

ADOPTED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 402

AMENDMENT NO. A20
(to be filled in by
Principal Clerk)

S402-ALE-40 [v.3]

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Comm. Sub. [NO]
Amends Title [NO]
Fourth Edition

Date _____, 2013

Representative Tine

1 moves to amend the bill on page 45, lines 46-50, by rewriting the lines to read:

2 **"SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING – 2013-2014**

3 **SECTION 8.3A.(a)** Funds for Small School Systems. – Except as provided in
4 subsection (b) of this section, the State Board of Education shall allocate funds appropriated for
5 small school system supplemental funding for the 2013-2014 fiscal year (i) to each county
6 school administrative unit with an average daily membership of fewer than 3,175 students and
7 (ii) to each county school administrative unit with an average daily membership from 3,175 to
8 4,000 students if the county in which the local school administrative unit is located has a
9 county-adjusted property tax base per student that is below the State-adjusted property tax base
10 per student and if the total average daily membership of all local school administrative units
11 located within the county is from 3,239 to 4,080 students. The allocation formula shall do all of
12 the following:

- 13 (1) Round all fractions of positions to the next whole position.
- 14 (2) Provide five and one-half additional regular classroom teachers in counties
15 in which the average daily membership per square mile is greater than four
16 and provide seven additional regular classroom teachers in counties in which
17 the average daily membership per square mile is four or fewer.
- 18 (3) Provide additional program enhancement teachers adequate to offer the
19 standard course of study.
- 20 (4) Change the duty-free period allocation to one teacher assistant per 400
21 average daily membership.
- 22 (5) Provide a base for the consolidated funds allotment of at least six hundred
23 ninety-three thousand nine hundred fifty-four dollars (\$693,954), excluding
24 textbooks, for the 2013-2014 fiscal year.
- 25 (6) Allot vocational education funds for grade six as well as for grades seven
26 through 12. If funds appropriated for each fiscal year for small school
27 system supplemental funding are not adequate to fully fund the program, the
28 State Board of Education shall reduce the amount allocated to each county
29 school administrative unit on a pro rata basis. This formula is solely a basis
30 for distribution of supplemental funding for certain county school
31 administrative units and is not intended to reflect any measure of the
32 adequacy of the educational program or funding for public schools. The



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1 formula also is not intended to reflect any commitment by the General
2 Assembly to appropriate any additional supplemental funds for such county
3 administrative units.

4 **SECTION 8.3A.(b)** Nonsupplant Requirement. – A county in which a local school
5 administrative unit receives funds under this section shall use the funds to supplement local
6 current expense funds and shall not supplant local current expense funds. For the 2013-2014
7 fiscal year, the State Board of Education shall not allocate funds under this section to a county
8 found to have used these funds to supplant local per student current expense funds. The State
9 Board of Education shall make a finding that a county has used these funds to supplant local
10 current expense funds in the prior year, or the year for which the most recent data are available,
11 if all of the following criteria apply:

- 12 (1) The current expense appropriation per student of the county for the current
13 year is less than ninety-five percent (95%) of the average of the local
14 expenditures per student for the three prior fiscal years.
- 15 (2) The county cannot show (i) that it has remedied the deficiency in funding or
16 (ii) that extraordinary circumstances caused the county to supplant local
17 current expense funds with funds allocated under this section.

18 The State Board of Education shall adopt rules to implement the requirements of
19 this subsection.

20 **SECTION 8.3A.(c)** Phase-Out Provisions. – If a local school administrative unit
21 becomes ineligible for funding under this formula because of (i) an increase in the population
22 of the county in which the local school administrative unit is located or (ii) an increase in the
23 county-adjusted property tax base per student of the county in which the local school
24 administrative unit is located, funding for that unit shall be continued for three years after the
25 unit becomes ineligible.

26 **SECTION 8.3A.(d)** Definitions. – As used in this section, the following definitions
27 apply:

- 28 (1) "Average daily membership" means within two percent (2%) of the average
29 daily membership as defined in the North Carolina Public Schools Allotment
30 Policy Manual adopted by the State Board of Education.
- 31 (2) "County-adjusted property tax base per student" means the total assessed
32 property valuation for each county, adjusted using a weighted average of the
33 three most recent annual sales assessment ratio studies, divided by the total
34 number of students in average daily membership who reside within the
35 county.
- 36 (3) "Local current expense funds" means the most recent county current expense
37 appropriations to public schools, as reported by local boards of education in
38 the audit report filed with the Secretary of the Local Government
39 Commission pursuant to G.S. 115C-447.
- 40 (4) "Sales assessment ratio studies" means sales assessment ratio studies
41 performed by the Department of Revenue under G.S. 105-289(h).

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- 1 (5) "State-adjusted property tax base per student" means the sum of all
- 2 county-adjusted property tax bases divided by the total number of students in
- 3 average daily membership who reside within the State.
- 4 (6) "Supplant" means to decrease local per student current expense
- 5 appropriations from one fiscal year to the next fiscal year.
- 6 (7) "Weighted average of the three most recent annual sales assessment ratio
- 7 studies" means the weighted average of the three most recent annual sales
- 8 assessment ratio studies in the most recent years for which county current
- 9 expense appropriations and adjusted property tax valuations are available. If
- 10 real property in a county has been revalued one year prior to the most recent
- 11 sales assessment ratio study, a weighted average of the two most recent sales
- 12 assessment ratios shall be used. If property has been revalued during the year
- 13 of the most recent sales assessment ratio study, the sales assessment ratio for
- 14 the year of revaluation shall be used.

15 **SECTION 8.3A.(e) Reports.** – For the 2013-2014 fiscal year, the State Board of
16 Education shall report to the Fiscal Research Division prior to May 1, 2014 if it determines
17 that counties have supplanted funds.

18 **SECTION 8.3A.(f) Use of Funds.** – Local boards of education are encouraged to
19 use at least twenty percent (20%) of the funds they receive pursuant to this section to improve
20 the academic performance of children who are performing at Level I or II on either reading or
21 mathematics end-of-grade tests in grades three through six.

22 Local school administrative units may also utilize funds allocated under this section
23 to purchase services that allow for extraction of data from the Education Value-Added
24 Assessment System (EVAAS)."

25
26 **SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING – 2014-2015**

27 **SECTION 8.4.(a) Eligibility.** – If the total average daily membership of all local
28 school administrative units located in the county is less than 3,200, the county school
29 administrative unit within that county shall be eligible for small school system supplemental
30 funding for the 2014-2015 fiscal year."; and

31
32 on page 46, line 11, by deleting " two thousand three hundred dollars (\$2,300)" and substituting
33 "two thousand ninety-four (\$2,094); and

34
35 on page 46, lines 23-24, by deleting "2013-2015 fiscal biennium" and substituting "2014-2015
36 fiscal year"; and

37
38 on page 46, lines 37-39, by rewriting the lines to read:

39 **"SECTION 8.4.(e) Reports.** – For the 2013-2014 fiscal year, the State Board of
40 Education shall report to the Fiscal Research Division prior to May 1, 2015, if it determines
41 that counties have supplanted funds.

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SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

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and vote information, is available in the
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