

**NORTH CAROLINA GENERAL ASSEMBLY  
CONFERENCE REPORT  
Senate Bill 337**

S337-CRTcf-98 [v.9]

Page 1 of 4

[NO] Title Change

[YES] For Committee Substitute

To: The President of the Senate  
The Speaker of the House of Representatives

The conferees appointed to resolve the differences between the Senate and the House of Representatives on Senate Bill 337, A BILL TO BE ENTITLED AN ACT TO CREATE THE NORTH CAROLINA CHARTER SCHOOLS ADVISORY BOARD AND MAKE OTHER CHANGES TO CHARTER SCHOOL LAWS, House Committee Substitute #2 Favorable 6/27/13, Seventh Edition Engrossed 7/08/13, submit the following report:

The Senate and House agree to the following amendments and the Senate concurs in the House Committee Substitute #2 Favorable 6/27/13, Seventh Edition Engrossed 7/08/13, as amended:

On page 2, lines 3-4, by rewriting those lines to read:

"a. Three members appointed by the Governor, including the chair of the Advisory Board.";

and on page 2, lines 26-29, by rewriting those lines to read:

"(5) Presiding officers and quorum. – The Advisory Board shall annually elect a vice-chair from among its membership. The chair shall preside over the Advisory Board's meetings. In the absence of the chair, the vice-chair shall preside over the Advisory Board's meetings. A majority of the Advisory Board constitutes a quorum.";

and on page 2, line 35, by rewriting that line to read:

- "(8) Removal. – Any appointed member of the Advisory Board may be removed by a vote of at least two-thirds of the members of the Advisory Board at any duly held meeting for any cause that renders the member incapable or unfit to discharge the duties of the office.
- (9) Powers and duties. – The Advisory Board shall have the following duties:"



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**NORTH CAROLINA GENERAL ASSEMBLY  
CONFERENCE REPORT**

Senate Bill 337

S337-CRTCf-98 [v.9]

Page 2 of 4

and on page 4, line 19, by rewriting that line to read:

~~"determining whether to grant preliminary and final approval of the charter school.~~

(e) The State Board shall establish reasonable fees of no less than five hundred dollars (\$500.00) and no more than one thousand dollars (\$1000) for initial and renewal charter applications, in accordance with Article 2A of Chapter 150B of the General Statutes. No application fee shall be refunded in the event the application is rejected or the charter is revoked."

and on page 8, lines 27-30, by rewriting those lines to read:

~~"at least seventy-five percent (75%) of these teachers in grades kindergarten through five, at least fifty percent (50%) of these teachers in grades six through eight, and at least fifty percent (50%) of these teachers in grades nine through 12 shall hold teacher certificates/licenses. All teachers in grades"~~

and on page 10, line 22, through page 11, line 24, by rewriting those lines to read:

- (5) A charter school shall not discriminate against any student on the basis of ethnicity, national origin, gender, or disability. Except as otherwise provided by law or the mission of the school as set out in the charter, the school shall not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, disability, race, creed, gender, national origin, religion, or ancestry. The charter school may give enrollment priority to siblings of currently enrolled students who were admitted to the charter school in a previous year and to children of the school's principal, teachers, and teacher assistants. In addition, and only for its first year of operation, the charter school may give enrollment priority to children of the initial members of the charter school's board of directors, so long as (i) these children are limited to no more than ten percent (10%) of the school's total enrollment or to 20 students, whichever is less, and (ii) the charter school is not a former public or private school. If multiple birth siblings apply for admission to a charter school and a lottery is needed under G.S. 115C-238.29F(g)(6), the charter school shall enter one surname into the lottery to represent all of the multiple birth siblings. If that surname of the multiple birth siblings is selected, then all of the multiple birth siblings shall be admitted. Within one year after the charter school begins operation, the population of the school shall reasonably reflect the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located. The school shall be subject to any court-ordered desegregation plan in effect for the local school administrative unit."

NORTH CAROLINA GENERAL ASSEMBLY  
CONFERENCE REPORT  
Senate Bill 337

S337-CRTCf-98 [v.9]

Page 3 of 4

and on page 12, lines 26-28, by rewriting those lines to read:

"(a) ~~The State Board of Education, or a chartering entity subject to the approval of the State Board of Education, Education may terminate, not renew, or seek applicants to assume the charter through a competitive bid process established by the State Board terminate or not renew a charter upon any of the following grounds:"~~

and on page 12, lines 50-51, by rewriting those lines to read:

"(2) If a charter school is inadequate and has had a charter for more than five years, the State Board is authorized to terminate, not renew, or seek applicants to assume the charter through a competitive bid process established by the State Board. terminate or not renew the charter.The State Board shall develop rules on the assumption of a charter by a new entity that include all aspects of the operations of the charter school, including the status of the employees. Public assets would transfer to the new entity and not revert to the local school administrative unit in which the charter school is located pursuant to G.S. 115C-238.29F(i).";

and on page 14, lines 6-25, by rewriting those lines to read:

"(b) If a student attends a charter school, the local school administrative unit in which the child resides shall transfer to the charter school an amount equal to the per pupil share of the local current expense appropriation fund of to the local school administrative unit for the fiscal year. The per pupil share of the local current expense fund shall be transferred to the charter school within 30 days of the receipt of monies into the local current expense fund. The local school administrative unit and charter school may use the process for mediation of differences between the State Board and a charter school provided in G.S. 115C-238.29G(c) to resolve differences on calculation and transference of the per pupil share of the local current expense fund. The amount transferred under this subsection that consists of revenue derived from supplemental taxes shall be transferred only to a charter school located in the tax district for which these taxes are levied and in which the student resides.";

and on page 16, lines 13-14, by adding the following section between those lines:

"**SECTION 3.** G.S. 105-275 reads as rewritten:

"**§ 105-275. Property classified and excluded from the tax base.**

The following classes of property are designated special classes under Article V, Sec. 2(2), of the North Carolina Constitution and are excluded from tax:

...  
(46) Real property that is occupied by a charter school and is wholly and exclusively used for educational purposes as defined in G.S. 105-278.4(f) regardless of the ownership of the property."";

**NORTH CAROLINA GENERAL ASSEMBLY  
CONFERENCE REPORT  
Senate Bill 337**

S337-CRTCf-98 [v.9]

Page 4 of 4

and on page 16, lines 23-26, by rewriting those lines to read:

"(1) Two members appointed by the Governor, as designated by the Governor, shall be appointed to serve until June 30, 2015. One member appointed by the Governor, as designated by the Governor, shall be appointed to serve until June 30, 2017, including the chair.";

and on page 16, line 43-44, by rewriting those lines to read:

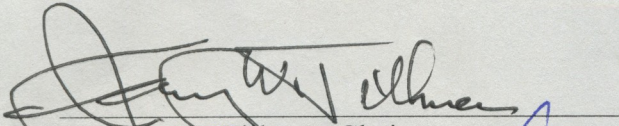
"**SECTION 8.** Section 3 of this act is effective for taxes imposed for taxable years beginning on or after July 1, 2013. Section 7 of this act becomes effective August 1, 2013. The remainder of this act is effective when it becomes law. G.S. 115C-238.29H(d), as enacted by".

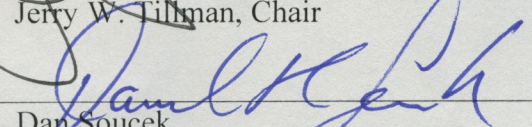
The conferees recommend that the Senate and the House of Representatives adopt this report.

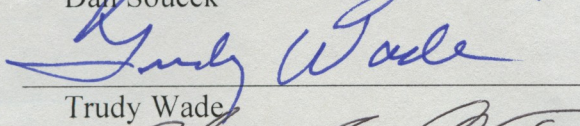
Date Conferees approved report: July 16, 2013.

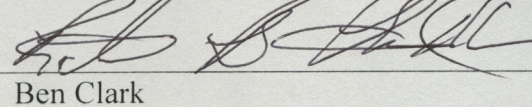
Conferees for the Senate

Conferees for the  
House of Representatives

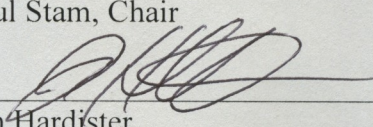
  
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Jerry W. Tillman, Chair

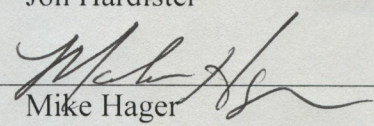
  
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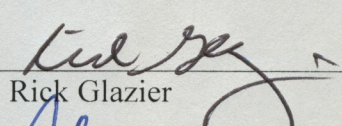
  
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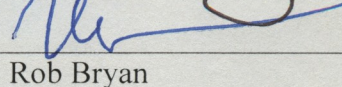
  
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Ben Clark

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Paul Stam, Chair

  
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Jon Hardister

  
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Mike Hager

  
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Rick Glazier

  
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Rob Bryan

**SENATE** Submitted JUL 16 2013  
ADOPTED \_\_\_\_\_ ( / ) Message Received \_\_\_\_\_  
ADOPTED \_\_\_\_\_ ( / ) Ordered Enrolled \_\_\_\_\_

**PLACED ON CALENDAR FOR**

July 17, 2013

*KCB  
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