12 months in
5 accordance with subsection (b) of this section.

6 **SECTION 6.1.(b)** Extend NC Pre-K Program Year to 12 Months. – Section 9C.1 of
7 S.L. 2021-180 is amended by adding a new subsection to read:

8 "SECTION 9C.1.(a1) Extend NC Pre-K Program Year. – It is the intent of the General
9 Assembly to gradually extend the NC Pre-K program to cover 12 months of the program year
10 with full implementation statewide by the end of the 2027-2028 fiscal year. To that end, the
11 Division of Child Development and Early Education (Division) shall develop and implement a
12 plan that (i) includes establishing a pilot program to extend the NC Pre-K program year from 10
13 to 12 months and (ii) is based on county capacity to implement the extension. The Division shall
14 select up to three counties to participate in the pilot program that includes, at a minimum,
15 representation from a private classroom setting, a public classroom setting that operates on a
16 year-round basis, and an underserved area. The Division shall submit a report to the Joint
17 Legislative Oversight Committee on Health and Human Services and the Fiscal Research
18 Division by December 31, 2025. The report shall include each of the following:

- 19 (1) The number of students participating in the pilot program.
20 (2) The number of students participating who are in an NC Pre-K classroom in a
21 child care center versus those in an NC Pre-K classroom in a public school.
22 (3) The number of schools and child care centers participating in the program,
23 including identifying those that are private and those that are public.
24 (4) The number of NC Pre-K classrooms participating in the program.
25 (5) The additional costs needed to implement the program.
26 (6) The challenges and successes of implementing the program in both NC Pre-K
27 classrooms in child care centers and NC Pre-K classrooms in public schools."

28 **SECTION 6.1.(c)** There is appropriated from the General Fund to the Department
29 of Health and Human Services, Division of Child Development and Early Education (Division),
30 the sum of three hundred thousand dollars (\$300,000) in recurring funds for each year of the
31 2023-2025 fiscal biennium to increase State-level NC Pre-K staffing to manage the planned
32 expansion of the NC Pre-K program, provide policy development and program oversight, ensure
33 program quality, and manage any new, required studies.

34 **SECTION 6.1.(d)** There is appropriated from the General Fund to the Department
35 of Health and Human Services, Division of Child Development and Early Education (Division),
36 the sum of sixteen million one hundred thousand dollars (\$16,100,000) for the 2024-2025 fiscal
37 year to provide transportation to all participants enrolled in the NC Pre-K program.

38
39 **INCREASE HIGH-QUALITY EARLY LEARNING OPPORTUNITIES FOR**
40 **CHILDREN FROM BIRTH/INCREASE FUNDS FOR CHILD CARE SUBSIDY**

41 **SECTION 6.2.(a)** There is appropriated from the General Fund to the Department
42 of Health and Human Services, Division of Child Development and Early Education (Division),
43 the sum of ten million dollars (\$10,000,000) in recurring funds for each year of the 2023-2025
44 fiscal biennium to increase funds for the child care subsidy program and provide for program
45 improvements, including, but not limited to, increasing compensation for the child care
46 workforce and ensuring that eligible families receive assistance through the elimination of
47 waitlists. The Division shall consider the child care subsidy market rates recommended in the
48 2021 Child Care Market Rate Study when determining uses for the funds appropriated under this
49 section.

50 **SECTION 6.2.(b)** There is appropriated from the General Fund to the Department
51 of Health and Human Services, Division of Child Development and Early Education, the sum of

1 twenty-six million two hundred thousand dollars (\$26,200,000) in recurring funds for the
2 2023-2024 fiscal year and the sum of fifty-two million four hundred thousand dollars
3 (\$52,400,000) in recurring funds for the 2024-2025 fiscal year to expand the Family Connects
4 universal home visiting model to local agencies statewide that choose to implement the program
5 for their community through local health departments or local Smart Start partnerships. Family
6 Connects is an evidence-based model that provides one to three home visits from a registered
7 nurse to all families who have newborns and live in a defined service area.

8 **SECTION 6.2.(c)** There is appropriated from the General Fund to the Department
9 of Health and Human Services, Division of Child Development and Early Education (Division),
10 the sum of twenty-four million three hundred thousand dollars (\$24,300,000) in recurring funds
11 for the 2023-2024 fiscal year and the sum of twenty million dollars (\$20,000,000) in recurring
12 funds for the 2024-2025 fiscal year to conduct a two-year pilot program of a State model for
13 high-quality early learning programs for eligible children from birth to 3 years of age, for 1,000
14 children each year, with the intent to expand the program to additional locations. The pilot
15 program and any subsequent expansion of the pilot program shall focus on high-poverty school
16 districts across the State.

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18 **EXPAND AND IMPROVE ACCESS TO INDIVIDUALIZED EARLY INTERVENTION**
19 **SERVICES FOR ELIGIBLE CHILDREN/NC INFANT-TODDLER PROGRAM**

20 **SECTION 6.3.(a)** Funds for NC Infant-Toddler Program. – There is appropriated
21 from the General Fund to the Department of Health and Human Services, Division of Child and
22 Family Well-Being, Early Intervention Section, the sum of fifteen million dollars (\$15,000,000)
23 in recurring funds for the 2023-2024 fiscal year and the sum of twenty million dollars
24 (\$20,000,000) in recurring funds for the 2024-2025 fiscal year to provide funds for the North
25 Carolina Infant-Toddler Program, a program that provides support and services for families and
26 their children, from birth to 3 years of age, who have special needs. These funds shall be used to
27 take steps toward doing the following:

- 28 (1) Increasing State and local staffing in the provision of services to families with
29 infants and toddlers with developmental delays and established medical
30 conditions who are eligible for the NC Infant-Toddler Program.
- 31 (2) Expanding funding for interpreter services.
- 32 (3) Establishing a centralized provider network system.
- 33 (4) Providing professional development focused on early childhood mental
34 health.
- 35 (5) Addressing salary inequities affecting provider retention and recruitment.

36 **SECTION 6.3.(b)** Feasibility Study & Infrastructure Readiness
37 Assessment/Expansion of NC Infant-Toddler Program. – There is appropriated from the General
38 Fund to the Department of Health and Human Services, Division of Child and Family
39 Well-Being, Early Intervention Section, the sum of two hundred fifty thousand dollars
40 (\$250,000) in nonrecurring funds for the 2023-2024 fiscal year to be allocated as follows:

- 41 (1) \$150,000 to conduct a feasibility study to examine eligibility criteria and cost
42 implications for expansion of the NC Infant-Toddler Program.
- 43 (2) \$100,000 to conduct a system and infrastructure readiness assessment to
44 determine areas of need and system challenges that need to be addressed
45 before expanding the NC Infant-Toddler Program. The Division of Public
46 Health shall solicit public input and feedback on the plan developed pursuant
47 to this subdivision.

48 **SECTION 6.3.(c)** Scale Up Early Intervention Services. – There is appropriated
49 from the General Fund to the Department of Health and Human Services, Division of Child and
50 Family Well-Being, Early Intervention Section, the sum of fifty-four million two hundred
51 thousand dollars (\$54,200,000) in recurring funds for the 2024-2025 fiscal year to provide

1 high-quality early intervention services and supports for up to an additional 10,000 children from
2 birth to 3 years of age, who meet expanded eligibility criteria for the Infant and Toddler Program
3 implemented as a result of the feasibility study conducted pursuant to subdivision (b)(1) of this
4 section. The Early Intervention Section may use up to five percent (5%) of these allocated funds
5 to conduct a public awareness campaign regarding expansion of eligibility for the NC Infant and
6 Toddler Program, to increase efforts to identify children eligible to receive services under this
7 expanded program, and to create partnerships with family support agencies.

9 **INCREASE SMART START FUNDING**

10 **SECTION 6.4.** There is appropriated from the General Fund to the Department of
11 Health and Human Services, Division of Child Development and Early Education, the sum of
12 twenty million dollars (\$20,000,000) for each year of the 2023-2025 fiscal biennium to gradually
13 increase funding for the North Carolina Partnership for Children, Inc. (Smart Start), with the goal
14 of fully funding Smart Start by the end of the 2027-2028 fiscal year. Funds allocated to the North
15 Carolina Partnership for Children, Inc., pursuant to this section shall be distributed to Smart Start
16 local partnerships to improve statewide early child system infrastructure and support a cohesive
17 continuum of services for families and children from birth through 5 years of age.

18 **INCREASE EARLY CHILDHOOD EDUCATOR WORKFORCE**

19 **SECTION 6.5.(a)** Funds for WAGES and AWARDS Programs. – There is
20 appropriated from the General Fund to the Department of Health and Human Services, Division
21 of Child Development and Early Education, the sum of twenty-seven million five hundred
22 thousand dollars (\$27,500,000) in recurring funds for the 2023-2024 fiscal year and the sum of
23 twenty-nine million dollars (\$29,000,000) in recurring funds for the 2024-2025 fiscal year to
24 increase funding for and expand participation statewide in the Child Care WAGES program and
25 the Infant-Toddler Educator AWARDS program, both of which provide salary supplements for
26 early childhood educators.

27 **SECTION 6.5.(b)** Recruitment Strategies and Professional Development. – There is
28 appropriated from the General Fund to the Department of Health and Human Services, Division
29 of Child Development and Early Education, the sum of two million eight hundred thousand
30 dollars (\$2,800,000) in recurring funds for the 2023-2024 fiscal year and the sum of four million
31 three hundred thousand dollars (\$4,300,000) in recurring funds for the 2024-2025 fiscal year to
32 implement strategies to recruit early childhood educators and provide ongoing professional
33 development, including coaching, technical assistance, assistance with degree attainment, and
34 licensure support.

35 **FACILITATE RELIABLE ACCESS TO HIGH-QUALITY DATA SUPPORTING** 36 **EARLY CHILDHOOD EDUCATION**

37 **SECTION 6.6.(a)** Real-Time Workforce Data System. – There is appropriated from
38 the General Fund to the Department of Health and Human Services, Division of Child
39 Development and Early Education, the sum of one million two hundred thousand dollars
40 (\$1,200,000) in recurring funds for the 2023-2024 fiscal year and the sum of five hundred
41 thousand dollars (\$500,000) in recurring funds for the 2024-2025 fiscal year to develop and
42 implement a real-time workforce data system that supports building a pipeline of early childhood
43 educators.

44 **SECTION 6.6.(b)** Expand and Improve Current Early Childhood Data Systems. –
45 The Department of Health and Human Services, Division of Child Development and Early
46 Education (Division), the sum of five hundred thousand dollars (\$500,000) in recurring funds for
47 each year of the 2023-2025 fiscal biennium to expand and improve the North Carolina Early
48 Childhood Integrated Data System (NC ECIDS) and the North Carolina Early Childhood Action
49 plan data dashboards to track child outcomes and provide access to State data for State and local
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1 users and researchers with the goal of connecting this data to the NC Longitudinal Data System
2 (NCLDS).

3 **SECTION 6.6.(c)** Build Local Capacity/Early Childhood Data. – The Department
4 of Health and Human Services (Department), Division of Child Development and Early
5 Education (Division), the sum of one hundred fifty thousand dollars (\$150,000) in recurring
6 funds for each year of the 2023-2025 fiscal biennium to collaborate with the Divisions of Social
7 Services and Public Health, as appropriate, in developing and implementing a plan to provide
8 technical assistance to build local capacity to use quality early childhood data across child health,
9 child welfare, and early childhood education for local planning.

10 **SECTION 6.6.(d)** Real-Time Data Collection/Children Eligible for Early Childhood
11 Services. – There is appropriated from the General Fund to the Department of Health and Human
12 Programs, Division of Child Development and Early Education, the sum of five hundred
13 thousand dollars (\$500,000) in nonrecurring funds for the 2023-2024 fiscal year and the sum of
14 two hundred fifty thousand dollars (\$250,000) in nonrecurring funds for the 2024-2025 fiscal
15 year to develop and implement a real-time data collection and sharing process to identify children
16 eligible for early childhood programs, including the North Carolina Prekindergarten (NC Pre-K)
17 program and Early Intervention program, that allows for each of the following:

- 18 (1) The disaggregation along multiple variables, such as race, ethnicity, and
19 geography.
- 20 (2) Helps identify the children most vulnerable to build a more equitable early
21 learning system.

22 **REPLACE KINDERGARTEN DIAGNOSTIC**

23 **SECTION 6.7.(a)** The Department of Public Instruction shall study and develop a
24 plan to replace existing kindergarten diagnostic tools with an extended version of the NC Early
25 Learning Inventory with full-year implementation and checkpoint periods. The extended NC
26 Early Learning Inventory shall include at least the following dimensions:

- 27 (1) Language.
- 28 (2) Literacy.
- 29 (3) Math.
- 30 (4) Social and emotional learning.

31 **SECTION 6.7.(b)** The Department shall report to the Joint Legislative Education
32 Oversight Committee on the plan developed pursuant to subsection (a) of this section by March
33 15, 2024.

34 **ASSESSMENT CONTINUUM**

35 **SECTION 6.8.** The Department of Public Instruction shall review the NC Early
36 Learning Inventory and Read to Achieve legislation and associated policies to establish an
37 aligned formative and summative assessment continuum.

38 **EARLY CHILDHOOD EDUCATION EXPERT ADVISORY TEAM**

39 **SECTION 6.9.** There is established the Early Childhood Education Expert Advisory
40 Team (Team). The Team shall be housed administratively within the Department of Public
41 Instruction. The purpose of the Team shall be to identify local school administrative units and
42 individual schools that require additional support and create a multitiered system of support for
43 those local school administrative units and individual schools. The Team shall make
44 recommendations to the State Board to improve support for local school administrative units or
45 individual schools identified by the Team as requiring additional support. The Team shall consist
46 of seven members appointed by the governor. Members appointed to the Team shall possess
47 strong experience and expertise in the field of early childhood education. Members appointed to
48 the Team shall serve for no more than five years. The Team shall elect from its membership a
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1 chair and vice-chair annually. The chair shall preside over the Team's meetings. A majority of
2 members shall constitute a quorum. Meetings of the Team may be called by either the chair or
3 vice-chair of the Team with at least five days' notice. Members of the Advisory Board shall be
4 reimbursed for travel and subsistence expenses at the rates allowed to State officers and
5 employees by G.S. 138-6(a). Any member of the Team may be removed by the unanimous vote
6 of the other six members of the Team at a duly held meeting for any cause that renders the
7 member incapable or unfit to discharge the duties of members of the Team. The Team shall
8 include at least the following members:

- 9 (1) An administrator at a North Carolina pre-kindergarten program.
- 10 (2) A licensed school psychologist.
- 11 (3) A teacher in an elementary school.

12 **PROFESSIONAL DEVELOPMENT FOR CHILDHOOD DEVELOPMENT**

13 **SECTION 6.10.(a)** The Department of Public Instruction shall develop targeted
14 professional development plans aligned to data gaps for each public school unit. The plans shall
15 include at least the following topics:

- 16 (1) Child development.
- 17 (2) Developmentally appropriate practice.
- 18 (3) Best practices for early learning instruction.
- 19 (4) Observation-based formative assessments.
- 20 (5) Positive relationships.
- 21 (6) School culture improvement.
- 22 (7) Aligned processes.
- 23 (8) Social and emotional learning.
- 24 (9) Data-driven decision making.
- 25 (10) Family and community engagement.

26 **SECTION 6.10.(b)** The Department shall evaluate professional development
27 provided pursuant to subsection (a) of this section and continuously review the data for
28 improvements to the professional development offerings.

29 **PART VII. ALIGNMENT OF HIGH SCHOOL TO POSTSECONDARY AND CAREER** 30 **EXPECTATIONS FOR ALL STUDENTS**

31 **REVISE NCVPS FUNDING**

32 **SECTION 7.1.** There is appropriated from the General Fund to the Department of
33 Public Instruction the sum of six million seven hundred thousand dollars (\$6,700,000) for the
34 2023-2024 fiscal year to offset the costs for local administrative units and charter schools to
35 remove barriers to student participation in North Carolina Virtual Public Schools. The funds shall
36 be allocated with a priority to cover the costs of courses for students enrolled in public schools
37 located in low-wealth counties.

38 **SCHOOL CALENDAR FLEXIBILITY/CC CALENDAR**

39 **SECTION 7.2.(a)** G.S. 115C-84.2(d) reads as rewritten:

40 "(d) Opening and Closing Dates. – Local boards of education shall determine the dates of
41 opening and closing the public schools under subdivision (a)(1) of this section. Except for
42 year-round schools, the opening date for students shall be no earlier than the Monday closest to
43 August 26, and the closing date for students shall be no later than the Friday closest to June 11.
44 On a showing of good cause, the State Board of Education may waive the requirement that the
45 opening date for students be no earlier than the Monday closest to August 26 and may allow the
46 local board of education to set an opening date no earlier than the Monday closest to August 19,
47 to the extent that school calendars are able to provide sufficient days to accommodate anticipated
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1 makeup days due to school closings. A local board may revise the scheduled closing date if
2 necessary in order to comply with the minimum requirements for instructional days or
3 instructional time. For purposes of this subsection, the term "good cause" means that schools in
4 any local school administrative unit in a county have been closed eight days per year during any
5 four of the last 10 years because of severe weather conditions, energy shortages, power failures,
6 or other emergency situations.

7 The required opening and closing dates under this subsection shall not apply to any school
8 that a local board designated as having a modified calendar for the 2003-2004 school year or to
9 any school that was part of a planned program in the 2003-2004 school year for a system of
10 modified calendar schools, so long as the school operates under a modified calendar.

11 Notwithstanding the required opening and closing dates under this subsection, a local board
12 of education may align the calendar of schools in the local school administrative unit with the
13 calendar of a community college serving the city or county in which the unit is located."

14 **SECTION 7.2.(b)** This section is effective when this section becomes law and
15 applies beginning with the 2023-2024 school year.

17 COLLEGE ADVISING CORPS/COLLEGE ADVISERS IN THE PUBLIC SCHOOLS

18 **SECTION 7.3.(a)** Purpose of the College Advising Corps Program. – From the funds
19 appropriated in subsection (b) of this section, the Board of Governors of The University of North
20 Carolina shall make funds available to the National College Advising Corps, Inc., (CAC) to
21 support an expansion of the placement of college advisers in North Carolina public schools
22 through their program over a three-year period. CAC is a college access nonprofit organization
23 with the mission to increase the number of underrepresented, low-income, or first-generation
24 postsecondary degree or certificate students entering and completing their postsecondary
25 education at community colleges and universities. In furthering this mission, CAC operates an
26 innovative model of partnering with schools, communities, families, and postsecondary
27 institutions, including providing for a two-year service opportunity to recent college graduates
28 as near-peer college advisers working full-time in the public schools, with an emphasis on
29 engaging college advisers who have similar backgrounds to the students the program seeks to
30 serve. Near-peer college advisers perform various services for those students that are key
31 components to the proven success of the program, including (i) attending postsecondary campus
32 visits, fairs, and workshops with students, (ii) assisting with registering for college entrance
33 exams, (iii) assisting with Free Application for Federal Student Aid (FAFSA) registrations and
34 completions, (iv) identifying available scholarships, (v) assisting with postsecondary
35 applications, and (vi) engaging with parents.

36 **SECTION 7.3.(b)** Funds for the Program. – Due to the effectiveness of the
37 innovative model operated by CAC and the potential for significantly impacting the highest-need
38 students as described in subsection (a) of this section, the sum of three million dollars
39 (\$3,000,000) in recurring funds is appropriated from the General Fund to the Board of Governors
40 of The University of North Carolina for the 2023-2024 fiscal year to be provided to CAC for the
41 purpose of expanding the placement of college advisers in accordance with the requirements of
42 this section.

43 **SECTION 7.3.(c)** Use of Funds. – CAC shall focus the first two years of the
44 expansion of its program using the funds provided to it under this section by placing college
45 advisers in counties designated as tier one and tier two. For the third year of the expansion, CAC
46 shall use the funds provided to it to place college advisers in the remaining counties designated
47 as tier three in order to achieve placement of college advisers in all 100 counties of the State. In
48 addition, CAC shall select at least three additional postsecondary institutions to partner with in
49 order to increase the number of recent graduates working as near-peer college advisers to meet
50 the needs of the program expansion. Once CAC has reached the goal of placement of college
51 advisers in 100 counties, the funds provided to it for the program shall be used to continue the

1 mission of the program to increase access for North Carolina public school students to
2 postsecondary degree or certificate attainment at community colleges and universities.

3 **SECTION 7.3.(d)** Reporting Requirements. – CAC shall submit a report by June 1
4 of each year in which CAC spends State funds made available to it pursuant to this section to the
5 Joint Legislative Education Oversight Committee and the Fiscal Research Division on the
6 progress of expanding the placement of college advisers, data on the effectiveness of the program
7 in increasing access for students to postsecondary education, and the use of State funds.

8 9 **CAREER DEVELOPMENT COORDINATORS**

10 **SECTION 7.4.** There is appropriated from the General Fund to the Department of
11 Public Instruction the sum of one hundred thousand dollars (\$100,000) in recurring funds in the
12 2023-2024 fiscal year for a Career and Postsecondary Planning Director position in the
13 Department's career and technical education division to focus on career planning in grades five
14 through 12 and the sum of ten million dollars (\$10,000,000) in recurring funds for the 2023-2024
15 fiscal year to increase the number of school-based career development coordinators for grades
16 six through eight and grades nine through 12.

17 18 **FUNDS TO REMOVE BARRIERS FOR ECONOMICALLY DISADVANTAGED** 19 **STUDENTS TO PARTICIPATE IN THE CAREER AND COLLEGE PROMISE** 20 **TRANSFER PATHWAY PROGRAM**

21 **SECTION 7.5.** There is appropriated from the General Fund to the Department of
22 Public Instruction the sum of five million dollars (\$5,000,000) in recurring funds for the
23 2023-2024 fiscal year to fund additional costs for all economically disadvantaged students
24 enrolled in the Career and College Promise Transfer Pathway Program in each year, including at
25 least the full costs of textbooks, transportation, meals on college campuses, fees, and technology.
26 If these funds are insufficient, the Department shall use additional unspent funds in the State
27 Public School Fund to fulfill this purpose.

28 29 **PART VIII. MISCELLANEOUS**

30 31 **STATE BUDGET ACT APPLIES**

32 **SECTION 8.1.** The provisions of the State Budget Act, Chapter 143C of the General
33 Statutes, are reenacted and shall remain in full force and effect and are incorporated in this act
34 by reference.

35 36 **EFFECT OF HEADINGS**

37 **SECTION 8.2.** The headings to the Parts, subparts, and sections of this act are a
38 convenience to the reader and are for reference only. The headings do not expand, limit, or define
39 the text of this act, except for effective dates referring to a Part or subpart.

40 41 **SEVERABILITY CLAUSE**

42 **SECTION 8.3.** If any section or provision of this act is declared unconstitutional or
43 invalid by the courts, it does not affect the validity of this act as a whole or any part other than
44 the part so declared to be unconstitutional or invalid.

45 46 **EFFECTIVE DATE**

47 **SECTION 8.4.** Except as otherwise provided, this act becomes effective July 1,
48 2023.