

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 975

Short Title: Local Flexibility/Schools.

(Public)

Sponsors: Senators Perdue, Cooper, Conder; Smith, Daniel, and Warren.

Referred to: Education.

May 27, 1992

A BILL TO BE ENTITLED

AN ACT TO PROVIDE MANAGEMENT FLEXIBILITY TO LOCAL BOARDS OF
EDUCATION AND TO INDIVIDUAL SCHOOLS REGARDING THE
OPERATION OF THE PUBLIC SCHOOLS AND EXPENDITURES FOR THE
PUBLIC SCHOOLS.

The General Assembly of North Carolina enacts:

Section 1. (a) The General Assembly finds that it is appropriate to
consolidate certain funding categories in the Public School Fund; therefore, 35 of the
existing funding categories in the Public School Fund are combined into 15 categories
as follows:

- (1) 6602 - Asst Superintendent
- 6612 - Supervisors
- (2) 6603 - Clerical Asst
- 6627 - Clerical School Based
- (3) 6614 - Substitute Pay
- 6303 - Substitute Pay-Voc Ed
- (4) 6642 - Summer School
- 6672 - Remediation
- (5) 6684 - Instruction Equipment
- 6623 - Instruction Supplies
- 6644 - Testing Support
- 8124 - Textbooks
- (6) 5400 - Driver Education Cars
- 6657 - Driver Education

- 1 (7) 6636 - Alcohol/Drug Abuse Prev
 2 6635 - Alcohol/Drug Defense
 3 6630 - Substance Abuse Counselor
 4 (8) 6659 - Staff Development
 5 6691 - Staff Dev-Finance Officer
 6 6617 - Staff Dev-Child Nutr Supr
 7 (9) 6670 - Exceptional Children
 8 6696 - Except Child Related Ser
 9 (10) 6610 - Bus Driver
 10 6611 - Transportation Personnel
 11 (11) 6624 - Tires, Repair Parts
 12 6625 - Fuel-Buses
 13 6626 - Transportation-Other Exp
 14 (12) 6619 - Social Security
 15 6304 - Soc Security-Voc Ed
 16 (13) 6618 - State Retirement
 17 6305 - State Retirement-Voc Ed
 18 (14) 6615 - Medical Insurance
 19 6306 - Medical Insurance-Voc Ed
 20 (15) 6669 - Longevity
 21 6347 - Longevity-Voc Ed

22 (b) The following four funding categories are transferred from the Public
 23 School Fund to Fund 1900 - Reserves and Transfers:

- 24 (1) 6991 - Health Adventure
 25 (2) 6992 - Cued Speech Center
 26 (3) 6993 - Public School Forum
 27 (4) 8180 - Children's Trust Fund.

28 (c) The Office of State Budget and Management shall retain the funding
 29 categories for the Public School Fund not combined or transferred by subsections (a)
 30 and (b) of this section and shall reorganize them in a more rational and orderly manner.

31 Sec. 2. G.S. 115C-238.3 reads as rewritten:

32 **"§ 115C-238.3. ~~Elements~~ Development of local plans; elements of local plans.**

33 (a) Development of systemwide plan by the local board of education. – The
 34 board of education of a local school administrative unit that elects to participate in the
 35 Program shall develop and submit a local school improvement plan for the entire local
 36 school administrative unit to the State Superintendent of Public Instruction before April
 37 15 of the fiscal year preceding the fiscal year in which participation is ~~sought.~~
 38 sought.

39 The local board of education shall actively involve an advisory panel composed of a
 40 substantial number of teachers, school administrators, and other school staff-staff, and
 41 parents of children enrolled in the local school administrative unit, in developing the
 42 systemwide local school improvement plan. It is the intent of the General Assembly
 43 that teachers have a major role in developing the local school improvement plan;
 44 therefore, at least half of the staff members participating in this advisory panel shall be

1 teachers. The teachers in the local school administrative unit shall select the teachers
2 who are involved in the advisory panel.

3 (b) Establishment of student performance goals by the local board of education
4 for the systemwide plan. ~~The local school improvement plan shall set forth (i) the~~ ~~The~~
5 local board of education shall, with the assistance of its advisory panel, establish student
6 performance goals established by the local board of education for the local school
7 administrative unit and (ii) the unit's strategies and plans for attaining them. ~~unit.~~ The
8 performance goals for the local school administrative unit shall address specific,
9 measurable goals for all student performance indicators adopted by the State Board.
10 Factors that determine gains in achievement vary from school to school; therefore,
11 socioeconomic factors and previous student performance indicators shall be used as the
12 basis of the local school improvement plan.

13 (b1) Development by each school of strategies for attaining local student
14 performance goals. ~~The strategies for attaining the local student performance goals~~
15 shall be based on plans for each individual school in the local school administrative
16 unit. ~~The principal of each school and his staff school, the building-level staff, and~~
17 parents of children enrolled in the school, shall develop a building-level plan to address
18 student performance goals appropriate to the that school from those established by the
19 local board of education. These strategies may include requests for waivers of State
20 laws, regulations, or policies for that school. A request for a waiver shall (i) identify the
21 State laws, regulations, or policies that inhibit the local unit's ability to reach its local
22 accountability goals, (ii) set out with specificity the circumstances under which the
23 waiver may be used, and (iii) explain how a waiver of those laws, regulations, or
24 policies will permit the local unit to reach its local goals.

25 Support among affected staff members is essential to successful implementation of a
26 building-level plan to address student performance goals appropriate to a school;
27 therefore, the principal of the school shall present the proposed building-level plan to all
28 of the staff assigned to the school building for their review and vote. The vote shall be
29 by secret ballot. The principal may submit the building-level plan to the local board of
30 education for inclusion in the systemwide plan only if the proposed building-level plan
31 has the approval of a majority of the staff who voted on the plan.

32 The local board of education, with the assistance of its advisory panel, shall accept
33 or reject the building-level plan. The local board shall not make any substantive
34 changes in any building-level plan that it accepts; the local board shall set out any
35 building-level plan that it accepts in the systemwide plan. If the local board rejects a
36 building-level plan, the local board shall state with specificity its reasons for rejecting
37 the plan; the principal of the school for which the plan was rejected, the building-level
38 staff, and parents of children enrolled in the school may then prepare another plan,
39 present it to the building-level staff for a vote, and submit it to the local board for
40 inclusion in the systemwide plan. If no building-level plan is accepted for a school
41 before March 15 of the fiscal year preceding the fiscal year in which participation is
42 sought, the local board, with the assistance of its advisory panel, may develop a plan for
43 the school for inclusion in the systemwide plan; the General Assembly urges the local

1 board to utilize the proposed building-level plan to the maximum extent possible when
2 developing such a plan.

3 (c) Development by each school of a differentiated pay plan for that school;
4 development by the local board of education of a differentiated pay plan for central
5 office personnel. –

6 (1) The local school administrative unit shall consider a plan for
7 differentiated pay. The local plan shall include a plan for
8 differentiated pay, in accordance with G.S. 115C-238.4, unless the
9 local school administrative unit elects not to participate in any
10 differentiated pay plan.

11 (2) The principal of each school, the building-level staff, and parents of
12 children enrolled in the school shall develop a building-level
13 differentiated pay plan for the school when they develop their
14 building-level plan to address student performance goals appropriate to
15 the school.

16 Support among affected staff members is essential to successful
17 implementation of a building-level differentiated pay plan; therefore,
18 the principal of the school shall present the proposed building-level
19 plan to all of the staff eligible to receive differentiated pay, in
20 accordance with G.S. 115C-238.4(a), for their review and vote. The
21 vote shall be by secret ballot. The principal may submit the building-
22 level differentiated pay plan to the local board of education only if the
23 proposed building-level differentiated pay plan has the approval of a
24 majority of the staff who voted on the plan.

25 The local board of education, with the assistance of its advisory
26 panel, shall accept or reject the building-level differentiated pay plan.
27 The local board shall not make any substantive changes in any
28 building-level plan that it accepts; the local board shall set out any
29 building-level plan that it accepts in the systemwide differentiated pay
30 plan. If the local board rejects a building-level plan, the local board
31 shall state with specificity its reasons for rejecting the plan; the
32 principal of the school for which the plan was rejected, the building-
33 level staff, and parents of children enrolled in the school may then
34 prepare another plan, present it to all of the staff eligible to receive
35 differentiated pay, in accordance with G.S. 115C-238.4(a), for a vote,
36 and submit it to the local board for inclusion in the systemwide plan.
37 If no building-level plan is accepted for a school before March 15 of
38 the fiscal year preceding the fiscal year in which participation is
39 sought, the local board, with the assistance of its advisory panel, may
40 develop a plan for the school building for inclusion in the systemwide
41 plan; the General Assembly urges the local board to utilize the
42 proposed building-level plan to the maximum extent possible when
43 developing such a plan.

1 (3) The local board of education, with the assistance of its advisory panel,
 2 shall develop a plan for differentiated pay for all central office
 3 personnel eligible to receive differentiated pay, in accordance with
 4 G.S. 115C-238.4(a), and shall include the plan in the systemwide
 5 differentiated pay plan.

6 (4) A systemwide differentiated pay plan shall remain in effect for no
 7 more than three years. At the end of three years, a plan to continue,
 8 discontinue, or modify that differentiated pay plan shall be developed
 9 in accordance with subdivisions (2) and (3) of this subsection.

10 ~~(d) The local plan may include a request for a waiver of State laws, regulations,~~
 11 ~~or policies. The request for a waiver shall identify the State laws, regulations, or~~
 12 ~~policies that inhibit the local unit's ability to reach its local accountability goals and~~
 13 ~~shall explain how a waiver of those laws, regulations, or policies will permit the local~~
 14 ~~unit to reach its local goals."~~

15 Sec. 3. G.S. 115C-238.4 reads as rewritten:

16 **"§ 115C-238.4. Differentiated pay.**

17 (a) Local school administrative units may include, but are not required to
 18 include, a systemwide differentiated pay plan for certified instructional staff, certified
 19 instructional support staff, and certified administrative staff as a part of their local
 20 school improvement plans. Units electing to include differentiated pay plans in their
 21 school improvement plans shall base their differentiated pay plans on:

- 22 (1) ~~The Career Development Pilot Program, G.S. 115C-363 et seq.;~~
 23 Program;
 24 (2) ~~The Lead Teacher Pilot Program, G.S. 115C-363.28 et seq.;~~ Program;
 25 (3) A locally designed school-based performance program, subject to
 26 limitations and guidelines adopted by the State Board of Education;
 27 (4) A differentiated pay plan that the State Board of Education finds has
 28 been successfully implemented in another state; or
 29 (5) A locally designed plan including any combination or modification of
 30 the foregoing plans.

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

34 ~~(b) Support among affected staff members is essential to successful~~
 35 ~~implementation of a differentiated pay plan; therefore, a local board of education that~~
 36 ~~decides that a differentiated pay plan should be included in its local school improvement~~
 37 ~~plan shall present a proposed differentiated pay plan to affected staff members for their~~
 38 ~~review and vote. The vote shall be by secret ballot. The local board of education shall~~
 39 ~~include the proposed differentiated pay plan in its local school improvement plan only if~~
 40 ~~the proposed plan has the approval of a majority of the affected paid-certificated~~
 41 ~~instructional and instructional support staff and a majority of the affected certificated~~
 42 ~~administrators.~~

43 ~~Every three years after a differentiated pay plan receives such approval, the local~~
 44 ~~board of education shall present a proposed plan to continue, discontinue, or modify that~~

1 differentiated pay plan to affected staff members for their review and vote. The vote
2 shall be by secret ballot. The local board of education shall include the proposed plan in
3 its local school improvement plan only if the proposed plan has the approval of a
4 majority of the affected paid-certificated instructional and instructional support staff and
5 a majority of the affected certificated administrators.

6 (c) Local school administrative units electing to participate in a differentiated pay
7 plan shall receive State funds according to the terms of the plan but not to exceed:

8 (1) ~~1990-91: two percent (2%) of teacher and administrator salaries, and~~
9 ~~the employer's contributions for social security and retirement;~~

10 (2) ~~1991-92: three percent (3%) of teacher and administrator salaries, and~~
11 ~~the employer's contributions for social security and retirement;~~

12 (3) ~~1992-93: four percent (4%) of teacher and administrator salaries, and~~
13 ~~the employer's contributions for social security and retirement;~~

14 (4) ~~1993-94: five and one half percent (5 1/2%) of teacher and~~
15 ~~administrator salaries, and the employer's contributions for social~~
16 ~~security and retirement; and~~

17 (5) ~~1994-95 and thereafter: seven percent (7%) of teacher and~~
18 ~~administrator salaries, and the employer's contributions for social~~
19 ~~security and retirement.~~

20 exceed the amount appropriated by the General Assembly for differentiated pay. It is
21 the intent of the General Assembly that this amount never be less than the percentage of
22 teacher and administrator salaries and employers' contributions for social security and
23 retirement appropriated by the General Assembly for the prior fiscal year; it is further
24 the intent of the General Assembly to increase this amount to seven percent (7%) of
25 teacher and administrator salaries and employers' contributions for social security and
26 retirement.

27 Any differentiated pay plan developed in accordance with this section shall be
28 implemented within State and local funds available for differentiated pay.

29 (d) Attainment of the equivalent of Career Status I shall be rewarded through a
30 new salary schedule that provides a salary differential when a certified educator
31 successfully completes his probationary period.

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

37 Payments of bonuses or supplements shall be made no more frequently than once
38 every calendar quarter. Provided, however, prior to the 1994-95 school year, payments
39 in the career development pilot units may be made on a monthly basis.

40 (f) If a local school administrative unit bases its differentiated pay plan on a
41 locally designed school-based performance program, pursuant to subdivision (a)(3) of
42 this section, the plan shall provide that following the attainment of the local school
43 goals, the local board of education shall make a determination of which certified staff
44 members contributed to the attainment of those goals. Differentiated pay bonuses shall

1 then be distributed to those designated employees. The local board of education shall
2 make the determination upon recommendation of (i) the superintendent and (ii) any
3 other person or committee designated in the local differentiated pay plan. The other
4 person or committee designated in the local differentiated pay plan may be the principal,
5 a school-based committee, or any other person or local committee."

6 Sec. 4. G.S. 115C-238.6 reads as rewritten:

7 "**§ 115C-238.6. Approval of local school administrative unit plans by the State**
8 **Superintendent; conditions for continued participation.**

9 (a) Prior to June 30 each year, the State Superintendent shall review local school
10 improvement plans submitted by the local school administrative units in accordance
11 with policies and performance indicators adopted by the State Board of Education. If
12 the State Superintendent approves the plan for a local school administrative unit, that
13 unit shall participate in the Program for the next fiscal year.

14 If a local plan contains a request for a waiver of State laws, regulations, or policies,
15 in accordance with G.S. 115C-238.3(d), the State Superintendent shall determine
16 whether and to what extent the identified laws, regulations, or policies should be
17 waived. The State Superintendent shall present that plan and his determination to the
18 State Board of Education. If the State Board of Education deems it necessary to do so
19 to enable a local unit to reach its local accountability goals, the State Board, only upon
20 the recommendation of the State Superintendent, may grant waivers of:

- 21 (1) State laws pertaining to class size, teacher certification, assignment of
22 teacher assistants, the use of State-adopted textbooks, and the purposes
23 for which State funds for the public schools, except for funds for
24 school health coordinators, may be used: Provided, however, the State
25 Board of Education shall not permit the use of funds for teachers for
26 expanded programs under the Basic Education Program for any other
27 purpose;
- 28 (2) All State regulations and policies, except those pertaining to State
29 salary schedules and employee benefits for school employees, the
30 instructional program that must be offered under the Basic Education
31 Program, the system of employment for public school teachers and
32 administrators set out in G.S. 115C-325, health and safety codes,
33 compulsory school attendance, the minimum lengths of the school day
34 and year, and the Uniform Education Reporting System.

35 Waivers shall be granted only for the specific schools for which they are requested
36 in building-level plans and shall be used only under the specific circumstances for
37 which they are requested.

38 (b) Local school administrative units shall continue to participate in the Program
39 and receive funds for differentiated pay, if their local plans call for differentiated pay, so
40 long as (i) they demonstrate satisfactory progress toward student performance goals set
41 out in their local school improvement plans; or (ii) once their local goals are met, they
42 continue to achieve their local goals and they otherwise demonstrate satisfactory
43 performance, as determined by the State Superintendent in accordance with guidelines
44 set by the State Board of Education.

1 If the local school administrative units do not achieve their goals after two years, the
2 Department of Public Instruction shall provide them with technical assistance to help
3 them meet their goals. If after one additional year they do not achieve their goals, the
4 State Board of Education shall decide what steps shall be taken to improve the
5 education of students in the unit."

6 Sec. 5. Section 1 of this act becomes effective July 1, 1992. The remainder
7 of this act is effective upon ratification and applies to all local school improvement
8 plans developed for school years beginning with the 1993-94 school year.