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HOUSE BILL 159
Committee Substitute Favorable 3/9/21
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Short Title: Education Law Changes.

(Public)

Sponsors:

Referred to:

March 1, 2021

A BILL TO BE ENTITLED
AN ACT TO MAKE VARIOUS CHANGES TO EDUCATION LAWS.
The General Assembly of North Carolina enacts:

**PART I. FLEXIBILITY FOR SCHOOL EMPLOYEES TO RECEIVE ANNUAL
SALARY IN 12 MONTHLY INSTALLMENTS THROUGH A PAYROLL DEDUCTION
PLAN**

SECTION 1.(a) G.S. 115C-302.1(b) reads as rewritten:

"(b) Salary Payments. – State-allotted teachers shall be paid for a term of 10 months. Except for career and technical education agriculture teacher personnel positions as provided for in this subsection, State-allotted months of employment for career and technical education to local boards shall be used for the employment of teachers of career and technical education for a term of employment to be determined by the local boards of education. Beginning with the 2018-2019 school year, career and technical education agriculture teacher personnel positions serving students in grades nine through 12 shall be for a term of employment for 12 calendar months. A local board of education may fund these positions using any combination of State funds, local funds, or any other funds available to the local board.

...

Any individual teacher who is not employed in a year-round school may be paid in 12 monthly installments if the teacher so requests on or before the first day of the school year. The request shall be filed in the local school administrative unit which employs the teacher. Local school administrative units shall fulfill this requirement through a payroll deduction plan. The payment of the annual salary in 12 installments instead of 10 shall not increase or decrease the teacher's annual salary nor in any other way alter the contract made between the teacher and the local school administrative unit. Teachers employed for a period of less than 10 months shall not receive their salaries in 12 installments.

Notwithstanding this subsection, the term "daily rate of pay" for the purpose of G.S. 115C-12(8) or for any other law or policy governing pay or benefits based on the teacher salary schedule shall not exceed one twenty-second of a teacher's monthly rate of pay."

SECTION 1.(b) G.S. 115C-316(a)(2) reads as rewritten:

"(2) School Employees Paid on an Hourly or Other Basis. – Salary payments to employees other than those covered in G.S. 115C-272(b)(1), 115C-285(a)(1) and (2), 115C-302.1(b) and 115C-316(a)(1) shall be made at a time



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determined by each local board of education. Expenditures for the salary of these employees from State funds shall be within allocations made by the State Board of Education and in accordance with rules and regulations approved by the State Board of Education concerning allocations of State funds: ~~Provided, that school funds.~~ School employees employed for a term of 10 calendar months or 11 calendar months in year-round schools shall be paid in 12 equal installments: Provided further, that any installments. Any individual school employee employed for a term of 10 calendar months or 11 calendar months who is not employed in a year-round school may be paid in 12 monthly installments if the employee so requests on or before the first day of the school year. Such request shall be filed in the administrative unit which employs the employee. Local school administrative units shall fulfill this requirement through a payroll deduction plan. The payment of the annual salary in 12 installments instead of 10 or 11 shall not increase or decrease said annual salary nor in any other way alter the contract between the employee and the said administrative unit. Employees may be prepaid on the set pay date for days not yet worked. An employee who fails to attend scheduled workdays or who has not worked the number of days for which the employee has been paid and who resigns or is dismissed shall repay to the local board any salary payments received for days not yet worked. An employee who has been prepaid and who continues to be employed by a local board but fails to attend scheduled workdays may be subject to dismissal or other appropriate discipline. The daily rate of pay shall equal the number of weekdays in the pay period. Included within the term of employment shall be provided for full-time employees annual vacation leave at the same rate provided for State employees, computed at one-twelfth (1/12) of the annual rate for State employees for each calendar month of employment, to be taken under policies determined by each local board of education. On a day that employees are required to report for a workday but pupils are not required to attend school due to inclement weather, an employee may elect not to report due to hazardous travel conditions and to take one of his annual vacation days or to make up the day at a time agreed upon by the employee and his immediate supervisor or principal. On a day that school is closed to employees and pupils due to inclement weather, the employee shall work on the scheduled makeup day. Included within their term of employment, each local board of education shall designate the same or an equivalent number of legal holidays occurring within the period of employment as those designated by the State Human Resources Commission for State employees."

PART II. REVISE STUDENT MEAL DEBT REPORT

SECTION 2. Section 2.3(a) of S.L. 2020-80 reads as rewritten:

"SECTION 2.3.(a) No later than October 15, ~~2021~~, 2023, the State Board of Education shall report to the Joint Legislative Education Oversight Committee on unpaid meal charges in local school administrative units. At a minimum, the report shall include the following information:

- (1) The percentage of students of all grade levels in each local school administrative unit who (i) qualify for and participate in reduced-price meals and (ii) do not carry an unpaid meal charge.
- (2) The total amount of debt carried by each local school administrative unit related to unpaid meal charges.
- (3) Summaries of approaches adopted by each local school administrative unit regarding unpaid meal charges.

- (4) Options for a statewide policy on the uniform administration of unpaid meal charges in local school administrative units. Every option shall ensure that students are not prevented from receiving nutritious meals because of an unpaid meal charge."

PART III. REVISE OPERATING BALANCE RESTRICTIONS FOR SCHOOL NUTRITION PROGRAMS

SECTION 3.(a) G.S. 115C-450 reads as rewritten:

"§ 115C-450. School food services.

(a) ~~School food-nutrition services shall be included in the budget of each local school administrative unit-public school unit that provides school nutrition services, and the State Board of Education shall provide for school food-nutrition services in the uniform budget format required by G.S. 115C-426.~~

(b) ~~No local school administrative unit-public school unit that provides school nutrition services shall assess indirect costs to a child-school nutrition program unless the program has a minimum of one month's an operating balance. One month's operating balance shall be derived from net cash resources divided by one month's operating costs. "Net cash resources" means all monies, as determined in accordance with the State agency's established accounting system, that are available to or have accrued to a school food authority's nonprofit child nutrition account at any given time, less cash payables and other liabilities. When calculating the average month's operating balance, the Department of Public Instruction shall use the complete and final figures obtained from the annual financial report from each child nutrition program's operation. An average month's operating balance shall be calculated and published by the Department of Public Instruction for each child nutrition program and shall be equal to the average of the three prior fiscal years' monthly operating balances. balance of at least two months. The Department of Public Instruction shall calculate the operating balance of a school nutrition program of a public school unit that provides school nutrition services. If complete and final financial reports for a given year are not yet available for a child-school nutrition program, the Department of Public Instruction may use projected figures-figures, but shall update the published average month's operating balance once complete and final financial reports become available. As used in this subsection, the term "indirect costs" is as defined in the United States Office of Budget and Management Circular A-87, as revised, and the term "net cash resources" is as defined in 7 C.F.R. § 240.2-2 C.F.R. § 200.414.~~

(c) ~~No public school unit that provides school nutrition services shall assess indirect costs that are more than eight percent (8%) of a school nutrition program's annual budget per fiscal year.~~

SECTION 3.(b) This section becomes effective July 1, 2021.

PART IV. CLARIFY CHARTER SCHOOL APPLICATION FEE

SECTION 4. G.S. 115C-218.1(c) reads as rewritten:

"(c) The State Board shall establish ~~reasonable fees of no less than five hundred dollars (\$500.00) and no more than one thousand dollars (\$1,000)~~ for initial and renewal charter applications, in accordance with Article 2A of Chapter 150B of the General Statutes. No application fee shall be refunded in the event the application is rejected or the charter is revoked."

PART V. STATE BOARD OF EDUCATION REQUIRED TO USE RULEMAKING TO ADOPT STANDARDS

SECTION 5.(a) G.S. 115C-12 reads as rewritten:

"§ 115C-12. Powers and duties of the Board generally.

The general supervision and administration of the free public school system shall be vested in the State Board of Education. The State Board of Education shall establish all needed rules

and regulations for the system of free public schools, subject to laws enacted by the General Assembly. Except as otherwise provided by law, the State Board of Education shall adopt any rules, regulations, policies, standards, or statements of general applicability in accordance with Chapter 150B of the General Statutes. Any such rules, regulations, policies, standards, or statements of general applicability are not valid unless they are adopted in substantial compliance with Chapter 150B of the General Statutes. In accordance with Sections 7 and 8 of Article III of the North Carolina Constitution, the Superintendent of Public Instruction, as an elected officer and Council of State member, shall administer all needed rules and regulations adopted by the State Board of Education through the Department of Public Instruction. The powers and duties of the State Board of Education are defined as follows:

...."

SECTION 5.(b) Notwithstanding G.S. 150B-21.2, the current standards that make up the standard course of study adopted pursuant to G.S. 115C-12(9c) and Part 1 of Article 8 of Chapter 115C of the General Statutes, which are subject to rulemaking as provided in Chapter 150B of the General Statutes, shall be deemed permanent rules so long as they meet the following criteria:

- (1) The standards were adopted by the State Board of Education prior to January 1, 2021.
- (2) The State Board of Education submits the standards to the Codifier of Rules in accordance with the formatting requirements in 26 NCAC 02C no later than 60 days after this section becomes effective.

Permanent rules submitted in accordance with this subsection shall be effective on the date they are submitted to the Codifier of Rules.

SECTION 5.(c) Any standards that make up the standard course of study that do not meet the criteria of subsection (b) of this section shall not be deemed permanent rules and shall be subject to the provisions of Chapter 150B of the General Statutes. The standard course of study shall continue to be revised on the time line provided in the comprehensive plan developed by the State Board of Education under G.S. 115C-12(9c) and in accordance with the rulemaking process under Chapter 150B of the General Statutes.

SECTION 5.(d) When the Codifier of Rules enters the permanent rules submitted pursuant to subsection (b) of this section into the North Carolina Administrative Code, the Codifier shall publish notice of the permanent rules on the internet.

SECTION 5.(e) Section 3(b) of S.L. 2019-82 reads as rewritten:

"**SECTION 3.(b)** The requirements of G.S. 115C-81.45(d), as amended by subsection (a) of this section, shall apply to all students entering the ninth grade in the ~~2021-2022~~ 2022-2023 school year."

SECTION 5.(f) This section is effective when it becomes law.

PART VI. BONUSES FOR TEACHERS AND INSTRUCTIONAL SUPPORT PERSONNEL IN SCHOOLS FOR STUDENTS WITH VISUAL AND HEARING IMPAIRMENTS

SECTION 6.(a) No later than 30 days after the date this act becomes law, the Department of Public Instruction, within funds available, shall administer a one-time lump sum bonus of three hundred fifty dollars (\$350.00) to every teacher who, as of April 1, 2021, is employed as a teacher in a school for students with visual and hearing impairments. It is the intent of the General Assembly that the bonuses provided pursuant to this section will complement the bonuses provided to other teachers in Section 2 of S.L. 2020-45.

SECTION 6.(b) As used in this section, the following definitions shall apply:

- (1) Teacher. – Teachers and instructional support personnel.

(2) School for students with visual and hearing impairments. – A public school governed by the State Board of Education under Article 9C of Chapter 115C of the General Statutes.

SECTION 6.(c) The bonuses awarded pursuant to this section shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

SECTION 6.(d) Notwithstanding G.S. 135-1(7a), the bonuses awarded pursuant to this section are not compensation under Article 1 of Chapter 135 of the General Statutes, Retirement System for Teachers and State Employees.

SECTION 6.(e) The bonuses awarded pursuant to this section do not apply to any teacher no longer employed as a teacher due to resignation, dismissal, reduction in force, death, or retirement or whose last workday is prior to April 1, 2021.

SECTION 6.(f) Funds provided pursuant to this section shall supplement the compensation of a public school employee and shall not supplant any existing compensation funds.

PART VII. EFFECTIVE DATE

SECTION 7. Except as otherwise provided, this act is effective when it becomes law.