



SENATE BILL 795: Excellent Public Schools Act

2011-2012 General Assembly

Committee:	Senate Education/Higher Education	Date:	May 29, 2012
Introduced by:	Sens. Apodaca, P. Berger, Tillman	Prepared by:	Drupti Chauhan, Kara McCraw, and Patsy Pierce
Analysis of:	PCS to First Edition S795-CSTC-38		Legislative Staff

SUMMARY: SB 795 would: (i) enact the "North Carolina Read to Achieve Program" which makes numerous changes regarding K-3 literacy; (ii) provide volunteer leave time for State employees to help with literacy; (iii) assign "A-F" grades to schools based on performance; (iv) require annual assessments and final exams to be given within a certain time frame at the end of the course or school year; (v) make adjustments to the school calendar start and end dates; (vi) provide funding for five additional instructional days within the existing school calendar; (vii) establish the NC Teacher Corps; (viii) set additional standards for teacher licensure; (ix) require notice of proof of State funded liability insurance; (x) require local boards of education to establish systems of performance pay; (xi) eliminate career status; and (xii) eliminate public financing for candidates for the Office of Superintendent of Public Instruction.

The Proposed Committee Substitute (PCS) makes the following changes:

- Reduces summer camp instruction from 5 ½ instructional hours per day to 3 hours;
- Clarifies that a good cause exemption from retention can be given to students who have received reading intervention and previously been retained more than once in kindergarten, first, second or third grades;
- Clarifies that the developmental screening for kindergarten students would be administered beginning in the 2014-2015 school year;
- Requires that the State Board of Education award an overall numerical school performance score on scale of zero to 100 along with the corresponding letter grade and that information be placed on a local school administrative unit's website for the current and previous 4 school years;
- Exempt final exams for courses with national or international curriculums from being held at the same statutorily designated times required for other assessments;
- School calendar: (i) changes the school calendar to be a minimum of 185 days or 1025 hours; (ii) provides for 3 days to be designated as protected teacher workdays; (iii) eliminates the waiver option to use 5 instructional days for teacher workdays; (iv) changes the school start and stop dates; (v) modifies "good cause" weather waivers; and eliminates educational purpose waivers; and makes funding revisions;
- Clarifies that local boards must develop a plan for performance pay and requires State Board to report on achievement-based compensation models developed for Race to the Top, as well as allow public input on performance pay plans;
- Adds clarifications regarding the NC Pre-K program eligibility and adds slots to NC Pre-K;
- Repeals the prohibition on teacher prepayment;
- Provides a tax deduction for educators for the purchase of educational supplies; and
- Establishes teacher contracts that may be for up to 4 years.

BILL ANALYSIS FOR THE PCS:

Part I: K-3 Literacy

Section 1.(a)

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Current Law: The State Board of Education (SBE) is charged with developing a comprehensive reading achievement plan. The SBE can require modifications to the standard course of study, teacher licensure and teacher education program standards.

Analysis: Repeals the current statute requiring the SBE to develop a comprehensive reading achievement plan.

Section 1.(b) North Carolina Read to Achieve Program

Analysis:

- **Goal, Purposes, and Definitions:** Creates "NC Read to Achieve Program" to ensure every child reads at or above grade level by 3rd grade through early identification and services for reading difficulties, increased parental notification of academic need and progress, and grade promotion based partly on reading proficiency.
- **Comprehensive Plan for Reading Achievement:** Requires the SBE to develop, implement and evaluate a comprehensive reading achievement plan including research-based practices, appropriate modification of the standard course of study, and teacher licensure and education program standards. Requires SBE to report biennially on plan and recommended legislative changes to the Joint Legislative Education Oversight Committee (JLEOC) by October 1.
- **Developmental Screening and Kindergarten Entry Assessment:** Requires the SBE to ensure that each kindergarten student's language, literacy, and math skills be screened within 30 days of enrollment and kindergarten entry assessment be completed within 60 days of enrollment. Results must be used to inform children's instruction, reduction of the achievement gap, and improvement of the early childhood system.
- **Facilitating Early Grade Reading Proficiency:** Mandates that K-3 students be assessed to determine difficulty with reading development, and requires difficulties be addressed with instructional supports and services. Local school administrative units (LEAs) are encouraged to partner with community organizations and businesses for volunteers to help enhance reading development and proficiency.
- **Elimination of Social Promotion:** Requires the SBE to mandate students be retained in 3rd grade if the student fails to demonstrate 3rd grade reading proficiency on a State-approved standardized test of reading comprehension. The local superintendent may determine that a student meets one of the good cause exemptions to the retention requirement (limited English proficiency, disability, demonstrated proficiency on alternative measures, or multiple retentions).
- **Successful Reading Development For Retained Students:** Requires enrollment of retained students in summer reading camps. Students showing reading proficiency on an alternative assessment after completing the camp would be promoted to 4th grade. Students not demonstrating proficiency must be retained and provided with a successful reading teacher in an accelerated or transitional classroom where specific reading instruction takes place. The SBE must establish a mid-year promotion policy for students demonstrating reading proficiency by November 1. Parents of retained students will be provided with reading training and supplemental tutoring for the student.
- **Notification Requirements To Parents:** Requires that K-3 parents receive written notification that a student will be retained if the student is not demonstrating reading proficiency by the end of the 3rd grade, absent a good cause exemption. For retained students, parents must be given monthly written reports regarding student progress.
- **Accountability Measures:** Directs local boards of education to annually report to the SBE and publish on their websites information about numbers and percentages of 3rd graders demonstrating reading proficiency, retained, or exempt from retention for good cause.

The SBE shall submit a summary of this information to the Governor, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the JLEOC by October 1, beginning with the 2014-2015 school year. The SBE and the Department of Public Instruction must provide technical assistance as needed to assist LEAs to implement the provisions of this Part.

Section 1.(c): School Improvement Plans

Current Law and Analysis: Repeals current requirement that school improvement plans for schools serving kindergarten and 1st grade must include a reading plan to prepare students to read at grade level by 2nd grade.

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Section 1.(d): Risk of Academic Failure

Current Law and Analysis: Requires identification of students who are at risk of academic failure and not progressing toward grade promotion beginning in kindergarten. Current law requires identification by 4th grade.

Section 1.(e): K-3 Assessments

Current Law: Optional developmentally appropriate assessments must be provided to LEAs for 1st and 2nd grades. Standardized tests cannot be used except as required as a condition of a federal grant.

Analysis: Requires LEAs to use SBE provided reading assessments for K-3 students to assess progress, diagnose difficulties, and inform instruction and remediation needs. LEAs would be prohibited from using standardized tests for summative assessments in grades K-3, except as required as a condition of a federal grant.

Section 1.(f): New K-3 Literacy Requirements for Charter Schools

Analysis:

- Requires charter schools to retain students in 3rd grade if the student fails to demonstrate 3rd grade reading proficiency on a State approved test of reading comprehension unless the student meets a good cause exemption.
- Requires charter schools to provide notice to parents that a student will be retained if not demonstrating reading proficiency by the end of 3rd grade, unless there is a good cause exemption. Parents must be given information on reading interventions to be provided.
- Requires charter schools to publish annually on their websites and report to the SBE the number and percentage of 3rd graders who are reading proficiently, who are not reading proficiently who do not return during the following year, and who were exempt from retention for good cause.

Section 1.(g): Principal's Authority to Grade and Classify Students

Current Law: Principals have the authority to grade and classify students.

Analysis: Limits principals' authority to grade and classify students when a student must be mandatorily retained in the 3rd grade for failing to demonstrate 3rd grade reading proficiency.

Sections 1.(h) and 1.(i): Conforming Changes and Appropriations

Analysis: Makes conforming changes regarding the kindergarten developmental screenings. Appropriates \$34,087,650 to the Department of Public Instruction for 2012-2013 to implement the new requirements and states that it is the intent of the General Assembly to increase the appropriation in 2013-2014.

Effective Date: Section 1 would be effective when it becomes law and would apply beginning with the 2013-2014 school year. The developmental screening and kindergarten entry assessment would be administered beginning with the 2014-2015 school year.

Part II: State Employee Literacy Volunteer Leave Time

Current Law: Under the Community Service Leave Policy, employees may use one hour of leave each week for helping in a school, up to 36 hours for the weeks that schools are in session.

Analysis: Directs the State Personnel Commission to establish a leave program that allows employees to volunteer in a literacy program in a public school for up to 5 hours each month.

Effective Date: This section would become effective when it becomes law.

Part III: School Performance Grades

Sections 3.(a) and 3.(b): Annual Report Cards

Current Law: The SBE must issue an annual "report card" for the State and each LEA. Local boards of education must ensure that their report cards are distributed widely to the local press and public.

Analysis: Directs the SBE to award to each school an overall numerical school performance grade (on a scale of zero to 100) and corresponding letter grade of A, B, C, D, or F as a part of the LEA's annual report card. These performance grades must be placed on the LEA's website for the current year and the previous 4 years. The grades must reflect student performance on annual subject-specific assessments, college and workplace readiness

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measures, and graduation rates. The annual report card for schools with 3rd grade students must include information about reading proficiency and retention. Written notice must be provided to parents of students enrolled in schools that obtain a D or F grade.

Sections 3.(c) and 3.(d): Charter Schools and Regional Schools

Analysis: Requires charter schools and regional schools to ensure that the report cards issued to them by the SBE are publicized widely. The performance scores and grades for the current year and previous 4 years must be placed prominently on each school's website and if a school receives a D or F, written notice must be provided to parents of all enrolled students.

Section 3.(e): Calculation of School Performance Grades

Analysis:

- For schools serving grades K-8, the *overall* school performance grade would be calculated based on the sum of the percentage of students scoring at or above proficient on annual assessments in math, reading, and science. Reading and math grades would be separately reported.
- For schools serving grades 9-12, the *overall* school performance grade would be calculated based on a number of measures including measures of math, English, biology, college/workplace readiness, higher level math completers, and graduation rates.

A scale of points yielding letter grades is provided. The SBE would be required to make proportional adjustments to account for the absence of a school performance grade element if the school does not have a measure for that element. The SBE must annually report to the JLEOC by January 15 on recommended adjustments to the school performance grade elements and scale.

Effective Date: This section would become effective when it becomes law and applies beginning with the 2012-2013 school year.

Part IV: Instructional Time and Testing

Current Law: The SBE must establish a policy to minimize time spent taking tests through State and local testing programs, including limits on practice and field tests. Schools can participate in no more than 2 field tests in any one grade level in a school year unless the school improvement teams vote to participate in an expanded number of field tests.

Analysis: Prohibits schools from participating in more than 2 field tests. Annual tests adopted by the SBE and all final exams for courses must be administered within the final 10 instructional days of the school year for year-long courses and within the final 5 instructional days of the semester for semester courses. Exceptions would be allowed for individualized education plans and Section 504 plans and final exams for courses with national or international curriculums given on a schedule set by a national organization.

Effective Date: This section would become effective when it becomes law and applies beginning with the 2012-2013 school year.

Part V: Adjustments to School Calendar Start and End Dates

Current Law: School calendars must include 185 instructional days and 1,025 instructional hours. The SBE may grant waivers to allow an LEA to use up to 5 instructional days and corresponding instructional hours as teacher workdays upon a finding that the waiver will enhance student performance. Current law does not require the inclusion of protected teacher workdays in the school calendar.

Except for certain limited exceptions, the opening date for students cannot be before August 25 and the closing date cannot be after June 10. The SBE may grant 2 types of waivers to the opening and closing date requirements. A "good cause" waiver may be granted to schools if the school either:

- Has been closed 8 days per year in 4 of the last 10 years due to severe weather, energy shortages, power failures, or other emergency situations, or

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- Has been closed for all or part of 8 days per year in 4 of the last 10 years due to severe weather conditions. Schools are deemed closed part of a day if closed for 2 or more hours.

The SBE may also grant an educational purpose waiver to the start and close dates. An educational purpose is the need to adopt a different calendar for:

- A specific school to accommodate a special program for the student body of that school.
- A school primarily serving a special population of students.
- A defined program within a school.

The SBE may grant the waiver if it finds the educational purpose is reasonable, the accommodation is necessary for the educational purpose, and the request is not to circumvent the opening and close date requirements.

Analysis:

- Provides that a school calendar shall include a minimum of 185 days or 1025 hours of instruction.
- Designates 3 teacher workdays as "protected" for instructional and classroom administrative duties with at least 1 of the days at the beginning of the school year and at least 1 at the end.
- Eliminates the authority of the SBE to grant a waiver for up to 5 instructional days to be used as teacher workdays.
- Provides that opening dates for students cannot be earlier than the Monday closest to August 26 and the closing dates cannot be later than the Friday closest to June 11. On a showing of good cause, the SBE may allow a local board of education to set an opening date no earlier than the Monday closest to August 19.
- Allows the SBE to grant "good cause" waivers from the opening and closing dates for weather only when schools were closed for 8 days per year during any 4 of the last 10 years. Part day closures could not count in the calculation.
- Eliminates the SBE's authority to grant calendar waivers for educational purposes and clarifies that cooperative innovative high schools are not subject to the general calendar law.

Effective Date: This section would become effective when it becomes law and applies beginning with the 2013-2014 school year.

Part VI: Funding for Addition of 5 Instructional Days Within the Existing School Calendar

Current Law: S.L. 2011-145 added five additional instructional days to the school calendar, resulting in a requirement for 185 days and 1025 hours of instruction.

Analysis: Revises funding for the additional instructional days to provide funding only for days for which schools have not received waivers from the SBE for the 2012-2013 school year. Appropriates \$40,168 for the 2012-2013 fiscal year to increase the non-instructional support personnel allotment and \$351,469 for the 2012-2013 fiscal year to increase the transportation allotment.

Effective Date: This section would become effective July 1, 2012.

Part VII: NC Teacher Corps

Analysis: Establishes the NC Teacher Corps (Corps) to recruit and place recent college graduates and mid-career professionals as teachers in high-needs public schools. The SBE would be directed to develop and administer the Corps including provision of an intensive summer training institution, ongoing support and professional development. Corps members would be given lateral entry teaching licenses.

Effective Date: This section would become effective when it becomes law and the SBE must recruit and place an initial cohort of Corps members no later than the 2012-2013 school year.

Part VIII: Teacher Licensure

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Current Law: The SBE sets the licensure requirements for teaching position applicants and may require a minimum score on a standard exam. The SBE, collaborating with the Board of Governors of The University of North Carolina, must develop requirements for continuing licensure, align them with quality professional development programs, and sets the standards for approval for teacher education programs.

Analysis: Provides that elementary education (K-6) teachers be required to achieve a prescribed minimum score on subtests or standard exams specific to reading and language arts and mathematics. For continuing licensure, at least 3 continuing education credits related to literacy must be taken by elementary and middle school teachers. Teacher education program approval standards would require elementary education program completers to demonstrate competencies in assessment and intervention strategies to teach all children to read.

Effective Date: This section would become effective when it becomes law and applies beginning with the 2013-2014 school year.

Part IX: Proof of State-Funded Liability Insurance

Current Law: Professional liability insurance coverage is provided to all public school employees.

Analysis: Directs the SBE to annually notify public school employees of the availability and coverage of the professional liability insurance.

Effective Date: This section would become effective when it becomes law and applies beginning with the 2012-2013 school year.

Part X: Performance Pay

Analysis: Directs local boards of education to develop a plan of performance pay for all licensed personnel. The licensed employees would be eligible to receive bonuses or adjustments to base salary for meeting certain performance criteria. The plans must be submitted to the SBE no later than March 1, 2013. The SBE must report on these plans and the achievement-based compensation models developed as a part of RttT to the Fiscal Research Division, the Joint Legislative Commission on Governmental Operations, and the House and Senate Subcommittees on Education Appropriations by April 15, 2013. Members of the public may also submit plans to these entities by April 15, 2013.

Effective Date: This section would become effective when it becomes law.

Part XI: Clarify NC Pre-K Program Eligibility

Current Law: Section 10.7(f) of S.L. 2011-145 (Budget) states that the NC prekindergarten program (NC Pre-K) may continue to serve at-risk children identified through existing "child find" methods in which at-risk children are currently served within the Division of Child Development. The Division of Child Development is directed to serve at-risk children regardless of income. However, the total number of at-risk children can constitute no more than twenty percent (20%) of the four-year olds served within the NC Pre-K program. Section 10.7(h) requires parent co-payments for the NC Pre-K program which are the same as those required of parents receiving regular child care subsidy.

Analysis: Clarifies the relevant section of S.L. 2011-145 (Budget) regarding NC Pre-K eligibility standards and removes the parent co-pay requirement for the NC Pre-K program. The PCS also appropriates \$11,308,363 to the Department of Health and Human Services, Division of Child Development and Early Education, to add 2,261 slots to the NC Pre-K program for the 2012-2013 fiscal year.

Effective Date: This section would become effective when it becomes law.

Part XII: Repeal Prohibition on Teacher Prepayment

Current Law: G.S.115C-302.1(b) details how teachers are paid. Teachers may be prepaid on the monthly pay date for days not yet worked. However, if they fail to attend scheduled workdays, do not work the number of days for which they have been paid and resign, are dismissed, or do not receive a renewed contract, they must repay the local board any salary received for days not yet worked. Teachers who have been prepaid and continue

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to work for a local board but fail to attend scheduled work days are subject to dismissal or other disciplinary actions.

Section 5 of S.L. 2011-379 (HB 720) removed the ability for local boards of education to pre-pay for days not yet worked and provided that teachers may only be paid for days employed as of the set pay date. Payment for a full month when days employed are less than a full month would be prohibited. This prohibition on prepayment will become effective July 1, 2012.

Analysis: Repeals the prohibition on teacher prepayment which was enacted by Section 5 of S.L. 2011-379 (HB 720). Under Section 5 of S.L. 2011-379, the prohibition on prepayment does not become effective until July 1, 2012. This section would allow prepayment as is currently allowed under G.S. 115C-302.1(b) to continue as it is currently being implemented by local boards of education without any changes.

Effective date: This section would become effective July 1, 2012.

Part XIII: Tax Deduction for Educational Supplies

Analysis: Allows an individual income tax deduction for teachers in elementary or secondary education of up to \$250 for unreimbursed expenses paid or incurred for school supplies. Congress enacted a tax benefit to help K-12 teachers defray some of the expenditures they voluntarily make to enhance the quality of their students' education. The deduction has been available for tax years 2002-2011. Since North Carolina begins its calculation of taxable income with federal AGI, teachers in North Carolina have been allowed the deduction at the State level as well.

Congress has not extended the tax deduction beyond the 2011 taxable year. This section allows North Carolina teachers to continue deducting up to \$250 for unreimbursed expenses paid or incurred for school supplies for taxable years beginning on or after January 1, 2012. If a taxpayer files a joint return and both spouses are eligible educators, then they both may claim up to \$250 of expenses for a \$500 total on a joint return. If Congress extends the federal tax deduction beyond taxable year 2011, then this provision will not be needed. However, if it does not, this provision ensures that North Carolina educators will continue to receive the same tax benefit they have received since 2002.

Effective Date: This section becomes effective for taxable years beginning on or after January 1, 2012.

Part XIV: Teacher Contracts

Current Law: In North Carolina, teachers are eligible for career status when they have been employed by a local board of education for four consecutive years. Obtaining career status provides that the career employee may not be dismissed or demoted except if one or more statutory grounds are found. Certain procedures must be followed to dismiss or demote a career status teacher, including a right to a hearing in front of the local board of education with a further right of appeal to superior court. The procedure for the dismissal of career status teachers in schools that have been identified as low-performing by the SBE and that have been assigned assistance teams varies in that the SBE has the authority to dismiss career status teachers due to inadequate performance. Hearings must still be granted by the SBE in these cases and there are further rights to judicial review under Chapter 150B of the General Statutes.

Analysis: Eliminates career status in North Carolina. Teachers employed by a local board of education for less than 3 years would be employed by 1 year contracts. Contracts or renewal of contracts between a local board of education and teachers who have been employed by that board for 3 years or more would be terms of 1, 2, 3, or 4 school years. For the 2012-2013 school year, all teachers would be employed on a 1 year contract. All teachers would be employed by their local boards of education upon recommendation of the superintendent. Superintendents must also recommend contract length (for those with 3 or more years of employment) but can only recommend contracts of more than 1 year for teachers who have shown effectiveness as documented by the teacher evaluation instrument. Local boards of education would be able to approve the recommendation, not approve it or decide on a different term of length for the contract. Teachers could not be dismissed or demoted during the term of the contract except for one of the statutorily listed grounds. If the superintendent decides against recommending a renewal of a contract, the teacher would have the right to petition the local board of education for a hearing but whether to grant the hearing would be in the local board's discretion.

- Procedure for Dismissal or Demotion for Cause During the Contract Term:
 - Notice: The superintendent must give written notice to the teacher of his or her intention to recommend to the local board of education that teacher be dismissed or demoted and provide the grounds upon which the recommendation is being made. The superintendent must also meet with the teacher and (i) give written notice of the charges against the teacher; (ii) an explanation of the basis for the charges; and (iii) an opportunity to respond. The notice must also inform the teacher that he or she may request a hearing before the local board of education within 14 days of the receipt of the notice.
 - Request for a Hearing: The teacher may file a written request for a hearing before the local board of education within 14 days after receipt of the notice of recommendation of the superintendent. The board shall set a time and place for the hearing which is not less than 10 days nor more than 30 days after notification is given to the teacher unless the parties agree to an extension.
 - No Request for Hearing: If the teacher does not request a hearing before the board within 14 days of receipt of the recommendation, the superintendent may submit his or her recommendation to the board. The board may (i) reject the recommendation or (ii) accept or modify the recommendation.
- Hearing Before the Local Board of Education: The hearing must be private and the board must receive documentary evidence that will be used to support the recommendation from both the superintendent and teacher, who must provide the evidence to each other within certain time frames. Written statements may be provided to the board and both the superintendent and the teacher may make oral arguments before the board based on the record before the board. The board must make findings of fact based upon the preponderance of the evidence and must send a written copy of its findings and determinations within 2 days of the hearing to the teacher and the superintendent.
- Hearing for Disciplinary Suspension Without Pay: The hearing must be private and conducted according to reasonable rules adopted by the SBE governing such a hearing. Both the teacher and superintendent have the right to be present and represented by counsel and to present witnesses. The rules of evidence do not apply. The superintendent must give the teacher 8 days before the hearing, a list of witnesses who will be presented and a statement of the nature of each witness' testimony and copy of any documentary evidence that will be presented. The teacher must provide this same information to the superintendent 6 days before the hearing. New evidence may not be presented at the hearing unless the board finds that it is critical and could not have been found earlier.
- No Appeal of Local Board of Education's Decision: The bill would eliminate the right to appeal to superior court decisions of a local board of education regarding the terms or conditions of employment or employment status of a school employee.
- Teacher Resignation Following Recommendation for Dismissal: If a teacher has been recommended for dismissal and chooses to resign without the written consent of the superintendent: (i) the superintendent must report the matter to the SBE; (ii) the teacher is deemed to have consented to the placement in his or her personnel file of the written notice of the superintendent's intention to recommend dismissal and the release of this fact that the teacher has been reported to the SBE to prospective employers upon request; and (iii) the teacher is deemed to have voluntarily surrendered his or her license pending an investigation by the SBE in determination of whether to seek action against the teacher's license.
- 30 Days' Notice Required for Resignation: If a teacher who has not been recommended for dismissal decides to resign during the term of the contract without the consent of the superintendent, then he or she should give at least 30 days' notice. If the teacher does resign without giving this notice, then the board may request that the SBE revoke the teacher's license for the remainder of the school year.
- Dismissal of School Administrators and Teachers Employed in Low-Performing Residential Schools: The procedure would remain substantially the same as it is under current law but would make the following changes:

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- Clarify that it is the SBE (rather than the Secretary of Health and Human Services) that has the authority to dismiss school administrators and teachers in residential schools that have been identified as low-performing by the SBE and have been assigned assistance teams by the SBE.
- Eliminate the provision that allowed the teacher or school administrator to seek judicial review under Chapter 150B of the General Statutes of a final decision of the SBE.
- Dismissal of School Administrators and Teachers Employed in Low-Performing Schools: The procedure would remain substantially the same as it is under current law but the bill would eliminate the provision that allowed the teacher or school administrator to seek judicial review under Chapter 150B of the General Statutes of a final decision of the SBE.

School Administrators

Current Law: Most school administrators are employed through contracts with their local boards of education. Some school administrators who had or were eligible to receive career status in 1995 are employed pursuant to the teacher career status law. For those employed by contract, school administrators cannot be dismissed or demoted during the term of the contract except for cause for one of the statutorily listed grounds. Superintendents recommend new, renewed, or extended contracts for school administrators to their local boards of education which may approve the recommendations or not. If a superintendent decides against recommending that the local board of education offer a new, renewed, or extended contract to a school administrator, then written notice of this decision and the reasons for it must be given to the school administrator. The reasons may not be arbitrary, capricious, discriminatory, personal, or political. The school administrator may file a written request for a hearing before the local board and failure to file a timely request results in a waiver of the right of appeal of the superintendent's decision. If a timely request is filed, the local board of education must conduct a hearing on the matter and its decision is subject to judicial review under Chapter 150B of the General Statutes.

Analysis: Eliminates career status for all school administrators. Eliminates the current requirement that the superintendent's and local board of education's decisions to not offer a new, renewed, or extended contract to a school administrator may not be arbitrary, capricious, discriminatory, personal or political. Also eliminates the right to judicial review under Chapter 150B of the General Statutes of the decision of the local board of education.

Non-Licensed Employees

Current Law: Non-licensed employees may appeal a decision of the local board of education to superior court regarding decisions concerning dismissal, demotion or suspension without pay. The non-licensed employee may request and be entitled to receive written notice as to the reasons for the employee's dismissal, demotion or suspension without pay and it must be provided to the employee prior to any local board of education hearing on the issue.

Analysis: Eliminates this right of appeal to superior court and would eliminate the right to written notice for the reasons for the non-licensed employee's dismissal, demotion or suspension without pay.

Section 11.(d) through Section 11.(l) and Section 11.(n) through Section 11.(w): Conforming statutory changes regarding the elimination of career status. Creates cross-reference to existing law to clarify that exchange teachers are not eligible to participate in the State retirement system.

Effective Date: For the 2012-2013 school year, all teachers would be employed on a 1 year contract. These sections would become effective July 1, 2012 and would apply to all school employees employed on or after that date.

Part XV: Eliminate Public Financing for Superintendent of Public Instruction

Current Law: North Carolina currently provides a program called the North Carolina Voter Owned Election Fund for public financing of elections for 3 of the 10 Council of State races (Auditor, Superintendent of Public Instruction and Commissioner of Insurance).

Candidates must file declaration of intent to participate before collecting qualifying contributions, and must then collect qualifying contributions from a certain number of registered voters during the qualifying period. The State

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Board of Elections "certifies" that the candidate has filed a declaration of intent, collected the appropriate contributions, and filed a notice of candidacy. Once certified, the candidate is entitled to receive distributions from the public financing fund. Distributions are as follows: none for an uncontested primary or general election; an initial distribution within 5 business days of certification by the State Board for a candidate in a contested general election; and matching funds upon trigger.

The money for the distributions to the candidates is taken from the North Carolina Voter Owned Election Fund. The program is funded by voluntary check-off donations on personal income tax and appropriations.

Analysis: Eliminates the Superintendent of Public Instruction as one of the three Council of State offices that may participate in public financing through the North Carolina Voter Owned Election Fund.

Effective Date: This section would become effective when it becomes law and applies to elections held on or after that date.

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