

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 1040*

Short Title: Improve Admin Prog Monitoring at DPI. (Public)

Sponsors: Representative Howard (Primary Sponsor).

For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Education, if favorable, Finance.

May 15, 2014

A BILL TO BE ENTITLED

AN ACT TO IMPROVE ADMINISTRATIVE PROGRAM MONITORING BY THE
DEPARTMENT OF PUBLIC INSTRUCTION, AS RECOMMENDED BY THE JOINT
LEGISLATIVE PROGRAM EVALUATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The Department of Public Instruction shall increase the efficiency
of school transportation services by taking the following actions:

- (1) Reduce the budget rating formula for school bus operations by one percent (1%) annually beginning in fiscal year 2014-2015 until fiscal year 2018-2019 when the buffer reaches five percent (5%).
- (2) Limit the statewide inventory of spare school buses that meet the replacement criteria to ten percent (10%) of the total statewide inventory.
- (3) Develop and implement a replacement part inventory management policy that ensures replacement part inventories are reduced to levels that are sufficient to meet the operational requirement of the school bus transportation program. The Department shall report the policy to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by December 31, 2014.

SECTION 1.(b) G.S. 115C-522 reads as rewritten:

"§ 115C-522. Provision of equipment for buildings.

(a) It shall be the duty of local boards of education to purchase or exchange all supplies, equipment, and materials, and these purchases shall be made in accordance with Article 8 of Chapter 143 of the General Statutes. ~~These~~ Except as provided in subsection (a1) of this section, these purchases may be made from contracts made by the Department of Administration. Title to instructional supplies, office supplies, fuel and janitorial supplies, enumerated in the current expense fund budget and purchased out of State funds, shall be taken in the name of the local board of education which shall be responsible for the custody and replacement: Provided, that no contracts shall be made by any local school administrative unit for purchases unless provision has been made in the budget of the unit to pay for the purchases, unless surplus funds are on hand to pay for the purchases, or unless the contracts are made pursuant to G.S. 115C-47(28) and G.S. 115C-528 and adequate funds are available to pay in the current fiscal year the sums obligated for the current fiscal year. The State Board of Education shall adopt rules regarding equipment standards for supplies, equipment, and materials related to student transportation. The State Board may adopt guidelines for any commodity that needs safety features. If a commodity that needs safety features is available on



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1 statewide term contract, any guidelines adopted by the State Board must at a minimum meet the
 2 safety standards of the statewide term contract. Compliance with Article 8 of Chapter 143 of
 3 the General Statutes is not mandatory for the purchase of published books, manuscripts, maps,
 4 pamphlets, and periodicals.

5 (1) Where competition is available, local school administrative units may utilize
 6 the:

- 7 a. E-Quote service of the NC E-Procurement system as one means of
 8 solicitation in seeking informal bids for purchases subject to the
 9 bidding requirements of G.S. 143-131; and
- 10 b. Division of Purchase and Contract's electronic Interactive Purchasing
 11 System as one means of advertising formal bids on purchases subject
 12 to the bidding requirements of G.S. 143-129 and applicable rules
 13 regarding advertising. This sub-subdivision does not prohibit a local
 14 school administrative unit from using other methods of advertising.

15 (2) In order to provide an efficient transition of purchasing procedures, the
 16 Secretary of the Department of Administration and the local school
 17 administrative units shall establish a local school administrative unit
 18 purchasing user group. The user group shall be comprised of a proportionate
 19 number of representatives from the Department of Administration and local
 20 school administrative unit purchasing and finance officers. The user group
 21 shall examine any issues that may arise between the Department of
 22 Administration and local school administrative units, including the new
 23 relationship between the Department and the local school administrative
 24 units, the appropriate exchange of information, the continued efficient use of
 25 E-Procurement, appropriate bid procedures, and any other technical
 26 assistance that may be necessary for the purchase of supplies and materials.

27 (a1) The Department of Public Instruction, in consultation with the Department of
 28 Administration, shall establish term contracts for those school bus replacement parts with
 29 statewide annual sales exceeding one hundred thousand dollars (\$100,000). Local boards of
 30 education shall purchase school bus replacement parts from these contracts unless the purchase
 31 price from noncertified sources, including the cost of delivery, is less than the cost under the
 32 State term contract and the replacement parts purchased are the same or substantially similar in
 33 quality, service, and performance as those items available under the State term contract.

34"

35 **SECTION 2.** The Department of Public Instruction shall revise the State inspection
 36 process for county school bus maintenance operations to ensure school bus safety and
 37 reliability by incorporating school bus inspection, maintenance, and utilization information
 38 from the school bus fleet management system to identify noncompliant county school bus
 39 maintenance facilities and improve its oversight of local school bus operations. The
 40 Department shall report the revised inspection process as well as the associated implementation
 41 schedule to the Joint Legislative Education Oversight Committee by December 31, 2014.

42 **SECTION 3.(a)** The Department of Public Instruction shall reduce the operational
 43 requirements of the Textbook Services program by eliminating the following positions:

<u>Post Title</u>	<u>Position Number</u>
44 Accounting Technician	60009643
45 Accounting Technician	60009644
46 Processing Assistant	60009646
47 Stock Clerk II	60009640
48 Stock Clerk II	60009642
49 Stock Clerk II	60009648

1 **SECTION 3.(b)** The Department of Public Instruction shall jointly develop a plan
2 with the Department of Administration to reallocate unneeded textbook warehouse space to
3 other State agencies. The plan shall identify the amount of unneeded space and include
4 estimated cost-savings resulting from other State agencies using the excess warehouse space
5 instead of leasing space. The Department of Public Instruction and the Department of
6 Administration shall jointly submit the plan to the Joint Legislative Education Oversight
7 Committee and to the Fiscal Research Division by December 31, 2014.

8 **SECTION 4.** In order to determine the cost-effectiveness and continued need for
9 the services provided by the Plant Operation and School Planning sections of the Department of
10 Public Instruction, the Department shall develop and implement a process for monitoring time
11 and resources required for the services provided by these sections and collect and compile
12 information during fiscal year 2014-2015 from local school boards to measure the benefits the
13 local boards receive from the services provided. The Department shall report its findings to the
14 Joint Legislative Education Oversight Committee and to the Fiscal Research Division by
15 September 1, 2015.

16 **SECTION 5.(a)** In order to minimize workers' compensation costs funded by State
17 appropriations, the Department of Instruction shall develop model loss prevention and
18 return-to-work programs to be adopted by the State Board of Education to be used by local
19 school boards. The model programs should be designed to reduce the number of injuries
20 resulting in workers' compensation claims and ensure injured employees with workers'
21 compensation claims return to work in accordance with current State Board of Education
22 policy.

23 **SECTION 5.(b)** G.S. 115C-47 is amended by adding a new subdivision to read:
24 "**§ 115C-47. Powers and duties generally.**

25 In addition to the powers and duties designated in G.S. 115C-36, local boards of education
26 shall have the power or duty:

27 ...

28 (25b) To Implement Injury Prevention and Return-to-Work Programs. – Local
29 board of education shall implement loss prevention and return-to-work
30 programs based on models adopted by the State Board of Education.

31 "

32 **SECTION 6.(a)** G.S. 115C-12 is amended by adding a new subdivision to read:
33 "**§ 115C-12. Powers and duties of the Board generally.**

34 The general supervision and administration of the free public school system shall be vested
35 in the State Board of Education. The State Board of Education shall establish policy for the
36 system of free public schools, subject to laws enacted by the General Assembly. The powers
37 and duties of the State Board of Education are defined as follows:

38 ...

39 (42) To Create a Performance Management System. – In order to create an
40 effective performance management system to evaluate the performance of
41 the administrative service programs and activities provided by the
42 Department of Public Instruction, the State Board of Education shall adopt
43 strategic goals to guide those programs and activities toward the
44 achievement of the vision for the public school system."

45 **SECTION 6.(b)** G.S. 115C-21(a) is amended by adding a new subdivision to read:
46 "**§ 115C-21. Powers and duties generally.**

47 (a) **Administrative Duties.** – Subject to the direction, control, and approval of the State
48 Board of Education, it shall be the duty of the Superintendent of Public Instruction:

49 ...

50 (8) The Superintendent of Public Instruction shall report to the Joint Legislative
51 Education Oversight Committee by December 31, 2014, and annually

1 thereafter on the performance of each administrative support program in the
2 performance management system described in G.S. 115C-23. The report
3 shall identify the contribution of each administrative program and shall
4 describe how the performance information was used toward the achievement
5 of the strategic goals adopted by the State Board of Education pursuant to
6 G.S. 115C-12(42)."

7 **SECTION 6.(c)** Article 3 of Chapter 115C of the General Statutes is amended by
8 adding a new section to read:

9 **"§ 115C-23. Performance management system.**

10 (a) The Department of Public Instruction shall report to the Joint Legislative Education
11 Oversight Committee by December 31, 2014, and annually thereafter on the performance of
12 each strategic objective identified by the State Board of Education pursuant to
13 G.S. 115C-12(42). The report shall include the following:

14 (1) A description of the measures used to evaluate achievement of each strategic
15 objective, to include the performance target, which clearly defines what level
16 of work is desired and can serve as a guidepost for judging whether progress
17 is being made on the schedule and at the levels originally proposed.

18 (2) The most recent performance, as identified from each associated
19 performance measure.

20 (3) A comparison of the most recent performance with the performance target.

21 (b) The Department of Public Instruction shall develop a performance management
22 system for administrative support programs to include processes for identifying and monitoring
23 the following:

24 (1) The objectives and associated performance outcomes for each program,
25 including measures and targets to evaluate whether programs are effectively
26 achieving each of the objectives.

27 (2) The outputs produced by each program activity to include the number of
28 outputs and associated unit cost, along with targets for activity efficiency
29 improvements.

30 (3) Procedures that ensure the efficient and effective use of State resources to
31 perform each activity."

32 **SECTION 7.** Sections 1(b) and 5(b) of this act become effective January 1, 2015.
33 Section 1(b) applies to purchases made on or after that date. Section 3(a) becomes effective
34 June 30, 2014. The remainder of this act is effective when it becomes law.