

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 1745

Short Title: Sound Basic Education Act of 2005. (Public)

Sponsors: Representatives Glazier, Yongue, Carney (Primary Sponsors); B. Allen, England, Farmer-Butterfield, Goodwin, Harrison, Insko, Luebke, Ross, Wainwright, and Weiss.

Referred to: Appropriations.

May 12, 2005

A BILL TO BE ENTITLED
AN ACT TO PROVIDE STUDENTS IN THE PUBLIC SCHOOLS WITH A SOUND
BASIC EDUCATION AS REQUIRED BY THE CONSTITUTION OF NORTH
CAROLINA.

The General Assembly of North Carolina enacts:

PART I. TITLE OF ACT AND PURPOSE

SECTION 1.1. This act shall be known as the "Sound Basic Education Act of 2005".

SECTION 1.2. The General Assembly finds that:

- (1) All children can learn and succeed at higher levels in the public schools.
- (2) The North Carolina Constitution entitles every child to an opportunity to receive a sound basic education.
- (3) The North Carolina Supreme Court has defined a sound basic education as one that provides each student with the following:
 - a. Sufficient ability to read, write, and speak the English language and a sufficient knowledge of fundamental mathematics and physical science to enable the student to function in a complex and rapidly changing society;
 - b. Sufficient fundamental knowledge of geography, history, and basic economic and political systems to enable the student to make informed choices with regard to issues that affect the student personally or affect the student's community, State, and nation;

- 1 c. Sufficient academic and vocational skills to enable the student
2 to successfully engage in postsecondary education or vocational
3 training; and
4 d. Sufficient academic and vocational skills to enable the student
5 to compete on an equal basis with others in further formal
6 education or gainful employment in contemporary society.

7 (4) Many North Carolina children are currently not receiving an
8 opportunity to obtain a sound basic education as required by the
9 Constitution as evidenced by low academic performance and a failure
10 to graduate from school.

11 (5) The North Carolina Supreme Court has concluded that legal
12 responsibility for ensuring that all children have an opportunity to
13 receive a sound basic education rests with the State of North Carolina.

14 (6) There is a critical immediate need for the General Assembly to take
15 tangible initial steps to ensure that students have an opportunity to
16 obtain a sound basic education.

17 (7) There also is a need for the General Assembly to develop a
18 comprehensive long-range strategic plan that determines how the State
19 of North Carolina will fully ensure that all students have an
20 opportunity to obtain a sound basic education.

21 **SECTION 1.3.** The purpose of this act is to ensure that all North Carolina
22 children have an equal opportunity to receive a sound basic education consistent with
23 the North Carolina Constitution.
24

25 **PART II. INVESTING MORE RESOURCES TO ENSURE A SOUND BASIC**
26 **EDUCATION FOR ALL CHILDREN**
27

28 **FULLY FUND THE LOW-WEALTH FORMULA OVER TWO YEARS AND**
29 **REQUIRE REPORTS ON THE EXPENDITURE OF THESE FUNDS**

30 **SECTION 2.1.(a)** The General Assembly finds that it is appropriate to
31 provide supplemental funds in low-wealth counties to allow those counties to enhance
32 the instructional program and student achievement. Therefore, there is appropriated
33 from the General Fund to the Department of Public Instruction the sum of sixteen
34 million five hundred fifty thousand one hundred eleven dollars (\$16,550,111) for the
35 2005-2006 fiscal year and the sum of fifty-eight million five hundred twenty-seven
36 thousand six hundred thirty-five dollars (\$58,527,635) for the 2006-2007 fiscal year to
37 be used for supplemental funds for the schools.

38 **SECTION 2.1.(b)** Use of Funds for Supplemental Funding. – It is the intent
39 that the expansion funds appropriated in 2005-2006 and 2006-2007 be used, if
40 necessary, to recruit and retain high quality teachers. To that end:

- 41 (1) If the teacher retention rate for a local school administrative unit is
42 lower than the State average, at least fifteen percent (15%) of the
43 expansion funds allocated to that unit in the 2005-2006 fiscal year and

1 at least twenty-five percent (25%) of the expansion funds in the
2 2006-2007 fiscal year shall be used for one or more of the following:

- 3 a. Bonuses to recruit and retain instructional personnel.
- 4 b. Full-time mentors for instructional and instructional support
5 personnel.
- 6 c. Staff development.

7 (2) The remainder of the expansion funds shall be used for one or more of
8 the following:

- 9 a. Bonuses to recruit and retain instructional personnel.
- 10 b. Full-time mentors for instructional and instructional support
11 personnel.
- 12 c. Instructional positions, instructional support positions, teacher
13 assistant positions, clerical positions, school computer
14 technicians, instructional supplies and equipment, staff
15 development, and textbooks.
- 16 d. Salary supplements for instructional personnel and instructional
17 support personnel.
- 18 e. Payment of an amount not to exceed ten thousand dollars
19 (\$10,000) for the plant operation contract cost charged by the
20 Department of Public Instruction for services.

21 **SECTION 2.1.(c)** Reports on the Expenditure of Funds. – Local boards of
22 education shall report to the State Board of Education by October 1 of each year on the
23 expenditure of these funds and how these funds were targeted and used to implement
24 specific improvement strategies of each local school administrative unit and its schools,
25 such as teacher recruitment and retention, closing the achievement gap, improving
26 student accountability, meeting the needs of at-risk students, and establishing and
27 maintaining safe schools. The State Board of Education shall report this information
28 annually by November 15 to the Office of State Budget and Management, the Joint
29 Legislative Education Oversight Committee, and the Fiscal Research Division.

30
31 **EXPAND THE DISADVANTAGED STUDENT SUPPLEMENTAL FUND AND**
32 **EVALUATE THE EFFECTIVENESS OF IMPROVEMENT STRATEGIES**

33 **SECTION 2.2.(a)** There is appropriated from the General Fund to the
34 Department of Public Instruction the sum of one hundred million dollars (\$100,000,000)
35 for the 2005-2006 fiscal year and the sum of two hundred million dollars
36 (\$200,000,000) for the 2006-2007 fiscal year to local school administrative units to
37 meet the needs of disadvantaged students. Except as provided in subsection (b) of this
38 section, the State Board of Education shall allocate these funds on the basis of the
39 fundable disadvantaged population in each local school administrative unit. Each local
40 school administrative unit shall receive an equal amount for each student in the fundable
41 disadvantaged population.

42 The fundable disadvantaged population for each unit shall be computed in
43 accordance with the revised formula option presented by the Department of Public
44 Instruction to the State Board of Education at its December 2004 meeting.

1 **SECTION 2.2.(b)** For the 2005-2006 fiscal year only, the State Board of
2 Education shall hold harmless the 16 local school administrative units that received
3 disadvantaged student supplemental funding for the 2004-2005 fiscal year. Each of
4 these local school administrative units shall receive, at a minimum for the 2005-2006
5 fiscal year, the amount of disadvantaged student supplemental funding it received for
6 the 2004-2005 fiscal year.

7 **SECTION 2.2.(c)** Funds appropriated under this section shall be used to
8 implement a plan jointly developed by each local school administrative unit and the
9 LEA Assistance Program team that is based upon the needs of the students not
10 achieving grade level proficiency or at-risk of not graduating from school. Prior to the
11 allotment of these funds, each plan shall be approved by the State Board of Education.
12 All funds received pursuant to this section shall be used consistent with the policies and
13 procedures adopted by the State Board of Education to enhance a local school
14 administrative unit's ability to provide services to disadvantaged students. These funds
15 shall not be used for teacher bonuses and supplements.

16 **SECTION 2.2.(c)** To remain eligible for the resources provided in this
17 section, local school administrative units must submit a report to the State Board of
18 Education by October 1 of each year detailing the expenditure of the funds and the
19 impact of these funds on student achievement. The State Board of Education shall report
20 this information annually by November 15 to the Office of State Budget and
21 Management, the Joint Legislative Education Oversight Committee, and the Fiscal
22 Research Division.

23 24 **PART III. ESTABLISHMENT OF THE NORTH CAROLINA COMMISSION** 25 **FOR A SOUND BASIC EDUCATION**

26 **SECTION 3.1.(a)** The North Carolina Commission for a Sound Basic
27 Education is hereby established. The Commission shall conduct a comprehensive study
28 to determine the professional development needs, instructional strategies, program
29 development, and financial resources necessary to provide every North Carolina
30 student, including students who have been excluded from the public schools, with an
31 equal opportunity to receive a sound basic education as required by the North Carolina
32 Constitution. The Commission shall also develop a comprehensive plan that will ensure
33 that all children across North Carolina will have an equal opportunity to receive a sound
34 basic education as required by the North Carolina Constitution. In addition, the
35 Commission shall include as a part of the comprehensive study a cost analysis of the
36 State funding required to fully implement the comprehensive plan.

37 **SECTION 3.1.(b)** The Commission shall include the following 22 members:

- 38 (1) A cochair appointed by the President Pro Tempore of the N.C. Senate;
- 39 (2) A cochair appointed by the Speaker of the N.C. House of
40 Representatives;
- 41 (3) Four members of the Senate appointed by the President Pro Tempore
42 of the Senate;
- 43 (4) Four members of the House of Representatives appointed by the
44 Speaker of the House of Representatives;

- 1 (5) Six at-large members appointed by the President Pro Tempore of the
2 Senate including at least one parent of a student in the public schools,
3 representatives of education organizations, child advocacy groups,
4 human services and child health care organizations, early education
5 programs, and business organizations, and other individuals, groups,
6 organizations, or State agencies that support the provision of a sound
7 basic education for all children; and
8 (6) Six at-large members appointed by the Speaker of the House of
9 Representatives of the Senate including at least one parent of a student
10 in the public schools, representatives of education organizations, child
11 advocacy groups, human services and child health care organizations,
12 early education programs, and business organizations, and other
13 individuals, groups, organizations, or State agencies that support the
14 provision of a sound basic education for all children.

15 **SECTION 3.1.(c)** The full Commission shall meet on a monthly basis. The
16 Commission shall develop the necessary and appropriate committees and
17 subcommittees to facilitate completion of its work. The committees and subcommittees
18 shall meet as necessary to effectively conduct the work with which they are charged.

19 **SECTION 3.1.(d)** Only members of the Commission may vote on any
20 matter before the Commission.

21 **SECTION 3.1.(e)** The comprehensive study and plan developed by the
22 Commission shall:

- 23 (1) Specify the State's educational standards, goals, and outcomes
24 expected for all children in the State that represent a sound basic
25 education.
26 (2) Identify research-based education practices, strategies, programs, and
27 policies that will ensure that all North Carolina students have an equal
28 opportunity to receive a sound basic education as required by the
29 Constitution.
30 (3) Delineate a plan for implementing the identified research-based
31 education practices, programs, and policies statewide. The plan shall
32 include goals, objectives, and milestones to be met by certain dates.
33 (4) Specify an action plan for ensuring that there is a competent, qualified
34 teacher in every North Carolina classroom by the start of the
35 2007-2008 school year.
36 (5) Include strategies, practices, and policies designed to generate
37 increased parental involvement at the school and local school
38 administrative unit level.
39 (6) Consider strategies, practices, and policies to provide learning
40 opportunities to children from birth to school age, meet the need of
41 children suspended or expelled from the public schools, provide
42 children with "out-of-school" opportunities, and provide children with
43 other opportunities to meet core Leandro functions.

1 (7) Include an accountability plan and mechanisms to ensure that funds for
2 education are (i) targeted exclusively toward meeting student needs,
3 (ii) administered in a fiscally responsible manner, and (iii) effective in
4 providing students with the equal opportunity to receive a sound basic
5 education.

6 (8) Provide a cost analysis of the fiscal requirements to fully implement all
7 components of the Commission's comprehensive plan statewide and a
8 timeline for implementation.

9 **SECTION 3.1.(f)** To aid the Commission in its analysis of the resources
10 needed to fully implement the comprehensive plan for a basic education, the
11 Commission shall contract for the performance of a "costing-out study", to be replicated
12 every four years, to ascertain the resources required to offer all North Carolina children
13 the opportunity to receive a sound basic education. For purposes of this section, a
14 costing-out study means a study that seeks to determine the funding necessary to
15 provide the opportunity for each child to receive a sound basic education consistent with
16 State standards and student objectives.

17 The Commission shall prepare a request for proposals for the conduct of the
18 study required by this section, receive and evaluate the proposals, and contract with an
19 appropriate independent entity or independent consultants with the requisite experience
20 and knowledge to conduct a professional evaluation of:

21 (1) The cost of the educational and other resources required by schools
22 and school units so that they are able to offer all students the
23 opportunity to receive a sound basic education.

24 (2) The cost of the resources required by the Department of Public
25 Instruction and the State Board of Education so that they are able to
26 fulfill their responsibilities, including the resources needed to provide
27 technical assistance to school units, and the costs to local school
28 administrative units to improve their capacity to offer all students the
29 opportunity to receive a sound basic education.

30 **SECTION 3.1.(g)** The costing-out study shall employ at least two of the
31 following models:

32 (1) The professional judgment model, which uses the active involvement
33 of panels of education professionals and, through a series of simulation
34 exercises undertaken over a number of days, designs instructional
35 programs that would meet the needs of hypothetical schools with
36 varying numbers of students living in poverty, students with
37 disabilities, gifted and talented students, and English language learning
38 students. The panel judgments are reviewed by experts and
39 stakeholders and synthesized through regression analysis to determine
40 the costs of providing the programs and services necessary for actual
41 school units with their unique student demographics.

42 (2) The successful schools model, which seeks schools to identify those
43 schools or school units that have achieved a specified level of student
44 performance, such as meeting State standards. The average level of

1 expenditures in those schools or school units is then used to estimate
2 the level of expenditure that would be required to achieve a similar
3 level of student performance in other school units throughout the State,
4 taking into account the differences in cost of living and in the number
5 of students with extraordinary needs in each school unit.

6 (3) The research-based model, which identifies programs as effective
7 based on recent educational research, determines the cost of the
8 different aspects of the programs, and uses that cost figure to develop
9 an adequate base of spending for every school, taking into account the
10 unique demographics of each.

11 (4) The econometric model that estimates school or school unit cost
12 functions using econometric techniques to arrive at a mathematical
13 equation that describes what is required to produce an average or
14 acceptable level of educational achievement.

15 **SECTION 3.1.(h)** The Commission shall provide opportunities for
16 substantive and meaningful input into and development and review of the
17 comprehensive plan by all stakeholders in the public education system. These
18 stakeholders include, but are not limited to, students, parents, guardians, educators,
19 school board members, education advocates, and child health professionals.
20 Opportunities for input and review shall include, at minimum:

21 (1) Six regional public forums held around the State prior to the initial
22 development of the comprehensive plan to provide opportunities for
23 public input as to the education-related needs of children throughout
24 North Carolina.

25 (2) Regular distribution to local newspapers statewide of details of the
26 plan and its current status and posting of the information on the
27 Internet.

28 (3) Providing stakeholders with the opportunity to identify representative
29 members of stakeholder groups to be included as full participants in
30 the Commission's processes for creating the comprehensive statewide
31 plan.

32 (4) Open meetings of the Commission and any committees it may create.

33 **SECTION 3.1.(i)** The Commission shall make a final report to the General
34 Assembly by March 15, 2006. The report shall include the details of the comprehensive
35 plan, the results of the cost analysis, a proposed budget and timeline for implementing
36 the plan beginning with the 2006-2007 school year, and any statutory changes necessary
37 to implement the comprehensive statewide plan.

38 **SECTION 3.1.(j)** There is appropriated from the General Fund to the
39 General Assembly the sum of five hundred thousand dollars (\$500,000) for the
40 2005-2006 fiscal year to carry out its work of the North Carolina Commission for a
41 Sound Basic Education, including but not limited to, the hiring of commission staff, the
42 public hearings, the costing-out study, and the publication/distribution of the final report
43 and recommendations of the Commission. The Commission may supplement these
44 funds with gifts, foundation grants, or other private funds donated for this purpose.

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PART IV. EFFECTIVE DATE

SECTION 4.1 This act becomes effective July 1, 2005.