

1 personnel. All remaining funds received pursuant to this section shall be used for: (i)
2 and/or (ii) above and/or; (iii) to provide instructional positions, instructional support
3 positions, teacher assistant positions, clerical positions, school computer technicians,
4 instructional supplies and equipment, staff development, and textbooks; (iv) for salary
5 supplements for instructional personnel and instructional support personnel; and (v) to
6 pay an amount not to exceed ten thousand dollars (\$10,000) of the plant operation
7 contract cost charged by the Department of Public Instruction for services.

8 **SECTION 2.1.(c)** Reports on the Expenditure of Funds. – Local boards of
9 education shall report to the State Board of Education by August 31 of each year on the
10 expenditure of these funds and how these funds were targeted and used to implement
11 specific improvement strategies of each local school administrative unit and its schools,
12 such as teacher recruitment, closing the achievement gap, improving student
13 accountability, addressing the needs of at-risk students, and establishing and
14 maintaining safe schools. The State Board of Education shall report this information
15 annually by October 31 to the Office of State Budget and Management, the Joint
16 Legislative Education Oversight Committee, and the Fiscal Research Division.

17
18 **CONTINUE DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING AND**
19 **EVALUATE THE EFFECTIVENESS OF IMPROVEMENT STRATEGIES**

20 **SECTION 2.2.(a)** There is appropriated from the General Fund to the
21 Department of Public Instruction the sum of twenty-two million five hundred thousand
22 dollars (\$22,500,000) for the 2005-2006 fiscal year and the sum of twenty-two million
23 five hundred thousand dollars (\$22,500,000) for the 2006-2007 fiscal year to address the
24 capacity needs of local school administrative units to meet the needs of disadvantaged
25 students. For the 2005-2006 fiscal year only, these funds shall continue the nonrecurring
26 funding that was provided to local school administrative units in the 2004-2005 fiscal
27 year. For the 2006-2007 fiscal year, these funds shall be allocated under a new formula
28 as determined by the State Board of Education.

29 **SECTION 2.2.(b)** There is appropriated from the General Fund to the
30 Department of Public Instruction the sum of one million five hundred eighty-five
31 million dollars (\$1,585,000) for the 2005-2006 fiscal year and the sum of one million
32 five hundred ten thousand dollars (\$1,510,000) for the 2006-2007 fiscal year to evaluate
33 the Disadvantaged Students Supplemental Fund program. The State Board of Education
34 shall use funds appropriated in this section to annually evaluate the strategies local
35 school administrative units have implemented and to assess their impact on student
36 performance. The State Board of Education shall report the results of the evaluation to
37 the Office of State Budget and Management, the Joint Legislative Education Oversight
38 Committee, and the Fiscal Research Division, by February 15, 2006, and by January 15
39 of each subsequent year.

40 **SECTION 2.2.(c)** The State Board of Education shall incorporate into a new
41 funding mechanism: (i) the results of the evaluation of strategies implemented in the
42 2004-2005 and 2005-2006 school years; and (ii) its review of the variables that are most
43 highly correlated with student academic achievement. The new funding mechanism
44 shall consolidate the Improving Student Accountability allotment category, the

1 At-Risk/Alternative Schools allotment category, and the Disadvantaged Student
2 allotment category. The State Board of Education shall report on the new formula and
3 funding mechanism to the Office of State Budget and Management, the Fiscal Research
4 Division, and the Joint Legislative Education Oversight Committee by February 15,
5 2006.

6 The new formula shall be implemented in the 2006-2007 fiscal year.

7 **SECTION 2.2.(d)** Funds appropriated under this section shall be used to
8 implement a plan jointly developed by each local school administrative unit and the
9 LEA Assistance Program team that is based upon the needs of the students not
10 achieving grade level proficiency. Prior to the allotment of these funds, the plan shall be
11 approved by the State Board of Education. All funds received pursuant to this section
12 shall be used only consistent with the policies and procedures adopted by the State
13 Board of Education (i) to provide instructional positions or instructional support
14 positions and/or professional development; (ii) to provide intensive in-school and/or
15 after-school remediation; and (iii) to purchase diagnostic software and progress
16 monitoring tools. These funds shall not be used for teacher bonuses and supplements.

17 **SECTION 2.2.(e)** The State Board of Education may require local school
18 administrative units receiving funding under the Disadvantaged Student Supplemental
19 Fund to purchase the Education Value Added Assessment System in order to provide
20 in-depth analysis of student performance and help identify strategies for improving
21 student achievement.

22 **SECTION 2.2.(f)** To remain eligible for the resources provided in this
23 section, local school administrative units must submit a report to the State Board of
24 Education by August 31 of each year detailing the expenditure of the funds and the
25 impact of these funds on student achievement. The State Board of Education shall report
26 this information annually by October 31 to the Office of State Budget and Management,
27 the Joint Legislative Education Oversight Committee, and the Fiscal Research Division.

28
29 **PROVIDE FOR NEW ACCOUNTABILITY FOR THE USE OF FUNDS IN THE**
30 **AT-RISK AND IMPROVING STUDENT ACCOUNTABILITY ALLOTMENTS**

31 **SECTION 2.3.(a)** Funds appropriated for the At-Risk/Alternative Schools
32 allotment and the Improving Student Accountability allotment shall be used consistent
33 with the policies and procedures adopted by the State Board of Education only (i) to
34 provide instructional positions or instructional support positions and/or professional
35 development; (ii) to provide intensive in-school and/or after-school remediation; and
36 (iii) to purchase diagnostic software and progress monitoring tools.

37 **SECTION 2.3.(b)** To remain eligible for funds appropriated for the
38 At-Risk/Alternative Schools allotment and the Improving Student Accountability
39 allotment, local school administrative units must submit a report to the State Board of
40 Education by October 31 of each year detailing the expenditure of the funds and the
41 impact of these funds on student achievement. The State Board of Education shall report
42 this information annually by October 31 to the Office of State Budget and Management,
43 the Joint Legislative Education Oversight Committee, and the Fiscal Research Division.

LOCAL SCHOOL SYSTEM ASSISTANCE PROGRAM

SECTION 2.4.(a) All assistance to local school administrative units that is provided on behalf of the State Board of Education by the Department of Public Instruction and its contractors shall be consolidated into the LEA Assistance Program (LEAAP) created in the 2003 Session of the General Assembly. The consolidated program shall reside in the School Improvement Division and shall provide assistance to the State's low-performing Local School Administrative Units (LEAs) and shall assist schools in meeting adequate yearly progress in each subgroup identified in the No Child Left Behind Act of 2001.

SECTION 2.4.(b) To accomplish this, up to six million five hundred thousand dollars (\$6,500,000) shall be transferred from within existing appropriations to the LEAAP. These funds shall come from appropriations currently supporting positions and related operating costs within the Department of Public Instruction for school improvement teams and for Closing the Gap, and from the funds appropriated to the State Public School Fund being used for contractual services and associated costs for the assistance teams.

SECTION 2.4.(c) The State Board of Education shall develop: (i) the criteria for LEA Assistance Teams; (ii) the criteria for selecting LEAs and schools to receive assistance; (iii) measurable goals and objectives for the assistance program; and (iv) an explanation of the type of assistance to be provided with these combined resources. The Department shall develop a revised organizational structure and budget for providing assistance services to LEAs to ensure the department can meet the needs of the LEAs. This structure and budget must be approved by the State Board of Education.

For 2005-2006 only, the State Board may, with the prior approval of the Office of State Budget and Management, transfer General Fund appropriations between personal service and nonpersonal service line items within this fund to structure itself most efficiently for the delivery of services. All funds transferred under this provision are only for this program and for the services described herein. Funds shall not be used to raise the salary of existing employees.

SECTION 2.4.(d) The State Board of Education shall report to the Office of State Budget and Management, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee on the criteria and the new organizational structure, proposed budget, functions, and projected workloads for the 2005-2006 academic year by August 1, 2005.

The State Board shall report on the prior year's expenditure of these funds by August 31 of each year. This report shall contain: (i) the criteria for selecting LEAs and schools to receive assistance; (ii) measurable goals and objectives for the assistance program; (iii) an explanation of the assistance provided; (iv) findings from the assistance program; (v) actual expenditures by category; (vi) recommendations regarding the continuation of this program; and (vii) any other information the State Board deems necessary.

These funds shall not revert at the end of each fiscal year but shall remain available until expended for this purpose.

1
2 **PART III. RECRUITING AND RETAINING QUALITY TEACHERS AND**
3 **PRINCIPALS ACROSS THE STATE**

4
5 **UNC-NCCCS JOINT INITIATIVE FOR TEACHER EDUCATION AND**
6 **RECRUITMENT**

7 **SECTION 3.1.(a)** There is appropriated from the General Fund to the Board
8 of Governors of The University of North Carolina the sum of six hundred forty
9 thousand dollars (\$640,000) for the 2005-2006 fiscal year and the sum of six hundred
10 forty thousand dollars (\$640,000) for the 2006-2007 fiscal year.

11 **SECTION 3.1.(b)** These funds shall be used to establish eight personnel
12 positions for The University of North Carolina-North Carolina Community College
13 System (UNC-NCCCS) Joint Initiative for Teacher Education and Recruitment. These
14 employees shall have an office in and work with staff in the Regional Alternative
15 Licensure Centers of the Department of Public Instruction. Their responsibilities shall
16 be to help increase the number of certified teachers in the public schools of North
17 Carolina. Their specific tasks shall be as follows:

- 18 (1) Resolve curriculum issues between The University of North Carolina
19 and the community colleges within each region to ensure seamless
20 articulation;
21 (2) Serve as licensure advisors to prospective teachers and assist with
22 individual reviews for lateral entry candidates;
23 (3) Offer admissions advice to community college students seeking to
24 transfer to four-year institutions; and
25 (4) Recruit prospective teachers on community college campuses.

26 These funds shall also be used to ensure that these staff members can travel routinely
27 among all of The University of North Carolina and community college sites within a
28 region.

29 **SECTION 3.1.(c)** Each constituent institution of The University of North
30 Carolina with a teacher education program shall develop a 2+2 program in partnership
31 with one or more constituent institutions in the North Carolina Community College
32 System by June 2007.

33 **SECTION 3.1.(d)** The UNC-NCCCS Joint Initiative for Teacher Education
34 and Recruitment shall report on the results of this initiative by September 1, 2006, and
35 annually thereafter to the State Board of Education, the Board of Governors, the State
36 Board of Community Colleges, the Education Cabinet, the Joint Legislative Education
37 Oversight Committee, and the Office of State Budget and Management. The report shall
38 include information on all existing and planned 2+2 teacher education partnership
39 programs and, at a minimum, the following performance outcomes by region in which
40 the advisors are working:

- 41 (1) The number of community college students articulated and working
42 toward teacher licensure, their base community college, and The
43 University of North Carolina institution to which they have moved;

- 1 (2) The number of lateral entry teachers that these advisors worked with
2 who are actively pursuing certification and the number licensed;
- 3 (3) A headcount of the number of students in the process of receiving
4 courses towards certification, their home county, the institutions at
5 which they are taking courses, and whether they are taking courses by
6 regular attendance, via distance education, or both. If both methods are
7 being employed, the report shall contain the percentage of courses
8 taken by each method;
- 9 (4) The total FTE and SCH that the headcount represents;
- 10 (5) Articulation issues and/or curriculum changes effectively made as a
11 result of these advisors; and
- 12 (6) Articulation issues that are under discussion but have not been
13 satisfactorily resolved.
- 14

15 **UNC-NCCCS 2+2 E-LEARNING INITIATIVE**

16 **SECTION 3.2.(a)** There is appropriated from the General Fund to the Board
17 of Governors of The University of North Carolina the sum of one million dollars
18 (\$1,000,000) for the 2005-2006 fiscal year and the sum of one million dollars
19 (\$1,000,000) for the 2006-2007 fiscal year for the UNC-NCCCS 2+2 E-Learning
20 Initiative.

21 There is appropriated from the General Fund to the North Carolina
22 Community Colleges System Office the sum of one million dollars (\$1,000,000) for the
23 2005-2006 fiscal year and the sum of one million dollars (\$1,000,000) for the
24 2006-2007 fiscal year for the UNC-NCCCS 2+2 E-Learning Initiative.

25 **SECTION 3.2.(b)** These funds shall be used to fund further development of
26 online courses for 2+2 programs. These funds shall also be used in the area of greatest
27 need as determined jointly by the Chair of the State Board of Education, the President of
28 the Community College System, and the President of The University of North Carolina
29 to: (i) support joint technology development and joint systems to track student progress
30 and articulation between a community college and a university campus; and (ii) develop
31 technology needed to support online courses and 2+2 programs.

32

33 **TWO-YEAR TEACHING FELLOWS PROGRAM FOR SCIENCE AND** 34 **MATHEMATICS**

35 **SECTION 3.3.(a)** There is appropriated from the General Fund to the
36 Department of Public Instruction the sum of three hundred thirty thousand dollars
37 (\$330,000) for the 2006-2007 fiscal year for the administration of a Two-Year Teaching
38 Fellows Program focused on preparing math and science teachers for public middle and
39 high schools.

40 **SECTION 3.3.(b)** G.S. 115C-363.23A reads as rewritten:

41 **"§ 115C-363.23A. Teaching Fellows Program established; administration.**

42 (a) A Teaching Fellows Program shall be administered by the North Carolina
43 Teaching Fellows Commission. The Teaching Fellows Program shall be used to provide
44 a four-year scholarship loan of six thousand five hundred dollars (\$6,500) per year to

1 North Carolina high school seniors interested in preparing to teach in the public schools
2 of the State. Beginning July 1, 2006, the Teaching Fellows Program shall also be used
3 to provide 50 two-year scholarship loans of six thousand five hundred dollars (\$6,500)
4 per year to North Carolina college juniors who intend to teach mathematics or science in
5 the public middle schools or high schools of the State. The Commission shall adopt very
6 stringent standards, including minimum grade point average and scholastic aptitude test
7 scores, for awarding these scholarship loans to ensure that only the best high school
8 seniors receive them.

9 ...

10 (c) The Commission shall form regional review committees to assist it in
11 identifying the best high school seniors or college juniors for the program. The
12 Commission and the review committees shall make an effort to identify and encourage
13 minority students and students who may not otherwise consider a career in teaching to
14 enter the program.

15 ...

16 (e) The Commission shall forgive ~~the a four-year~~ loan if, within seven years after
17 graduation, the recipient teaches for four years at a North Carolina public school or at a
18 school operated by the United States government in North Carolina. The Commission
19 shall forgive a two-year loan if, within five years after graduation, the recipient teaches
20 for two years at a North Carolina public school or at a school operated by the United
21 States government in North Carolina. The Commission shall also forgive ~~the a two-year~~
22 or a four-year loan if it finds that it is impossible for the recipient to ~~teach for four years,~~
23 ~~within seven years after graduation, at a North Carolina public school or at a school~~
24 ~~operated by the United States government in North Carolina, because of~~ fulfill the
25 teaching requirement due to the death or permanent disability of the recipient.

26"

27 28 **INCREASE FUNDS FOR THE PROSPECTIVE TEACHER SCHOLARSHIP** 29 **LOAN PROGRAM**

30 **SECTION 3.4.(a)** There is appropriated from the General Fund to the
31 Department of Public Instruction the sum of one million dollars (\$1,000,000) for the
32 2005-2006 fiscal year and the sum of one million dollars (\$1,000,000) for the
33 2006-2007 fiscal year for the Prospective Teacher Scholarship Loan Program.

34 **SECTION 3.4.(b)** The first priority for awards for these additional funds
35 shall be to students in the 2+2 UNC-NCCCS Teacher Education and Recruitment
36 Initiative.

37 38 **PRINCIPALS EXECUTIVE PROGRAM FOR NEW PRINCIPALS**

39 **SECTION 3.5.** There is appropriated from the General Fund to the Board of
40 Governors of The University of North Carolina the sum of one hundred twenty-five
41 thousand dollars (\$125,000) for the 2005-2006 fiscal year and the sum of one hundred
42 twenty-five thousand dollars (\$125,000) for the 2006-2007 fiscal year to support the
43 development and implementation of a new program for all new public school principals.

1 The program shall include a focus on the principal's responsibility for instructional
2 leadership, data-driven decision making, and positive teacher working conditions.

3 All newly hired principals in North Carolina shall be required to attend this
4 PEP-developed program for new principals during their first year of employment as a
5 principal.

6 7 **TEACHER WORKING CONDITIONS INITIATIVE**

8 **SECTION 3.6.(a)** There is appropriated from the General Fund to the
9 Department of Public Instruction the sum of two hundred fifteen thousand dollars
10 (\$215,000) for the 2005-2006 fiscal year and the sum of two hundred ninety thousand
11 dollars (\$290,000) for the 2006-2007 fiscal year to administer the Governor's Teacher
12 Working Conditions Survey. These funds shall be used by the State Board of Education,
13 in collaboration with the Professional Teaching Standards Commission, to administer
14 the survey on a biennial basis, establish an advisory board to oversee implementation of
15 recommendations from the survey, and support the NC Network in providing
16 customized analysis for school improvement teams.

17 **SECTION 3.6.(b)** The State Board of Education may supplement these
18 funds with gifts or other private funds donated for this purpose.

19 20 **TEACH FOR AMERICA**

21 **SECTION 3.7.** There is appropriated from the General Fund to the
22 Department of Public Instruction the sum of two hundred thousand dollars (\$200,000)
23 for the 2005-2006 fiscal year and the sum of two hundred thousand dollars (\$200,000)
24 for the 2006-2007 fiscal year to support the Teach for America Program in North
25 Carolina for the purpose of recruiting teachers into high-need schools.

26 27 **STANDARDS REVIEW OF MSA PROGRAMS**

28 **SECTION 3.8.** The State Board of Education, in consultation with the Board
29 of Governors of The University of North Carolina, shall review standards for the
30 Masters in School Administration (MSA) programs to ensure that appropriate
31 competencies related to teacher retention, teacher evaluations, teacher support
32 programs, and teacher effectiveness are included and emphasized.

33 34 **EVALUATION OF SCHOOL PRINCIPALS**

35 **SECTION 3.9.** The State Board of Education shall ensure that principals are
36 evaluated annually as specified in G.S. 115C-333 and shall revise the standards for the
37 evaluations of school administrators (SBE Policy QP-C-006) to include accountability
38 measures of teacher retention, teacher support, and school climate. The State Board
39 shall revise its evaluation instruments to reflect these changes.

40 41 **PLANNING TIME FOR TEACHERS**

42 **SECTION 3.10.** The State Board of Education, in collaboration with the
43 North Carolina Professional Teaching Standards Commission, shall report on best
44 practices from North Carolina schools for providing a minimum of five hours per week

1 within the instructional day for planning, collaborating with colleagues and parents, and
2 professional development, especially within elementary school schedules. The State
3 Board shall submit its report to the Education Cabinet by December 31, 2005.

4 The State Board shall disseminate this information about best practices to
5 schools and school systems across the State.

6 7 **ONLINE PROFESSIONAL DEVELOPMENT RESOURCE CENTER FOR** 8 **TEACHERS AND PRINCIPALS**

9 **SECTION 3.11.(a)** The State Board of Education and the Department of
10 Public Instruction, in collaboration with the North Carolina Professional Teaching
11 Standards Commission, shall develop a Web portal that catalogues high-quality
12 professional development opportunities for teachers and principals.

13 **SECTION 3.11.(b)** Funds to implement the systems will be requested by the
14 Department of Public Instruction based on the design. The State Budget Director and
15 the Chief Information Officer shall release funding upon approval of the Information
16 Technology project plan.

17 18 **PART IV. TWENTY-FIRST- CENTURY HIGH SCHOOLS**

19 20 **LEARN AND EARN HIGH SCHOOLS**

21 **SECTION 4.1.(a)** There is appropriated from the General Fund to the
22 Department of Public Instruction the sum of three million two hundred forty-seven
23 thousand four hundred twenty-six dollars (\$3,247,426) in recurring funds and nine
24 hundred seventeen thousand five hundred dollars (\$917,500) in nonrecurring funds for
25 the 2005-2006 fiscal year and the sum of nine million two hundred fifty-nine thousand
26 four hundred forty dollars (\$9,259,440) in recurring funds and one million dollars
27 (\$1,000,000) in nonrecurring funds for the 2006-2007 fiscal year for the Learn and Earn
28 high school workforce development program. The purpose of the program shall be to
29 create rigorous and relevant high school options that provide students with the
30 opportunity and assistance to earn an associate degree or two years of college credit by
31 the conclusion of the year after their senior year in high school. The State Board of
32 Education shall work closely with the Education Cabinet and the New Schools Project
33 in administering the program.

34 **SECTION 4.1.(b)** These funds shall be used to establish new high schools in
35 which a local school administrative unit, two- and four-year colleges and universities,
36 and local employers work together to ensure that high school and postsecondary college
37 curricula operate seamlessly and meet the needs of participating employers. Funds shall
38 not be allotted until Learn and Earn high schools are certified as operational.

39 **SECTION 4.1.(c)** The State Board of Education in consultation with the
40 State Board of Community Colleges and The University of North Carolina Board of
41 Governors, shall conduct an annual evaluation of this program. The evaluation shall
42 include measures as identified in G.S. 115C-238.55. It shall also include: (i) an
43 accounting of how funds and personnel resources were utilized and their impact on
44 student achievement, retention, and employability; (ii) recommended statutory and

1 policy changes; and (iii) recommendations for improvement of the program. The State
2 Board of Education shall report the results of this evaluation to the Office of State
3 Budget and Management, the Joint Legislative Education Oversight Committee, and the
4 Fiscal Research Division by September 15 of each year.

5 6 **SMALL SPECIALTY HIGH SCHOOLS PILOT PROGRAM**

7 **SECTION 4.2.(a)** There is appropriated from the General Fund to the
8 Department of Public Instruction the sum of one million four hundred forty-six
9 thousand eight hundred seventy-seven dollars (\$1,446,877) for the 2005-2006 fiscal
10 year and the sum of one million four hundred forty-six thousand eight hundred
11 seventy-seven dollars (\$1,446,877) for the 2006-2007 fiscal year for a pilot program to
12 create 11 small specialty high schools within existing schools. The purpose of the
13 program shall be to improve graduation rates and achieve higher student performance as
14 measured by standard tests and postgraduate gainful employment or admission into an
15 institution of higher education. The State Board of Education shall work closely with
16 the Education Cabinet and the New Schools Project in administering the program.

17 **SECTION 4.2.(b)** The State Board of Education shall conduct an evaluation
18 of this program. The evaluation shall include measures as identified in
19 G.S. 115C-238.55. It shall also include: (i) an accounting of how funds and personnel
20 resources were utilized and their impact on student achievement, retention, and
21 employability; and (ii) recommendations for improvement of the program. The State
22 Board of Education shall report the results of this evaluation to the Office of State
23 Budget and Management, the Joint Legislative Education Oversight Committee, and the
24 Fiscal Research Division by November 15, 2006.

25 26 **THE CENTER FOR TWENTY-FIRST-CENTURY SKILLS**

27 **SECTION 4.3.(a)** There is established the Center for 21st-Century Skills
28 within the North Carolina Business Committee for Education. The purpose of the
29 Center is to design curriculum, teacher training, and student assessment to support
30 students acquiring the knowledge and skills needed for the emerging workforce of the
31 21st century.

32 **SECTION 4.3.(b)** The North Carolina Business Committee for Education
33 and the Center for 21st-Century Skills shall coordinate their efforts on high school
34 reform with the North Carolina New Schools Project.

35 **SECTION 4.3.(c)** The North Carolina Business Committee for Education
36 and the Center for 21st-Century Skills shall work with the North Carolina Science,
37 Mathematics and Technology Education Center, the North Carolina School of Science
38 and Mathematics, the North Carolina Board of Science and Technology, and the
39 governing boards of education to research and propose options to create new or expand
40 existing mathematics and science summer enrichment programs across the State and to
41 establish nonresidential high schools focused on mathematics, science, and technology.
42 The Center shall also support efforts of the Futures for Kids Program to connect
43 students with the workforce needs of their home communities.

FLEXIBILITY FOR HIGH SCHOOL INNOVATION

SECTION 4.4.(a) G.S. 115C-238.51 reads as rewritten:

"(d) The State Board of Education and the State Board of Community Colleges shall ~~approve two cooperative innovative high school programs in each of the State's economic development regions. The State Boards may approve cooperative innovative high school programs~~ recommended by the joint advisory committee or may approve other programs that were not recommended. The State Boards shall approve all applications by March 15 of each year. No application shall be approved unless the State Boards find that the application meets the requirements set out in this Part and that granting the application would achieve the purposes set out in G.S. 115C-238.50. Priority shall be given to applications that are most likely to further State education policies, to address the economic development needs of the economic development regions in which they are located, and to strengthen the educational programs offered in the local school administrative units in which they are located."

SECTION 4.4.(b) G.S. 116C-4 reads as rewritten:

"§ 116C-4. First in America Innovative Education Initiatives Act.

(a) The General Assembly strongly endorses the Governor's goal of making North Carolina's system of education first in America by 2010. With that as the goal, the Education Cabinet shall set as a priority cooperative efforts between secondary schools and institutions of higher education so as to reduce the high school dropout rate, increase high school and college graduation rates, decrease the need for remediation in institutions of higher education, and raise certificate, associate, and bachelor degree completion rates. The Cabinet shall identify and support efforts that achieve the following purposes:

- (1) Support cooperative innovative high school programs developed under Part 9 of Article 16 of Chapter 115C of the General Statutes.
- (2) Improve high school completion rates and reduce high school dropout rates.
- (3) Close the achievement gap.
- (4) Create redesigned middle schools or high schools.
- (5) Provide flexible, customized programs of learning for high school students who would benefit from accelerated, higher-level coursework or early graduation.
- (6) Establish high quality alternative learning programs.
- (7) Establish a virtual high school.
- (8) Implement other innovative education initiatives designed to advance the State's system of education.

Small specialty high schools within existing schools, high school programs that are a cooperative effort between public secondary schools and a constituent institution of The University of North Carolina, and high school programs that are a cooperative effort between public secondary schools and a private college or university are exempt from laws and rules applicable to local boards of education, local school administrative units, community colleges, and constituent institutions of The University of North Carolina.

1 (b) The Education Cabinet shall identify federal, State, and local funds that may
2 be used to support these initiatives. In addition, the Cabinet is strongly encouraged to
3 pursue private funds that could be used to support these initiatives.

4 (c) The Cabinet shall report by January 15, 2004, and annually thereafter, to the
5 Joint Legislative Education Oversight Committee on its activities under this section.
6 The annual reports may include recommendations for statutory changes needed to
7 support cooperative innovative initiatives, including programs approved under Part 9 of
8 Article 16 of Chapter 115C of the General Statutes."

9
10 **PART V. SUPPORTING FAMILIES AND CHILDREN FOR SCHOOL**
11 **SUCCESS**

12
13 **SCHOOL-BASED CHILD AND FAMILY SUPPORT TEAMS**

14 **SECTION 5.1.(a)** There is appropriated from the General Fund to the
15 Department of Public Instruction the sum of ten million six hundred sixty-five thousand
16 seven hundred fifty-four dollars (\$10,665,754) in recurring funds and five hundred
17 thousand dollars (\$500,000) in nonrecurring funds for the 2005-2006 fiscal year and the
18 sum of thirteen million three hundred eighty-two thousand one hundred ninety-two
19 dollars (\$13,382,192) for the 2006-2007 fiscal year to establish 100 school-based child
20 and family support teams to support the educational achievement of at-risk children.
21 The purpose of the program is to better connect public schools with the health, mental
22 health, and social services needed by their students and families.

23 **SECTION 5.1.(b)** These funds shall be used to support 100 school nurses
24 and 100 school social workers responsible for multidisciplinary assessments and for
25 referral and care coordination for at-risk students and their families at 100 public
26 schools in North Carolina.

27
28 **COMMUNITIES IN SCHOOLS SUPPORT AND EXPANSION**

29 **SECTION 5.2.** There is appropriated from the General Fund to the
30 Department of Public Instruction the sum of five hundred thousand dollars (\$500,000)
31 for the 2005-2006 fiscal year and the sum of five hundred thousand dollars (\$500,000)
32 for the 2006-2007 fiscal year to support the Communities in Schools of North Carolina
33 program. These funds shall be used to establish an 18-county Communities in Schools
34 partnership in the northeast, help new and existing local Communities in Schools
35 programs obtain federal and private grants, and otherwise support the educational
36 achievement of at-risk students.

37
38 **PART VI. EFFECTIVE DATE**

39
40 **SECTION 6.1.** This act becomes effective July 1, 2005.