



HOUSE BILL 159: Education Law Changes.

This Bill Analysis reflects the contents of the bill as it was presented in committee.

2021-2022 General Assembly

Committee:	Senate Finance. If favorable, re-refer to Appropriations/Base Budget. If favorable, re-refer to Rules and Operations of the Senate	Date:	June 30, 2021
Introduced by:	Reps. Torbett, Blackwell	Prepared by:	Kara McCraw
Analysis of:	Fifth Edition		Staff Attorney

OVERVIEW: The 5th edition of House Bill 159 would make various education law changes. Part IV, on page 3 of the bill, contains the finance-related provision. It sets the fee amount for initial and renewal charter school applications at \$1,000. Currently the State Board of Education sets the fee amounts, and the fee amount for initial charter school applications is \$1,000 and the fee amount for charter school application renewals is \$500.

AMENDMENT: H159-ATC-94 would remove Part III of the bill and replace it with a one-time report from school nutrition programs to provide additional data on funds, balances, and costs for those programs for the prior three school years. The amendment would also make technical changes to the language in Part IV, establishing the charter fee, to reflect the set amount rather than variable amount of the fee.

CURRENT LAW AND BILL ANALYSIS:

PART I: Flexibility to Receive Annual Salary in 12 Monthly Installments through a Payroll Deduction Plan

CURRENT LAW: Teachers and school employees who are not employed in year-round schools may be paid in 12 monthly installments if they request so on or before the first day of the school year. Teachers employed for a period of less than 10 months cannot receive their salaries in 12 monthly installments.

BILL ANALYSIS: Local school administrative units (LEAs) will be required to fulfill requests by teachers and school employees to be paid in 12 monthly installments through a payroll deduction plan.

PART II: Change Report Date for Student Meal Debt Report

CURRENT LAW and BILL ANALYSIS: The State Board of Education (SBE) must report to the Joint Legislative Education Oversight Committee (JLEOC) on unpaid meal charges in LEAs by October 15, 2021. This Part changes the due date to October 15, 2023.

PART III: Revise Operating Balance Restrictions for School Nutrition Programs

CURRENT LAW: LEAs are not allowed to assess indirect costs to a school nutrition program unless the program has a minimum of one month's operating balance. The Department of Public Instruction (DPI) must calculate the average month's operating balance by using the figures obtained from the annual financial report from each nutrition program operation and it must be equal to the average of the 3 prior fiscal years' monthly operating balances.

BILL ANALYSIS: This Part would prohibit public school units from assessing indirect costs to a school nutrition program unless the program has an operating balance of at least two months. Public school units

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would also be prohibited from assessing indirect costs that are more than 8% of a school nutrition program's annual budget per fiscal year.

PART IV: Charter School Application Fee

CURRENT LAW and BILL ANALYSIS: The SBE must establish reasonable fees between \$500 and \$1,000 for initial and renewal charter applications. This Part would direct the SBE to establish a fee of \$1,000 for initial and renewal charter applications.

PART V: State Board of Education Required to Use Rulemaking to Adopt Standards for Standard Course of Study

CURRENT LAW: Chapter 150B of the General Statutes is North Carolina's Administrative Procedure Act. Article 2A of Chapter 150B outlines the rulemaking process State agencies must follow.

G.S. 115C-81.5 requires the SBE to adopt a standard course of study, providing, among other things, "a set of competencies, by grade level, for each curriculum area." G.S. 115C-12(9c) goes into more detail about the process the SBE must follow to develop content standards, including surveying parents, teachers, and the public, and ensuring the standards meet certain criteria.

BILL ANALYSIS: This Part would expressly require the SBE to follow the rulemaking process in Chapter 150B of the General Statutes, including in the adoption of the standard course of study. Standards adopted prior to January 1, 2021, could be deemed permanent rules without following the standard rulemaking process, provided that the standards are submitted to the Codifier of Rules within 60 days of the effective date of the section. Standards that do not meet these criteria would need to follow the standard rulemaking process.

PART VI: Bonuses for Teachers and Instructional Personnel at Schools Governed under Article 9C

BILL ANALYSIS: This part directs DPI to administer, within funds available, a bonus of \$350.00 to each individual who is employed as a teacher or instructional support personnel as of April 1, 2021, at a school governed under Article 9C of Chapter 115C of the General Statutes. These schools are: (i) the Governor Morehead School for the Blind; (ii) the Eastern North Carolina School for the Deaf; and (iii) the North Carolina School for the Deaf.

EFFECTIVE DATE: Except as provided in the bill, the bill becomes effective when it becomes law.

**This bill summary was substantially contributed to by Drupti Chauhan, Committee Counsel.*