

# Education

**See full summary documents for additional detail**

## **Corrections Pertaining to the University of North Carolina Health Care System and East Carolina University – 2023 Budget Technical/Other Corrections.**

SL 2024-1 (S508), Sec. 1.7

Section 1.7 of S.L. 2024-1 makes the following changes to the clarification of authority of the University of North Carolina Health Care System (UNC Health) and East Carolina University Health Care (ECU Health) operational and personnel flexibilities enacted in Section 4.10 of S.L. 2023-132:

- It clarifies that UNC Faculty Physicians and any entity that merges with UNC Health are component units of UNC Health, and that the UNC Health Board (Board) has authority over those component units.
- It requires the Board to meet four times each year, instead of every 60 days.
- It allows the Board to designate UNC Health's in-house counsel to represent UNC Health at commitment hearings.
- It authorizes the Board to establish a liability insurance program.
- For purposes of retirement, it clarifies that individuals who are hired by UNC Health on or after January 1, 2024, and who were members of the Teachers' and State Employees' Retirement System or the UNC Optional Retirement Program at the time of hire will be treated as if they were employed by UNC Health on December 31, 2023. This provision does not apply to law enforcement officers.
- For purposes of retirement, it clarifies that individuals who are hired by ECU Health on or after January 1, 2024, and who were members of the Teachers' and State Employees' Retirement System or the ECU Optional Retirement Program at the time of hire will be treated as if they were employed by ECU Health on December 31, 2023.
- It allows employees of UNC Health to participate in the Supplemental Retirement Income Plan.
- It allows the ECU chancellor to adopt policies governing property development for the ECU Medical Faculty Practice Plan and ECU Dental School Clinical Operations.

The provisions of the section dealing with the authority of the UNC Health Board and the ECU chancellor became effective May 15, 2024. The provisions dealing with retirement are effective retroactively to January 1, 2024.

## **Reinstate Reporting Requirement for Transportation Reserve Fund for Homeless and Foster Children – 2023 Budget Technical/Other Corrections.**

SL 2024-1 (S508), Sec. 2.4

Section 2.4 of S.L. 2024-1 requires the Department of Public Instruction (DPI) to report annually by March 15 to the Joint Legislative Education Oversight Committee on the use of funds

appropriated to the Transportation Reserve Fund for Homeless and Foster Children (Fund). The Fund is the source of funds for a grant program covering extraordinary school transportation costs for homeless and foster students. The annual report must include information on the amount applied for and received by each local school administrative unit, as well as how the funds were spent.

This section became effective July 1, 2023.

### **School Resource Officers in Nonpublic Schools – 2023 Budget Technical/Other Corrections.**

SL 2024-1 (S508), Sec. 2.8A

Section 2.8A of S.L. 2024-1 makes various clarifications regarding school resource officers. It does the following:

- Requires that initial and in-service educational and training standards for school resource officers be established by the North Carolina Criminal Justice Education and Training Standards Commission and the North Carolina Sheriffs' Education and Training Standards Commission, in consultation with the Center for Safer Schools and the Department of Health and Human Services.
- Defines "school" as a public school within a public school unit or nonpublic school as defined in Article 39 of Chapter 115C of the General Statutes.
- Defines "school resource officer" as any law enforcement officer assigned to one or more schools at least 20 hours per week for more than 12 weeks per calendar year, to assist with all of the following:
  - School safety and security.
  - Emergency preparedness and response.
  - Any additional responsibilities related to school safety or security assigned by the officer's employer while the officer is acting as a school resource officer.
- Mandates that all school resource officers must comply with the training requirements.

The section further provides that police chiefs of municipalities and sheriffs of counties can enter into agreements to provide school resource officers to schools. If the agreement is with a nonpublic school, the nonpublic school must provide funds at least equal to the compensation, benefits, and related expenses of any school resource officer assigned to the school. The governing board receiving funds from a nonpublic school pursuant to such an agreement must appropriate the funds to the police chief or sheriff for school resource officers.

This section became effective May 15, 2024, and applies to agreements entered into or renewed on or after that date.

## **Educational Opportunities Program – 2023 Budget Technical/Other Corrections.**

SL 2024-1 (S508), Sec. 2.8B

Section 2.8B of S.L. 2024-1 amends the requirements for participation in the College of Educational Opportunities Program (Program) established by the Board of Governors of The University of North Carolina for students with intellectual and developmental disabilities. This section lowers the age to be eligible to participate in the Program from 22 to 18 years old beginning with the 2024-2025 fiscal year. Admissions priority will be given to students who are at least 22 years old.

This section also allows funds remaining at the end of the 2023-2024 fiscal year to remain available until the end of the 2024-2025 fiscal year.

This section became effective July 1, 2023.

## **Revise Career Development Plan Requirements – 2023 Budget Technical/Other Corrections.**

SL 2024-1 (S508), Sec. 2.8C

Section 2.8C of S.L. 2024-1 modifies the career development plan requirements for middle and high school students by requiring students to have plans before being promoted from eighth grade, instead of before being promoted from seventh grade. High school students who have not already completed a career development plan must complete one within 90 days of enrollment in high school.

This section became effective July 1, 2024, and applies beginning with the 2024-2025 school year.

## **Clarify Forgiveness Criteria for Teaching Fellows Program – 2023 Budget Technical/Other Corrections.**

SL 2024-1 (S508), Sec. 2.14

Section 2.14 of S.L. 2024-1 clarifies that a "qualifying teacher" for the North Carolina Teaching Fellows Program includes an individual who serves as a teacher in a qualifying licensure area.

This section became effective July 1, 2023, and applies to applications for the award of funds beginning in the 2024-2025 academic year.

## **Conform Need-Based Scholarship with Federal Law – 2023 Budget Technical/Other Corrections.**

SL 2024-1 (S508), Sec. 2.16

Section 2.16 of S.L. 2024-1 removes references to "expected family contribution" in the eligibility requirements for a need-based scholarship at an eligible private postsecondary institution and instead requires that students meet the metric for demonstrated need as outlined in Title IV of the federal Higher Education Act of 1965.

This section became effective May 15, 2024, and applies beginning with scholarship awards for the 2024-2025 academic year.

## **Statutory Changes for Department of Public Instruction Funding in Arrears – Require ICE Cooperation & Budget Adjustments.**

Ratified (H10), Sec. 6.2

OVERVIEW and ANALYSIS: Section 6.2 of House Bill 10 would remove statutory language that directed the State Board of Education (SBE) to allocate funds for the purpose of operating kindergarten in each local school administrative unit (LEA) based on the average daily membership for the best continuous three out of the first four school months of students in kindergarten during the last school year in the LEA. In addition, the section would remove statutory language that states that an LEA would not become ineligible for funding if either the highest of the first two months' total projected average daily membership for the current year or the higher of the first two months' total prior year average daily membership would have otherwise made the LEA eligible for a small county allotment.

This section would further provide that eligibility for funding is based on the allotted average daily membership of the LEA and that the initial allocation would be based on the allotted daily membership of the LEA and would not be adjusted for current year actual average daily membership.

Finally, the section would make appropriations changes for the 2024-2025 fiscal year to accommodate the transition to an arrears based funding model as well as changes in average salaries, special population headcounts, and other technical adjustments.

House Bill 10 was ratified by the General Assembly on September 11, 2024, and vetoed by the Governor on September 20, 2024.

## **Retroactive Payments for Scholarship Funds – Require ICE Cooperation & Budget Adjustments.**

Ratified (H10), Sec. 6.5A

Section 6.5A would direct the North Carolina State Education Assistance Authority (NCSEAA) to distribute additional funds for Opportunity Scholarship and Personal Education Student Account for Children with Disabilities (PESA) awards as soon as practicable. To be eligible for an award, a student would have to meet the following criteria:

- Have submitted an application for the 2024-2025 school year by March 1, 2024.
- Be otherwise eligible to receive a scholarship award but have not yet received an award. A student who received a PESA award for the fall semester and is also eligible to receive an Opportunity Scholarship award would receive an Opportunity Scholarship award for the spring semester only.
- Be enrolled in an eligible nonpublic school by October 1, 2024, and remain continuously enrolled in the same school for the spring semester.

Section 6.5A would also require nonpublic schools receiving scholarship funds from NCSEAA on behalf of an eligible student to directly reimburse any tuition and fees paid by the student's parent or guardian, up to the amount disbursed by NCSEAA, within 60 days of receiving the scholarship funds. The nonpublic school would be responsible for arranging the method of reimbursement with the parent or guardian.

Section 6.5A would make the following changes to reporting requirements:

- For the 2024-2025 fiscal year, NCSEAA would report the nonpublic schools in which scholarship grant recipients are enrolled and award amounts per recipient to the Department of Public Instruction (DPI) by April 1, 2025.
- For the 2024-2025 fiscal year, the Department of Public Instruction would report to the Joint Legislative Education Oversight Committee (JLEOC) on the cumulative difference between the scholarship grant award amount for each prior public school attendee enrolled in a nonpublic school and the average State per pupil allocation by June 1, 2025.
- No later than April 1, 2025, NCSEAA would report to JLEOC on any reasons eligible students did not receive an award of scholarship funds for the fall semester of the 2024-2025 school year and the number of students impacted by each reason.

House Bill 10 was ratified by the General Assembly on September 11, 2024, and vetoed by the Governor on September 20, 2024.

**Allow SEAA to Use Administrative Funds from Opportunity Scholarships for Personal Education Student Accounts – Adjustments to the 2023 Appropriations Act.**

SL 2024-40 (S357), Sec. 4

Section 4 of S.L. 2024-40 increases the maximum amount of funding from \$2 million to \$3 million for Personal Education Student Accounts (PESAs), which provide scholarships for students with disabilities, that the State Education Assistance Authority (SEAA) can retain for administrative expenses. SEAA can now retain either 4% of the funds appropriated for PESAs or \$3 million, whichever is lesser. Additionally, if SEAA does not use all of the funds it is authorized to reserve for the administration of the Opportunity Scholarships Program, it can use those funds to cover any additional administrative costs of the PESAs beyond the \$3 million.

This section became effective July 8, 2024.

**Conform In-State Tuition Requirements to Federal Law – Adjustments to the 2023 Appropriations Act.**

SL 2024-40 (S357), Sec. 5

Section 5 of S.L. 2024-40 conforms to federal law by requiring any citizen of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau who is not a resident of North Carolina to be eligible to be charged in-State tuition.

This section became effective July 1, 2024, and applies beginning with the 2024-2025 academic year.

**Allow Sale of Beer and Wine at Community College Sporting Events – ABC Omnibus 2023-24.**

SL 2024-41 (S527), Sec. 29

Section 29 of S.L. 2024-41 allows community colleges to be included in the definition of "public college or university," for purposes of ABC permitting, which will allow the sale of beer and wine at community college stadiums, athletic facilities, or arenas. This section also repeals a provision that narrowly allows the sale of alcoholic beverages at certain community colleges during professional sporting events, because those sales will be allowed under this more general provision.

This section became effective July 8, 2024.

## **Charter Schools/Pension/Employee Stock Ownership Plan.**

SL 2024-42 (S559)

S.L. 2024-42 allows four specified charter school boards of directors to elect participation in the North Carolina State Health Plan for Teachers' and State Employees' (SHP); amends the law to create additional flexibility for charter schools to elect participation in the SHP; makes conforming and effective date changes for the North Carolina Firefighters' and Rescue Squad Workers' Pension Fund; addresses parental leave for charter school employees; and clarifies the definition of an historically underutilized business as it relates to an Employee Stock Ownership Plan. See below for additional information and effective dates.

- Section 1 of S.L. 2024-42 notwithstanding the time limitation in current law (G.S. 135-48.54) to allow the board of directors for the following charter schools to elect to participate in the N.C. State Health Plan: NC Leadership Academy in Forsyth County, Alpha Academy in Cumberland County, Durham Charter in Durham County, and United Community School in Mecklenburg County. This section became effective July 8, 2024.
- Section 2 of the act amends the law (G.S. 135-48.54) regarding the process for a charter school operated by a private nonprofit corporation or operated by a municipality to elect participation in the State Health Plan. These charter schools can elect to become a participating employer in the State Health Plan through the following two methods: (i) the board of directors of the charter school can elect to participate no later than two years from the date both parties have signed the written charter (under G.S. 115C-218.15); or (ii) the board of directors can elect to participate any time after that two-year mark if the board files an application with the Board of Trustees for participation in the Plan and the Board approves the application. The approval or denial of the application must be made within 180 days of receipt of a complete application and if approved the written notification of approval must provide the date for the charter school employees to be enrolled. This section became effective 30 days after the act became law on July 8, 2024.
- Section 3 of the act amends the North Carolina Firefighters' and Rescue Squad Workers' Pension Fund (FFRSWP Fund) as follows:
  - Section 3(a) amends the retroactive membership law for the FFRSWP Fund effective January 1, 2025, to increase the membership dues from \$10 to \$15 per month for retroactive membership. This change conforms to the dues increase contained in S.L. 2024-29. This section became effective July 8, 2024.
  - Section 3(b) of the act amends Section 11.3 of S.L. 2024-29, effective January 1, 2025, to change the date from July 1, 2024, to January 1, 2025, that an eligible retired firefighter or rescue squad worker receives a \$175 per month pension. This section became effective July 8, 2024.
  - Section 3(c) of the act applies to Sections 11.1 through 11.3 of S.L. 2024-29, as amended by Section 3(b) and Section 3(a) of this act, to provide that these sections apply to membership contributions to the FFRSWP Fund on or after January 1, 2025. Any membership contribution payments made on or before March 31, 2025, for service in the 2024 calendar year, will be \$10 per month. These sections apply to pension benefit amounts payable from the FFRSWP Fund to a member or

beneficiary on or after January 1, 2025. If a member or beneficiary becomes eligible to receive a pension benefit from the FFRSWP Fund on or before December 31, 2024, but the benefit amount is paid on or after January 1, 2025, the pension amount due to the member or beneficiary is the amount applicable to the pension benefit amount that was effective for each respective month to which the benefit applies. This section became effective July 8, 2024.

- Section 3(d) of the act changed the effective date to January 1, 2025, for Sections 11.1 through 11.3 of S.L. 2024-29. This section became effective July 8, 2024.
- Section 4 of the act allows boards of directors of charter schools that contract with education management organizations (EMOs) or charter management organizations (CMOs) to require the EMOs or CMOs to provide paid parental leave to the teachers they employ for the charter schools. This leave must be consistent with the parental leave provided to public school teachers employed by local boards of education. If a board of directors requires the EMO or CMO to provide the parental leave by contract, then the board of directors is eligible to receive funds for substitute teachers. This section became effective July 8, 2024, and applies beginning with the 2024-2025 school year.
- Section 5 of the act amends the term "historically underutilized business" (G.S. 143-128.4) regarding an Employee Stock Ownership Plan (ESOP). For an ESOP company to qualify for certification as an historically underutilized business, at least 51% of the company's plan participants must be members of at least one of the following groups listed and defined in G.S. 143-128.4(b): Black, Hispanic, Asian American, American Indian, Female, Disabled, Disadvantaged. Further, an ESOP company seeking to be certified as an historically underutilized business must provide an attestation that it meets the requirements for certification and provide supporting documentation as may be required by the Secretary of Administration. This section became effective July 1, 2024. (Note: The content of this section was also enacted in Section 5 of S.L. 2024-44 with the same effective date.)

### **Allow School Boards to Use Eminent Domain for Easements – Public Safety/Other Changes.**

SL 2024-43 (H250), Sec. 5

Section 5 of S.L. 2024-43 authorizes local boards of education to use eminent domain to acquire property for utility easements necessary to support school facilities. Utility easements include easements for water, sanitary sewer, electric power, broadband, and telecommunication services.

This section became effective July 1, 2024.