



## Key (Selected) Education Bills & Policy Issues Pending:

### General Assembly Convenes 4/25/16

**School Vouchers:** At the end of the session, proposals were made to expand the state's private school voucher program for kindergarten and first-graders. Proposal was narrowly defeated to amend **Senate Bill 456** (Charter Modifications) to increase the percentage of voucher funds that can go to kindergarten and first-grade students from 35 percent to 45 percent. Currently only 35 percent of the vouchers can go to K-1 grade students. Once a student receives a voucher they get preference through the 12<sup>th</sup> grade so letting in more K-1 students would increase the program's funding needs in the future. The program was originally presented as a way to help children attending schools that were not being served in their public school. Funding was increased for the next two years. Expanding funding and eligibility are likely to be considered next session.

**Teacher Retirement Plan Change:** The proposed change to the state retirement plan for teachers did not come to fruition this year but may be addressed in spring. The proposal is to change the state retirement plan in NC from a Defined Benefit Plan (DB) to a Defined Contribution (DC) Plan. For over seventy years the NC Teachers and State Employees Retirement System has operated as a DB plan, where the state invests funds for employees and produces a defined benefit for retirees for the rest of their lives. Some states have moved to a DC plan (like a 401k) where benefits are based on the employee's account balance at retirement and when the funds are gone, the pension stops, so the retiree might outlive the benefits. Currently, educators in NC receive a defined monthly benefit upon retirement and this proposed changed for incoming educators would be to provide a defined contribution each month until retirement and shift the risk to the educator after retirement.

**Teacher Licensure Revisions:** Discussions started about how to remove some barriers in getting qualified teachers into the classroom quicker. Discussions include how to licenses veteran and military spouses, how to streamline lateral entry requirements, how to increase flexibility to allow more teachers to teach out of field.

### **HB 535 Promoting Charter School Charter School Success Pilot**

This bill proposed to appropriate \$1 million of taxpayers' money allocated for public schools for each of the 2015-2016 & 2016-2017 fiscal years to be used by Parents for Educational Freedom of North Carolina (PEFNC) to give grants to charter school participants for replication and expansion of up to four charter schools per fiscal year. If the grant monies are not used, they will not revert back to the public schools. Did not make it in the final budget, likely to reappear next year. **Passed first reading, referred to House committee on rules, calendar, and operations.**

### **HB 539 Charter School Funding**

**This bill passed both chambers and is awaiting a vote on whether the House will concur, if no it will go to conference.** Likely to pass through House quickly with a simple floor vote on concurrence. Bill would force local school districts to share more revenue and federal funding with charter schools diverting millions of dollars of revenue from local public school districts to charter schools for programs and services they may not even offer. In other words, charter schools would receive funding for services and costs borne exclusively by local public schools.

Local funding included:

- Indirect costs including Child nutrition (charters not required to provide Free/Reduced Price Lunch).
- Reimbursements except for Medicare/Medicaid for a particular student
- Fees for actual costs such as fees for after-school programs run by the school that are used to offset operational costs for offering the program.
- Sales Tax Revenue, regardless of how it is distributed.
- Gifts & grants not restricted by the donor must be held in a special fund for local schools (creates administrative/accounting burden).
- Federal appropriations made directly to local schools.
- Supplemental property tax revenue (even for charter schools located outside the taxing jurisdiction).

### **HB 561 School System Authority Regarding Legal Proceedings**

Bill would modify the authority of school systems with regard to legal proceedings and investigations. Would allow state or federal administrative agencies or any court of law to inspect confidential employee personnel records of current or former employees and would provide a local board of education the authority to subpoena tangible items when an employee is suspected of committing job-related misconduct. This bill was amended to place a 5 year moratorium on school boards suing county commissioners. **Passed in Senate, referred to conference committee.**

### **HB 660 Transition to Personalized Digital Learning**

This bill is an unfunded measure that would establish teaching and learning standards to enable the transition from textbooks to digital classroom technology. As it is currently written, it will allow for outside sources, however, to help fund program purposes set forth in the bill as well as allow private sector (for-profit and non-profit) organizations to establish standards and evaluate development among other initiatives. **Passed house and is in the Senate Committee on Rules and Operations.**

### **HB 661 Teacher Recruitment and Scholarships**

Bill would create an educator preparation program and would appropriate \$1 million in each year of the biennial budget to recruit, prepare, and support at least 1,000 extraordinary teachers (science, math, & special education) for the hardest-to-staff schools and classrooms (not unlike Teach for America). Recipients of these competitive teaching scholarships would commit to serve in either a hard-to-staff school or hard-to-staff licensure area in exchange for debt forgiveness. **Passed house, referred to Senate Committee on Ways and Means.**

### **HB 662 NC Elevating Educators Act of 2015**

A bill to establish a multi-year program to provide for teachers and digital instruction and to allow state funds for supplemental salaries and differential pay for school personnel. State board could allow local boards of education to transfer state funds into an allotment category to provide supplemental salaries and differential pay for school personnel. This bill might allow for some experimentation but is basically merit pay and distracts from making sure teacher base salaries are funded and raised to the national level. **Passed first reading in House, referred to committee on appropriations.**

### **HB 761 Charter School Capital Funds**

A bill to authorize county commissioners to provide capital funds to a charter school subject to return of those funds upon dissolution of the school. **Passed first reading in House, referred to committee on local governments.**

**HB803 School Performance Scores**—**HB803 passed the house and referred to the Senate Committee on Ways and Means.** Bill would change the formula for school performance grades from 80% test scores / 20% student growth to 50% test scores / 50% student growth.

**SB 95 Performance-Based RIF/School Policy (Substitute name/language: Achievement School District Bill was withdrawn when it did not have enough support to pass. Referred back to House Committee on Rules, Calendar and Operations of the House where it could be studied/returned to the House for vote.** The House proposal was to **rename the bill** that was developed in committee with substitute language that impacts students, parents, school personnel, school facilities and local boards of education. Proposed substitute language was to create an “Achievement School District (ASD)” comprised of five schools chosen from the bottom 25% of schools. It will force the local school board to either: close the school, use a turn-around principal model, or transfer governance from the local school board to a new Achievement School District (ASD). The ASD would hire third-party operators to take over management and operations and local school boards remain responsible for providing transportation and building maintenance. Pilot takeover programs like this in other states have not been successful. Many education experts believe that lower-performing schools are better served by remaining a part of the local school system and given more local flexibilities and resources for innovative education methods and family support services.

**SB343 Student Assault on Teacher/Felony Offense— SB3433 passed the Senate, referred to the committee on Children, Youth, and Families, if favorable goes to Judiciary III.** Bill would make assault on a school employee an A1 misdemeanor for the first offense and Class H felony for the second offense. This means that a student could be charged with a high-level misdemeanor or felony without making any physical contact with a school employee.

#### **SB 456 Charter School Modifications**

**SB456 passed the Senate, referred to House Appropriations Committee.** It would allow adoption of rules regarding faster replication of certain charter schools and would direct a greater percentage of funds towards charter schools at the expense of traditional public schools. Specifically, Section 6 would expand the types of monies (Fund 8) that can be shared with charter schools such as gifts and grants not restricted and sales tax refunds and revenues.

#### **S480 Uniform Political Activity/Employees**

Would ban issue advocacy during school day on school equipment and email accounts by all except superintendents, principals and other designated school leaders (directors who are subject matter experts).

**Passed Senate and engrossed. Passed first reading in House, referred to Committee on Rules and Operations.**

**SB607 TABOR: Taxpayer Protection Act— SB607 passed the Senate and was referred to Committee on Finance, if approved then goes to Rules, Calendars, and Operation of the House.** If passed by the House this spring, there are three constitutional amendments that would create a TABOR which creates a rigid and fundamentally flawed formula for state spending, limit investments in schools and other key services by capping the state income tax rate at an arbitrarily low rate, and require a supermajority (2/3) vote of the legislature to use the state’s rainy day fund, even in times of true emergency. If it had been implemented in 2015, it would have significantly reduced the dollars available to support public education and other critical public services for families.

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