

Attachment A

GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2011
SESSION LAW 2011-259
HOUSE BILL 822

AN ACT DIRECTING THE STATE BOARD OF EDUCATION TO IMPLEMENT A DROPOUT RECOVERY PILOT PROGRAM.

Whereas, dropout rates continue to plague North Carolina, limiting career opportunities for dropouts and costing the State billions of dollars in lost wages; and

Whereas, high school dropouts are more likely to be incarcerated and more likely to need social welfare assistance; and

Whereas, the traditional path to a complete high school education is not for everyone; and

Whereas, many students perform best in nontraditional settings, and many students have family and employment obligations that hinder them from following the traditional route to a diploma; and

Whereas, these students require flexibility in terms of scheduling and content delivery; and

Whereas, there is also a need to close the gap in the graduation rates between minority students and white students; and

Whereas, it would be more efficient for North Carolina to reengage students across the State by implementing a statewide pilot program with an initial focus on the districts of highest need to allow the program to be effectively monitored prior to a statewide implementation; and

Whereas, North Carolina can implement such a program without additional taxes or appropriations; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. The State Board of Education shall implement a three-year Dropout Recovery Pilot Program in New Hanover County Schools and three other local school administrative units selected by the State Board of Education. The purpose of the pilot program is to reengage students and increase the graduation rates in North Carolina through an educational program that provides flexible scheduling and a blended learning environment with individualized and self-paced learning options.

SECTION 2. Under the pilot program, the educational services and programming shall be provided by an education partner that is a nonprofit or for-profit entity approved by the State Board of Education. The local school administrative unit shall be responsible for reporting enrollment to the Department of Public Instruction, working with the education partner to align graduation requirements, and issuing diplomas to those students in the program who complete the necessary graduation requirements.

SECTION 3. The pilot program shall provide the following:

- (1) Facilities that are easily accessible to the students being served.
- (2) Flexible scheduling, including at least two different program schedules.
- (3) Differentiated instruction that shall include individualized, group, and online instructional components.
- (4) The capacity for assessing, recording, and responding to the students' academic progress on a daily basis using assessments that are aligned with State and local standards and requirements.

SECTION 4. Before the State Board of Education approves an applicant as an education partner, the applicant must demonstrate the following:

- (1) A history providing dropout recovery services to high school students in charter or noncharter public schools.
- (2) At least two years of relevant experience operating and providing services to brick-and-mortar public schools.
- (3) At least two years of relevant experience providing comprehensive online learning programs.
- (4) Relevant experience serving diverse student populations, including socioeconomically disadvantaged students.
- (5) An explanation of the steps taken by the applicant to ensure that its proposed instructional content is aligned with State standards.
- (6) A plan for the recruitment and hiring of State-certified teachers, including hiring criteria.
- (7) A plan for the recruitment and hiring of qualified administrators, including hiring criteria.
- (8) A detailed description of the applicant's plan to work with the participating local school administrative units and the State Board of Education to identify students who need to be served, to reengage those students, and to provide alternative education options for students at risk of dropping out. Students at risk of dropping out from their current schools may be transferred into the pilot program.
- (9) An operational plan that includes the following:

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- a. The number and physical location of proposed sites and a list of the equipment required.
- b. A proposed program calendar and daily schedule and an explanation of how the calendar and schedule meet the needs of prospective students. The schedule must include at least four hours per school day of on-site learning at a physical location.
- c. The student-to-teacher ratio.
- d. A description of each of the instructional methods to be used and number of hours per day for each method.
- e. A plan for differentiated instruction that must include individualized, group, and online instructional components.
- f. Capacity for assessing, recording, and responding to students' academic progress on a daily basis using standards-aligned assessments.
- g. A detailed one-year budget.
- h. A system of competency-based credit.
- i. A plan for aggregation and reporting of student performance data and reporting of financial activity.

SECTION 5. Data and student performance results shall be collected and compiled from the pilot program and the participating local school administrative units. By implementing a uniform statewide pilot program, the success of the pilot program as a whole can be measured by the State Board of Education. In an effort to provide services to students for the 2011-2012 school year, if a request for proposals is necessary, the process shall be completed within 60 days of the effective date of the legislation.

SECTION 6. A student attending the pilot program shall be enrolled as a student of the resident local school administrative unit. The student shall be included in the ADM of that unit. The resident local school administrative unit shall retain five percent (5%) of the total per pupil funding for the student to cover administrative costs and shall remit payment to the education partner of the remaining ninety-five percent (95%) within 15 days of receiving payment from the Department of Public Instruction.

SECTION 7. Notwithstanding any other provision of law, the State Board of Education shall authorize participating local school administrative units to implement flexible attendance requirements for students participating in the pilot program due to the flexible scheduling and online portions of the pilot program.

SECTION 8. The pilot program shall be operated through the State Board of Education or as a program of the contracting school administrative unit. The pilot program may be an alternative school. SL2011-0259 Session Law 2011-259

SECTION 9. This act becomes effective July 1, 2011.

In the General Assembly read three times and ratified this the 16th day of June, 2011.

s/ Walter H. Dalton
President of the Senate

s/ Thom Tillis
Speaker of the House of Representatives

s/ Beverly E. Perdue
Governor

Approved 1:54 p.m. this 23rd day of June, 2011

Attachment B

Education Partner's Detailed Budget

INCOME – REVENUE PROJECTIONS			
	2011-12	2012-13	2013-14
State ADM Funds			
Local Per Pupil Funds			
Federal Funds			
Grants/Foundations/Private Funds			
Other			
TOTAL INCOME			

BUDGET -- EXPENDITURE PROJECTIONS			
	2011-12	2012-13	2013-14
PERSONNEL			
Total # of staff:			
--Administrator(s) #			
--Clerical #			
--Teachers #			
--Librarians #			
--Guidance #			
--Teacher Assistants #			
--Custodian #			
--Maintenance #			
--Food Service #			
--Bus Driver #			
--Other			
EMPLOYEE BENEFITS			
STAFF DEVELOPMENT			
MATERIALS AND SUPPLIES			
OFFICE SUPPLIES			
INSTRUCTIONAL EQUIPMENT			
OFFICE EQUIPMENT			
TESTING MATERIALS			
INSURANCE			
UTILITIES			
RENT			
MAINTENANCE & REPAIR			
TRANSPORTATION			
MARKETING			
FOOD/CAFETERIA			
SUPPLIES			
TOTAL EXPENDITURES			

WORKING CAPITAL and/or ASSETS AVAILABLE TO PROGRAM ON DATE OF APPLICATION	
Cash on Hand	
Certificates of Deposit	
Bonds	
Real Estate	
Capital Equipment	
Motor Vehicles	
Other Assets	
TOTAL	

Attachment C

Contract Required Minimum Terms and Conditions

Attach a copy of the proposed contract between the applicant local board of education and education partner. The contract must incorporate the following minimum terms and conditions. The applicant local board of education and education partner may agree to additional and more stringent terms and conditions.

1. **Incorporation of Application** – The contract shall fully incorporate the NC State Board of Education (SBE) Dropout Recovery Pilot Program application specifying that all representations and conditions contained in the application are binding on the local board of education and the education partner. The local board of education and the education partner shall immediately submit in writing to the SBE any proposed substantial changes to the application, the representations or conditions contained in the application, or this contract. The SBE reserves the right to withdraw application approval based upon proposed changes.
2. **Compliance with Laws and Regulations** – The education partner shall comply with all applicable federal laws and regulations, including, but not limited to, laws and regulations governing employment, environment, disabilities, civil rights, children with special needs, transportation, and student records. The education partner shall also comply with all applicable health and safety laws and regulations, whether federal, state, or local. Neither the SBE nor the local board of education assumes the duty to oversee the operations of the program except as may otherwise be provided by law or separate contract. Neither the SBE nor the local board of education is required to monitor the education partner for compliance with applicable laws and regulations. The education partner is required to notify parents, students, and staff of the education partner of the provisions of this paragraph.
3. **Enrollment Reporting** – The education partner shall report the names, addresses, names of the legal custodian of the students, addresses of the legal custodian of the students, and student identification number of all students enrolled, in the manner and time required by the SBE and local board of education. When a student withdraws from the program, the education partner shall promptly notify the local board of education so that the local board may fulfill its legal obligation to verify the student's compliance with compulsory attendance laws.
4. **Other Reporting Requirements** – The education partner shall submit such reports as required by the SBE and local board of education. Failure to submit such reports may be grounds for revocation of application approval.
5. **Children with Special Needs** – As prescribed by the SBE and in accordance with state and federal laws, the education partner will provide to the SBE the total number of children with special needs enrolled in the education partner's program. The education partner accepts and understands that for purposes of federal and state law, it is obligated to provide free and appropriate education and related services to children with special needs.
6. **Insurance** – The education partner shall obtain and maintain insurance at a minimum in the following amounts:
 - a. Errors and omissions: one million dollars (\$1,000,000) per claim;
 - b. General liability: one million dollars (\$1,000,000) per occurrence;
 - c. Boiler and machinery: the replacement cost of the building;
 - d. Real and personal property: the appraised value of the building and contents;
 - e. Fidelity bonds: no less than two hundred fifty thousand dollars (\$250,000) to cover employee dishonesty;
 - f. Automobile liability: one million dollars (\$1,000,000) per occurrence; and
 - g. Workers' compensation: as specified by Chapter 97 of the General Statutes.
7. **Facilities** - The education partner shall provide a description of the facility, the financing for the facility, and evidence from local government inspection authorities that facilities are currently safe (*e.g.*, Certificate of Occupancy for Educational Use). In the event the education partner subsequently makes substantial changes in its facility or relocates to another facility, it shall comply with the foregoing conditions.
8. **Licensed Employees** – All employees who hold professional valid licenses issued by the SBE are subject to the rules pertaining to licensed professionals and their licenses may be revoked based on any of the grounds listed in 16 N.C.A.C. 6C.0312. In addition, licensed administrators are subject to the mandatory reporting requirement if a licensed employee engages in physical or sexual abuse of a child. Prior to each academic year, and as required by the SBE, the education partner will report the total number of teachers and the total number of teachers who hold valid licenses who are employed to teach in the program. The education partner understands and agrees that it shall not employ, or accept voluntary services from, any individual whose certificate or license has been suspended or revoked by the SBE or any other licensing board or agency on the grounds of unethical or immoral behavior, including improper sexual or physical conduct with children or students. Violation of this provision will result in immediate revocation of the education partner's application. In the case of an education partner employee who is on leave from employment with the local board pursuant to G.S. 115C-238.29F(e) or its successor statute, the education partner will notify the local board if such employee is suspended, terminated, asked to resign, or otherwise subjected to disciplinary action because of poor performance or misconduct. The education partner shall cooperate with the local board and shall provide any information requested concerning such employees.
9. **Fees** – Student fees are governed by the local board of education policy on student fees.
10. **Transportation** - The education partner shall provide transportation for students as prescribed by law.
11. **Indemnity** - The education partner agrees to indemnify and hold harmless the SBE, the NC Department of Public Instruction, and local boards of education, their officers, agents, employees, successors and assigns from all claims, damages, losses and expenses, including attorney's fees, arising out of or resulting from any action of the education partner caused by any intentional or negligent act or omission of the education partner, its officers, agents, employees, and contractors.

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12. **Student Discipline** - The education partner agrees to and shall comply with Article 27 of Chapter 115C of the General Statutes, except as otherwise provided by law or as may be provided by contract entered into with the local board of education. The education partner shall comply with all applicable federal and state laws and regulations governing discipline of children with disabilities, including compliance with 20 U.S.C. Sec. 1400 et seq. and Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. Sec. 706(8). The education partner shall comply with state and federal due process requirements both in notifying students of conduct for which they may be suspended or expelled and in providing notice and hearing opportunities to students being recommended for exclusion from the education partner. In the event the education partner suspends or expels a student, the education partner shall promptly notify local officials of the local board of education to which the student would otherwise be assigned. Such notification shall include the student's name, special education status, length of suspension/expulsion and the circumstances giving rise to the suspension or expulsion.
13. **Instruction** - As prescribed by law, the education partner shall provide a minimum of 185 days of instruction.
14. **Criminal Background Checks** - The education partner agrees to conduct thorough background checks on all of its employees.
15. **Open Meetings; Public Records** - Effective upon the SBE's final approval of the education partner's application, the education partner agrees to be subject to the Open Meetings law (Article 33C of Chapter 143 of the General Statutes). Subject to state and federal laws, the local board of education, the SBE, its agents, and the State Auditor shall have the right to examine and copy all records, reports, documents, and files relating to any activity, program, or student of the education partner. Effective upon the SBE's final approval of the education partner's application, the education partner is subject to the Public Records Law, Chapter 132 of the General Statutes. The education partner is subject to all the provisions of Article 29 of Chapter 115C, entitled "Protective Provisions and Maintenance of Student Records."
16. **Assignment** -- Assignment of the duties of the education partner to another entity is deemed an amendment to the application and must have prior written approval of the SBE.
17. **Termination of Application** -- The local board of education reserves the right to terminate this contract for:
 - a. Material violation of any of the representations, conditions, standards, or procedures set forth in the application;
 - b. Failure to meet generally accepted standards of fiscal management;
 - c. Violation of law;
 - d. A material change in the education partner's key personnel that in the sole opinion of the local school board adversely affects the education partner's management of the contract; or
 - e. Other good cause warranting non-renewal or termination.
18. **Agreements with Local Boards of Education** – This application shall not preclude the education partner from entering into any agreements with the local board of education; provided, no such agreements shall supersede or override any provision of this application.
19. **Severability** – If any provision of this application is determined to be unenforceable or invalid for any reason, the remainder of this application shall remain in effect, unless the application is revoked or relinquished.
20. **Non-Endorsement** –The education partner acknowledges that the granting of an application in no way represents or implies endorsement by the SBE of any method of instruction, philosophy, practices, curriculum, or pedagogy used by the education partner or its agents; nor does the granting of this application constitute a guarantee by the SBE of the success of the education partner in providing a learning environment that will improve student achievement.
21. **Legislative Action** – This application and any amendments to it and renewals of it are subject to applicable laws enacted by the General Assembly and shall be deemed amended to reflect applicable changes to those laws. Upon repeal of the statutes authorizing this application, this application is null and void.