

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2005**

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**HOUSE BILL 2317**

Short Title: Teacher Retention and Recruitment. (Public)

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Sponsors: Representatives Carney, Johnson, Preston, Yongue (Primary Sponsors); Adams, B. Allen, Blust, Coates, Coleman, Faison, Fisher, Gibson, Harrison, Insko, Ed Jones, Justice, Luebke, McLawhorn, Pate, Rapp, Ray, Underhill, Wainwright, Walend, Warren, Weiss, and Womble.

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Referred to: Finance, if favorable, Appropriations.

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May 22, 2006

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR TEACHER RECRUITMENT AND RETENTION.

The General Assembly of North Carolina enacts:

**LOCAL INITIATIVES TO RECRUIT AND RETAIN TEACHERS**

**SECTION 1.** There is appropriated from the General Fund to the Department of Public Instruction the sum of twenty million dollars (\$20,000,000) for the 2006-2007 fiscal year for local initiatives to recruit and retain teachers. The State Board of Education shall allocate forty percent (40%) of any such funds to local school administrative units on the basis of projected average daily membership, thirty-five percent (35%) on the basis of the 2005-2006 low-wealth supplemental funding formula, and twenty-five percent (25%) on the basis of growth in average daily membership over the last four school years. Local school administrative units shall use these funds for one or more of the following initiatives to recruit and retain teachers:

- (1) Recruiting bonuses;
- (2) Interest-free loans to teachers;
- (3) Stipends for teacher training;
- (4) Teacher as leader programs;
- (5) Annual bonuses for teachers certified in the fields of mathematics, science, special education, or other fields in which there is a shortage of qualified teachers;
- (6) Annual bonuses for teachers at schools with high percentages of low-performing students; and
- (7) Other local initiatives to recruit and retain teachers.

1 Local boards of education shall report to the State Board of  
2 Education on local initiatives implemented with these funds and on the  
3 effectiveness of those local initiatives in recruiting and retaining  
4 teachers.

5 The State Board of Education shall report to the Joint Legislative  
6 Education Oversight Committee on the effectiveness of the different  
7 local initiatives by December 15, 2006.  
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## 9 **INCENTIVES FOR TEACHERS WHO TEACH IN LOW-PERFORMING** 10 **SCHOOLS**

11 **SECTION 2.(a)** There is appropriated from the General Fund to the  
12 Department of Public Instruction the sum of three million dollars (\$3,000,000) for the  
13 2006-2007 fiscal year to provide an annual bonus of two thousand five hundred dollars  
14 (\$2,500) to teachers with national certification from the National Board for Professional  
15 Teaching Standards (NBPTS) who teach in schools at which (i) eighty percent (80%) or  
16 more of the students are eligible for free or reduced lunch or (ii) fifty percent (50%) or  
17 more of students performing below grade level on end-of-grade or end-of-course tests.  
18 The bonus shall be paid monthly with matching benefits. Teachers shall remain eligible  
19 for the bonuses so long as they continue to teach in one of these disciplines at a school  
20 that was eligible for the bonus program when the teacher first received the bonus.

21 For the 2006-2007 fiscal year, no more than 1,500 teachers may qualify for  
22 this bonus.

23 **SECTION 2.(b)** In accordance with G.S. 115C-325 and by way of  
24 clarification, it shall not constitute a demotion as that term is defined in  
25 G.S. 115C-325(a)(4), if:

- 26 (1) A teacher who receives a bonus pursuant to this act is reassigned to a  
27 school at which there is no such bonus;
- 28 (2) A teacher who receives a bonus pursuant to this act is reassigned to  
29 teach in a field for which there is no such bonus; or
- 30 (3) A teacher receives a bonus pursuant to this act, and the bonus is  
31 subsequently discontinued or reduced.  
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## 33 **TAX CREDIT FOR TEACHERS**

34 **SECTION 3.(a)** Part 2 of Article 4 of Chapter 105 of the General Statutes is  
35 amended by adding a new section to read:

### 36 **"§ 105-151.30. Credit for public school teachers.**

37 (a) Credit. – An individual who is employed as a public school teacher for at  
38 least 16 weeks during the taxable year is allowed as a credit against the tax imposed by  
39 this Part an amount equal to the following:

- 40 (1) Five hundred dollars (\$500.00) for an individual who has, as of the last  
41 day of the taxable year, completed at least one but less than five years  
42 of service as a public school teacher.

1           (2)    One thousand dollars (\$1,000) for an individual who has, as of the last  
2                    day of the taxable year, completed at least five but less than 10 years  
3                    of service as a public school teacher.

4       (b)    Credit Limitation. – This credit may not exceed the amount of tax imposed by  
5       this Part for the taxable year reduced by the sum of all credits allowable, except tax  
6       payment made by or on behalf of the taxpayer. Any unused portion of the credit may be  
7       carried forward for the succeeding five years.

8       (c)    Definitions. – The following definitions apply in this section:

9           (1)   Public school. – Any elementary or secondary school located within  
10                   the borders of this State that is operated by a local school  
11                   administrative unit, any charter school approved by the State Board of  
12                   Education and operated in the State, the State, a branch of the federal  
13                   government, or a federally recognized Indian tribe.

14          (2)   Public school teacher. – A full-time permanent employee of a public  
15                   school who spends at least fifty percent (50%) of the school day  
16                   providing classroom instruction."

17       **SECTION 3.(b)** G.S. 105-160.3(b) is amended by adding a new subdivision  
18 to read:

19           "(8) G.S. 105-151.30. Credit for public school teachers."

20       **SECTION 3.(c)** This section is effective for taxable years beginning on or  
21 after January 1, 2007. This section is repealed effective for taxable years beginning on  
22 or after January 1, 2009.

23       **SECTION 3.(d)** This section does not affect the rights or liabilities of the  
24 State, a taxpayer, or another person arising under a statute amended or repealed by this  
25 section before the effective date of its amendment or repeal; nor does it affect the right  
26 to any refund or credit of a tax that accrued under the amended or repealed statute  
27 before the effective date of its amendment or repeal.

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29 **EFFECTIVE DATE**

30       **SECTION 4.** This act becomes effective July 1, 2006.