

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 2

Education Committee Substitute Adopted 4/26/89

Short Title: School Improvement Act.

(Public)

Sponsors:

Referred to:

January 12, 1989

A BILL TO BE ENTITLED

AN ACT TO ENACT THE SCHOOL IMPROVEMENT AND ACCOUNTABILITY ACT OF 1989.

The General Assembly of North Carolina enacts:

Section 1. Title of Act.—This act may be referred to as the "School Improvement and Accountability Act of 1989".

Sec. 2. Legislative Intent.—It is the intent of the General Assembly that this act be implemented with a minimum of regulations necessary to accomplish the purposes set forth in this act.

Sec. 3. Performance-based Accountability Program.—Article 16 of Chapter 115C of the General Statutes is amended by adding a new Part to read:

"PART 4. PERFORMANCE-BASED ACCOUNTABILITY PROGRAM.
"§ 115C-238.1. Performance-based Accountability Program; adoption and implementation by State Board.

The State Board of Education shall develop and implement a Performance-based Accountability Program for the State. The primary goal of the Program shall be to improve student performance. The Program shall set forth the process and guidelines through which local school administrative units may participate in the Program and indicators for measuring and assessing student performance in the participating units.

"§ 115C-238.2. Local participation in the Program voluntary; the effects of local participation.

(a) Participation in the Performance-based Accountability Program shall be on a voluntary basis.

1 (b) Local school administrative units that elect to participate in the Performance-
2 based Accountability Program:

3 (1) Are not subject to State accreditation opportunity standards and
4 staffing ratios established by the State Board pursuant to G.S. 115C-
5 12(9)c. The performance standards in the State accreditation program,
6 modified to reflect the end-of-course and end-of-grade tests, may serve
7 as the basis for developing the performance indicators described in
8 G.S. 115C-238.3(c).

9 (2) May receive funds for differentiated pay for teachers and
10 administrators, as provided in G.S. 115C-238.4.

11 (3) Shall be allowed increased flexibility in the expenditure of State funds,
12 as provided in G.S. 115C-238.5.

13 (4) May petition the State Board of Education for waivers of State laws,
14 regulations, and policies that inhibit their ability to reach local
15 accountability goals. The State Board of Education may grant such
16 wavers as it deems appropriate.

17 **"§ 115C-238.3. The decision to participate locally; elements of local plans.**

18 (a) The decision to participate in the plan shall have the approval of a majority of
19 the paid certified instructional and instructional support staff, a majority of the certified
20 administrators, and a majority of the school board members in the local school
21 administrative unit.

22 (b) Any local school administrative unit that elects to participate in the Program
23 shall submit a single plan to the State Superintendent of Public Instruction for approval
24 in June of each year. No other State plans shall be required for submission.

25 (c) In devising a local school improvement plan, the local school administrative
26 unit shall use a set of indicators of student performance adopted by the State Board of
27 Education. Suggested indicators include attendance, drop-out rates, test scores, parent
28 involvement, and post-secondary outcomes.

29 The local plan shall address specific, measurable goals for all indicators adopted by
30 the State Board. Factors that determine gains in achievement vary from school to
31 school; therefore, socio-economic factors and previous student performance indicators
32 shall be used as the basis of the local school improvement plan.

33 The local plan shall be based on building level plans developed by principals and
34 their staffs and shall set forth the student performance goals of the local school
35 administrative unit for the following school year and the strategies and plans for
36 attaining them.

37 The local plan shall also include a plan for differentiated pay, as provided in G.S.
38 115C-238.4, unless the local school administrative unit elects not to participate in any
39 differentiated pay plan.

40 **"§ 115C-238.4. Performance compensation; differentiated pay.**

41 (a) Local school administrative units that elect to participate in the Performance-
42 based Accountability Program may (i) enter the Career Development Program as it has
43 been piloted in the 16 local school administrative units; (ii) devise a local system of
44 rewarding performance such as a lead teacher program, schools of excellence, or

1 variations on the Career Development Program, including innovations in the evaluation
2 of teachers that go beyond or replace the existing teacher performance appraisal
3 instrument, within available funds, or (iii) elect not to participate in any differentiated
4 pay plan. Local school administrative units electing the third option shall not be entitled
5 to receive performance pay under subsection (b) of this section. The plan for any option
6 shall be included in the annual school improvement plan submitted to the State Board of
7 Education.

8 (b) Local school administrative units electing to participate in the Career
9 Development Program or in a locally-devised performance plan shall receive funds for
10 differentiated pay for teachers and administrators according to the following schedule:

- 11 (1) 1990-91: two percent (2%) of teacher and administrator salaries;
- 12 (2) 1991-92: three percent (3%) of teacher and administrator salaries;
- 13 (3) 1992-93: four percent (4%) of teacher and administrator salaries; and
- 14 (4) 1993-94 and thereafter: seven percent (7%) of teacher and
15 administrator salaries.

16 Local school administrative units electing to participate in the Career Development
17 Program shall adjust compensation differentials and school-based incentive awards to
18 conform with the level of funding provided. Attainment of the equivalent of Career
19 Status I shall be rewarded through a new salary schedule that provides a salary
20 differential when a certified educator successfully completes his probationary period.

21 (c) Any additional compensation received by an employee as a result of the unit's
22 participation in the Program shall be paid as a bonus or supplement to the employee's
23 regular salary. If an employee in a participating unit does not receive additional
24 compensation, such failure to receive additional compensation shall not be construed as
25 a demotion, as that term is used in G.S. 115C-325.

26 **"§ 115C-238.5. Flexible funding categories.**

27 The State Board of Education, upon the recommendation of the State
28 Superintendent, shall increase flexibility in State funding of schools and shall reduce the
29 number of existing categories of State funding to no more than 10 categories; only local
30 school administrative units electing to participate in the Performance-based
31 Accountability Program shall be eligible to receive this flexible funding.

32 Local boards of education shall provide maximum flexibility to individual schools to
33 enable them to accomplish their building level goals.

34 **"§ 115C-238.6. Approval of local school administrative unit plans by the State**
35 **Superintendent; conditions for continued participation.**

36 (a) The State Superintendent shall consider and approve, on an annual basis, the
37 local plans in accordance with policies and performance indicators adopted by the State
38 Board of Education.

39 (b) Local school administrative units electing to participate in the Performance-
40 based Accountability Program shall remain in the Program and receive differential
41 salary funding so long as they demonstrate satisfactory progress toward approved goals
42 or, once goals are met, satisfactory performance, as determined by the State
43 Superintendent in accordance with guidelines set by the State Board of Education:
44 Provided, however, satisfactory performance shall include achievement of their

1 measurable student performance objectives. If the local school administrative units do
2 not achieve their objectives after two years, the Department of Public Instruction shall
3 provide them with technical assistance to help them meet their objectives. If after one
4 additional year they do not achieve their objectives, the State Board of Education shall
5 decide what steps shall be taken to improve the education of students in the unit.

6 (c) The State Board of Education shall establish a process for allowing local
7 school administrative units to modify or opt out of their local plans."

8 Sec. 4. End-of-course and end-of-grade tests.—Article 10A of Chapter 115C
9 of the General Statutes is amended by adding a new Part to read:

10 **“PART 3. END-OF-COURSE AND END-OF-GRADE TESTS.**

11 **“§115C-174.18. End-of-course and end-of-grade tests.**

12 The State Board of Education shall adopt a system of end-of-course and end-of-
13 grade tests for grades three through twelve. These tests shall be designed to measure
14 progress toward competencies described in the Standard Course of Study for
15 appropriate grade levels. Testing necessary to allow comparisons with national
16 indicators of student achievement shall be conducted with the smallest size sample of
17 students necessary to assure valid comparisons with other states."

18 Sec. 5. Annual Report Cards for Schools.—G.S. 115C-12(9) reads as
19 rewritten:

20 "(9) Miscellaneous Powers and Duties. – All the powers and duties
21 exercised by the State Board of Education shall be in conformity with
22 the Constitution and subject to such laws as may be enacted from time
23 to time by the General Assembly. Among such duties are:

- 24 a. To certify and regulate the grade and salary of teachers and
25 other school employees.
- 26 b. To adopt and supply textbooks.
- 27 c. To adopt rules requiring all local boards of education to
28 implement the Basic Education Program on an incremental
29 basis within funds appropriated for that purpose by the General
30 Assembly and by units of local government.

31 The Board shall develop a State accreditation program that
32 meets or exceeds the standards and requirements of the Basic
33 Education Program. The Board shall require each local school
34 administrative unit to comply with the State accreditation
35 program to the extent that funds have been made available to
36 the local school administrative unit for implementation of the
37 Basic Education Program.

38 The Board shall use the State accreditation program to
39 monitor the implementation of the Basic Education Program.

- 40 c1. To issue an annual ‘report card’ for the State and for each local
41 school administrative unit, assessing each unit's efforts to
42 improve student performance and taking into account progress
43 over the previous years' level of performance and the State's
44 performance in comparison with other states. This assessment

1 shall take into account demographic, economic, and other
2 factors that have been shown to affect student performance.

3 d. To formulate rules and regulations for the enforcement of the
4 compulsory attendance law.

5 e. To manage and operate a system of insurance for public school
6 property, as provided in Article 38 of this Chapter.

7 In making substantial policy changes in administration, curriculum,
8 or programs the Board should conduct hearings throughout the regions
9 of the State, whenever feasible, in order that the public may be heard
10 regarding these matters."

11 Sec. 6. Existing Career Development Pilot Programs.—Notwithstanding the
12 provisions of Article 24B of Chapter 115C of the General Statutes, Article 24D of
13 Chapter 115C of the General Statutes, or any other provision of law, funding for the
14 career ladder pilot projects and the lead teacher pilot projects shall continue through
15 1989-90: Provided, however, that further funding of these projects shall depend on the
16 pilot units successfully submitting improvement plans, pursuant to the Performance-
17 based Accountability Program, during the 1989-90 school year. If they submit plans
18 that are approved by the State Superintendent, funding for their pilot programs shall
19 continue through the 1992-93 fiscal year. By the 1993-94 fiscal year, State funds for
20 the career development pilot units and lead teacher pilot units shall be limited to the
21 amount of funds available through the School Improvement and Accountability Act of
22 1989.

23 Sec. 7. Staff Development Funds.—There is appropriated from the General
24 Fund to the Department of Public Education \$6,081,500 for the 1989-90 fiscal year and
25 \$6,081,500 for the 1990-91 fiscal year as an additional allotment for staff development
26 and training. These funds shall be used for training in areas directly related to school-
27 based decision making and flexible funding. These funds shall be allocated on the
28 basis of one hundred dollars (\$100.00) for each certified position during the 1989-90
29 and subsequent school years above the funding level in effect during the 1988-89 school
30 year.

31 Sec. 8. Performance-based Accountability Program Funds.—There is
32 appropriated from the General Fund to the Department of Public Education \$400,000
33 for the 1989-90 fiscal year to produce training materials for superintendents and
34 principals and to have regional training for school administrators, under the
35 Performance-based Achievement Program.

36 Sec. 9. Test Development Funds.—There is appropriated from the General
37 Fund to the Department of Public Education \$250,000 for the 1989-90 fiscal year and
38 \$250,000 for the 1990-91 fiscal year for developing and/or acquiring end-of-grade and
39 end-of-course tests provided for in Section 4 of this act.

40 Sec. 10. Differentiated Pay Funds.—There is appropriated from the General
41 Fund to the Department of Public Education the sum of \$44,000,000 for the 1990-91
42 fiscal year for differentiated pay under the Performance-based Achievement Program.

43 Sec. 11. Sections 7 through 10 of this act shall become effective July 1,
44 1989. The remainder of this act is effective upon ratification.