

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 1139*

Education/Higher Education Committee Substitute Adopted 5/21/96

Third Edition Engrossed 5/27/96

House Committee Substitute Favorable 6/14/96

Fifth Edition Engrossed 6/19/96

Short Title: ABC's Plan (State Board of Ed.)

(Public)

Sponsors:

Referred to:

May 14, 1996

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE TO IMPLEMENT THE STATE BOARD OF EDUCATION'S ABC'S PLAN IN ORDER TO ESTABLISH AN ACCOUNTABILITY MODEL FOR THE PUBLIC SCHOOLS TO IMPROVE STUDENT PERFORMANCE AND INCREASE LOCAL FLEXIBILITY AND CONTROL, TO MAKE CONFORMING CHANGES, AND TO AUTHORIZE THE STATE BOARD OF EDUCATION TO EXPEND FUNDS FOR PERFORMANCE AWARDS.

The General Assembly of North Carolina enacts:

~~—SCHOOL-BASED MANAGEMENT AND ACCOUNTABILITY PROGRAM~~

Section 1. G.S. 115C-12(9) reads as rewritten:

"(9) Miscellaneous Powers and Duties. – All the powers and duties exercised by the State Board of Education shall be in conformity with the Constitution and subject to such laws as may be enacted from time to time by the General Assembly. Among such duties are:

- 1 a. To certify and regulate the grade and salary of teachers and other
2 school employees.
3 b. To adopt and supply textbooks.
4 c. To adopt rules requiring all local boards of education to
5 implement the Basic Education Program on an incremental basis
6 within funds appropriated for that purpose by the General
7 Assembly and by units of local government. Beginning with the
8 1991-92 school year, the rules shall require each local school
9 administrative unit to implement fully the standard course of
10 study in every school in the State in accordance with the Basic
11 Education Program so that every student in the State shall have
12 equal access to the curriculum as provided in the Basic Education
13 Program and the standard course of study.

14 The Board shall establish benchmarks by which to measure
15 the progress that each local board of education has made in
16 implementing the Basic Education Program. The Board shall
17 report to the Joint Legislative Education Oversight Committee
18 and to the General Assembly by December 31, 1991, and by
19 February 1 of each subsequent year on each local board's
20 progress in implementing the Basic Education Program,
21 including the use of State and local funds for the Basic Education
22 Program.

23 The Board shall develop a State accreditation program that
24 meets or exceeds the standards and requirements of the Basic
25 Education Program. The Board shall require each local school
26 administrative unit to comply with the State accreditation
27 program to the extent that funds have been made available to the
28 local school administrative unit for implementation of the Basic
29 Education Program.

30 The Board shall use the State accreditation program to
31 monitor the implementation of the Basic Education Program.

- 32 c1. To issue an annual 'report card' for the State and for each local
33 school administrative unit, assessing each unit's efforts to
34 improve student performance based on the growth in
35 performance of the students in each school and taking into
36 account progress over the previous years' level of performance
37 and the State's performance in comparison with other states. This
38 assessment shall take into account ~~demographic, economic, and~~
39 ~~other~~ factors that have been shown to affect student ~~performance.~~
40 performance and that the State Board considers relevant to assess
41 the State's efforts to improve student performance.

- 42 e2. ~~To develop management accountability indicators to measure the~~
43 ~~efficiency and appropriate use of staff in each school and at the~~

~~administrative office. Staff development for school administrators shall be a high priority of the Department of Public Instruction.~~

c3. To develop a system of school building improvement reports for each school building. The purpose of school building improvement reports is to measure improvement in the growth in student performance at each school building from year to year, not to compare school buildings. The Board may consider for inclusion in the building reports the following criteria: test scores, the success of graduating students in postsecondary institutions, attendance, graduation and dropout rates, the numbers of children enrolled in free lunch or Chapter 1 programs, the education level of the parents of children enrolled in the school, the teaching experience of the school staff, and whether the building has been successful in meeting the goals of the building and systemwide plans developed in accordance with G.S. 115C 238.1 through G.S. 115C 238.6. The Board shall include in the building reports any factors shown to affect student performance that the Board considers relevant to assess a school's efforts to improve student performance. Local school administrative units shall produce and make public their school building improvement reports by March 15, 1995, 1997, for the 1995-96 school year, by October 15, 1997, for the 1996-97 school year, and annually thereafter. Each report shall be based on building-level data for the prior school year.

c4. To develop guidelines, procedures, and rules to establish, implement, and enforce the School-Based Management and Accountability Program under Article 8B of this Chapter in order to improve student performance, increase local flexibility and control, and promote economy and efficiency.

d. To formulate rules and regulations for the enforcement of the compulsory attendance law.

e. To manage and operate a system of insurance for public school property, as provided in Article 38 of this Chapter.

In making substantial policy changes in administration, curriculum, or programs the Board should conduct hearings throughout the regions of the State, whenever feasible, in order that the public may be heard regarding these matters."

Sec. 2. Part 4 of Article 16 of Chapter 115C of the General Statutes, G.S. 115C-238.1 through G.S. 115C-238.8, is recodified as Article 8B of Chapter 115C of the General Statutes, G.S. 115C-105.20 through G.S. 115C-105.27.

Sec. 3. Article 8B of Chapter 115C of the General Statutes, as recodified by Section 2 of this act, reads as rewritten:

"ARTICLE 8B.

~~"PERFORMANCE-BASED SCHOOL-BASED MANAGEMENT AND
ACCOUNTABILITY
PROGRAM.~~

~~"PART 1. IMPLEMENTATION OF PROGRAM.~~

~~"§ 115C-105.20. Performance-based School-Based Management and Accountability
Program; development and implementation by State Board. Program.~~

~~(a) The General Assembly believes that all children can learn. It is the intent of the General Assembly that the mission of the public school community is to challenge with high expectations each child to learn, to achieve, and to fulfill his or her potential. With that mission as its guide, the State Board of Education shall develop and implement a Performance-based Accountability Program—a School-Based Management and Accountability Program. The primary goal of the Program shall be to improve student performance. The State Board of Education, after consultation with the Task Force on Site-Based Management, shall adopt:~~

- ~~(1) Procedures and guidelines through which local school administrative units may participate in the program; and~~
- ~~(2) Guidelines for developing local school improvement plans with three-year school and student performance goals and strategies to achieve the standards adopted by the State Board. The guidelines shall require each participating local school administrative unit to submit plans for each school in the unit for achieving those goals. The guidelines shall also require each local school administrative unit to report on an annual basis on progress made in achieving those goals at each school in the unit.~~

~~The school performance goals may, in the discretion of the State Board, but are not required to include factors such as community involvement, parent involvement, professional development of teachers, and the school climate with regard to the safety of students and employees and the use of positive discipline.~~

- ~~(3), (4) Repealed by Session Laws 1995, c. 272, s. 1.~~

~~(b) In order to support local boards of education and schools in the implementation of this Program, the State Board of Education shall adopt guidelines, including guidelines to:~~

- ~~(1) Assist local boards and schools in the development and implementation of school-based management under Part 2 of this Article.~~
- ~~(2) Recognize the schools that meet or exceed their goals.~~
- ~~(3) Identify low-performing schools under G.S. 115C-105.30, and create assistance teams that the Board may assign to schools identified as low-performing under G.S. 115C-105.30. The assistance teams should consist of currently practicing teachers and staff, representatives of institutions of higher education, school administrators, and others the State Board considers appropriate.~~
- ~~(4) Enable assistance teams to make appropriate recommendations under G.S. 115C-105.31.~~

- 1 (5) Establish a process to resolve disputes between local boards and schools
2 in the development and implementation of school improvement plans
3 under G.S. 115C-105.22(b1).

4 **"§ 115C-105.21. Local participation in the ~~Program~~ voluntary; the benefits of local**
5 **participation. ~~Program.~~**

6 (a) Local school administrative units ~~may, but are not required to,~~ participate in the
7 ~~Performance-based~~ shall participate in the School-Based Management and Accountability
8 ~~Program.~~

9 (b) Local school administrative units that participate in the Performance-based
10 ~~Accountability Program:~~

11 (1) ~~Are exempt from State requirements to submit reports and plans, other~~
12 ~~than local school improvement plans, to the State Board of Education~~
13 ~~and the Department of Public Instruction. They are not exempt from~~
14 ~~federal requirements to submit reports and plans to the Department.~~

15 (2) ~~Are subject to the performance standards but not the opportunity~~
16 ~~standards or the staffing ratios of the State Accreditation Program.~~

17 (3) ~~Repealed by Session Laws 1995, c. 272, s. 2.~~

18 (4) ~~May be allowed increased flexibility in the expenditure of State funds,~~
19 ~~in accordance with G.S. 115C-238.6.~~

20 (5) ~~May be granted waivers of certain State laws, regulations, and policies~~
21 ~~that inhibit their ability to reach local accountability goals, in~~
22 ~~accordance with G.S. 115C-238.6(a).~~

23 (5a) ~~May use State funds allocated for teacher assistants to reduce class size~~
24 ~~or the student teacher ratio in kindergarten through third grade, in~~
25 ~~accordance with a local school improvement plan so long as the affected~~
26 ~~teacher assistant positions are not filled when the plan is amended or~~
27 ~~adopted by the building level staff entitled to vote on the building level~~
28 ~~plan or the affected teacher assistant positions are not expected to be~~
29 ~~filled on the date the plan is to be implemented. Any State funds~~
30 ~~appropriated for teacher assistants that were converted to certificated~~
31 ~~teachers before July 1, 1995, in accordance with Section 1 of Chapter~~
32 ~~986 of the 1991 Session Laws, as rewritten by Chapter 103 of the 1993~~
33 ~~Session Laws, may continue to be used for certificated teachers.~~

34 (5b) ~~In accordance with a local school improvement plan, may use (i) funds~~
35 ~~from the funding allotment for Classroom Materials/Instructional~~
36 ~~Supplies/Equipment for the purchase of textbooks, (ii) funds from the~~
37 ~~funding allotment for Textbooks for the purchase of instructional~~
38 ~~supplies, instructional equipment, or other classroom materials, and (iii)~~
39 ~~funds from the allotment for Noninstructional Support Personnel for~~
40 ~~teacher positions to reduce class size in kindergarten through third~~
41 ~~grade.~~

42 (6) ~~Shall continue to use the Teacher Performance Appraisal Instrument~~
43 ~~(TPAI) for evaluating beginning teachers during the first three years of~~

1 ~~their employment; they may, however, develop other evaluation~~
2 ~~approaches for teachers who have attained career status.~~

3 ~~The Department of Public Instruction shall provide technical~~
4 ~~assistance, including the provision of model evaluation processes and~~
5 ~~instruments, to local school administrative units that elect to develop~~
6 ~~dual personnel evaluation processes. A dual personnel evaluation~~
7 ~~process includes (i) an evaluation designed to provide information to~~
8 ~~guide teachers in their professional growth and development, and (ii) an~~
9 ~~evaluation to provide information to make personnel decisions~~
10 ~~pertaining to hiring, termination, promotion, and reassignment.~~

11 **(b1) The School-Based Management and Accountability Program shall provide**
12 **increased local control of schools with the goal of improving student performance. Local**
13 **boards of education:**

14 **(1) Are allowed increased flexibility in the expenditure of State funds, in**
15 **accordance with G.S. 115C-105.21A; and**

16 **(2) May be granted waivers of certain State laws, regulations, and policies**
17 **that inhibit their ability to reach local accountability goals, in**
18 **accordance with G.S. 115C-105.21B.**

19 **(c) The School-Based Management and Accountability Program shall be based**
20 **upon an accountability, recognition, assistance, and intervention process in order to hold**
21 **each school and the school's personnel accountable for improved student performance in**
22 **the school.**

23 **"PART 2. SCHOOL-BASED MANAGEMENT.**

24 **"§ 115C-105.21A. Budget flexibility.**

25 **(a) Consistent with improving student performance, a local board shall provide**
26 **maximum flexibility to schools in the use of funds to enable the schools to accomplish**
27 **their goals.**

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

30 **(1) In accordance with a school improvement plan accepted under G.S.**
31 **115C-105.22, State funds allocated for teacher assistants may be**
32 **transferred only for personnel (i) to serve students only in kindergarten**
33 **through third grade, or (ii) to serve students primarily in kindergarten**
34 **through third grade when the personnel are assigned to an elementary**
35 **school to serve the whole school. Funds allocated for teacher assistants**
36 **may be transferred to reduce class size or to reduce the student-teacher**
37 **ratio in kindergarten through third grade so long as the affected teacher**
38 **assistant positions are not filled when the plan is amended or approved**
39 **by the building-level staff entitled to vote on the plan or the affected**
40 **teacher assistant positions are not expected to be filled on the date the**
41 **plan is to be implemented. Any State funds appropriated for teacher**
42 **assistant positions are not expected to be filled on the date the**
43 **plan is to be implemented. Any State funds appropriated for teacher**

1 assistants that were converted to certificated teachers before July 1,
2 1995, in accordance with Section 1 of Chapter 986 of the 1991 Session
3 Laws, as rewritten by Chapter 103 of the 1993 Session Laws, may
4 continue to be used for certificated teachers.

5 (2) In accordance with a school improvement plan accepted under G.S.
6 115C-105.22, (i) State funds allocated for classroom
7 materials/instructional supplies/equipment may be transferred only for
8 the purchase of textbooks; (ii) State funds allocated for textbooks may
9 be transferred only for the purchase of instructional supplies,
10 instructional equipment, or other classroom materials; and (iii) State
11 funds allocated for noninstructional support personnel may be
12 transferred only for teacher positions.

13 (3) No funds shall be transferred into the central office allotment category.

14 (4) Funds allocated for exceptional children shall not be transferred.

15 (5) Funds allocated for classroom teachers may be transferred only for
16 teachers of exceptional children, for teachers of at-risk students, and for
17 authorized purposes under the textbooks allotment category and the
18 classroom materials/instructional supplies/equipment allotment
19 category.

20 **"§ 115C-105.21B. Waivers of State laws, rules, or policies.**

21 (a) When included as part of a school improvement plan accepted under G.S.
22 115C-105.22, local boards of education shall submit requests for waivers of State laws,
23 rules, or policies to the State Board of Education. A request for a waiver shall (i) identify
24 the school making the request, (ii) identify the State laws, rules, or policies that inhibit
25 the school's ability to improve student performance, (iii) set out with specificity the
26 circumstances under which the waiver may be used, and (iv) explain how the requested
27 waiver will permit the school to improve student performance. Except as provided in
28 subsection (c) of this section, the State Board shall grant waivers only for the specific
29 schools for which they are requested and shall be used only under the specific
30 circumstances for which they are requested.

31 (b) When requested as part of a school improvement plan, the State Board of
32 Education may grant waivers of:

33 (1) State laws pertaining to class size, teacher certification, and the duty-
34 free period for classroom teachers under G.S. 115C-301.1; and

35 (2) State rules and policies, except those pertaining to public school State
36 salary schedules and employee benefits for school employees, the
37 instructional program that must be offered under the Basic Education
38 Program, the system of employment for public school teachers and
39 administrators set out in G.S. 115C-287.1 and G.S. 115C-325, health
40 and safety codes, compulsory attendance, the minimum lengths of the
41 school day and year, and the Uniform Education Reporting System.

42 (c) The State Board also may grant requests received from local boards for
43 waivers of State laws, rules, or policies that affect the organization, duties, and

1 assignment of central office staff only. However, none of the duties to be performed
2 under G.S. 115C-436 may be waived.

3 (d) Notwithstanding subsections (b) and (c) of this section, the State Board shall
4 not grant waivers of G.S. 115C-12(16)b. regarding the placement of State-allotted office
5 support personnel, teacher assistants, and custodial personnel on the salary schedule
6 adopted by the State Board.

7 (e) Notwithstanding subsection (b) of this section, the State Board may grant
8 requests received from local boards for waivers of State laws, rules, or policies pertaining
9 to the placement of principals on the State salary schedule for public school
10 administrators in order to provide financial incentives to encourage principals to accept
11 employment in a school that has been identified as low-performing under G.S. 115C-
12 105.30. The State Board shall act on requests under this subsection at the first Board
13 meeting following receipt of each request.

14 (f) Except as provided in subsection (e) of this section, the State Board shall act
15 within 60 days of receipt of all requests for waivers under this section.

16 (g) The State Board shall, on a regular basis, review all waivers it has granted to
17 determine whether any rules should be repealed or modified or whether the Board should
18 recommend to the General Assembly the repeal or modification of any laws.

19 **"§ 115C-105.22. Development of local plans; elements of local and approval of school**
20 **improvement plans.**

21 ~~(a) Development of systemwide plan by the local board of education.—The board~~
22 ~~of education of a local school administrative unit that elects to participate in the Program~~
23 ~~shall develop and submit a local school improvement plan for the entire local school~~
24 ~~administrative unit to the State Superintendent of Public Instruction before April 15 of~~
25 ~~the fiscal year preceding the fiscal year in which participation is sought.~~

26 ~~A systemwide improvement plan shall remain in effect for no more than three years.~~

27 ~~(b) Establishment of school and student performance goals and a systemwide staff~~
28 ~~development plan by the local board of education for the systemwide plan.—The local~~
29 ~~board of education shall establish school and student performance goals and a~~
30 ~~systemwide staff development plan for the local school administrative unit for inclusion~~
31 ~~in the systemwide plan.~~

32 ~~(1) School and student performance goals.—The performance goals for the~~
33 ~~local school administrative unit shall address specific, measurable goals~~
34 ~~for all standards adopted by the State Board. Factors that determine~~
35 ~~gains in achievement vary from school to school; therefore,~~
36 ~~socioeconomic factors and previous progress toward school and student~~
37 ~~performance goals shall be used as the basis of the local school~~
38 ~~improvement plan.~~

39 ~~(2) Systemwide staff development plan.—The systemwide staff~~
40 ~~development plan shall be consistent with the systemwide goals and~~
41 ~~shall include a component to accommodate the staff development needs~~
42 ~~at the building level as expressed in each building's improvement plan.~~
43 ~~In designing this component of the systemwide staff development plan,~~

1 direct allocation of a needed portion of the staff development funds to
2 the building level shall be given first priority. Each school building shall
3 have the flexibility to combine its staff development allocation with
4 other schools in the local school administrative unit when the staff
5 development needs of those schools are substantially similar as
6 expressed in their approved building level plans.

7 (3) Advisory panel.—The local board of education shall actively involve an
8 advisory panel composed of a substantial number of teachers, school
9 administrators, other school staff, and parents of children enrolled in the
10 local school administrative unit, in developing and achieving the student
11 and school performance goals for the local school improvement plan.
12 Parents serving on an advisory panel shall not be employees of the
13 school unit and shall reflect the racial and socioeconomic composition
14 of the students enrolled in the local school administrative unit. The
15 advisory panel shall ensure substantial parent participation. It is the
16 intent of the General Assembly that teachers have a major role in
17 developing the school and student performance goals for the local
18 school improvement plan; therefore, at least half of the members
19 participating in this advisory panel shall be teachers. Every teacher in
20 the local school administrative unit shall have an opportunity to elect by
21 secret ballot the teachers who are involved in the advisory panel.

22 (b1) Development by each school of strategies for attaining local school and student
23 performance goals.—The principal of each school, representatives of the assistant
24 principals, instructional personnel, instructional support personnel, and teacher assistants
25 assigned to the school building, and parents of children enrolled in the school shall
26 constitute a school improvement team to develop a building level plan to address school and
27 student performance goals appropriate to that school from those established by the local board of
28 education. school improvement plan to improve student performance. Parents serving on
29 school improvement teams shall reflect the racial and socioeconomic composition of the
30 students enrolled in that school and shall not be members of the building-level staff.
31 Parental involvement is a critical component of school success and positive student
32 outcomes; achievement; therefore, it is the intent of the General Assembly that parents,
33 along with teachers, have a substantial role in developing school and student performance
34 goals at the building level. improvement plans. To this end, school improvement team
35 meetings shall be held at a convenient time to assure substantial parent participation. The
36 strategies for attaining local school and improving student performance goals shall include a
37 plan for the use of staff development funds that may be made available to the school by
38 the local board of education to implement the building level school improvement plan.
39 The strategies may include a decision to use State funds allocated for teacher assistants to
40 reduce class size or the student teacher ratio in kindergarten through the third grade in
41 accordance with G.S. 115C-238.2(b)(5a) or to use State funds in accordance with G.S. 115C-
42 238.2(b)(5b). G.S. 115C-105.21A. The strategies may also include requests for waivers of
43 State laws, regulations, rules, or policies for that school. A request for a waiver shall (i)

1 identify the State laws, regulations, or policies that inhibit the local unit's ability to reach its local
2 accountability goals, (ii) set out with specificity the circumstances under which the waiver may
3 be used, and (iii) explain how a waiver of those laws, regulations, or policies will permit the
4 local unit to reach its local goals. meet the requirements of G.S. 115C-105.21B.

5 ~~Support among affected staff members is essential to successful implementation of a~~
6 ~~building level plan to address school and student performance goals appropriate to a~~
7 ~~school; therefore, the~~ The principal of the school shall present the proposed building-
8 level school improvement plan to all of the principals, assistant principals, instructional
9 personnel, instructional support personnel, and teacher assistants assigned to the school
10 building for their review and vote. The vote shall be by secret ballot. The principal may
11 shall submit the building level school improvement plan to the local board of education
12 for inclusion in the systemwide plan—only if the proposed building level school
13 improvement plan has the approval of a majority of the staff who voted on the plan.

14 ~~The local board of education shall accept or reject the building level school~~
15 improvement plan. The local board shall not make any substantive changes in any
16 building level school improvement plan that it accepts; the local board shall set out any
17 building level plan that it accepts in the systemwide plan. accepts. If the local board rejects a
18 building level school improvement plan, the local board shall state with specificity its
19 reasons for rejecting the plan; the school improvement team may then prepare another
20 plan, present it to the principals, assistant principals, instructional personnel, instructional
21 support personnel, and teacher assistants assigned to the school building for a vote, and
22 submit it to the local board for inclusion in the systemwide plan.—to accept or reject. If no
23 building level school improvement plan is accepted for a school before March 15 of the
24 fiscal year preceding the fiscal year in which participation is sought, the plan is to be
25 implemented, the school or the local board may use the process to resolve disagreements
26 recommended in the guidelines developed by the State Board under G.S. 115C-
27 105.20(b)(5). If neither the local board nor the school makes a request to use that
28 process, then the local board may develop a school improvement plan for the school for
29 inclusion in the systemwide plan; the school. The General Assembly urges the local board
30 to utilize the school's proposed building level school improvement plan to the maximum
31 extent possible when developing such a plan.

32 A school improvement plan shall remain in effect for no more than three years;
33 however, the school improvement team may amend the plan as often as is necessary or
34 appropriate. The procedures set out in this subsection also apply to amendments to
35 school improvement plans.

36 ~~(b2) Waivers concerning central office staff.—A local board of education may~~
37 ~~request waivers of State laws, regulations, or policies which are included in the building~~
38 ~~plans described in subsection (b1) of this section, and it may also request waivers which~~
39 ~~affect the organization, duties, and assignment of central office staff only. Provided, none~~
40 ~~of the duties to be performed pursuant to G.S. 115C-436 may be waived. A request for a~~
41 ~~waiver shall (i) identify the State laws, regulations, or policies that inhibit the local unit's~~
42 ~~ability to reach its local accountability goals, (ii) set out with specificity the~~

1 circumstances under which the waiver may be used, and (iii) explain how a waiver of
2 those laws, regulations, or policies will permit the local unit to reach its local goals.

3 (e) Repealed by Session Laws 1995, c. 272, s. 3.

4 (d) Repealed by Session Laws 1991 (Regular Session, 1992), c. 900, s. 75.1(b).

5 **~~§ 115C-105.23. Differentiated pay.~~**

6 (a) Local school administrative units may include, but are not required to include
7 as a part of their local school improvement plans, a systemwide differentiated pay plan
8 for all of the staff assigned to school buildings and all classes of staff assigned to the
9 central office that the local boards determine are participants in the development or
10 implementation of the local school improvement plans. Units electing to include
11 differentiated pay plans in their school improvement plans shall base their differentiated
12 pay plans on:

13 (1) A career development pilot program;

14 (2) A lead teacher pilot program;

15 (3) A locally designed school based performance program, subject to
16 limitations and guidelines adopted by the State Board of Education;

17 (4) A differentiated pay plan that the State Board of Education finds has
18 been successfully implemented in another state; or

19 (5) A locally designed plan including any combination or modification of
20 the foregoing plans.

21 A differentiated pay plan may also authorize the use of State differentiated pay funds
22 for staff development and planning activities and for paying substitute teachers as is
23 necessary to provide time for staff development and planning activities.

24 (a1) All State differentiated pay funds shall become available for expenditure July 1
25 of each fiscal year. These funds shall remain available for expenditure for:

26 (1) Bonuses and supplements to implement local differentiated pay plans
27 until November 30 of the subsequent fiscal year; and

28 (2) Staff development to implement local differentiated pay plans until
29 August 31 of the subsequent fiscal year: Provided, however, if funds
30 allocated for bonuses and supplements under a local differentiated pay
31 plan are not spent for that purpose because of a failure to meet local
32 goals, these funds shall remain available until November 30 of the
33 subsequent fiscal year to provide for staff development in accordance
34 with that local plan.

35 (b) Differentiated pay plans shall be developed and voted on in accordance with
36 G.S. 115C-238.3(c).

37 Any differentiated pay plan developed in accordance with this section shall be
38 implemented within State, local and any other funds available for differentiated pay. State
39 funds shall be used to implement a differentiated pay plan for employees who derive
40 salary from State funds. State funds may be combined with any other differentiated pay
41 funds at the building level to implement a differentiated pay plan which includes
42 employees who derive salary from any other salary source so long as differentiated pay
43 funds per employee are appropriated from the other salary source in an amount equal to

1 the dollar amount appropriated by the State per State employee for differentiated pay. An
2 employee who derives salary from only one salary source shall be paid differentiated pay
3 monies from that source only; if an employee derives salary from more than one salary
4 source, differentiated pay monies paid to that employee shall be paid proportionally
5 based on the pro rata share of each salary source. Provided, however, a local board of
6 education may provide additional local funds for differentiated pay for any of its
7 employees without regard to the employee's salary source.

8 (c), (d) Repealed by Session Laws 1991 (Reg. Sess., 1992), c. 900, s. 75.1(e).

9 (e) Any additional compensation received by an employee as a result of the unit's
10 participation in the Program shall be paid as a bonus or supplement to the employee's
11 regular salary. If an employee in a participating unit does not receive additional
12 compensation, such failure to receive additional compensation shall not be construed as a
13 demotion, as that term is used in G.S. 115C-325.

14 Payments of bonuses or supplements shall be made no more frequently than once
15 every calendar quarter. Provided, however, payments in the career development pilot
16 units may be made on a monthly basis.

17 (f) If a local school administrative unit bases its differentiated pay plan on a
18 locally designed school-based performance program, pursuant to subdivision (a)(3) of
19 this section, the plan shall provide that following the attainment of the local school goals,
20 the local board of education shall make a determination of which staff members
21 contributed to the attainment of those goals. Differentiated pay bonuses shall then be
22 distributed to those designated employees. The local board of education shall make the
23 determination upon recommendation of (i) the superintendent and (ii) any other person or
24 committee designated in the local differentiated pay plan. The other person or committee
25 designated in the local differentiated pay plan may be the principal, a school-based
26 committee, or any other person or local committee.

27 ~~"§ 115C-105.24. Approval of local school administrative unit plans by the State
28 Superintendent; conditions for continued participation.~~

29 (a) Prior to June 30 each year, the State Superintendent shall review local school
30 improvement plans submitted by the local school administrative units in accordance with
31 policies and standards adopted by the State Board of Education and shall recommend to
32 the State Board of Education whether the plan should be approved. If the State Board of
33 Education approves the plan for a local school administrative unit, that unit shall
34 participate in the Program for the next fiscal year.

35 If a local plan contains a request for a waiver of State laws, regulations, or policies, in
36 accordance with G.S. 115C-238.3(b1) or (b2), the State Superintendent shall consider
37 and recommend to the State Board whether and to what extent the identified laws,
38 regulations, or policies should be waived. If the State Board of Education deems it
39 necessary to do so to enable a local unit to reach its local accountability goals, the State
40 Board may grant waivers of:

41 (1) State laws pertaining to class size, teacher certification, the use of State-
42 adopted textbooks, and the purposes for which State funds for the public
43 schools may be used;

1 ~~(2) All State regulations and policies, except those pertaining to public~~
2 ~~school State salary schedules and employee benefits for school~~
3 ~~employees, the instructional program that must be offered under the~~
4 ~~Basic Education Program, the system of employment for public school~~
5 ~~teachers and administrators set out in G.S. 115C-325, health and safety~~
6 ~~codes, compulsory school attendance, the minimum lengths of the~~
7 ~~school day and year, and the Uniform Education Reporting System.~~

8 ~~The State Board shall act promptly on requests for waivers under this section.~~

9 ~~(a1) Notwithstanding subsection (a) of this section, the following limitations apply~~
10 ~~to the granting of waivers:~~

11 ~~(1) The provisions of G.S. 115C-12(16)b. regarding the placement of State-~~
12 ~~allotted office support personnel, teacher assistants, and custodial~~
13 ~~personnel on the salary schedule adopted by the State Board shall not be~~
14 ~~waived.~~

15 ~~(2) Except for waivers requested by the local board in accordance with G.S.~~
16 ~~115C-238.3(b2) for central office staff, waivers shall be granted only for~~
17 ~~the specific schools for which they are requested in building level plans~~
18 ~~and shall be used only under the specific circumstances for which they~~
19 ~~are requested.~~

20 ~~(3) The State Board shall not permit funds under any funding allotment~~
21 ~~category other than Central Office Administration to be used for central~~
22 ~~office administrators.~~

23 ~~(4) The State Board shall not permit funds under the Classroom Teachers~~
24 ~~allotment category to be used for any additional purpose other than for~~
25 ~~teachers of exceptional children, for teachers of at-risk students, and for~~
26 ~~authorized purposes under the Textbooks allotment category and the~~
27 ~~Classroom Materials/Instructional Supplies/Equipment allotment~~
28 ~~category.~~

29 ~~(5) The State Board shall not grant waivers to permit funds under the~~
30 ~~Teacher Assistant allotment category to be used for any purpose other~~
31 ~~than for personnel (i) to serve students only in kindergarten through~~
32 ~~third grade, or (ii) to serve students primarily in kindergarten through~~
33 ~~third grade when the personnel are assigned to an elementary school to~~
34 ~~serve the whole school.~~

35 ~~(a2) The State Board of Education shall, on a regular basis, review all waivers it has~~
36 ~~granted to determine whether any rules should be repealed or whether it should~~
37 ~~recommend to the General Assembly the repeal of any laws.~~

38 ~~(a3) Local boards of education shall provide maximum flexibility in the use of~~
39 ~~funds to individual schools to enable them to accomplish their individual schools' goals.~~

40 ~~(b) Local school administrative units shall continue to participate in the Program~~
41 ~~so long as (i) they demonstrate satisfactory progress toward school and student~~
42 ~~performance goals set out in their local school improvement plans; or (ii) once their local~~
43 ~~goals are met, they continue to achieve their local goals and they otherwise demonstrate~~

1 satisfactory performance, as determined by the State Superintendent in accordance with
2 guidelines set by the State Board of Education.

3 **"§ 115C-105.25. Distribution of staff development funds.**

4 Any funds the local board of education makes available to an individual school
5 building to implement the local school improvement plan at that school shall be used in
6 accordance with the building-level plan set out in the systemwide plan. that plan.

7 Each local board shall distribute seventy-five percent (75%) of the funds in the staff
8 development funding allotment to the schools to be used in accordance with that school's
9 school improvement plan. By October 1 of each year, the principal shall disclose to all
10 affected personnel the total allocation of all funds available to the school for staff
11 development and the superintendent shall disclose to all affected personnel the total
12 allocation of all funds available at the system level for staff development. At the end of
13 the fiscal year, the principal shall make available to all affected personnel a report of all
14 disbursements from the building-level staff development funds, and the superintendent
15 shall make available to all affected personnel a report of all disbursements at the system
16 level of staff development funds.

17 **"§ 115C-105.26. Creation of the Task Force on ~~Site-Based~~ School-Based**
18 **Management.**

19 (a) There is created the Task Force on ~~Site-Based~~ School-Based Management
20 under the State Board of Education.

21 The Task Force shall be composed of 20 members appointed as follows:

- 22 (1) The Superintendent of Public Instruction;
- 23 (2) One member of the State Board of ~~Education~~ Education, one parent of a
24 public school child, and two at-large members appointed by the State
25 Board of Education;
- 26 (3) Two members of the Senate appointed by the President Pro Tempore of
27 the Senate;
- 28 (4) Two members of the House of Representatives appointed by the
29 Speaker of the House of Representatives;
- 30 (5) One member of a local board of education appointed by the President
31 Pro Tempore of the Senate after receiving recommendations from The
32 North Carolina State School Boards Association, Inc.;
- 33 (6) One member of a local board of education appointed by the Speaker of
34 the House of Representatives after receiving recommendations from
35 The North Carolina State School Boards Association, Inc.;
- 36 (7) One local school superintendent appointed by the President Pro
37 Tempore of the Senate after receiving recommendations from the North
38 Carolina Association of School Administrators;
- 39 (8) One local school superintendent appointed by the Speaker of the House
40 of Representatives after receiving recommendations from the North
41 Carolina Association of School Administrators;
- 42 (9) One school principal appointed by the President Pro Tempore of the
43 Senate after receiving recommendations from the Tar Heel Association

- 1 of Principals/Assistant Principals and the Division of Administrators of
2 the North Carolina Association of Educators;
- 3 (10) One school principal appointed by the Speaker of the House of
4 Representatives after receiving recommendations from the Tar Heel
5 Association of Principals/Assistant Principals and the Division of
6 Administrators of the North Carolina Association of Educators;
- 7 (11) One school teacher appointed by the President Pro Tempore of the
8 Senate after receiving recommendations from the North Carolina
9 Association of Educators, Inc., the North Carolina Federation of
10 Teachers, and the Professional Educators of North Carolina, Inc.;
- 11 (12) One school teacher appointed by the Speaker of the House of
12 Representatives after receiving recommendations from the North
13 Carolina Association of Educators, Inc., the North Carolina Federation
14 of Teachers, and the Professional Educators of North Carolina, Inc.;
- 15 (13) Repealed by Session Laws 1995, c. 324, s. 17.
- 16 ~~(14) One parent of a public school child appointed by the Superintendent of~~
17 ~~Public Instruction;~~
- 18 ~~(15) Two at-large members appointed by the Superintendent of Public~~
19 ~~Instruction;~~
- 20 (16) One representative of business and industry appointed by the Governor;
- 21 (17) One representative of institutions of higher education appointed by the
22 Board of Governors of The University of North Carolina; and
- 23 (18) One county commissioner appointed by the ~~Superintendent of Public~~
24 ~~Instruction~~ State Board of Education after receiving recommendations
25 from the North Carolina Association of County Commissioners.

26 Members of the Task Force shall serve for two-year terms.

27 All members of the Task Force shall be voting members. Vacancies in the appointed
28 membership shall be filled by the officer who made the initial appointment. The Task
29 Force on ~~Site-Based~~ School-Based Management shall select a member of the Task Force
30 to serve as chair of the Task Force.

31 Members of the Task Force shall receive travel and subsistence expenses in
32 accordance with the provisions of G.S. 120-3.1, G.S. 138-5, and G.S. 138-6.

33 (b) The Task Force shall:

- 34 (1) Advise the State Board of Education on the ~~implementation of the~~
35 ~~School Improvement and Accountability Act of 1989, as amended,~~
36 ~~especially the development and implementation of building level plans;~~
37 development of guidelines for local boards of education and schools to
38 implement school-based management as part of the School-Based
39 Management and Accountability Program;
- 40 (2) Advise the State Board of Education on how to ~~provide training and~~
41 ~~assistance to assist~~ the public schools so as to facilitate the
42 implementation of ~~site-based~~ school-based management;

1 (3) ~~Review~~ Advise the State Board of Education about publications to be
2 produced by the Department of Public Instruction on the development
3 and implementation of building-level school improvement plans;

4 (4) Report annually to the State Board of Education on the implementation
5 of ~~site-based~~ school-based management in the public schools on the first
6 Friday in December. This report may contain a summary of
7 recommendations for changes to any law, rule, and policy that would
8 improve ~~site-based~~ school-based management.

9 (c) The Department of Public Instruction shall, with the approval of the State
10 Board of Education, provide staff to the Task Force at the request of the Task Force.

11 (d) The State Board of Education shall appoint a Director of the Task Force on
12 ~~Site-Based-School-Based~~ Management.

13 "**§ 115C-105.27. Parent involvement programs and conflict resolution programs as**
14 **part of building-level school improvement plans.**

15 ~~Beginning with the 1994-95 school year, a~~ A school is encouraged to include a
16 comprehensive parent involvement program as part of its ~~building-level~~ school
17 improvement plan under G.S. ~~115C-238.3.~~ 115C-105.22. The State Board of Education
18 shall develop a list of recommended strategies that it determines to be effective, which
19 building level committees may use to establish parent involvement programs designed to
20 meet the specific needs of their schools. The Board shall make the list available to local
21 school administrative units and school buildings by the beginning of the 1994-95 school
22 year.

23 ~~Beginning with the 1994-95 school year, a~~ A school is encouraged to review its need for
24 a comprehensive conflict resolution program as part of the development of its ~~building-~~
25 ~~level~~ school improvement plan under G.S. ~~115C-238.3.~~ 115C-105.22. If a school
26 determines that this program is needed, it may select from the list developed by the State
27 Board of Education under G.S. 115C-81(a4) or may develop its own materials and
28 curricula to be approved by the local board of education.

29
30 **"PART 3. SCHOOL-BASED ACCOUNTABILITY.**

31
32 "**§ 115C-105.28. Annual performance goals.**

33 The School-Based Management and Accountability Program shall (i) focus _____ on
34 student performance in the basics of reading, mathematics, and communications skills in
35 elementary and middle schools, (ii) focus on student performance in courses required for
36 graduation and on other measures required by the State Board in the high schools, and
37 (iii) hold schools accountable for the educational growth of their students. To those ends,
38 the State Board shall design and implement an accountability system that sets annual
39 performance standards for each school in the State in order to measure the growth in
40 performance of the students in each individual school.

41 "**§ 115C-105.29. Performance recognition.**

42 (a) The personnel in schools that achieve a level of expected growth greater than
43 one hundred percent (100%) at a level to be determined by the State Board of Education

1 are eligible for financial awards in amounts set by the State Board. Schools and
2 personnel shall not be required to apply for these awards. For the purpose of this section,
3 'personnel' includes the principal, assistant principal, instructional personnel, instructional
4 support personnel, and teacher assistants assigned to that school.

5 (b) The State Board shall establish a procedure to allocate the funds for these
6 awards to the local school administrative units in which the eligible schools are located.
7 Funds shall become available for expenditure July 1 of each fiscal year. Funds shall
8 remain available until November 30 of the subsequent fiscal year for expenditure for:

9 (1) Awards to the personnel; or

10 (2) The purposes authorized in a plan that has been:

11 a. Developed and voted on by the personnel in the same manner
12 that a school improvement plan is approved under G.S. 115C-
13 105.22(b1);

14 b. Approved by a majority of the personnel who vote on the plan;
15 and

16 c. Submitted to and approved by the local board of education.

17 The local board shall approve this plan unless the plan involves expenditures of funds
18 that are not for a public purpose or that are otherwise unlawful.

19 **"§ 115C-105.30. Identification of low-performing schools.**

20 (a) The State Board of Education shall design and implement a procedure to
21 identify low-performing schools on an annual basis. Low-performing schools are those
22 in which there is a failure to meet the minimum growth standards, as defined by the State
23 Board, and a majority of students are performing below grade level.

24 (b) Each identified low-performing school shall notify the parents of students
25 attending that school that the State Board of Education has found that the school has
26 failed to meet the minimum growth standards, as defined by the State Board, and a
27 majority of students in that school are performing below grade level. This notification
28 also shall include a description of the steps the school is taking to improve student
29 performance.

30 **"§ 115C-105.31. Assistance teams; review by State Board.**

31 (a) The State Board of Education may assign an assistance team to any school
32 identified as low-performing under this Article or to any other school that requests an
33 assistance team and that the State Board determines would benefit from an assistance
34 team. The State Board shall give priority to low-performing schools in which the
35 educational performance of the students is declining. The Department of Public
36 Instruction shall, with the approval of the State Board, provide staff as needed and
37 requested by an assistance team.

38 (b) When assigned to an identified low-performing school, an assistance team
39 shall:

40 (1) Review and investigate all facets of school operations and assist in
41 developing recommendations for improving student performance at that
42 school.

- 1 (2) Evaluate at least semiannually the personnel assigned to the school and
2 make findings and recommendations concerning their performance.
- 3 (3) Collaborate with school staff, central offices, and local boards of
4 education in the design, implementation, and monitoring of a plan that,
5 if fully implemented, can reasonably be expected to alleviate problems
6 and improve student performance at that school.
- 7 (4) Make recommendations as the school develops and implements this
8 plan.
- 9 (5) Review the school's progress.
- 10 (6) Report, as appropriate, to the local board of education, the community,
11 and the State Board on the school's progress.
- 12 (c) If a school fails to improve student performance after assistance is provided
13 under this section, the assistance team may recommend that the assistance continues or
14 that the State Board take further action under G.S. 115C-105.32.

15 (d) The State Board shall annually review the progress made in identified low-
16 performing schools.

17 **§ 115C-105.32. Dismissal or removal of personnel; appointment of interim**
18 **superintendent.**

19 (a) Notwithstanding any other law, upon the identification of a school as low-
20 performing under this Part, the State Board shall dismiss the principal assigned to that
21 school in accordance with G.S. 115C-325(q)(1).

22 (b) Notwithstanding any other law, a local board shall dismiss teachers, assistant
23 principals, directors, and supervisors assigned to a school identified as low-performing in
24 accordance with G.S. 115C-325(q)(2).

25 (c) The State Board may appoint an interim superintendent in a local school
26 administrative unit:

27 (1) Upon the identification of more than half the schools in that unit as low-
28 performing under G.S. 115C-105.30; or

29 (2) Upon the recommendation from an assistance team assigned to a school
30 located in that unit that has been identified as low-performing under
31 G.S. 115C-105.30. This recommendation shall be based upon a finding
32 that the superintendent has failed to cooperate with the assistance team
33 or has otherwise hindered that school's ability to improve.

34 The State Board may assign any of the powers and duties of the local superintendent
35 and the local finance officer to the interim superintendent that the Board considers are
36 necessary or appropriate to improve student performance in the local school
37 administrative unit. The interim superintendent shall perform all of these assigned
38 powers and duties. The State Board of Education may terminate the contract of any local
39 superintendent entered into on or after July 1, 1996, when it appoints an interim
40 superintendent. The Administrative Procedure Act shall apply to that decision. Neither
41 party to that contract is entitled to damages.

42 (d) In the event the State Board has appointed an interim superintendent and the
43 State Board determines that the local board of education has failed to cooperate with the

1 interim superintendent or has otherwise hindered the ability to improve student
2 performance in that local school administrative unit or in a school in that unit, the State
3 Board may suspend any of the powers and duties of the local board of education that the
4 State Board considers are necessary or appropriate to improve student performance in the
5 local school administrative unit. The State Board shall perform all of these assigned
6 powers and duties for a period of time to be specified by the State Board.

7 (e) If the State Board suspends any of the powers and duties of the local board of
8 education under subsection (d) of this section and subsequently determines it is necessary
9 to change the governance of the local school administrative unit in order to improve
10 student performance, the State Board may recommend this change to the General
11 Assembly, which shall consider, at its next session, the future governance of the
12 identified local school administrative unit."

13 Sec. 4. Article 6A of Chapter 115C of the General Statutes is repealed.

14 Sec. 5. G.S. 115C-39 reads as rewritten:

15 "**§ 115C-39. Removal of board members; suspension of duties by State**
16 **Board.**

17 (a) In case the Superintendent of Public Instruction shall have State Board of
18 Education has sufficient evidence that any member of a local board of education is not
19 capable of discharging, or is not discharging, the duties of his office as required by law,
20 or is guilty of immoral or disreputable conduct, he the State Board of Education shall
21 notify the chairman of such board of education, unless such chairman is the offending
22 member, in which case all other members of such board shall be notified. Upon receipt of
23 such notice there shall be a meeting of said board of education for the purpose of
24 investigating the charges, and if the charges are found to be true, such board shall declare
25 the office vacant: Provided, that the offending member shall be given proper notice of the
26 hearing and that record of the findings of the other members shall be recorded in the
27 minutes of such board of education.

28 (b) In the event the State Board of Education has appointed an interim
29 superintendent under G.S. 115C-105.32 and the State Board determines that the local
30 board of education has failed to cooperate with the interim superintendent, the State
31 Board shall have the authority to suspend any of the powers and duties of the local board
32 and to act on its behalf under G.S. 115C-105.32."

33 Sec. 6. G.S. 115C-274 reads as rewritten:

34 "**§ 115C-274. Removal for cause. Removal.**

35 (a) Local boards of education are authorized to remove a superintendent who is
36 guilty of immoral or disreputable conduct or who shall fail or refuse to perform the duties
37 required of him by law. In case the Superintendent of Public Instruction shall have State
38 Board of Education has sufficient evidence at any time that any superintendent of schools
39 is not capable of discharging, or is not discharging, the duties of his office as required by
40 law or is guilty of immoral or disreputable conduct, he the State Board of Education shall
41 report this matter to the board of education employing said superintendent of schools. It
42 shall then be the duty of said that board of education to hear the evidence in such the case
43 and, if after careful investigation it shall find the charges true, it shall declare the office

1 vacant at once and proceed to elect a successor: Provided, that such superintendent shall
2 have the right to try his title to office in the courts of the State.

3 (b) ~~If the superintendent shall fail in the duties enumerated in G.S. 115C-276(g)~~
4 ~~through (i) or such G.S. 115C-276(g), 115C-276(h), 115C-276(i), or any other duties as~~
5 ~~may be assigned him, he shall be subject, after notice, to an investigation by the~~
6 ~~Superintendent of Public Instruction State Board of Education or by his board of education~~
7 ~~for failure to perform his duties. For persistent failure to perform these duties, his~~
8 ~~certificate may be revoked by the Superintendent of Public Instruction, or he the State Board of~~
9 ~~Education may revoke the superintendent's certificate and the superintendent may be~~
10 ~~dismissed by his board of education.~~

11 (c) The identification by the State Board of Education of more than half the
12 schools in a local school administrative unit as low-performing under G.S. 115C-105.30
13 is evidence that the superintendent is unable to fulfill the duties of the office, and the
14 State Board may appoint an interim superintendent to carry out the duties of the
15 superintendent under G.S. 115C-105.32, may revoke the superintendent's certificate
16 under this section, may dismiss the superintendent under G.S. 115C-105.32, or may take
17 any combination of these actions."

18 Sec. 7. G.S. 115C-296 is amended by adding a new subsection to read:

19 "(d) The State Board of Education may revoke or refuse to renew a teacher's
20 certificate when:

21 (1) The Board identifies the school in which the teacher is employed as
22 low-performing under G.S. 115C-105.30; and

23 (2) The assistance team assigned to that school under G.S. 115C-105.31
24 makes the recommendation to revoke or refuse to renew the teacher's
25 certificate for one or more reasons established by the State Board in its
26 rules for certificate suspension or revocation."

27 **—STUDENT PERFORMANCE**

28 Sec. 7.1. G.S. 115C-288(a) is rewritten to read:

29 **"§ 115C-288. Powers and duties of principal.**

30 (a) To Grade and Classify Pupils. – The principal shall have authority to grade and
31 classify pupils—pupils except a principal shall not require additional testing of a student
32 entering a public school from a school governed under Article 39 of this Chapter if test
33 scores from a nationally standardized test or nationally standardized equivalent measure
34 are available."

35 Sec. 8. G.S. 115C-325 is amended by adding a new subsection to read:

36 "(q) Procedure for Dismissal of School Administrators and Teachers Employed in
37 Low-Performing Schools.

38 (1) Notwithstanding any other provision of this section or any other law, a
39 principal assigned to a school that the State Board has identified as low-
40 performing and to which the State Board has assigned an assistance
41 team under Article 8B of this Chapter shall be suspended with pay
42 pending a hearing before a panel of three members of the State Board.
43 The purpose of this hearing, which shall be held within 60 days after the

1 principal is suspended, is to determine whether the principal shall be
2 dismissed. The panel shall order the dismissal of the principal, at which
3 time the period of suspension with pay shall expire, unless the panel
4 makes a public determination that the principal has established that the
5 factors that led to the identification of the school as low-performing
6 were not due to the inadequate performance of the principal. The State
7 Board shall adopt procedures to ensure that due process rights are
8 afforded to principals under this subsection. Decisions of the panel may
9 be appealed on the record to the State Board, with further right of
10 judicial review under Chapter 150B of the General Statutes.

11 (2) Notwithstanding any other provision of this section or any other law, a
12 local board shall dismiss a teacher or a school administrator other than a
13 principal:

14 a. When that teacher or school administrator is assigned to a school
15 that the State Board has identified as low-performing and to
16 which the State Board has assigned an assistance team under
17 Article 8B of Chapter 115C of the General Statutes; and

18 b. The local board receives two consecutive evaluations that include
19 written findings and recommendations regarding that person's
20 inadequate performance from an assistance team.

21 These findings and recommendations shall be substantial evidence of
22 the inadequate performance of the teacher or school administrator. A
23 teacher or school administrator may request a hearing before a panel of
24 three members of the local board within 30 days of the dismissal. The
25 State Board shall adopt procedures to ensure that due process rights are
26 afforded to persons recommended for dismissal under this subdivision.
27 Decisions of the panel may be appealed on the record to the local board,
28 with further right of judicial review under Chapter 150B of the General
29 Statutes.

30 (3) The State Board of Education or a local board may terminate the
31 contract of a school administrator dismissed under this subsection.
32 Nothing in this subsection shall prevent a local board from refusing to
33 renew the contract of any person employed in a school identified as
34 low-performing under G.S. 115C-105.30.

35 (4) Neither party to a school administrator contract is entitled to damages
36 under this subsection."

37 Sec. 8.1. G.S. 115C-81(a1) reads as rewritten:

38 "(a1) The Basic Education Program shall describe the education program to be
39 offered to every child in the public schools. It shall provide every student in the State
40 equal access to a Basic Education Program. Instruction shall be offered in the areas of
41 arts, communication skills, physical education and personal health and safety,
42 mathematics, media and computer skills, science, second languages, social studies, and
43 vocational education. Instruction in basic reading skills in the language arts component

1 of communications skills in kindergarten through the third grade shall include primarily
2 the use of early and direct intensive systematic phonics instruction. 'Early and direct
3 intensive systematic phonics instruction' is a body of knowledge which teaches beginning
4 readers through a multisensory approach to read, pronounce, and spell words by learning
5 the letter-sound associations of individual letters, letter groups, and especially syllables,
6 as well as the principles governing these associations.

7 Instruction in vocational and technical education under the Basic Education Program
8 shall be based on factors including:

- 9 (1) The integration of academic and vocational and technical education;
- 10 (2) A sequential course of study leading to both academic and occupational
11 competencies;
- 12 (3) Increased student work skill attainment and job placement;
- 13 (4) Increased linkages, where geographically feasible, between public
14 schools and community colleges, so the public schools can emphasize
15 academic preparation and the community colleges can emphasize
16 specific job training; and
- 17 (5) Instruction and experience, to the extent practicable, in all aspects of the
18 industry the students are prepared to enter."

19 Sec. 8.2. G.S. 115C-296(a) reads as rewritten:

20 "(a) The State Board of Education shall have entire control of certifying all
21 applicants for teaching positions in all public elementary and high schools of North
22 Carolina; ~~and it shall prescribe the rules and regulations for the renewal and extension of all~~
23 ~~certificates and shall determine and fix the salary for each grade and type of certificate which it~~
24 ~~authorizes: Provided, that the State Board of Education shall require each applicant for an initial~~
25 ~~certificate or graduate certificate to demonstrate his academic and professional preparation by~~
26 ~~achieving a prescribed minimum score at least equivalent to that required by the Board on~~
27 ~~November 30, 1972, on a standard examination appropriate and adequate for that purpose:~~
28 ~~Provided, further, that in the event the Board shall specify the National Teachers Examination for~~
29 ~~this purpose, the required minimum score shall not be lower than that which the Board required~~
30 ~~on November 30, 1972: Provided, further, that the State Board of Education shall not decrease~~
31 ~~the certification standards for physical education teachers or health education teachers below the~~
32 ~~standards in effect on June 1, 1988.~~ Carolina. The State Board shall adopt rules for the
33 renewal and extension of all certificates and shall determine and fix the salary for each
34 grade and type of certificate that it authorizes. The rules shall:

- 35 (1) Require each applicant for an initial certificate or graduate certificate to
36 demonstrate academic and professional preparation by achieving a
37 prescribed minimum score at least equivalent to that required by the
38 Board on November 30, 1972, on a standard examination appropriate
39 and adequate for that purpose. If the Board specifies the National
40 Teachers Examination for this purpose, the required minimum score
41 shall not be lower than that which the Board required on November 30,
42 1972.

- 1 (2) Establish certification standards for physical education teachers and for
2 health education teachers that are not lower than the standards in effect
3 on June 1, 1988.
- 4 (3) Effective July 1, 1997, require each applicant for an initial certificate or
5 graduate certificate who may teach reading in the public schools to have
6 completed satisfactorily courses that include specific competencies in
7 early and direct intensive systematic phonics instruction.
- 8 (4) Require all teachers who are certified by June 30, 1997, and who teach
9 reading in the public schools to receive in-service training in early and
10 direct intensive systematic phonics instruction and to pass a competency
11 test that includes the elements of early and direct intensive systematic
12 phonics instruction. Effective July 1, 1998, the certificates of these
13 teachers who do not successfully complete the in-service training and
14 pass the competency exam shall not be renewed.

15 For the purposes of this subsection, the term 'early and direct intensive systematic
16 phonics instruction' has the same meaning as in G.S. 115C-81(a1)."

17 Sec. 8.3. G.S. 115C-298 reads as rewritten:

18 "**§ 115C-298. Colleges may assist teachers in certification.**

19 Each and every college or university of the State is hereby authorized to aid public
20 school teachers or prospective teachers in securing, raising, or renewing their certificates,
21 in accordance with the rules ~~and regulations~~ of the State Board of Education. The rules of
22 the State Board of Education shall require institutions of higher education to require
23 students who may teach reading in the public schools to complete satisfactorily courses
24 that include specific competencies in early and direct intensive systematic phonics
25 instruction as a prerequisite for Board approval of the institution's teacher education
26 program. Effective July 1, 1997, no institution of higher education shall recommend for
27 certification any applicant who may teach reading in the public schools who has not
28 completed satisfactorily courses that include specific competencies in early and direct
29 intensive systematic phonics instruction. For the purposes of this section, the term 'early
30 and direct intensive systematic phonics instruction' has the same meaning as in G.S.
31 115C-81(a1)."

32 Sec. 8.4. G.S. 115C-81 is amended by adding a new subsection to read:

33 "(h) Character Education. – Local boards of education may require the teaching of
34 the following character traits in the public schools:

- 35 (1) Courage. – Having the determination to do the right thing even when
36 others don't and the strength to follow your conscience rather than the
37 crowd; and attempting difficult things that are worthwhile.
- 38 (2) Good judgment. – Choosing worthy goals and setting proper priorities;
39 thinking through the consequences of your actions; and basing decisions
40 on practical wisdom and good sense.
- 41 (3) Integrity. – Having the inner strength to be truthful, trustworthy, and
42 honest in all things; acting justly and honorably.

- 1 (4) Kindness. – Being considerate, courteous, helpful, and understanding of
2 others; showing care, compassion, friendship, and generosity; and
3 treating others as you would like to be treated.
- 4 (5) Perseverance. – Being persistent in the pursuit of worthy objectives in
5 spite of difficulty, opposition, or discouragement; and exhibiting
6 patience and having the fortitude to try again when confronted with
7 delays, mistakes, or failures.
- 8 (6) Respect. – Showing high regard for authority, for other people, for self,
9 for property, and for country; and understanding that all people have
10 value as human beings.
- 11 (7) Responsibility. – Being dependable in carrying out obligations and
12 duties; showing reliability and consistency in words and conduct; being
13 accountable for your own actions; and being committed to active
14 involvement in your community.
- 15 (8) Self-Discipline. – Demonstrating hard work and commitment to
16 purpose; regulating yourself for improvement and restraining from
17 inappropriate behaviors; being in proper control of your words, actions,
18 impulses, and desires; choosing abstinence from premarital sex, drugs,
19 alcohol, and other harmful substances and behaviors; and doing your
20 best in all situations."

21 Sec. 8.5. G.S. 115C-98 is amended by adding a new subsection to read:

22 "(b1) A local board of education may establish a community media advisory
23 committee to investigate and evaluate challenges from parents, teachers, and members of
24 the public to textbooks and supplementary instructional materials on the grounds that
25 they are educationally unsuitable, pervasively vulgar, or inappropriate to the age,
26 maturity, or grade level of the students. The State Board of Education shall review its
27 rules and policies concerning these challenges and shall establish guidelines to be
28 followed by community media advisory committees. These guidelines, at a minimum,
29 shall provide:

- 30 (1) Each community media advisory committee shall include a majority of
31 members who are representative of the people who reside in the
32 neighborhoods within that local school administrative unit and who are
33 not employees of that local unit.
- 34 (2) Each committee may make an initial determination of whether a
35 challenge has merit. If the committee determines the challenge has
36 merit, it shall provide for a public hearing of that challenge.
- 37 (3) The committee shall make a written recommendation to the local board
38 of education on whether the challenged material should be available in
39 or should be removed from the public schools in that local school
40 administrative unit.

41 The local board, at all times, has sole authority and discretion to determine whether a
42 challenge has merit and whether challenged material should be retained or removed."

43 **— LOCAL FLEXIBILITY**

1 Sec. 9. G.S. 115C-84(d) is repealed.

2 Sec. 10. G.S. 115C-302(a)(1) reads as rewritten:

3 "(1) Academic Teachers. – Regular state-allotted teachers shall be employed
4 for a period of 10 calendar months. Each local board of education shall
5 establish a set date on which monthly salary payments to regular State-
6 allotted teachers shall be made. This set pay date may differ from the
7 end of the calendar month of service. Teachers shall only be paid for the
8 days employed as of the set pay date. Payment for a full month when
9 days employed are less than a full month is prohibited as this constitutes
10 prepayment. Teachers employed for a period of 10 calendar months in
11 year-round schools shall be paid in 12 equal installments. Any
12 individual teacher who is not employed in a year-round school may be
13 paid in 12 monthly installments if the teacher so requests on or before
14 the first day of the school year. Such request shall be filed in the local
15 school administrative unit which employs the teacher. The payment of
16 the annual salary in 12 installments instead of 10 shall not increase or
17 decrease said annual salary nor in any other way alter the contract made
18 between the teacher and the said local school administrative unit; nor
19 shall such payment apply to any teacher who is employed for a period of
20 less than 10 months. Included within the 10 calendar months
21 employment shall be annual vacation leave at the same rate provided for
22 State employees, computed at one twelfth (1/12) of the annual rate for
23 State employees for each calendar month of employment; which shall
24 be provided by each local board of education at a time when students
25 are not scheduled to be in regular attendance. However, vacation leave
26 for instructional personnel who do not require a substitute shall not be
27 restricted to days that students are not in attendance. Included within the
28 10 calendar months employment each local board of education shall
29 designate the same or an equivalent number of legal holidays occurring
30 within the period of employment for academic teachers as those
31 designated by the State Personnel Commission for State employees; on
32 a day that employees are required to report for a workday but pupils are
33 not required to attend school due to inclement weather, a teacher may
34 elect not to report due to hazardous travel conditions and to take an
35 annual vacation day or to make up the day at a time agreed upon by the
36 employee and the employee's immediate supervisor or principal. Within
37 policy adopted by the State Board of Education, each local board of
38 education shall develop rules designating what additional portion of the
39 10 calendar months not devoted to classroom teaching, holidays, or
40 annual leave shall apply to service rendered before the opening of the
41 school term, during the school term, and after the school term and to fix
42 and regulate the duties of state-allotted teachers during said period, but
43 in no event shall the total number of workdays exceed 200 days. If one

1 or more scheduled teacher workdays are displaced due to hazardous
2 weather conditions, a local board may select dates, including dates
3 beyond the 10 calendar months during which teachers and their
4 supervisors may agree to make up the displaced days provided the
5 workdays fall within the fiscal year. Local boards may approve school
6 improvement plans that include teacher workdays outside the 10
7 calendar months provided the workdays fall within the fiscal year. A
8 teacher and the teacher's supervisor may agree to schedule workdays
9 outside the 10 calendar months provided the workdays fall within the
10 fiscal year. Teachers may be paid on the tenth calendar month pay date
11 for workdays scheduled to occur after the tenth calendar month but
12 before the end of the fiscal year. A teacher who resigns, is dismissed, or
13 whose contract is not renewed and who fails to make up previously
14 agreed upon workdays scheduled after the 10 calendar months shall
15 repay to the local board any salary payments owed due to the failure to
16 make up the workdays. A teacher who continues to be employed by a
17 local board but fails to make up previously agreed upon workdays
18 scheduled after the 10 calendar months may be subject to dismissal
19 under G.S. 115C-325. Local boards of education shall consult with the
20 employed public school personnel in the development of the 10-
21 calendar-months schedule."

22 Sec. 11. G.S. 115C-47(23) reads as rewritten:

23 "(23) To Purchase Equipment and Supplies. —~~They~~ Local boards shall
24 contract for equipment and supplies pursuant to the provisions of
25 ~~G.S. 115C-522(a)~~. G.S. 115C-522(a), 115C-528, and 115C-529."

26 Sec. 12. G.S. 115C-47(28) reads as rewritten:

27 "(28) To Enter Lease Purchase ~~Contracts for Automobiles and Installment~~
28 Purchase Contracts. — Local boards may ~~purchase automobiles by~~
29 ~~installment contracts that create in the property purchased a security~~
30 ~~interest to secure payment of the purchase money. A contract entered~~
31 ~~into under this subdivision is subject to the provisions of Article 8 of~~
32 ~~Chapter 159 of the General Statutes, except for G.S. 159-148(a)(4)~~
33 ~~and (b)(2). The lease purchase contract shall provide that there be no~~
34 ~~recourse for default in payments under the contract other than return~~
35 ~~of the automobile. The taxing power of any tax levying authority is~~
36 ~~not and may not be pledged directly or indirectly to secure any~~
37 ~~moneys due the seller.~~ enter into lease purchase and installment
38 purchase contracts as provided in G.S. 115C-529."

39 Sec. 13. G.S. 115C-522(a) reads as rewritten:

40 "(a) It shall be the duty of local boards of education to purchase or exchange all
41 supplies, equipment and materials in accordance with contracts made by or with the
42 approval of the Department of ~~Administration~~. Administration except as provided in G.S.
43 115C-528. Title to instructional supplies, office supplies, fuel and janitorial supplies,

1 enumerated in the current expense fund budget and purchased out of State funds, shall be
2 taken in the name of the local board of education which shall be responsible for the
3 custody and replacement: Provided, that no contracts shall be made by any local school
4 administrative unit for purchases unless provision has been made in the budget of the unit
5 to pay for the purchases, unless surplus funds are on hand to pay for the purchases, or
6 unless the contracts are made pursuant to G.S. 115C-47(28) and G.S. 115C-529 and
7 adequate funds are available to pay in the current fiscal year the sums obligated for the
8 current fiscal year, and in order to protect the State purchase contractor, it is made the
9 duty of the governing authorities of the local units to pay for these purchases promptly
10 and in accordance with the terms of the contract of purchase."

11 Sec. 14. Article 37 of Chapter 115C is amended by adding new sections to
12 read:

13 **"§ 115C-528. Purchases from noncertified sources.**

14 (a) Notwithstanding G.S. 115C-522(a), a local school administrative unit may
15 purchase the same supplies, equipment, and materials that are listed on a State term
16 contract from a vendor that is not certified on the State term contract for those supplies,
17 equipment, and materials, subject to the following conditions:

- 18 (1) The total cost of the supplies, equipment, or materials, including the
19 delivery costs, is less than the cost under the State term contract;
20 (2) The cost of the purchase shall not exceed the bid value benchmark
21 established under G.S. 143-53.1;
22 (3) The local school administrative unit shall document in writing the cost
23 savings; and
24 (4) The local school administrative unit shall provide annually by July 1 an
25 itemized report of the cost savings to the Department of Administration.

26 (b) This section shall not impair the contractual terms and conditions of State term
27 contracts that allow purchases to be made from noncertified sources. The requirements
28 of subsection (a) of this section shall not apply to those purchases.

29 (c) The Department of Administration shall report to the General Assembly and
30 the Joint Legislative Education Oversight Committee annually by August 1 the cost
31 savings realized under this section.

32 **"§ 115C-529. Lease purchase and installment purchase contracts for certain**
33 **equipment.**

34 (a) Local boards of education may purchase or finance the purchase of
35 automobiles; school buses; mobile classroom units; photocopiers; and computers,
36 computer hardware, computer software, and related support services by lease purchase
37 contracts and installment purchase contracts as provided in this section. Computers,
38 computer hardware, computer software, and related support services purchased under this
39 section shall meet the technical standards specified in the North Carolina Instructional
40 Technology Plan as developed and approved under G.S. 115C-102.6A and G.S. 115C-
41 102.6B.

42 (b) A lease purchase contract under this section creates in the local board the right
43 to possess and use the property for a specified period of time in exchange for periodic

1 payments and shall include either an obligation or an option to purchase the property
2 during the term of the contract. The contract may include an option to upgrade the
3 property during the term. A local board may exercise an option to upgrade without
4 rebidding the contract.

5 (c) An installment purchase contract under this section creates in the property
6 purchased a security interest to secure payment of the purchase price to the seller or to an
7 individual or entity advancing moneys or supplying financing for the purchase
8 transaction.

9 (d) The term of a contract entered into under this section shall not exceed the
10 useful life of the property purchased. An option to upgrade shall be considered in
11 determining the useful life of the property.

12 (e) A contract entered into under this section shall be considered a continuing
13 contract for capital outlay and subject to G.S. 115C-441(c1).

14 (f) A contract entered into under this section is subject to Article 8 of Chapter 159
15 of the General Statutes, except for G.S. 159-148(a)(4) and (b)(2).

16 (g) Subsections (e) and (f) of this section shall not apply to contracts entered into
17 under this section so long as the term of each contract does not exceed three years and the
18 total amount financed during any three-year period is no greater than two hundred fifty
19 thousand dollars (\$250,000) or is no greater than three times the local board's annual
20 State allocation for classroom materials, equipment, and instructional supplies, whichever
21 is less. The local board shall submit information, including the principal and interest paid
22 and the amount of outstanding obligation, concerning these contracts as part of the annual
23 budget it submits to its board of county commissioners under Article 31 of this Chapter.

24 (h) No contract entered into under this section may contain a nonsubstitution
25 clause that restricts the right of a local board to:

26 (1) Continue to provide a service or activity; or

27 (2) Replace or provide a substitute for any property financed or purchased
28 by the contract.

29 (i) No deficiency judgment may be rendered against any local board of education
30 or any unit of local government, as defined in G.S. 160A-20(h), in any action for breach
31 of a contractual obligation authorized by this section, and the taxing power of a unit of
32 local government is not and may not be pledged directly or indirectly to secure any
33 moneys due under a contract authorized by this section."

34 Sec. 15. The Information Resource Management Commission shall develop
35 and annually revise guidelines for determining the useful life of computers purchased
36 under G.S. 115C-529. The Division of Purchase and Contract shall develop and
37 periodically revise guidelines for determining the useful life of automobiles, school
38 buses, and photocopiers purchased under G.S. 115C-529. The Local Government
39 Commission shall develop and periodically revise guidelines for determining the useful
40 life of mobile classroom units purchased under G.S. 115C-529. Guidelines for computers
41 and photocopiers shall include provisions for upgrades during the term of the contract.
42 The Information Resource Management Commission, the Division of Purchase and
43 Contract, and the Local Government Commission shall provide their respective

1 guidelines to the State Board of Education by November 1, 1996. The State Board of
2 Education shall provide the guidelines to local boards of education by January 1, 1997.

3 Sec. 16. G.S. 115C-326 reads as rewritten:

4 **"§ 115C-326. Performance standards and criteria for professional employees; law**
5 **suits arising out of this section.**

6 (a) The State Board of Education, in consultation with local boards of education,
7 shall develop uniform performance standards and criteria to be used in evaluating
8 professional public school employees. It shall develop rules ~~and regulations~~ to recommend
9 the use of these standards and criteria in the employee evaluation process. The
10 performance standards and criteria ~~shall be adopted by the Board by July 1, 1982,~~ and may be
11 modified in the discretion of the Board.

12 Local boards of education shall adopt rules ~~and regulations~~ by July 1, 1982, to provide
13 for annual evaluation of all professional employees defined as teachers ~~by~~ in G.S. 115C-
14 325(a)(6). Local boards may also adopt rules ~~and regulations~~ requiring the annual
15 evaluation of other school employees not specifically covered in this section. Local
16 boards may develop and use alternative evaluation approaches for teachers provided the
17 evaluations are properly validated. Local boards that do not develop alternative
18 evaluations ~~Rules and regulations adopted by local boards shall utilize the performance~~
19 ~~standards and criteria adopted by the State Board of Education, but are not limited to~~
20 ~~those standards and criteria. Education pursuant to the first paragraph of this section; however,~~
21 ~~the standards and criteria used by local boards are not to be limited by those adopted by the State~~
22 ~~Board of Education.~~

23 (b) If any claim is made or any legal action is instituted against an employee of a
24 local school administrative unit on account of an act done or an omission made in the
25 course of the employee's duties in evaluating employees pursuant to this section, the local
26 board of education, if the employee is held not liable, shall reimburse the employee for
27 reasonable attorney's fees.

28 ~~(c) The State Board of Education shall recommend to the General Assembly by~~
29 ~~December 1, 1986, a program to remedy deficiencies and difficulties revealed through the~~
30 ~~evaluation process required by this section and to develop new skills on the part of~~
31 ~~classroom teachers."~~

32 Sec. 17. G.S. 115C-47 is amended by adding a new subdivision to read:

33 "(33a) To Approve and Use Textbooks Not Adopted by State Board of
34 Education. – Local boards of education shall have the authority to
35 select, procure, and use textbooks not adopted by the State Board
36 of Education as provided in G.S. 115C-98(b1)."

37 Sec. 18. G.S. 115C-85 reads as rewritten:

38 **"§ 115C-85. Textbook needs are determined by course of study.**

39 When the State Board of Education has adopted, upon the recommendation of the
40 Superintendent of Public Instruction, a standard course of study at each instructional level
41 in the elementary school and the secondary school, setting forth what subjects shall be
42 taught at each level, it shall proceed to select and adopt textbooks.

1 As used in this part, 'textbook' means systematically organized material
2 comprehensive enough to cover the primary objectives outlined in the standard course of
3 study for a grade or course. Formats for textbooks may be print or nonprint, including
4 hardbound books, softbound books, activity-oriented programs, classroom kits, and
5 technology-based programs that require the use of electronic equipment in order to be
6 used in the learning process.

7 Textbooks adopted in accordance with the provisions of this Part shall be used by the
8 public schools of the State ~~State~~ except as provided in G.S. 115C-98(b1)."

9 Sec. 19. G.S. 115C-98 reads as rewritten:

10 "**§ 115C-98. Local boards of education to provide for local operation of the textbook**
11 **~~program and program, the selection and procurement of other~~**
12 **instructional materials, materials, and the use of nonadopted textbooks.**

13 (a) Local boards of education shall adopt rules ~~and regulations~~ not inconsistent with
14 the policies of the State Board of Education concerning the local operation of the
15 textbook program.

16 (b) Local boards of education shall adopt written policies concerning the
17 procedures to be followed in their local school administrative units for the selection and
18 procurement of supplementary textbooks, library books, periodicals, ~~audio-visual~~
19 audiovisual materials, and other supplementary instructional materials needed for
20 instructional purposes in the public schools of their units.

21 Local boards of education shall have sole authority to select and procure
22 supplementary instructional materials, whether or not the materials contain commercial
23 advertising, to determine if the materials are related to and within the limits of the
24 prescribed curriculum, and to determine when the materials may be presented to students
25 during the school day. Supplementary materials and contracts for supplementary
26 materials are not subject to approval by the State Board of Education.

27 Supplementary books and other instructional materials shall neither displace nor be
28 used to the exclusion of basic textbooks.

29 (b1) Local boards of education may:

30 (1) Select, procure, and use textbooks that have not been adopted by the
31 State Board of Education for use throughout the local school
32 administrative unit for selected grade levels and courses; and

33 (2) Approve school improvement plans developed under G.S. 115C-105.22
34 that include provisions for using textbooks that have not been adopted
35 by the State Board of Education for selected grade levels and courses.

36 All textbook contracts made under this subsection shall include a clause granting to
37 the local board of education the license to produce braille, large print, and audiocassette
38 tape copies of the textbooks for use in the local school administrative unit.

39 (c) Funds allocated by the State Board of Education or appropriated in the current
40 expense or capital outlay budgets of the local school administrative units, may be used
41 for the above-stated purposes."

42 Sec. 20. G.S. 115C-112 is repealed.

43 Sec. 21. G.S. 115C-391 is amended by adding a new subsection to read:

1 "(g) Notwithstanding the provisions of this section, the policies and procedures for
2 the discipline of students with disabilities shall be consistent with federal laws and
3 regulations."

4 **— CONFORMING CHANGES**

5 Sec. 22. G.S. 115C-105.3 reads as rewritten:

6 **"§ 115C-105.3. Purpose.**

7 The purpose of the Commission is to develop high and clearly defined education
8 standards for the public schools of North Carolina. These standards shall specify the
9 skills and the knowledge that high school graduates should possess in order to be
10 competitive in the modern economy. The purpose of the Commission is also to develop
11 fair and valid assessments to assure that high school graduates in North Carolina meet
12 these standards. No later than the Spring semester of the year 2000 or as soon as the State
13 Board of Education adopts the standards and system of assessments, every graduating
14 high school senior shall be required to achieve these standards as a condition for
15 receiving a diploma.

16 These high standards and assessments shall focus on the key skills needed by students
17 as they strive to be successful after high school and shall reflect the high expectations for
18 every student demanded by the State's education mission in G.S. ~~115C-81(a), 115C-238.1,~~
19 ~~and 115C-238.13(a).~~ 115C-81(a) and G.S. 115C-105.20. Once these key skills are
20 identified, parents, teachers, and the entire school community should be encouraged to
21 help each student meet the student's fullest potential."

22 Sec. 23. G.S. 115C-238.23 reads as rewritten:

23 **"§ 115C-238.23. Implementation by local school boards.**

24 If a school administrative unit decides to proceed with the project the following
25 procedures shall be followed:

26 (a) The local board in a participating local school administrative unit shall select a
27 school building that is under construction as its first school under the project.

28 (b) The local board shall issue a request for proposals for leadership teams to bid
29 to operate the selected school. A team shall mean three or more individuals. To reflect the
30 diversity required to implement the purpose of the project defined in G.S. 115C-238.22,
31 the abilities and experience of team members may include: administrative and
32 educational policy and planning skills; familiarity with technology for schools;
33 management and classroom experience; and familiarity with the needs of diverse and
34 special populations. One member shall be designated as the principal or leader of the
35 team. At least twenty-five percent (25%) of the team members shall be certificated in
36 accordance with the regulations of the State Board of ~~Education or G.S. 115C-238.6.~~
37 Education.

38 Team members awarded the contract shall, if not already, become employees of the
39 local board and become subject to local personnel policies.

40 (c) The request for proposals shall include the following minimum requirements:

41 (1) A statement of principles that the local board wants the bidding teams to
42 address;

- 1 (2) A specified amount of money available for the operation of the building,
2 which amount shall be within the limits of funds available for the size of
3 school being opened for bid;
- 4 (3) A framework for accountability plans by which the success of the
5 project site can be measured, which accountability plans shall include
6 the student performance indicators adopted by the State Board of
7 Education pursuant to ~~G.S. 115C-238.1(3)~~, the School Improvement and
8 Accountability Act of 1989, and shall include factors such as student,
9 parent, and employee satisfaction, parental involvement, community
10 service, and evidence of a focus on developing thinking and reasoning
11 skills;
- 12 (4) The student population of a Genesis school shall be representative of its
13 local school administrative unit, shall be racially balanced, and students
14 shall be assigned on a geographic basis;
- 15 (5) The mission of the school shall not establish religion nor prohibit the
16 free exercise thereof insofar as that is permitted in a public school by the
17 North Carolina and United States Constitutions; and
- 18 (6) Bidding teams shall address how the criteria listed in G.S. 115C-81(b)
19 will be met or varied by the Genesis program.

20 The local board may include other requirements in the request for proposals.

21 (d) The local board shall secure private funding for any additional non-State and
22 nonlocal funds required for the project before awarding a contract to a team to operate the
23 selected school.

24 (e) The local board shall appoint an advisory committee composed of educators,
25 elected officials, parents of children enrolled in the local school administrative unit, and
26 community leaders from within and without the local school administrative unit to screen
27 proposals for the school building and to make recommendations to the local board of
28 education on the proposals.

29 The local board shall consider the recommendations of the advisory committee and
30 shall award the contract. All contract negotiations and the award of the contract shall be
31 conducted in open session notwithstanding G.S. 143-318.11(a)(9). The contract shall be
32 for a term not to exceed four years. It may be terminated by the local board at any time
33 for any reason it deems sufficient; it may be terminated by the team for any reason it
34 deems sufficient, but only at the end of a school year and only with 60 days' written
35 notice to the local board of education.

36 (f) The team that receives the contract shall interview and select all personnel for
37 the building. The team may select personnel from the current employees of the local
38 board. All teachers employed in a Genesis school shall hold or be qualified to hold a
39 certificate in accordance with the regulations of the State Board of Education or ~~G.S.~~
40 ~~115C-238.6~~ the School Improvement and Accountability Act of 1989. The local board
41 shall hire those persons selected by the team so long as those positions are within State,
42 local, and other funds approved for this project by the local board. In no event shall a

1 local board dismiss or demote any employee pursuant to G.S. 115C-325(e)(1)l. as a result
2 of a Genesis project.

3 Hiring shall take place no later than July 1, prior to the opening of the new building.
4 The team shall begin conducting training and planning sessions as staff is hired.

5 The local board or the management team may employ noncertificated persons on a
6 temporary basis or for special projects.

7 (g) The participating school building team shall initiate a comprehensive
8 accountability program immediately. The results shall be published annually and
9 compared to those of traditional schools.

10 (h) After the third and fourth years of the project, the local board shall review
11 student ~~outcome~~ achievement results of the existing project site. After the fourth year of
12 the project the local board may decide whether to continue the project in the first school
13 and whether an additional building within the school system shall be added to the project.
14 If the board decides to expand the project to a second school the procedures outlined in
15 this section shall be followed.

16 The second school chosen for the project shall be an existing school that is producing
17 below average results in student achievement as compared to other schools in the unit.
18 Criteria which may be considered to evaluate student achievement may include: test
19 scores, the success of graduating students, attendance, graduation and dropout rates, the
20 numbers of children enrolled in free lunch or Chapter 1 programs, the education level of
21 the parents of children enrolled in the school, the teaching experience of the school staff,
22 and whether the building has been successful in meeting the goals of the systemwide plan
23 developed in accordance with ~~G.S. 115C-238.1 through G.S. 115C-238.6.~~ the School
24 Improvement and Accountability Act of 1989."

25 Sec. 24. G.S. 115C-238.31(a) reads as rewritten:

26 "(a) Local school administrative units are encouraged to implement extended
27 services programs that will expand students' opportunities for educational success
28 through high-quality, integrated access to instructional programming during nonschool
29 hours. Extended services programs may be incorporated into ~~building-level school~~
30 improvement plans developed in accordance with ~~G.S. 115C-238.3-115C-105.22.~~ To
31 ~~implement extended services programs, local school administrative units may request waivers of~~
32 ~~State laws, regulations, and policies in accordance with Part 4 of this Article.~~ Calendar
33 alternatives include, but are not limited to, after-school hours, before-school hours,
34 evening school, Saturday school, summer school, and year-round school. Instructional
35 programming may include, but is not limited to, tutoring, direct instruction, enrichment
36 activities, study skills, and reinforcement projects."

37 Sec. 25. G.S. 115C-276(q) reads as rewritten:

38 "(q) To Assign School Principals. – Subject to local board policy, the
39 superintendent shall have the authority to assign principals to school buildings. When
40 making an assignment, the superintendent shall consider (i) whether a principal has
41 demonstrated the leadership ability to increase student achievement at a school where
42 conditions indicated a significant risk of low student performance; and (ii) how to
43 maintain stability at a school where, during the time the principal has been at a school,

1 there has been significant improvement on end-of-course or end-of-grade tests and other
2 accountability ~~indicators~~ measures developed by the State Board in accordance with G.S.
3 ~~115C-238.1~~ of Education."

4 Sec. 26. G.S. 115C-302(e) reads as rewritten:

5 "(e) It is the policy of the State of North Carolina to enhance the teaching
6 profession by providing teachers with career opportunities that do not remove them from
7 the classroom; to encourage the development and implementation of a professional salary
8 schedule that complements the system of differentiation; to have salaries of professional
9 educators in elementary and secondary schools based upon performance, degree attained,
10 differentiation and the needs of the local school administrative unit; and to begin, in the
11 school year beginning in 1986, a differential salary system based upon performance,
12 differentiation, local availability of classroom teachers, geographical location of the
13 employing local school administrative unit and such other factors as the local board of
14 education shall deem necessary.

15 Performance shall be measured by ~~standardized~~ evaluations which are ~~routinely~~
16 administered pursuant to ~~G.S. 115C-326~~ by ~~competent and trained administrators who~~
17 ~~have themselves demonstrated meritorious performance in the classroom.~~ G.S. 115C-326.
18 Differentiation shall be based upon superior performance over a period of time plus other
19 responsibilities. Needs of the local school administrative unit over and above the standard
20 course of study shall be defined by the local board of education exclusively funded from
21 revenues provided at the discretion of the board of county commissioners or from other
22 local funds under the control of the local board of education.

23 Each salary may include a local variable component, determined locally and based
24 upon the needs and condition of the local school administrative unit. This local variable
25 component shall be paid from local revenue."

26 Sec. 27. Notwithstanding G.S. 115C-105.21A(1), the State Board of Education
27 shall authorize pilot projects in the Mecklenburg County School Administrative Unit and
28 in the Burke County School Administrative Unit so that the boards of education in those
29 units may use State funds from the allotment for teacher assistants for certificated
30 teachers in order to reduce class size or the student-teacher ratio in kindergarten through
31 third grade, in accordance with school improvement plans developed under G.S. 115C-
32 105.22. No waivers from the State Board of Education are required for this use of funds.

33 **—STREAMLINE APA FOR ABC PLAN**

34 Sec. 28. (a) G.S. 150B-21.2(a)(1) shall not apply to proposed rules adopted by
35 the State Board of Education if the proposed rules are directly related to the
36 implementation of this act.

37 (b) Notwithstanding G.S. 150B-21.3(b), a permanent rule that is adopted by the
38 State Board of Education, is approved by the Rules Review Commission, and is directly
39 related to the implementation of this act, shall become effective five business days after
40 the Commission delivers the rule to the Codifier of Rules, unless the rule specifies a later
41 effective date. If the State Board of Education specifies a later effective date, the rule
42 becomes effective upon that date. A permanent rule that is adopted by the State Board of

1 Education that is directly related to the implementation of this act, but is not approved by
2 the Rules Review Commission, shall not become effective.

3 (c) G.S. 150B-21.4(b1) shall not apply to permanent rules the State Board of
4 Education proposes to adopt if those rules are directly related to the implementation of
5 this act.

6 (d) The State Board of Education shall determine whether a proposed rule is
7 directly related to this act based upon a finding that there is a rational relationship
8 between the proposed rule and specific provisions of this act. A proposed rule may
9 create, amend, or repeal a rule. The State Board shall indicate in the notice of proposed
10 text that the rule is directly related to the implementation of this act and that the Board is
11 proceeding under the authority granted by this act.

12 (e) The State Board of Education shall provide written notice to all boards of
13 county commissioners and all local boards of education of proposed rules that are directly
14 related to the implementation of this act and that would affect the expenditures or
15 revenues of a unit of local government under G.S. 150B-21.4(b). The notice shall state
16 whether a fiscal note has been prepared and that a copy of the fiscal note may be obtained
17 from the State Board.

18 (f) This section shall not apply to Sections 11-15 of this act.

19 **—REPORTING**

20 Sec. 29. (a) The State Board of Education shall submit a progress report to the
21 Joint Legislative Education Oversight Committee by December 15, 1996, regarding the
22 implementation of this act including accountability system performance standards,
23 implementation plans for grades 9 through 12, the rules and guidelines adopted under this
24 act, reliability and validity of assessments used for the purpose of this act, and an
25 evaluation of the pilot programs developed under Section 17.10 of Chapter 507 of the
26 1995 Session Laws.

27 (b) Beginning October 15, 1997, and annually thereafter, the State Board of
28 Education shall submit reports to the Joint Legislative Education Oversight Committee
29 regarding the continued implementation of this act. Each report shall include information
30 regarding the composition and activity of assistance teams, those schools that received
31 incentive awards, those schools that were identified as low-performing, school
32 improvement plans found to significantly improve student performance, personnel
33 actions taken in low-performing schools, and recommendations for additional legislation
34 to improve student performance and increase local flexibility.

35 (c) The State Board of Education shall develop a plan that encourages teachers to
36 seek employment or remain employed in schools that have been identified as low-
37 performing under G.S. 115C-105.30. The plan shall include recommendations regarding
38 additional compensation for (i) newly recruited teachers, and (ii) currently employed
39 teachers whose students have shown significant improvement in academic performance.
40 The State Board shall submit its plan to the Joint Legislative Education Oversight
41 Committee by December 15, 1996.

42 **— PERFORMANCE AWARDS**

1 Sec. 30. Of the funds appropriated to State Aid to Local School
2 Administrative Units, the State Board of Education may use up to twenty-four million
3 five hundred thousand dollars (\$24,500,000) for the 1996-97 fiscal year to provide
4 incentive funding for schools with higher than projected levels of improvement in student
5 performance, in accordance with the provisions of this act. The State Board of Education
6 may allocate up to twenty-one million dollars (\$21,000,000) of these funds on a per-
7 teacher basis for each eligible school and up to three million five hundred thousand
8 dollars (\$3,500,000) on a per-teacher assistant basis for each eligible school.

9 Sec. 30.1. G.S. 143-57.1 reads as rewritten:

10 **"§ 143-57.1. Furniture requirements contracts.**

11 (a) To ensure agencies access to sufficient sources of furniture supply and service,
12 to provide agencies the necessary flexibility to obtain furniture that is compatible with
13 interior architectural design and needs, to provide small and disadvantaged businesses
14 additional opportunities to participate on State requirements contracts, and to restore the
15 traditional use of multiple award contracts for purchasing furniture requirements, each
16 State furniture requirements contract shall be awarded on a multiple award basis, subject
17 to the following conditions:

18 (1) Competitive, sealed bids must be solicited for the contract in accordance
19 with Article 3 of Chapter 143 of the General Statutes unless otherwise
20 provided for by the State Purchasing Officer pursuant to that Article.

21 (2) Subject to the provisions of this section, bids shall be evaluated and the
22 contract awarded in accordance with Article 3 of Chapter 143 of the
23 General Statutes.

24 (3) For each category of goods under each State requirements furniture
25 contract, awards shall be made to at least three qualified vendors unless
26 the State Purchasing Officer determines that three qualified vendors are
27 not available or that it is in the best interest of the State to make fewer
28 awards. The State Purchasing Officer, subject to the approval of the
29 Board of Award, shall state his reasons in writing for making fewer
30 awards and the written documentation shall be maintained as part of the
31 bid file and subject to public inspection.

32 (4) ~~Each agency purchasing under the contract shall make the most economical~~
33 ~~purchase that meets its needs.~~ An agency may purchase from any vendor
34 certified on the contract but shall make the most economical purchase
35 that it determines meets its needs, based upon price, compatibility,
36 service, delivery, freight charges, and other factors that it considers
37 relevant.

38 (b) For purposes of this section, 'furniture requirements contract' means State
39 requirements contracts for casegoods, classroom furniture, bookcases, ergonomic chairs,
40 office swivel and side chairs, computer furniture, mobile and folding furniture,
41 upholstered seating, commercial dining tables, and related items."

42 Sec. 30.2. With respect to a furniture requirements contract that is not
43 currently under G.S. 143-57.1, an agency may purchase from any vendor certified on the

1 contract but shall make the most economical purchase that it determines meets its needs,
2 based upon price, compatibility, service, delivery, and other factors that it considers
3 relevant.

4 **—EFFECTIVE DATES**

5 Sec. 31. (a) G.S. 115C-528 created in Section 14 of this act becomes effective
6 July 1, 1996, and applies to State term contracts for which bids or offers are solicited on
7 or after that date.

8 (b) Section 30 of this act becomes effective July 1, 1996, and the remainder of the
9 act is effective upon ratification.

10 (c) Part 3 of Article 8B of Chapter 115C of the General Statutes, as rewritten in
11 Section 3 of this act, applies to any school that has any grades of kindergarten through
12 eighth grade beginning with the 1996-97 school year, and to the remaining schools
13 beginning with the 1997-98 school year. The State Board shall establish appropriate
14 deadlines for the development of school improvement plans after July 1, 1996.