GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2005

HOUSE BILL 1546

Short Title: Students with Disabilities Chgs. (Public)

Sponsors: Representatives Preston, Bell, Johnson, Parmon (Primary Sponsors);
Alexander, B. Allen, Carney, Dickson, Farmer-Butterfield, Folwell,
Glazier, Jeffus, Jones, Lucas, McLawhorn, Rapp, Ross, Sauls, Tolson,
Wainwright, and Warren.

Referred to: Education.

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April 21, 2005

A BILL TO BE ENTITLED

AN ACT TO ALIGN STATE LAW WITH FEDERAL LAW ON STUDENTS WITH DISABILITIES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-106(b) reads as rewritten:

"(b) The policy of the State is to provide a free appropriate publicly supported education to every child with special needs.disabilities. The purpose of this Article is to (i) provide for a system of special educational opportunities for all children requiring special education, hereinafter called children with special needs;disabilities; (ii) provide a system for identifying and evaluating the educational needs of all children with special needs;disabilities; (iii) require evaluation of the needs of such these children and the adequacy of special education programs before placing children in the programs; (iv) require periodic evaluation of the benefits of the programs to the children and of the nature of the children's needs after placement; (v) prevent denials of equal educational opportunity on the basis of physical, emotional, or mental handicap; (vi) assure that the rights of children with special needs disabilities and their parents or guardians are protected; (vii) ensure that there be no inadequacies, inequities, and discrimination with respect to children with special needs; disabilities; and (viii) bring State law, regulations, and practice into conformity with relevant federal law."

SECTION 2. G.S. 115C-107 reads as rewritten:

"§ 115C-107. Children can learn.

The General Assembly finds that all children with special needs disabilities are capable of benefitting from appropriate programs of special education and training and that they have the ability to be educated and trained and to learn and develop. access to the general curriculum and are best educated in the least restrictive

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41 42 <u>environment.</u> Accordingly, the State has a duty to provide them with a free appropriate public education."

SECTION 3. G.S. 115C-108 reads as rewritten:

"§ 115C-108. Definition of special education and related services. Definitions.

The term "special education" means specially designed instruction, at no cost to the parents or guardians, to meet the unique needs of a special needs child, including classroom instruction, instruction in physical education, home instruction, and instruction in hospitals and institutions. The term also includes speech pathology, audiology, occupational and physical therapy. The term "related services" means transportation for handicapped children with special needs who are unable because of their handicap to ride the regular school buses and such developmental, corrective and other supportive services as are required to assist a special needs child to benefit from special education and includes speech pathology and audiology, psychological services, physical and occupational therapy, recreation, early identification and assessment of disabilities in children, counseling services, and medical services for diagnostic or evaluation purposes only. The term also includes school social work services, parent counseling and training, providing parents with information about child development and assisting parents in understanding the special needs of their child. Other similar services, materials and equipment may be provided as approved by regulations adopted by the State Board of Education. The following definitions apply in this Chapter:

- (1) Child with a disability. A child:
 - a. With mental retardation; hearing impairments, including deafness; speech or language impairments; visual impairments, including blindness; serious emotional disturbance; orthopedic impairments; autism; traumatic brain injury; other health impairments; or specific learning disabilities; and
 - b. Who, by reason of the disability, needs special education and related services.
- (2) Free appropriate public education. Special education and related services that:
 - a. Are provided at public expense, under public supervision and direction, and without charge;
 - b. Meet the standards of the State Board of Education;
 - <u>c.</u> <u>Include appropriate preschool, elementary, or secondary school education in the State; and</u>
 - d. Are provided in conformity with an individualized education program.
- (3) <u>IDEA. The Individuals with Disabilities Education Act, 20 U.S.C. §</u> 1400 and regulations adopted under that Act.
- (4) <u>Individualized education program or IEP. A written statement for each child with a disability that is developed, reviewed, and revised in accordance with section 614(d) of IDEA.</u>

- (5) Preschool child with a disability. A child with a disability who has reached the child's third birthday, who is not eligible to enroll in public kindergarten, and who needs special education and related services.
 - (6) Related services. Transportation and any developmental, corrective and other supportive services that may be required to assist a child with a disability to benefit from special education; and includes the early identification and assessment of disabling conditions in children.
 - (7) Special education. Specially designed instruction, at no cost to parents or guardians, to meet the unique needs of a child with a disability, including classroom instruction, instruction in physical education, home instruction, and instruction in hospitals and institutions.
 - (8) Supportive services. Services that may include any one or more of the following: speech-language pathology and audiology services; psychological services; physical and occupational therapy; recreation, including therapeutic recreation; social work services; counseling services, including rehabilitation counseling, orientation and mobility services; and medical services for diagnostic and evaluation purposes only."

SECTION 4. G.S. 115C-109 is repealed.

SECTION 5. G.S. 115C-110 reads as rewritten:

"§ 115C-110. Services mandatory; single-agency responsibility; State and local plans; census and registration.

(a) The Board shall cause to be provided by all local school administrative units and by all other State and local governmental agencies providing special education services or having children with special needsdisabilities in their care, custody, management, jurisdiction, control, or programs, special education and related services appropriate to all children with special needs.disabilities. In this regard, all local school administrative units and all other State and local governmental agencies providing special education and related services shall explore available local resources and determine whether the services are currently being offered by an existing public or private agency.

When a specified special education or related service is being offered by a local public or private resource, any unit or agency described above shall negotiate for the purchase of that service or shall present full consideration of alternatives and its recommendations to the Board. In this regard, a new or additional program for special education or related services shall be developed with the approval of the Board only when that service is not being provided by existing public or private resources or the service cannot be purchased from existing providers. Further, the Board shall support and encourage joint and collaborative special education planning and programming at local levels to include local administrative units and the programs and agencies of the Departments of Health and Human Services, Correction, and Juvenile Justice and Delinquency Prevention.

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The jurisdiction of the Board with respect to the design and content of special education programs or related services for children with special needs disabilities extends to and over the Department of Health and Human Services, the Department of Juvenile Justice and Delinquency Prevention, and the Department of Correction.

All provisions of this Article that are specifically applicable to local school administrative units also are applicable to the Department of Health and Human Services, the Department of Juvenile Justice and Delinquency Prevention, and the Department of Correction and their divisions and agencies; all duties, responsibilities, rights and privileges specifically imposed on or granted to local school administrative units by this Article also are imposed on or granted to the Department of Health and Human Services, the Department of Juvenile Justice and Delinquency Prevention, and the Department of Correction and their divisions and agencies. However, with respect to children with special needs disabilities who are residents or patients of any state-operated or state-supported residential treatment facility, including without limitation, a school for the deaf, school for the blind, mental hospital or center, mental retardation center, or in a facility operated by the Department of Juvenile Justice and Delinquency Prevention, the Department of Correction or any of its divisions and agencies, the Board shall have the power to contract with the Department of Health and Human Services, the Department of Juvenile Justice and Delinquency Prevention, and the Department of Correction for the provision of special education and related services and the power to review, revise and approve any plans for special education and related services to those residents.

The Departments of Health and Human Services, Correction, and Juvenile Justice and Delinquency Prevention shall submit to the Board their plans for the education of children with special needs disabilities in their care, custody, or control. The Board shall have general supervision and shall set standards, by rule or regulation, for the programs of special education to be administered by it, by local educational agencies, and by the Departments of Health and Human Services, Correction, and Juvenile Justice and Delinquency Prevention. The Board may grant specific exemptions for programs administered by the Department of Health and Human Services, the Department of Juvenile Justice and Delinquency Prevention, or the Department of Correction when compliance by them with the Board's standards would, in the Board's judgment, impose undue hardship on this department and when other procedural due process requirements, substantially equivalent to those of G.S. 115C-116, are assured in programs of special education and related services furnished to children with special needs disabilities served by this department. Further, the Board shall recognize that inpatient and residential special education programs within the Departments of Health and Human Services, Correction, and Juvenile Justice and Delinquency Prevention may require more program resources than those necessary for optimal operation of these programs in local school administrative units.

Every State and local department, division, unit or agency covered by this section is hereinafter referred to as a "local educational agency" unless the text of this Article otherwise provides.

- 1 (b) The Board shall make and keep current a plan for the implementation of the policy set forth in G.S. 115C-106(b). The plan shall include:
 - (1) A census of the children with <u>special needsdisabilities</u> in the State, as required by subsection (j) of this section;
 - (2) A procedure for diagnosis identification and evaluation of each child;
 - (3) An inventory of the personnel and facilities available to provide special education for these children;
 - (4) An analysis of the present distribution of responsibility for special education between State and local educational agencies, together with recommendations for any necessary or desirable changes in the distribution of responsibilities;
 - (5) Standards for the education of children with special needs; disabilities;
 - (6) Programs and procedures for the development and implementation of a comprehensive system of personnel development; and
 - (7) Any additional matters, including recommendations for amendment of laws, changes in administrative regulations, rules and practices and patterns of special organization, and changes in levels and patterns of education financial support.
 - (c) The Board shall annually submit amendments to or revisions of the plan required by subsection (b) of this section to the Governor and General Assembly and make it available for public comment pursuant to under subdivision (1) of subsection (b) of this section and for public distribution no less than 30 days before January 15 of each year. All such These submissions shall set forth in detail the progress made in the implementation of the plan.
 - (d) The Board shall adopt rules covering:
 - (1) The qualifications of and standards for certification of teachers, teacher assistants, speech clinicians, school psychologists, and others involved in the education and training of children with special needs; a child with a disability;
 - (2) Minimum standards for the individualized educational program for all children with special needs disabilities other than for the pregnant children, and for the educational program for the pregnant children, who receive special education and related services; and
 - (3) Any other rules as may be necessary or appropriate for carrying out the purposes of this Article. Representatives from the Departments of Health and Human Services, Correction, and Juvenile Justice and Delinquency Prevention shall be involved in the development of the standards outlined under this subsection.
 - (e) On or before October 15, each local educational agency shall report annually to the Board the extent to which it is then providing special education for children with special needs. disabilities. The annual report also shall detail the means by which the local educational agency proposes to secure full compliance with the policy of this Article, including the following:

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- (1) A statement of the extent to which the required education and services will be provided directly by the agency;

 (2) A statement of the extent to which standards in force pursuant to under

(2) A statement of the extent to which standards in force pursuant to under G.S. 115C-110(b)(5) and <u>G.S. 115C-110(d)(2)</u> are being met by the agency; and

 (3) The means by which the agency will contract to provide, at levels meeting standards in force pursuant to under G.S. 115C-110(b)(5) and G.S. 115C-110(d)(2), all special education and related services not provided directly by it or by the State.

(f) After submitting the report required by subsection (e), (e) of this section, the local educational agency also shall submit such supplemental and additional reports as the Board may require to keep the local educational agency's plan current.

 (g) By rule, the Board shall prescribe due dates not later than October 15 of each year, and all other necessary or appropriate matters relating to these annual and supplemental and additional reports.

(h) The annual report shall be a two-year plan for providing appropriate special education and related services to children with special needs. disabilities. The agency shall submit the plan to the Board for its review, approval, modification, or disapproval. Unless thereafter modified with approval of the Board, the plan shall be adhered to by the local educational agency. The procedure for approving, disapproving, establishing, and enforcing the plan shall be the same as that set forth for the annual plan. The long-range plan shall include such-provisions as may be that are appropriate for the following, without limitation:

(1) Establishment of classes, other programs of instruction, curricula, facilities, equipment, and special services for children with special needs; and

(2) Utilization and professional development of teachers and other personnel working with children with special needs.
 Each local educational agency shall provide free appropriate special

education and related services in accordance with the provisions of this Article for all children with special needs who are residents a free appropriate public education to each child with a disability who is a resident of, or whose parents or guardians are residents of, the agency's district, beginning with children aged five. No matriculation or tuition fees or other fees or charges shall be required or asked of children with special needs or their any child with a disability or that child's parents or guardians except those fees or charges as are required uniformly of all public school pupils. The provision of free appropriate special education a free appropriate public education within the facilities of the Department of Health and Human Services and or the Department of Juvenile Justice and Delinquency Prevention shall not prevent that department either Department from charging for other services or treatment.

(j) The Board shall require an annual census of children with special needs, disabilities, subdivided for "identified" and "suspected" children with special needs, disabilities, to be taken in each school year. Suspected children are those in the formal process of being identified, evaluated or diagnosed eligible as children with special

 needs. disabilities. The census shall be conducted annually and shall be completed not later than October 15, and shall be submitted to the Governor and General Assembly and be made available to the public no later than January 15 annually.

In taking the census, the Board shall require the cooperation, participation, and assistance of all local educational agencies and all other State and local governmental departments and agencies providing or required to provide special education services to children with special needs, disabilities, and those departments and agencies shall cooperate and participate with and assist the Board in conducting the census.

The census shall include the number of children identified and suspected with special needs, disabilities, their age, the nature of their disability, their county or city of residence, their local school administrative unit residence, whether they are being provided special educational or related services and if so by what department or agency, whether they are not being provided special education or related services, the identity of each department or agency having children with special needs disabilities in its care, custody, management, jurisdiction, control, or programs, the number of children with special needs disabilities being served by each department or agency, and such other information or data as the Board shall require. The census shall be of children with special needs disabilities between the ages of three and 21, inclusive.

- (k) The Department shall monitor the effectiveness of individualized education programs in meeting the educational needs of all children with special needs disabilities other than pregnant children, and of educational programs in meeting the educational needs of the pregnant children.
- (l) The Board shall provide for procedures assuring that in carrying out the requirements of this Article procedures are established for consultation with individuals involved in or concerned with the education of children with special needs, disabilities, including parents or guardians of such these children, and there are public hearings, adequate notice of such the hearings, and an opportunity for comment available to the general public prior to before the adoption of the policies, procedures, and rules or regulations required by this Article.
- (m) Children with special needs disabilities shall be educated in the least restrictive appropriate setting, as defined by the State Board of Education.
- (n) (Effective July 1, 2003) Each interpreter or transliterator employed by a local educational agency, to provide services to hearing-impaired students, must annually complete 15 hours of job-related training that has been approved by the local educational agency."

SECTION 6. G.S. 115C-111 reads as rewritten:

"§ 115C-111. Free appropriate <u>public</u> education for all children with special needs.disabilities.

No child with special needs<u>a</u> disability between the ages specified by G.S. 115C 109 of three years through 20 years shall be denied a free appropriate public education or be prevented from attending the public schools of the local educational agency in which he or his parents or legal guardian resides or from which he receives services or from attending any other public program of free appropriate public education because he is a child with special needs. a disability. If it appears that a child should receive a program

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43 44 of free appropriate public education in a program operated by or under the supervision of the Department of Health and Human Services or the Department of Juvenile Justice and Delinquency Prevention, the local educational agency shall confer with the appropriate Department of Health and Human Services or Department of Juvenile Justice and Delinquency Prevention staff for their participation and determination of the appropriateness of placement in said program and development of the child's individualized education program. The individualized education program may then be challenged under the due process provisions of G.S. 115C-116. Every child with special needs a disability shall be entitled to attend these nonresidential schools or programs and receive from them free appropriate public education."

SECTION 7. G.S. 115C-113 reads as rewritten:

'§ 115C-113. Diagnosis and evaluation; <u>Evaluation and identification;</u> individualized education program.

Before taking any action described in subsection (b), below, (b) of this section, each local educational agency shall cause a multi-disciplinary diagnosis and evaluation to be made of the child. The State Board of Education shall establish special, simplified procedures for the diagnosis and evaluation of the pregnant child, which procedures shall focus on the particular needs of the pregnant child and shall exclude those procedures which are not pertinent to the pregnant. conduct evaluations and determine eligibility consistent with IDEA. The local educational agency shall use the diagnosis and evaluation to determine if the child has special needs, diagnose and disability, evaluate those that child's individual needs, propose special education programs and related services to meet those needs, and provide or arrange to provide such programs. that special education and related services. A multi-disciplinary diagnosis and evaluation is one which includes, without limitation, medical (if psychological (if necessary) and educational necessary), assessments recommendations; such an recommendations. The evaluation may include any other assessments as the Board may, by rule or regulation, require. the Board requires.

All testing and evaluation materials and procedures utilized for the purposes of evaluation and placement of children with special needs disabilities will be selected and administered so as not to be racially or culturally discriminatory. Such These materials or procedures shall be provided and administered in the child's native language or mode of communication, unless it clearly is not feasible to do so, and no single procedure shall be the sole criterion for determining an appropriate educational program for a child.

- (b) An initial multi-disciplinary diagnosis and full and individual evaluation based on rules developed by the Board consistent with IDEA shall be made before any such-child with a disability is placed in a special education program, removed from such a special education program and placed in a regular school program, transferred from one type of special education program to another, or removed from a school program for placement in a nonschool program, or otherwise tracked, classified, or treated as a child with special needs.
- (c) Referral of any child shall be in writing, signed by the person requesting diagnosis and evaluation, setting forth the reasons for the request; it shall be sent or

 delivered to one of the following: the child's teacher, the principal of the school to which the child is, has been or will be assigned, or the superintendent of the affected local educational agency or his designee. The local educational agency shall send a written notice to the parent or guardian describing the evaluation procedure to be followed and requesting consent for the evaluation. If the parents or guardian consent, the diagnosis and evaluation may be undertaken; if they do not, the local educational agency may obtain a due process hearing pursuant to under G.S. 115C-116 on the failure of the parent or guardian to consent.

The local educational agency shall provide or cause to be provided, as soon as possible after receiving consent for evaluation, a diagnosis and an evaluation appropriate to the needs of the child unless the parents or guardian have objected to such the evaluation. If at the conclusion of the evaluation, the child is determined to be a child with special needs, a disability, the local educational agency shall within 30 calendar days convene an individualized education program committee. The purpose of the meeting shall be to propose the special education and related services for the child. An interpretation of the multi-disciplinary diagnosis and evaluation will be made to the parent or guardian during the meeting. The proposal shall set forth the specific benefits expected from such a any program, a method for monitoring the benefits, and a statement regarding conditions which that will be considered indicative of the child's readiness for participation in regular classes.

After an initial referral is made, the provision of special education and related services shall be implemented within 90 calendar days to eligible students, unless the parents or guardian refuse to consent to evaluation or placement or the parent or local educational agency requests a due process hearing.

Within 12 months after placement in a special education program, and at least annually thereafter, those people responsible for developing the child's individualized education program, or educational program for the pregnant, shall review the child's progress and, on the basis of previously stated expected benefits, decide whether to continue or discontinue the placement or program. If the review indicates that the placement or program does not benefit the child, the appropriate reassignment or change in the prescribed program shall be recommended to the parents or guardian.

The local educational agency shall keep a complete written record of all diagnostic and evaluation procedures attempted, their results, the conclusions reached, and the proposals made.

(d) The local educational agency shall furnish the results, findings, and proposals, as described in the individualized education program based on the diagnosis and evaluation to the parents or guardian in writing in the parents' or guardian's native language or by their dominant mode of communication, prior to the parent or guardian giving consent for initial placement in special education and related services. Prior notice will be given to the parents or guardian by the local educational agency before any change in placement.

A reevaluation must be completed at least every three years to determine the appropriateness of the child's continuing to receive special education and related services.

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- (e) Each local educational agency shall make and keep current a list of all children evaluated and diagnosed pursuant to under this section who are found to have special needs disabilities and of all children who are receiving home, hospital, institutional or other special education services, including those being educated within the regular classroom setting or in other special education programs.
- (f) Each local educational agency shall prepare individualized educational programs for all children found to be children with special needs other than the pregnant children, an IEP for each child with a disability who requires special education and related services and educational programs prescribed in subsection (h) of this section for the pregnant children. The individualized educational program shall be developed in conformity with Public Law 94-142 and the implementing regulations issued by the United States Department of Education and shall be implemented in conformity with timeliness set by that Department. The term "individualized educational program" means a written statement for each such child developed in any meeting by a representative of the local educational agency who shall be qualified to provide, or supervise the provision of, specially designed instruction to meet the unique needs of such children, the teacher, the parents or guardian of such child, and, whenever appropriate, such child, which statement shall be based on rules developed by the Board. The development of an IEP, including its time lines, shall meet the requirements of IDEA. Each local educational agency shall establish, develop or revise, whichever is appropriate, the individualized educational program of each child with special needs disabilities each school year and will then review and, if appropriate revise, its provisions periodically, but not less than annually. In the facilities and programs of the Department of Health and Human Services and the Department of Juvenile Justice and Delinquency Prevention, the individualized educational program shall be planned in collaboration with those other individuals responsible for the design of the total treatment or habilitation plan or both; the resulting educational, treatment, and habilitation plans shall be coordinated, integrated, and internally consistent.
 - (g) Repealed by Session Laws 1996, Second Extra Session, c. 18, s. 18.24(e).
- (h) Each local educational agency shall prepare educational programs for the pregnant children. The State Board of Education shall promulgate adopt rules and regulations specifically to address the preparation of these educational programs, which rules and regulations programs. The rules shall include specific standards for ensuring that the individual educational needs of each child are addressed."

SECTION 8. G.S. 115C-114(a) reads as rewritten:

"(a) No local educational agency may release to any persons other than the eligible student, his parents or guardian or any surrogate parent any records, data or information on any child with special needs a disability except (i) as permitted by the prior written consent of the student, his parents or guardian or surrogate parent, (ii) as required or permitted by federal law, (iii) school officials within the local education agency who have legitimate educational interest, (iv) school officials of other local educational agencies in which the student intends to enroll, or (v) certain authorized representatives of the State and federal government who are determining eligibility of the child for aid, as provided under Public Law 93-380 or other federal law."

SECTION 9. G.S. 115C-115(3) reads as rewritten:

"(3) If the placement of the child in a private school, out-of-state school or a school in another local educational agency determined by the Superintendent of Public Instruction to be the most cost-effective way to provide an appropriate education to that child and the child is not currently being educated by the Department of Health and Human Services, the Department of Juvenile Justice and Delinquency Prevention, or the Department of Correction, the State will bear a portion of the cost of the placement of the child. The local school administrative unit shall pay an amount equal to what it receives per pupil from the State Public School Fund and from other State and federal funds for children with special needsdisabilities for that child. The State shall pay the full cost of any remainder up to a maximum of fifty percent (50%) of the total cost."

SECTION 10. G.S. 115C-116(a) reads as rewritten:

"(a) Prior Notice. – The parent, guardian, or surrogate parent of a child shall be notified promptly when the local educational agency proposes to initiate or change, or refuses to initiate or change, the identification, evaluation, or educational placement of a child as a child with special needs. disabilities. The written notice shall contain a full explanation of all the procedural safeguards available to the parent, guardian, or surrogate parent including the right to review the proposed decision, and a statement offering the parent, guardian, or surrogate parent the opportunity for mediation. The local educational agency shall document that all required notices have been sent to and received by parents, guardians, or surrogate parents."

SECTION 11. G.S. 115C-116(b) reads as rewritten:

- "(b) Mediation. It is the policy of this State to encourage local educational agencies and parents, guardians, surrogate parents, custodians, and eligible students to seek informal resolution of disputes or disagreements regarding the identification of children with special needsdisabilities and the provision of special education and related services before filing a request for a formal administrative review of the matter. To that end, the following provisions apply to the mediation of these disputes:
 - (1) Purpose. The purpose of mediation is to clarify the concerns of the parents and to resolve disputes.
 - (2) Definitions. As used in this subsection, the following terms have the following meanings:
 - a. "Dispute" means a disagreement between the parties that is subject to review under subsection (c) of this section.
 - b. "Mediation" means an informal process conducted by a mediator with the objective of helping parties voluntarily settle their dispute.
 - c. "Mediator" means a neutral person who acts to encourage and facilitate a resolution of a dispute.
 - d. "Parents" means parents, guardians, surrogate parents, custodians, and eligible students.

"Parties" means the local educational agency and the parents. 1 2 Nonadversarial. – The mediation shall be informal and nonadversarial (3) 3 as provided in G.S. 150B-22. Rules of procedure. – The mediator is encouraged to follow applicable 4 (4) 5 procedures provided in G.S. 7A-38.1, G.S. 7A-38.2, and applicable 6 rules adopted by the Supreme Court under G.S. 7A-38.1. The mediator 7 may establish other procedures to facilitate an informal resolution of 8 the dispute. The mediator shall not render a decision or judgment as to 9 the merits of the dispute. 10 (5) Request for mediation. – Before a request for formal administrative review is filed, mediation shall commence upon the request of either 11 12 party, so long as the other party consents. 13 (6) Selection of mediator. – The parties shall agree to the selection of the 14 mediator. The Exceptional Children Division of the Department of 15 Public Instruction shall maintain a list of mediators who are certified 16 or trained in resolving disputes under this subsection. 17 **(7)** Notice of right to mediation. – The local educational agency shall 18 notify parents of their right to request mediation under this subsection. Time periods tolled. – Notwithstanding G.S. 150B-23, time periods 19 (8) 20 related to the filing of a formal administrative review or the taking of 21 any other action with respect to the dispute, including any applicable statutes of limitations, are tolled upon the filing of a request for 22 mediation under this subsection until the mediation is completed or the 23 mediator declares an impasse. 24 Good cause for continuance. – A good faith effort by both parties to 25 (9) mediate the dispute is presumed to constitute good cause for a 26 27 continuance so long as the administrative law judge does not find that the time delay for mediation would likely result in irreparable harm to 28 29 one of the parties or to the child. 30 Inadmissibility of negotiations. – Evidence of statements made and (10)31 conduct occurring in a mediation shall not be subject to discovery and 32 shall be inadmissible in any proceeding in the action or other actions 33 on the same claim. However, no evidence otherwise discoverable shall 34 be inadmissible merely because it is presented or discussed in a 35 mediation. Mediators shall not be compelled in any civil proceeding to testify or produce evidence concerning statements made and conduct 36 occurring in a mediation. 37 Mediator's fees. – If mediation is requested before a request for formal 38 (11)

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administrative review is filed, the local educational agency shall pay

the mediator's fees for one mediation session. If resolution is not reached in that session, the parties must agree to continue the

mediation. The local educational agency shall pay any mediator fees for subsequent mediation sessions unless the parties agree otherwise.

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- (12) Mediated settlement conference after a request for administrative review. In addition to mediation as provided by this subsection, the parties may participate in a mediated settlement conference as provided by G.S. 150B-23.1.
- (13) Promotion of other settlement procedures. The parties may agree to use other dispute resolution methods or to use mediation in other circumstances, including after a request for formal administrative review is filed, to the extent permitted under State and federal law."

SECTION 12. G.S. 115C-116(c) reads as rewritten:

- "(c) Right of Review. The parent, guardian, or surrogate parent may obtain review of proposed decisions on the following grounds: relating to the following:
 - (1) The child has not been identified or has been incorrectly identified as a child with special needs; a disability;
 - (2) The child's individualized education plan program and placement is not appropriate to meet his the child's needs;
 - (3) The child's individualized education <u>plan program</u> is not being implemented; or
 - (4) The child is otherwise being denied a free, appropriate education.

In addition, a local educational agency may obtain review as provided by this section if a parent, guardian, or surrogate parent refuses to consent to the evaluation of the child for the purpose of determining whether the child is a child with special needs a disability or for the purpose of developing a free appropriate educational program for the child."

SECTION 13. G.S. 115C-122 reads as rewritten:

"§ 115C-122. Early childhood development program; evaluation and placement of children.

The General Assembly of North Carolina declares that the public policy of North Carolina is defined as follows to carry out the policies stated in G.S. 115C-106:

- The State shall provide for a comprehensive early childhood (1) development program by emphasizing preventative and remedial measures designed to provide the services which will enable children to develop to the maximum level their physical, mental, social, and emotional potentials and to strengthen the role of the family as the first and most fundamental influence on child development. The General Assembly finds that the complexity of early childhood development precludes the enactment of legislation which is of a sufficiently comprehensive nature to encompass all possible implications. The Departments of Public Instruction and Health and Human Services shall, therefore, jointly develop an early childhood development program plan with flexibility sufficient to meet the State's policy as set forth in this subdivision. Said plan shall provide for the operation of a statewide early childhood development program no later than June 30, 1983.
- (2) The State requires a system of educational opportunities for all children with special needs disabilities and requires the identification

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42 43 and evaluation of the needs of children and the adequacy of various education programs before placement of children, and shall provide for periodic evaluation of the benefits of programs to the individual child and the nature of the child's needs thereafter.

The State shall prevent denial of equal educational and service opportunity on the basis of national origin, sex, economic status, race, religion, and physical, mental, social or emotional handicap-disability in the provision of services to any child. Each local school administrative unit shall develop program plans to meet the educational requirements of children with special needs disabilities and each local human services agency shall develop program plans to meet service requirements of children with needs disabilities in accordance with program standards and in a planning format as shall be prescribed by the State Board of Education and the Department of Health and Human Services respectively.

The General Assembly intends that the educational program and human service program requirements of Session Laws 1973, Chapter 1293, shall be realized no later than June 30, 1982. The General Assembly further intends that currently imposed barriers to educational and human service opportunities for children with special needs disabilities by reason of a single standardized test, income, federal regulations, conflicting statutes, or any other barriers are hereby abrogated; except that with respect to barriers caused by reason of income, it shall be permissible for the State or any local education agency or local human services agency to charge fees for special services rendered, or special materials furnished to a child with special needs, disabilities, his parents, guardian that child's parents or guardian, or persons standing in loco parentis unless the imposition of such-fees would prevent or substantially deter the child, his parents, the child's parents or guardian, or persons standing in loco parentis from availing themselves of or receiving such these services or materials.

It is recognized that children have a variety of characteristics and (4) needs, all of which must be considered if the potential of each child is to be realized; that in order to accomplish this the State must develop a full range of service and education programs, and that a program must actually benefit a child or be designed to benefit a particular child in order to provide such the child with appropriate educational and service opportunities. The General Assembly requires that all programs employ least restrictive alternatives as shall be defined by the Departments of Public Instruction and Health and Human Services."

SECTION 14. G.S. 115C-139 reads as rewritten:

"§ 115C-139. Interlocal cooperation.

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- The Board, any two or more local educational agencies and any such-agency and any State department, agency, or division having responsibility for the education, treatment or habilitation of children with special needs disabilities are authorized to enter into interlocal cooperation undertakings pursuant to the provisions of Chapter 160A, Article 20, Part 1 under Part 1 of Article 20 of Chapter 160A of the General Statutes or into undertakings with a State agency such as the Departments of Public Instruction, Health and Human Services, Juvenile Justice and Delinquency Prevention, or Correction, or their divisions, agencies, or units, for the purpose of providing for the special education and related services, treatment or habilitation of such-these children within the jurisdiction of the agency or unit, and shall do so when it itself is unable to provide the appropriate public special education or related services for these children. In entering into such these undertakings, the local agency and State department, agency, or division shall also contract to provide the special education or related services that are most educationally appropriate to the children with special needs disabilities for whose benefit the undertaking is made, and provide these services by or in the local agency unit or State department, agency, or division located in the place most convenient to these children.
- (b) Local educational agencies may establish special education and related programs for children with special needsdisabilities aged birth through four and 19 through 21 inclusive."

SECTION 15. G.S. 115C-140 reads as rewritten:

"§ 115C-140. Contracts with private service-providers.

State departments, agencies and divisions and local educational agencies furnishing special education and related services to children with special needs disabilities may contract with private special education facilities or service providers to furnish such services as services that the public providers are unable to furnish. No contract between any public and private service provider shall be is effective until it has received the prior written approval of the Board. The Board shall not withhold its approval of the contract unless the private facilities and providers do not meet the Board's standards established pursuant to under G.S. 115C-110(a), 115C-110(b)(5), and 115C-110(d)(2)."

SECTION 16. G.S. 115C-140.1 reads as rewritten:

"§ 115C-140.1. Cost of education of children in group homes, foster homes, etc.

- (a) (Effective until July 1, 2003) Notwithstanding the provisions of any other statute and without regard for the place of domicile of a parent or guardian, the cost of a free appropriate public education for a child with special needs a disability who is placed in or assigned to a group home, foster home or other similar facility, pursuant to under State and federal law, shall be borne by the local board of education in which the group home, foster home or other similar facility is located. Nothing in this section obligates any local board of education to bear any cost for the care and maintenance of a child with special needs a disability in a group home, foster home or other similar facility.
- (a) (Effective July 1, 2003) Notwithstanding the provisions of any other statute and without regard for the place of domicile of a parent or guardian, the cost of a free appropriate public education for a child with special needs a disability who is placed in or assigned to a group home, foster home or other similar facility, pursuant to-under

- State and federal law, shall be borne by the local board of education in which the group 1 2 home, foster home or other similar facility is located. However, the local school 3 administrative unit in which a child is domiciled shall transfer to the local school 4 administrative unit in which the institution is located an amount equal to the actual local 5 cost in excess of State and federal funding required to educate that child in the local 6 school administrative unit for the fiscal year. Nothing in this section obligates any local 7 board of education to bear any cost for the care and maintenance of a child with special 8 needs a disability in a group home, foster home or other similar facility.
 - (b) The State Board of Education shall use State and federal funds appropriated for children with special needs disabilities to establish a reserve fund to reimburse local boards of education for the education costs of children assigned to group homes or other facilities as provided in subsection (a) of this section."

SECTION 17. G.S. 115C-142 reads as rewritten:

"§ 115C-142. Nonreduction.

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Notwithstanding any of the other provisions of this Article, it is the intent of the General Assembly that funds appropriated by it for the operation of programs of special education and related services by local school administrative units not be reduced; rather, that adequate funding be made available to meet the special educational and related services needs of children with special needs, disabilities, without regard to which State or local department, agency, or unit has the child in its care, custody, control, or program."

SECTION 18. G.S. 115C-145 reads as rewritten:

"§ 115C-145. Allocation of federal funds.

At <u>such any</u> time as any federal moneys for the special education and related services for children with <u>special needsdisabilities</u> are made available, these funds shall be allocated according to a formula designed by the Board not inconsistent with federal laws and regulations. Such formula shall insure equitable distribution of resources based upon the number of children with <u>special needsdisabilities</u> served by the respective agencies, and shall be implemented as funds are made available from federal and State appropriations."

SECTION 19. The title of Part 14 of Article 9 of Chapter 115C of the General Statutes reads as rewritten:

"Part 14. Handicapped Children, Children With Disabilities, Ages Three to Five."

SECTION 20. G.S. 115C-146.1 is repealed.

SECTION 21. G.S. 115C-146.2 reads as rewritten:

"§ 115C-146.2. Entitlement to services.

Preschool handicapped children with disabilities are entitled, at no cost to their parents or guardians, to individualized education programs specifically designed to meet their unique needs for special education and related services."

SECTION 22. G.S. 115C-146.3(a) reads as rewritten:

- "(a) The General Assembly finds:
 - (1) That preschool handicapped children with disabilities will benefit from the special education and related services required by this Part;

(2) That the General Assembly has evaluated the known needs of the State 1 2 and has endeavored to satisfy those needs in comparison to the social and economic problems of the State: 3 That the funds appropriated to serve these preschool handicapped 4 (3) 5 children-children with disabilities are a reasonable amount to provide 6 such children with special education and related services; and 7 That, therefore, (i) State funds appropriated to implement this Part are (4) 8 the only State funds for public schools that may be used to provide 9 special education and related services to preschool handicapped 10 children; children with disabilities; and (ii) preschool handicapped children with disabilities will continue to be served by all other State 11 12 funds they are otherwise entitled to.to which they are entitled." **SECTION 23.** G.S. 115C-146.3(b) reads as rewritten: 13 14 The State Board of Education shall cause local school administrative units to 15 make available special education and related services to all preschool handicapped children with disabilities whose parents or guardians request these services. These 16 17 services shall start no later than the beginning of the school year immediately following 18 the child's third birthday." 19 **SECTION 24.** G.S. 115C-174.11(b)(2) reads as rewritten: 20 The tests shall be administered annually to all ninth grade students in 21 the public schools. Students who fail to attain the required minimum standard for graduation in the ninth grade shall be given remedial 22 instruction and additional opportunities to take the test up to and 23 including the last month of the twelfth grade. Students who fail to pass 24 parts of the test shall be retested on only those parts they fail. Students 25 in the ninth grade who are enrolled in special education programs or 26 27 who have been officially designated as eligible for participation in such programs may be excluded from the testing programs." 28 **SECTION 25.** G.S. 115C-81(b)(4) reads as rewritten: 29 30 "(4) Standards for student performance and promotion based on the mastery of competencies, including standards for graduation, that take 31 32 into account children with special needs disabilities and, in particular, 33 include appropriate modifications;". 34 **SECTION 26.** G.S. 115C-105.25(b)(4) reads as rewritten: 35 Subject to the following limitations, local boards of education may transfer and may approve transfers of funds between funding allotment categories: 36 37 38 **(4)** Funds allocated for children with special needs, disabilities, for 39 students with limited English proficiency, and for driver's education shall not be transferred. 40

SECTION 27. G.S. 115C-149 reads as rewritten:

"§ 115C-149. Policy. Chemically dependent children excluded from provisions of Article 9.

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 The General Assembly of North Carolina hereby declares that the policy of the State is to ensure that an appropriate education is provided for drug and alcohol addicted children; however, drug and alcohol addicted children are not "children with special needs" disabilities" within the meaning of G.S. 115C-109 G.S. 115C-108 unless because of some other condition they meet that definition."

SECTION 28. G.S. 115C-238.29F(d)(4) reads as rewritten:

"(4) The school shall comply with policies adopted by the State Board of Education for charter schools relating to the education of children with special needs.disabilities."

SECTION 29. G.S. 115C-238.29H(a) reads as rewritten:

- "(a) The State Board of Education shall allocate to each charter school:
 - (1) An amount equal to the average per pupil allocation for average daily membership from the local school administrative unit allotments in which the charter school is located for each child attending the charter school except for the allocation for children with special needsdisabilities and for the allocation for children with limited English proficiency;
 - (2) An additional amount for each child attending the charter school who is a child with special needs; a disability; and
 - (3) An additional amount for children with limited English proficiency attending the charter school, based on a formula adopted by the State Board.

In accordance with G.S. 115C-238.29D(d), the State Board shall allow for annual adjustments to the amount allocated to a charter school based on its enrollment growth in school years subsequent to the initial year of operation.

In the event a child with special needsa disability leaves the charter school and enrolls in a public school during the first 60 school days in the school year, the charter school shall return a pro rata amount of funds allocated for that child to the State Board, and the State Board shall reallocate those funds to the local school administrative unit in which the public school is located. In the event a child with special needsa disability enrolls in a charter school during the first 60 school days in the school year, the State Board shall allocate to the charter school the pro rata amount of additional funds for children with special needs.disabilities."

SECTION 30. G.S. 115C-242(1) reads as rewritten:

"(1) A school bus may be used for the transportation of pupils enrolled in and employees in the operation of the school to which such the bus is assigned by the superintendent of the local school administrative unit. Except as otherwise herein provided, such provided in this subdivision, transportation shall be limited to transportation to and from such the school for the regularly organized school day, and from and to the points designated by the principal of the school to which such the bus is assigned, for the receiving and discharging of passengers. No pupil or employee shall be so transported upon any bus other than the bus to which such the pupil or employee has been assigned pursuant to the

 provisions of under this Article: Provided, that Article; however, children enrolled in a Headstart program which that is housed in a building owned and operated by a local school administrative unit where school is being conducted may be transported on public school buses, so long as the contractual arrangements made cause no extra expense to the State: Provided further, that children State. Children with special needsdisabilities may be transported to and from the nearest appropriate private school having a special education program approved by the State Board of Education if the children to be transported are or have been placed in that program by a local school administrative unit as a result of the State or the unit's duty to provide such the children with a free appropriate public education."

SECTION 31. G.S. 115C-242(5) reads as rewritten:

Local boards of education, under rules and regulations adopted by the State Board of Education, may permit the use and operation of school buses for the transportation of pupils and instructional personnel as the board deems considers necessary to serve the instructional programs of the schools. Included in the use permitted by this section is the transportation of children with special needs, disabilities, such as mentally retarded children and children with physical defects, and children enrolled in programs that require transportation from the school grounds during the school day, such as special vocational or occupational programs. On any such trip, a city or county-owned school bus shall not be taken out of the State.

If State funds are inadequate to pay for the transportation approved by the local board of education, local funds may be used for these purposes. Local boards of education shall determine that funds are available to such boards for the transportation of children to and from the school to which they are assigned for the entire school year before authorizing the use and operation of school buses for other services deemed necessary to serve the instructional program of the schools.

Children with special needs disabilities may be transported to and from the nearest appropriate private school having a special education program approved by the State Board of Education if the children to be transported have been placed in that program by a local school administrative unit as a result of the State or the unit's duty to provide such children with a free appropriate public education."

SECTION 32. G.S. 115C-250 reads as rewritten:

"§ 115C-250. Authority to expend funds for transportation of children with special needs.disabilities.

(a) The State Board of Education and local boards of education may expend public funds for transportation of handicapped children with special needs disabilities who are unable because of their handicap to ride the regular school buses and who have been placed in programs by a local school board as a part of its duty to provide such

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children with a free appropriate education, including its duty under G.S. 115C-115. At the option of the local board of education with the concurrence of the State Board of Education, funds appropriated to the State Board of Education for contract transportation of exceptional children may be used to purchase buses and minibuses as well as for the purposes authorized in the budget. The State Board of Education shall adopt rules and regulations—concerning the construction and equipment of these buses and minibuses.

The Departments of Health and Human Services, Juvenile Justice and Delinquency Prevention, and Correction may also expend public funds for transportation of handicapped-children with special-needsdisabilities who are unable because of their handicap-disability to ride the regular school buses and who have been placed in programs by one of these agencies as a part of that agency's duty to provide such-these-these-children with a free appropriate public education.

If a local area mental health center places a child with special needs a disability in an educational program, the local area mental health center shall pay for the transportation of the child, if handicapped and unable because of the handicap to ride the regular school buses, to the program.

(b) Funds appropriated for the transportation of children with special needs disabilities may be used to pay transportation safety assistants employed in accordance with the provisions of G.S. 115C-245(e) for buses to which children with special needs disabilities are assigned."

SECTION 33. G.S. 115C-397.1 reads as rewritten:

"§ 115C-397.1. Management and placement of disruptive students.

If, after a teacher has requested assistance from the principal two or more times due to a student's disruptive behavior, the teacher finds that the student's disruptive behavior continues to interfere with the academic achievement of that student or other students in the class, then the teacher may refer the matter to a school-based committee. The teacher may request that additional classroom teachers participate in the committee's proceedings. For the purposes of this section, the committee shall notify the student's parent, guardian, or legal custodian and shall encourage that person's participation in the proceedings of the committee concerning the student. A student is not required to be screened, evaluated, or identified as a child with special needs a disability under this section. The committee shall review the matter and shall take one or more of the following actions: (i) advise the teacher on managing the student's behavior more effectively, (ii) recommend to the principal the transfer of the student to another class within the school, (iii) recommend to the principal a multidisciplinary diagnosis and evaluation of the student, (iv) recommend to the principal that the student be assigned to an alternative learning program, or (v) recommend to the principal that the student receive any additional services that the school or the school unit has the resources to provide for the student. If the student is suspected of being a child with a disability or has been identified as a child with a disability, then the committee and the principal shall follow rules as described in federal law and procedures adopted by the State Board of Education for children with disabilities. If the principal does not follow the recommendation of the committee, the principal shall provide a written explanation to the committee, the teacher who referred the matter to the committee, and the superintendent, of any actions taken to resolve the matter and of the reason the principal did not follow the recommendation of the committee.

This section shall be in addition to the supplemental to disciplinary action taken in accordance with any other law. The recommendation of the committee is final and shall not be appealed under G.S. 115C-45(c). Nothing in this section shall authorize a student to refer a disciplinary matter to this committee or to have the matter of the student's behavior referred to this committee before any discipline is imposed on the student."

SECTION 34. G.S. 110-91(11) reads as rewritten:

"§ 110-91. Mandatory standards for a license.

All child care facilities shall comply with all State laws and federal laws and local ordinances that pertain to child health, safety, and welfare. Except as otherwise provided in this Article, the standards in this section shall be complied with by all child care facilities. However, none of the standards in this section apply to the school-age children of the operator of a child care facility but do apply to the preschool-age children of the operator. Children 13 years of age or older may receive child care on a voluntary basis provided all applicable required standards are met. The standards in this section, along with any other applicable State laws and federal laws or local ordinances, shall be the required standards for the issuance of a license by the Secretary under the policies and procedures of the Commission except that the Commission may, in its discretion, adopt less stringent standards for the licensing of facilities which provide care on a temporary, part-time, drop-in, seasonal, after-school or other than a full-time basis.

- (11) Staff Development. The Commission shall adopt minimum standards for ongoing staff development for facilities but limited to the following topic areas:
 - a. Planning a safe, healthy learning environment;
 - b. Steps to advance children's physical and intellectual development;
 - c. Positive ways to support children's social and emotional development;
 - d. Strategies to establish productive relationships with families;
 - e. Strategies to manage an effective program operation;
 - f. Maintaining a commitment to professionalism;
 - g. Observing and recording children's behavior;
 - h. Principles of child growth and development; and
 - i. Learning activities that promote inclusion of children with special needs.disabilities.

These standards shall include annual requirements for ongoing staff development appropriate to job responsibilities. A person may carry forward in-service training hours that are in excess of the previous year's requirement to meet up to one-half of the current year's required in-service training hours.

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House Bill 1546-First Edition

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2	SECTION 35. G.S. 143-318.14A(a)(13) is repealed.
3	SECTION 36. G.S. 143-683(6) reads as rewritten:
4	"(6) Report to each session of the General Assembly not later than the first
5	day of its convening. The report shall include a summary of the
6	Commission's work and any recommendations the Commission may
7	have on ways to improve the efficiency and effectiveness of health
8	services delivery to children with special health care needs in this
9	State, The Commission shall provide a copy of its report to the General
10	Assembly's Commission on Children With Special Needs; State; ".
11	SECTION 37. This act is effective when it becomes law.