

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE BILL 15  
Committee Substitute Favorable 9/29/15

Short Title: Educ. Software/SWD Tuition. (Public)

Sponsors:

Referred to:

January 29, 2015

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE DEPARTMENT OF PUBLIC INSTRUCTION TO USE FUNDS TO ENTER INTO A STATEWIDE COOPERATIVE PURCHASING AGREEMENT FOR OFFICE PRODUCTIVITY SOFTWARE FOR PUBLIC SCHOOLS, TO ESTABLISH THE OFFICE OF PRINCIPAL PREPARATION, TO AMEND THE PROCESS FOR TUITION ENDORSEMENTS AND REIMBURSEMENTS FOR SCHOLARSHIPS FOR STUDENTS WITH DISABILITIES, AND TO EXEMPT STUDENTS AT THE SCHOOL OF SCIENCE AND MATHEMATICS AND THE SCHOOL OF THE ARTS FROM PAYING FEES FOR ADVANCED PLACEMENT EXAMS.

The General Assembly of North Carolina enacts:

**SECTION 1.** S.L. 2015-241 is amended by adding a new section to read:

**"SECTION 8.49.** The Department of Public Instruction may use funds appropriated to the Department for the 2015-2016 fiscal year and subsequent fiscal years to (i) enter into a statewide cooperative purchasing agreement to provide office productivity software for students, teachers, and other staff of North Carolina public schools, including charter schools, and (ii) provide technical support and professional development on the use of the software."

**SECTION 1.5.** Section 11.9 of S.L. 2015-241 reads as rewritten:

**"SECTION 11.9.(a)** Purpose. – The purpose of this section is to establish a competitive grant program for eligible entities to elevate educators in North Carolina public schools by transforming the preparation of principals across the State. The State Education Assistance Authority (Authority) shall administer this grant program through ~~a cooperative agreement with a private, nonprofit corporation~~ the Office of Principal Preparation established within the Authority pursuant to subsection (d) of this section to provide funds for the preparation and support of highly effective future school principals in North Carolina.

**"SECTION 11.9.(b)** Definitions. – For the purposes of this section, the following definitions apply:

- (1) Eligible entity. – A for-profit or nonprofit organization or an institution of higher education that has an evidence-based plan for preparing school leaders who implement school leadership practices linked to increased student achievement.
- (2) High-need school. – A public school, including a charter school, that meets one or more of the following criteria:
  - a. Is a school identified under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended.



- 1 b. Is a persistently low-achieving school, as identified by the  
2 Department of Public Instruction for purposes of federal  
3 accountability.  
4 c. A middle school containing any of grades five through eight that  
5 feeds into a high school with less than a sixty percent (60%)  
6 four-year cohort graduation rate.  
7 d. A high school with less than a sixty percent (60%) four-year cohort  
8 graduation rate.

9 (3) Principal. – The highest administrative official in a public school building  
10 with primary responsibility for the instructional leadership, talent  
11 management, and organizational development of the school.

12 (4) School leader. – An individual employed in a school leadership role,  
13 including principal or assistant principal roles.

14 (5) Student achievement. – At the whole school level, after three years of  
15 leading a school, consistent and methodologically sound measures of:

- 16 a. Student academic achievement.  
17 b. Aggregated individual student academic growth.  
18 c. Additional outcomes, such as high school graduation rates, the  
19 percentage of students taking advanced-level coursework, or the  
20 percentage of students who obtain a career-related credential through  
21 a national business certification exam.

22 **"SECTION 11.9.(c) Program Authorized.** – The Authority shall award grants to eligible  
23 entities to support programs that develop well-prepared school leaders in accordance with the  
24 provisions of this section. The Authority shall establish any necessary rules to administer the  
25 grant program.

26 ~~**"SECTION 11.9.(d) Contract With a Nonprofit for Administration.**— By November 1,  
27 2015, the Authority shall issue a Request for Proposal (RFP) for a private, nonprofit  
28 corporation to contract with the Authority for the administration of the program, including  
29 making recommendations to the Authority for the award of grants, as authorized by this  
30 section. The nonprofit corporation applying to the Authority shall meet at least the following  
31 requirements:~~

32 ~~(1) The nonprofit corporation shall be a nonprofit corporation organized  
33 pursuant to Chapter 55A of the General Statutes and shall comply at all  
34 times with the provisions of section 501(c)(3) of the Internal Revenue Code.~~

35 ~~(2) The nonprofit corporation shall employ sufficient staff who have  
36 demonstrated a capacity for the development and implementation of grant  
37 selection criteria and a selection process to promote innovative school leader  
38 education programs, including:~~

- 39 ~~a. Focus on school leader talent.  
40 b. Expertise supporting judgments about grant renewal based on  
41 achievement of or substantial school leader progress toward  
42 measurable results in student achievement.  
43 e. Expectation of creating positive experiences working with the  
44 educational community in North Carolina to establish the foundation  
45 for successfully administering the programs set forth in this section.~~

46 ~~(3) The nonprofit corporation shall comply with the limitations on lobbying set  
47 forth in section 501(c)(3) of the Internal Revenue Code.~~

48 ~~(4) No State officer or employee may serve on the board of the nonprofit  
49 corporation.~~

50 ~~(5) The board of the nonprofit corporation shall meet at least quarterly at the call  
51 of its chair.~~

1 "SECTION 11.9.(d) Establish Office of Principal Preparation. – There is established  
2 within the State Education Assistance Authority (Authority) an Office of Principal Preparation  
3 (Office). The Office shall have the following responsibilities:

- 4 (1) To make recommendations to the Authority for the award of grants, as  
5 authorized by this section.
- 6 (2) To develop and oversee the selection criteria, the selection process, selection  
7 outreach efforts, renewal, continuation, and reporting criteria.
- 8 (3) To build a portfolio of approved technical assistance providers to grantees.
- 9 (4) To work with the educational community across North Carolina to  
10 successfully implement each of the programs outlined in this act.

11 ~~"SECTION 11.9.(e) Report on Selection of the Nonprofit. – The Authority shall select a~~  
12 ~~nonprofit corporation to enter into a contract with to administer the program by January 15,~~  
13 ~~2016. The Authority shall report to the Joint Legislative Education Oversight Committee on the~~  
14 ~~selection of the nonprofit corporation by February 1, 2016.~~

15 "SECTION 11.9.(e) Office Director and staff. – The Executive Director of the Authority  
16 shall appoint a director of the Office and shall employ sufficient Office staff who have  
17 demonstrated a capacity for the development and implementation of grant selection criteria and  
18 a selection process to promote innovative school leader education programs, including all of the  
19 following: (i) focus on school leader talent; (ii) expertise supporting judgments about grant  
20 renewal based on achievement of or substantial school leader progress toward measurable  
21 results in student achievement; and (iii) expectation of creating positive experiences working  
22 with the educational community in North Carolina to establish the foundation for successfully  
23 administering the programs set forth in this section.

24 Notwithstanding any other provision of law, any employee hired as Office staff, including  
25 the Director of the Office, who voluntarily relinquishes annual longevity payments,  
26 relinquishes any claim to longevity pay, voluntarily relinquishes any claim to career status or  
27 eligibility for career status as approved by the Executive Director of the Authority and the  
28 Director of the Office of State Human Resources (OSHR) is exempt from all of the following:  
29 (i) the classification and compensation rules established by the State Human Resources  
30 Commission pursuant to G.S. 126-4(1) through (4); (ii) G.S. 126-4(5) only as it applies to hours  
31 and days of work, vacation, and sick leave; (iii) G.S. 126-4(6) only as it applies to promotion  
32 and transfer; (iv) G.S. 126-4(10) only as it applies to the prohibition of the establishment of  
33 incentive pay programs; and (v) Article 2 of Chapter 126 of the General Statutes, except for  
34 G.S. 126-7.1.

35 ~~"SECTION 11.9.(f) Application Requirements. – The nonprofit corporation entering into a~~  
36 ~~contract with the Authority under subsection (d) of this section. The Office shall issue an initial~~  
37 ~~RFP with guidelines and criteria for the grants no later than March 1, 2016. January 1, 2016.~~  
38 ~~An eligible entity that seeks a grant under the program authorized by this section shall submit~~  
39 ~~to the nonprofit corporation Office an application at such time, in such manner, and~~  
40 ~~accompanied by such information as the nonprofit Office may require. An applicant shall~~  
41 ~~include at least the following information in its response to the RFP for consideration by the~~  
42 ~~nonprofit corporation: Office:~~

- 43 (1) The extent to which the entity has a demonstrated record of preparing school  
44 leaders who implement school leadership practices linked to increased  
45 student achievement.
- 46 (2) The extent to which the entity has a rigorous school leader preparation  
47 program design that includes the following research-based programmatic  
48 elements:
  - 49 a. A proactive, aggressive, and intentional recruitment strategy.
  - 50 b. Rigorous selection criteria based on competencies that are predictive  
51 of success as a school leader, including, but not limited to, evidence

1 of significant positive effect on student learning growth in the  
2 classroom, at the school-level, and the local school administrative  
3 unit-level, professional recommendations, evidence of problem  
4 solving and critical thinking skills, achievement drive, and leadership  
5 of adults.

- 6 c. Alignment to high-quality national standards for school leadership  
7 development.
- 8 d. Rigorous coursework that effectively links theory with practice  
9 through the use of field experiences and problem-based learning.
- 10 e. Full-time clinical practice of at least five months in duration in an  
11 authentic setting, including substantial leadership responsibilities  
12 where candidates are evaluated on leadership skills and effect on  
13 student outcomes as part of program completion.
- 14 f. Multiple opportunities for school leader candidates to be observed  
15 and coached by program faculty and staff.
- 16 g. Clear expectations for and firm commitment from school leaders  
17 who will oversee the clinical practice of candidates.
- 18 h. Evaluation of school leader candidates during and at the end of the  
19 clinical practice based on the North Carolina School Executive  
20 Evaluation Rubric.
- 21 i. A process for continuous review and program improvement based on  
22 feedback from partnering local school administrative units and data  
23 from program completers, including student achievement data.
- 24 j. Established relationship and feedback loop with affiliated local  
25 school administrative units that is used to inform and improve  
26 programmatic elements from year to year based on units' needs.

27 **"SECTION 11.9.(g) Priorities.** – ~~The nonprofit corporation~~ Office shall evaluate the  
28 applicants for grants by giving priority to an eligible entity with a record of preparing principals  
29 demonstrating the following:

- 30 (1) Improvement in student achievement.
- 31 (2) Placement as school leaders in eligible schools.
- 32 (3) A proposed focus on and, if applicable, a record of serving high-need  
33 schools, high-need local school administrative units, or both.
- 34 (4) A detailed plan and commitment to share lessons learned and to improve the  
35 capacity of other entities in reaching similar outcomes.

36 **"SECTION 11.9.(h) Uses of Funds.** – ~~By June 1, 2016, the nonprofit corporation~~ By  
37 March 1, 2016, the Office shall recommend to the Authority the recipients of grants under the  
38 program. Each eligible entity that receives grant funds shall use those funds to carry out the  
39 following:

- 40 (1) Recruiting and selecting, based on a rigorous evaluation of the competencies  
41 of the school leader candidates participating in the program and their  
42 potential and desire to become effective school leaders.
- 43 (2) Operating a school leader preparation program by doing the following:
- 44 a. Utilizing a research-based content and curriculum, including  
45 embedded participant assessments to evaluate candidates before  
46 program completion, that prepares candidates to do the following:
- 47 1. Provide instructional leadership, such as developing teachers'  
48 instructional practices and analyzing classroom and  
49 school-wide data to support teachers.
- 50 2. Manage talent, such as developing a high-performing team.

- 1 3. Build a positive school culture, such as building a strong  
2 school culture focused on high academic achievement for all  
3 students, including gifted and talented students, students with  
4 disabilities, and English learners, maintaining active  
5 engagement with family and community members, and  
6 ensuring student safety.
- 7 4. Develop organizational practices, such as aligning staff,  
8 budget, and time to the instructional priorities of the school.
- 9 b. Providing opportunities for sustained and high-quality job-embedded  
10 practice in an authentic setting where candidates are responsible for  
11 moving the practice and performance of a subset of teachers or for  
12 school-wide performance as principal-in-planning or interim school  
13 leaders.
- 14 (3) Collecting data on program implementation and program completer  
15 outcomes for continuous program improvement.

16 **"SECTION 11.9.(i)** Duration of Grants. – The ~~nonprofit corporation~~ Office shall also  
17 recommend to the Authority the duration and renewal of grants to eligible entities according to  
18 the following:

- 19 (1) The duration of grants shall be as follows:
  - 20 a. Grants shall be no more than five years in duration.
  - 21 b. The ~~nonprofit corporation~~ Office may recommend renewal of a grant  
22 based on performance, including allowing the grantee to scale up or  
23 replicate the successful program as provided in subdivision (2) of this  
24 subsection.
- 25 (2) In evaluating performance for purposes of grant renewal and making  
26 recommendations to the Authority, the ~~nonprofit corporation~~ Office shall  
27 consider:
  - 28 a. For all grantees, the primary consideration in renewing grants shall  
29 be the extent to which program participants improved student  
30 achievement in eligible schools.
  - 31 b. Other criteria from data received in the annual report in subsection (j)  
32 of this section may include the following:
    - 33 1. The percentage of program completers who are placed as  
34 school leaders in this State within three years of receiving a  
35 grant.
    - 36 2. The percentage of program completers who are rated  
37 proficient or above on the North Carolina School Executive  
38 Evaluation Rubric.

39 **"SECTION 11.9.(j)** Reporting Requirements for Grant Recipients. – Recipients of grants  
40 under the program shall submit an annual report to the ~~nonprofit corporation contracting with~~  
41 ~~the Authority,~~ Office beginning in the third year of the grant, with any information requested  
42 by the ~~nonprofit corporation~~ Office. Whenever practicable and within a reasonable amount of  
43 time, grant recipients shall also make all materials developed as part of the program and with  
44 grant funds publically available to contribute to the broader sharing of promising practices.  
45 Materials shall not include personally identifiable information regarding individuals involved  
46 or associated with the program, including, without limitation, applicants, participants,  
47 supervisors, evaluators, faculty, and staff, without their prior written consent. The ~~nonprofit~~  
48 ~~corporation~~ Office shall work with recipients and local school administrative units, as needed,  
49 to enable the collection, analysis, and evaluation of at least the following relevant data, within  
50 necessary privacy constraints:

- 51 (1) Student achievement in eligible schools.

- 1 (2) The percentage of program completers who are placed as school leaders  
2 within three years in the State.
- 3 (3) The percentage of program completers rated proficient or above on school  
4 leader evaluation and support systems.

5 **"SECTION 11.9.(k)** Licensure Process. – By June 1, 2016, the State Board of Education  
6 shall adopt a policy to provide for a specific licensure process applicable to school  
7 administrators who provide documentation to the State Board of successful completion of a  
8 principal preparation program selected for a competitive grant in accordance with this section.

9 **"SECTION 11.9.(l)** Evaluation and Revision of Program. – ~~The nonprofit corporation~~  
10 ~~administering the program~~ Office shall provide the State Board of Education with the data  
11 collected in accordance with subsection (j) of this section on an annual basis. By September 15,  
12 2021, the State Board of Education, in coordination with the Board of Governors of The  
13 University of North Carolina, shall revise, as necessary, the licensure requirements for school  
14 administrators and the standards for approval of school administrator preparation programs  
15 after evaluating the data collected from the grant recipients, including the criteria used in  
16 selecting grant recipients and the outcomes of program completers. The State Board of  
17 Education shall report to the Joint Legislative Education Oversight Committee by November  
18 15, 2021, on any changes made to the licensure requirements for school administrators and the  
19 standards for approval of school administrator preparation programs in accordance with this  
20 section.

21 **"SECTION 11.9.(m)** Extension of certain deadlines. – The General Assembly finds that it  
22 is important for the competitive grant program established by this act be implemented in a  
23 timely manner so that the program will be available as soon as possible for eligible entities  
24 which will in turn benefit students who have the potential and desire to become effective school  
25 leaders. However, if the Office makes a good faith effort to meet the deadlines established in  
26 subsections (f) and (h) of this section and the Authority determines that additional time is  
27 required to satisfactorily meet those deadlines, the deadlines under each of those subsections  
28 may be extended by an additional 30 days.

29 **"SECTION ~~11.9.(m)~~ 11.9.(n)** Of the funds appropriated each fiscal year for this program,  
30 the sum of five hundred thousand dollars (\$500,000) shall be allocated to the State Education  
31 Assistance Authority to ~~contract with the nonprofit corporation selected pursuant to subsection~~  
32 ~~(e) of this section to establish and administer the program.~~ The State Education Assistance  
33 Authority may use up to five percent (5%) of those funds each fiscal year for administrative  
34 costs. be used as follows:

- 35 (1) Four hundred seventy-five thousand dollars (\$475,000) shall be used to hire  
36 the Office director and office staff, and for the operating expenses of the  
37 Office.
- 38 (2) Twenty-five thousand dollars (\$25,000) shall be used by the State Education  
39 Assistance Authority for the Authority's administrative costs regarding the  
40 program created by this act.

41 **"SECTION ~~11.9.(n)~~ 11.9.(o)** Beginning with the 2016-2017 fiscal year, of the funds  
42 appropriated for this program, the sum of five hundred thousand dollars (\$500,000) shall be  
43 allocated each fiscal year to the State Education Assistance Authority to award grants to  
44 selected recipients."

45 **SECTION 2.** G.S. 115C-112.6(b1)(1), as enacted by Section 11.11(a) of S.L.  
46 2015-241, reads as rewritten:

- 47 "(1) ~~Scholarship endorsement for tuition.~~ The Authority shall remit, at least two  
48 times each school year, scholarship funds awarded to eligible students for  
49 endorsement by at least one of the student's parents or guardians for tuition  
50 to attend (i) a North Carolina public school other than the public school to  
51 which that student has been assigned as provided in G.S. 115C 366 or (ii) a

1 nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39  
2 of this Chapter as identified by the Department of Administration, Division  
3 of Nonpublic Education. Scholarship funds shall not be provided for tuition  
4 for home-schooled students. If the student is attending a nonpublic school,  
5 the school must be deemed eligible by the Division of Nonpublic Education,  
6 pursuant to G.S. 115C-562.4, and the school shall be subject to the  
7 requirements of G.S. 115C-562.5. The parent or guardian shall restrictively  
8 endorse the scholarship funds awarded to the eligible student to the school  
9 for deposit into the account of the school. The parent or guardian shall not  
10 designate any entity or individual associated with the school as the parent's  
11 attorney in fact to endorse the scholarship funds but shall endorse the  
12 scholarship funds in person at the site of the school. A parent's or guardian's  
13 failure to comply with this section shall result in forfeiture of the scholarship  
14 funds. A scholarship forfeited for failure to comply with this section shall be  
15 returned to the Authority to be awarded to another student.

16 (1) Tuition endorsements and reimbursements. – The Authority shall disburse  
17 scholarship funds for tuition for eligible students awarded pursuant to this  
18 section as provided in this subdivision. The method of disbursement varies  
19 based on the criteria satisfied by the school. Scholarship funds shall not be  
20 provided for tuition for home-schooled students. The two methods for the  
21 disbursement of scholarship funds follow:

22 a. Scholarship endorsement for tuition. – The Authority shall remit, at  
23 least two times each school year, scholarship funds awarded to  
24 eligible students for endorsement by at least one of the student's  
25 parents or guardians for tuition to attend a nonpublic school that  
26 meets the requirements of Part 1 or Part 2 of Article 39 of this  
27 Chapter as identified by the Department of Administration, Division  
28 of Nonpublic Education. The nonpublic school must be deemed  
29 eligible by the Division of Nonpublic Education, pursuant to  
30 G.S. 115C-562.4, and the school shall be subject to the requirements  
31 of G.S. 115C-562.5. The parent or guardian shall restrictively  
32 endorse the scholarship funds awarded to the eligible student to the  
33 school for deposit into the account of the school. The parent or  
34 guardian shall not designate any entity or individual associated with  
35 the school as the parent's attorney-in-fact to endorse the scholarship  
36 funds but shall endorse the scholarship funds in person at the site of  
37 the school. A parent's or guardian's failure to comply with this  
38 section shall result in forfeiture of the scholarship funds. A  
39 scholarship forfeited for failure to comply with this section shall be  
40 returned to the Authority to be awarded to another student.

41 b. Reimbursement for tuition. – The parent or guardian of an eligible  
42 student who enrolls in a school that is (i) a North Carolina public  
43 school other than the public school to which that student has been  
44 assigned as provided in G.S. 115C-366 or (ii) a nonpublic school that  
45 meets the requirements of Part 1 or Part 2 of Article 39 of this  
46 Chapter as identified by the Department of Administration, Division  
47 of Nonpublic Education, that is deemed eligible by the Division of  
48 Nonpublic Education and is not subject to G.S. 115C-562.5 shall pay  
49 the tuition directly to the school. The Authority shall reimburse the  
50 parent or guardian no sooner than the mid-point of each semester. A  
51 parent or guardian may receive reimbursement for tuition if the

1 parent or guardian provides documentation that the student was  
2 enrolled pursuant to clause (i) or (ii) of this sub-subdivision. An  
3 enrollment of less than 75 days of the semester will be subject to a  
4 pro rata reimbursement."

5 **SECTION 2.5.** Article 29 of Chapter 116 of the General Statutes is amended by  
6 adding a new section to read:

7 **"§ 116-235.5. Advanced courses.**

8 (a) Students enrolled in the North Carolina School of Science and Mathematics or in  
9 high school courses at the North Carolina School of the Arts shall have access to and shall be  
10 encouraged to enroll in and successfully complete more rigorous advanced courses to enable  
11 success in postsecondary education. For the purposes of this section, an advanced course is an  
12 Advanced Placement or International Baccalaureate Diploma Programme course.

13 (b) To attain this goal, to the extent funds are made available for this purpose, students  
14 shall be exempt from paying any fees for administration of examinations for advanced courses  
15 and registration fees for advanced courses in which the student is enrolled regardless of the  
16 score the student achieves on an examination.

17 (c) If funds are appropriated for advanced courses, the State Board of Education shall  
18 reimburse The University of North Carolina for fees for advanced courses for students enrolled  
19 in the North Carolina School of Science and Mathematics or in high school courses at the North  
20 Carolina School of the Arts as provided in subsection (b) of this section."

21 **SECTION 2.6.** G.S. 116-69 reads as rewritten:

22 **"§ 116-69. Purpose of school program.**

23 The primary purpose of the school shall be the professional training, as distinguished from  
24 liberal arts instruction, of talented students in the fields of music, drama, the dance, and allied  
25 performing arts, at both the high school and college levels of instruction, with emphasis placed  
26 upon performance of the arts, and not upon academic studies of the arts. The said school may  
27 also offer high school and college instruction in academic subjects, including advanced courses  
28 as provided in G.S. 116-235.5, and such other programs as are deemed necessary to meet the  
29 needs of its students and of the State, consistent with appropriations made and gifts received  
30 therefor, and may cooperate, if it chooses, with other schools which provide such courses of  
31 instruction. The school, on occasion, may accept elementary grade students of rare talent, and  
32 shall arrange for such students, in cooperation with an elementary school, a suitable educational  
33 program."

34 **SECTION 3.** This act becomes effective July 1, 2015. Section 2 of this act applies  
35 to scholarships awarded for the 2015-2016 school year and each subsequent school year.