



HOUSE BILL 38: Education Omnibus Changes.

2023-2024 General Assembly

Committee: Senate Rules and Operations of the Senate	Date: June 20, 2024
Introduced by: Reps. Pyrtle, Saine, Moss, Miller	Prepared by: Drupti Chauhan
Analysis of: Third Edition	Committee Counsel

OVERVIEW: *House Bill 38 would make changes to various education laws.*

PART I. ACCEPTANCE OF CASH FOR ADMISSION TO HIGH SCHOOL INTERSCHOLASTIC ATHLETIC ACTIVITIES

CURRENT LAW: G.S. 115C-12(23) and Article 29E of Chapter 115C of the General Statutes require that the State Board of Education (SBE) establish rules governing interscholastic athletic activities. G.S. 115C-47(4) requires local boards of education to conduct interscholastic athletic activities in accordance with SBE rules.

BILL ANALYSIS: This section would require the SBE to establish a rule for high school interscholastic athletic activities to require cash be accepted as a form of payment for admission to any activity where an admissions fee is charged.

EFFECTIVE DATE: This section would become effective when it becomes law and would apply beginning with the 2024-2025 school year.

PART II. NEW COOPERATIVE INNOVATIVE HIGH SCHOOLS

CURRENT LAW: Part 9 of Article 16 of Chapter 115C of the General Statutes allows a local board of education to partner with an institution of higher education to establish a cooperative innovative high school (CIHS) to provide high school students the opportunity to earn an associate degree, college credit, or a vocational certification along with their high school diploma at no cost to the student. The partnership operates under a written agreement approved by the State Board of Education and the applicable governing board for the institution of higher education. Additional funds may be provided to a CIHS through appropriations by the General Assembly.

BILL ANALYSIS: This section would waive the approval requirements and would permit the Dare Early College High School and Rockingham County CTE Innovation High School to operate as cooperative innovative high schools and be subject to the evaluation requirements provided in the statutes.

PART III. REVISE CERTAIN SUPPLANTING CRITERIA FOR SUPPLEMENTAL FUNDS FOR TEACHER COMPENSATION

BILL ANALYSIS: This section would amend the 2023 Appropriations Act to provide an alternate calculation option to determine whether a district supplanted State Teacher Supplement Assistance Allotment (TSAA) funds provided in the 2022-23 fiscal year, thereby affecting a district's eligibility for an allocation of funds in the 2024-25 fiscal year. Additionally, it would amend the 2023 Budget to allow districts who are determined to have supplanted TSAA funds in the 2022-23 fiscal year to remedy the supplanting in order to receive an allocation in FY 2024-25.

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PART IV. CONSTRUCTION MANAGEMENT CAPACITY FLEXIBILITY

CURRENT LAW: G.S. 143C-4-3.1 establishes the State Capital and Infrastructure Fund (SCIF) and identifies the authorized uses of funds from the SCIF.

BILL ANALYSIS: For projects over \$20 million authorized to be paid for through the SCIF, this section would authorize a low-capacity institution to use up to 2% of its total project authorization to support project management capacity through time-limited employees or a third-party vendor.

A low-capacity institution would be a constituent institution of The University of North Carolina with a full-time equivalent enrollment of less than 10,000 students in the fiscal year before the project was authorized.

EFFECTIVE DATE: This section would be effective when it becomes law and would apply to contracts executed on or after that date.

PART V. UNC CARRYFORWARD FOR CERTAIN PROJECTS AT CERTAIN INSTITUTIONS

BILL ANALYSIS: This section would allow for the non-reversion of certain nonrecurring funds appropriated for the 2023-2024 fiscal year. These funds would remain available until the end of the 2024-2025 fiscal year as follows:

- \$2,500,000 appropriated to the Office of State Budget and Management for Fayetteville University for a risk management school.
- \$5,000,000 appropriated to the Board of Governors of The University of North Carolina to be allocated to NC A&T University for programs, research faculty and staff, research expenditures, and building infrastructure.

EFFECTIVE DATE: This section would become effective June 30, 2024.

PART VI. UNC CONSTITUENT INSTITUTIONS TO CARRY FORWARD TAX PROCEEDS FROM SPORTS WAGERING

BILL ANALYSIS: This section would provide that funds appropriated to UNC constituent institutions from tax proceeds from sports wagering to support collegiate athletic departments would not revert at the end of the fiscal year in which they are appropriated and would remain available until expended.

EFFECTIVE DATE: This section would become effective June 30, 2024.

PART VII. PERMIT UNC BOARD OF GOVERNORS CHAIR TO DESIGNATE A MEMBER OF THE BOARD OF DIRECTORS FOR PROJECT KITTY HAWK

CURRENT LAW: Project Kitty Hawk is governed by a board of directors that includes the Chair of the Board of Governors as an ex officio voting member.

BILL ANALYSIS: This section would provide that the Chair of the Board of Governors could designate an individual to take the place of the Chair as an ex officio voting member.

PART VIII. PERMIT CERTAIN STUDENTS TO PARTICIPATE IN THE TEACHING FELLOWS PROGRAM

BILL ANALYSIS: For the 2024-2025 academic year only, the North Carolina Teaching Fellows Program would have to provide forgivable loans for the completion of an educator preparation program of up to \$5,000 per semester for up to 6 semesters to the following categories of selected students enrolled in selected educator preparation programs in the 2024-2025 academic year:

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- Students enrolled in the 2023-2024 academic year in a program of study leading to licensure in elementary education.
- Students who were enrolled in the 2023-2024 academic year in an educator preparation program that becomes a selected educator preparation program in the 2024-2025 academic year and who remain enrolled in the program.

PART IX. CONFORM IN-STATE TUITION REQUIREMENTS TO FEDERAL LAW

BILL ANALYSIS: Federal law changes now require states to provide in-State tuition for citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau. These individuals would be required to pay any mandatory fees.

EFFECTIVE DATE: This section would become effective July 1, 2024, and apply beginning with the 2024-2025 academic year.

PART X. ALLOW THE AUTHORITY TO USE ADMINISTRATIVE FUNDS FROM OPPORTUNITY SCHOLARSHIPS FOR PERSONAL EDUCATION STUDENT ACCOUNTS

CURRENT LAW: The State Education Assistance Authority (SEAA) administers two K-12 education programs: The Opportunity Scholarship Program (OSP) and the Personal Education Student Accounts for Children with Disabilities Program (PESA). For the OSP, SEAA may retain up to 2.5% of the funds appropriated each fiscal year for administrative costs. For the PESA, SEAA may retain up to the lesser of 4% or \$2,000,000.

BILL ANALYSIS: This section would increase the amount of funds SEAA may retain for the administrative costs of the PESA to \$3,000,000. It would also allow SEAA to allocate any unused funds retained for the administrative costs of the OSP to cover the administrative costs of the PESA.

PART XI.

EFFECTIVE DATE: Except as otherwise provided, the act would become effective when it becomes law.

**The following contributed substantially to this OVERVIEW:*

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