

Description of Legislation

1. Summary of Legislation

"TO ESTABLISH THE PROJECT GENESIS PROGRAM, AN EXPERIMENT WITH A RESTRUCTURED SCHOOL APPROACH FOR THE PUBLIC SCHOOLS." Adds new GS115C-238.12-238.15 authorizing State Board of Education to establish a Project Genesis Pilot Program in the school administrative units in Gaston, Cumberland, Johnston, and Wake counties. Program is designed to enable up to two schools in each participating unit to experiment with a restructured school approach, combining the concepts of flexibility, competitive bidding on the management of schools, accountability, and, whenever possible, inter-public school choice. Gives school units four years to determine feasibility of project, secure private funding for additional necessary funds, lay the groundwork for the project, and begin program in up to two schools. Requires local school board to consider bids to operate the selected school from teams of educators who comply with request for proposal. Team must include one person designated as principal or leader and at least four teachers; teams members are not required to meet certification requirements. Provides that local school board must consider recommendations of advisory committee of educators, elected officials, and business leaders before awarding contract. Authorizes team awarded contract to select all personnel for school and requires comprehensive accountability program in school. Requires school board to select a school building under construction as first school in program, and, if program is expanded to second school, requires board to select either (1) another new school building or (2) the existing school producing the poorest results in student achievement or that has the worst results in student discipline, the dropout rate, and student motivation. Requires participating school unit to notify State Board of Education of aspects of project implementation that would be enhanced by flexibility. Authorizes State Board to grant flexibility that Board finds necessary with regard to statues, policies, and regulations, if projects are carried out within funds available, standards relating to health, safety, or transportation are not lowered, and flexibility is not abused. Requires State Board of Education to report on flexibility to Joint Legislation Comm'n on Governmental Operation. Requires participating school units to report annually to Joint Legislative Comm'n on Governmental Operations, Superintendent of Public Instruction, and State Board of Education.

Senate committee substitute adds following provisions to original bill:

(1) Requires RFPs to include a process for maintaining racially balanced student population within the Genesis School and modifies accountability plan requirements for such RFPs.

(2) Requires that members of team awarded contract, if not already school employees, be immediately employed by school unit.

(3) Provides that teachers working in Genesis school are not to lose protections of GS 115C-325 (teacher tenure), except for those team members who became school employees only because team was awarded contract.

(4) Requires the annual report on the project to include itemization of local financial support, description of accountability plans, and description of student achievement arising from plans.

Senate Committee amendment adds the following:

"(i) the total amount of State funds expended for the project does not exceed the amount of State funds typically available for a school with that average daily membership;"

2. Effective Date - Upon Ratification
3. Fund or Tax Affected - General Fund
4. Principal Department/Program Affected - Department of Public Education

Cost or Revenue Impact on State

	<u>FY</u>	<u>FY</u>	<u>FY</u>
	91-92		92-93
1. Non-Recurring Costs/Revenues			
2. Recurring Costs/Revenues			
3. Fiscal/Revenue Assumptions			

The proposed language of GS115C-238.14 regarding the use of state funds for Project Genesis is similar to the provisions of GS115C-363.28(d) that established the Lead Teacher Pilot Program.

The statutes establishing the Lead Teacher Program were interpreted to provide the entire school system with flexibility over most state funds.

The amendment confines the expenditure of state funds to the Project Genesis school, and limits the total amount of state funds that can be expended to an amount that would typically be available for a school with a similar average daily membership.

This amendment will eliminate the possibility that the flexibility provisions of this bill could be interpreted as applying to the entire school system, not just the Project Genesis school.

Cost/Revenue Impact on County or Local Government

	<u>FY</u>	<u>FY</u>	<u>FY</u>
	88-89		89-90
1. Non-Recurring Costs/Revenues			
2. Recurring Costs/Revenues			
3. Fiscal/Revenue Assumptions			

Sources of Data for Fiscal Note

Department of Public Instruction

Technical Considerations/Comments

FISCAL RESEARCH DIVISION
06-Jul-1992 Mon 14:18

FISCAL NOTE TRANSMITTAL FORM

BILL NUMBER: SB 732

SHORT TITLE: Project Genesis Established

SPONSOR(S): House Committee Substitute

The attached fiscal note on the bill(s) named above is being transmitted to:

Chief Sponsor, House
Chief Sponsor, Senate
Fiscal Note Requested By

Chairman of the House Committee on

Chairman of the House Subcommittee on

Chairman of the Senate Committee on

Chairman of the Senate Subcommittee on

Speaker of the House, Daniel T. Blue, Jr.
President Pro Tempore, Henson Barnes
Chairman of the House Base Budget Appropriations Committee
Representative David Diamont
Chairman of the House Expansion Budget Appropriations Committee
Representative Martin Nesbitt
Chairman of the Senate Appropriations Committee
Senator Marc Basnight
Chairman of the Senate Ways and Means Committee
Senator Kenneth C. Royall, Jr.
Chairman of the Senate Base Budget Committee
Senator Aaron W. Plyler

House Principal Clerks Office
Senate Principal Clerks Office

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 732

SHORT TITLE: Project Genesis Established

SPONSOR(S): House Committee Substitute

FISCAL IMPACT: Expenditures: Increase () Decrease ()
Revenues: Increase () Decrease ()
No Impact (x)
No Estimate Available ()

FUNDS AFFECTED: General Fund (x) Highway Fund () Local Fund ()
Other Fund ()

BILL SUMMARY: S 732. PROJECT GENESIS ESTABLISHED. Changes proposed GS 115C-238.22 to delete Cumberland and Wake school systems from coverage, eliminate reference to magnet schools, and reduce from four to two years the time for the school system to determine the feasibility and funding of the continuation of the project. Changes proposed GS 115C-238.23 to (1) require that at least 25% of the leadership team be certified in accordance with regulations of the State Board of Education or pursuant to GS 115C-238.6, (2) provide that students be assigned on a geographical basis, (3) provide that the mission of the school shall not establish religion nor prohibit the free exercise thereof, (4) provide that contract negotiations and bid award be made in open session, (5) provide that the term of the contract shall be for not more than four years, (6) specify the condition and timing of contract termination, (7) specify that all teachers hold or be qualified to hold certification (noncertified persons may be hired on a temporary basis or for special projects), and (8) specify standards for selection of a second school. Changes proposed GS 115C-238.24 to provide that GS Ch. 150B, Art. 2A (adoption of administrative rules) does not apply to grants of management flexibility under this subsection. Changes proposed GS 115C-238.25 to add requirement that State Board of Education conduct an independent evaluation of each Genesis school and the overall project with a report to the General Assembly and the Joint Legislative Oversight Committee no later than Jan. 15, 1998.

EFFECTIVE DATE: Effective Upon Ratification

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Department of Public Education, Aid to Local School Administrative Units

FISCAL IMPACT

	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>
EXPENDITURES					
RECURRING					
NON-RECURRING					
REVENUES/RECEIPTS					
RECURRING					
NON-RECURRING					

POSITIONS: N/A

ASSUMPTIONS AND METHODOLOGY:

1. A Genesis school will receive state funds in an amount that is similar to funding for schools of the same size and student composition.
2. No local school system would be entitled to additional state funds as a result of participating in Project Genesis.
3. All additional waivers granted by the State Board of Education will be confined to the Project Genesis Schools.

SOURCES OF DATA: Department of Public Education

TECHNICAL CONSIDERATIONS: GS 115C-238.24 allows the State Board of Education to waiver statutes, policies, and regulations that would enhance the project. Certain limitations are established, but it is not clear if the Board's authority extends into areas outside the public school law. Examples, of where uncertainty might arise are in the area of purchase and contract requirements, and provisions of the Executive Budget Act with respect to the carry forward of funds across fiscal years.

FISCAL RESEARCH DIVISION

733-4910

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APPROVED BY: Tom L. Covington

DATE: July 6, 1992

[FRD#003]



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