

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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HOUSE BILL 960

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

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

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

May 2, 2024

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

The General Assembly of North Carolina enacts:

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

PEPSC POSITIONS

SECTION 1.1. There is appropriated from the General Fund to the Department of Public Instruction the sum of two hundred thousand dollars (\$200,000) in recurring funds for the 2024-2025 fiscal year to support two additional positions for the Professional Educator Preparation and Standards Commission (Commission) to increase the capacity of the Commission to coordinate efforts to recruit, prepare, retain, and support the State's teaching workforce on behalf of the State Board of Education and the Department of Public Instruction.

EDUCATOR LICENSURE AND COMPENSATION REFORM PLAN

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

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

The State Board of Education shall submit details on the plan and any recommended legislative changes to implement the plan to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management by March 15, 2025.

SECTION 1.2.(b) There is appropriated from the General Fund to the Department of Public Instruction the sum of fifty thousand dollars (\$50,000) in nonrecurring funds for the 2024-2025 fiscal year to develop the plan required by subsection (a) of this section.

EDUCATOR PREPARATION PROGRAM CAPACITY STUDY



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

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

The State Board of Education shall report on the findings of this study to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management by March 15, 2025.

SECTION 1.3.(b) There is appropriated from the General Fund to the Department of Public Instruction the sum of twenty-five thousand dollars (\$25,000) in nonrecurring funds for the 2024-2025 fiscal year to conduct the study required by subsection (a) of this section.

ALTERNATIVE PATHWAYS TEACHER RECRUITMENT MODELS

SECTION 1.4.(a) There is appropriated from the General Fund to the Department of Public Instruction the sum of four million three hundred thousand dollars (\$4,300,000) in recurring funds for the 2024-2025 fiscal year to support research-based Grow-Your-Own and 2+2 teacher recruitment education programs in all regions of the State, including high school-based career academy programs, the North Carolina Teacher Cadet Program, the Teaching as a Profession program, and the TA to Teachers program.

SECTION 1.4.(b) There is appropriated from the General Fund to the Department of Public Instruction the sum of one million dollars (\$1,000,000) in recurring funds for the 2024-2025 fiscal year to establish new Grow-Your-Own and 2+2 teacher recruitment education programs in high-need public school units.

STUDY ON CONSOLIDATING AND COORDINATING TEACHER RECRUITMENT AND RETENTION EFFORTS

SECTION 1.5.(a) The State Board of Education shall develop a plan to implement and fund a statewide system or entity to coordinate, enhance, and evaluate efforts to recruit, place, and retain teacher candidates and beginning teachers between institutions of higher education and local school administrative units. This study shall focus on, but not be limited to, how best to consolidate and coordinate statewide teacher recruitment and retention efforts. The State Board of Education shall submit details on the plan and any recommended legislative changes to implement the plan to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management by March 15, 2025.

SECTION 1.5.(b) There is appropriated from the General Fund to the Department of Public Instruction the sum of twenty-five thousand dollars (\$25,000) in nonrecurring funds for the 2024-2025 fiscal year to be used to support the development of the plan required by this section.

EXPAND NC TEACHING FELLOWS PROGRAM

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

"Part 3. North Carolina Teaching Fellows Program.

"§ 116-209.60. Definitions.

The following definitions apply in this Part:

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

- (4) Program. – The North Carolina Teaching Fellows Program.
- (5) Public school. – An elementary or secondary school located in North Carolina that is governed by a local board of education, charter school board of directors, regional school board of directors, or University of North Carolina laboratory school board of trustees.
- (5a) ~~Qualifying licensure area. – A teacher licensure area in one of the following subjects:~~
- a. ~~Either of the following, as identified pursuant to G.S. 116-209.62(h):~~
1. ~~Special education.~~
2. ~~STEM.~~
- b. ~~Elementary education (K-6).~~
- (5b) Qualifying teacher. – A teacher in a North Carolina public school who meets the following criteria:
- a. Received a forgivable loan under the Program.
- b. Graduated within 10 years from an educator preparation program leading to teacher licensure, excluding any authorized deferment for extenuating circumstances.
- (6) ~~STEM. – Science, technology, engineering, and mathematics.~~
- (7) Trust Fund. – The North Carolina Teaching Fellows Program Trust Fund.

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

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

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

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(d) Director of the Program. – The Board of Governors of The University of North Carolina shall appoint a Director of the Program. The Director shall appoint staff to the Commission and shall be responsible for recruitment and coordination of the Program, including proactive, aggressive, and strategic recruitment of potential recipients. Efforts shall include identifying and encouraging students of color and students who may not otherwise consider a career in teaching to enter the Program. Recruitment activities shall include a broad-based strategy (i) targeting regions of the State with the highest teacher attrition rates and teacher recruitment ~~challenges, challenges and~~ (ii) actively engaging with educators, business leaders, experts in human resources, elected officials, and other community leaders throughout the ~~State, and~~ (iii) ~~attracting candidates in qualifying licensure areas to the Program.~~ State to attract a diverse pool of applicants. The Director shall report to the President of The University of North Carolina. The Authority shall provide office space and clerical support staff, as necessary, to the Director for the Program.

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

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

(f) Program Selection Criteria. – The Authority shall administer the Program in cooperation with ~~up to 10~~ institutions of higher education with approved educator preparation programs selected by the Commission that represent a diverse selection of both postsecondary constituent institutions of The University of North Carolina and private postsecondary institutions operating in the ~~State.~~ State, including minority-serving institutions. The Commission shall adopt stringent standards for selection of the most effective educator preparation programs, including the following:

- (1) Demonstrates high rates of educator effectiveness on value-added models and teacher evaluations, including using performance-based, subject-specific assessment and support systems, such as edTPA or other metrics of evaluating candidate effectiveness that have predictive validity.
- (2) Demonstrates measurable impact of prior graduates on student ~~learning, including impact of graduates teaching in qualifying licensure areas.~~ learning.
- (3) Demonstrates high rates of graduates passing exams required for teacher licensure.
- (4) Provides curricular and co-curricular enhancements in leadership, facilitates learning for diverse learners, and promotes community engagement, classroom management, and reflection and assessment.
- (5) Requires at least a minor concentration of study in the subject area that the candidate may teach.
- (6) Provides early and frequent internship or practical experiences, including the opportunity for participants to perform practicums in diverse school environments.
- (7) Is approved by the State Board of Education as an educator preparation program.
- (8) For an educator preparation program enrolling loan recipients in a program of study leading to licensure in elementary education (K-6), provides training that is aligned with the Science of Reading in accordance with G.S. 115C-269.20. The Commission shall contract with a third-party entity to biennially evaluate whether a program identified in this subdivision is providing training that is aligned with the Science of Reading.

(g) Awards of Forgivable Loans. – The Program shall provide forgivable loans to selected students to be used at ~~up to 10~~ selected institutions for completion of a program leading to initial teacher licensure as follows:

- (1) North Carolina high school seniors. – Forgivable loans of up to five thousand dollars (\$5,000) per semester for up to eight semesters.
- (2) Students applying for transfer to a selected educator preparation program at an institution of higher education. – Forgivable loans of up to five thousand dollars (\$5,000) per semester for up to six semesters.

(3) Individuals currently holding a bachelor's degree seeking preparation for teacher licensure. – Forgivable loans of up to five thousand dollars (\$5,000) per semester for up to four semesters.

(4) Students matriculating at institutions of higher education who are changing to an approved program of study at a selected educator preparation program. – Forgivable loans of up to five thousand dollars (\$5,000) per semester for up to four semesters.

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

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

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

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

(1) Forgivable loans awarded from the Trust Fund, including the following:

- a. Demographic information regarding recipients.
- b. Number of recipients by institution of higher education and program.
- c. Information on number of recipients by anticipated ~~qualifying~~ licensure area.

(2) Placement and repayment rates, including the following:

- a. Number of graduates who have been employed ~~in a qualifying licensure area~~ within two years of program completion.
- b. Number of graduates who accepted employment at a low-performing school identified under G.S. 115C-105.37 as part of their years of service.
- c. Number of graduates who have elected to do loan repayment and their years of service, if any, prior to beginning loan repayment.
- d. Number of graduates ~~employed in a qualifying licensure area~~ who have received an overall rating of at least accomplished and have met expected growth on applicable standards of the teacher evaluation instrument.
- e. Aggregate information on student growth and proficiency in courses taught by graduates who have fulfilled service requirements through ~~employment in a qualifying licensure area~~ employment.

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SECTION 1.6.(b) There is appropriated from the General Fund to the North Carolina Teaching Fellows Program Trust Fund the sum of nineteen million nine hundred thousand dollars (\$19,900,000) in recurring funds for the 2024-2025 fiscal year to support an additional 428 teacher licensure candidates each year.

SECTION 1.6.(c) Subsection (a) of this section applies to applications for the award of funds beginning in the 2024-2025 academic year.

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

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

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

SECTION 1.7.(b) Request for Proposal. – By September 1, 2024, and annually thereafter, the State Board of Education shall issue a request for proposal (RFP) for the grant program. Local boards of education shall submit their proposals by December 1, 2024. The RFP shall require that proposals include the following information at a minimum:

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

SECTION 1.7.(c) Grant Awards. – By February 15, 2025, the State Board of Education shall review the proposals submitted by local boards of education and select up to 10 local school administrative units for grant awards. The State Board of Education may make grant awards for up to three years. A local school administrative unit may not receive more than five hundred thousand dollars (\$500,000) in a single fiscal year from the grant program.

SECTION 1.7.(d) Evaluation and Reporting. – Of the funds appropriated by this section, the State Board of Education may use up to three hundred thousand dollars (\$300,000) to contract with an independent research organization to evaluate the impact of this grant program. The independent research organization shall report the results of this evaluation to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management by September 1, 2027. The Department of Public Instruction shall report annually on the implementation of this grant program beginning March 15, 2025.

SECTION 1.7.(e) Appropriation. – There is appropriated from the General Fund to the Department of Public Instruction the sum of twelve million dollars (\$12,000,000) in recurring funds for the 2024-2025 fiscal year to implement the grant program in accordance with this section.

SECTION 1.7.(f) Carryforward. – Any unexpended funds appropriated under this section at the end of the 2024-2025 fiscal year shall not revert to the General Fund but shall remain available for the purposes set forth in this section.

TEACHER PREPARATION RESIDENCY PILOT GRANT PROGRAM

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

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

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

SECTION 1.8.(b) Request for Proposal. – By October 1, 2024, the State Board of Education shall issue a request for proposal (RFP) for the grant program. Local boards of education shall submit their proposals by January 15, 2025. The RFP shall require that proposals include the following information at a minimum:

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

SECTION 1.8.(c) Grant Awards. – By April 15, 2025, the State Board of Education shall review the proposals submitted by local boards of education and shall select up to 10 local school administrative units for grant awards. The State Board of Education may make grant awards for up to three years. A local school administrative unit may not receive more than five hundred thousand dollars (\$500,000) in a single fiscal year from this grant program.

SECTION 1.8.(d) Evaluation and Reporting. – Of the funds appropriated by this section, the State Board of Education may use up to three hundred thousand dollars (\$300,000) to contract with an independent research organization to evaluate the impact of this grant program. The independent research organization shall report the results of this evaluation to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management by September 1, 2028. The Department of Public Instruction shall report annually on the implementation of this grant program beginning by March 15, 2026.

SECTION 1.8.(e) Appropriation. – There is appropriated from the General Fund to the Department of Public Instruction the sum of fifteen million dollars (\$15,000,000) in recurring funds for the 2024-2025 fiscal year to implement the grant program in accordance with this section.

SECTION 1.8.(f) Carryforward. – Any unexpended funds appropriated under this section at the end of the 2024-2025 fiscal year shall not revert to the General Fund but shall remain available for the purposes set forth in this section.

EXPAND PARTNERSHIP TEACH

SECTION 1.9. There is appropriated from the General Fund to the Board of Governors of The University of North Carolina the sum of two hundred thousand dollars (\$200,000) in recurring funds for the 2024-2025 fiscal year to expand Partnership Teach to up to two additional hub sites, including providing funds for staffing, fellowship support, mentoring, and increasing recruitment capacity.

DEVELOPING A REPRESENTATIVE AND INCLUSIVE VISION FOR EDUCATION (DRIVE) GRANT PROGRAM

SECTION 1.10.(a) Purpose. – The State Board of Education, in consultation with the Office of the Governor, The University of North Carolina System Office, and the Community College System Office, shall establish a grant program to support strategic partnerships

committed to increasing the pipeline of educators of color across the State. As an extension of the recommendations and strategies presented by the Governor's DRIVE Task Force on January 1, 2021, the grants shall be provided to local school administrative units, institutions of higher education, and community organizations to implement innovative initiatives that support the recruitment, preparation, support, and retention of racially, ethnically, and linguistically diverse educators. The purpose of this program shall be to do at least the following:

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

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

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

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

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

SECTION 1.10.(d) Request for Proposal. – By October 1, 2024, the State Board of Education shall issue a request for proposal (RFP) for the grant program. Applicants shall submit their proposals by December 1, 2024. The RFP shall require that proposals include the following information at a minimum:

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

SECTION 1.10.(e) Selection. – By February 1, 2025, a selection committee shall select up to five grantees, making the effort to ensure that there is representation across the State as reflected by rural and urban districts, institutions of higher education, and community-based partners. Any grants awarded may be spent over a five-year period from the initial award. Grants may be awarded for new or existing projects.

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

SECTION 1.10.(g) Evaluation and Reporting. – Of the funds appropriated by this section, the State Board of Education may use up to three hundred thousand dollars (\$300,000) to contract with an independent research organization to evaluate the impact of this grant program. The independent research organization shall report the results of this evaluation to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management by September 1, 2026. The State Board of Education shall report annually on the implementation of this grant program beginning on January 1, 2026.

SECTION 1.10.(h) Appropriation. – There is appropriated from the General Fund to the Department of Public Instruction the sum of two million dollars (\$2,000,000) in recurring funds for the 2024-2025 fiscal year to implement the grant program in accordance with this section.

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

ANNUAL EDUCATOR DIVERSITY REPORT

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

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

- a. The state of the teaching and school administration professions in North Carolina, as provided in G.S. 115C-289.2 and G.S. 115C-299.5.
- b. Educator diversity in North Carolina, as provided in G.S. 115C-299.7."

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

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

(a) Definitions. – As used in this section, the following definitions apply:

- (1) Diversity categories. – Race and ethnicity.
- (2) Education entity. – Any of the following:
 - a. A public school unit, as defined in G.S. 115C-5(7a).
 - b. An educator preparation program, as defined in G.S. 115C-269.1(10).
- (3) Educators. – Teachers employed by a public school unit.
- (4) Future educators. – Students enrolled in an educator preparation program.
- (5) Grade level. – Where applicable, the grade level taught by an educator and the grade level attended by a future educator.

- (6) Mobility rates. – The percentage of educators who move from one school or public school unit to another.
- (7) Qualitative data. – Information collected via questionnaire, interview, and other nonquantitative methods.
- (b) Education Entity Diversity Report. – No later than July 30, 2025, and annually thereafter, each education entity shall report to the Department of Public Instruction the following information regarding the diversity of educators and future educators in the entity from the previous school year, disaggregated by diversity category and, where applicable, by grade level:
- (1) Total number of educators and future educators.
- (2) The number of persons who apply to work in or attend the education entity as an educator or future educator.
- (3) The number of educators and future educators who are employed by or enrolled in an education entity.
- (4) Retention rates of educators.
- (5) Mobility rates of educators between schools in a public school unit.
- (6) The number of future educators who do the following:
- a. Complete an educator preparation program.
- b. Become licensed in North Carolina.
- c. Become employed in a public school unit.
- (7) Qualitative data from educators and future educators on the diversity and inclusiveness of the education entity, including applicable information on recruitment, educator preparation, retention, mobility, and turnover. This information should include related reasons for educator attrition provided on educator workforce reports.
- (8) Recommendations from the entity to improve diversity of educators and future educators, including strategies to recruit and retain a diverse pool of educators and future educators.
- (c) Statewide Diversity Report. – No later than October 15, 2025, and annually thereafter, the Department of Public Instruction shall collect the information provided pursuant to subsection (b) of this section and report that information, organized to include at least the following, to the Joint Legislative Education Oversight Committee, disaggregated by diversity category and, where applicable, by grade level:
- (1) Statewide data for each education entity, including mobility rates of educators between public school units.
- (2) Recommendations from the Department to improve diversity among educators and future educators in education entities, including strategies to recruit and retain a diverse pool of educators and future educators.
- (d) Statistical Profile. – The Department of Public Instruction shall include the information regarding public school units collected pursuant to this act in the statistical profile of public schools maintained on its website.
- (e) Certain Information Excluded. – Nothing in this section shall be construed to require an education entity or the Department of Public Instruction to report any data that reveals confidential or personally identifiable information about an educator or future educator."

ESTABLISH THE OFFICE OF EQUITY AFFAIRS WITHIN THE DEPARTMENT OF PUBLIC INSTRUCTION

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

"Article 6E.

"Office of Equity Affairs.

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

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

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

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

(d) Beginning no later than January 15, 2025, and semiannually thereafter, the Office of Equity Affairs shall submit a report to the Joint Legislative Education Oversight Committee on the (i) implementation of its duties as set forth in this Article, (ii) progress of the Department of Public Instruction and the State Board of Education in effectively providing each child the opportunity to receive a sound basic education, and (iii) the diversity of the educator workforce. Prior to the reporting of any deficiencies in progress, the Office of Equity Affairs shall give to the Department of Public Instruction and the State Board of Education ample notice of the deficiencies and an opportunity to correct or improve the deficiencies and shall include in the report any efforts to do so. The report shall include any recommended legislation.

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

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

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

SECTION 1.12.(b) There is appropriated from the General Fund to the Department of Public Instruction for the 2024-2025 fiscal year the sum of four hundred thousand dollars (\$400,000) in recurring funds to permit the Deputy Superintendent of Equity Affairs, as established by this section, to appoint up to four full-time staff to assist in the administration of the Deputy Superintendent's duties under Article 6E of Chapter 115C of the General Statutes, as enacted by this section. Personnel appointed to these positions shall report solely to the Deputy Superintendent of Equity Affairs. The appointments shall not be subject to approval or disapproval by the Superintendent of Public Instruction or the State Board of Education. Of the four time-limited positions, one shall be an administrative assistant position and at least one shall be an attorney position.

NORTH CAROLINA NEW TEACHER SUPPORT PROGRAM

SECTION 1.13. There is appropriated from the General Fund to the Board of Governors of The University of North Carolina the sum of twenty-seven million two hundred thousand dollars (\$27,200,000) in recurring funds for the 2024-2025 fiscal year for the New Teacher Support Program to provide mentoring and coaching support to beginning teachers who are employed in public schools identified as low-performing or high-poverty at no cost to the local school administrative units.

ADVANCED TEACHING ROLES CHANGES

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

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

EDUCATOR PROFESSIONAL DEVELOPMENT ALLOTMENT

SECTION 1.15.(a) Effective July 1, 2024, there is established the Educator Professional Development Allotment in the State Public School Fund. The State Board of Education shall establish the purposes for which the funds within the new Educator Professional Development funding allotment may be used, including at least the following:

- (1) Educator professional development for targeted public school units and schools requiring multitiered support for prekindergarten through grade three, including the following:
 - a. Child development.
 - b. Early literacy.
 - c. Social and emotional learning.
 - d. Family engagement.
- (2) Implementation of literacy training.
- (3) Mentoring programs for beginning educators.

SECTION 1.15.(b) There is appropriated from the General Fund to the Department of Public Instruction the sum of seventy-three million nine hundred fifty thousand dollars (\$73,950,000) in recurring funds for the 2024-2025 fiscal year to be used to fund the Educator Professional Development Allotment. Funds shall be allotted to local school administrative units based on average daily membership.

REPORT FINDINGS OF COMPENSATION STUDY

SECTION 1.16. The Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management (OSBM) by March 1, 2025, on the findings of the compensation study it conducted on alternative teacher compensation models and advanced teaching roles using funds awarded by OSBM from the North Carolina Evaluation Fund.

TEACHER SALARY SCHEDULE

SECTION 1.17.(a) The following monthly teacher salary schedule shall apply for the 2024-2025 fiscal year to licensed personnel of the public schools who are classified as teachers. The salary schedule is based on years of teaching experience.

2024-25 Teacher Monthly Salary Schedule**Years of Experience****"A" Teachers**

1	0	\$4,600
2	1	\$4,685
3	2	\$4,770
4	3	\$4,855
5	4	\$4,940
6	5	\$5,025
7	6	\$5,110
8	7	\$5,195
9	8	\$5,280
10	9	\$5,365
11	10	\$5,450
12	11	\$5,535
13	12	\$5,620
14	13	\$5,705
15	14	\$5,790
16	15	\$5,875
17	16	\$5,950
18	17-19	\$6,070
19	20-22	\$6,135
20	23-25	\$6,200
21	26-28	\$6,295
22	29+	\$6,370

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

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

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

- (1) The first step of the salary schedule shall be equivalent to the sixth step of the "A" salary schedule.
- (2) These employees shall receive the following salary supplements each month:
 - a. Ten percent (10%) of their monthly salary, excluding the supplement provided pursuant to sub-subdivision b. of this subdivision.

- b. Five hundred dollars (\$500.00).
- (3) These employees are eligible to receive salary supplements equivalent to those of teachers for academic preparation at the six-year degree level or the doctoral degree level.
- (4) The twenty-sixth step of the salary schedule shall be seven and one-half percent (7.5%) higher than the salary received by these same employees on the twenty-fifth step of the salary schedule.

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

SECTION 1.17.(e) A teacher compensated in accordance with this salary schedule for the 2024-2025 school year shall receive an amount equal to the greater of the following:

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

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

SECTION 1.17.(g) There is appropriated from the General Fund to the Department of Public Instruction for the 2024-2025 fiscal year the sum of eight hundred seventy-two million six hundred forty-two thousand three hundred thirty-six dollars (\$872,642,336) in recurring funds to implement the teacher raises provided in this section.

SECTION 1.17.(h) It is the intent of the General Assembly to adjust compensation for teachers in the 2025-2026 fiscal year and subsequent fiscal years in accordance with information provided by the Department of Public Instruction in March of 2025 pursuant to the compensation study currently underway.

FUNDS FOR NATIONAL BOARD CERTIFICATION APPLICATION FEE

SECTION 1.18. There is appropriated from the General Fund to the Department of Public Instruction the sum of nine hundred thousand dollars (\$900,000) in recurring funds for the 2024-2025 fiscal year to provide additional grants for reimbursement of the cost of the participation fee for National Board for Professional Teaching Standards (NBPTS) certification pursuant to G.S. 115C-296.2A.

PART II. WELL-PREPARED, HIGH-QUALITY, AND SUPPORTED PRINCIPAL IN EVERY SCHOOL

EXPANSION OF THE NORTH CAROLINA PRINCIPAL FELLOWS PROGRAM

SECTION 2.1. There is appropriated from the General Fund to the North Carolina Principal Fellows Trust Fund the sum of thirteen million two hundred thousand dollars (\$13,200,000) in recurring funds for the 2024-2025 fiscal year to be used to provide forgivable loans to an additional 189 new principal candidates each year through principal preparation programs provided grants under the North Carolina Principal Fellows Program (Program)

established pursuant to Article 5C of Chapter 116 of the General Statutes. Any unexpended funds in the Trust Fund each fiscal year shall not revert to the General Fund but shall remain available for the purposes of the Program consistent with G.S. 116-74.41B.

STATEWIDE SCHOOL LEADERSHIP ACADEMY

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

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

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

SECTION 2.2.(b) By February 15, 2025, the State Board shall report to the Joint Legislative Education Oversight Committee, the Fiscal Research Division, and the Office of State Budget and Management on its proposal for the School Leadership Academy, including the plan for implementation and an estimation of costs.

SECTION 2.2.(c) Beginning with the 2025-2026 school year, the Department of Public Instruction shall operate and support the School Leadership Academy according to the plan developed by the State Board of Education pursuant to subsection (a) of this section.

PRINCIPAL SALARY SCHEDULE

SECTION 2.3.(a) The following annual salary schedule for principals shall apply for the 2024-2025 fiscal year, beginning July 1, 2024:

2024-2025 Principal Annual Salary Schedule

Avg. Daily Membership	Base	Met Growth	Exceeded Growth
0-200	\$84,676	\$93,143	\$101,612
201-400	\$88,910	\$97,801	\$106,691
401-700	\$93,143	\$102,457	\$111,773
701-1,000	\$97,377	\$107,115	\$116,853
1,001-1,600	\$101,612	\$111,773	\$121,933
1,601+	\$105,845	\$116,429	\$127,013

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

- (1) A principal shall be paid according to the Exceeded Growth column of the schedule as follows:
 - a. For the first six months of the applicable fiscal year, if the higher school growth score in one of the two prior school years shows that the school exceeded expected growth.

- 1 b. For the second six months of the applicable fiscal year, if the school
2 growth scores show the school or schools exceeded expected growth
3 in at least two of the prior three school years.
- 4 (2) A principal shall be paid according to the Met Growth column of the schedule
5 as follows:
- 6 a. For the first six months of the applicable fiscal year, if any of the
7 following apply:
- 8 1. The higher school growth score in one of the two prior school
9 years shows that the school met expected growth.
- 10 2. The principal supervised a school in the two prior school years
11 that was not eligible to receive a school growth score.
- 12 b. For the second six months of the applicable fiscal year, if any of the
13 following apply:
- 14 1. The school growth scores show the school or schools met
15 expected growth in at least two of the prior three school years.
- 16 2. The school growth scores show the school or schools met
17 expected growth in at least one of the prior three school years
18 and exceeded expected growth in one of the prior three school
19 years.
- 20 3. The principal supervised a school in at least two of the prior
21 three school years that was not eligible to receive a school
22 growth score.
- 23 (3) A principal shall be paid according to the Base column as follows:
- 24 a. For the first six months of the applicable fiscal year, if any of the
25 following apply:
- 26 1. The school growth scores from the two prior school years show
27 that the school did not meet expected growth in both years.
- 28 2. The principal has not supervised any school as a principal for
29 a majority of the two prior school years.
- 30 b. For the second six months of the applicable fiscal year, if any of the
31 following apply:
- 32 1. The school growth scores show the school or schools did not
33 meet expected growth in at least two of the prior three school
34 years.
- 35 2. The principal has not supervised any school as a principal for
36 a majority of the school year in at least two of the prior three
37 school years.

38 **SECTION 2.3.(b)** For purposes of determining the average daily membership of a
39 principal's school, the following amounts shall be used during the following time periods:

- 40 (1) For the first six months of the applicable fiscal year, the average daily
41 membership for the school from the third year. If the school did not have an
42 average daily membership in the third year, the projected average daily
43 membership for the school for the applicable school year.
- 44 (2) For the second six months of the applicable fiscal year, the average daily
45 membership for the school for the applicable school year.

46 **SECTION 2.3.(b1)** Beginning in the 2024-2025 fiscal year, it is the intent of the
47 General Assembly to include in the calculation of the average daily membership of a principal's
48 school the average daily membership of any prekindergarten students in membership at the
49 school.

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

- (1) For the first six months of the applicable fiscal year, the school growth scores from the first and second years.
- (2) For the second six months of the applicable fiscal year, the school growth scores from the first, second, and third years. If a principal does not have a school growth score from any of the school years identified in this subdivision, the most recent available growth scores, up to the third year, shall be used.

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

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

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

SECTION 2.3.(f) For purposes of this section, the following definitions apply:

- (1) First year. – The school year immediately preceding the second year.
- (2) The applicable fiscal year. – The 2024-2025 fiscal year.
- (3) The applicable school year. – The 2024-2025 school year.
- (4) Third year. – The school year immediately preceding the applicable school year.
- (5) Second year. – The school year immediately preceding the third year.

SECTION 2.3.(g) There is appropriated from the General Fund to the Department of Public Instruction for the 2024-2025 fiscal year the sum of twenty-six million four hundred thirty-six thousand one hundred eighty dollars (\$26,436,180) in recurring funds to increase salaries for principals in accordance with this section.

SECTION 2.3.(h) It is the intent of the General Assembly to adjust compensation for principals in the 2025-2026 fiscal year and subsequent fiscal years in accordance with any information provided by the Department of Public Instruction in March of 2025 pursuant to the compensation study currently underway.

ASSISTANT PRINCIPAL SALARIES

SECTION 2.4.(a) For the 2024-2025 fiscal year, beginning July 1, 2024, assistant principals shall receive a monthly salary based on the salary schedule for teachers who are classified as "A" teachers plus nineteen percent (19%). An assistant principal shall be placed on the step on the salary schedule that reflects the total number of years of experience as a certified employee of the public schools. For purposes of this section, an administrator with a one-year provisional assistant principal's certificate shall be considered equivalent to an assistant principal.

SECTION 2.4.(b) Assistant principals with certification based on academic preparation at the six-year degree level shall be paid a salary supplement of one hundred

twenty-six dollars (\$126.00) per month and at the doctoral degree level shall be paid a salary supplement of two hundred fifty-three dollars (\$253.00) per month.

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

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

SECTION 2.4.(e) An assistant principal compensated in accordance with this section for the 2024-2025 fiscal year shall receive an amount equal to the greater of the following:

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

SECTION 2.4.(f) There is appropriated from the General Fund to the Department of Public Instruction for the 2024-2025 fiscal year the sum of twenty-two million eight hundred sixty-two thousand nine hundred eighty-four dollars (\$22,862,984) in recurring funds to increase salaries for assistant principals in accordance with this section.

SECTION 2.4.(g) It is the intent of the General Assembly to adjust compensation for assistant principals in the 2025-2026 fiscal year and subsequent fiscal years in accordance with any information provided by the Department of Public Instruction in March of 2025 pursuant to the compensation study currently underway.

PLAN FOR SCHOOL-BASED ADMINISTRATOR GRANT PROGRAM

SECTION 2.5.(a) No later than March 15, 2025, the State Board of Education shall develop and report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division a plan to implement and evaluate the effectiveness of incentive programs to encourage well-qualified principals and assistant principals to work in high-need schools. These programs may include salary supplements for principals who take positions in chronically low-performing schools, protection for principals against salary reduction for working in high-need or low-performing schools, and rewards for principals and assistant principals for making progress on school performance.

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

RECOMMENDATIONS FOR ADDITIONAL AUTONOMY AND RESOURCES FOR PRINCIPALS AND SUPERINTENDENTS IN LOCAL SCHOOL ADMINISTRATIVE UNITS

SECTION 2.6.(a) No later than November 15, 2025, the Department of Public Instruction shall survey local school administrative units on recommendations to increase autonomy and resources for principals and superintendents. No later than February 15, 2026, the Department shall compile responses from this survey and report them to the Joint Legislative Education Oversight Committee and the Fiscal Research Division.

SECTION 2.6.(b) It is the intent of the General Assembly to implement advisable recommendations submitted to the Department pursuant to subsection (a) of this section in the 2026-2027 fiscal year and subsequent fiscal years.

PART III. FINANCE SYSTEM THAT PROVIDES ADEQUATE, EQUITABLE, AND EFFICIENT RESOURCES

BUDGET FLEXIBILITY FOR LOCAL BOARDS OF EDUCATION

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

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

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

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

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

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

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

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

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

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

(5a) ~~No positions shall be transferred out of the allocation for classroom teachers for kindergarten through twelfth grade, except as provided in this subdivision.~~ Positions allocated for classroom teachers may be converted to dollar equivalents to contract for visiting international exchange teachers through a visiting international exchange teacher program approved by the State. These positions shall be converted at the statewide average salary for classroom teachers, including benefits. The converted funds shall be used only to provide visiting international exchange teachers with salaries commensurate with their experience levels, to provide any State-approved bonuses, and to cover the costs associated with supporting visiting international exchange teachers within the local school administrative unit, including programming and related activities, background checks, medical coverage, and other program administration services in accordance with the federal regulations for the Exchange Visitor Program, 22 C.F.R. Part 62.

(5b) ~~Positions allocated~~ Except as provided in subdivision (5a) of this subsection, positions allocated for classroom teachers and for instructional support personnel may be converted to dollar equivalents for any purpose authorized by the policies of the State Board of Education. These positions shall be converted at the salary on the first step of the "A" Teachers Salary Schedule. Certified position allotments shall not be transferred to dollars to hire the same type of position.

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

~~(5d) No positions shall be transferred out of the allocation for program enhancement teachers for kindergarten through fifth grade except as provided in this subdivision. Positions allocated for program enhancement teachers for kindergarten through fifth grade may be converted into positions allocated for classroom teachers for kindergarten through twelfth grade. For the purposes of this subdivision, the term "program enhancement" is as defined in G.S. 115C-301(c2).~~

(6) through (9) Repealed by Session Laws 2013-360, s. 8.14, effective July 1, 2013.

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

~~(10a) No funds shall be transferred out of the limited English proficiency allotment category.~~

(11) No funds shall be transferred into or out of the driver education allotment category.

~~(12) Funds allotted for textbooks and digital resources may only be used for the purchase of textbooks and digital resources. These funds shall not be transferred out of the allotment for any other purpose.~~

(13) No positions shall be transferred out of the allocation for school health personnel except as provided in this subdivision. Positions allocated for school health personnel may be converted to dollar equivalents for contracted services directly related to school psychology, school counseling, school nursing, and school social work. These positions shall be converted at the minimum salary for the position on the "A" Teachers Salary Schedule."

SECTION 3.1.(b) This section applies beginning with the 2024-2025 school year.

FUNDS FOR CHILDREN WITH DISABILITIES

SECTION 3.2.(a) G.S. 115C-111.05, as enacted by Section 7.1 of S.L. 2023-134, reads as rewritten:

"§ 115C-111.05. Funding for children with disabilities.

To the extent funds are made available for this purpose, the State Board shall allocate funds for children with disabilities to each local school administrative unit ~~on a per child basis. Each local school administrative unit shall receive funds for the lesser of (i) all children who are identified as children with disabilities or (ii) thirteen percent (13%) of its allocated average daily membership in the local school administrative unit for the current school year on the basis of the reported cost of the services provided.~~

SECTION 3.2.(b) There is appropriated from the General Fund to the Department of Public Instruction the sum of two hundred fifty-three million five hundred twenty-four thousand two hundred seventy-three dollars (\$253,524,273) in recurring funds for the 2024-2025 fiscal year to implement the plan for weighted funding for children with disabilities on the basis of the reported cost of services provided developed by the Department of Public Instruction pursuant to Section 7.7 of S.L. 2023-134. The Department shall begin distributing funds for children with disabilities based on this model beginning with the 2024-2025 school year.

REVISE SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES

SECTION 3.3.(a) Subsections (d) and (e) of G.S. 115C-472.17, as enacted by Section 7.2 of S.L. 2023-134, read as rewritten:

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

(e) Formula for Distribution of Supplemental Funding Pursuant to This Section Only. – The formula in this section is solely a basis for distribution of supplemental funding for low-wealth counties and is not intended to reflect any measure of the adequacy of the educational program or funding for public schools. The formula is also not intended to reflect any commitment by the General Assembly to appropriate any additional supplemental funds for low-wealth counties. It is the intent of the General Assembly to incrementally increase appropriations for the low-wealth allotment to provide eligible counties supplemental funding equal to one hundred ten percent (110%) of the statewide local revenue per student by fiscal year 2027-2028. The State Board of Education shall adjust the formula to ensure each local school administrative unit receives a pro rata share of the additional funds appropriated for the low-wealth allotment in this section for supplemental funding."

SECTION 3.3.(b) There is appropriated from the General Fund to the Department of Public Instruction the sum of ninety-seven million one hundred thousand dollars (\$97,100,000) in recurring funds for the 2024-2025 fiscal year to implement the changes to the low-wealth allotment in this section.

FUNDING FOR LIMITED ENGLISH PROFICIENCY STUDENTS

SECTION 3.4.(a) The State Board of Education shall allocate additional funds for services to students with limited proficiency in the English language to local school administrative units and to charter schools based on the three-year weighted headcount of students in the units or charter school with limited English proficiency pursuant to Section 7.9(a) of S.L. 2007-323. The State Board of Education shall adopt formulas for computing the allotments that do not include a cap on funds allocated.

SECTION 3.4.(b) There is appropriated from the General Fund to the Department of Public Instruction the sum of one hundred million five hundred thousand dollars (\$100,500,000) in recurring funds for the 2024-2025 fiscal year to implement this section.

TEACHER ASSISTANT ALLOTMENT

SECTION 3.5.(a) Section 8.47(b) of S.L. 2015-41 is repealed.

SECTION 3.5.(b) Article 21 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-316.9. Teacher assistant allotment.

(a) To the extent funds are made available, the State Board of Education shall establish a funding allotment for teacher assistant positions. The State Board is authorized to adopt rules for

the allocation of teacher assistant positions pursuant to this allotment. Funds allocated pursuant to this section shall be distributed based on the following:

- (1) An estimated statewide average salary and benefits per teacher assistant position.
- (2) The requirements of subsection (d) of this section.
- (b) Beginning with the 2024-2025 fiscal year, there is appropriated from the General Fund to the Department of Public Instruction for the following fiscal years the following amounts to the teacher assistant allotment:

<u>Fiscal Year</u>	<u>Appropriation</u>
<u>2024-2025</u>	<u>\$30,700,000</u>
<u>2025-2026</u>	<u>\$65,100,000</u>
<u>2026-2027</u>	<u>\$103,800,000</u>
<u>2027-2028</u>	<u>\$147,600,000</u>
<u>2028-2029 and each subsequent fiscal year thereafter</u>	<u>\$197,700,000</u>

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

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

<u>Fiscal Year</u>	<u>Teacher Assistants</u>
<u>2024-2025</u>	<u>1:35</u>
<u>2025-2026</u>	<u>1:33</u>
<u>2026-2027</u>	<u>1:31</u>
<u>2027-2028</u>	<u>1:29</u>
<u>2028-2029 and each subsequent fiscal year thereafter</u>	<u>1:27"</u>

INCREASE FUNDING FOR INSTRUCTIONAL SUPPORT PERSONNEL

SECTION 3.6.(a) G.S. 115C-316.5 reads as rewritten:

"§ 115C-316.5. School health personnel allotment.

- (a) For the purposes of this section, the term "school health personnel" refers to the same positions listed in G.S. 115C-316.2(a).

- (b) ~~To the extent funds are made available, the~~ The State Board of Education shall establish a funding allotment for school health personnel positions. There is appropriated from the General Fund to the Department of Public Instruction to fund the allotment the following amounts in the fiscal years identified:

<u>Fiscal Year</u>	<u>Appropriation</u>
<u>2024-2025</u>	<u>\$117,200,000</u>
<u>2025-2026</u>	<u>\$234,400,000</u>
<u>2026-2027</u>	<u>\$351,500,000</u>
<u>2027-2028</u>	<u>\$468,800,000</u>
<u>2028-2029 and each subsequent fiscal year thereafter</u>	<u>\$585,900,000</u>

- (b1) When developing the base budget, as defined by G.S. 143C-1-1, for each fiscal year specified in subsection (b) of this section, the Director of the Budget shall include the appropriated amount for that fiscal year.

- (b2) ~~The State Board is authorized to~~ shall adopt rules for the allocation of school health personnel positions pursuant to this allotment. Rules adopted by the State Board pursuant to this section shall include, at a minimum, the following requirements:

- (1) School health personnel positions are allocated on the basis of average daily membership.

(2) Each local school administrative unit receives sufficient funding ~~for at least one school psychologist position to fulfill the position-to-student ratios identified in subsection (c) of this section.~~

(3) Local school administrative units are encouraged to fill positions under this allotment with full-time, permanent employees. If the local school administrative unit is unable to fill these positions by hiring a full-time, permanent employee, the allocation for the position may be converted to a dollar equivalent for the unit to contract with a third party to provide the relevant services for an amount of hours equivalent to the hours a full-time position employee would provide.

(c) Local school administrative units shall increase school health personnel positions each fiscal year until the 2028-2029 fiscal year at the following position-to-student ratios:

<u>Fiscal Year</u>	<u>Nurses</u>	<u>Counselors</u>	<u>Social Workers</u>	<u>Psychologists</u>
<u>2024-2025</u>	<u>1:841</u>	<u>1:337</u>	<u>1:830</u>	<u>1:1,469</u>
<u>2025-2026</u>	<u>1:753</u>	<u>1:310</u>	<u>1:683</u>	<u>1:1,153</u>
<u>2026-2027</u>	<u>1:682</u>	<u>1:287</u>	<u>1:581</u>	<u>1:949</u>
<u>2027-2028</u>	<u>1:624</u>	<u>1:267</u>	<u>1:505</u>	<u>1:806</u>
<u>2028-2029 and each subsequent fiscal year thereafter</u>	<u>1:574</u>	<u>1:250</u>	<u>1:447</u>	<u>1:700"</u>

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

"§ 115C-316.7. Instructional support allotment.

(a) Beginning with the 2024-2025 fiscal year, there is appropriated from the General Fund to the Department of Public Instruction for the following fiscal years the following amounts to the instructional support allotment:

<u>Fiscal Year</u>	<u>Appropriation</u>
<u>2024-2025</u>	<u>\$12,400,000</u>
<u>2025-2026</u>	<u>\$24,800,000</u>
<u>2026-2027</u>	<u>\$37,200,000</u>
<u>2027-2028</u>	<u>\$49,600,000</u>
<u>2028-2029 and each subsequent fiscal year thereafter</u>	<u>\$62,000,000</u>

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

(c) Funds appropriated pursuant to subsection (a) of this section shall be allocated to local school administrative units to increase instructional support personnel positions each fiscal year until the 2028-2029 fiscal year at the following position-to-student ratios:

<u>Fiscal Year</u>	<u>Media Coordinators</u>
<u>2024-2025</u>	<u>1:737</u>
<u>2025-2026</u>	<u>1:688</u>
<u>2026-2027</u>	<u>1:645</u>
<u>2027-2028</u>	<u>1:608</u>
<u>2028-2029 and each subsequent fiscal year thereafter</u>	<u>1:574"</u>

CONSOLIDATE ALLOTMENTS INTO A SINGLE ALLOTMENT

SECTION 3.7. The Department of Public Instruction shall report to the Joint Legislative Education Oversight Committee on a method to combine all dollar allotments currently distributed on the basis of ADM into a single allotment. The Department shall submit the report no later than February 15, 2025.

INCREASE ALLOTTED ASSISTANT PRINCIPAL MONTHS OF EMPLOYMENT

SECTION 3.8. There is appropriated from the General Fund to the Department of Public Instruction the recurring sum of twelve million four hundred thousand dollars (\$12,400,000) in the 2024-2025 fiscal year to increase the school building administration allotment. These funds shall be used to increase the ratio of assistant principals to students in all local school administrative units.

INCREASE FUNDING FOR CENTRAL OFFICE STAFF

SECTION 3.9. There is appropriated from the General Fund to the Department of Public Instruction the recurring sum of twenty-three million five hundred thousand dollars (\$23,500,000) in the 2024-2025 fiscal year to increase the central office administration allotment. These funds shall be used to support additional personnel and services provided by central office staff in local school administrative units.

CENTRAL OFFICE SALARIES

SECTION 3.10.(a) The monthly salary maximums that follow apply to assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers for the 2024-2025 fiscal year, beginning July 1, 2024:

2024-2025 Fiscal Year**Maximum**

School Administrator I	\$7,754
School Administrator II	\$8,216
School Administrator III	\$8,707
School Administrator IV	\$9,046
School Administrator V	\$9,407
School Administrator VI	\$9,966
School Administrator VII	\$10,363

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

SECTION 3.10.(b) The monthly salary maximums that follow apply to superintendents for the 2024-2025 fiscal year, beginning July 1, 2024:

2024-2025 Fiscal Year**Maximum**

Superintendent I	\$10,985
Superintendent II	\$11,640
Superintendent III	\$12,338
Superintendent IV	\$13,080
Superintendent V	\$13,867

The local board of education shall determine the appropriate category and placement for the superintendent based on the average daily membership of the local school administrative unit and within funds appropriated by the General Assembly for central office administrators and superintendents.

SECTION 3.10.(c) Longevity pay for superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers shall be as provided for State employees under the North Carolina Human Resources Act.

SECTION 3.10.(d) Superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one

hundred twenty-six dollars (\$126.00) per month in addition to the compensation provided pursuant to this section. Superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers with certification based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars (\$253.00) per month in addition to the compensation provided for under this section.

SECTION 3.10.(e) The State Board of Education shall not permit local school administrative units to transfer State funds from other funding categories for salaries for public school central office administrators.

ESTABLISH MECHANISM TO CONTINUALLY UPDATE STATE SPENDING FOR INFLATION AND ENROLLMENT GROWTH

SECTION 3.11. The Department of Public Instruction, when submitting budget adjustment requests to the General Assembly and the Office of State Budget and Management, shall include adjustments for inflation and other rising costs associated with providing a sound basic education.

APPROPRIATE FUNDS DIRECTLY TO CHARTER SCHOOLS

SECTION 3.12.(a) G.S. 115C-218.105 reads as rewritten:

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

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

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

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

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

...

(b1) Counties may provide direct capital funds to charter schools by direct appropriation as set forth in G.S. 153A-461. These funds shall be used only for the following purposes:

- (1) The acquisition of real property for school purposes, including, but not limited to, school sites, playgrounds, and athletic fields.
- (2) The acquisition, construction, reconstruction, enlargement, renovation, or replacement of buildings and other structures, including, but not limited to, buildings for classrooms and laboratories, physical and vocational educational purposes, libraries, auditoriums, and gymnasiums.

(3) The acquisition or replacement of furniture and furnishings, instructional apparatus, technology, data processing equipment, business machines, and similar items of furnishings and equipment.

(b2) If a charter school ~~uses funds provided in~~ receives direct capital funds under subsection (b1) of this section to acquire or improve property, the amount provided by the county shall be evidenced by a promissory note and secured by a deed of trust on the property acquired or improved by the funds. The county may subordinate the deed of trust to other liens to facilitate the acquisition or improvement of the property secured by the deed of trust. In the event that a charter school repays the county in the amount of the capital funds provided, the county shall, for the property acquired or improved by the funds, execute and file a deed of release or other documentation of satisfaction showing the charter school repaid the county in the amount of the capital funds provided.

(b3) For each child attending a charter school, the county in which the child resides shall allocate to the charter school an amount equal to the average per pupil allocation for average daily membership, as determined in accordance with G.S. 115C-430.

(b4) Counties shall allocate funds to charter schools in accordance with G.S. 115C-437.

...."

SECTION 3.12.(b) G.S. 115C-218.105(c) through G.S. 115C-218.105(e) are repealed.

SECTION 3.12.(c) G.S. 115C-423 reads as rewritten:

"§ 115C-423. Definitions.

The words and phrases defined in this section have the meanings indicated when used in this Article, unless the context clearly requires another meaning:

- (1) ~~"Budget" is a Budget.~~ – A plan proposed by a board of education for raising and spending money for specified school programs, functions, activities, or objectives during a fiscal year.
- (2) ~~"Budget resolution" is a Budget resolution.~~ – A resolution adopted by a board of education that appropriates revenues for specified school programs, functions, activities, or objectives during a fiscal year.
- (3) ~~"Budget year" is the Budget year.~~ – The fiscal year for which a budget is proposed and a budget resolution is adopted.
- (4) ~~"Fiscal year" is the Fiscal year.~~ – The annual period for the compilation of fiscal operations. The fiscal year begins on July 1 and ends on June 30.
- (5) ~~"Fund" is an Fund.~~ – An independent fiscal and accounting entity consisting of cash and other resources together with all related liabilities, obligations, reserves, and equities which are segregated by appropriate accounting techniques for the purpose of carrying on specific activities or attaining certain objectives in accordance with established legal regulations, restrictions or limitations.
- (6) Local schools. – All local school administrative units located in a county, plus any charter schools that are attended by children residing in the county.
- (7) "Vending facilities" has the same meaning as it does in Vending facilities. – As defined in G.S. 111-42(d), but also means any mechanical or electronic device dispensing items or something of value or entertainment or services for a fee, regardless of the method of activation, and regardless of the means of payment, whether by coin, currency, tokens, or other means."

SECTION 3.12.(d) G.S. 115C-430 reads as rewritten:

"§ 115C-430. Apportionment of county appropriations among local school administrative units.schools.

~~If there is more than one local school administrative unit in a county, all~~ All appropriations by the county to the local ~~current expense funds of the units, schools,~~ except appropriations

1 funded by supplemental taxes levied less than countywide pursuant to a local act of
2 G.S. 115C-501 to 115C-511, must be apportioned according to ~~the membership of each unit.~~
3 average daily membership. County appropriations are properly apportioned when the dollar
4 amount obtained by dividing the amount ~~so appropriated to each unit~~ appropriated to each local
5 school administrative unit in the county and each charter school a resident child is attending by
6 the total membership of the unit or number of resident charter school attendees is the same for
7 each unit. ~~The total membership of the local school administrative unit is the unit's average same.~~
8 Average daily membership for the budget year to shall be determined by and certified to the unit
9 local schools and the board of county commissioners by the State Board of Education."

10 **SECTION 3.12.(e)** G.S. 115C-431 reads as rewritten:

11 "**§ 115C-431. Procedure for resolution of dispute between board of education the governing**
12 **body of a local school and a board of county commissioners.**

13 (a) If the ~~board of education~~ governing body of a local school determines that the amount
14 of money appropriated ~~to the local current expense fund, or the capital outlay fund, or both,~~ by
15 the board of county commissioners to a local school administrative unit or charter school is not
16 sufficient to support a system of free public schools, then the chairman of the ~~board of education~~
17 governing body of the local school and the chairman of the board of county commissioners shall
18 arrange a joint meeting of the two boards to be held within seven days after the day of the county
19 commissioners' decision on the school appropriations.

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

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

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

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

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

35 (2) The superintendent of the local school administrative unit or the chairman of
36 the charter school board of directors, and the county ~~manager~~ manager, or
37 ~~either's designee;~~ any of their designees.

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

39 (4) The attorney for each board.

40 Members of ~~both the~~ boards, their chairs, and representatives shall cooperate with and respond
41 to all reasonable requests of the mediator to participate in the mediation. Notwithstanding Article
42 33C of Chapter 143 of the General Statutes, the mediation proceedings involving the two working
43 groups shall be conducted in private. Evidence of statements made and conduct occurring in a
44 mediation are not subject to discovery and are inadmissible in any court action. However, no
45 evidence otherwise discoverable is inadmissible merely because it is presented or discussed in a
46 mediation. The mediator shall not be compelled to testify or produce evidence concerning
47 statements made and conduct occurring in a mediation in any civil proceeding for any purpose,
48 except disciplinary hearings before the State Bar or any agency established to enforce standards
49 of conduct for mediators. Reports by members of either working group to their respective boards
50 shall be made in compliance with Article 33C of Chapter 143 of the General Statutes.

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

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

13 ~~The local board of education governing body of the local school~~ and the board of county
14 commissioners shall share equally the mediator's compensation and expenses. The mediator's
15 compensation shall be determined according to rules adopted under Chapter 7A of the General
16 Statutes.

17 (b1) If agreement is not reached in mediation on the amount of money appropriated to the
18 local current expense fund, ~~fund~~ fund or charter school, and the amount to be appropriated has not
19 been calculated pursuant to this subsection for longer than the prior year, the sum to be
20 appropriated for the budget year in dispute shall be calculated as follows:

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

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

37 (3) The amount from subdivision (2) of this subsection, rounded to the nearest
38 penny, shall then be multiplied by the sum of the following: the allotted
39 average daily membership for the school year plus the share of the average
40 daily membership of any innovative, ~~charter~~, regional, or laboratory school
41 whose students reside in the local school administrative unit for the budget
42 year in dispute. For charter schools, the amount shall be multiplied by the
43 allotted average daily membership for the school year.

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

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

- (1) The amount of moneys appropriated to the local current expense fund by the board of county commissioners in the prior fiscal year that are expended in the prior fiscal year by the local school administrative unit and transferred as required by G.S. 115C-75.10, ~~115C-218.105~~, 115C-238.70, and 116-239.11 shall be divided by the sum of the following: the average daily membership plus the share of the average daily membership of any innovative, ~~charter~~, regional, or laboratory school whose students reside in the local school administrative unit for the prior school year. For charter schools, the amount of moneys appropriated to the charter school in the prior fiscal year that are expended in that year divided by the average daily membership of the charter school.
- (2) The twelve month percent change in the second quarter Employment Cost Index for elementary and secondary school workers as reported by the Federal Bureau of Labor Statistics shall be increased by three percent (3%).
- (3) The amount from subdivision (1) of this subsection, rounded to the nearest penny, shall then be multiplied by the sum of one plus the sum from subdivision (2) of this subsection, rounded to the nearest penny.
- (4) The amount from subdivision (3) of this subsection shall then be multiplied by the sum of the following: the allotted average daily membership for the school year plus the share of the average daily membership of any innovative, ~~charter~~, regional, or laboratory school whose students reside in the local school administrative unit for the budget year in dispute. For charter schools, the amount shall be multiplied by the funded average daily membership for the school year.

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

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

...."

SECTION 3.12.(f) G.S. 115C-437 reads as rewritten:

"§ 115C-437. Allocation of revenues to the local school administrative unit by the county schools.

Revenues accruing to the ~~local school administrative unit~~ schools by virtue of Article IX, Sec. 7, of the Constitution and taxes levied by or on behalf of ~~the~~ a local school administrative unit pursuant to a local act or G.S. 115C-501 to 115C-511 shall be remitted to the school finance officer by the officer having custody thereof within 10 days after the close of the calendar month in which the revenues were received or collected. The clear proceeds of all penalties and forfeitures and of all fines collected for any breach of the penal laws of the State, as referred to in Article IX, Sec. 7 of the Constitution, shall include the full amount of all penalties, forfeitures or fines collected under authority conferred by the State, diminished only by the actual costs of collection, not to exceed ten percent (10%) of the amount collected. Revenues appropriated to ~~the local school administrative unit~~ a local school by the board of county commissioners from general county revenues shall be made available to the school finance officer by such procedures as may be mutually agreeable to the ~~board of education governing body of the local school~~ and the board of county commissioners, but if no such agreement is reached, these funds shall be remitted to the school finance officer by the county finance officer in monthly installments sufficient to meet its lawful expenditures from the county appropriation until the county appropriation to the local school ~~administrative unit~~ is exhausted. Each installment shall be paid

not later than 10 days after the close of each calendar month. When revenue has been appropriated to the local school ~~administrative unit~~ by the board of county commissioners from funds which carry specific restrictions binding upon the county as recipient, the board of commissioners must inform the local school ~~administrative unit~~ in writing of those restrictions."

SECTION 3.12.(g) G.S. 115C-448(d) reads as rewritten:

"(d) Special funds of individual schools shall not be included ~~as part of the local current expense fund of a local school administrative unit for the purposes of determining in determining~~ the per pupil share ~~of the local current expense fund transferred amount to be appropriated from the county~~ to a charter school pursuant to ~~G.S. 115C-218.105(e).~~ G.S. 115C-218.105(b3)."

SECTION 3.12.(h) G.S. 153A-461, as amended by Section 6 of S.L. 2023-107, reads as rewritten:

"§ 153A-461. Charter schools.

(a) Each county shall appropriate to a charter school the average per pupil allocation, as determined by G.S. 115C-430, for each child that resides in the county and attends that charter school.

(b) Each county is authorized to appropriate direct capital funds and lease real property to schools chartered under Article 14A of Chapter 115C of the General Statutes. Counties may provide direct capital funds only for the purposes set forth in G.S. 115C-218.105(b1)."

ISSUE CAPITAL BONDS

SECTION 3.13.(a) Purpose. – It is the intent of the General Assembly by this section to provide, subject to a vote of the qualified voters of the State, for the issuance of two billion dollars (\$2,000,000,000) general obligation bonds of the State for the purpose of providing funds, with any other available funds, for public school facilities through grants to counties for public school capital outlay projects, repairs, and renovations.

SECTION 3.13.(b) Definitions. – Unless the context otherwise requires, the following definitions apply in this section:

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

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

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

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

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

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

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

- 1 and financial advisors, to the extent and as determined by the State
2 Treasurer.
- 3 f. The cost of reimbursing the State for any payments made for any cost
4 described in this subdivision.
- 5 g. Any other costs and expenses necessary or incidental to the purposes
6 of this school.
- 7 Allocations in this section of proceeds of bonds to the costs of a project or
8 undertaking in each case may include allocations to pay the costs set forth in
9 sub-subdivisions c. through g. of this subdivision in connection with the
10 issuance of bonds for the project or undertaking.
- 11 (3) Credit facility agreement. – An agreement entered into by the State Treasurer
12 on behalf of the State with a bank, savings and loan association, or other
13 banking institution; an insurance company, reinsurance company, surety
14 company, or other insurance institution; a corporation, investment banking
15 firm, or other investment institution; or any financial institution or other
16 similar provider of a credit facility agreement, which provider may be located
17 within or without the United States of America, such agreement providing for
18 prompt payment of all or any part of the principal or purchase price (whether
19 at maturity, presentment or tender for purchase, redemption, or acceleration),
20 redemption premium, if any, and interest on any bonds or notes payable on
21 demand or tender by the owner, in consideration of the State agreeing to repay
22 the provider of the credit facility agreement in accordance with the terms and
23 provisions of such agreement.
- 24 (4) Notes. – Notes issued under this section.
- 25 (5) Par formula. – Any provision or formula adopted by the State to provide for
26 the adjustment, from time to time, of the interest rate or rates borne by any
27 bonds or notes, including the following:
- 28 a. A provision providing for such adjustment so that the purchase price
29 of such bonds or notes in the open market would be as close to par as
30 possible;
- 31 b. A provision providing for such adjustment based upon a percentage or
32 percentages of a LIBOR rate, a prime rate, or base rate, which
33 percentage or percentages may vary or be applied for different periods
34 of time; or
- 35 c. Such other provision as the State Treasurer may determine to be
36 consistent with this and will not materially and adversely affect the
37 financial position of the State and the marketing of bonds or notes at a
38 reasonable interest cost to the State.
- 39 (6) Public school capital outlay project. – A project for any of the following:
- 40 a. Construction of one or more new public school buildings.
- 41 b. Renovation of one or more existing public school buildings.
- 42 c. Construction, acquisition, and installation of technology infrastructure
43 for a public school building.
- 44 d. Acquisition and installation of equipment or fixtures to ensure
45 building security for a public school building.
- 46 e. Acquisition and installation of equipment for a public school building
47 that will be used for an instructional or related purpose.
- 48 f. Purchase of land necessary for construction to commence within 24
49 months of one or more public school buildings.
- 50 g. Other related capital outlay projects to provide facilities for individual
51 public schools that are used for instructional or related purposes.

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

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

SECTION 3.13.(c) Authorization of Bonds and Notes. – Subject to a favorable vote of a majority of the qualified voters of the State who vote on the question of issuing bonds for public school capital outlay projects in the election called and held as provided in this section, the State Treasurer is hereby authorized, by and with the consent of the Council of State, to issue and sell, at one time or from time to time, general obligation bonds of the State to be designated "State of North Carolina Education Bonds," with any additional designations as may be determined to indicate the issuance of bonds from time to time, or notes of the State as provided in this section, in an aggregate principal amount not exceeding two billion dollars (\$2,000,000,000) for the purpose of providing funds, with any other available funds, for the purposes authorized in this section. In determining whether this limit has been reached, the issuance of a note or bond to pay an outstanding note is not considered an issuance.

SECTION 3.13.(d) Use of Education Bond and Note Proceeds. –

(1) Subject to the provisions of subdivision (2) of this subsection, two billion dollars (\$2,000,000,000) of the proceeds of education bonds and notes, including premium thereon, if any, shall be used for the purpose of making grants to counties for paying the cost of public school capital outlay projects, repairs, and renovations. Proceeds of education bonds and notes shall be distributed to public school units as if they were funds in the Needs-Based Public School Capital Fund, except there shall be no matching requirements imposed on the public school units.

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

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

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

SECTION 3.13.(e) Allocation and Tracking of Proceeds. –

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

Any additional monies that may be received by means of a grant or grants from the United States of America or any agency or department thereof or from any other source for deposit to the Education Bonds Fund may be placed in the Education Bonds Fund or in a separate account or fund and shall be

disbursed, to the extent permitted by the terms of the grant or grants, without regard to any limitations imposed by this section.

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

The proceeds of education bonds and notes, including premium thereon, if any, may be used with any other monies made available by the General Assembly for funding the projects authorized by this section, including the proceeds of any other State bond issues, whether heretofore made available or that may be made available at the session of the General Assembly at which this section is ratified or any subsequent sessions. The proceeds of education bonds and notes, including premium thereon, if any, shall be expended and disbursed under the direction and supervision of the Director of the Budget. The funds provided by this section shall be disbursed for the purposes provided in this section upon warrants drawn on the State Treasurer by the State Controller, which warrants shall not be drawn until requisition has been approved by the Director of the Budget and which requisition shall be approved only after full compliance with the State Budget Act, Chapter 143C of the General Statutes.

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

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

SECTION 3.13.(f) Election. – The question of the issuance of the bonds authorized by this section shall be submitted to the qualified voters of the State at the time of the election in 2024 when voters of this State are given an opportunity to express their preference for the person to be the presidential candidate of their political party. Any other primary, election, or referendum, validly called or scheduled by law at the time the election on the bond question provided for in this subsection is held, may be held as called or scheduled. Notice of the election shall be given in the manner and at the times required by G.S. 163-33(8). The election and the registration of voters therefor shall be held under and in accordance with the general laws of the State. Absentee ballots shall be authorized in the election.

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

"[] FOR [] AGAINST

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

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

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

SECTION 3.13.(g) Issuance of Bonds and Notes. –

- (1) Terms and conditions. – Bonds or notes may bear such date or dates, may be serial or term bonds or notes, or any combination thereof, may mature in such amounts and at such time or times, not exceeding 40 years from their date or dates, may be payable at such place or places, either within or without the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, may bear interest at such rate or rates, which may vary from time to time, and may be made redeemable before maturity, at the option of the State or otherwise as may be provided by the State, at such price or prices, including a price less than the face amount of the bonds or notes, and under such terms and conditions, all as may be determined by the State Treasurer by and with the consent of the Council of State.
- (2) Signatures; form and denomination; registration. – Bonds or notes may be issued as certificated or uncertificated obligations. If issued as certificated obligations, bonds or notes shall be signed on behalf of the State by the Governor or shall bear the Governor's facsimile signature, shall be signed by the State Treasurer or shall bear the State Treasurer's facsimile signature, and shall bear the Great Seal of the State of North Carolina or a facsimile thereof shall be impressed or imprinted thereon. If bonds or notes bear the facsimile signatures of the Governor and the State Treasurer, the bonds or notes shall also bear a manual signature, which may be that of a bond registrar, trustee, paying agent, or designated assistant of the State Treasurer. Should any officer whose signature or facsimile signature appears on bonds or notes cease to be such officer before the delivery of the bonds or notes, the signature or facsimile signature shall nevertheless have the same validity for all purposes as if the officer had remained in office until delivery, and bonds or notes may bear the facsimile signatures of persons who at the actual time of the execution of the bonds or notes shall be the proper officers to sign any bond or note, although at the date of the bond or note such persons may not have been such officers. The form and denomination of bonds or notes, including the provisions with respect to registration of the bonds or notes and any system for their registration, shall be as the State Treasurer may determine in conformity with this section; provided, however, that nothing in this section shall prohibit the State Treasurer from proceeding, with respect to the issuance and form of the bonds or notes, under the provisions of Chapter 159E of the

General Statutes, the Registered Public Obligations Act, as well as under this section.

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

- (4) Notes; repayment. –

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

1. For anticipating the sale of bonds to the issuance of which the Council of State shall have given consent if the State Treasurer shall deem it advisable to postpone the issuance of the bonds.
2. For the payment of interest on or any installment of principal of any bonds then outstanding if there shall not be sufficient funds in the State treasury with which to pay the interest or installment of principal as they respectively become due.
3. For the renewal of any loan evidenced by notes herein authorized.
4. For the purposes authorized in this section.
5. For refunding bonds or notes as herein authorized.

b. Funds derived from the sale of bonds or notes may be used in the payment of any bond anticipation notes issued under this section. Funds provided by the General Assembly for the payment of interest on or principal of bonds shall be used in paying the interest on or principal of any notes and any renewals thereof, the proceeds of which shall have been used in paying interest on or principal of the bonds.

- (5) Refunding bonds and notes. – By and with the consent of the Council of State, the State Treasurer is authorized to issue and sell refunding bonds and notes pursuant to the provisions of the State Refunding Bond Act for the purpose of refunding bonds or notes issued pursuant to this section. The refunding bonds and notes may be combined with any other issues of State bonds and notes similarly secured.

- (6) Tax exemption. – Bonds and notes shall be exempt from all State, county, and municipal taxation or assessment, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, excluding inheritance and gift taxes, income taxes on the gain from the transfer of bonds and notes, and franchise taxes. The interest on bonds and notes shall not be subject to taxation as to income.

- (7) Investment eligibility. – Bonds and notes are hereby made securities in which all public officers, agencies, and public bodies of the State and its political subdivisions; all insurance companies, trust companies, investment

companies, banks, savings banks, savings and loan associations, credit unions, pension or retirement funds, other financial institutions engaged in business in the State; executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Bonds and notes are hereby made securities that may properly and legally be deposited with and received by any officer or agency of the State or political subdivision of the State for any purpose for which the deposit of bonds, notes, or obligations of the State or any political subdivision of the State is now or may hereafter be authorized by law.

- (8) Faith and credit. – The faith and credit and taxing power of the State are hereby pledged for the payment of the principal of and the interest on bonds and notes. In addition to the State's right to amend any provision of this section to the extent it does not impair any contractual right of a bond owner, the State expressly reserves the right to amend any provision of this section with respect to the making and repayment of loans, the disposition of any repayments of loans, and any intercept provisions relating to the failure of a local government unit to repay a loan, the bonds not being secured in any respect by loans, any repayments thereof, or any intercept provisions with respect thereto.

SECTION 3.13.(h) Variable Interest Rates. – In fixing the details of bonds and notes, the State Treasurer may provide that any of the bonds or notes may:

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

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

SECTION 3.13.(i) Interpretation of Section. –

- (1) Additional method. – The foregoing subsections of this section shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws and shall not be regarded as in derogation of any powers now existing.

- (2) Statutory references. – References in this section to specific sections or Chapters of the General Statutes or to specific acts are intended to be references to these sections, Chapters, or acts as they may be amended from time to time by the General Assembly.
- (3) Broad construction. – This section, being necessary for the health, welfare, and advancement of the people of the State, shall be broadly construed to affect the purposes thereof.
- (4) Inconsistent provisions. – Insofar as the provisions of this section are inconsistent with the provisions of any general laws, or parts thereof, the provisions of this section shall be controlling.
- (5) Severability. – If any provision of this section or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the section that can be given effect without the invalid provision or application and, to this end, the provisions of this section are declared to be severable.

SECTION 3.13.(j) Other Agreements. – The State Treasurer may authorize, execute, obtain, or otherwise provide for bond issuance, investment contracts, credit and liquidity facilities, interest rate swap agreements and other derivative products, and any other related instruments and matters the State Treasurer determines to be desirable in connection with the issuance of bonds and notes.

SECTION 3.13.(k) Each entity, upon receiving the proceeds of education bonds and notes, including premium thereon, if any, issued pursuant to and for purposes listed in subsection (a) of this section, shall administer, supervise, and ensure that use of the proceeds comports with those purposes. Each local school administrative unit, along with the corresponding board of county commissioners, shall jointly submit to the State Board of Education a plan for the distribution of the proceeds of education bonds and notes pursuant to this section. After the State Board of Education determines that a local school administrative unit's planned expenditure of part or all of the proceeds is within the purposes provided in this section, the State Board of Education shall make the proceeds to which the plans apply available to the local school administrative unit. Each local school administrative unit receiving the proceeds of education bonds and notes, including premium thereon, if any, issued pursuant to subsection (a) of this section shall report by January 1, 2025, and quarterly thereafter, to the State Board of Education on the projects funded from education general obligation bonds authorized by subsection (a) of this section, and the State Board of Education shall combine the reports and submit them to the Joint Legislative Capital Oversight Committee, the House of Representatives Appropriations Committee, and the Senate Committee on Appropriations/Base Budget. Each report shall include the total project costs, the amount to be funded from the bonds, the expenditures to date from the bonds and other sources, and the percentage of each project completed.

SECTION 3.13.(l) Projects funded in whole or in part with the proceeds of education bonds and notes, including premium thereon, if any, issued pursuant to this section, and that portion of funds estimated to be needed for escalation of costs shall remain with the Office of State Budget and Management and shall be disbursed only for the following purposes:

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

SECTION 3.13.(m) Any funds retained by the Office of State Budget and Management pursuant to subsection (l) of this section at the time a project is completed shall be retained by the Office of State Budget and Management. The Office of State Budget and Management shall report on any funds retained pursuant to this subsection within 90 days of a project's completion.

1 **SECTION 3.13.(n)** Any funds from the Education Bond expended for school
2 technology for public schools shall be reported to the State Board of Education and shall be
3 credited against the judgment in N.C. Sch. Bds. Ass'n. v. Moore, No. 98-CVS-14159 (N.C. Super.
4 Ct.).

5
6 **DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)/AT-RISK**
7 **STUDENT SERVICES/ALTERNATIVE SCHOOLS**

8 **SECTION 3.14.(a)** Beginning with the 2024-2025 fiscal year, the State Board of
9 Education shall transfer the At-Risk Student Services/Alternative Schools allotment into the
10 DSSF allotment, as established by G.S. 115C-472.19. The State Board of Education shall allocate
11 these funds to local school administrative units under a formula that provides that no local school
12 administrative unit receives a decrease in combined funding. Reallocated At-Risk funding must
13 be counted as an independent supplement to existing DSSF funds.

14 **SECTION 3.14.(b)** G.S. 115C-472.19 reads as rewritten:

15 **"§ 115C-472.19. ~~Disadvantaged~~ Disadvantaged/At-Risk student supplemental funding.**

16 (a) To the extent funds are made available for this purpose, funds appropriated for
17 disadvantaged or at-risk student supplemental funding shall be used, consistent with the policies
18 and procedures adopted by the State Board of Education, only to do the following:

- 19 (1) Provide instructional positions or instructional support positions.
20 (2) Provide professional development.
21 (3) Provide intensive in-school or after-school remediation, or both.
22 (4) Purchase diagnostic software and progress-monitoring tools.
23 (5) Provide funds for teacher bonuses and supplements. The State Board of
24 Education shall set a maximum percentage of the funds that may be used for
25 this purpose.
26 (6) Provide funds for alternative learning and at-risk student programs in
27 accordance with G.S. 115C-12(24).

28 The State Board of Education may require local school administrative units receiving funding
29 under the Disadvantaged Student Supplemental Fund to purchase the Education Value-Added
30 Assessment System (EVAAS) in order to provide in-depth analysis of student performance and
31 help identify strategies for improving student achievement. This data shall be used exclusively
32 for instructional and curriculum decisions made in the best interest of children and for
33 professional development for their teachers and administrators.

34 "

35 **SECTION 3.14.(c)** There is appropriated from the General Fund to the Department
36 of Public Instruction the sum of five hundred seven million two hundred thousand dollars
37 (\$507,200,000) in recurring funds for the 2024-2025 fiscal year to implement the provisions of
38 this section.

39
40 **INCREASE FUNDING FOR CLASSROOM SUPPLIES**

41 **SECTION 3.15.** There is appropriated from the General Fund to the Department of
42 Public Instruction the sum of twenty-two million four hundred thousand dollars (\$22,400,000)
43 in recurring funds for the 2024-2025 fiscal year to increase the Classroom Materials/Instructional
44 Supplies/Equipment Allotment.

45
46 **PART IV. ASSESSMENT AND ACCOUNTABILITY SYSTEM THAT RELIABLY**
47 **ASSESS MULTIPLE MEASURES OF STUDENT PERFORMANCE**

48
49 **ADJUST WEIGHTING BETWEEN PROFICIENCY AND GROWTH**

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

"(d) Calculation of the Overall School Performance Scores and Grades. – The State Board of Education shall calculate the overall school performance score by adding the school achievement score, as provided in subsection (b) of this section, and the school growth score, as determined using EVAAS as provided in subsection (c) of this section, earned by a school. The school achievement score shall account for ~~eighty-five~~ eighty-one percent (~~85%~~ 81%), and the school growth score shall account for ~~twenty-four~~ twenty percent (~~24%~~ 20%) of the total sum. For all schools, the total school performance score shall be converted to a 100-point scale and used to determine an overall school performance grade. The overall school performance grade shall be based on the following scale and shall not be modified to add any other designation related to other performance measures, such as a "plus" or "minus":

...."

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

SECTION 4.1.(c) This section applies beginning with school performance scores issued based on data from the 2024-2025 school year.

STUDY ON ADDITIONAL MEASURES IN THE SCHOOL ACCOUNTABILITY SYSTEM

SECTION 4.2. The State Board of Education, in consultation with the Department of Public Instruction, shall study methods of adding to the State school accountability system indicators that provide information on the opportunity of students to access a sound basic education. Additional indicators recommended shall not be inconsistent with the requirements of the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act, and shall not replace indicators included in the State school accountability system under Part 1B of Article 8 of Chapter 115C of the General Statutes. The State Board of Education shall submit a report with its recommended changes regarding the school accountability system to the Joint Legislative Education Oversight Committee on or before June 15, 2025.

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

DISTRICT AND REGIONAL SUPPORT MODEL

SECTION 5.1. There is appropriated from the General Fund to the Department of Public Instruction the sum of nineteen million dollars (\$19,000,000) in recurring funds for the 2024-2025 fiscal year to be used to continue to implement the District and Regional Support model developed by the State Board of Education to support the improvement of low-performing and high-poverty schools. Implementation shall (i) provide support in needed content areas and instructional and leadership coaching and (ii) include direct, comprehensive, and progressive turnaround assistance to the State's chronically low-performing schools and low-performing districts.

REVIEW AND UPDATE CURRICULUM ADOPTION PROCESSES

SECTION 5.2. Before March 15, 2025, the State Board of Education shall review, update, and strengthen the State-level process for reviewing and adopting core curriculum resources. The State Board of Education shall provide statewide and regional support, resources, and professional learning opportunities to assist schools and districts in selecting and successfully employing high-quality, standards-aligned, culturally responsive, evidence-based resources and practices to assist educators in applying innovative practices that promote continuous

improvement. No later than June 30, 2025, the Department of Public Instruction shall provide a model implementation plan to each local school administrative unit.

SUPPORT FOR HIGH-POVERTY SCHOOLS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 5.3.(b) Appropriation. – There is appropriated from the General Fund to the Department of Public Instruction the sum of fifty-eight million seven hundred sixty-three thousand seven hundred thirty-three dollars (\$58,763,733) in recurring funds for the 2024-2025 fiscal year for the implementation of this Program.

1 **SECTION 5.3.(c)** This section applies beginning with the 2024-2025 school year.

2
3 **ELIMINATE STUDENT COPAY FOR REDUCED-PRICE MEALS**

4 **SECTION 5.4.(a)** There is appropriated from the General Fund to the Department
5 of Public Instruction the sum of nine hundred thousand dollars (\$900,000) in recurring funds for
6 the 2024-2025 fiscal year to be used to provide school breakfasts and lunches at no cost to
7 students of all grade levels that qualify for reduced-price meals under the National School Lunch
8 Program in the current school year. If the funds are insufficient to provide school meals at no
9 cost to students qualifying for reduced-price meals, the Department of Public Instruction may
10 use funds appropriated to the State Aid for Public Schools fund for this purpose.

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

13 **"§ 115C-264.6. School meal debt report.**

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

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

28
29 **CEP MEAL PROGRAM INCENTIVE**

30 **SECTION 5.5.(a)** Section 7.59 of S.L. 2023-134 reads as rewritten:

31 **"SECTION 7.59.(a)** Program; Purpose. – The Department of Public Instruction shall
32 establish the CEP Meal Program Incentive ~~for the 2023-2025 fiscal biennium~~ to expand public
33 school participation in the federal Community Eligibility Provision (CEP) program to increase
34 the number of students with access to healthy, cost-free school breakfast and lunch. The incentive
35 program shall be available to public school units for the 2024-2025 fiscal year and last for four
36 additional years.

37 ...

38 **"SECTION 7.59.(c)** Application. – By January 15, 2024, and annually thereafter by April
39 15, for four additional years, the Department shall develop the application for the incentive
40 program and make it available to public school units. Public school units or individual schools
41 shall submit their applications by March 1, ~~2024-2024~~, and annually thereafter by June 1 for four
42 additional years. At a minimum, the application shall include the following information:

- 43 (1) The school or schools that will participate in the CEP program.
44 (2) The Identified Student Percentage (ISP) for the school or schools for the ~~2024-~~
45 ~~2025-current~~ school year.
46 (3) The number of students enrolled in the school or schools for the ~~2024-2025~~
47 ~~current~~ school year.
48 (4) Participation rates in the National School Breakfast and Lunch programs for
49 the 2023-2024 school year for the schools requesting to receive the incentive.

50 **"SECTION 7.59.(d)** Selection. – By April 30, 2024, and annually thereafter by July 15 for
51 four additional years, the Department shall determine whether each applicant is eligible to

participate in the incentive program. The Department shall then award grants to all eligible public school units and schools. If there are insufficient funds to award grants to all eligible public school units or schools, the Department shall first prioritize awarding grants to public school units and schools with an Identified Student Percentage (ISP) of greater than or equal to fifty-five percent (55%) and then prioritize awarding grants to those schools that will draw the greatest federal match.

...

"SECTION 7.59.(g) Report. – No later than January 1, 2025, and annually thereafter for four additional years, the Department shall report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division at least the following information:

...."

SECTION 5.5.(b) Appropriation. – There is appropriated from the General Fund to the Department of Public Instruction the sum of sixty-five million dollars (\$65,000,000) in recurring funds for the 2024-2025 fiscal year to implement the provisions of this section.

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

EXPAND NC PREKINDERGARTEN (NC PRE-K) PROGRAM

SECTION 6.1.(a) Appropriation. – There is appropriated from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education, the sum of one hundred eighty-three million one hundred thousand dollars (\$183,100,000) in recurring funds for the 2024-2025 fiscal year for the purpose of expanding the NC Prekindergarten (NC Pre-K) program for eligible children who are 4 years of age by allocating funds for each of the following:

- (1) Incrementally increase State funding for each NC Pre-K slot with the goal of paying one hundred percent (100%) of the actual cost by the end of the 2027-2028 fiscal year.
- (2) Gradually increase the number of eligible children able to be served in the NC Pre-K program with the goal of reaching at least seventy-five percent (75%) of eligible children in each county by the end of the 2027-2028 fiscal year.
- (3) Raise the rate for the county administrator to provide oversight, monitoring, enrollment, and support to ten percent (10%) by the end of the 2024-2025 fiscal year.
- (4) Phasing-in extension of the NC Pre-K program year from 10 to 12 months in accordance with subsection (b) of this section.

SECTION 6.1.(b) Extend NC Pre-K Program Year to 12 Months. – Section 9D.1 of S.L. 2023-134 is amended by adding a new subsection to read:

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

- (1) The number of students participating in the pilot program.

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

SECTION 6.1.(c) There is appropriated from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education (Division), the sum of three hundred thousand dollars (\$300,000) in recurring funds for the 2024-2025 fiscal year to increase State-level NC Pre-K staffing to manage the planned expansion of the NC Pre-K program, provide policy development and program oversight, ensure program quality, and manage any new, required studies.

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

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

SECTION 6.2.(a) There is appropriated from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education (Division), the sum of ten million dollars (\$10,000,000) in recurring funds for the 2024-2025 fiscal year to increase funds for the child care subsidy program and provide for program improvements, including, but not limited to, increasing compensation for the child care workforce and ensuring that eligible families receive assistance through the elimination of waitlists.

SECTION 6.2.(b) There is appropriated from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education (Division), the sum of fifty-two million four hundred thousand dollars (\$52,400,000) in recurring funds for the 2024-2025 fiscal year to expand the Family Connects universal home visiting model to local agencies statewide that choose to implement the program for their community through local health departments or local Smart Start partnerships. Family Connects is an evidence-based model that provides one to three home visits from a registered nurse to all families who have newborns and live in a defined service area.

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

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

SECTION 6.3.(a) Funds for NC Infant-Toddler Program. – There is appropriated from the General Fund to the Department of Health and Human Services, Division of Child and Family Well-Being, Early Intervention Section, the sum of twenty million dollars (\$20,000,000) in recurring funds for the 2024-2025 fiscal year to provide funds for the North Carolina Infant-Toddler Program, a program that provides support and services for families and their

children, from birth to 3 years of age, who have special needs. These funds shall be used to take steps toward doing the following:

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

SECTION 6.3.(b) Feasibility Study & Infrastructure Readiness Assessment/Expansion of NC Infant-Toddler Program. – There is appropriated from the General Fund to the Department of Health and Human Services, Division of Child and Family Well-Being, Early Intervention Section, the sum of two hundred fifty thousand dollars (\$250,000) in nonrecurring funds for the 2024-2025 fiscal year to be allocated as follows:

- (1) One hundred fifty thousand dollars (\$150,000) to conduct a feasibility study to examine eligibility criteria and cost implications for expansion of the NC Infant-Toddler Program.
- (2) One hundred thousand dollars (\$100,000) to conduct a system and infrastructure readiness assessment to determine areas of need and system challenges that need to be addressed before expanding the NC Infant-Toddler Program. The Division of Child and Family Well-Being shall solicit public input and feedback on the plan developed pursuant to this subdivision.

SECTION 6.3.(c) Scale Up Early Intervention Services. – There is appropriated from the General Fund to the Department of Health and Human Services, Division of Child and Family Well-Being, Early Intervention Section, the sum of fifty-four million two hundred thousand dollars (\$54,200,000) in recurring funds for the 2024-2025 fiscal year to provide high-quality early intervention services and supports for up to an additional 10,000 children from birth to 3 years of age, who meet expanded eligibility criteria for the Infant and Toddler Program implemented as a result of the feasibility study conducted pursuant to subdivision (b)(1) of this section. The Early Intervention Section may use up to five percent (5%) of these allocated funds to conduct a public awareness campaign regarding expansion of eligibility for the NC Infant-Toddler Program, to increase efforts to identify children eligible to receive services under this expanded program, and to create partnerships with family support agencies.

INCREASE SMART START FUNDING

SECTION 6.4. There is appropriated from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education, the sum of two hundred twenty-four million eight hundred thousand dollars (\$224,800,000) in recurring funds for the 2024-2025 fiscal year to gradually increase funding for the North Carolina Partnership for Children, Inc. (Smart Start), with the goal of fully funding Smart Start by the end of the 2027-2028 fiscal year. Funds allocated to the North Carolina Partnership for Children, Inc., pursuant to this section shall be distributed to Smart Start local partnerships to improve statewide early child system infrastructure and support a cohesive continuum of services for families and children from birth through 5 years of age.

INCREASE EARLY CHILDHOOD EDUCATOR WORKFORCE

SECTION 6.5.(a) Funds for WAGE\$ and AWARD\$ Programs. – There is appropriated from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education, the sum of twenty-nine million dollars (\$29,000,000) in recurring funds for the 2024-2025 fiscal year to increase funding for and expand participation

1 statewide in the Child Care WAGE\$ program and the Infant-Toddler Educator AWARD\$
2 program, both of which provide salary supplements for early childhood educators.

3 **SECTION 6.5.(b)** Recruitment Strategies and Professional Development. – There is
4 appropriated from the General Fund to the Department of Health and Human Services, Division
5 of Child Development and Early Education, the sum of four million three hundred thousand
6 dollars (\$4,300,000) in recurring funds for the 2024-2025 fiscal year to implement strategies to
7 recruit early childhood educators and provide ongoing professional development, including
8 coaching, technical assistance, assistance with degree attainment, and licensure support.

9
10 **FACILITATE RELIABLE ACCESS TO HIGH-QUALITY DATA SUPPORTING**
11 **EARLY CHILDHOOD EDUCATION**

12 **SECTION 6.6.(a)** Real-Time Workforce Data System. – There is appropriated from
13 the General Fund to the Department of Health and Human Services, Division of Child
14 Development and Early Education, the sum of one million two hundred thousand dollars
15 (\$1,200,000) in nonrecurring funds for the 2024-2025 fiscal year and the sum of five hundred
16 thousand dollars (\$500,000) in recurring funds for the 2024-2025 fiscal year to develop and
17 implement a real-time workforce data system that supports building a pipeline of early childhood
18 educators.

19 **SECTION 6.6.(b)** Expand and Improve Current Early Childhood Data Systems. –
20 There is appropriated from the General Fund to the Department of Health and Human Services,
21 Division of Child Development and Early Education (Division), the sum of five hundred
22 thousand dollars (\$500,000) in recurring funds for the 2024-2025 fiscal year to expand and
23 improve the North Carolina Early Childhood Integrated Data System (NC ECIDS) and the North
24 Carolina Early Childhood Action plan data dashboards to track child outcomes and provide
25 access to State data for State and local users and researchers with the goal of connecting this data
26 to the NC Longitudinal Data System (NCLDS).

27 **SECTION 6.6.(c)** Build Local Capacity/Early Childhood Data. – There is
28 appropriated from the General Fund to the Department of Health and Human Services
29 (Department), Division of Child Development and Early Education (Division), the sum of one
30 hundred fifty thousand dollars (\$150,000) in recurring funds for the 2024-2025 fiscal year to
31 collaborate with the Divisions of Social Services and Public Health, as appropriate, in developing
32 and implementing a plan to provide technical assistance to build local capacity to use quality
33 early childhood data across child health, child welfare, and early childhood education for local
34 planning.

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

- 43 (1) The disaggregation along multiple variables, such as race, ethnicity, and
44 geography.
45 (2) The identification of the children most vulnerable to build a more equitable
46 early learning system.

47
48 **PREKINDERGARTEN TO KINDERGARTEN TRANSITIONS**

49 **SECTION 6.7.** There is appropriated from the General Fund to the Department of
50 Health and Human Services, Division of Child Development and Early Education (Division), the

sum of five million dollars (\$5,000,000) in recurring funds for the 2024-2025 fiscal year to incrementally scale up the Pre-K to K Transitions program to serve all districts.

COLLABORATIVE FAMILY ENGAGEMENT PLANS

SECTION 6.8. There is appropriated from the General Fund to the Department of Health and Human Services, Division of Child Development and Early Education (Division), the sum of three hundred twenty thousand dollars (\$320,000) in recurring funds for the 2024-2025 fiscal year to provide ongoing support and technical assistance for establishing local collaborative family engagement plans for birth through third grade.

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

REVISE NCVPS FUNDING

SECTION 7.1. There is appropriated from the General Fund to the Department of Public Instruction the sum of ten million dollars (\$10,000,000) in nonrecurring funds for the 2024-2025 fiscal year to offset the costs for local administrative units and charter schools to remove barriers to student participation in North Carolina Virtual Public Schools. The funds shall be allocated with a priority to cover the costs of courses for students enrolled in public schools located in low-wealth counties.

SCHOOL CALENDAR FLEXIBILITY/CC CALENDAR

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

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

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

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

SECTION 7.2.(b) This section is effective when it becomes law and applies beginning with the 2024-2025 school year.

COLLEGE ADVISING CORPS/COLLEGE ADVISERS IN THE PUBLIC SCHOOLS

SECTION 7.3.(a) Purpose of the College Advising Corps Program. – From the funds appropriated in subsection (b) of this section, the Board of Governors of The University of North Carolina shall make funds available to the National College Advising Corps, Inc., (CAC) to

support an expansion of the placement of college advisers in North Carolina public schools through their program over a three-year period. CAC is a college access nonprofit organization with the mission to increase the number of underrepresented, low-income, or first-generation postsecondary degree or certificate students entering and completing their postsecondary education at community colleges and universities. In furthering this mission, CAC operates an innovative model of partnering with schools, communities, families, and postsecondary institutions, including providing for a two-year service opportunity to recent college graduates as near-peer college advisers working full-time in the public schools, with an emphasis on engaging college advisers who have similar backgrounds to the students the program seeks to serve. Near-peer college advisers perform various services for those students that are key components to the proven success of the program, including (i) attending postsecondary campus visits, fairs, and workshops with students, (ii) assisting with registering for college entrance exams, (iii) assisting with Free Application for Federal Student Aid (FAFSA) registrations and completions, (iv) identifying available scholarships, (v) assisting with postsecondary applications, and (vi) engaging with parents.

SECTION 7.3.(b) Funds for the Program. – Due to the effectiveness of the innovative model operated by CAC and the potential for significantly impacting the highest-need students as described in subsection (a) of this section, the sum of three million dollars (\$3,000,000) in recurring funds is appropriated from the General Fund to the Board of Governors of The University of North Carolina for the 2024-2025 fiscal year to be provided to CAC for the purpose of expanding the placement of college advisers in accordance with the requirements of this section.

SECTION 7.3.(c) Use of Funds. – CAC shall focus the first two years of the expansion of its program using the funds provided to it under this section by placing college advisers in counties designated as tier one and tier two. For the third year of the expansion, CAC shall use the funds provided to it to place college advisers in the remaining counties designated as tier three in order to achieve placement of college advisers in all 100 counties of the State. In addition, CAC shall select at least three additional postsecondary institutions to partner with in order to increase the number of recent graduates working as near-peer college advisers to meet the needs of the program expansion. Once CAC has reached the goal of placement of college advisers in 100 counties, the funds provided to it for the program shall be used to continue the mission of the program to increase access for North Carolina public school students to postsecondary degree or certificate attainment at community colleges and universities.

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

CAREER DEVELOPMENT COORDINATORS

SECTION 7.4. There is appropriated from the General Fund to the Department of Public Instruction the sum of one hundred thousand dollars (\$100,000) in recurring funds in the 2024-2025 fiscal year for a Career and Postsecondary Planning Director position in the Department's career and technical education division to focus on career planning in grades five through 12. There is also appropriated the sum of forty-eight million seven hundred thousand dollars (\$48,700,000) in recurring funds for the 2024-2025 fiscal year to increase the number of school-based career development coordinators for grades six through 12.

FUNDS TO REMOVE BARRIERS FOR ECONOMICALLY DISADVANTAGED STUDENTS TO PARTICIPATE IN THE CAREER AND COLLEGE PROMISE TRANSFER PATHWAY PROGRAM

SECTION 7.5. There is appropriated from the General Fund to the Department of Public Instruction the sum of five million dollars (\$5,000,000) in recurring funds for the 2024-2025 fiscal year to fund additional costs for all economically disadvantaged students enrolled in the Career and College Promise Transfer Pathway Program in each year, including at least the full costs of textbooks, transportation, meals on college campuses, fees, and technology. If these funds are insufficient, the Department shall use additional unspent funds in the State Public School Fund to fulfill this purpose.

PART VIII. MISCELLANEOUS

STATE BUDGET ACT APPLIES

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

EFFECT OF HEADINGS

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

SEVERABILITY CLAUSE

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

EFFECTIVE DATE

SECTION 8.4. Except as otherwise provided, this act becomes effective July 1, 2024.