

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 380

Short Title: GPAC/Local Flexibility/School Funds.

(Public)

Sponsors: Senator Martin of Guilford.

Referred to: Government Performance Audit.

February 24, 1993

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT A RECOMMENDATION OF THE GOVERNMENT PERFORMANCE AUDIT COMMITTEE TO IMPROVE EFFICIENCY IN SCHOOL OPERATIONS BY SIMPLIFYING FUNDING FORMULAS AND EMPOWERING LOCAL SCHOOL ADMINISTRATIVE UNITS TO MANAGE FOR RESULTS.

The General Assembly of North Carolina enacts:

Section 1. (a) The General Assembly finds that it is appropriate to consolidate major nonteaching funding categories in the Public School Fund; therefore, the following existing funding categories in the Public School Fund are combined into the following categories:

- (1) School Administration
Finance Officers
- (2) Noncertified Personnel
Clerical Assistants
Teacher Assistants
Custodians
- (3) Support Services Summer
School/Remediation
Dropout Prevention
Community Schools

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1 Duty-Free Period
2 Sports Medicine
3 Child Nutrition
4 Staff Development
5 Textbooks
6 Consolidated Allotment

7 For budgetary reporting and accounting purposes, the local school administrative units
8 shall continue to provide expenditure data at such detailed levels as required by the
9 State Board of Education. Presentation, control, and reporting of salary and salary-
10 related objects of expenditure shall be in accordance with applicable statutes and the
11 directives of the Director of the Budget.

12 (b) The General Assembly encourages local school administrative units to
13 become more efficient in their current operations by (i) implementing the
14 recommendations in the State Auditor's performance audits, (ii) using the funds in the
15 combined funding category created in subsection (a) of this section to contract out for
16 services where private sector resources are available, and (iii) working with other local
17 school administrative units to deliver shared services.

18 (c) The General Assembly finds that because of the increased management
19 flexibility provided to local school administrative units in this section, local school
20 administrative units can operate more efficiently; therefore, appropriations to the
21 combined funding categories created in subsection (a) of this section are decreased by
22 five percent (5%). As an incentive to increase this efficiency, the local school
23 administrative units may, notwithstanding any other provision of law, retain at the end
24 of each fiscal year twenty-five percent (25%) of the unencumbered and unexpended
25 funds in the combined funding categories created in subsection (a) of this section.

26 Sec. 2. There is appropriated from the General Fund to the Department of
27 Public Education, the sum of five hundred thousand dollars (\$500,000) for the 1993-94
28 fiscal year and the sum of five hundred thousand dollars (\$500,000) for the 1994-95
29 fiscal year to fund model programs to increase efficiency in local school administrative
30 unit operations and to provide incentive awards to local school administrative units that
31 operate efficiently. The funds shall be awarded by the State Board of Education based
32 upon proposals submitted by the local school administrative units or by multiple local
33 governments in a single county or adjoining counties.

34 Sec. 3. This act becomes effective July 1, 1993.