

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 1477 (Proposed Committee Substitute)

SHORT TITLE: ABC's Plan for DHHS Schools

SPONSOR(S):

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
REVENUES					
EXPENDITURES					
Recurring	\$1,200,000	\$1,278,000	\$1,361,070	\$1,449,539	\$1,478,529
Nonrecurring	\$2,518,000				
POSITIONS:					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Department of Health and Human Services, State Board of Education, Department of Public Instruction				
EFFECTIVE DATE:	July 1, 1998				

BILL SUMMARY:

Section 1: Directs Secretary of Health and Human Services (Secretary) to make changes in the structure and functions of residential schools, beginning with Governor Morehead and the three State schools for the deaf. Changes must emphasize the basics in connection with the education program offered at the four schools. Secretary must report to Public School Study Commission and cochairs of Senate and House Appropriations subcommittees on Health and Human Services by November 1, 1998, and November 1, 1999. Reports must include proposed legislation necessary to implement changes.

Section 2: Directs Secretary to change the administrative organization and mission of these four residential schools and of DHHS as they pertain to those four schools. Secretary may

extend this administrative reorganization to other residential schools. Sets the following goals: (i) 50% decrease in employee positions currently assigned to DHHS for the purpose of providing assistance to, management of, or education programs in the residential schools; (ii) 50% decrease in residential school employee positions currently filled by administrators or supervisors; and (iii) 50% redirection, by January 1, 1999, to the instructional programs in the four residential schools of DHHS budget related to those schools. Secretary must report to Legislative Commission on Public Schools and cochairs of Senate and House Appropriations subcommittees on Health and Human Services by December 15, 1998, on the reorganization and redirection of funds.

Section 3: Directs Secretary to consult with State Board in implementation of this act and to fully inform and consult with cochairs of Senate and House Appropriations Subcommittees on Education and Health and Human Services.

Section 4: Appropriates \$300,000 for 1998-99 fiscal year to DHHS to contract for outside consultants and assistance to help the Secretary carry out his duties under this act. The State Auditor and OSBM are directed to provide consultation as requested by the Secretary.

Section 5: This section establishes "Part 3A. Education Programs in Residential Schools".

G.S. 143B-146.1: States mission of General Assembly concerning the residential school and defines terms.

G.S. 143B-146.2: Requires Governor Morehead and three State schools for the Deaf to participate in ABC's Program. Authorizes Secretary, in consultation with State Board and General Assembly, to designate other residential schools that must participate. Directs State Board to adopt guidelines to implement ABC's Program. Directs Secretary to provide maximum flexibility to participating schools in their use of funds.

G.S. 143B-146.3: Directs State Board to set annual performance standards for each participating school.

G.S. 143B-146.4: Provides that superintendent, principals, assistant principals, teachers, instructional personnel, instructional support personnel, and teacher assistants are eligible for ABC's bonus when their school meets or exceeds goal set by State Board. Same option as in public schools that allows these individuals to vote to spend the money in accordance with a plan.

G.S. 143B-146.5: Requires State Board to design and implement a plan to identify low-performing schools on an annual basis. Low-performing schools are those in which there is a failure to meet the minimum growth standards, as set by the Board, and a majority of students are performing below grade level. (This is the same definition that is used in the public schools.) Requires low-performing schools to notify parents when so identified.

G.S. 143B-146.6: Authorizes State Board to assign assistance teams to low-performing schools. Teams have same duties as when assigned to a public school, except they will report to the Secretary as well as to the State Board.

G.S. 143B-146.7: Requires Secretary to dismiss superintendent when school is identified as low-performing, unless he finds that the superintendent has established that the factors leading to this identification were not due to the superintendent's inadequate performance. Dismissal will be done in accordance with State Personnel Act, which requires just cause and provides for a 15-day advance notice and the opportunity to appeal if superintendent claims there was no just cause for the dismissal. Consequences for certificated instructional personnel are the same as for those in public schools. This includes the requirements of dismissal after two negative evaluations by the assistance team and the competency test and subsequent remediation. This section also requires the Secretary to dismiss any non-certificated instructional personnel when he receives two negative evaluations from the assistance team. The Secretary may dismiss these individuals when he determines the school has failed to make satisfactory improvement after an assistance team was assigned to it and the assistance team recommends dismissal based on a reason that constitutes just cause for dismissal under the State Personnel Act. Dismissal of non-certificated personnel also will be done in accordance with the State Personnel Act.

G.S. 143B-146.8: Requires all residential schools, including those that are not participating in the ABC's Program, to adopt a school calendar with a minimum of 180 instructional days and 1000 instructional hours covering at least nine calendar months. A school

must consult with parents, personnel, and the local school administrative unit in which it is located when it develops its calendar.

G.S. 143B-146.9: Requires the residential schools that are participating in the ABC's Program to develop and implement a school improvement plan. The plan is to developed by a team consisting of the superintendent, at least 5 parents (two of whom may be school employees), and instructional personnel, and residential life personnel assigned to the school. Parents must be elected by parents, and those who are not employees must receive travel and subsistence expenses and may, if appropriate, receive a stipend. The plan must include strategies to improve student performance. These strategies include a plan for the use of funds made available by the Secretary to meet the school's ABC's goals, a comprehensive plan to encourage parental involvement, and a safe school plan that includes components similar to those required for public schools (these would allow for rewards to superintendents, if money is made available for that purpose). Development and approval of school improvement plans are the same as for public school plans. Schools must develop their plans during the 1998-99 school year and must implement them the following school year.

G.S. 143B-146.10: Directs Secretary to develop, by December 15, 1998, a school technology plan for all the residential schools. The plan must meet the requirements of the State school technology plan and will be developed and approved in the same manner that local school plans are.

G.S. 143B-146.11: Requires Secretary to establish a procedure to resolve disputes between the schools and parents or guardians. An appeal must be available to the Secretary or his designee.

G.S. 143B-146.12: Requires the superintendents of the residential schools to report to local law enforcement specific criminal acts when the superintendents have personal knowledge or actual notice from school personnel that an enumerated criminal act occurred on school property.

G.S. 143B-146.13: Directs the Secretary to require an applicant for a residential school personnel position to be checked for criminal history before the applicant is offered an unconditional job. Applicants shall not be required to pay for these record checks. Residential school may employ an applicant conditionally while the Secretary is checking the person's criminal history and making a decision based on the results. The Secretary must provide to the State Board any criminal history he receives on a person who is certificated or licensed by the Board. The Board must then review the history and determine whether to revoke the person's certificate or license.

Section 6: Amends G.S. 115C-325 to add a new subsection (p1) to provide for the Secretary's dismissal of certificated instructional personnel in low-performing residential schools.

Section 7: Amends G.S. 115C-102.6(b) to add the Secretary to the members of the State School Technology Commission.

Section 8: Amends G.S. 115C-105.31 to add the Secretary to the members of the Task Force on School-Based Management under the State Board of Education.

Section 9: Subsection (a) requires the Secretary to adopt policies and offer training opportunities to ensure that personnel in the three schools for the deaf become proficient in sign language within two years of employment or implementation of this act, whichever occurs last. Subsection (b) directs DPI, the Board of Governors, and the State Board of Community Colleges to offer and communicate the availability of professional development opportunities to residential school personnel. Subsection (c) directs the Board of Governors and the State Board of Community Colleges to study methods to assure that faculty who teach American Sign Language are highly qualified and competent. These Boards must report to the Appropriations Subcommittees on Education and Health and Human Services by March 1, 1999, on this study.

Section 10: Directs the Board of Governors to assess the accessibility of programs for deaf and blind students. Report to General Assembly by December 1, 1998.

Section 11: Directs Secretary to contract for the design of a longitudinal study of deaf and hard of hearing children to assess communication methods used and student performance.

Section 12: Directs the Commission for Health Services to adopt rules to include newborn hearing screening in the Newborn Screening Program under G.S. 130A-125.

Section 13: Directs the State Board, in consultation with the Secretary, to evaluate the certification requirements for the DHHS teachers in light of the specific educational needs at the residential schools. The Board must determine what types of certificates these teachers should hold and if dual certificates are appropriate. The Board must revise its policies, rules, and regulations if appropriate and must report to the Commission on Public Schools by December 15, 1998.

Section 14: Directs the State Auditor to conduct a fiscal audit of the Division of Services for the Deaf and Hard of Hearing and to report to the General Assembly by March 1, 1999, on the results of this audit.

Section 15: Directs the Governor Morehead School and the three schools for the deaf to prioritize their capital needs in a three-year plan. They must submit their plans to the Secretary, who will prioritize the needs of these schools and submit to the General Assembly a three-year plan to address them.

Section 16: Directs the Secretary to adopt policies to ensure that students of residential schools are given priority for independent living facilities.

Section 17: Directs the Secretary to provide a 5% Statewide teacher supplement to the 668 teachers in all the DHHS schools. The average teacher salary in DHHS is approximately \$35,600 per year. A 5% supplement would be approximately \$1780 per teacher. (The average statewide teacher supplement is \$1,727.) The funds would come from the Reserve for Compensation Increase for fiscal year 1998-99.

Section 18: Authorizes the Secretary to expend up to \$900,000 for FY 1998-99 to provide assistance teams to be assigned to four schools.

Section 19: Appropriates \$1.25 million for computers and related technology for the Governor Morehead School and the three State schools for the deaf. The Secretary cannot allocate these funds to the schools until after the State Board approves the school technology plan required under G.S. 143B-146.10.

Section 20: Act becomes effective July 1, 1998. The ABC's Program would apply to grades K-8 in the Governor Morehead School and the three schools for the deaf, beginning with the 1999-00 school year. This would mean that their baselines would be set at the end of the 1998-99 school year, and their personnel would be subject to rewards and penalties at the end of the following school year.

ASSUMPTIONS AND METHODOLOGY:

1. Assume up to \$300,000 in nonrecurring funds in FY1998-99 to hire outside consultants to assist the Secretary of the Department of Health and Human Services to reorganize the four residential schools.
2. Assume \$900,000 in nonrecurring funds in FY1998-99 to provide assistance teams to the Governor Morehead School and the three schools for the deaf to work with staff on the standard course of study and implementation of the ABC Program for the 1999-00 school year.
3. Assume \$1,200,000 of funds from the Reserve for Compensation Increases to provide a 5% salary supplement to the teachers in the DHHS residential schools.
4. Since teachers in the DHHS residential are paid on the same state salary schedule as teachers employed by local school systems the annual cost of the supplement will increase if the General Assembly implements the remainder of the teacher salary increases in the Excellent Schools Act. Assume an average increase 6.5% per year through FY2000-01 and 2% in FY2002-03.
5. Assume \$1,250,000 in nonrecurring funds in FY1998-99 for school technology.

6. Assume \$15,000 in nonrecurring costs in FY1998-99 to DHHS for the design of a longitudinal study of deaf and hard of hearing students to assess the relationship of the communication methods used by the students and student performance.
7. Assume no additional cost to the state to implement the newborn hearing screening.
8. Assume \$53,000 in nonrecurring cost in FY1998-99 to the State Auditor to conduct a fiscal audit of the Division of Services for the Deaf and Hard of Hearing, Department of Health and Human Services.

TECHNICAL CONSIDERATIONS:

FISCAL RESEARCH DIVISION

733-4910

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DATE: June 22, 1998



Signed Copy Located in the NCGA Principal Clerk's Offices