



2017 Enacted Laws Affecting Public Schools

The following is the North Carolina Association of School Administrators' summary of the major law changes the 2017 General Assembly approved to affect the funding and operations of public schools. The legislation is listed in numeric order in the Table of Contents and by subject matter on the pages that follow. To view the full text of the enacted law, press control and click on the blue bill number listed with each summary.

Table of Contents

House Bills	Page Number
HB 13, Class Size Requirement Changes.....	2
HB 21, Driver Instruction/Law Enforcement Stops	6
HB 115, Retirement Technical Corrections Act of 2017.....	12
HB 135, Technical Changes To Courses of Study Statute	6
HB 142, Reset of S.L. 2016-3	8
HB 149, Students W/Dyslexia and Dyscalculia	6
HB 155, Omnibus Education Law Changes.....	15
HB 159, Charter School TSERS Election.....	4
HB 176, Pensions Integrity Act of 2017.....	12
HB 183, Retirement Admin. Changes Act of 2017	13
HB 299, State Health Plan Administrative Changes.....	13
HB 393, Mebane Charter/Alamance-Burl BOE Exchange	8
HB 447, Lexington City Bd. Of Ed./City Council.....	8
HB 520, Union Co. Bd. Of Ed/Partisan Election.....	8
HB 528, Budget Technical Corrections	3
HB 532, Modify UNC Laboratory Schools	4

HB 704, Divide School Systems/Study Committee	8
HB 800, Various Changes To Charter School Laws.....	5
 Senate Bills	 Page Number
SB 55, School Bus Cameras/Civil Penalties.....	14
SB 64, Veterans' History Awareness Month	6
SB 78, Cost To Comply/Fed Ed Funds/PED Study	9
SB 169, Teaching Excellence Bonus Expansion.....	9
SB 253, Partisan Elections/Certain School Boards	9
SB 257, Appropriations Act of 2017.....	3
SB 312, Surplus Computers For Low-Income Students	7
SB 421, Use of Career & Technical Funds/Onslow County	7
SB 448, Professors In The Classroom.....	9
SB 468, QZAB Use Modification.....	7
SB 599, Excellent Educators For Every Classroom.....	10

APPROPRIATIONS/BUDGET

H13 (Session Law 2017-9), Class Size Requirement Changes

- Modifies a provision in the 2016 state budget mandating further reductions in K-3 class size and calls for a two-year phase-in that lawmakers have pledged to supplement with new funding for enhancement teachers in 2018-19 when class sizes will dip again.
- Provides that for the 2017-2018 school year, the average class size for kindergarten through third grade must not exceed 20 students, while the size of an individual class may not exceed 23 students.
- Beginning with 2018-2019, the average class size for kindergarten through third grade cannot exceed the funded allotment ratio of teachers to students in those grades. At the end of the second school month and for the remainder of the school year, the size of an individual class in kindergarten through third grade cannot exceed the allotment ratio by more than three students. The funded class size allotment ratios for kindergarten through third grade, beginning with the 2017-2018 school year, are as follows:

- For kindergarten, one teacher per 18 students.
- For first grade, one teacher per 16 students.
- For second grade, one teacher per 17 students.
- For third grade, one teacher per 17 students.
- Contains some additional bi-annual reporting requirements aimed at ensuring school districts are complying with the reduction of K-3 class size. Those reporting requirements include:
 - For each class in each grade level at each school the following:
 - The duties of the teacher.
 - The source of funds used to pay for the teacher.
 - The number of students assigned to the class, including all exceptions to individual class size maximums in kindergarten through third grade that exist at that time.
 - The district average class size in each grade K-3.
 - For each school the following:
 - The number of program enhancement teachers, defined as those who teach arts disciplines including dance, music, theater, and the visual arts, physical education and health programs, or world languages
- The legislation does not change for what circumstances a district may request a class size waiver from the State Board of Education; however, waivers granted by the Board would not become effective until reported to the Joint Legislative Commission on Governmental Operations, and would be required to be reported within 30 days of the grant of the waiver.
- Effective April 27, 2017 when signed into law.

H528 (Session Law 2017-197), Budget Technical Corrections

- Makes various changes and adjustments to 2017 Appropriations Act (See S257 below).
- Directs the Joint Legislative Commission on Governmental Operations to appoint a committee to study the Needs-Based Public School Capital Fund program.
- Provides language stating the General Assembly's intent to create an allotment and provide funds for program enhancement teachers beginning with the 2018-2019 fiscal year.
- Removes a requirement for school cybersecurity improvement plans to include building security programs.
- Authorizes the Superintendent of Public Instruction to remove the Associate Superintendent for any reason.
- Allows DPI to carry forward up to \$5,000,000 of funds appropriated in the 2015 budget for the Excellent Public Schools Act in the 2016-2017 fiscal year, to keep these funds through the end of the 2017-2018 fiscal year, and to allocate the funds to LEAs to purchase computers or other electronic devices used to administer the K-3 reading assessments required by State Board of Education.
- Adds Halifax County Schools to the NC STEM residential program.
- Eliminates the assessment of instructional costs associated with facility space requirements.
- Changes the effective date for reimbursement of mandated street improvements LEAs make for school construction to August 1, 2017 (previously was October 1, 2017).

S257 (Session Law 2017-57), Appropriations Act of 2017

- Please see NCASA's analysis and summary of S257 [here](#).
- The money report as published by the General Assembly can be found [here](#).
- A budget comparison chart compiled by the Department of Public Instruction can be found [here](#).

- A summary of special provisions and money report compiled by the Department of Public Instruction can be found [here](#).

CHARTER SCHOOLS & SCHOOL CHOICE

H159 (Session Law 2017-98), Charter School TSERS Election

- Extends the time that a charter school may elect to become a participating employer in the Teachers' and State Employees' Retirement System (TSERS) to be granted provisional entry into the system for one year from prior to the end of the initial year of operation to prior to the end of the second year of operation.
- Provides that the electing charter school may go through an actuarial and financial review at the end of the first year of operation or prior to the end of the second year of operation.
- Requires an electing charter school to undergo an actuarial and financial review at the end of the second year prior to entering into TSERS.
- Effective August 1, 2017.

H532 (Session Law 2017-117), Modify UNC Laboratory Schools

- Directs the lab school to being operation by the beginning of the 2019-2020 school year, rather than the 2017-2018 school year as previously set into law.
- Amends the number of lab schools created by the Board of Governors of the University of North Carolina (BOG) from 8 to 9.
- Directs the BOG to establish a Subcommittee on Lab Schools (Subcommittee) to review and evaluate lab school proposals, approve at least 9 lab school proposals, and oversee the operations of the lab schools which are established.
- Specifies the Subcommittee, chancellor of each constituent institution that operates a lab school, and the lab schools themselves are exempt from the statutes and rules applicable to LEAs.
- Allows chancellors to submit a proposal to the Subcommittee to locate a lab school in an LEA that does not meet the minimum threshold of 25% low-performing schools if it can be shown that the lab school would primarily serve students who did not meet expected growth in the prior school year. Grants authority to the Subcommittee to waive the requirement of a minimum number of low-performing schools in an LEA for up to 3 lab schools only if: (i) the proposal is submitted jointly by the chancellor and the LEA in which the lab school will be located and (ii) The Subcommittee determines the proposed location would serve the mission and purpose of the lab schools.
- Requires the Subcommittee to adopt a resolution upon approving each lab school. Provides that the term of operation for a lab school is 5 years. Directs the Subcommittee to request the BOG to designate additional constituent institutions to establish lab schools if at the end of 5 years, the lab school is no longer in a qualifying LEA or meeting the waiver requirement.
- Provides that the chancellors of the constituent institutions establishing the lab schools are the administrative head of the lab school (previously the boards of trustees). Directs the chancellor to establish an advisory board to provide advice and guidance. The advisory board would have up to 10 members including the dean of the constituent institution's educator preparation program, a member of the board of trustees, faculty members, the superintendent of the LEA in which the lab school is located, a member of the community, and others deemed necessary. The terms of the advisory board members would increase from 2 to 4 years and be limited to 2 complete consecutive terms.

- Clarifies that any student residing in an LEA in which a lab school is located is eligible to attend the lab school if the student is enrolled in a low-performing school at the time of the student's application to the lab school, or the student did not meet expected growth in the prior school year.
- Clarifies the chancellor of constituent institution would appoint all staff. Allows the Superintendent of Public Instruction to recommend waiver of licensure requirements for the principal of the lab school and the requirement that 50% of the teachers of the lab school hold teaching licenses.
- Directs that employees of the lab schools are considered State employees.
- Provides that the Subcommittee is charged with reviewing and evaluating lab schools, not the BOG or State Board of Education. Directs the Subcommittee to submit an annual report to the Joint Legislative Education Oversight Committee.
- Effective on July 18, 2017 when signed into law.

H800 (Session Law 2017-173), Various Changes to Charter School Laws

- Authorizes the Board of Directors to contract with an education management organization or charter management organization to employ teachers for their charter school.
- Modifies timeline for fast track replication of charter schools by directing that decisions be completed in less than 120 days from the application submission date. Effective on July 21, 2017 when the bill was signed into law and applies beginning with applications submitted for fast-track replication of schools opening in the 2018-2019 school year.
- Increases the percentage of enrollment growth a charter school may have and not be considered a material revision requiring State Board of Education (SBE) approval from 20% to 25%. If a charter school is identified as low-performing, the enrollment growth cap triggering a material revision approval remains at 20%. Provides that charter schools that are not low-performing would be able to have enrollment growth up to 30% without SBE approval starting July 1, 2018.
- Adds another enrollment priority category for students who were enrolled in another charter school in the State in the previous school year.
- Clarifies that charter schools may operate NC Pre-K programs. Allows a charter school to give enrollment priority to a student who was enrolled in a preschool program in the prior year that was operated by that charter school.
- Modifies statutes concerning the North Carolina Virtual Public School (NCVPS) to provide that the Director of NCVPS must ensure the course quality standards are met for courses developed by NCVPS, and repeals the requirement that all e-learning opportunities are consolidated under NCVPS.
- Authorizes LEAs to partner with providers other than NCVPS for e-learning opportunities. These other providers must meet the following qualifications:
 - Be accredited by a regional accrediting agency.
 - Employ teachers who hold teaching licenses from states that are in the NASDTEC Educator Identification Clearinghouse
 - Ensure that the courses offered to North Carolina students are aligned to the North Carolina Standard Course of Study.
- Except as otherwise provided above, effective on July 21, 2017 when signed into law.

CURRICULUM

H21 (Session Law 2017- 95), Driver Instruction/Law Enforcement Stops

- Requires the Department of Public Instruction to include, in the driver education curriculum instruction, law enforcement procedures during traffic stops and the actions that a motorist should take during a traffic stop, including appropriate interactions with law enforcement officers.
- Effective on July 12, 2017 when signed into law, and applies beginning with the 2017-2018 school year.

H135 (Session Law 2017- 126), Technical Changes To Courses of Study Statute

- Makes organizational and technical changes to the North Carolina statutes concerning the course of study.
- Effective on July 20, 2017 when signed into law.

S64 (Session Law 2017- 65), Veterans' History Awareness Month

- Provides that November be designated as "Veterans' History Awareness Month" in public schools.
- Directs the State Board of Education to develop programs to help students understand the contributions of veterans, particularly those in North Carolina.
- Encourages schools to collaborate with veterans and veterans' service organizations during Veterans' History Awareness Month.
- Effective on June 28, 2017 when signed into law and applies beginning with the 2017-2018 school year.

EXCEPTIONAL CHILDREN

H149 (Session Law 2017-127), Students W/Dyslexia and Dyscalculia

- Specifies the intent of the General Assembly that all students with specific learning disabilities, including dyslexia and dyscalculia, receive the necessary and appropriate screenings, assessments, and special education services to provide interventions for learning difficulties with language, reading, writing, and mathematics.
- Directs the State Board of Education to, as part of its policies for specific learning disabilities, define dyslexia as follows: "Dyslexia is a specific learning disability that is neurobiological in origin. It is characterized by difficulties with accurate and/or fluent word recognition and by poor spelling and decoding abilities. These difficulties typically result from a deficit in the phonological component of language that is often unexpected in relation to other cognitive abilities and the provision of effective classroom instruction. Secondary consequences may include problems in reading comprehension and reduced reading experience that can impede growth of vocabulary and background knowledge." This must be done by June 30, 2017.
- Directs the State Board of Education to do the following before the start of the 2017-2018 school year:
 - Ensure that ongoing professional development opportunities are made available to teachers and other school personnel on the identification of and intervention strategies for students with dyslexia, dyscalculia, or other specific learning disabilities.

- Develop and make available information electronically to parents, educators, and other concerned groups that provides further data concerning characteristics of children with dyslexia, educational methodologies, screenings, and what is available to support the work with children with dyslexia in North Carolina.
- Directs LEAs, prior to the start of the 2017-2018 school year, to review the diagnostic tools and screening instruments used for dyslexia, dyscalculia, or other specific learning disabilities to ensure that they are age-appropriate and effective and shall determine if additional diagnostic and screening tools are needed.
- Effective on July 20, 2017 when signed into law.

FACILITIES/PURCHASING

S312 (Session Law 2017-67), Surplus Computers For Low-Income Students

- Allows for the donation of refurbished computers to low-income students by expanding the definition of nonprofit tax-exempt organization to include nonprofit entities qualified under rules adopted by the State Surplus Property Agency of the Department of Administration.
- Directs the State Surplus Property Agency, when distributing computer equipment to nonprofit entities that refurbish computers and donate them to low-income students or households in this State give consideration to the counties where the computer equipment will be donated to ensure that all geographic regions of the State benefit from the distributions.
- Effective June 28, 2017 when signed into law.

S421 (Session Law 2017-33), Use of Career & Technical Funds/Onslow County

- Provides that the sum of \$5 million appropriated to Onslow County in the 2016-2017 fiscal year to retrofit and purchase equipment for a regional career and technical education center may be used to fund the construction of a new education center, and that the funds do not revert.
- Effective June 15, 2017 when signed into law.

S468 (Session Law 2017-187), QZAB Use Modification

- Directs the State Board of Education to establish the conditions for which QZAB funds may be allocated must match the purposes as defined in federal law. These purposes include (i) the rehabilitation or repair of a public school facility in which the academy is established; (ii) providing equipment for use at such academy; (iii) developing course materials for education to be provided at such academy; and (iv) training teachers and other school personnel in such an academy.
- Provides that the allocations of QZAB funds must be prioritized so that the funds are first used in counties determined to have greater economic distress (Tier 1) and for schools where 75% or more of the school's students are eligible to receive free or reduced lunch.
- Clarifies language in the Needs-Based Public School Capital Fund established by the 2017 budget that grants distributed under the program may also be used for projects when a pre-development agreement for an operational lease was entered into on or before June 30, 2017.
- Effective July, 25 2017 when signed into law.

GOVERNANCE

H142 (Session Law 2017-4), Reset of S.L. 2016-3

- Repeals Session Law 2016-3, primarily known as “HB2.” That law had required single sex multiple occupancy bathrooms and changing facilities in public schools and public agencies.
- Preempts regulation of access to multiple occupancy restrooms, showers, or changing facilities by any State or local government.
- Prohibits a local government from enacting or amending an ordinance regulating private employment practices or regulating public accommodations. This section expires December 1, 2020.
- Effective March 30, 2017 when signed into law.

H393 (Session Law 2017-82), Mebane Charter/Alamance-Burl BOE Exchange

- Authorizes the Alamance-Burlington Board of Education to convey, sell, or transfer 18.35 acres on which is located the Elon Elementary School through a private negotiation and sale.
- Effective June 29, 2017 when ratified into law.

H447 (Session Law 2017-61), Lexington City Bd. Of Ed./City Council

- Changes the Lexington City Board of Education from nine appointed members to seven members elected on a nonpartisan basis in odd-numbered years.
- Effective June 28, 2017 when ratified into law.

H520 (Session Law 2017-63), Union Co. Bd. Of Ed/Partisan Election

- Changes the method of election of the Union County Board of Education from nonpartisan to partisan starting in 2018.
- Effective June 28, 2017 when ratified into law.

H704 (Session Law 2017-198), Divide School Systems/Study Committee

- Establishes the Joint Legislative Study Committee on the Division of Local School Administrative Units (Committee). Provides the Committee will consist of 5 members of the Senate appointed by President Pro Tempore of the Senate (Sen. Phil Berger) and 5 members of the House of Representatives appointed by the Speaker of the House (Rep. Tim Moore).
- Directs the Committee to study and make recommendations on the following:
 - The feasibility and advisability of enacting legislation to permit LEAs that were merged from separate units to be divided into separate LEAs once again.
 - The varied and best ways by which the division of an LEA could be achieved.
 - Whether legislation permitting the division of LEAs should require as a prerequisite to the division a majority vote of the qualified voters of the county through a referendum or election.
 - Whether legislation permitting the division of LEAs should require as a prerequisite to the division a petition from a certain percentage of the qualified voters of the county and, if so, to what entity the petition should be delivered.
 - Any other issue the Committee considers relevant to this study.
- Directs the Committee to submit its final report on the results of its study, including any proposed legislation, to the members of the Senate and the House of Representatives on or before May 1,

2018, by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Legislative Library.

- Provides that the Committee terminate on May 1, 2018, or upon the filing of its final report, whichever occurs first.
- Effective July 31, 2017 when becoming law without the Governor's signature.

S78 (Session Law 2017-142), Cost To Comply/Fed Ed Funds/PED Study

- Directs the Department of Public Instruction to study, report, and provide any supporting data to the Fiscal Research Division and Program Evaluation Division on the General Assembly on the cost of compliance with federal education funding mandates to LEAs.
- Directs the Joint Legislative Program Evaluation Oversight Committee to consider an evaluation of the cost of compliance with federal education funding mandates for K-12 education in its 2017-2018 Work Plan for the Program Evaluation Division.
- Effective July 20, 2017 when signed into law.

S253 (Session Law 2017-78), Partisan Elections/Certain School Boards

- Changes the election method of the Board of Education from nonpartisan to partisan in the following 8 counties: Beaufort, Carteret, Cleveland, Dare, Hyde, Madison, Onslow, Pender, and Yancey.
- Effective June 29, 2017 when ratified into law.

PERSONNEL

S169 (Session Law 2017-88), Teaching Excellence Bonus Expansion

- Provides a bonus to teachers who otherwise would have qualified for the Third Grade Reading Teacher Performance bonus as found in the 2016 budget but did not remain teaching third grade. To be eligible, qualifying teachers must have remained in the same school.
- Provides a bonus to teachers who otherwise would have qualified for the Advanced Placement or International Baccalaureate Teacher bonuses as found in the 2016 budget but did not remain teaching advanced courses. To be eligible, qualifying teachers must have remained in the same school.
- Effective June 30, 2017 when signed into law.

S448 (Session Law 2017-91), Professors in the Classroom

- Directs the State Board of Education to develop minimum criteria of relevant education or employment experience for an individual who is currently employed at an institution of higher education as a faculty member to qualify that individual to contract as an adjunct instructor in specific core academic subjects in grades K-12.
- Authorizes LEAs to employ higher education faculty members to serve as adjunct instructors for core academic subjects without the faculty members having to obtain a teaching license.
- Authorizes the LEA to contract with an adjunct instructor on an annual or semester basis so long as the following requirements are met:
 - An adjunct instructor may be employed for less than 20 hours per week or for less than six full consecutive months of employment. Adjunct instructors may be classified as

- temporary full-time or part-time employees. Based on the status as a temporary public school employee, an adjunct instructor shall not be eligible to earn paid leave, participate in the Teachers' and State Employees' Retirement System, or receive or purchase health benefits through the State Health Plan for Teachers and State Employees.
- An adjunct instructor shall be subject to a criminal history check to ensure that the person has not been convicted of any crime listed in G.S. 115C-332.
 - An adjunct instructor shall not be required to hold or apply for licensure as a teacher.
 - If an adjunct instructor is not licensed as a teacher, the adjunct instructor shall complete preservice training, which may be offered through an educator preparation program or by a local school administrative unit, in all of the following areas prior to beginning instruction:
 - The identification and education of children with disabilities.
 - Positive management of student behavior.
 - Effective communication for defusing and de-escalating disruptive or dangerous behavior.
 - Safe and appropriate use of seclusion and restraint.
- Effective June 30, 2017 when signed into law.

S599 (Session Law 2017-189), Excellent Educators For Every Classroom

- Creates the Professional Educator Preparation and Standards Commission (Commission), charged with establishing high standards for North Carolina educators and making rule recommendations regarding all aspects of preparation, licensure, continuing education, and standards of conduct of public school educators.
- Directs the Commission is located under the State Board of Education (SBE), but exercises its powers and duties independently of the SBE.
- Provides the Commission be composed of 18 members, including two superintendents, two principals, two teachers, one personnel administrator from an LEA with at least 30,000 students, and one personnel administrator from an LEA with less than 30,000 students.
- Authorizes the SBE to approve Educator Preparation Programs (EPP) that meet specified requirements, rather than only institutions of higher education. Allows for EPPs to recommend candidates for licensure.
- Outlines EPP approval process.
- Outlines minimum admission standards for entrance into an EPP. Forbids the admission into an EPP unless a student has done the following:
 - Met one of the following criteria:
 - Attained a passing score or prescribed minimum score set by the SBE for a pre-professional skills test.
 - Achieved the appropriate required scores, as determined by the SBE on the verbal and mathematics portions of the SAT or ACT. The minimum combined verbal and mathematics score set by the SBE for the SAT shall be 1,100 or greater. The minimum composite score set by the SBE for the ACT shall be 24 or greater.
 - Holds a bachelor's degree.
 - A GPA of at least 2.7.
 - Provides the above GPA requirement does not apply if the applying student has 10 years of relevant experience, or if the applicant is applying for a program leading to licensure in CTE and has at least five years of relevant experience.
 - Directs EPPs to ensure that the minimum cohort GPA of entrants is at least 3.0.

- Outlines content and pedagogy requirements for EPPs.
- Outlines clinical partnerships and practice requirements for EPPs.
- Outlines Accountability measures, risk factors for, and sanction of, EPPs.
- Repeals lateral entry licensure, but does provide that SBE may continue to issue lateral entry licensure for the 2017-2018 and 2018-2019 school years.
- Directs the SBE to develop a new teacher induction program to provide ongoing support for teachers entering the profession.
- Direct the SBE to develop and distribute guidelines that address optimum teaching load, extracurricular duties, student assignment and other working conditions. Directs that the guidelines include provision that teachers holding initial professional licenses not be assigned extracurricular activities unless requested by the teacher in writing.
- Directs the SBE to develop and coordinate a mentor teacher training program.
- Defines various teacher licenses:
 - Continuing professional license: 5-year renewable license.
 - Emergency license: One-year nonrenewable license for individual who holds a bachelor's degree with relevant coursework, but who is not eligible for a residency license.
 - Initial professional license: 3-year nonrenewable license for individual who has completed a recognized EPP.
 - Lifetime license: License issued after 50 or more years of teaching that requires no renewal.
 - Residency license: One-year license (renewable twice) issued to an individual who has:
 - Bachelor's degree with either coursework relevant to the requested licensure area or successful completion of the relevant content area examination.
 - Enrolled in a recognized EPP.
 - Has completed preservice field experience and coursework.
 - Retirement license: 5-year renewable license issued to a teacher who retired with 30 or more years of experience and who has served as a substitute teacher or part-time provider of certain educational services since retirement.
- Removes requirement for middle school teachers to complete continuing education credits related to literacy.
- Exempts members of the General Assembly who are teachers from continuing education credit requirements.
- Requires a report on teaching positions that local boards of education are unable to fill by the 40th instructional day.
- Provides that, when a teacher is immediately suspended without pay and is incarcerated or in the custody of a correctional facility, a superintendent is not required to meet with a teacher before suspending that teacher without pay but may instead provide written notice of the charges against the teacher, provide a written explanation of the basis for the charges, and provide an opportunity for the teacher to respond in writing.
- Effective July 27, 2017 and applies beginning with the 2017-2018 school year to provide the following details regarding effectiveness of the law:
 - EPPs approved by the State Board prior to July 1, 2017 would be considered initially authorized until the earlier of June 30, 2020, or the date of its five-year renewal. EPPs not approved as of that date would first be eligible to open during 2018-2019 school year.
 - Reporting requirements would begin with the 2018-2019 school year.
 - No EPP may be assigned a "revoked" accountability status prior to the 2023-2024 school year.

RETIREMENT

H115 (Session Law 2017-125), Retirement Technical Corrections Act of 2017

- Clarifies that payout of vacation leave should only be included in “average final compensation” if the payout was received by the Teachers’ and State Employees’ Retirement System (TSERS) member during the four consecutive calendar years of membership service producing the highest average annual compensation of the member.
- Clarifies that TSERS members on educational leave for programs where they receive a stipend are eligible to purchase their creditable service.
- Directs the Committee on Actuarial Valuation of Retired Employees’ Health Benefits adopt a funding policy and include information about the State’s contribution policy, including the basis for determining contributions in the annual actuarial valuation.
- Allows the ABLE Board of Trustees to enter into a contraction relationship with another state to provide the NC ABLE program.
- Adds the Disability Income Plan of NC to the list of funds invested by the State Treasurer.
- Repeals requirement that the State Treasurer make rules related to investment programs reporting by December 31, 2017.
- Effective on July 20, 2017 when signed into law.

H176 (Session Law 2017-128), Pensions Integrity Act of 2017

- Adds the term “compliance investigation” to the statutes governing the Teachers’ and State Employees’ Retirement System (TSERS) and defines the term as “an independent review or examination by Retirement Systems Division staff or authorized representatives who are assisting the Retirement Systems Division staff of records, activities, actions, or decisions by employers or other affiliated or associated entities having an impact on a Retirement System or benefits administered by the Board of Trustees. The purpose of a compliance investigation is to help detect errors and ensure compliance and full accountability in the use of pension funds.”
- Adds “records” to the list of documents subject to review or examination during a fraud investigation concerning TSERS.
- Provides that a person serving on the TSERS medical board be immune from civil liability for monetary damages, except to the extent covered by insurance, for any act or failure to act arising out of that service, unless a specified circumstance applies.
- Extends the amount of time for interest-free payment plans for monies owed to the Retirement System for pension spiking from 12 months to 15 months. Adds a second payment plan option of up to 27 months with interest.
- Allows employers that made arrangements with the Department of State Treasurer prior to January 1, 2107 to continue to deduct monthly premiums for retiree health insurance from retiree benefits. Prohibits the Department of State Treasurer from making arrangements to deduct amounts from a beneficiary's retirement benefit to be paid to the former employer for providing health benefits.
- Requires a chief financial officer of an LEA who receives a report from TSERS that the LEA is likely to owe an additional contribution under the anti-pension spiking law to transmit a copy of the report to the local board of education and notify the board of county commissioners in the county where the LEA is located.
- Creates a floor on the employer contribution rates for the retirement systems equal to the employee contribution rate for fiscal years beginning subsequent to January 1, 2017.
- Effective on July 20, 2017 when signed into law.

H183 (Session Law 2017-129), Retirement Admin. Changes Act of 2017

- Amends the Teachers' and State Employees' Retirement System (TSERS) law to clarify there are only two funds which all of the assets of the Retirement System must be credited. Those are the annuity savings fund and the pension accumulation fund. Clarifies that each employer participating in TSERS is required to deduct 6% the salary of each member on every payroll of the employer for every payroll period. Repeals the TSERS pension reserve fund. Provides that it is the intent of the General Assembly that the Retiree Health Benefit Fund be a trust fund that provides an irrevocable source of funds to be used for health benefits to retired and disabled employees and their applicable beneficiaries. Amends the Disability Income Plan to provide that it is the intent of the General Assembly that a trust fund be created to provide an irrevocable source of funding to be used for the disability benefits to participants and beneficiaries. Amends the TSERS pension accumulation fund to provide that the rate per centum of contributions must be fixed on the basis of the liabilities of the Retirement System as shown by actuarial valuation, approved by the Board of Trustees, and called the "actuarially determined employer contribution rate". Provides that the actuarially determined employer contribution rate must be calculated annually by an actuary using assumptions and a cost method approved by the Actuarial Standards Board of the American Academy of Actuaries and selected by the Board of Trustees. Provides that it is the intent of the General Assembly to establish a master trust fund to be used only for death benefits and disability benefits and creates the NC Teachers' and State Employees' Benefit Trust as a master trust for all receipts, transfers, appropriations, contributions, investment earnings and other income belonging to the Plans. These changes are effective June 30, 2017.
- Makes various changes in TSERS statutes to reflect gender neutral language. Effective January 1, 2018.
- Amends definition of employer in TSERS to provide that for purposes of reporting under the pronouncements by the Governmental Accounting Standards Board (GASB), the Retirement System is a multi-employer plan. Effective June 30, 2017.
- Creates a Legislative Enactment Implementation Arrangement (LEIA) for TSERS to provide timely administrative implementation of legislative provision. Effective October 1, 2017.
- Amends the Deferred Compensation Plan to provide that the Chief Executive officer of an employer, on behalf of the employer, may contribute to a deferred compensation account of a teacher or State employee.
- Provides for the determination of the number of days of sick leave to a member's credit at retirement by dividing the member's total hours of sick leave at retirement by the hours per month such leave was awarded under the employer's duly adopted sick leave policy as the policy applied to the member when the leave was accrued. Effective January 1, 2018.
- Unless otherwise provided above, effective on July 20, 2017 when signed into law.

STATE HEALTH PLAN

H299 (Session Law 2017-135), State Health Plan Administrative Changes

- Clarifies an individual would lose coverage under the State Health Plan on the last day of the month the individual is found to have made a false representation regarding eligibility or enrollment information.
- Provides that a retiree's premium for one-half contributory coverage is half of the employer contribution established by the General Assembly plus the employee contribution, clarifying that

individual retirees must pay the balance of the total premiums not paid by the State unless prohibited by law.

- Clarifies that children born to employees covered under the State Health Plan will be covered from birth if the participants notify the Plan within 30 days of birth and pay premiums retroactive to the first day of the month in which the child was born. This section becomes effective October 1, 2017, and applies to children born to covered employees on or after that date. Effective October 1, 2017, and applies to children born to covered employees on or after that date.
- Provides immunity for State Health Plan Board of Trustees from civil liability for actions taken in their official capacity except under specified circumstances.
- Adds new statutes to laws governing the State Health Plan to provide for fraud detection and audit programs.
- Specifies that if a retiree is a prisoner serving an active sentence in the State prison system is not eligible for coverage under the State Health Plan, but is covered by health services for the State prison system.
- Amends existing statutes and adds new statutory language to provide that any overpayment of benefits or erroneous payments to a member in a State-administered retirement system, the Disability Salary Continuation Plan, the Disability Income Plan, including any benefits paid to, or State Health Plan premiums or claims paid on behalf of a member, who is later determined ineligible, may be offset against a retirement allowance, return of contributions, or other right accruing to the person, the person's estate, or designated beneficiary.
- Unless otherwise provided above, effective on July 20, 2017 when signed into law.

TRANSPORTATION

S55 (Session Law 2017-188), School Bus Cameras/Civil Penalties

- Authorizes counties to adopt ordinances imposing civil penalties for passing a stopped school bus.
- Authorizes LEAs to install and operate automated school bus safety cameras themselves, or to contract with vendors for the installation and operation of the cameras.
- Directs the State Board of Education to enter into regional or statewide contracts with private vendors to install and operate the school bus safety cameras, and to develop a model request for proposals and contract for use by local school boards.
- Directs any county adopting an ordinance as outlined above to maintain records of all violations and provide them upon request to the Child Fatality Task Force and General Assembly.
- Effective on July 25, 2017 when signed into law.

VARIOUS EDUCATION LAW CHANGES

H155 (Session Law 2017-157), Omnibus Education Law Changes

- Changes from September to October the reporting date for school organization data for each school in a LEA, including class size. Applies beginning with the 2017-2018 school year.
- Makes conforming changes to career status statutes to align with North Carolina Supreme Court decision holding that career status could not be removed from teachers who had already attained career status if they stayed continuously employed by the same LEA.
- Authorizes assistant principals at schools with at least 1,500 students to evaluate beginning teachers so long as at least one evaluation in the teacher's first three years of employment is conducted by the principal.

- Directs the Superintendent of Public Instruction to study effective and positive intervention measure or policy changes to address risky behaviors and encourage student and mental health. Findings and recommendations must be reported to the State Board of Education (SBE) and Joint Legislative Education Oversight Committee by April 1, 2018. Directs the SBE to change the timelines for the development and implementation of plans and training required by its policy on School-Based Mental Health Initiatives by delaying all of the items by one year from the dates provided in the policy. Directs the SBE to provide notice to LEAs who are participating in the "Whole School, Whole Community, Whole Child" pilot program and allow those LEAs to withdraw from the pilot program at their discretion.
- Directs the Superintendent of Public Instruction and Department of Public Instruction to develop recommendations to further the teaching and student learning of computational thinking and computer science. Specifies that the recommendations, which must be submitted to the Joint Legislative Education Oversight Committee by January 15, 2018, must do the following:
 - Develop curriculum guidelines that are aligned with K-12 Computer Science Framework (October 2016) developed by the CSforAll Consortium.
 - Develop recommendations to increase the number of teachers prepared to teach computational thinking and computer science, addressing both preservice educator preparation for teachers and professional development for in-service teachers.
 - Develop policy recommendations.
 - Align recommendations with the ongoing implementation of the Digital Learning Plan in North Carolina by the Department and the Friday Institute.
- Unless otherwise noted above, effective on July 21, 2017 when signed into law.