

March 11, 2009

**S 573. MODIFY CHARTER SCHOOL LAW.** Filed 3/11/09. *TO IMPLEMENT THE RECOMMENDATIONS OF THE BLUE RIBBON COMMISSION ON CHARTER SCHOOLS.*

Amends GS 115C-238.29D(b) to set the maximum number of charter schools allowed to operate in the state for each school year at six more than operated in the state during the prior school year. Provides an exception to the maximum set out in subsection (b), permitting the State Board of Education (SBE) to authorize (1) a charter school in any county that does not currently have a charter school; and (2) an additional charter school for at-risk students that is operated by the board of a high performing charter school. Deletes provisions limiting the SBE to authorizing no more than five charter schools per year in one local school administrative unit and no more than 100 charter schools statewide.

Adds a new subsection (a1) to GS 115C-238.29C requiring a charter school to continuously evaluate its process for reviewing applications in order to identify the characteristics of a charter school that are predictive of the later success of charter schools.

Amends GS 115C-238.29G to add failure to meet SBE identified standards for academic growth and performance as a cause for nonrenewal or termination of a charter. Directs the SBE to develop a diagnostic process of oversight to enable a timely response to poor-performing schools. Provides for a review process for a school that demonstrates low growth in student performance and for the termination of a charter for low performance.

Amends GS 115C-238.29F(g)(5) and (6) regarding admission requirements to add the provision that charter schools may give enrollment priority to siblings of students admitted to the charter school for the upcoming year. Also modifies the requirement that a charter school reasonably reflect the racial and ethnic composition of the general population residing in the local school administrative unit within one year after the charter school begins operation, adding the qualifying phrase, *to the extent practicable given the applicant pool*. Permits a school to stratify the acceptance lottery by race and ethnicity in order to meet the requirements regarding the racial and ethnic composition of the school.

Amends GS 115C-546.2(d) to permit charter schools to receive and expend education Lottery Funds. Requires the SBE to include the average daily membership (ADM) of each charter school within a local school administrative unit (LEA) in computing ADM for that LEA for purposes of calculating the allocation of lottery funds for school construction projects in accordance with GS 18C-164 (regarding the transfer of net lottery revenues to the education Lottery Fund). Provides that a pro rata share of the funds for capital projects that an LEA receives be distributed to charter schools based on a ratio of the number of charter school students in that local administrative unit to the total ADM for the LEA. Provides that these funds are not subject to a matching requirement and may be used for operating expenses subject to the provisions of GS 115C-238.29H (regarding state and local funds for charter schools).

Amends GS 115C-238.29H(a1) to clarify that a charter school may not secure any indebtedness by any funds of the state or its political subdivisions. Provides that state funds (was, funds allocated by the SBE) may be used for operational and financing leases for real property or mobile classroom facilities or payments on loans to charter schools for facilities or equipment.

Effective July 1, 2009.

**Intro. by Goodall.**

GS 115C