

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 2

Education Committee Substitute Adopted 4/26/89
Education Committee Substitute #2 Adopted 6/6/89

Short Title: School Improvement Act.

(Public)

Sponsors:

Referred to:

January 12, 1989

A BILL TO BE ENTITLED

AN ACT TO ENACT THE SCHOOL IMPROVEMENT AND ACCOUNTABILITY ACT OF 1989.

The General Assembly of North Carolina enacts:

Section 1. Title of Act. – This act may be referred to as the "School Improvement and Accountability Act of 1989".

Sec. 2. Legislative Intent. – It is the intent of the General Assembly that this act be implemented with a minimum of regulations necessary to accomplish the purposes set forth in this act.

Sec. 3. Performance-based Accountability Program. – Article 16 of Chapter 115C of the General Statutes is amended by adding a new Part to read:

“PART 4. PERFORMANCE-BASED ACCOUNTABILITY PROGRAM.
“§ 115C-238.1. Performance-based Accountability Program; adoption and implementation by State Board.

The State Board of Education shall develop and implement a Performance-based Accountability Program for the State. The primary goal of the Program shall be to improve student performance. The Program shall set forth the process and guidelines through which local school administrative units may participate in the program and indicators for measuring and assessing student performance in the participating units. The process and guidelines for developing local plans shall include three to five year student performance goals, with annual milestones to determine progress in meeting those goals.

1 **"§ 115C-238.2. Local participation in the Program voluntary; the effects of local**
2 **participation.**

3 (a) Participation in the Performance-based Accountability Program shall be at the
4 request of the local school administrative unit. Local school administrative units may
5 participate in the program beginning with 1990-91 fiscal year.

6 (b) Local school administrative units that elect to participate in the Performance-
7 based Accountability Program:

8 (1) Are exempt from requirements to submit most reports to the
9 Department of Public Education, as provided in G.S. 115C-238.3(a).

10 (2) Are subject to the performance standards in the State accreditation
11 program but are not subject to State accreditation opportunity
12 standards and staffing ratios established by the State Board pursuant to
13 G.S. 115C-12(9)c. The performance standards in the State
14 accreditation program, modified to reflect the end-of-course and end-
15 of-grade tests, may serve as the basis for developing the performance
16 indicators described in G.S. 115C-238.3(b).

17 (3) May receive funds for differentiated pay for teachers and
18 administrators, as provided in G.S. 115C-238.4.

19 (4) May be allowed increased flexibility in the expenditure of State funds,
20 as provided in G.S. 115C-238.5.

21 (5) May be granted waivers of State laws, regulations, and policies that
22 inhibit their ability to reach local accountability goals, as provided in
23 G.S. 115C-238.6(a).

24 **"§ 115C-238.3. Elements of local plans.**

25 (a) Any local school administrative unit that elects to participate in the Program
26 shall submit before April 15 each year a single plan to the State Superintendent of
27 Public Instruction for approval in June of each year. This single plan shall be in lieu of
28 all other plans that must be submitted to the Department of Public Education under State
29 law; it shall not be in lieu of other plans that must be submitted under federal law.

30 (b) The State Board of Education shall adopt a set of indicators of student
31 performance that shall be used in devising local school improvement plans. Suggested
32 indicators include attendance, dropout rates, test scores, parent involvement, and post-
33 secondary outcomes.

34 (c) The local school administrative unit shall actively involve a substantial
35 number of teachers, school administrators, and other school staff in developing a local
36 school improvement plan.

37 The local school administrative unit plan shall begin with performance goals set by
38 the local board of education and shall address specific, measurable goals for all
39 indicators adopted by the State Board, recognizing that not all indicators must be part of
40 each school building improvement plan; building plans should be tailored to address
41 priority student goals within each building. Factors that determine gains in achievement
42 vary from school to school; therefore, socioeconomic factors and previous student
43 performance indicators shall be used as the basis of the local school improvement plan.

1 Local principals and their staffs shall develop building level plans designed to meet
2 the goals set by the local board. The local plan shall be based on these building level
3 plans and shall set forth the student performance goals of the local school administrative
4 unit for the following school year and the strategies and plans for attaining them.

5 (d) The local plan shall include a plan for differentiated pay, as provided in G.S.
6 115C-238.4, unless the local school administrative unit elects not to participate in any
7 differentiated pay plan.

8 (e) Local school administrative units electing to participate in the Performance-
9 based Accountability Program shall continue to use the Teacher Performance Appraisal
10 Instrument (TPAI) for evaluating beginning teachers during the first three years of their
11 employment. Local units may also, however, develop other evaluation approaches for
12 teachers who have attained career status.

13 **"§ 115C-238.4. Differentiated pay.**

14 (a) Local school administrative units may include, but are not required to
15 include, a differentiated pay plan for certified instructional staff, certified instructional
16 support staff, or certified administrative staff as a part of their local school improvement
17 plans. Units electing to include differentiated pay plans in their school improvement
18 plans, shall base their plans on:

19 (1) The Career Development Pilot Program, G.S. 115C-363 et seq.;

20 (2) The Lead Teacher Pilot Program, G.S. 115C-363.28 et seq.;

21 (3) A locally designed building-based performance program, subject to
22 limitations and guidelines adopted by the State Board of Education;

23 (4) A differentiated pay plan successfully implemented in another state; or

24 (5) A locally designed plan including any combination or modification of
25 the foregoing plans.

26 (b) Support among affected staff members is essential to successful
27 implementation of a differentiated pay plan. To determine the level of support among
28 affected staff members, a local unit considering including a differentiated pay plan in its
29 school improvement plan shall present a proposed plan to affected staff members for
30 their review and shall then poll affected staff to determine their support for the proposed
31 plan. The results of the poll shall be considered by the local school board in
32 determining whether to include the differentiated pay plan in its school improvement
33 plan. A decision to include the differentiated pay plan in the school improvement plan
34 shall be supported by a specific finding that there is sufficient support for the plan
35 among affected staff members to assure its successful implementation. The results of
36 the poll and the findings regarding support for the plan shall be included with any
37 differentiated pay plan submitted to the State Board of Education for approval, and the
38 State Board shall approve the plan only if it concludes that there is sufficient support for
39 the plan to ensure its successful implementation.

40 (c) The level of support among affected staff members for the differentiated pay
41 plan shall be reassessed every three years.

42 (d) Local school administrative units electing to participate in the Career
43 Development Program or in a locally-devised differentiated pay plan shall receive funds

1 for differentiated pay for teachers and administrators according to the following
2 schedule:

- 3 (1) 1990-91: two percent (2%) of teacher and administrator salaries;
- 4 (2) 1991-92: three percent (3%) of teacher and administrator salaries;
- 5 (3) 1992-93: four percent (4%) of teacher and administrator salaries; and
- 6 (4) 1993-94 and thereafter: seven percent (7%) of teacher and
7 administrator salaries.

8 Local school administrative units electing to participate in the Career Development
9 Program shall adjust compensation differentials and school-based incentive awards to
10 conform with the level of funding provided. Attainment of the equivalent of Career
11 Status I shall be rewarded through a new salary schedule that provides a salary
12 differential when a certified educator successfully completes his probationary period.

13 (e) Any additional compensation received by an employee as a result of the unit's
14 participation in the Program shall be paid as a bonus or supplement to the employee's
15 regular salary. If an employee in a participating unit does not receive additional
16 compensation, such failure to receive additional compensation shall not be construed as
17 a demotion, as that term is used in G.S. 115C-325.

18 **"§ 115C-238.5. Flexible funding categories.**

19 For fiscal years beginning with the 1990-91 fiscal year, the State Board of
20 Education, only upon the recommendation of the State Superintendent, shall increase
21 flexibility in State funding of schools and shall reduce the number of existing categories
22 of State funding to no more than 10 categories; only local school administrative units
23 electing to participate in the Performance-based Accountability Program shall be
24 eligible to receive this flexible funding.

25 Local boards of education shall provide maximum flexibility to individual schools to
26 enable them to accomplish their building level goals.

27 **"§ 115C-238.6. Approval of local school administrative unit plans by the State**
28 **Superintendent; conditions for continued participation.**

29 (a) The State Superintendent shall consider and approve, on an annual basis, the
30 local school improvement plans in accordance with policies and performance indicators
31 adopted by the State Board of Education.

32 If a local plan identifies State laws, regulations, or policies that inhibit the local
33 unit's ability to reach its local accountability goals, the State Superintendent shall
34 present that plan to the State Board of Education, with his recommendation as to
35 whether and to what extent the identified laws, regulations, or policies should be
36 waived. The State Board of Education may grant such waivers as it deems necessary
37 and appropriate to enable the local unit to reach its local accountability goals.

38 (b) Local school administrative units electing to participate in the Performance-
39 based Accountability Program shall remain in the Program and receive differential
40 salary funding, if their local plans call for differential salary funding, so long as they
41 demonstrate satisfactory progress toward approved goals or, once goals are met,
42 satisfactory performance, as determined by the State Superintendent in accordance with
43 guidelines set by the State Board of Education; Provided, however, to demonstrate
44 satisfactory performance a local unit shall, at a minimum, continue to achieve the goals

1 approved for it. If the local school administrative units do not achieve their goals after
2 two years, the Department of Public Instruction shall provide them with technical
3 assistance to help them meet their goals. If after one additional year they do not achieve
4 their goals, the State Board of Education shall decide what steps shall be taken to
5 improve the education of students in the unit."

6 Sec. 4. End-of-course and end-of-grade tests. – Article 10A of Chapter 115C
7 of the General Statutes is amended by adding a new Part to read:

8 **“PART 3. END-OF-COURSE AND END-OF-GRADE TESTS.**

9 **“§ 115C-174.18. End-of-course and end-of-grade tests.**

10 The State Board of Education shall adopt a system of end-of-course and end-of-
11 grade tests for grades three through twelve. These tests shall be designed to measure
12 progress toward selected competencies, especially core academic competencies,
13 described in the Standard Course of Study for appropriate grade levels. With regard to
14 individual students who are identified as not demonstrating satisfactory academic
15 progress, end-of-course and end-of-grade test results shall be used in developing
16 strategies and plans for assisting those students in demonstrating satisfactory academic
17 progress. Testing necessary to allow comparisons with national indicators of student
18 achievement shall be conducted with the smallest size sample of students necessary to
19 assure valid comparisons with other states."

20 Sec. 5. Annual Report Cards for Schools. – G.S. 115C-12(9) reads as
21 rewritten:

22 "(9) Miscellaneous Powers and Duties. – All the powers and duties
23 exercised by the State Board of Education shall be in conformity with
24 the Constitution and subject to such laws as may be enacted from time
25 to time by the General Assembly. Among such duties are:

- 26 a. To certify and regulate the grade and salary of teachers and
27 other school employees.
28 b. To adopt and supply textbooks.
29 c. To adopt rules requiring all local boards of education to
30 implement the Basic Education Program on an incremental
31 basis within funds appropriated for that purpose by the General
32 Assembly and by units of local government.

33 The Board shall develop a State accreditation program that
34 meets or exceeds the standards and requirements of the Basic
35 Education Program. The Board shall require each local school
36 administrative unit to comply with the State accreditation
37 program to the extent that funds have been made available to
38 the local school administrative unit for implementation of the
39 Basic Education Program.

40 The Board shall use the State accreditation program to
41 monitor the implementation of the Basic Education Program.

- 42 c1. To issue an annual ‘report card’ for the State and for each local
43 school administrative unit, assessing each unit’s efforts to
44 improve student performance and taking into account progress

1 over the previous years' level of performance and the State's
2 performance in comparison with other states. This assessment
3 shall take into account demographic, economic, and other
4 factors that have been shown to affect student performance.

5 d. To formulate rules and regulations for the enforcement of the
6 compulsory attendance law.

7 e. To manage and operate a system of insurance for public school
8 property, as provided in Article 38 of this Chapter.

9 In making substantial policy changes in administration, curriculum, or programs the
10 Board should conduct hearings throughout the regions of the State, whenever feasible,
11 in order that the public may be heard regarding these matters."

12 Sec. 6. Existing Career Development Pilot Programs. – Notwithstanding the
13 provisions of Article 24B of Chapter 115C of the General Statutes, Article 24D of
14 Chapter 115C of the General Statutes, or any other provision of law, funding for the
15 career ladder pilot projects and the lead teacher pilot projects shall continue through
16 1989-90: Provided, however, that further funding of these projects shall depend on the
17 pilot units successfully submitting improvement plans, pursuant to the Performance-
18 based Accountability Program, during the 1989-90 school year. If they submit plans
19 that are approved by the State Superintendent, funding for their pilot programs shall
20 continue through the 1992-93 fiscal year. By the 1993-94 fiscal year, State funds for
21 the career development pilot units and lead teacher pilot units shall be limited to the
22 amount of funds available through the School Improvement and Accountability Act of
23 1989.

24 Sec. 7. Staff Development Funds. – There is appropriated from the General
25 Fund to the Department of Public Education the sum of \$6,081,500 for the 1989-90
26 fiscal year and the sum of \$6,081,500 for the 1990-91 fiscal year as an additional
27 allotment for staff development and training. These funds shall be used for training in
28 areas directly related to school-based decision making and flexible funding. These
29 funds shall be allocated on the basis of one hundred dollars (\$100.00) for each certified
30 position during the 1989-90 and subsequent school years above the funding level in
31 effect during the 1988-89 school year.

32 Sec. 8. Performance-based Accountability Program Funds. – There is
33 appropriated from the General Fund to the Department of Public Education the sum of
34 \$400,000 for the 1989-90 fiscal year to produce training materials for superintendents
35 and principals and to have regional training for school administrators, under the
36 Performance-based Accountability Program.

37 Sec. 9. Test Development Funds. – There is appropriated from the General
38 Fund to the Department of Public Education the sum of \$250,000 for the 1989-90 fiscal
39 year and the sum of \$250,000 for the 1990-91 fiscal year for developing and/or
40 acquiring end-of-grade and end-of-course tests provided for in Section 4 of this act.

41 Sec. 10. Differentiated Pay Funds. – There is appropriated from the General
42 Fund to the Department of Public Education the sum of \$44,000,000 for the 1990-91
43 fiscal year for differentiated pay under the Performance-based Accountability Program.

1 Sec. 11. Sections 7 through 10 of this act shall become effective July 1,
2 1989. The remainder of this act is effective upon ratification.