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SESSION 2013

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HOUSE PRINCIPAL CLERK

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HOUSE DRH20121-MKa-132A (01/17)

Short Title: Increase Charter School Accountability. (Public)

Sponsors: Representatives Insko and Glazier (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE CHARTER SCHOOL ACCOUNTABILITY AND TO
3 APPROPRIATE FUNDS TO IMPLEMENT THE PROVISIONS OF THIS ACT.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** G.S. 115C-238.29B(b) reads as rewritten:

6 "(b) The application shall contain at least the following information:

7 ...

8 (3b) The results of criminal history record checks, as defined in G.S. 115C-332,
9 of the initial members of the board of directors.

10"

11 **SECTION 1.(b)** This section applies to charter school applications submitted to the
12 State Board of Education on or after the effective date of this act.

13 **SECTION 2.** G.S. 115C-238.29D(d) reads as rewritten:

14 "(d) The State Board of Education may grant the initial charter for a period not to exceed
15 10 years and may renew the charter upon the request of the chartering entity for subsequent
16 periods not to exceed 10 years each. ~~The State Board of Education shall review the operations~~
17 ~~of each charter school at least once every five years to ensure that the school is meeting the~~
18 ~~expected academic, financial, and governance standards."~~

19 **SECTION 3.(a)** G.S. 115C-238.29E reads as rewritten:

20 "**§ 115C-238.29E. Charter school operation-operation; annual school plan; State Board of**
21 **Education evaluation.**

22 (a) A charter school that is approved by the State shall be a public school within the
23 local school administrative unit in which it is located. All charter schools shall be accountable
24 to the State Board for ensuring compliance with applicable laws and the provisions of their
25 charters.

26 (b) A charter school shall be operated by a private nonprofit corporation that shall have
27 received federal tax-exempt status no later than 24 months following final approval of the
28 application.

29 (c) A charter school shall operate under the written charter signed by the State Board
30 and the applicant. A charter school is not required to enter into any other contract. The charter
31 shall incorporate the information provided in the application, as modified during the charter
32 approval process, and any terms and conditions imposed on the charter school by the State
33 Board of Education. No other terms may be imposed on the charter school as a condition for
34 receipt of local funds.

35 (d) The board of directors of a charter school, upon receiving a charter from the State
36 Board of Education, is responsible for the supervision and control of the charter school,



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1 including ensuring that the school complies with the requirements of State and federal law. The
2 board of directors of the charter school shall decide matters related to the operation of the
3 school, including budgeting, curriculum, and operating procedures.

4 (d1) The board of directors shall submit the results of a criminal history record check, as
5 defined in G.S. 115C-332, of any new member of the board of directors to the State Board of
6 Education prior to the member's appointment to the board.

7 (d2) The board of directors of a charter school shall require that the administrators of the
8 charter school submit a plan of performance and operation to the board of directors annually for
9 its approval. The plan shall include at least the following information:

10 (1) School enrollment numbers.

11 (2) Student attrition during the school year, if any.

12 (3) Governance and management information, including staffing, finances,
13 student academic performance, school operational performance, innovative
14 practices and implementation, and future plans.

15 (d3) A charter school shall submit the information in the plan approved by the board of
16 directors under subsection (d2) of this section to the State Board of Education as part of its
17 reporting requirements under G.S. 115C-238.29F(f).

18 (d4) During the first half of the term of a charter school's charter, but no later than three
19 years after a charter school is operating under its charter, the State Board of Education shall
20 conduct at least one comprehensive evaluation of the school's operations to ensure that a charter
21 school is meeting expected academic, financial, and governance standards. The State Board
22 shall create a written report reflecting the results of its evaluations of a charter school's
23 operations that shall be used as documentation to inform the charter school renewal process and
24 any actions taken by the State Board pursuant to G.S. 115C-238.29G. The written report shall
25 contain at least the following:

26 (1) A review of all of the information submitted by the school to the State Board
27 pursuant to this Article.

28 (2) The findings of at least one physical site visitation to the school.

29 (e) A charter school's specific location shall not be prescribed or limited by a local
30 board or other authority except a zoning authority. The school may lease space from a local
31 board of education or as is otherwise lawful in the local school administrative unit in which the
32 charter school is located. If a charter school leases space from a sectarian organization, the
33 charter school classes and students shall be physically separated from any parochial students,
34 and there shall be no religious artifacts, symbols, iconography, or materials on display in the
35 charter school's entrance, classrooms, or hallways. Furthermore, if a charter school leases space
36 from a sectarian organization, the charter school shall not use the name of that organization in
37 the name of the charter school.

38 At the request of the charter school, the local board of education of the local school
39 administrative unit in which the charter school will be located shall lease any available building
40 or land to the charter school unless the board demonstrates that the lease is not economically or
41 practically feasible or that the local board does not have adequate classroom space to meet its
42 enrollment needs. Notwithstanding any other law, a local board of education may provide a
43 school facility to a charter school free of charge; however, the charter school is responsible for
44 the maintenance of and insurance for the school facility. If a charter school has requested to
45 lease available buildings or land and is unable to reach an agreement with the local board of
46 education, the charter school shall have the right to appeal to the board of county
47 commissioners in which the building or land is located. The board of county commissioners
48 shall have the final decision-making authority on the leasing of the available building or land.

49 (f) Except as provided in this Part and pursuant to the provisions of its charter, a charter
50 school is exempt from statutes and rules applicable to a local board of education or local school
51 administrative unit."

1 **SECTION 3.(b)** Notwithstanding G.S. 115C-238.29E(d1), as enacted by this act,
2 an individual currently serving as a member of a board of directors of a charter school as of the
3 effective date of this act shall submit the results of the member's criminal history record check,
4 as defined in G.S. 115C-332, to the State Board of Education on or before September 1, 2014.

5 **SECTION 3.(c)** Notwithstanding G.S. 115C-238.29E(d4), as enacted by this act,
6 any charter school that has (i) operated under its current charter for longer than half of the term
7 of that charter and (ii) yet to be reviewed in accordance with G.S. 115C-238.29D(d), prior to
8 the effective date of this act, shall be evaluated in accordance with G.S. 115C-239.29E(d4)
9 within 12 months of the effective date of this act.

10 **SECTION 4.** G.S. 115C-238.29G reads as rewritten:

11 "**§ 115C-238.29G. Causes for nonrenewal or termination; remedial plans; disputes.**

12 (a) The State Board of Education may terminate, not renew, or seek applicants to
13 assume the charter through a competitive bid process established by the State Board upon any
14 of the following grounds:

- 15 (1) Failure to meet the requirements for student performance contained in the
16 charter;
- 17 (2) Failure to meet generally accepted standards of fiscal management;
- 18 (3) Violations of law;
- 19 (4) Material violation of any of the conditions, standards, or procedures set forth
20 in the charter;
- 21 (4a) Failure to meet conditions or correct deficiencies identified in a remedial
22 plan in accordance with subsection (a2) of this section.
- 23 (5) Two-thirds of the faculty and instructional support personnel at the school
24 request that the charter be terminated or not renewed; or
- 25 (6) Other good cause identified.

26 (a1) The State Board shall adopt criteria for adequate performance by a charter school
27 and shall identify charter schools with inadequate performance. The criteria shall include a
28 requirement that a charter school which demonstrates no growth in student performance and
29 has annual performance composites below sixty percent (60%) in any two years in a three-year
30 period is inadequate.

- 31 (1) If a charter school is inadequate in the first five years of the charter, the
32 charter school shall develop a strategic plan to meet specific goals for
33 student performance that are consistent with State Board criteria and the
34 mission approved in the charter school. The strategic plan shall be reviewed
35 and approved by the State Board. The State Board is authorized to terminate
36 or not renew a charter for failure to demonstrate improvement under the
37 strategic plan.
- 38 (2) If a charter school is inadequate and has had a charter for more than five
39 years, the State Board is authorized to terminate, not renew, or seek
40 applicants to assume the charter through a competitive bid process
41 established by the State Board. The State Board shall develop rules on the
42 assumption of a charter by a new entity that include all aspects of the
43 operations of the charter school, including the status of the employees.
44 Public assets would transfer to the new entity and not revert to the local
45 school administrative unit in which the charter school is located pursuant to
46 G.S. 115C-238.29F(i).

47 (a2) Following a review of a charter school's operations, including the evaluation
48 required by G.S. 115C-238.29E(d4), the State Board of Education may determine the charter
49 school is in noncompliance with State or federal law or the terms and conditions of its charter
50 and require that the charter school (i) meet any additional conditions placed on the school by
51 the State Board and (ii) implement a remedial plan, approved by the school's board of directors,

1 to correct any deficiencies identified by the State Board. Prior to implementation, the remedial
2 plan shall be reviewed and approved by the State Board. The charter school shall meet the
3 conditions placed on the school or correct the deficiencies identified in the remedial plan within
4 a reasonable amount of time established by the State Board.

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6 **SECTION 5.(a)** There is appropriated from the General Fund to the Department of
7 Public Instruction, Office of Charter Schools, the sum of two hundred six thousand six hundred
8 fourteen dollars (\$206,614) for the 2014-2015 fiscal year in recurring funds to fund an
9 additional two consultant positions in the Office of Charter Schools to implement the
10 requirements of this act.

11 **SECTION 5.(b)** This section becomes effective July 1, 2014.

12 **SECTION 6.** Except as otherwise provided in this act, this act is effective when it
13 becomes law and applies beginning with the 2014-2015 school year.