

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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SENATE BILL 1057  
Education/Higher Education Committee Substitute Adopted 5/31/05  
Third Edition Engrossed 6/1/05

Short Title: Education Improvement Act of 2005.

(Public)

Sponsors:

Referred to:

March 24, 2005

A BILL TO BE ENTITLED

AN ACT TO ENACT THE EDUCATION AND ECONOMIC COMPETITIVENESS  
ACT OF 2005.

The General Assembly of North Carolina enacts:

**PART I. TITLE OF ACT**

**SECTION 1.1.** This act shall be known as the "Education and Economic  
Competitiveness Act of 2005".

**PART II. INVESTING MORE RESOURCES AND DEMANDING MORE  
ACCOUNTABILITY**

**REPORTS ON THE EXPENDITURE OF SUPPLEMENTAL FUNDS FOR  
LOW-WEALTH COUNTIES**

**SECTION 2.1.** Local boards of education shall report to the State Board of  
Education by August 31 of each year on the expenditure of supplemental funds for  
low-wealth counties and how these funds were targeted and used to implement specific  
improvement strategies of each local school administrative unit and its schools, such as  
teacher recruitment, closing the achievement gap, improving student accountability,  
addressing the needs of at-risk students, and establishing and maintaining safe schools.  
The State Board of Education shall report this information annually by October 31 to  
the Office of State Budget and Management, the Joint Legislative Education Oversight  
Committee, and the Fiscal Research Division.

**EVALUATE THE EFFECTIVENESS OF DISADVANTAGED STUDENT  
SUPPLEMENTAL FUNDING ON THE IMPROVEMENT OF STUDENT  
ACHIEVEMENT**

1           **SECTION 2.2.(a)** The State Board of Education may require local school  
2 administrative units receiving funding under the Disadvantaged Student Supplemental  
3 Fund to purchase the Education Value Added Assessment System in order to provide  
4 in-depth analysis of student performance and help identify strategies for improving  
5 student achievement.

6           **SECTION 2.2.(b)** To remain eligible for funding under the Disadvantaged  
7 Student Supplemental Fund, local school administrative units must submit a report to  
8 the State Board of Education by August 31 of each year detailing the expenditure of the  
9 funds and the impact of these funds on student achievement. The State Board of  
10 Education shall report this information annually by October 31 to the Office of State  
11 Budget and Management, the Joint Legislative Education Oversight Committee, and the  
12 Fiscal Research Division.

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14 **PROVIDE FOR NEW ACCOUNTABILITY FOR THE USE OF FUNDS IN THE**  
15 **AT-RISK AND IMPROVING STUDENT ACCOUNTABILITY ALLOTMENTS**

16           **SECTION 2.3.(a)** Funds appropriated for the At-Risk/Alternative Schools  
17 allotment and the Improving Student Accountability allotment shall be used consistent  
18 with the policies and procedures adopted by the State Board of Education only: (i) to  
19 provide instructional positions or instructional support positions and/or professional  
20 development; (ii) to provide intensive in-school and/or after-school remediation; and  
21 (iii) to purchase diagnostic software and progress monitoring tools.

22           **SECTION 2.3.(b)** To remain eligible for funds appropriated for the  
23 At-Risk/Alternative Schools allotment and the Improving Student Accountability  
24 allotment, local school administrative units must submit a report to the State Board of  
25 Education by October 31 of each year detailing the expenditure of the funds and the  
26 impact of these funds on student achievement. The State Board of Education shall report  
27 this information annually by October 31 to the Office of State Budget and Management,  
28 the Joint Legislative Education Oversight Committee, and the Fiscal Research Division.

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30 **LOCAL SCHOOL SYSTEM ASSISTANCE PROGRAM**

31           **SECTION 2.4.** The State Board of Education shall develop: (i) the criteria  
32 for LEA Assistance Teams; (ii) the criteria for selecting LEAs and schools to receive  
33 assistance; (iii) measurable goals and objectives for the assistance program; and (iv) an  
34 explanation of the type of assistance to be provided with these combined resources. The  
35 Department shall develop a revised organizational structure and budget for providing  
36 assistance services to LEAs to ensure the Department can meet the needs of the LEAs.  
37 The State Board of Education must approve this structure and budget.

38           For fiscal year 2005-2006 only, the State Board may, with the prior approval  
39 of the fiscal year Office of State Budget and Management, transfer General Fund  
40 appropriations between personal service and nonpersonal service line items within this  
41 fund to structure itself most efficiently for the delivery of services. All funds transferred  
42 under this provision are only for this program and for the services described herein.  
43 Funds shall not be used to raise the salary of existing employees.

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1 **PART III. RECRUITING AND RETAINING QUALITY TEACHERS AND**  
2 **PRINCIPALS ACROSS THE STATE**

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4 **TWO-YEAR TEACHING FELLOWS PROGRAM FOR SCIENCE AND**  
5 **MATHEMATICS**

6 **SECTION 3.1.(a)** Of the funds appropriated to the Department of Public  
7 Instruction for the Teaching Fellows Program, funds may be used for the administration  
8 of a Two Year Teaching Fellows Program focused on preparing math and science  
9 teachers for public middle and high schools.

10 **SECTION 3.1.(b)** G.S. 115C-363.23A reads as rewritten:

11 **"§ 115C-363.23A. Teaching Fellows Program established; administration.**

12 (a) A Teaching Fellows Program shall be administered by the North Carolina  
13 Teaching Fellows Commission. The Teaching Fellows Program shall be used to provide  
14 a four-year scholarship loan of six thousand five hundred dollars (\$6,500) per year to  
15 North Carolina high school seniors interested in preparing to teach in the public schools  
16 of the State. Beginning July 1, 2006, the Teaching Fellows Program also may be used to  
17 provide 50 two-year scholarship loans of six thousand five hundred dollars (\$6,500) per  
18 year to North Carolina college juniors who intend to teach mathematics or science in the  
19 public middle schools or high schools of the State. The Commission shall adopt very  
20 stringent standards, including minimum grade point average and scholastic aptitude test  
21 scores, for awarding these scholarship loans to ensure that only the best high school  
22 seniors receive them.

23 ...

24 (c) The Commission shall form regional review committees to assist it in  
25 identifying the best high school seniors or college juniors for the program. The  
26 Commission and the review committees shall make an effort to identify and encourage  
27 minority students and students who may not otherwise consider a career in teaching to  
28 enter the program.

29 ...

30 (e) The Commission shall forgive ~~the a four-year~~ loan if, within seven years after  
31 graduation, the recipient teaches for four years at a North Carolina public school or at a  
32 school operated by the United States government in North Carolina. The Commission  
33 shall forgive a two-year loan if, within five years after graduation, the recipient teaches  
34 for two years at a North Carolina public school or at a school operated by the United  
35 States government in North Carolina. The Commission shall also forgive ~~the a two-year~~  
36 or a four-year loan if it finds that it is impossible for the recipient to ~~teach for four years,~~  
37 ~~within seven years after graduation, at a North Carolina public school or at a school~~  
38 ~~operated by the United States government in North Carolina, because of fulfill the~~  
39 teaching requirement due to the death or permanent disability of the recipient.

40 ...."

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42 **PRINCIPALS EXECUTIVE PROGRAM FOR NEW PRINCIPALS**

43 **SECTION 3.2.** Of the funds appropriated to the Board of Governors of The  
44 University of North Carolina, the sum of one hundred twenty-five thousand dollars

1 (\$125,000) for the 2005-2006 fiscal year and the sum of one hundred twenty-five  
2 thousand dollars (\$125,000) for the 2006-2007 fiscal year may be used to support the  
3 development and implementation of a new program for all new public school principals.  
4 The program shall include a focus on the principal's responsibility for instructional  
5 leadership, data driven decision making, and positive teacher working conditions. All  
6 newly hired principals in North Carolina shall be required to attend this PEP developed  
7 program for new principals during their first year of employment as a principal.  
8

## 9 **TEACH FOR AMERICA**

10 **SECTION 3.3.** Of the funds appropriated to the Department of Public  
11 Instruction, the sum of two hundred thousand dollars (\$200,000) for the 2005-2006  
12 fiscal year and the sum of two hundred thousand dollars (\$200,000) for the 2006-2007  
13 fiscal year may be used to support the Teach for America Program in North Carolina for  
14 the purpose of recruiting teachers into high need schools.

15 **SECTION 3.4.** Article 19 of Chapter 115C of the General Statutes is  
16 amended by adding the following new section to read:

### 17 **"§ 115C-288.1. Evaluation of principals and assistant principals.**

18 Local school administrative units shall evaluate all principals and assistant principals  
19 at least once each year. The superintendent or the superintendent's designee shall  
20 conduct these evaluations.

21 The State Board of Education shall ensure that the standards and criteria for the  
22 evaluations include the accountability measures of teacher retention, teacher support,  
23 and school climate. Evaluation of teacher retention and teacher support programs shall  
24 include the principal's management of the elected school improvement team according  
25 to G.S. 115C-105.27 and providing instructional planning time during the school day.  
26 The State Board shall revise its evaluation instruments to include these measures. A  
27 local board of education shall use the performance standards and criteria adopted by the  
28 State Board unless the local board develops an alternative evaluation that is properly  
29 validated and that includes standards and criteria similar to those adopted by the State  
30 Board."

## 31 **PART IV. TWENTY-FIRST CENTURY HIGH SCHOOLS**

### 32 **SMALL SPECIALTY HIGH SCHOOLS PILOT PROGRAM**

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34 **SECTION 4.1.(a)** Of the funds appropriated to the Department of Public  
35 Instruction, the sum of one million four hundred forty-six thousand eight hundred  
36 seventy-seven dollars (\$1,446,877) for the 2005-2006 fiscal year and the sum of one  
37 million four hundred forty-six thousand eight hundred seventy-seven dollars  
38 (\$1,446,877) for the 2006-2007 fiscal year may be used for a pilot program to create 11  
39 small specialty high schools within existing schools. The purpose of the program shall  
40 be to improve graduation rates and achieve higher student performance as measured by  
41 standard tests and postgraduate gainful employment or admission into an institution of  
42 higher education. The State Board of Education shall work closely with the Education  
43 Cabinet and the New Schools Project in administering the program.  
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1           **SECTION 4.1.(b)** The State Board of Education shall conduct an evaluation  
2 of this program. The evaluation shall include measures as identified in  
3 G.S. 115C-238.55. It shall also include: (i) an accounting of how funds and personnel  
4 resources were utilized and their impact on student achievement, retention, and  
5 employability; and (ii) recommendations for improvement of the program. The State  
6 Board of Education shall report the results of this evaluation to the Office of State  
7 Budget and Management, the Joint Legislative Education Oversight Committee, and the  
8 Fiscal Research Division by November 15, 2006.

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10 **PART V. EFFECTIVE DATE**

11           **SECTION 5.1.** This act becomes effective July 1, 2005.  
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