

Education

See full summary documents for additional detail

H13 - Class Size Requirement Changes. (SL 2017-9)

S.L. 2017-9 phases in class size requirements for kindergarten through third grade as follows:

- For the 2017-2018 school year, the average class size for kindergarten through third grade in a local school administrative unit (LEA) cannot exceed 20 students, and the size of an individual class in kindergarten through third grade cannot exceed 23 students.
- For the 2018-2019 school year and thereafter, the class size requirements in G.S. 115C-301 apply.

The act requires local boards, through the local superintendent, to make biannual reports throughout the school year to the Superintendent of Public Instruction (Superintendent) on the organization of each school in the LEA. The biannual reports, accompanied by a sworn affidavit of compliance from the local superintendent, must include, at a minimum, the following information:

- For each class in each grade level at each school the following:
 - The duties of the teacher.
 - The source of funds used to pay for the teacher.
 - The number of students assigned to the class, including all exceptions to individual class size maximums in kindergarten through third grade that exist at that time.
- For each school the following:
 - The number of program enhancement teachers. For the purposes of this subdivision, program enhancement teachers are teachers who teach any of the following:
 - Arts disciplines, including dance, music, theater, and the visual arts.
 - Physical education and health programs.
 - World languages.
- The source of funds used to pay each program enhancement teacher.

The average class size for each grade from kindergarten through third grade in the LEA.

The Superintendent must conduct periodic audits of this information and upon a finding that a local board is out of compliance and has not sought an allotment adjustment or waiver, the State Board of Education (SBE) can impose the penalty of withholding funds for the local superintendent's salary until compliance is achieved.

Class size waivers granted by the SBE do not become effective until reported to the Joint Legislative Commission on Governmental Operations, and are required to be reported within 30 days of the grant of the waiver. If a waiver or allotment adjustment is not granted by the SBE, a local board is required to correct the exception within 30 days, and within 60 days of notification by the SBE, the Superintendent must request an updated report from the local board on the size of each class in kindergarten through third grade for each school within the LEA. If the Superintendent finds the local board continues to exceed class size requirements, the SBE can impose the penalty of withholding funds for the local superintendent's salary until compliance is achieved.

This act became effective April 27, 2017, and applies beginning with the 2017-2018 school year.

H21 - Driver Instruction/Law Enforcement Stops. (SL 2017-95)

S.L. 2017-95 requires the Division of Motor Vehicles (DMV) to consult with the State Highway Patrol, the Sheriff's Association, and the Association of Chiefs of Police in including law enforcement traffic stop procedures and descriptions of appropriate driver interactions with law enforcement officers within its driver license handbook. It also requires the Department of Public Instruction (DPI) to incorporate these topics into the driver education curriculum offered at public high schools.

The part of this act that relates to DMV becomes effective January 1, 2018. The part of this act that relates to DPI became effective July 12, 2017, and applies beginning with the 2017-2018 school year.

H39 - Amend Appointments/University of North Carolina Board of Governors. (SL 2017-1)

S.L. 2017-1 reduces the number of members elected by the General Assembly to the Board of Governors of The University of North Carolina (BOG) from 16 every 2 years to 12 every 2 years. This will reduce the elected membership of the BOG from 32 to 24 by July 1, 2019.

The reduction in number of members elected to the BOG became effective March 3, 2017. Conforming changes to this reduction became effective July 1, 2017, and additional conforming changes become effective July 1, 2019.

H135 - Technical Changes to Courses of Study Statute. (SL 2017-126)

S.L. 2017-126 repeals and recodifies various provisions related to the standard course of study. The recodification separates topics based on subject matter. The act also removes references to the Basic Education Plan and replaces that term with the term "standard course of study," and makes conforming changes to other statutes.

This law became effective July 20, 2017.

H149 - Students W/ Dyslexia and Dyscalculia. (SL 2017-127)

S.L. 2017-127 requires the State Board of Education (SBE) to: (1) define dyslexia as a part of its policies for specific learning disabilities; (2) ensure ongoing professional development opportunities for school personnel on the identification of and intervention for specific learning disabilities; and (3) provide information for parents and others on support for children with dyslexia.

The act also requires local boards of education to review diagnostic tools and screening instruments for specific learning disabilities and determine if additional diagnostic and screening tools are needed.

The act became effective July 20, 2017.

H155 - Omnibus Education Law Changes. (SL 2017-157)

OVERVIEW: S.L. 2017-157 makes the following changes to various education statutes:

- Beginning with the 2017-2018 school year, modifies the reporting date for a report on school organizational data, including class size.
- Makes conforming changes to career status employment statutes to align with a decision by the North Carolina Supreme Court.
- Beginning with the 2017-2018 school year, authorizes assistant principals at high schools with at least 1500 students to conduct evaluations for beginning teachers, as long as at least one evaluation in a teacher's first three years of employment is conducted by the principal.
- Directs the Superintendent of Public Instruction (Superintendent) to convene a Work Group to study student health and mental health issues. The Work Group's findings and recommendations must be reported to the State Board of Education (SBE) and the Joint Legislative Education Oversight Committee by April 1, 2018.
- Prohibits the SBE from adopting or implementing any policies or recommendations from the Interagency Advisory Committee until October 1, 2018, and directs the SBE to change the timelines for the development and implementation of plans and training required by its policy on School-Based Mental Health Initiatives by delaying all of the items by one year from the dates provided in the policy. The SBE must also provide notice to the local school administrative units (LEAs) who are participating in the "Whole School, Whole Community, Whole Child" pilot program and allow those LEAs to withdraw from the pilot program at their discretion.
- Directs the Superintendent to study the expansion of teaching and student learning of computational thinking and computer science, in collaboration with the Friday Institute for Educational Innovation at North Carolina State University and the North Carolina School of Science and Mathematics. The recommendations must include certain curriculum guidelines, recommendations to increase the number of teachers prepared to teach computational thinking and computer science, and other policy recommendations, and must be aligned with the ongoing implementation of the North Carolina Digital Learning Plan. A report must be submitted to the Joint Legislative Education Oversight Committee on the recommendations, including any proposed legislation, by January 15, 2018.

This act has various effective dates. Please see the full summary for more detail.

H159 - Charter School TSERS Election. (SL 2017-98)

S.L. 2017-98 extends the time a charter school has to elect to become a participating employer in the Teachers' and State Employees' Retirement System (TSERS) from one year to two years. This act became effective August 1, 2017.

H229 - GSC Technical Corrections 2017.

Sec. 41.5: Anonymous Tip Lines and Monitoring and Response Applications. (SL 2017-102)

S.L. 2017-102, Sec. 41.5 makes conforming changes to reflect that the Center for Safer Schools is housed under the Department of Public Instruction rather than the Department of Public Safety.

This section became effective July 12, 2017.

H229 - GSC Technical Corrections 2017.

Sec. 42: Applied Textile Technology Center. (SL 2017-102)

Sec. 42 of S.L. 2017-102 clarifies that the Applied Textile Technology Center must submit for review all proposed agreements or contracts for supplies, materials, printing, equipment, and contractual services that exceed \$1,000,000 to the Secretary of Administration, or the Secretary's designee, rather than the Attorney General.

This section became effective July 12, 2017.

H229 - GSC Technical Corrections 2017.

Sec. 48: Adjust Certain Education Report Dates. (SL 2017-102)

Section 48 of S.L. 2017-102 changes the reporting date for the following reports:

- Low-performing schools, school improvement plans (October 15 to November 15)
- Evaluation of cooperative high schools (January 15 to March 15)
- Increase access to Career and Technical Education (September 15 to November 15)
- Increase Career and Technical Education participation (September 15 to November 15)
- Competitive grants to improve after-school services (September 15 to November 15)
- Reading camps offered to first and second grade students (October 15 to December 15)
- Broaden successful participation in advanced courses (November 15 to December 15)

This section became effective July 12, 2017.

H486 - National Guard Education Assistance Changes. (SL 2017-155)

S.L. 2017-155 makes various changes regarding education assistance for members of the National Guard. The Board of Governors of The University of North Carolina (BOG) and the State Board of Community Colleges (SBCC) must each adopt a uniform policy to ensure that National Guard Service Members are not academically penalized when they are placed on State active duty status during an academic term. These policies will apply to all enrolled students in a UNC constituent institution or North Carolina community college who are National Guard Service Members. These students must be given an excused absence for the period of time they are on State active duty.

The BOG and SBCC policies must also provide all of the following for these students:

- Opportunities to make up tests or other work missed during the excused absence.
- Options, when feasible, to continue classes and coursework during the academic term through online participation for the period of the active duty.
- Options to receive a temporary grade of "incomplete" or "absence from the final exam" for any course the student was not able to complete because of being placed on State active duty status.

The student must complete the course requirements within a time period specified by the constituent institution or community college to avoid receiving a failing grade for the course.

- Ability to drop, with no penalty, any course that the student was unable to complete because of being placed on State active duty status.

The policies must be adopted by the BOG and the SBCC by July 1, 2017 and the UNC constituent institutions and the community colleges must implement the policies beginning with the fall 2017 academic term.

The act extends eligibility for tuition assistance to North Carolina National Guard members who are enrolled in a professional certification program recommended by the Director of the North Carolina National Guard Education and Employment Center and approved by the North Carolina National Guard Education Services Officer.

The act allows recipients using transferred Post-9/11 GI Bill benefits while the transferor is on active duty to also be eligible for in-State tuition if the recipient's abode is in the State and the recipient provides a letter of intent to establish residency. The act also allows recipients of the Marine Gunnery Sergeant John David Fry Scholarship whose parent or spouse died in the line of duty, regardless of whether the death followed a period of active duty service of 90 days or more, to be eligible for in-State tuition if the recipient's abode is in the State and the recipient provides a letter of intent to establish residency.

The act prohibits the Department of Military and Veterans Affairs (DMVA) from closing any of the State-owned veterans cemeteries, and requires the DMVA to operate these cemeteries at their current levels.

This act became effective July 21, 2017. The BOG and SBCC must implement the required policies beginning with the 2017 fall academic semester.

H527 - Restore/Preserve Campus Free Speech. (SL 2017-196)

S.L. 2017-196 requires the Board of Governors of the University of North Carolina to develop, adopt, and implement various policies related to free expression and to form a committee on free expression, which must make annual reports to the Board of Governors, the General Assembly, and the Governor.

The act became effective June 30, 2017. The initial annual report of the Committee on Free Expression is due by September 1, 2018.

H528 - Budget Technical Corrections.

Sec. 2.9: Elimination of Implementation Date for Anonymous Safety Tip Line Application. (SL 2017-197)

Section 2.9 of S.L. 2017-197 eliminates the requirement that an anonymous safety tip line application be implemented by July 1, 2018.

This section became effective July 1, 2017.

H532 - Modify UNC Laboratory Schools. (SL 2017-117)

S.L. 2017-117 makes the following modifications to the governance and operation of The University of North Carolina Laboratory Schools (lab schools):

- Increases the number of schools from eight to at least nine and directs that all schools must be in operation by 2018-2019, rather than 2017-2018.
- Requires the UNC Board of Governors to establish a Subcommittee on Lab Schools (Subcommittee) to review and evaluate the proposals, approve at least nine schools, and oversee the operations of the lab schools that are established. The Subcommittee and chancellors of the constituent institutions will replace the board of trustees of each constituent institution in governance of the lab schools.
- Allows chancellors to submit a proposal to the Subcommittee to locate a lab school in a local school administrative unit (LEA) that does not meet the minimum threshold of 25% low-performing schools if it can be shown that the lab school would primarily serve students who did not meet expected growth in the prior school year.
- Allows the Subcommittee to waive the requirement of a minimum number of low-performing schools in a LEA for up to three lab schools only if the proposal is submitted jointly by the chancellor and the LEA in which the lab school will be located and the Subcommittee determines the proposed location would serve the mission and purpose of the lab schools.
- Makes the chancellor of the constituent institution establishing the lab school the administrative head of the lab school rather than the board of trustees of that institution. The chancellor, with advice and input from an advisory board, must adopt policies, operating procedures, and the courses of study for the lab school, and will employ staff.
- Requires the chancellor to establish the advisory board to provide advice and guidance for lab schools. The advisory board will have up to 10 members, including the dean of the constituent institution's educator preparation program, a member of the board of trustees, faculty members, the superintendent of the LEA in which the lab school is located, a member of the community, and others deemed necessary.
- Clarifies that any student residing in a LEA in which a lab school is located is eligible to attend if the student is enrolled in a low-performing school at the time of the student's application to the lab school or if the student did not meet expected growth in the prior school year based on various factors.
- Clarifies that a lab school must enroll eligible students up to the capacity of a program, class, grade level, or building, in the order in which the applications are received.
- Allows the Superintendent of Public Instruction to recommend waiver of licensure requirements for the principal of the lab school and to also recommend waiver of the requirement that at least 50% of the teachers hold teaching licenses, upon a request of the chancellor that is approved by the Subcommittee. Clarifies that employees of lab schools are considered State employees.
- Requires the Subcommittee, rather than the Board of Governors, to evaluate and report on the lab schools annually to the Joint Legislative Education Oversight Committee.

This act became effective July 18, 2017.

H704 - Divide School Systems/Study Committee. (SL 2017-198)

S.L. 2017-198 creates the Joint Legislative Study Committee on the Division of Local School Administrative Units (Committee). The Committee must be made up of five members of the Senate and five members of the House. The Committee must study and make recommendations on the following:

- The feasibility and advisability of enacting legislation to permit local school administrative units that were merged from separate units to be divided into separate local school administrative units once again.
- The varied and best ways by which the division of a local school administrative unit could be achieved.
- Whether legislation permitting the division of local school administrative units should require as a prerequisite to the division a majority vote of the qualified voters of the county through a referendum or election.
- Whether legislation permitting the division of local school administrative units should require as a prerequisite to the division a petition from a certain percentage of the qualified voters of the county and, if so, to what entity the petition should be delivered.
- Any other issue the Committee considers relevant to this study.

The Committee must submit a final report on the results of its study, including any proposed legislation, to the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Legislative Library by May 1, 2018.

This act became effective July 31, 2017.

H800 - Various Changes to Charter School Laws. (SL 2017-173)

OVERVIEW: S.L. 2017-173 makes various changes to charter school laws and the North Carolina Virtual Public School as follows:

- Allows the board of directors of a charter school to contract with an education management organization or charter management organization to employ and provide teachers for the school.
- Requires the State Board of Education (SBE) to make decisions on fast-track replication applications for charter schools within 120 days of the submission of the application. This change applies beginning with applications submitted for fast-track replication of schools opening in the 2018-2019 school year.
- Provides that enrollment growth of greater than 20% is considered a material revision of a charter for any charter school that is identified as low-performing. The SBE cannot approve a material revision for enrollment growth of greater than 20% for a low-performing charter school.
- Provides that enrollment growth of greater than 25% is considered a material revision of the charter for any charter school that is not identified as low-performing. The SBE may approve enrollment growth of greater than 25% for a charter school that is not low-performing only if it finds all of the following: (i) actual enrollment is within 10% of maximum authorized enrollment; (ii) there are commitments for 90% of the requested maximum growth; (iii) the charter school is not identified as low-performing; (iv) the school meets generally accepted standards of fiscal

management; and (v) the school is substantially in compliance with the law, its own by-laws and its charter.

- Allows charter schools that are not low-performing to grow up to 30% without having to apply for a material revision for the charter starting July 1, 2018.
- Allows charter schools to give enrollment priority to students who were enrolled in another charter school in the State in the previous school year and to students who were enrolled in a preschool program in the prior year that was operated by that charter school.
- Directs the Office of Charter Schools to assist charter schools that wish to participate in the NC Pre-K program.
- Creates a new statute that specifies that charter schools may apply to participate in the NC Pre-K program as a local program site and provides for the following:
 - A charter school can request assistance from the Office of Charter Schools regarding this application if it meets the following: (i) has operated as a charter school for at least three school years; (ii) is not identified as low-performing; (iii) meets generally accepted standards of fiscal management; and (iv) is in substantial compliance with the law, its own by-laws and its charter.
 - The Office of Charter Schools along with the Division of Child Development and Early Education at the Department of Health and Human Services must assist a charter school with determining whether the charter school's proposed program would meet the specific building standards and any other State standards required for the charter school to be licensed as a child care facility and site standards for NC Pre-K.
 - Charter schools that otherwise meet all of the requirements for a child care facility license may use an existing or newly constructed classroom for three- and four-year old students without modifications if the classroom meets the following: (i) has at least one toilet and sink for hand washing; (ii) meets kindergarten standards for overhead light fixtures, floors, walls, and ceilings; and (iii) has floors, walls, and ceilings that are mold, mildew, and lead hazard free.
 - Makes modifications to the NCVPS to provide that the Director of NCVPS must ensure that course quality standards are met for courses developed by NCVPS and repeal the requirement that all e-learning opportunities are consolidated under NCVPS.
 - Allows local school administrative units to partner with providers other than NCVPS for e-learning opportunities as long as these other providers: (i) are accredited by a regional accrediting agency; (ii) employ teachers who hold teaching licenses from states that are in the NASDTEC Educator Identification Clearinghouse; and (iii) ensure that the courses offered to North Carolina students are aligned to the North Carolina Standard Course of Study.
 - Reorganizes the statute on State and local funds for charter schools.

EFFECTIVE DATE: Except as otherwise provided in the specific sections, the act become effective July 21, 2017, and apply beginning with the 2017-2018 school year.

S55 - School Bus Cameras/Civil Penalties. (SL 2017-188)

S.L. 2017-188 authorizes counties to impose a civil penalty on the owner of a vehicle that is recorded unlawfully passing a stopped school bus by a school bus safety camera, as long as the driver is not criminally prosecuted and no injury or death occurred. Failure to pay the civil penalty will prevent the owner from registering the vehicle with the Division of Motor Vehicles (DMV). Counties enacting the ordinance must maintain records of all violations resulting in imposition of a civil penalty and provide them upon request to the North Carolina Child Fatality Task Force and the General Assembly. Local school boards may contract with private vendors to install and operate the school bus safety cameras. The act's vehicle registration provision becomes effective July 25, 2018, and applies to payment delinquencies reported to the DMV on or after that date. The remainder of the act became effective July 25, 2017.

S64 - Veterans' History Awareness Month. (SL 2017-65)

S.L. 2017-65 establishes November as Veterans' History Awareness Month for the public schools and directs the State Board of Education to develop programs regarding the contributions of veterans.

The act became effective June 28, 2017, and applies beginning with the 2017-2018 school year.

BILL ANALYSIS: The act directs that the month of November must be designated as "Veterans' History Awareness Month" in the public schools.

It also requires the State Board of Education (SBE) to develop programs in collaboration with military installations, veterans, and veterans' service organizations that help students understand the importance of the contributions of American veterans and particularly veterans from North Carolina. Schools are encouraged to collaborate with veterans and veterans' service organizations during Veterans' History Awareness Month.

S78 - Cost to Comply/Federal Education Funds/PED Study.

Sec. 1: Study Financial Costs of Federal Mandates. (SL 2017-142)

Section 1 of S.L. 2017-142 requires the Department of Public Instruction (DPI) to study and report on the cost to local school administrative units in complying with federal education funding mandates. DPI must submit its report by January 18, 2018, to the Fiscal Research Division and the Program Evaluation Division of the General Assembly.

This section also requires the Joint Legislative Program Evaluation Oversight Committee (Committee) to consider including an evaluation of the cost of compliance with federal education funding mandates for K-12 education in the 2017-2018 Work Plan for the Program Evaluation Division. If this evaluation is included in the Work Plan, the Committee must report its findings and recommendations to the General Assembly at a date to be determined by the Committee.

S131 - Regulatory Reform Act of 2016-2017.

2.3: Regulatory Reform Act of 2016-2017. (SL 2017-10)

Sec. 2.3 of S.L. 2017-10 requires local boards of education to comply with criteria that must be met by a local government for the local government to displace a private company that is providing collection services for municipal solid waste or recovered materials within the local government's jurisdiction.

This section became effective May 4, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.35: Charter School Transportation Grant Pilot Program. (SL 2017-57)

Sec. 7.35 of S.L. 2017-57 directs the Department of Public Instruction (DPI) to establish the Charter School Transportation Grant Pilot Program (Program). The purpose of the Program is to award grant funds to a charter school that meets the requirements of the Program for the reimbursement of up to 65% of the eligible student transportation costs incurred by the charter school in accordance with the terms of the Program. "Eligible student transportation costs" means costs incurred by the charter school for (i) transportation fuel, (ii) vehicle maintenance, and (iii) contracted transportation services. To be eligible for the Program and receive grant funds, a charter school must have a student enrollment of at least 50% of its students residing in households with an income level not in excess of the amount required for a student to qualify for the federal free or reduced price lunch program in a semester of the school year.

By August 1, 2017, DPI must establish the criteria and guidelines for the grant application process for the Program for the upcoming school year, including any documentation required to be submitted with the application. DPI must accept applications until December 31, 2017, for eligible student transportation costs incurred during the fall semester of the school year and until May 30, 2018, for eligible student transportation costs incurred during the spring semester of the school year. From funds made available for the Program, the Department must award grant funds under the Program to the selected charter schools by January 15, 2018, for eligible student transportation costs incurred during the fall semester of the school year and by June 15, 2018, for eligible student transportation costs incurred during the spring semester of the prior school year. The total amount of each grant awarded under the Program must not exceed \$100,000.

DPI must report by March 15, 2018, to the Fiscal Research Division, the Joint Legislative Transportation Oversight Committee, and the Joint Legislative Education Oversight Committee on the administration of the Program, including (i) the number of charter schools that received grant funds, (ii) the amount of grant funds awarded to those charter schools, (iii) whether implementing the Program has led to an increase in charter schools offering lunch, (iv) whether implementing the Program has led to an increase in student lunch participation at charter schools offering lunch, (v) whether implementing the Program has increased or expanded the offering of student transportation by charter schools, and (vi) the modes of student transportation offered by charter schools that received grant funds.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.1(b): Restriction on Transfers from Funds for Children with Disabilities. (SL 2017-57)

Section 7.1(b) of S.L. 2017-57 removes the authority of local boards of education to transfer funds from the allotments for children with disabilities.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.2(b): Restriction on Transfers from Funds for Academically Gifted Children. (SL 2017-57)

Section 7.2(b) of S.L. 2017-57 restricts local boards of education from transferring funds from the allotments for academically or intellectually gifted children.

This section becomes effective July 1, 2018.

S257 - Appropriations Act of 2017.

Sec. 7.12: Restriction on Transfers from Allotments for Limited English Proficient Students. (SL 2017-57)

Section 7.12 of S.L. 2017-57 restricts local boards of education from transferring funds out of the limited English proficiency allotment category.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.13: Restrictions on Transfers from Allotments for Textbooks and Digital Resources. (SL 2017-57)

Section 7.13 restricts local boards of education from transferring funds from the textbooks and digital resources allotment.

This section becomes effective July 1, 2018.

S257 - Appropriations Act of 2017.

Sec. 7.15: Class Size Flexibility for Current Pilot Programs and Dual Language Immersion Classes. (SL 2017-57)

Sec. 7.5 of S.L. 2017-57 repeals a provision from the 2016 Appropriations Act that allowed local school administrative units (LEAs) receiving grants from the Teacher Compensation Models and Advanced Teaching Roles Pilot Program (Program) to exceed the maximum class size requirements for kindergarten through third grade. However, under this section, the LEAs receiving the grants may allow a certain number of schools that were identified in the LEAs' proposals for the Program to exceed individual class size requirements in kindergarten through third grade for the duration of the Program. In addition, schools participating in Project Lift in the Charlotte Mecklenburg Schools and schools participating in R:3 Career Pathways Program in Pitt County Schools may also exceed individual class size requirements in kindergarten through third grade for the duration of the program.

This section also provides that class size requirements for kindergarten through third grade do not apply to dual language immersion classes which are defined as classes where (i) at least one-third of the students' dominant language is English and (ii) instruction involves both English and a target foreign language with a minimum of 50% of core content taught in the target foreign language.

This section became effective July 1, 2017. The exemption for LEAs participating in the Program expires June 30, 2020. The exemption for dual language immersion classes applies beginning with the 2017-2018 school year.

S257 - Appropriations Act of 2017.

Sec. 7.16: Improve Education Financial and Information Transparency. (SL 2017-57)

S.L. 2017-57, Sec. 7.16 (SB 257, Sec. 7.16) requires the Department of Public Instruction (DPI) to implement the School Business System Modernization Plan proposed by the State Board of Education in a report required by prior legislation. The section expresses the General Assembly's intent to fund a multiphase, multiyear project to modernize, standardize, and integrate various education financial, human capital, and school information systems through a service enterprise resource planning (ERP) solution at the State and local level. The State Superintendent of Public Instruction (State Superintendent) must review and improve business processes in DPI and modernize State systems at DPI.

The State Superintendent must work with the Friday Institute for Educational Innovation at North Carolina State University (Friday Institute), the Government Data Analytics Center (GDAC), local superintendents, charter school leadership, and local school administrative unit (LEA) personnel administrators and finance officers to establish common data reporting requirements consistent with the Uniform Education Reporting System. All LEAs and charter schools must comply with the reporting requirements.

The State Superintendent must also work with the Friday Institute, GDAC, and other State agencies to improve communication between computer systems, and ensure that the modernized computer systems can share data with computer systems at other State agencies, community colleges, and constituent institutions of The University of North Carolina.

The State Superintendent must issue a Request for Proposal for ERP software by October 1, 2017, and select vendors for the development and implementation of the ERP and other enhancement solutions.

Prior to executing any contractual agreements and interagency data sharing agreements necessary to develop the financial reporting system, the State Superintendent must submit to the Joint Legislative Education Oversight Committee (Committee) and the Fiscal Research Division an initial report by September 15, 2017, on the progress of GDAC's development and deployment of a data integration service that consolidates data from financial, human resources, licensure, student information, and related systems. The State Superintendent must also submit an interim report to the Committee and the Fiscal Research Division by January 30, 2018, on the selection of a vendor for an ERP software. The State Superintendent must submit annual reports to the Committee and the Fiscal Research Division by March 15 of each year on the expenditure of funds and progress of implementation of the project until completion.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.18(a): State Board of Education/Use of State Funds. (SL 2017-57)

S.L. 2017-57, Sec. 7.18(a) prohibits the use of State funds to employ private counsel to provide litigation services to the State Board of Education (SBE). This does not apply to State funds that are encumbered for the 2016-2017 fiscal year for the purposes of employing private counsel to represent the SBE.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.19: Teachers/Isolated Kindergarten Through Twelve Schools. (SL 2017-57)

Sec. 7.19 of S.L. 2017-57 directs the State Board of Education (SBE) to allot additional classroom teachers to schools containing grades kindergarten through 12 when consolidation is not feasible due to the geographic isolation of the school and the school meets at least one of the following criteria for geographic isolation:

- The school is located in a local school administrative unit (LEA) in which the average daily membership is less than 1.5 per square mile.
- The school is located in an LEA for a county containing more than 150,000 acres of national forest owned by the federal government and managed by the United States Forest Service.

The SBE must allot teachers to the geographically isolated schools on the basis of one classroom teacher per grade level and must allot teachers to the remainder of the LEA in accordance with the formulas for the regular classroom teacher allotment.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.20: Turning Teacher Assistants into Teachers Pilot Expansion/Student Teacher Employment. (SL 2017-57)

S.L. 2017-57, Sec. 7.20 (SB 257, Sec. 7.20) expands the pilot program providing tuition assistance awards to part-time or full-time teacher assistants working in certain local school administrative units (LEAs) to pursue a college degree that will result in teacher licensure. The pilot program will be available beginning in 2017-2018 in Alamance-Burlington Schools, Beaufort County Schools, Bertie County Schools, Duplin County Schools, Edenton-Chowan Schools, Edgecombe County Schools, Guilford County Schools, Halifax County Schools, Nash-Rocky Mount Schools, Northampton County Schools, Randolph County Schools, Tyrrell County Schools, Vance County Schools, and Washington County Schools. All local boards of education participating in the pilot program must jointly report to the Joint Legislative Education Oversight Committee by September 1, 2018, and annually thereafter, on results of the pilot program.

Beginning with the 2017-2018 school year, teacher assistants must continue to receive salary and benefits while student teaching in the same LEA where they are employed as a teacher assistant.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.22: Cooperative Innovative High School Funding Changes. (SL 2017-57)

S.L. 2017-57, Sec. 7.22 makes several changes regarding Cooperative Innovative High Schools (CIHSs). This section modifies the funding formula for CIHS in Tier I, II, and III areas, respectively. CIHS in Tier I areas will receive \$275,000 in recurring funds for each fiscal year (except for virtual cooperative innovative high schools, which will receive \$200,000 and the Northeast Regional School of Biotechnology and Agriscience, which will receive \$310,000). CIHS in Tier II areas will receive \$200,000 in recurring funds for each fiscal year. CIHS in Tier III areas will receive \$180,000 in recurring funds and \$20,000 in nonrecurring funds for the 2017-2018 fiscal year. These units will receive \$180,000 in recurring funds for the 2018-2019 school year. Funds will also be provided to schools that have been approved since July 1, 2015, if the CIHS requested additional funds in its application and has not received funds from this allotment in the prior fiscal year. This section also requires multiple evaluations to be conducted by various entities. The State Board of Community Colleges, the Board of Governors of The University of North Carolina, and the State Board of Education are required to study and report to the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee on the costs associated with the Career and College Promise Program. The report must be submitted by February 15, 2018. Additionally, the State Board of Community Colleges, in conjunction with the State Board of Education and the Board of Governors of The University of North Carolina must annually evaluate the Career and College Promise Program and report to the Joint Legislative Education Oversight Committee by January 15 of each year.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23: Preparing Future Workforce in Coding and Mobile Application Development Grant Program. (SL 2017-57)

Sec. 7.23 of S.L. 2017-57 directs the Department of Public Instruction (DPI) to establish the Coding and Mobile Application Grant Program (Program) to develop industry partnerships with local school administrative units (LEAs) and charter schools to design and implement computer science, coding, and mobile application development curricular programs for middle school and high school students. Funds for the Program are to be used to award competitive grants of up to \$400,000 each fiscal year. These grants can be used for the purchase of equipment, digital materials, and related activities such as teacher professional development.

The Superintendent of Public Instruction (Superintendent) must establish the criteria and guidelines for the applications and Program requirements by August 15, 2017. The applications for the Program are due by October 15, 2017 for the first year of the Program. In subsequent years if funds are available for new applicants, the deadline must be by May 15 of that year. Applications must include the following information:

- A description of how the proposed partnership initiative will provide increased career opportunities for students to engage in high-wage, high-skill, and high-demand occupations.
- Demonstrated evidence of employer demand for the partnership initiative and related career and technical education (CTE) training, including documentation of industry involvement in the partnership initiative.
- A proposed budget for the partnership initiative, including demonstrated commitment of local or regional partners to sustain the programs beyond the initial grant funding.
- A description of how the proposed initiative aligns with other programs, including CTE, Career and College Pathways, and postsecondary programs and, if appropriate, how equipment necessary for the initiative will be utilized by partners.
- A description of how the project will create innovative, nontraditional, and immediate career pathways for students to enter high demand jobs in the development of mobile software applications.

In selecting the recipients, the Superintendent must consider diversity among the applicants, including geographic location, positive impact on the community of industry partnerships, and the size of the student population. Initial grant recipients must be selected by November 15, 2017 and implementation of the Program must begin in the spring semester of the 2017-2018 school year. In subsequent years if funds are available for new applicants, recipients must be selected by July 15 of that year.

By August 1 of each year of the Program, grant recipients must submit a report to DPI for the preceding year in which grant funds were expended that provides the following information:

- The use of grant funds.
- The number of students by grade level participating in the partnership initiative.
- The number of students who subsequently participated in work-based opportunities, internships, or apprenticeship programs and a description of the types of opportunities for those students.
- Student outcome data regarding job attainment and postsecondary opportunities as a result of the partnership initiative.
- Any other information the Superintendent of Public Instruction deems necessary.

By September 15 of each year of the Program, DPI must report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division, beginning with an initial report by September 15, 2018, on grant recipients and implementation of the Program, including the information required to be reported to DPI by the grant recipients and any legislative recommendations for modifications or expansion of the Program.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23A: Expand School Connectivity Initiative/Cybersecurity and Risk Management. (SL 2017-57)

S.L. 2017-57, Sec. 7.23A, as amended by S.L. 2017-197, Sec. 2.2, requires the State Board of Education and the Department of Public Instruction, in collaboration with the Friday Institute at North Carolina State University, to expand the School Connectivity Initiative client network engineering to include cybersecurity and risk management services supporting local school administrative units and charter schools. The expansion must include continuous monitoring and risk assessment, security advisory and consulting services, and security training and education services.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23B: Report on Cursive Writing and Multiplication Tables. (SL 2017-57)

S.L. 2017-57, Sec. 7.23B requires the State Board of Education and the Department of Public Instruction to report to the Joint Legislative Education Oversight Committee on the progress of each local school administrative unit in implementing the statutory requirements regarding cursive writing and memorization of the multiplication tables. The report is due by March 30, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23D: Joint Legislative Task Force on Education Finance Reform. (SL 2017-57)

Sec. 7.23D of S.L. 2017-57 creates the Joint Legislative Task Force on Education Finance Reform (Task Force) which consists of nine members of the Senate appointed by the President Pro Tempore of the Senate and nine members of the House of Representatives appointed by the Speaker of the House of Representatives. The President Pro Tempore of the Senate and the Speaker of the House of Representatives must each appoint a cochair of the Task Force from among its membership with appointments being made no later than September 1, 2017. At least one member of the House of Representatives and at least one member of the Senate must be from the minority party of their respective chambers.

In consultation with the State Board of Education (SBE) and the Department of Public Instruction (DPI), the Task Force must study various weighted student formula funding models and develop a new funding model for the elementary and secondary public schools of North Carolina based on a weighted student formula. The Task Force must do all of the following:

- Review the State's current public school allotment system and undertake an in-depth study of various types of weighted student formula funding models.
- Determine the base amount of funds that must be distributed on a per student basis to cover the cost of educating a student in the State.
- Identify the student characteristics eligible for weighted funding and the associated weights for each of these characteristics.
- Resolve the extent to which the base amount of funds to be distributed would be adjusted based on the characteristics of each local school administrative unit.
- Decide which funding elements, if any, would remain outside the base of funds to be distributed under a weighted student formula.
- Study other funding models for elementary and secondary public schools, including public charter schools, in addition to the weighted student funding formula.
- Study funding models to provide children with disabilities with a free appropriate public education. This must include a consideration of economies of scale, the advisability and practicality of capping additional funding for children with disabilities, and additional costs associated with services required for particular disabilities.
- Study any other issue the Task Force considers relevant.

Meetings of the Task Force must begin no later than October 1, 2017 and a final report on the results of the study, including proposed legislation, must be submitted to the Joint Legislative Education Oversight Committee on or before October 1, 2018, by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Legislative Library. The Task Force terminates on October 1, 2018, or upon the filing of its final report, whichever comes first.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23E: Eliminate Analysis of Student Work Process for Teacher Evaluations. (SL 2017-57)

S.L. 2017-57, Sec. 7.23E (SB 257, Sec. 7.23E), as amended by S.L. 2017-189, Sec. 6, (SB 599, Sec. 6), requires the State Board of Education (SBE) to eliminate the use of the analysis of student work process (ASW process) and prohibit use of an ASW process to assess teacher performance and professional growth as part of the North Carolina Teacher Evaluation System. This change must be reflected in the Every Student Succeeds Act plan submitted by the SBE to the United States Department of Education.

The section also makes conforming changes to no longer require meeting expectations for student growth as criteria for selection as a mentor teacher or clinical educator.

This section became effective July 1, 2017, and applies beginning with the 2017-2018 school year.

S257 - Appropriations Act of 2017.

Sec. 7.23F: Sixth and Seventh Grade Career and Technical Education Program Expansion Grant Program. (SL 2017-57)

S.L. 2017-57, Sec. 7.23F establishes the Career and Technical Education Grade Expansion Program (Program). The Program expands Career and Technical Education (CTE) by prioritizing the inclusion of students in sixth and seventh grade through grants administered by the NC Education and Workforce Innovation Commission (Commission).

The Program will award competitive grants to local school administrative units (LEAs) of up to \$700,000 for the 2017-2018 fiscal year and up to \$1 million for the 2018-2019 fiscal year and subsequent fiscal years, to the extent funds are available. Funds must only be used for employing additional licensed personnel in CTE areas, career development coordination areas, and support services necessary for expanding CTE to sixth and seventh grade students, and may be used for multiple schools in an LEA. The funds will not revert and may be awarded for a maximum of seven years. LEAs must include the following information in their applications for the Program: (i) a plan for expansion of the CTE program to sixth and seventh grade students, including specific programs to be expanded, the significance of CTE in the LEA, and how the grade expansion would enhance the education program and the community; (ii) a request for funds, description of how the funds would be used, and other sources of funds available for the program; (iii) a proposed seven-year budget with details on use of funds to add personnel, increase career development efforts, and provide support services; and

(iv) a strategy to achieve meaningful analysis of program outcomes due to receipt of grant funds.

For the 2017-2018 fiscal year, the Commission must accept applications for grants until November 1. For subsequent fiscal years that funds are made available for the Program, the Commission must accept applications until August 1. Selection criteria must consider diversification among the applicant pool, including geographic locations, location of industries in the LEA, and size of student population served. The Commission must first allocate funds to applicants who received grant funds for the prior fiscal year before awarding funds to new applicants. The Commission must recommend grant recipients to the State Board of Education (SBE), which will approve the recipients of grant awards after consultation with the Superintendent of Public Instruction (Superintendent). The Commission, in consultation with the Superintendent, must establish rules regarding any requirements for continued eligibility, including timely and accurate reporting.

By August 1 of each year during the life of the grant, the recipient LEA must submit a report for the preceding year in which grant funds were expended to the Department of Public Instruction (DPI), Division of CTE. This report must provide at least the following information: (i) use of grant funds and expenditures, including use of funds for CTE programs and courses that have been expanded to include sixth and seventh grade students; (ii) number of students enrolled in CTE courses as part of the expansion; (iii) number of students who subsequently enrolled in CTE courses in high school; (iv) number of students who subsequently participated in internships, cooperative education, or apprenticeship programs; (v) number of students who subsequently earned college credit and approved industry certification and credentials; and (vi) any other information the Division of CTE deems necessary.

The Superintendent must provide a report to the Commission by October 15 annually based on the reported information, including how the grant recipients compare to CTE programs statewide and whether the programs are aligned with the Master Plan for CTE adopted by the SBE. The Commission must then include the Program in its annual report which is due on or before April 30 of each year to the Joint Legislative Education Oversight Committee, the SBE, the State Board of Community Colleges, and the Board of Governors of The University of North Carolina.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23G: Transfer Education and Workforce Innovation Commission to the Department of Public Instruction. (SL 2017-57)

Sec. 7.23G of S.L. 2017-57 transfers the North Carolina Education and Workforce Innovation Commission (Commission) to the Department of Public Instruction (DPI) from the Office of the Governor. It will be administratively located in DPI but will exercise all of its prescribed powers independently of DPI. Of the funds appropriated for the Education and Workforce Innovation Program, up to 10% of those funds can be used by DPI to provide technical and administrative assistance for the Commission for the Education and Workforce Innovation Program and the Career and Technical Education Grade Expansion Program.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23H: Future Ready Students. (SL 2017-57)

S.L. 2017-57, Sec. 7.23H (SB 257, Sec. 7.23H) makes the following changes:

- Replaces the term "vocational" with the term "career" to consistently use the terminology "career and technical education" (CTE) throughout statutes related to education.
- Requires local boards of education (local boards) to offer, as part of CTE instruction, at least two work-based learning opportunities consisting of on-the-job training through an internship, cooperative education, or an apprenticeship program.
- Encourages local boards to implement career awareness programs for students in grade five on available CTE programs. A local board that adopts a fifth grade career awareness program must report on activities and student outcomes to the State Board of Education (SBE) annually by October 1. The SBE must submit a consolidated report on program outcomes and legislative recommendations to the Joint Legislative Education Oversight Committee (JLEOC) by November 15 annually.
- Requires local boards to provide CTE agriculture teacher personnel with adequate resources to provide a CTE agriculture education program for 12 calendar months, including work-based learning services and instructional and leadership development. Also requires, beginning with the 2018-2019 school year, CTE agriculture teacher personnel serving students in grades nine through 12 be employed for 12-month terms, unless a waiver is sought and granted on an annual basis by the Department of Public Instruction and North Carolina State University, Agricultural and Extension Education.
- Requires local boards to be assisted by business advisory councils (councils) in providing CTE instruction. The councils will identify economic and workforce development trends related to training and education needs of the local community and advocate for strong local CTE programs, and upon agreement, can serve more than one local board. The councils must have at least nine members that reflect the education, business, and community makeup of the local school administrative unit (LEA) as follows:
 - Ex officio education representatives:
 - Superintendent of the LEA, or designee.
 - CTE program director of the LEA (nonvoting member).
 - President of the community college that serves the LEA, or designee.
 - A principal of a school located in the LEA, as assigned by the superintendent.
 - Business, industry, workforce and economic development stakeholders, and community representatives (must make up the majority of the council):
 - Local business and industry owners.
 - Representatives from local manufacturing centers and factories.
 - Human resource directors employed at businesses and industries in the community.
 - Representatives from community based organizations.
 - Representatives from economic and workforce development organizations.
 - Parents of students enrolled in career and technical education courses.
 - Representative or manager of the local apprenticeship coalition.
- Encourages LEAs to complete the application process for the NCWorks Work Ready Certified Communities initiative.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23I: Establish B-3 Interagency Council. (SL 2017-57)

S.L. 2017-57, Sec. 7.23I establishes the B-3 Interagency Council (Council), which will be a joint council between the Department of Health and Human Services (DHHS) and the Department of Public Instruction (DPI). The Council will have 12 voting members and 4 nonvoting members, and will create a vision and accountability for a birth through grade three system of early education.

- The Council will (i) facilitate the development and implementation of an interagency plan for a coordinated system of early care, education, and child development services, and (ii) implement a statewide longitudinal evaluation of the educational progress of children from prekindergarten through grade 12. The Council is specifically charged with reviewing the recommendations developed by DHHS and DPI pursuant to Section 12B.5 of S.L. 2016-94. The Council must submit a report on the initial results of its review and study by April 15, 2018 to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, and the Joint Legislative Commission on Governmental Operations.
- Additionally, the Council must submit a report by February 15, 2019 to the Joint Legislative Education Oversight Committee, the Joint Legislative Oversight Committee on Health and Human Services, and the Joint Legislative Commission on Governmental Operations on the final results of the review and study described above, as well as progress on the development of a coordinated system of early care, education, and child development services.
- This section also creates the position of Associate Superintendent of Early Education within DPI.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23J: Allotment Transfer Report. (SL 2017-57)

Sec. 7.23J of S.L. 2017-57 as amended by Sec. 2.4 of S.L. 2017-197 directs local school administrative units (LEAs) to provide more information about fund allotment transfers that increased or decreased the initial allotment amount by more than 5% by including the following:

- The amount of the transfer.
- The allotment category into which the funds were transferred.
- The purpose code for the funds following the transfer.
- A description of any teacher positions fully or partially funded as a result of the transfer, including all subject areas taught by the teacher in the position.

This information for the prior fiscal year must be published on the LEA's website by October 15 of each year and must be maintained for at least three years. The Department of Public Instruction must collect this information reported by the LEAs and report the aggregated information, including available data from the two previous fiscal years, to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by December 1 of each year.

This section became effective July 1, 2017. The report required by December 1, 2017 must include information on uses of funds for the 2014-2015, 2015-2016, and 2016-2017 fiscal years.

S257 - Appropriations Act of 2017.

Sec. 7.23K: Digital Learning Plan/Programs/Funds. (SL 2017-57)

S.L. 2017-57, Sec. 7.23K requires, as part of continuing implementation of the Digital Learning Plan, the State Board of Education (SBE), the Department of Public Instruction (DPI), the Friday Institute for Educational Innovation at North Carolina State University (Friday Institute), and The University of North Carolina (UNC) educator preparation programs to collaborate on a comprehensive professional development strategy and solution (PD solution) for teachers and students in UNC educator preparation programs for the use of technology and digital resources as teaching tools for students in elementary and secondary schools. A competitive process must be used for specifications of products and services required to implement the PD solution, and selection of a professional development provider, if necessary. The PD solution must include competency based measurement of technological and pedagogical skills of teachers and teacher candidates and delivery of flexible professional development to ensure the greatest possible coverage and convenience.

The SBE, DPI, Friday Institute, UNC educator preparation programs, and local boards of education of local school administrative units (LEAs) located within counties determined to be the most economically distressed by the Department of Commerce must collaborate to assess and plan to strengthen current efforts to provide student digital literacy instruction (DL instruction) in kindergarten through eighth grade in those LEAs. A competitive process must be used for specifications for any products and services required to implement DL instruction, including selection of a digital literacy curriculum provider, if necessary. The assessment and plan must address opportunities for students to learn essential digital literacy skills, provide teachers with the ability to assess student digital literacy growth, facilitate Project-Based Learning (PBL) and other research-based instructional frameworks to integrate instruction on digital literacy into core and supplemental subjects, identify resources that provide teachers with instructional support and supplemental and extension options to address all students, and accommodate English language learners with Spanish language instruction.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.23L: Audit the Department of Public Instruction. (SL 2017-57)

S.L. 2017-57, Sec. 7.23L requires the Superintendent of Public Instruction to select an independent research organization to conduct an organizational, functional, and business-process audit of the Department of Public Instruction. The Department must submit a report detailing the results of the audit to the General Assembly, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by May 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.24: Extended Learning and Integrated Student Supports Competitive Grant Program. (SL 2017-57)

Sec. 7.24 of S.L. 2017-57 directs the Department of Public Instruction (DPI) to use up to six million dollars for the 2017-2018 fiscal year and up to six million dollars for the 2018-2019 fiscal year from the At-Risk Student Services Alternative School Allotment for the Extended Learning and Integrated Student Supports Competitive Grant Program (Program). The Program is to fund high-quality, independently validated extended learning and integrated student support service programs for at-risk students that raise standards for student academic outcomes by focusing on the following:

- Use of an evidence-based model with a proven track record of success.
- Inclusion of rigorous, quantitative performance measures to confirm effectiveness of the program.
- Deployment of multiple tiered supports in schools to address student barriers to achievement, such as strategies to improve chronic absenteeism, anti-social behaviors, academic growth, and enhancement of parent and family engagement.
- Alignment with State performance measures, student academic goals, and the North Carolina Standard Course of Study.
- Prioritization in programs to integrate clear academic content, in particular, science, technology, engineering, and mathematics (STEM) learning opportunities or reading development and proficiency instruction.
- Minimization of student class size when providing instruction or instructional supports and interventions.
- Expansion of student access to high quality learning activities and academic support that strengthen student engagement and leverage community-based resources, which may include organizations that provide mentoring services and private sector employer involvement.
- Utilization of digital content to expand learning time, when appropriate.

Grants must be used for new or existing eligible programs for at-risk students operated by (i) nonprofit corporations and (ii) nonprofit corporations working in collaboration with local school administrative units (LEA). Grant recipients are eligible to receive grants for up to two years in an amount of up to five hundred thousand dollars each year. Programs should focus on serving (i) at-risk students not performing at grade level as demonstrated by statewide assessments, (ii) students at-risk of dropout, and (iii) students at-risk of school displacement due to suspension or expulsion as a result of anti-social behaviors. Priority consideration must be given to applications demonstrating models that focus services and programs in low-performing schools.

A grant participant must certify to DPI that the grant funds received under the Program will be matched on the basis of three dollars in grant funds for every one dollar in non-grant funds. DPI must also give priority consideration to an applicant that is a nonprofit corporation working in partnership with an LEA resulting in a match utilizing federal funds or local funds. Matching funds may include in-kind contributions for up to fifty percent of the required match.

Grant recipients must report to DPI for the year in which grant funds were expended on the progress of the program, including alignment with State academic standards, data collection for reporting student progress, the source and amount of matching funds, and other measures, before receiving funding for the next fiscal year. Grant recipients must also submit a final report on key performance data, including statewide test results, attendance rates, graduation rates, and promotion rates, and financial sustainability of the program.

DPI must provide an interim report on the Program to the Joint Legislative Education Oversight Committee by September 15, 2018, with a final report on the Program by September 15, 2019. The final report must include the final results of the Program and recommendations regarding effective program models, standards, and performance measures based on student performance, leveraging of community-based resources to expand student access to learning activities, academic and behavioral support services, and potential opportunities for the State to invest in proven models for future grants programs.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.25: Life Changing Experiences School Pilot Program. (SL 2017-57)

S.L. 2017-57, Sec. 7.25 (SB 257, Sec. 7.25) requires the Department of Public Instruction (DPI) to contract with the Children and Parent Resource Group, Inc., to design, implement, and evaluate a two-year Life Changing Experiences School Pilot Program (Project), beginning with the 2017-2018 school year. The Project must be operated for students in grades 6 through 11 in Mitchell County Schools, Pitt County Schools, Wayne County Schools, and Winston-Salem/Forsyth County Schools. The Project includes theme-specific programs addressing dangerous life and community threatening activities that negatively impact teenagers, with the goal of increasing positive intentions and behavioral outcomes.

The Children and Parent Resource Group, Inc., in consultation with DPI, must submit an initial report on the Project by March 1, 2018, and a final report by March 1, 2019, to the Joint Legislative Education Oversight Committee and the Fiscal Research Division. The reports must include an accounting of expenditures and student outcome data related to the operation of the Project.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.26: School Performance Grades/Every Student Succeeds Act Compliance. (SL 2017-57)

S.L. 2017-57, Sec. 7.26, as amended by S.L. 2017-197, Sec. 2.5 and Sec. 2.18, and S.L. 2017-206, Sec. 1, makes various changes to the school performance grades in order to be compliant with the federal Every Student Succeeds Act (ESSA). The section modifies the requirements for the annual school report card to include student progress in achieving English language proficiency and school performance of certain subgroups of students. Additionally, for high schools, the report card must include measures of course participation in the Cambridge Advanced International Certificate of Education Program.

The section clarifies that only schools receiving overall school performance grades of D or F must provide notice in writing to the parent or guardian of all students enrolled in the school, regardless of subgroup performance grades.

The section modifies the calculation of the school achievement score to include one point for each percent of students who progress in achieving English language proficiency on annual assessments. It clarifies that annual math assessments include math courses with end-of-course tests for students in kindergarten through eighth grade, and for students in ninth through twelfth grade, the math assessment is either for

Algebra I/Math I or for students who completed that course before ninth grade, another mathematics course with an end-of-course test.

The section requires the State Board of Education (SBE) to use the Education Value-Added Assessment System (EVAAS) to calculate school performance scores and grades for the following subgroups at each school that has a minimum number of students as established by the SBE: economically disadvantaged students; students from major racial and ethnic groups; children with disabilities; and English-language learners.

The section requires the SBE to provide user-friendly access to the annual report cards on the Department of Public Instruction's website.

The section directs the SBE to use the school performance grades to comply with ESSA. Since the terminology for the measures making up the school performance grades conflict with the terminology used by ESSA, the SBE is directed how to label the measures, unless different labels are required in order to comply with federal law. For elementary and middle schools, the achievement score must be used as the measure of academic achievement and the school growth score must be used as the measure of school quality and student success. For high schools, the measure of academic achievement includes:

- Math I/Algebra I end-of-course (EOC) proficiency (or other math course in certain circumstances)
- English II EOC proficiency
- School growth score
- Graduation rate
- English language proficiency

The measure of school quality and student success for high schools will include:

- Biology EOC proficiency
- Math III/Algebra II completion
- Students meeting minimum standardized test requirements for admission to The University of North Carolina
- Students meeting specified career and technical education benchmarks

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.26A: Clarify Student Consent to Receive College, University, and Scholarship Information. (SL 2017-57)

Sec. 7.26A of S.L. 2017-57 clarifies that operators of Internet Web sites, online services, online applications, or mobile applications may use a student's information to identify information on nonprofit institutions of higher education or scholarship providers to the student if the provider secures the express written consent from the parent or a student who is at least 13.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

**Sec. 7.26B: Career and College Ready Literacy Skills/Reading Improvement Commission.
(SL 2017-57)**

S.L. 2017-57, Sec. 7.26B (SB 257, Sec. 7.26B) requires, beginning with high school diploma endorsements awarded in the 2019-2020 school year, that career and college diploma endorsements be awarded only to students that receive scores on a nationally norm-referenced college admissions test for reading indicating the level of achievement required for students to have approximately a 50% chance of obtaining a grade B or higher or a 75% chance of obtaining a grade C or higher in a corresponding credit-bearing, first-year college course. Students may retake the college admissions test to achieve the required score, and the State Board of Education (SBE) must include in its annual report on the endorsements both the number of students who had to retake a nationally norm-referenced college admissions test to meet the reading benchmark score needed to receive a high school diploma endorsement and the number of students who were not awarded an endorsement solely because of the inability to meet the benchmark score for reading.

The Superintendent of Public Instruction (Superintendent) must establish a Reading Improvement Commission within the Department of Public Instruction (DPI) to study and make recommendations on best practices for public schools to improve reading comprehension, understanding, and application for students in grades 4 through 12 to ensure that students complete high school with literacy skills necessary for career and college readiness. The Superintendent must report to the Joint Legislative Education Oversight Committee, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the SBE on the study, including any findings and recommendations, by January 15, 2019. The SBE may use the findings and recommendations to inform the SBE's policies and may submit additional comments on DPI's report no later than February 15, 2019.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.26C: Nationally Norm-Referenced College Admissions Test. (SL 2017-57)

S.L. 2017-57, Sec. 7.26C requires the State Board of Education (SBE) to use a competitive bidding process to adopt a nationally norm-referenced college admissions test and directs the adopted test to be made available to local school administrative units, regional schools, and charter schools, to be administered to students in the eleventh grade. The section requires the SBE to develop a plan for requiring the administration of diagnostic tests in eighth and tenth grades that are aligned to the adopted college admissions test. The section requires the SBE to conduct the competitive bid process and report on the results to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by May 15, 2019.

This section became effective July 1, 2017. The requirements to administer the newly adopted college admissions and diagnostic tests apply beginning with the 2019-2020 school year.

S257 - Appropriations Act of 2017.

Sec. 7.26E: North Carolina Innovative School District. (SL 2017-57)

Sec. 7.26E of S.L. 2017-57 renames the Achievement School District to the North Carolina Innovative School District (ISD) and makes conforming changes through the statutes. It clarifies that the ISD is a local school administrative unit for the purposes of federal law and for the administration of State law and moves up the timelines by one month for the selection of the schools to be included in the ISD. The section delays the timeline by one year for the implementation of the ISD and the evaluations of the ISD, including all reporting requirements.

The section further allows a local board of education that transferred a school into the ISD to ask the State Board of Education (SBE) to create an innovation zone for all of the low-performing schools in its local school administrative unit if 35% or more of the schools are low-performing. This innovation zone authorizes the local board of education to operate schools within the innovation zone with the same exemptions from statutes and rules as charter schools. A low-performing school in an innovation zone becomes a school in the ISD if the low-performing school does not exceed expected growth in the last two years of the five consecutive years in an innovation zone.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.27: Read to Achieve Diagnostic Changes. (SL 2017-57)

S.L. 2017-57, Sec. 7.27, as amended by S.L. 2017-197, Sec. 2., requires, beginning with the 2018-2019 school year, that kindergarten through third grade reading assessments must yield data that can be used with the Education Value-Added Assessment System (EVAAS) to analyze student data to identify root causes for difficulty with reading development and to determine actions to address them. The formative and diagnostic assessments may be administered by computer or other electronic device.

By October 1, 2017, the State Superintendent must issue a Request for Proposals (RFP) to vendors of diagnostic reading assessment instruments to provide one or more valid, reliable, formative, and diagnostic reading assessment instrument or instruments that, at a minimum, yield data that can be used with EVAAS, demonstrate close alignment with student performance on State assessments, and demonstrate high rates of predictability as to student performance on State assessments. An Evaluation Panel composed of Department of Public Instruction employees formed and supervised by the State Superintendent must review the proposals and select one vendor by March 1, 2018, to provide the assessment instrument or instruments for the 2018-2019 school year. The Evaluation Panel must consider the time required to conduct formative and diagnostic assessments, the level of integration of assessment results with instructional support for teachers and students, the timeliness in reporting assessment results to teachers and administrators, and the ability to provide timely assessment results to parents and guardians.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.28: Reimburse Initial Teacher Licensure Fee for Certain North Carolina Teaching Graduates. (SL 2017-57)

S.L. 2017-57, Sec. 7.28, as amended by S.L. 2017-189, Sec. 6.(q), requires the State Board of Education to reimburse the initial teacher licensure application fee for any new graduate from any recognized educator preparation program the first time an applicant submits an application for teacher licensure, if the initial teaching license has been successfully earned.

This section became effective July 1, 2017 and applies to applications for licensure received on or after July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.28A: Testing Transparency. (SL 2017-57)

Sec. 7.28A of S.L. 2017-57 directs the Superintendent of Public Instruction to study and make recommendations about the extent to which the SAT and ACT align with the English language arts and mathematics sections of the North Carolina Standard Course of Study. Findings and recommendations must be made by February 1, 2018 to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Joint Legislative Education Oversight Committee.

The section further directs local boards of education to notify the State Board of Education (SBE) by October 1 of each year on any local standardized testing that is required by the local board of education and the following additional information must be included:

- The time allotted to administer each test.
- Whether the test is a computer-based test or a paper-based test.
- The grade level or subject area associated with the test.
- The date the test results are expected to be available to teachers and parents.
- The type of test, the purpose of the test, and the use of the test results.
- Estimates of average time for administering tests required by the local board of education by grade level.

By September 1 of each year, the Superintendent of Public Instruction must publish on the Department of Public Instruction's (DPI) Web site a uniform calendar that includes schedules for State required testing and reporting results of tests for at least the next two school years, including estimates of the average time for administering State required standardized tests. The uniform calendar shall be provided to local boards of education in an electronic format that allows each local board of education to populate the calendar with, at a minimum, the information on local testing required above. The uniform calendar maintained on DPI's Web site must be searchable by local school administrative unit (LEA) and denote whether a test on the calendar is required by the State or required by a local board of education.

Local boards of education must provide a student's results on standardized tests required by the local board to the following persons and according to the following time lines:

- To the student's teachers no later than one week after the standardized test is administered.

- To the student's parents no later than 30 days after the standardized test is administered.

If the superintendent of the LEA determines in writing that extenuating circumstances exist and reports those circumstances to the local board of education, the local board has discretion to extend the time lines.

The section directs DPI to make available to local boards of education a student's results on all statewide standardized tests in a timely manner and in an easy to read and understandable format a minimum of two weeks prior to the first day of attendance of the next school year. Local boards of education must make those results available to both the student's teacher of record and parent or guardian prior to the first day of student attendance of the school year. These reports must include all of the following information:

- A clear explanation of the student's performance on the applicable statewide standardized tests.
- Information identifying the student's areas of strength and areas in need of improvement.
- Intervention strategies and appropriate resources based on the student's areas of strength and areas in need of improvement, when available.
- Longitudinal information on the student's progress in each subject area based on previous statewide, standardized test data, when available.
- Information showing the student's score compared to other students in the LEA, in the State, or, if available, in other states.
- Predictive information showing the linkage between the scores attained by the student on the statewide standardized tests and the scores he or she may potentially attain on nationally recognized college entrance examinations, if available. This information must be provided in a timely manner as it becomes available to DPI but may be provided later than the beginning of the school year.

Finally, this section provides that the Basic Education Program must provide standards for early promotion based on the mastery of competencies that apply when early grade or course promotion based on the mastery of competencies is permitted in a school. The standards must include the requirements for early promotion for English language arts for grades three through 12 and mathematics for grades three through 12.

This section became effective July 1, 2017 and applies beginning with the 2018-2019 school year.

S257 - Appropriations Act of 2017.

Sec. 7.28D: Waive Fee for Cambridge Advanced International Certificate of Education Program Course. (SL 2017-57)

S.L. 2017-57, Sec. 7.28D exempts students from fees related to the Cambridge Advanced International Certificate of Education (AICE) course, including an AS-Level or A-Level course, to the extent funds are made available for this purpose.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 7.32: Financial Literacy Elective Course Pilot Program. (SL 2017-57)

S.L. 2017-57, Sec. 7.32 directs the Superintendent of Public Instruction (Superintendent) to create a three-year Financial Literacy Elective Course Pilot Program (Program) to determine the value of an in-depth high school elective course on personal financial literacy. The Superintendent will select local school administrative units to participate in the Program, which must start with the 2017-2018 school year. The elective course must include, at a minimum, detailed information on personal banking, credit card finance, student loan financing, mortgages, credit scoring and credit reports, borrowing money for an automobile or other large purchase, and best practices in personal finance. The State Board of Education must develop the curriculum and materials. The Department of Public Instruction must report on progress and recommendations to the Joint Legislative Education Oversight Committee by November 15 of each year following the operation of the Program.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 8.8: School Boards Create Minimum Salary Schedule for Occupational Therapists and Physical Therapists. (SL 2017-57)

S.L. 2017-57, Sec. 8.8 requires all local boards of education to adopt a minimum salary schedule for occupational therapists and physical therapists employed in full-time, permanent positions, regardless of whether the position is paid from State, local, or federal funds. The minimum salary schedule must differentiate salaries based on years of experience, with experience-based intervals no greater than five years. Local boards of education may compensate occupational therapists and physical therapists above the minimum salary schedule, provided that all State-funded salaries are within the noncertified salary grades and ranges adopted by the State Board of Education.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 8.8B: Revise Teacher Bonus Programs. (SL 2017-57)

S.L. 2017-57, Sec. 8.8B, as amended by S.L. 2017-197, Sec. 2.10, modifies the Advanced Placement (AP)/International Baccalaureate (IB), Industry Certifications and Credentials, and Third Grade Read to Achieve Teacher Bonus Programs. The expiration date is eliminated for the three programs and they are no longer considered "pilot" programs. For the AP/IB bonus program, bonuses will also be awarded for certain scores of students on Cambridge Advanced International Certificate of Education (AICE) examinations. Additionally, the cap on the bonus is raised from \$2,000 to \$3,500.

- The Industry Certifications and Credentials bonus program is modified to clarify that it includes charter schools. Additionally, the cap on the bonus is raised from \$2,000 to \$3,500.
- The Third Grade Read to Achieve bonus program is modified to remove the restriction on individuals who are no longer teaching third grade. Instead, teachers who are still teaching in the

same local school administrative unit as the year the bonus was earned will receive the bonus, regardless of their current teaching assignment. Further, this section clarifies that the bonus is awarded in addition to any regular wage or other bonus the teacher may receive.

This section became effective July 1, 2017 and applies to the AP/IB/Cambridge AICE bonus program and the Industry Certifications and Credentials bonus program for bonuses awarded in January 2018, 2019, and 2020. It applies to Third Grade Read to Achieve bonuses awarded in January 2018 only.

S257 - Appropriations Act of 2017.

Sec. 8.8C: Third Grade Read to Achieve Teacher Bonus Program for 2018-2019. (SL 2017-57)

Sec. 8.8C of S.L. 2017-57 as amended by Sec. 2.10 of S.L. 2017-197, directs the Department of Public Instruction (DPI) to administer the Third Grade Read to Achieve Teacher Bonus Program (Program) to qualifying teachers who have an Education Value-Added Assessment System (EVAAS) student index score for third grade reading from the previous school year.

An eligible teacher is one who meets one or both of the following:

- Is in the top 25% of teachers in the State according to the EVAAS student growth index score for third grade reading from the previous school year.
- Is in the top 25% of teachers in the teacher's respective local school administrative unit (LEA) according to the EVAAS student growth index score for third grade reading from the previous school year.

A qualifying teacher is an eligible teacher who remains teaching in the same LEA at least from the school year the data for the EVAAS student growth index score for third grade reading is collected until the school year a bonus provided under this Program is paid.

Of the funds appropriated for the Program, \$5,000,000 must be allocated for bonuses to eligible teachers who are in the top 25% of teachers in the State according to the EVAAS student growth index score for third grade reading from the previous school year. These funds must be distributed equally among the qualifying teachers.

Of the funds appropriated for the Program, \$5,000,000 must be allocated for bonuses to eligible teachers who are in the top 25% of teachers in the teacher's respective LEA according to the EVAAS student growth index score for third grade reading from the previous school year. These funds must be divided proportionally based on average daily membership in third grade for each LEA and then distributed equally among qualifying teachers in each LEA subject to the following conditions:

- Teachers employed in charter schools, regional schools, and University of North Carolina laboratory schools are not eligible to receive a bonus under this Program.
- Any qualifying teacher who taught in an LEA that employed in the previous school year three or fewer total third grade teachers must receive a bonus under this Program if that teacher has an EVAAS student growth index score for third grade reading from the previous school year of exceeded expected growth.

A qualifying teacher may receive a bonus for being in the top 25% of the teachers in the State and being in the top 25% of teachers in the teacher's LEA, however neither bonus can exceed \$3,500 in any given

school year and no teacher can receive more than \$7,000 in total bonus compensation for any given school year. The bonus or bonuses awarded to a qualifying teacher is in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

Finally, the State Board of Education must study the effect of the bonuses awarded under this section and the bonuses awarded in the Third Grade Reading Teacher Performance Pilot Program in the 2016 Appropriations Act on teacher performance and retention. The results of the findings of the study, the distribution of statewide bonuses as among LEAs, and the distribution of bonuses within LEAs as among individual schools must be reported to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March 15 of each year.

This section became effective July 1, 2017 and applies to bonuses awarded in January 2019 and January 2020 based on data from the 2017-2018 and 2018-2019 school years, respectively.

S257 - Appropriations Act of 2017.

Sec. 8.8D: Fourth and Fifth Grade Reading Teacher Bonus Program for 2017-2018. (SL 2017-57)

S.L. 2017-57, Sec. 8.8D requires the Department of Public Instruction (DPI) to administer the Fourth and Fifth Grade Reading Teacher Bonus Program (Program) for the 2017-2018 fiscal year to provide a bonus to qualifying teachers who have certain Education Value Added Assessment System (EVAAS) student growth index scores for fourth or fifth grade reading from the previous school year.

To be eligible for consideration, a teacher must meet one or both of the following criteria:

- Be in the top 25% of teachers in the State according to the student growth index scores for fourth or fifth grade reading from the previous school year. Teachers meeting this criterion are eligible for a bonus of \$2,150.
- Be in the top 25% of teachers in the teacher's respective local school administrative unit (LEA) according to the student growth index scores for fourth or fifth grade reading from the previous school year. Teachers meeting this criterion are eligible for a bonus of \$2,150.

To qualify to receive the bonus, the teacher must meet the eligibility criteria and remain teaching in the same LEA at least from the school year the data for the EVAAS score is collected until the school year a bonus provided is paid.

The State Board of Education must study the effect of these bonuses on teacher performance and retention and report the results of its findings, the distribution of statewide bonuses as among LEAs, and the distribution of bonuses within LEAs as among individual schools to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March 15, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 8.8E: Fourth to Eighth Grade Math Teacher Bonus Program for 2017-2018. (SL 2017-57)

S.L. 2017-57, Sec. 8.8E creates a bonus program for fourth through eighth grade math teachers in which there are two ways teachers can earn bonuses. In order for teachers to be qualified and eligible for the first bonus (\$2,150), the teacher must (i) be in the top 25% of fourth through eighth grade math teachers in the State according to the Educator Value-Added Assessment System (EVAAS) student growth data for the previous year; and (ii) remain teaching in the same local school administrative unit (LEA) up until the time the bonus is awarded.

- Additionally, teachers who are in the top 25% of teachers in the LEA according to EVAAS earn an additional \$2,150 bonus if the teacher remains in the LEA. Teachers in charter schools, regional schools, or laboratory schools are not eligible for this second bonus. Teachers in LEAs that employ three or fewer teachers in the relevant grade do not need to be in the top 25%, but rather receive the bonus if they exceeded expected growth.
- Teachers may receive both bonuses, but may not receive more than two bonuses pursuant to this section. These bonuses are not compensation under the Teachers' and State Employees' Retirement System.
- The State Board of Education must study the effect of the bonuses on teacher performance and retention, and present its findings to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March 15, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 8.10: School Bus Driver Compensation and Employment Study. (SL 2017-57)

Sec. 8.10 of S.L. 2017-57 directs the Department of Public Instruction (DPI) to study the compensation of school bus drivers and the challenges of recruiting and retaining them. DPI must submit a report by April 1, 2018 to the Joint Legislative Education Oversight Committee and the Fiscal Research Division that contains the following information:

- A detailed explanation of how school bus drivers are compensated and employed in the public schools, including:
- Average driving experience of school bus drivers.
- Rates of retention of school bus drivers in local school administrative units (LEAs).
- Average term of service for school bus drivers.
- Average hours worked by school bus drivers per week.
- Career paths for school bus drivers within a LEA.
- Percentage of school bus drivers who work in the LEA in another capacity.
- The challenges of recruiting and retaining school bus drivers faced by LEAs.
- Recommendations, including input from local school administrators, on improving the process of recruiting and retaining school bus drivers.

EFFECTIVE DATE: This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.1: Reorganization of the Community Colleges System Office. (SL 2017-57)

S.L. 2017-57, Sec. 9.1 authorizes the President of the North Carolina Community College System (President) to reorganize the System Office in accordance with recommendations and plans submitted to and approved by the State Board of Community Colleges by June 30, 2018.

The President must report any reorganization by April 1, 2018, to the Joint Legislative Education Oversight Committee, the House Appropriations Committee on Education, the Senate Appropriations Committee on Education/Higher Education, and the Fiscal Research Division.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.3: Community College Workforce Study. (SL 2017-57)

S.L. 2017-57, Sec. 9.3, as amended by Sec. 2.11 of S.L. 2017-197, directs the State Board of Community Colleges (SBCC) to study the costs of workforce training and academic instruction delivered by the community colleges, including the various factors that affect instructional costs, such as specialized equipment requirements and faculty salaries. The SBCC must report on the results of the study to the Office of State Budget and Management, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee by September 1, 2018. The results must also include recommendations on the calculation of tiered funding rates and the classification of courses by tier.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.5: Start-Up Funds for High-Cost Workforce Courses. (SL 2017-57)

Sec. 9.5 of S.L. 2017-57 provides that the State Board of Community Colleges (SBCC) must establish the Community College High Cost Workforce Program Grant to allocate funds to community colleges to establish new high cost workforce Tier 1A and Tier 1B courses that require significant start-up funds. The SBCC must adopt an application process for community colleges to apply for the award of funds to establish new courses beginning with the 2018-2019 fiscal year. The application must include at least the following information:

- A description of the proposed program of study.
- An impact assessment of implementing the proposed course on existing programs at contiguous colleges.
- Documentation of student interest in the course.
- Alignment of the course with the future employment needs within the area served by the community college and the State.

The SBCC must submit a report to the Joint Legislative Education Oversight Committee by March 1, 2019, on the implementation of the new high cost workforce Tier 1A and Tier 1B courses with the following information:

- The use of funds by community colleges participating in the grant program, including (i) start-up costs to establish new courses and (ii) costs associated with student instruction, including faculty salaries, instructional supplies, and related instructional equipment.
- Evaluation of the success of the community college courses, including (i) student enrollment numbers and (ii) student outcomes, including job attainment and placement data and completion of any certification, diploma, or associate degree programs.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.7: Selection of Local Community College Presidents/Consultant Contracts. (SL 2017-57)

S.L. 2017-57, Sec. 9.7 requires that if a community college board of trustees chooses to use a search consultant to assist with the selection process for the president or chief administrative officer of the institution, the search consultant must be selected through a competitive request for proposals process. If the search consultant selected collects a fee for services, the consultant cannot be any of the following:

- An employee of a State agency, department, or institution, an appointed member of a State commission or board, or an elected official whose responsibilities include oversight or budgetary aspects of the Community College System.
- A lobbyist or lobbyist principal.
- A State-level community college board of trustees association or organization.

A contract with a search consultant for this purpose is not required to have the approval of the Governor.

This section became effective July 1, 2017, and applies to consultant contracts entered into on or after June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.8: Clarify Youth Apprenticeship Program. (SL 2017-57)

S.L. 2017-57, Sec. 9.8 clarifies that community college tuition and fees may be waived for students participating in pre-apprenticeship programs, if the program is recognized and approved by the State agency administering the statewide apprenticeship program. Additionally, it clarifies that participants must be high school students in North Carolina. This section became effective July 1, 2017 and applies retroactively beginning with the 2016 fall academic term.

S257 - Appropriations Act of 2017.

Sec. 9.9: Catawba Valley Community College/Manufacturing Center. (SL 2017-57)

Sec. 9.9 of S.L. 2017-57 codifies the Manufacturing Solutions Center (Center) at Catawba Valley Community College (CVCC). The purpose of the Center is to create and maintain jobs in North Carolina through support of traditional and emerging industries. The Center's services include training, testing, market development, entrepreneur support, product sourcing, prototyping, applied research, and managing a manufacturing business incubator. The president of CVCC appoints the executive director of the Center who then selects other personnel of the Center, subject to the approval by the president.

All fees collected by the Center for services to industry, except for regular curriculum and continuing education tuition receipts, must be retained by the Center and used for the operations of the Center. Purchases made by the Center using these funds are not subject to the provisions of Article 3 of Chapter 143 of the General Statutes. However, the Center must (i) notify the Secretary of the Department of Administration or the Secretary's designee of the intent to enter into a contract for supplies, materials, printing, equipment, and contractual services that exceeds \$1,000,000 and (ii) include in all agreements or contracts to be awarded by the Center a standard clause which provides that the State Auditor and internal auditors of the Center may audit the records of the contractor during and after the term of the contract to verify accounts and data affecting fees and performance. The Center may not award a cost plus percentage of cost agreement or contract for any purpose.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.10: High School Students/Non-Credit Courses Leading to Industry Credentials. (SL 2017-57)

S.L. 2017-57, Sec. 9.10 allows the State Board of Community Colleges to waive tuition and fees for non-curriculum courses taken by high school students, and authorizes enrollment of high school students in community college pathways that lead to State or industry-recognized credentials.

Beginning February 1, 2018, the State Board of Community Colleges must annually report to the Joint Legislative Education Oversight Committee on the number and type of tuition waivers granted for community college courses.

This section became effective July 1, 2017, and applies beginning with the 2017-2018 academic year.

S257 - Appropriations Act of 2017.

Sec. 9.11: Establish Board of Postsecondary Education Credentials. (SL 2017-57)

S.L. 2017-57, Sec. 9.11 establishes the 10-member Board of Postsecondary Education Credentials (Board), which expires June 30, 2019. The purpose of the Board is to review and make recommendations regarding a statewide system of postsecondary education that links industry, corporations, and businesses in this State with educators, government, and community organizations to identify workforce skills and

training needs and to ensure that appropriate courses of study and vocational training are available to North Carolinians. Additionally, the Board must identify alternative ways people can gain workforce skills and experience, outside of four-year or two-year degrees. The Board must review and make recommendations on the criteria to be used to determine the value of non-degree credentials, the competencies they represent, and how they should be compared and valued with regard to other types of postsecondary credentials.

The Board must have its first meeting no later than October 1, 2017. The initial report to the Joint Legislative Education Oversight Committee must be turned in by March 1, 2018, and a progress report must be submitted by March 1, 2019. The reports must include any recommendations regarding legislation needed.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.14: Invest in Short-Term Workforce Training . (SL 2017-57)

Sec. 9.14 of S.L. 2017-57 provides that of the funds appropriated to the Community Colleges System Office (System Office) for the 2017-2018 fiscal year, the System Office must allocate funds to community colleges to support short-term workforce training courses leading to industry credentials. The State Board of Community Colleges (SBCC) must adopt an application process for community colleges to apply to receive these funds which are to be allocated at the same full-time equivalent (FTE) value as curriculum courses.

By April 1, 2018, the SBCC must report on the implementation of this section to the Joint Legislative Education Oversight Committee, the House Appropriations Committee on Education, the Senate Appropriations Committee on Education/Higher Education, the Fiscal Research Division, and the Office of State Budget and Management.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 9.15: Restriction on a Culinary School or Program Located Off the Main Campus of Stanly Community College. (SL 2017-57)

S.L. 2017-57, Sec. 9.15 prohibits, beginning with the 2017-2018 fiscal year, the use of State funds for a culinary program located at a site other than the main campus of Stanly Community College.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10.1: Full-Time Staff for Board of Governors. (SL 2017-57)

S.L. 2017-57, Sec. 10.1 authorizes the Board of Governors of The University of North Carolina (BOG) to hire staff members to report directly to the BOG. Within 60 days of hiring such an individual, the BOG must submit a report to the Joint Legislative Education Oversight Committee including various details about the position.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10.6: Enhance The University of North Carolina Data Systems to Improve Institutional Performance and Student Success. (SL 2017-57)

Sec. 10.6 of S.L. 2017-57 directs the Board of Governors of The University of North Carolina (UNC BOG) to use funds appropriated to the UNC BOG to modernize business processes, increase standardization, and maximize State resources. Funds must also be used to enhance data systems for the following purposes:

- Integrating financial, human resource, and student account systems across The University of North Carolina System.
- Developing new data collections systems that track faculty and staff retention rates and post-graduation student outcomes.
- Expanding "Know Before You Go" data reporting.

The President of The University of North Carolina must submit an initial report to the Joint Legislative Education Oversight Committee by March 1, 2018, regarding the plan to implement the data modernization and integration (DMI) project and for the enterprise resource planning (ERP) modernization project. A progress report must be submitted by March 1, 2019, regarding the status of the implementation of the projects. The initial report must include at least the following information for both projects with the information set out separately for each project.

- The challenges and specific goals of the project and specific identification of the outcomes expected from the project.
- The management structure to be used in managing, operating, and executing the project, including whether a post-project completion governance structure is needed to provide oversight and service of the systems. There should also be as to whether any additional funds may be needed to maintain the DMI systems created after initial completion and to maintain the ERP systems created after initial completion.
- The sources and target for movement and transformation of data being sought to achieve the project's goals.
- The proposed technical implementation plan for the project, including a description of the technical details of how the project will be implemented in the context of a specific set of vendor products and platforms.
- A detailed schedule for implementation and completion of the project.
- Any additional information deemed relevant by the President or by the Committee.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10.9: Future Teachers of North Carolina. (SL 2017-57)

S.L. 2017-57, Sec. 10.9 establishes Future Teachers of North Carolina (FTNC) as a course offering in participating North Carolina high schools to encourage high-achieving students with strong academic, interpersonal, and leadership skills to consider teaching as a career. FTNC courses will include both content and field experiences related to the teaching profession. Curricula and professional development will be provided to the FTNC teachers by faculty from three constituent institutions selected by the President of The University of North Carolina General Administration.

All high schools are encouraged to offer FTNC courses, but must ensure that all teachers of the courses receive appropriate training, and must seek a partner institution of higher education to provide support from college faculty. Constituent institutions that partner with high schools must offer dual credit for students who successfully complete the FTNC course with a grade of "B" or higher, and other institutions of higher education are encouraged to do so as well.

The University of North Carolina General Administration must report annually on the status and effectiveness of FTNC.

This section became effective July 1, 2017. The selected constituent institutions must make available site applications and provide professional development to high school teachers no later than February 1, 2018.

S257 - Appropriations Act of 2017.

Sec. 10.11: In-State Tuition for Veterans/Compliance with Federal Law. (SL 2017-57)

S.L. 2017-57, Sec. 10.11, in compliance with federal law, requires in-state tuition be provided to the following individuals if their abode is in North Carolina and they provide a letter of intent to establish residency in North Carolina: (i) recipients using transferred Post-9/11 GI Bill benefits (38 U.S.C. Sec. 3319) while the transferor is on active duty in the Armed Forces, the commissioned corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration; and (ii) recipients of the Marine Gunnery Sergeant John David Fry Scholarship (38 U.S.C. Sec. 3311(b)(9)).

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10.12: Senior Citizens May Audit Courses at The University of North Carolina and Community Colleges. (SL 2017-57)

Sec. 10.12 of S.L. 2017-57 allows individuals who are at least 65 years old to audit courses offered at the constituent institutions of The University of North Carolina and the community colleges without payment of any required registration fee or tuition for the audited courses if the audit is approved in accordance with policies adopted by the Board of Governors and the State Board of Community Colleges for their

respective institutions, and there is no cost to the State. An individual must be allowed to audit a class only on a space available basis. Individuals auditing classes cannot be counted in the computation of enrollment for funding purposes.

This section became effective July 1, 2017, and applies beginning with the 2017 fall academic semester.

S257 - Appropriations Act of 2017.

Sec. 10.13: Study/The University of North Carolina Equal Opportunity Compliance Officers. (SL 2017-57)

S.L. 2017-57, Sec. 10.13 requires the Board of Governors (BOG) of The University of North Carolina to study equal opportunity policies, including policies related to diversity and nondiscrimination, adopted by each constituent institution, the implementation of those policies on each campus, and the services provided on each campus, with a particular focus on transparency and effectiveness of the policies.

The BOG must direct each constituent institution to do the following:

- Identify all staff positions on campus that include any responsibility for the implementation, administration, or enforcement of policies intended to promote equal opportunity, diversity, or inclusiveness.
- Indicate how those staff positions and the services offered through those positions fit within the constituent institution's organizational structure.
- Indicate the direct and indirect costs related to those staff positions and services provided by those staff positions.
- Include the number of part-time and full-time employees in those staff positions by each individual campus, descriptions of job duties of each of these employees, and the total costs of the positions.

The study must also consider the feasibility of developing equal opportunity plans at each constituent institution that consolidate all equal opportunity services into a single office headed by an equal employment officer designated by the Chancellor to promote effectiveness and efficiency.

The BOG must submit a report that includes its findings, recommendations, and policy changes to the Joint Legislative Education Oversight Committee by January 1, 2018. The BOG must approve the report prior to the submission to the Joint Legislative Education Oversight Committee.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10.14: Board of Governors Studies/Establish School of Health Sciences and Health Care at the University of North Carolina-Pembroke and Establish Physician Assistant Program, Chiropractic Medicine Program, and a Pilot Program for Basic Law Enforcement Training at Winston-Salem State University. (SL 2017-57)

S.L. 2017-57, Sec. 10.14 requires the Board of Governors of The University of North Carolina (BOG) to study the feasibility of establishing a School of Health Sciences and Health Care at the University of

North Carolina at Pembroke. The BOG must submit a report on the study, including its findings and recommendations, by March 1, 2018, to the members of the Senate and the House of Representatives.

Additionally, the BOG must study the feasibility of establishing the following programs at Winston-Salem State University: a Physician Assistant Program, a Chiropractic Medicine Program, and a pilot program for Basic Law Enforcement Training. The BOG must submit a report on the study, including its findings and recommendations, to the members of the Senate and the House of Representatives by March 1, 2018.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10.21: The University of North Carolina Cybersecurity. (SL 2017-57)

Sec. 10.21 of S.L. 2017-57 requires the President of The University of North Carolina (President), in collaboration with the Department of Information Technology or other cybersecurity consultant selected by the President, to review the existing security for the information technology systems and associated data of The University of North Carolina System (System) and determine whether the cybersecurity and risk management services supporting the System's network are sufficient or whether expansion is needed. The review must include an evaluation of the following:

- Continuous monitoring and risk assessment.
- Security policy, implementation of security programs and effective security controls, and ongoing support for operating security governance.
- Security training and education services for faculty, staff, and administrators.

The President shall take appropriate measures to address any potential problems or issues identified by the review.

Each constituent institution must also conduct a review of the existing security for the information technology systems and associated data of the constituent institution to determine whether the cybersecurity and risk management services supporting the System's network are sufficient or whether expansion is needed. The review shall include an evaluation of the following:

- Continuous monitoring and risk assessment.
- Security policy, implementation of security programs and effective security controls, and ongoing support for operating security governance.
- Security training and education services for faculty, staff, and administrators.

The chancellor of the constituent institution must take appropriate measures to address any potential problems or issues identified by the review.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10.26: One-Year College Tuition Grants for Certain Graduates of the North Carolina School of Science and Mathematics who Attend a State University. (SL 2017-57)

S.L. 2017-57, Sec. 10.26 provides tuition grants for one academic year to each State resident who graduates from the North Carolina School of Science and Mathematics (NCSSM) at the end of the 2017-2018 academic year and who enrolls as a full-time student in a constituent institution of The University of North Carolina for the 2018-2019 academic year. The tuition grants will be administered by the State Education Assistance Authority (SEAA).

The tuition grants cannot exceed the cost of attendance at the constituent institution at which the student is enrolled, and will be reduced by the amount of scholarships or other grants covering the cost of attendance at the constituent institution for the student so that the tuition grant does not exceed the cost of attendance.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10A.2: Eliminate School Site Scholarship Endorsement Requirement. (SL 2017-57)

S.L. 2017-57, Sec. 10A.2 eliminates the requirement that parents endorse the Opportunity Scholarship funds in person at the school.

This section became effective July 1, 2017, and applies to scholarship funds awarded beginning with the 2017-2018 school year.

S257 - Appropriations Act of 2017.

Sec. 10A.3: North Carolina Teaching Fellows. (SL 2017-57)

Sec. 10A.3 of S.L. 2017-57 re-establishes the North Carolina Teaching Fellows Program (Program) and the North Carolina Teaching Fellows Commission (Commission).

The purpose of the Program is to recruit, prepare, and support students residing in or attending institutions of higher education located in the State to be STEM or special education teachers in the State's public schools. The Commission will determine the forgivable loan recipient selection criteria, selection procedures, and recipients for the forgivable loans granted under the Program. The Program will be administered by The University of North Carolina General Administration in conjunction with the State Education Assistance Authority (SEAA) and the Commission.

The Program's recruitment activities must include (i) targeting regions of the State with the highest teacher attrition rates and teacher recruitment challenges; (ii) actively engaging with educators, business leaders, experts in human resources, elected officials, and other community leaders throughout the State; and (iii) attracting candidates in STEM and special education teacher licensure areas.

Student Selection Criteria for the Forgivable Loans: The Commission must adopt stringent standards for awarding the forgivable loans to include grade point averages; performance on relevant career and college readiness assessments; qualities positively correlating with highly effective teachers including excellent verbal and communication skills; and demonstrated commitment to service in a STEM or special education licensure area.

Educator Preparation Program Selection Criteria: The Program must be administered in cooperation with five institutions of higher education with approved educator preparation programs selected by the Commission that include both public and private postsecondary institutions of higher education in the State. The Commission must adopt strict standards for the selection of the educator preparation programs that include:

- A showing of high rates of educator effectiveness on value-added models and teacher evaluations including using performance-based, subject-specific assessment and support systems such as edTPA or other metrics of evaluating candidate effectiveness that have predictive validity.
- A showing of measurable impact of prior graduates on student learning including the impact of graduate teaching in STEM or special education.
- A showing of high rates of graduates passing exams required for teacher licensure.
- An emphasis on providing curricular and co-curricular enhancements in leadership, learning for diverse learners and promotion of community engagement, classroom management, and reflection and assessment.
- A requirement of at least a minor concentration of study in the subject area that the candidate may teach.
- A requirement of early and frequent internship or practical experiences.
- Approval by the State Board of Education as an educator preparation program.

Award of Forgivable Loans: The Program must provide forgivable loans to selected students to be used at the five selected institutions of higher education for completion of a program that leads to teacher licensure and can be used for tuition, fees, and the costs of books. The forgivable loan awards would be as follows:

- North Carolina high school seniors “ \$8,250 per year for up to four years.
- Students applying for transfer to an educator preparation program at a selected institution of higher education “ \$8,250 per year for up to three years.
- Individuals currently holding a bachelor's degree seeking preparation for teacher licensure “ \$8,250 per year for up to two years.
- Students matriculating at institutions of higher education who are changing to enrollment in a selected educator preparation program “ \$8,250 per year for up to two years.

Terms of the Forgivable Loans: The forgivable loans must be evidenced by notes made payable to the SEAA. The SEAA must forgive the loan and any interest accrued on the loan if, within 10 years after graduation from a program that lead to licensure, exclusive of any authorized deferment for extenuating circumstances, the recipient serves as a teacher in a STEM or special education licensure area for every year the teacher was awarded the forgivable loan, in any combination of the following:

- One year at a North Carolina public school identified as low-performing at the time the teacher accepts employment at the school or if the teacher changes employment during this period, at another school identified as low-performing.
- Two years at a North Carolina public school that is not identified as low-performing.

The SEAA must also forgive the loan if it is found that it is impossible for the recipient to work for up to eight years within 10 years after completion of the program leading to teacher licensure because of death or permanent disability.

If the recipient repays by cash payments, all indebtedness must be repaid within 10 years of the completion of the program that led to teacher licensure supported by the forgivable loan, unless there are extenuating circumstances where the SEAA may extend the cash repayment period to 12 years.

Identification of STEM and Special Education Licensure Areas: The Superintendent of Public Instruction must provide the SEAA and the Commission with a list of STEM and special education licensure areas and also annually provide to the Commission the number of available positions in each licensure area relevant to the number of current and anticipated teachers in that area of licensure. This information must be made readily available to applicants.

Report: An annual report must be submitted to the Joint Legislative Education Oversight Committee beginning January 1, 2019 with detailed information about the recipients; employment placements of the recipients after they graduate; evaluations of the graduates once they begin teaching; and information on their students' academic outcomes; and turnover and loan fulfillment rates of the forgivable loan recipients and graduates.

Implementation: Initial appointments to the Commission must be made no later than August 15, 2017. The Commission must establish initial selection criteria for recipients and select the five institutions of higher education with the approved educator preparation programs at which a recipient can use the forgivable loan no later than November 15, 2017 with applications available no later than December 31, 2017. Recipients of the initial forgivable loans for the 2018-2019 academic year must be selected by April 1, 2018.

EFFECTIVE DATE: This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10A.4: Personal Education Savings Account Program. (SL 2017-57)

S.L. 2017-57, Sec. 10A.4 establishes the North Carolina Personal Education Savings Account Program (PESA). A PESA is a bank account provided to a parent for the purpose of holding scholarship funds awarded by the State Education Assistance Authority (SEAA) for an eligible student to be used for certain qualifying education expenses. To be eligible for the scholarship, a student must reside in North Carolina, have not yet received a high school diploma and meet all three of the following requirements:

- Meet one of the following criteria:
- Was a full time student (i) assigned to and attending a public school pursuant to State law or (ii) enrolled in a Department of Defense Elementary and Secondary School located in North Carolina, during the previous semester.
- Received scholarship funds for a PESA during the previous school year.
- Is entering either kindergarten or the first grade.
- Is a child in foster care.
- Is a child whose adoption decree was entered not more than one year prior to submission of the scholarship application.
- Is a child whose parent or legal guardian is on full time duty status in the active uniformed service of the United States.

- Is a child enrolled part time in a public school and part time in a nonpublic school that exclusively provides services for children with disabilities.
- Has not enrolled in a postsecondary institution in a matriculated status eligible for enrollment for 12 hours of academic credit.
- Is a child with a disability.
- The SEAA must annually make applications available and select recipients for scholarships according to the following criteria:
- First priority must be given to eligible students who were awarded scholarship funds for a PESA during the previous school year if applications are made by March 1.
- After funds have been awarded to prior recipients, any remaining funds can be used to award scholarship funds for a PESA for all other eligible students.

The SEAA may verify information on any application for the award of a PESA, and household members of applicants must authorize access information needed for verification efforts held by other State agencies.

Scholarships will be awarded each year for up to \$9,000 per eligible student, deposited in quarterly installments, subject to execution of a parental agreement. Funds will be accessible to the parent on a debit card with the prepaid funds loaded on the card, and parents will be required to submit quarterly expense reports. Parents of a PESA recipient must complete an annual written agreement to use at least a portion of the scholarship to provide an education to the eligible student in, at a minimum, the subjects of English language arts, mathematics, social studies, and science. The parent must also agree to release the local education agency the student is eligible to attend of all obligations to educate the student while the student is receiving the PESA. PESA funds do not constitute taxable income to the parent, legal guardian, or legal custodian of an eligible student or to the eligible student.

Students who receive the PESA are also to receive an Opportunity Scholarship. Students who receive the PESA and an Opportunity Scholarship are also eligible to receive a Students with Disabilities Scholarship if the student has one or more of the following disabilities:

- Autism.
- Developmental disability.
- Hearing impairment.
- Moderate or severe intellectual disability.
- Multiple, permanent orthopedic impairments.
- Visual impairment.

A student's continuing eligibility for the scholarship must be assessed every three years by either the local education agency or a licensed psychologist with a school psychology focus or a psychiatrist.

PESA funds may only be used for the following qualifying education expenses of the eligible student:

- Tuition and fees for a nonpublic school that meets certain requirements.
- Textbooks required by a nonpublic school.
- Tutoring and teaching services provided by an individual or facility accredited by a State, regional, or national accrediting organization.
- Curricula.
- Fees for nationally standardized norm referenced achievement tests, advanced placement tests, or nationally recognized college entrance exams.
- Fees charged to the account holder for the management of the PESA.
- Fees for services provided by a public school, including individual classes and extracurricular programs.

- Premiums charged to the account holder for any insurance or surety bonds required by the SEAA.
- Educational therapies from a licensed or accredited practitioner or provider.
- Educational technology defined by the SEAA as approved for use.
- Student transportation, pursuant to a contract with an entity that regularly provides student transportation, to and from (i) a provider of education or related services or (ii) an education activity.

PESA funds may not be used for any of the following purposes:

- Computer hardware or other technological devices not defined by the Authority as educational technology approved for use.
- Consumable educational supplies, including paper, pen, or markers.
- Tuition and fees at an institution of higher education or a private postsecondary institution.
- Tuition and fees for a home school.

The SEAA is responsible for administration of the PESA program, including providing notifications to various State agencies, establishing rules and regulations for the administration of the program, including a lottery process for the selection of recipients within the criteria if necessary, contracting in the SEAA's discretion with a private financial management firm or institution to manage PESAs, and conducting annual audits of PESAs.

The SEAA must report annually by September 1 to the Joint Legislative Education Oversight Committee on the following:

- Total number, grade level, race, ethnicity, and sex of eligible students receiving scholarship funds.
- Total amount of scholarship funding awarded.
- Number of students previously enrolled in public schools in the prior semester by the previously attended local education agency.
- Nonpublic schools in which scholarship recipients are enrolled, including numbers of scholarship recipients at each nonpublic school.
- The number of substantiated cases of fraud by recipients and the number of parents or students removed from the program for noncompliance with the provisions of this Article.

EFFECTIVE DATE: This section became effective July 1, 2017. The PESA program applies beginning with the 2018-2019 school year. Changes to laws related to income tax are effective for taxable years beginning on or after January 1, 2018.

S257 - Appropriations Act of 2017.

Sec. 10A.5: Amend Transforming Principal Preparation. (SL 2017-57)

S.L. 2017-57, Sec. 10A.5 amends the Transforming Principal Preparation grant program in multiple ways. Entities that apply for these grants must now do the following:

- Pay school leader candidates for their full-time clinical practice experiences and ensure that the experiences include at least 750 hours.
- Provide the opportunity for all school leader candidates to earn a master's degree, if they do not already have one, and subsequent principal licensure.

- Develop and enforce requirements for program graduates to serve a minimum of four years as school-based administrators in North Carolina.
- Comply with reporting and evaluation requests made by the administering nonprofit.

Additionally, the nonprofit corporation that administers the grant in conjunction with the State Education Assistance Authority (SEAA) must give priority consideration to entities that have a record of preparing principals in a service area that is underserved by existing principal preparation programs or demonstrates unmet need despite current available programs. Further, it must develop a process for early retrieval of grant funds if grant recipients do not comply with grant terms. The State Board of Education's licensure policy for individuals who complete a principal preparation program through this grant program must require candidates to hold a master's degree.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 10A.6: Study of Opportunity Scholarship Student Evaluations. (SL 2017-57)

Sec. 10A.6 of S.L. 2017-57 directs the State Education Assistance Authority (SEAA), in collaboration with the Department of Administration, Division of Nonpublic Education, and the Department of Public Instruction, to establish a task force to study the evaluation of students receiving scholarship grants through the Opportunity Scholarship Grant Program. The task force must have representatives from various stakeholders that include: (i) nonpublic schools accepting students who receive scholarship grants; (ii) organizations or associations representing parental school choice; (iii) organizations or associations representing nonpublic schools, including independent, religious, nonreligious, parochial, and non-parochial schools; (iv) independent research organizations specializing in K-12 academic evaluations, including a college or university; and (v) public school leaders, including local superintendents and principals.

The task force must study the most effective, valid, and reliable method of evaluating learning gains or losses of students receiving scholarship grants and comparing the learning gains or losses of those students to public school students with similar socioeconomic backgrounds, including the potential for adoption of a nationally normed common test for students participating in the evaluation. The task force must also consider the most reliable manner of establishing causal relationships to student performance outcomes while achieving minimal interference with the operation of the participating nonpublic and public schools, including limited sampling and other suitable research design methods.

By March 1, 2018, the SEAA must report to the Joint Legislative Education Oversight Committee on the results of the study, including any legislative recommendations from the task force on the evaluation of students receiving scholarship grants through the Opportunity Scholarship Grant Program.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 11J.2: Joint Oversight Subcommittees on Medical Education and Residency Programs. (SL 2017-57)

Sec. 11J.2 of S.L. 2017-57 requires the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee to appoint subcommittees to jointly examine the use of State funds to support medical education and medical residency programs. The subcommittees may seek input from other states, stakeholders, and national experts on medical education programs, medical residency programs, and health care.

By February 1, 2018, the Department of Health and Human Services and the University of North Carolina must provide the subcommittees the following information: (1) the identity, location, and number of positions available in medical education programs and medical residency programs, broken down by geographic area; (2) the specific amount of State funds or the nature of any other support provided by the State to medical education programs and medical residency programs, broken down by program; (3) the number of graduates of medical education programs and medical residency programs who are currently practicing in North Carolina, broken down by specialty areas in which North Carolina is experiencing a shortage; (4) the number of program graduates who practiced in North Carolina for at least five years after graduation; and (5) any other information requested by the subcommittees.

The subcommittees shall jointly develop a proposal for a statewide plan to support medical education programs and medical residency programs within North Carolina. Each subcommittee shall submit a report to its respective oversight committee on or before March 15, 2018, at which time each subcommittee will terminate.

This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 11J.2: Joint Oversight Subcommittees on Medical Education Programs and Medical Residency Programs. (SL 2017-57)

S.L. 2017-57, Sec. 11J.2 (SB 257, Sec. 11J.2) requires the Joint Legislative Oversight Committee on Health and Human Services (JLOCHHS) and the Joint Legislative Education Oversight Committee (JLEOC) to each appoint a subcommittee to jointly examine the use of State funds to support medical education and medical residency programs. The subcommittees must examine at least the following:

- The health care needs of the State's residents and the State's goals in meeting those health care needs through the support and funding of medical education and medical residency programs located within the State.
- The short-term and long-term benefits to the State for allocating State funds to medical education and medical residency programs located within the State.
- Recommended changes and improvements to the State's current policies with respect to allocating State funds and providing other support to medical education programs and medical residency programs located within the State.

- Development of an evaluation protocol to be used by the State in determining the particular medical education programs and medical residency programs to support with State funds and the amount of State funds to allocate to these programs.

The subcommittees may seek input from other states, stakeholders, and national experts as it deems necessary, and by February 1, 2018, the Department of Health and Human Services and The University of North Carolina must provide the subcommittees the following information on medical education programs and medical residency programs located in North Carolina:

- The identity, location, and number of positions available in medical education programs and medical residency programs, by geographic area.
- The specific amount of State funds or the nature of any other support provided by the State to medical education programs and medical residency programs, by program.
- The number of graduates of medical education programs and medical residency programs currently practicing in North Carolina, by specialty areas in which North Carolina is experiencing a shortage.
- The number of program graduates who practiced in North Carolina for at least five years after graduation.
- Any other information requested by the subcommittees.

The subcommittees must jointly develop a proposal for a statewide plan to support medical education programs and medical residency programs within North Carolina in a manner that maximizes the State's financial and other support of these programs and addresses the short-term and long-term health care needs of the State's residents. Each subcommittee must submit a report to its respective oversight committee on or before March 15, 2018, at which time the subcommittee will terminate.

EFFECTIVE DATE: This section became effective June 28, 2017.

S257 - Appropriations Act of 2017.

Sec. 15.13: ApprenticeshipNC/Transfer State Apprenticeship Program. (SL 2017-57)

Sec. 15.13 of S.L. 2017-57 transfers the Apprenticeship Program (renamed "ApprenticeshipNC") and the Apprenticeship Council from the Department of Commerce to the North Carolina Community Colleges System Office. The Director of ApprenticeshipNC is under the supervision of the President of the North Carolina Community College System or the President's designee. The Director must supervise clerical, technical, and professional staff appointed to administer the ApprenticeshipNC program. The State Board of Community Colleges sets the terms of office for members of the Apprenticeship Council. Current members of the Apprenticeship Council must serve the remainder of their terms. The Department of Commerce must update the Workforce Innovation and Opportunity Act State Plan to indicate the transfer of administration to the Community Colleges System Office.

Additionally, this section repeals and recodifies the statutes related to the Apprenticeship Program and the Apprenticeship Council, with certain modifications. In addition to the existing identified purposes of the program, ApprenticeshipNC will (i) coordinate workforce education and customized training tools to fill talent pipeline gaps, as appropriate, with local business and industry; and (ii) leverage the collaborative and regional structure of the community college service areas with the Collaboration for Prosperity Zones set out in G.S. 143B-28.1.

This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 19.2: Scholarships for Children of War Veterans. (SL 2017-57)

Section 19.2 of S.L. 2017-57 adds persons currently serving in a second or subsequent enlistment to the definition of "veteran" for purposes of determining rights and benefits administered by the Veterans' Affairs Commission including scholarships offered to children of eligible veterans. This section also authorizes children of veterans to be considered for a veteran's scholarship under more than one eligibility class as long as the child falls within the provisions and is subject to the limitations of each eligibility class for which the child is being considered. This section of the act became effective on July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 34.6A: Road Improvements Adjacent to Schools. (SL 2017-57)

Section 34.6A of S.L. 2017-57:

- Amends the Department of Transportation's (DOT) power to oversee improvements to public roads adjacent to any K-12 school.
- Amends the power of cities to require road improvements related to K-12 schools.
- Requires DOT to develop a report on road improvements required for K-12 schools in specified past and future years.

The provisions of this section applicable to DOT and city-required road improvements became effective October 1, 2017. The remainder of this section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 35.24: The University of North Carolina Board of Governors to Monitor Creation of New Positions and Certain Increases/Consultation Requirement. (SL 2017-57)

Sec. 35.24 of S.L. 2017-57 requires the Board of Governors of The University of North Carolina (UNC BOG) to monitor nonlegislative annual employee salary increases in the amount of 5% or more granted at constituent institutions or within the General Administration (i) to employees having annual salaries of \$100,000 or greater or (ii) that would result in an annual employee salary of \$100,000 or greater. Such a salary increase cannot become effective unless or until it is reported to the UNC BOG by a consultation that includes the justification for the increase or otherwise complies with consultation requirements adopted by the UNC BOG.

The UNC BOG must monitor new personnel positions created at constituent institutions or within the General Administration that have annual salaries of \$70,000 or greater. No such new position may be filled unless or until its creation is reported to the UNC BOG by a consultation that includes the justification for the new position or otherwise complies with consultation requirements adopted by the UNC BOG.

EFFECTIVE DATE: This section became effective July 1, 2017.

S257 - Appropriations Act of 2017.

Sec. 37.7: Community College System Enterprise Resource Plan Design and Implementation Revisions. (SL 2017-57)

S.L. 2017-57, Sec. 37.7 modifies a prior provision directing the North Carolina Community Colleges System Office (System Office) to plan and design a modernized enterprise resource plan (ERP) for the State's 58 community colleges. This section requires the System Office to initiate a competitive solicitation process for implementation of a replacement ERP system no later than October 1, 2017. Additionally, a restriction is removed that would have limited spending on planning and request for proposal development efforts to \$1 million. The System Office must submit a detailed report on the results of the planning and design effort by October 1, 2017 to the Joint Legislative Oversight Committee on Information Technology. This section became effective July 1, 2017.

S315 - Make Various Changes Regarding Higher Education. (SL 2017-68)

S.L. 2017-68 does the following:

- Directs the President of The University of North Carolina (President) to implement The University of North Carolina Undergraduate Degree Completion Improvement Plan that was submitted to the General Assembly in December 2016.
- Requires development of an articulation agreement between The University of North Carolina (UNC) and the North Carolina Community College System in early childhood education programs. By April 15, 2018, the Board of Governors of The University of North Carolina (BOG) and the State Board of Community Colleges must report to the Joint Legislative Education Oversight Committee on the development of the articulation agreement and the plan for implementation at all community college campuses and constituent institutions with early childhood education programs. The systemwide articulation agreement must apply beginning with the 2018-2019 academic year.
- Directs the President, or the President's designee, and the BOG to consider and evaluate the feasibility of applying for and implementing the UTEACH program, a model program originally developed by the University of Texas at Austin, as part of the curricula offered by The UNC system. The President and the BOG must report their findings and recommendations regarding the feasibility of applying for and implementing the UTEACH program to the Joint Legislative Education Oversight Committee by April 1, 2018.
- Allows the BOG to set the expenditure benchmark for certain purchasing contracts for the President to be the same as the maximum allowed for the constituent institutions.
- Changes a reporting date for data on graduates of cooperative innovative high schools from March to September.

This act became effective June 28, 2017.

PART I: UNDERGRADUATE DEGREE COMPLETION

S323 - UNC Public Records/Athletic Conferences. (SL 2017-175)

S.L. 2017-175 explicitly identifies records in the possession of The University of North Carolina or any of its constituent institutions as public records if they are related to membership in or communication with the National Collegiate Athletic Association (NCAA), the Atlantic Coast Conference (ACC), or any other athletic conference or collegiate sports organization. This act became effective October 1, 2017.

S448 - Professors in the Classroom. (SL 2017-91)

OVERVIEW: S.L. 2017-91 authorizes local boards of education to contract with higher education faculty members to serve as adjunct instructors for core academic subjects without having to obtain a teaching license.

This act became effective June 30, 2017.

S468 - QZAB Use Modification. (SL 2017-187)

S.L. 2017-187 makes modifications to the conditions for the award of Qualified Zone Academy Bonds (QZABs) by providing that the conditions established by the State Board of Education (SBE) for the uses of a QZAB allocation must be for one of the purposes permitted by federal law, and that the QZAB funds must be prioritized so that those funds are first used in Tier 1 counties determined to have greater economic distress and for schools where 75% or more of the school's students are eligible to receive free or reduced lunch under the federal lunch program.

Effective July 1, 2017, the act also authorizes award of grant funds from the Needs Based Public School Capital Fund for projects when a pre-development agreement for an operational lease was entered into on or before June 30, 2017.

Except as otherwise provided, this act became effective July 25, 2017, and applies to bond proceeds used on or after that date.

S599 - Excellent Educators for Every Classroom. (SL 2017-189)

S.L. 2017-189 restructures the way teachers are educated and supported in the following ways:

Professional Educator Preparation and Standards (PEPS) Commission

The act establishes the PEPS Commission, which will be independent of the State Board of Education (SBE) and must recommend standards for educator preparation, licensure, continuing education, and conduct to the SBE.

Educator Preparation Program (EPP) Approval Process

The act creates explicit definitions for certain words, including:

- EPPs: Any entity approved by the SBE rather than only institutions of higher education.
- Approved EPPs: EPPs that have met the requirements of the SBE in lieu of national accreditation.
- Initially Authorized EPP: An EPP that has been approved by the SBE or nationally accredited, but lacks the data to meet all of the accountability standards.
- Authorized EPP: An EPP that has met accountability standards and has been approved by the SBE or nationally accredited.
- Recognized EPP: An EPP that is either initially authorized or authorized, and has the authority to recommend students for educator licensure.
- Clinical intern: Individual who would have been previously called a student teacher.
- Resident: Individual who formerly would have received a lateral entry license.
- Clinical mentors: On-site teachers who would serve as mentors to residents.

The SBE has the authority to recognize EPPs that meet the statutory standards, thus allowing the EPPs to recommend candidates for licensure. Additionally, the act includes the minimum standards EPPs must meet in order to be approved, which mirror those set out by the Council for the Accreditation of Educator Preparation (CAEP). The act identifies the process EPPs must go through in order to recommend students for educator licensure. To be initially authorized or authorized, EPPs must be approved by the SBE or accredited by CAEP, and they must satisfy the performance standards in such a way that their status is not revoked.

The minimum admissions requirements still include a passing score or prescribed minimum score set by the SBE on a preprofessional skills test. However, since there is no longer a separate distinction for lateral entry candidates, having a bachelor's degree could also be used to satisfy this requirement. The 2.7 grade point average (GPA) requirement (with an average of at least 3.0 for each cohort), remains the same, but individuals with at least 10 years of relevant experience are exempted from the individual GPA requirement. Additionally, individuals applying to a Career and Technical Education program can be exempted from the individual GPA requirement with at least 5 years of relevant experience.

The act adds EPP content requirements, such as:

- Instruction related to the skills and responsibilities of teachers.
- The expectations for student performance based on State standards.
- The current supply of and demand for educators in the State.
- The State's framework for appraisal of educators.

Middle and high school teacher EPPs must also include adequate coursework in the relevant content area and in the teaching of the relevant content area.

The act recodifies existing clinical practice requirements with updated terminology. In addition, requirements for residencies are listed, which include:

- Residencies must last for a minimum of one year.
- EPPs must provide ongoing support to the resident.
- A clinical mentor must be assigned to the resident.
- Prior to the residency, the resident must complete preservice requirements set by the SBE.

The act also requires clinical educators to be "proficient" rather than "accomplished." Schools must prioritize "distinguished" and "accomplished" teachers unless there is a particular reason for selecting a "proficient" teacher that is documented. The clinical mentors are held to the same standards as clinical educators.

EPP Accountability System

The act requires the SBE to take action against an EPP when the EPP fails to meet standards on the following indicators, broken down by race, sex, and ethnicity:

- Performance of EPP graduates on annual teacher evaluations.
- Proficiency and growth of students taught by EPP graduates.
- Satisfaction of EPP graduates after their first year of teaching.
- Quality of students entering the EPP.

The act also requires additional data that must be reported to the SBE and ultimately included in the EPP's report card, such as:

- The extent to which the program prepares educators to effectively teach students with disabilities and students of limited English proficiency.
- The number of EPP graduates who continue teaching at least three years after licensure.

The act requires the SBE to annually evaluate an EPP's performance and assign an appropriate accountability status, if necessary, based on an EPP meeting one of the following criteria:

- Warned
 - Overall student performance standard is not met on at least one indicator in any one year.
 - Any two race, sex, or ethnicity demographic groups' performance standards are not met on at least one indicator for any one year.
 - Any single race, sex, or ethnicity demographic groups' performance standards are not met on at least one indicator for any two consecutive years.
 - SBE determines a law or rule violation merits warned status.
- Probation
 - Overall student performance standard is not met on at least one indicator in two consecutive years.
 - Any three race, sex, or ethnicity demographic groups' performance standards are not met on at least one indicator for any one year.
 - Any single race, sex, or ethnicity demographic groups' performance standards are not met on at least one indicator for any three consecutive years.
 - SBE determines a law or rule violation merits probation status.
- Revoked
 - EPP has been on probation status for three consecutive years.
 - EPP has been on probation status one year, but SBE determines revoked status is reasonably necessary.

If an EPP is in revoked status, its approval to recommend students for educator licensure is revoked. Other identified sanctions may be implemented at the SBE's discretion, such as:

- Requiring the EPP to obtain technical assistance.
- Requiring the EPP to obtain professional services from another entity.
- Appointing a monitor to oversee and report to the SBE.
- Managing the EPP's enrollment.

Any costs associated with the sanctions must be covered by the EPP.

Lateral Entry

The act replaces the lateral entry license with the residency license. Individuals who already have a bachelor's degree may enroll in an EPP and be employed to teach at the same time.

School Administrators

The act clarifies that retired principals or retired assistant principals may be employed as interim principals, regardless of licensure status. Additionally, it recodifies a prior provision related to the standards of approval for school administrator preparation programs and places it among the other statutes related to school administrator preparation.

Mentor Teachers

The act allows teachers rated as "proficient" or higher to be mentors. Additionally, retired teachers are eligible to be mentors. Priority consideration will still be given to teachers rated as "distinguished" or "accomplished."

Licensure Requirements

The act recodifies existing licensure requirements, as well as makes the following changes:

- Defines various teacher licenses:
 - Continuing professional license: Five-year renewable license.
 - Emergency license: One-year nonrenewable license for individual who holds a bachelor's degree with relevant coursework, but who is not eligible for a residency license.
 - Initial professional license: Three-year nonrenewable license for individual who has completed a recognized EPP.
 - Lifetime license: License issued after 50 or more years of teaching that requires no renewal.
 - Residency license: One-year license (renewable twice) issued to an individual who has:
 - A bachelor's degree with either coursework relevant to the requested licensure area or successful completion of the relevant content area examination.
 - Enrolled in a recognized EPP.
 - Has completed preservice field experience and coursework.
 - Retirement license: Five-year renewable license issued to a teacher who retired with 30 or more years of teaching experience in North Carolina and who has served as a substitute teacher or part-time provider of certain educational services since retirement.
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- Removes requirement for middle school teachers to complete continuing education credits related to literacy.
 - Exempts members of the General Assembly who are teachers from continuing education credit requirements upon notice by the member to the Department of Public Instruction.

The act authorizes the SBE to continue to issue lateral entry licenses through the 2018-2019 school year.

Reading Improvement Commission

The act requires the Reading Improvement Commission to study and recommend improvements to professional development for teachers in fourth through twelfth grades in the area of literacy.

Recognition Program

The act requires the Superintendent of Public Instruction to create a recognition program for teachers with 40 or more years of licensed teaching experience.

Teacher Suspensions

The act authorizes a superintendent, prior to suspending a teacher who is incarcerated or in custody without pay, to provide written notice of the charges, an explanation of the basis for the charges, and an opportunity to respond in writing, rather than meeting with the teacher in person. Additionally, it requires local boards of education to report to the SBE when a teacher's resignation was related to criminal history, regardless of whether dismissal proceedings had begun or the teacher had resigned without permission. The same requirement applies to charter and regional schools.

Teacher Vacancy Report

The act requires the SBE to compile an annual report on teaching positions that local boards of education are unable to fill by the 40th instructional day. Additionally, it recodifies reporting requirements related to the state of the teaching profession.

Effective Date

The act became effective July 27, 2017 and applies beginning with the 2017-2018 school year. The act will be phased in such that:

- EPPs approved by the State Board prior to July 1, 2017 will be considered initially authorized until the earlier of June 30, 2020, or the date of its five-year renewal. EPPs not approved as of that date will first be eligible to open during 2018-2019 school year.
- Reporting requirements begin with the 2018-2019 school year.
- No EPP may be assigned a "revoked" accountability status prior to the 2023-2024 school year.