

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Fiscal Note

BILL NUMBER: Senate Bill 1069 (Third Edition)

SHORT TITLE: Joining Our Businesses and Schools Commission.

SPONSOR(S): Senator Malone

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>
REVENUES	-	-	-	-	-
EXPENDITURES					
General Assembly:	\$49,156.70	\$27,309.28	\$27,309.28	-	-
<i>(*Note: This is the minimum cost and assumes 9 meetings in FY 2009-10 and 5 meetings in FY 2010-11 and FY 2011-12; see "Assumptions & Methodology")</i>					
Department of Public Instruction:	No Fiscal Impact*				
<i>(*Note: see "Assumptions & Methodology")</i>					
POSITIONS (cumulative):	N/A				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	General Assembly, Department of Public Instruction				
EFFECTIVE DATE:	This act becomes effective when it becomes law.				

BILL SUMMARY:

Senate Bill 1069 is substantively identical to House Bill 1038.

The proposed legislation establishes the JOBS (Joining Our Businesses and Schools) Commission in the General Assembly. The Commission membership includes: (1) the Lieutenant Governor serving as the Chair; (2) two members appointed by the Governor (3); eight members appointed by the Speaker of the House of Representatives to include three members of the House of Representatives, with one designated to serve as a vice chair, a representative of the Community College System, a representative of the Independent Colleges and Universities, a representative of the Department of Commerce, a representative of North Carolina's business and industry, and a representative of North Carolina's school superintendents; (4) eight members appointed by the President Pro Tempore of the Senate to include three members of the Senate, with one designated

to serve as a vice chair, a representative of the University of North Carolina, a representative of the Department of Public Instruction, a representative of North Carolina's business and industry, a public school teacher, and an individual with expertise in STEM education; and (5) the Executive Director of the Education Cabinet or the Executive Director's designee, serving ex officio.

The proposed legislation states that members of the Commission will serve a three-year term, beginning on July 1, 2009. The terms for members of the House of Representatives or the Senate will end upon the expiration of the members' legislative term. The proposed legislation also states that members will serve at the pleasure of the appointing authority, vacancies will be filled by the same appointing authority who made the initial appointment, and a vice chair will serve as chair in the absence of the chair.

The proposed legislation directs the Commission to study issues related to economic development through innovative schools where instructional program frameworks reflect the high academic standards required of schools to be successful as they transition to postsecondary education and future careers. The proposed legislation also directs the Commission to study issues related to economic growth by the creation of measures and metrics which define readiness of a community to deliver, to all stakeholders, the services that equip the workforce to be competitive in a STEM intensive economy. The proposed legislation directs the Chair to appoint from the Commission's membership a North Carolina STEM Community Collaborative Advisory Committee.

The purpose of the Commission is to advise the North Carolina Education Cabinet and specifically the Department of Public Instruction (DPI) as they develop, incrementally, standard instructional programs for career clusters and their corresponding career paths in accordance with the Early/Middle College model. The Commission must also study the implementation of pilot programs in the seven economic development regions. The proposed legislation directs the Commission to meet at least once in each of the state's economic development regions within the first eight months that it is created. The Chair may appoint a volunteer advisory committee in each economic development region to assist the Commission in its work.

The expenses of the Commission will be paid by the Legislative Services Commission from available funds appropriated to the General Assembly. However, the Commission may use any and all appropriate technology to enhance participation and defray costs. Also, the Legislative Services Commission may accept grants on behalf of the State to be used to help defray the expenses of the Commission. Any application and receipt of grants will be subject to the requirements of Chapters 120C and 138A of the General Statutes and Article 14 of Chapter 120 of the General Statutes. Any grants funds received will be held by the General Assembly in a non-reverting special fund known as the JOBS Commission Fund to be administered by the Legislative Services Commission. Any remaining funds in the JOBS Commission Fund will transfer to the reserves of the General Assembly upon termination of the Commission.

Furthermore, the proposed legislation states that individual expenses of \$5,000 or less, including per diem, travel, and subsistence expenses of members of the Commission will be paid upon authorization of the Chair of the Commission. Individual expenses exceeding \$5,000 will be paid upon written approval of the President Pro Tempore of the Senate and Speaker of the House of

Representatives. The proposed legislation provides additional criteria regarding the scope and purpose of the Commission's study.

The proposed legislation directs the Commission to make an initial report to the State Board of Education (SBE) by March 1, 2010 that contains recommendations of at least four of the DOE's 16 career clusters that will best, and most broadly, serve the immediate needs of the state and the respective regions. The proposed legislation also directs SBE, in consultation with DPI to develop the instructional programs for at least four career clusters and implement at least one JOBS Early or Middle College in each of the economic development regions beginning with the 2010-2011 school year where feasible and in all other regions by the 2011-1012 school year.

After submitting its March 1, 2010, report, the Commission may make recommendations resulting from its study to SBE and DPI from time to time, monitor the implementation of its recommendations, and report and recommend to the General Assembly any legislation necessary to implement its recommendations. The proposed legislation also directs the Commission to make an interim report of the results of its study and its recommendations, including any proposed legislation, to the Joint Legislative Education Oversight Commission and the 2010 Regular Session of the 2009 General Assembly no later than May 15, 2010, and to the Joint Legislative Education Oversight Committee and the 2011 Regular Session of the 2011 General Assembly no later than February 1, 2011, and a final report to the Joint Legislative Education Oversight Committee and the 2012 Regular Session of the 2011 General Assembly no later than May 15, 2012. The proposed legislation states that the Commission shall terminate on June 30, 2012, or upon the filing of its final report.

ASSUMPTIONS AND METHODOLOGY:

General Assembly

The proposed bill requires the Commission to meet at least once in each of the seven economic development regions within the first eight months of its creation, and the Commission may use any and all appropriate technology to enhance participation and defray costs. Therefore, the members of the Commission may choose to hold a teleconference or work from home to defray costs. The proposed bill also allows the Commission to accept grants. However, the proposed legislation states that the expenses of the Commission will be paid by the Legislative Services Commission from available funds appropriated to the General Assembly.

In terms of the number of meetings, the Commission could meet at least 9 times in FY 2009-10, which would include 7 required meetings in each economic development region, as well as one planning meeting and one concluding meeting before reporting on May 15, 2010. In FY 2010-11, the Commission could meet a minimum of 5 times every other month between August 1, 2010 and February 1, 2011, when the interim report is due. In FY 2011-12, the Commission could meet a minimum of 5 times between August 1, 2011, and May 15, 2012, when the final report is due.

Therefore, in the absence of expressed direction, this estimate assumes:

- 1) The two members appointed by the Governor will be non-legislative members; and
- 2) The Commission will adopt a one-day schedule with a minimum of 19 total meetings.

On this basis, the estimated minimum cost of 19 meetings is \$103,775.25 (see chart below). Since the meetings would be spread over the next three years, the minimum cost for 9 meetings in FY 2009-10 is \$49,156.70, 5 meetings in FY 2010-11 is \$27,309.28, and 5 meetings in FY 2011-12 is \$27,309.28.

Study Commission Budget Estimate	Minimum Cost of 19 MEETINGS
Legislative Members Subsistence \$104.00 Legislative Subsistence X 6 Number of Legislative members X 1.5 Half of Members using Two Days of Subsistence	\$17,784.00
Legislative Members Travel Expenses \$58.00 Round Trip Reimbursement <i>230 miles is an Average per Member based on the Total Certified Round Trip Mileage</i> X 6 Number of Legislative Members	\$6,612.00
Non-Legislative Members Subsistence \$112.75 Non-Legislative Members Subsistence <i>\$97.75 Daily Per Diem Rate Plus \$15 Committee Per Diem Rate (GS138-5)</i> X 14 Number of Non-Legislative Members X 1.5 Half of Non-Legislative Members using Two Day Subsistence	\$44,987.25
Non-Legislative Member Travel Expenses \$66.00 Round Trip Reimbursement <i>230 miles is an Average per Member based on the Total Certified Round Trip Mileage</i> X 14 Number of Non-Legislative Members	\$17,556.00
Clerical Staff \$794.00 Average Salary with Benefits for 5 day work week Average Weekly Wages for LA, CAI, CAII & CAIII with Fringes Added.	\$15,086.00
Professional Staff	\$0.00
Special Travel and Expenses	\$0.00
Postage and Telephone Expenses	\$500.00
Supplies	\$250.00
Coping and Printing	\$1,000.00
Total	\$103,775.25

Budget Estimate Template source: General Assembly's Controller Office

In terms of the General Assembly's budget for FY 2009-10 and FY 2010-11, there is no funding for independent studies. Therefore, funding would need to be appropriated to support the Commission.

Department of Public Instruction

This bill places two obligations on the Department of Public Instruction (DPI) and/or local educational agencies (LEAs):

1. Development of the curriculum for the career clusters recommended by the Commission; and
2. Conversion of existing Early/Middle College high schools to JOBS Early/Middle College in each of the economic development regions as recommended by the commission.

There is no fiscal impact related to either of these obligations.

Development of Curriculum

There would be no fiscal impact associated with curriculum development. Beginning with the freshman class of 2009-2010, North Carolina students must meet Future Ready Core graduation requirements. To qualify as a CTE concentrator for graduation and for federal reporting purposes, students must earn four credits within one of the 16 Career Clusters. As such, career cluster curricula already exist in accordance with North Carolina's CTE Standard Course of Study and graduation requirements, and would not need to be developed.

Implementation of JOBS Early/Middle Colleges

There would also be no fiscal impact in converting existing Early/Middle College high schools to JOBS Early/Middle College high schools. In certain other instances when high schools have undergone a conversion or reorganization, the high school has received one-time planning money to enact the conversion from State or other sources. However, this bill does not *require* any money to be spent on planning. Additionally, the Commission's report will contain much of the information required to implement such a high school conversion.

SOURCES OF DATA: General Assembly, Department of Public Instruction

TECHNICAL CONSIDERATIONS: None

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