

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 656
Education/Higher Education Committee Substitute Adopted 4/16/03

Short Title: Innovative Educ. Initiatives Act.

(Public)

Sponsors:

Referred to:

April 1, 2003

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE INNOVATIVE EDUCATION INITIATIVES ACT.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 115C of the General Statutes is amended by adding the following new Article to read:

"Article 32D.

"Governor's First in America's Innovative Education Initiatives Account.

"§ 115C-472.10. Governor's First in America's Innovative Education Initiatives Account.

(a) There is established a restricted reserve in the General Fund to be known as the Governor's First in America's Innovative Education Initiatives Account that shall be financed by grants, gifts, or other forms of voluntary donations. The General Assembly strongly endorses the Governor's goal of making North Carolina's system of education first in America by 2010. With that being the goal, the Account shall be used to finance innovative education initiatives as authorized by this Article.

(b) The State Treasurer shall hold the Account separate and apart from all other moneys, funds, and accounts. Investment earnings credited to the assets of the Account shall become part of the Account. Any balance remaining in the Account at the end of any fiscal year shall be carried forward in the Account for the next succeeding fiscal year. The Board of Directors shall authorize payments from the Account.

"§ 115C-472.11. Board of Directors.

(a) Expenditures from the Account shall be authorized by a 12-member Board of Directors. Four members shall be appointed by the Governor, four by the General Assembly upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121, and four by the General Assembly upon the recommendation of the Speaker of the House of Representatives in accordance with G.S. 120-121. Persons appointed shall be knowledgeable in the development of innovative educational initiatives that will assist the State in achieving its goal of making the State's system of education first in America by 2010. Each appointing

1 officer shall designate one of that officer's initial appointments to serve a two-year term,
2 one to serve a four-year term, and one to serve a six-year term. Thereafter, all
3 appointments shall be for six years, subject to reappointment. Appointments shall expire
4 January 1 of odd-numbered years. The Governor shall appoint one Director to serve as
5 Chair of the Board. The Office of the Governor may provide the Board of Directors
6 with staff support and meeting facilities using expenditures from the Account. The
7 office of Director is declared to be an office that may be held concurrently with any
8 other executive or appointive office, under the authority of Article VI, Section 9, of the
9 North Carolina Constitution.

10 (b) The Board of Directors shall meet at least once each year and may hold
11 special meetings at the call of the Chair or a majority of the members.

12 (c) The Directors shall receive the per diem allowed for other members of boards
13 and commissions of the State as fixed in the Biennial Appropriations Act, and, in
14 addition, the Directors shall receive subsistence and travel expenses as fixed by statute
15 for those purposes. Travel and subsistence expenses shall be allowed while going to or
16 from any place of meeting or when on official business. Per diem payments shall
17 include necessary time spent in traveling to and from their places of residence to any
18 meeting place or while traveling on official business. Per diem, subsistence, and travel
19 expenses of the Directors shall be paid from the Account.

20 **§ 115C-472.12. Expenditure of funds from the Governor's First in America**
21 **Innovative Education Initiatives Account.**

22 (a) Expenditures from the Account shall be used for the benefit of the State's
23 system of education, with a primary focus on public schools, in order to become first in
24 America by the year 2010. The Board of Directors may authorize expenditures from the
25 Account for the following purposes:

- 26 (1) To support cooperative innovative high school programs developed
27 under Part 9 of Article 16 of Chapter 115C of the General Statutes.
- 28 (2) To improve high school completion rates and reduce high school
29 dropout rates.
- 30 (3) To support efforts to close the achievement gap.
- 31 (4) To establish or support redesigned middle schools or high schools.
- 32 (5) To provide flexible, customized programs of learning for high school
33 students who would benefit from accelerated, higher level coursework
34 or early graduation.
- 35 (6) To establish a statewide network of alternative learning programs.
- 36 (7) To establish a virtual high school.
- 37 (8) To develop or support other innovative education initiatives designed
38 to advance the State's system of education.

39 (b) Nothing shall be construed to prevent the Board of Directors from receiving
40 grants, gifts, or other donations and from using these grants, gifts, or other donations for
41 any lawful purpose that the donor designates. However, the Board of Directors shall not
42 impose any financial burden or any obligation on the State or any of its subdivisions.

43 (c) The Board of Directors shall maintain and update a list of expenditures made
44 under this Article. The list shall identify the purpose and beneficiaries of each

1 expenditure. The Board shall furnish annually a copy of the list to each Director, the
2 Governor, the Joint Legislative Education Oversight Committee, and the Joint
3 Legislative Commission on Governmental Operations.

4 **"§§ 115C-472.13 through 115C-472.19. Reserved for future codification purposes."**

5 **SECTION 2.** Article 16 of Chapter 115C of the General Statutes is amended
6 by adding the following new Part to read:

7 "Part 9. Cooperative Innovative High School Programs.

8 **"§ 115C-238.50. Purpose.**

9 (a) The purpose of this Part is to authorize boards of trustees of community
10 colleges and local boards of education to jointly establish cooperative innovative
11 programs in high schools and community colleges that will expand students'
12 opportunities for educational success through high-quality instructional programming.
13 These cooperative innovative high school programs shall target:

- 14 (1) High school students who are at risk of dropping out of school before
15 attaining a high school diploma; or
16 (2) High school students who would benefit from accelerated academic
17 instruction.

18 (b) All the cooperative innovative high school programs established under this
19 Part shall:

- 20 (1) Prepare students adequately for future learning in the workforce or in
21 an institution of higher education.
22 (2) Expand students' educational opportunities within the public school
23 system.
24 (3) Be centered on the core academic standards represented by the college
25 preparatory or tech prep program of study as defined by the State
26 Board of Education.
27 (4) Encourage the cooperative or shared use of resources, personnel, and
28 facilities between public schools and community colleges.
29 (5) Integrate and emphasize both academic and technical skills necessary
30 for students to be successful in a more demanding and changing
31 workplace.
32 (6) Emphasize parental involvement and provide consistent counseling,
33 advising, and parent conferencing so that parents and students can
34 make responsible decisions regarding course taking and can track the
35 students' academic progress and success.
36 (7) Be held accountable for meeting measurable student achievement
37 results.
38 (8) Encourage the use of different and innovative teaching methods.
39 (9) Establish joint institutional responsibility and accountability for
40 support of students and their success.
41 (10) Effectively utilize existing funding sources for high school,
42 community college, and vocational programs, and actively pursue new
43 funding from other sources.

- 1 (11) Develop methods for early identification of potential participating
2 students in the middle grades and through high school.
- 3 (12) Reduce the percentage of students needing remedial courses upon their
4 initial entry from high school into a college or university.
- 5 (c) Programs developed under this Part that target students who are at risk of
6 dropping out of high school before attaining a high school diploma shall:
- 7 (1) Provide these students with the opportunity to graduate from high
8 school possessing the core academic skills needed for postsecondary
9 education and high-skilled employment.
- 10 (2) Enable students to complete a technical or academic program in a field
11 that is in high demand and has high wages.
- 12 (3) Set and achieve goals that significantly reduce dropout rates and raise
13 high school and community college retention, certification, and degree
14 completion rates.
- 15 (4) Enable students who complete these programs to pass employer
16 exams, if applicable.
- 17 (d) Cooperative innovative high school programs that offer accelerated learning
18 programs shall:
- 19 (1) Provide a flexible, customized program of instruction for students who
20 would benefit from accelerated, higher level coursework or early
21 graduation from high school.
- 22 (2) Enable students to obtain a high school diploma in less than four years
23 and begin or complete an associate degree program or to master a
24 certificate or vocational program.
- 25 (3) Offer a college preparatory academic core and in-depth studies in a
26 career or technical field that will lead to advanced programs or
27 employment opportunities in engineering, health sciences, or teaching.
- 28 (e) Cooperative innovative high school programs may include the creation of a
29 school within a school, a technical high school, or a high school or technical center
30 located on the campus of a community college.
- 31 (f) Students are eligible to attend these programs as early as ninth grade.
- 32 **"§ 115C-238.51. Application process.**
- 33 (a) A local board of education and a local board of trustees of a community
34 college shall jointly apply to establish a cooperative innovative high school program
35 under this Part.
- 36 (b) The application shall contain at least the following information:
- 37 (1) A description of a program that implements the purposes in G.S.
38 115C-238.50.
- 39 (2) A statement of how the program relates to the Economic Vision Plan
40 adopted for the economic development region in which the program is
41 to be located.
- 42 (3) The facilities to be used by the program and the manner in which
43 administrative services of the program are to be provided.

- 1 (4) A description of student academic and vocational achievement goals
2 and the method of demonstrating that students have attained the skills
3 and knowledge specified for those goals.
- 4 (5) A description of how the program will be operated, including
5 budgeting, curriculum, transportation, and operating procedures.
- 6 (6) The process to be followed by the program to ensure parental
7 involvement.
- 8 (7) The process by which students will be selected for and admitted to the
9 program.
- 10 (8) A description of the funds that will be used and a proposed budget for
11 the program.
- 12 (9) The qualifications required for individuals employed in the program.
- 13 (10) The number of students to be served.
- 14 (11) A description of how the program's effectiveness in meeting the
15 purposes in G.S. 115C-238.50 will be measured.

16 (c) The application shall be submitted to the State Board of Education and the
17 State Board of Community Colleges by November 1 of each year. The State Board of
18 Education and the State Board of Community Colleges shall appoint a joint advisory
19 committee to review the applications and to recommend to the State Boards those
20 programs that meet the requirements of this Part and that achieve the purposes set out in
21 G.S. 115C-238.50.

22 (d) The State Board of Education and the State Board of Community Colleges
23 may approve no more than two cooperative innovative high school programs in each of
24 the State's economic development regions. The State Boards may approve programs
25 recommended by the joint advisory committee or may approve other programs that were
26 not recommended. The State Boards shall approve all applications by March 15. No
27 application shall be approved unless the State Boards find that the application meets the
28 requirements set out in this Part and that granting the application would achieve the
29 purposes set out in G.S. 115C-238.50. Priority shall be given to applications that are
30 most likely to further State education policies, to address the economic development
31 needs of the economic development regions in which they are located, and to strengthen
32 the educational program offered in the local school administrative units in which they
33 are located.

34 **"§ 115C-238.52. Participation by other education partners.**

35 (a) Any or all of the following education partners may participate in the
36 development of a cooperative innovative program under this Part that is targeted to high
37 school students who would benefit from accelerated academic instruction:

- 38 (1) A constituent institution of The University of North Carolina.
- 39 (2) A private college or university located in North Carolina.
- 40 (3) A private business or organization.
- 41 (4) The county board of commissioners in the county in which the
42 program is located.

43 (b) Any or all of the education partners listed in subsection (a) of this section that
44 participate shall:

1 (1) Jointly apply with the local board of education and local board of
2 trustees of the community college to establish a cooperative innovative
3 program under this Part.

4 (2) Shall be identified in the application.

5 (3) Shall sign the written agreement under G.S. 115C-238.53(b).

6 **"§ 115C-238.53. Program operation.**

7 (a) A program approved by the State shall be accountable to the local board of
8 education.

9 (b) A program approved under this Part shall operate under the terms of a written
10 agreement signed by the local board of education, local board of trustees, State Board of
11 Education, and State Board of Community Colleges. The agreement shall incorporate
12 the information provided in the application, as modified during the approval process,
13 and any terms and conditions imposed on the program by the State Board of Education
14 and the State Board of Community Colleges. The agreement may be for a term of no
15 longer than five school years.

16 (c) A program may be operated in a facility owned or leased by the local board
17 of education, the local board of trustees of the community college, or the education
18 partner, if any.

19 (d) A program approved under this Part shall provide instruction each school
20 year for at least 180 days during nine calendar months, shall comply with laws and
21 policies relating to the education of students with disabilities, and shall comply with
22 Article 27 of this Chapter.

23 (e) A program approved under this Part may use State, federal, and local funds
24 allocated to the local school administrative unit, to the State Board of Community
25 Colleges, and to the community college to implement the program. If there is an
26 education partner and if it is a public body, the program may use State, federal, and
27 local funds allocated to that body.

28 (f) Except as provided in this Part and pursuant to the terms of the agreement, a
29 program is exempt from laws and rules applicable to a local board of education, a local
30 school administrative unit, a community college, or a local board of trustees of a
31 community college.

32 **"§ 115C-238.54. Funds for programs.**

33 (a) The Department of Public Instruction shall assign a school code for each
34 program that is approved under this Part. All positions and other State and federal
35 allotments that are generated for this program shall be assigned to that school code.
36 Notwithstanding G.S. 115C-105.25, once funds are assigned to that school code, the
37 local board of education may use these funds for the program and may transfer these
38 funds between funding allotment categories.

39 (b) The local board of trustees of a community college may allocate State and
40 federal funds for a program that is approved under this Part.

41 (c) An education partner under G.S. 115C-238.52 that is a public body may
42 allocate State, federal, and local funds for a program that is approved under this Part.

1 (d) If not an education partner under G.S. 115C-238.52, a county board of
2 commissioners in a county where a program is located may nevertheless appropriate
3 funds to a program approved under this Part.

4 (e) The local board of education and the local board of trustees of the community
5 college are strongly encouraged to seek funds from sources other than State, federal,
6 and local appropriations. They are strongly encouraged to seek funds from the
7 Governor's First in America's Innovative Education Initiatives Account established
8 under Article 32D of this Chapter.

9 **"§ 115C-238.55. Evaluation of programs.**

10 The State Board of Education and the State Board of Community Colleges shall
11 evaluate the success of students in programs approved under this Part. Success shall be
12 measured by high school retention rates, high school completion rates, high school
13 dropout rates, certification and associate degree completion, admission to four-year
14 institutions, postgraduation employment in career or study-related fields, and employer
15 satisfaction of employees who participated in and graduated from the programs.
16 Beginning October 15, 2005, and annually thereafter, the Boards shall jointly report to
17 the Joint Legislative Education Oversight Committee on the evaluation of these
18 programs. If, by October 15, 2006, the Boards determine any or all of these programs
19 have been successful, they shall jointly develop a prototype plan for similar programs
20 that could be expanded across the State. This plan shall be included in their report to the
21 Joint Legislative Education Oversight Committee that is due by October 15, 2007.

22 **"§§ 115C-238.56 through 115C-238.59: Reserved for future codification purposes."**

23 **SECTION 3.** Local school administrative units and the State Board of
24 Education shall identify, strengthen, and adopt policies and procedures that encourage
25 students to remain in high school rather than to drop out and that encourage all students
26 to pursue a rigorous academic course of study. As part of this process, the State Board
27 and the local school administrative units are encouraged to eliminate or revise any
28 policies or procedures that discourage some students from completing high school or
29 that discourage any student from pursuing a rigorous academic course of study. No
30 later than March 1, 2004, local school administrative units shall report to the State
31 Board of Education the policies they have identified, strengthened, adopted, and
32 eliminated under this section. No later than April 15, 2004, the State Board shall report
33 to the Joint Legislative Education Oversight Committee on these policies as well as on
34 the policies the Board has identified, strengthened, adopted, and eliminated under this
35 section.

36 **SECTION 4.** Nothing in this act shall be construed to obligate the General
37 Assembly to make appropriations to implement this act.

38 **SECTION 5.** This act is effective when it becomes law.