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SESSION 2017

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HOUSE BILL 800  
Committee Substitute Favorable 4/24/17  
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PROPOSED SENATE COMMITTEE SUBSTITUTE H800-PCS40622-RQ-12

Short Title: Various Changes to Charter School Laws. (Public)

Sponsors:

Referred to:

April 13, 2017

1 A BILL TO BE ENTITLED  
2 AN ACT TO MAKE VARIOUS CHANGES TO THE LAWS AFFECTING CHARTER  
3 SCHOOLS.

4 The General Assembly of North Carolina enacts:

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6 **PART I. ALLOW EMPLOYEES OF EDUCATION OR CHARTER MANAGEMENT**  
7 **ORGANIZATIONS TO SERVE AS TEACHERS**

8 **SECTION 1.** G.S. 115C-218.90(a)(1) reads as rewritten:

9 "(1) An employee of a charter school is not an employee of the local school  
10 administrative unit in which the charter school is located. The charter  
11 school's board of directors shall employ and contract with necessary teachers  
12 or contract with an education management organization or charter  
13 management organization to employ and provide teachers to perform the  
14 particular service for which they are employed in the school; at least fifty  
15 percent (50%) of these teachers shall hold teacher licenses. All teachers who  
16 are teaching in the core subject areas of mathematics, science, social studies,  
17 and language arts shall be college graduates.

18 The board also may employ necessary employees who are not required  
19 to hold teacher licenses to perform duties other than teaching and may  
20 contract for other services. The board may discharge teachers and  
21 nonlicensed employees."  
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23 **PART II. MODIFY THE DECISION TIME LINE FOR THE CHARTER SCHOOL**  
24 **FAST-TRACK REPLICATION APPLICATION PROCESS**

25 **SECTION 2.(a)** Section 6.5 of S.L. 2014-101, as amended by Section 2 of S.L.  
26 2016-79, reads as rewritten:

27 "**SECTION 6.5.** Upon recommendations by the Office of Charter Schools and the Charter  
28 Schools Advisory Board, the State Board of Education shall adopt a process and rules for  
29 fast-track replication of high-quality charter schools currently operating in the State. The State  
30 Board of Education shall not require a planning year for applicants selected through the  
31 fast-track replication process. In addition to the requirements for charter applicants set forth in  
32 Part 6A of Article 16 of Chapter 115C of the General Statutes, the fast-track replication process  
33 adopted by the State Board of Education shall, at a minimum, require a board of directors of a  
34 charter school to demonstrate one of the following in order to qualify for fast-track replication:



- 1 (1) A charter school in this State governed by the board of directors has student  
2 academic outcomes that are comparable to the academic outcomes of  
3 students in the local school administrative unit in which the charter school is  
4 located and can provide three years of financially sound audits.
- 5 (2) The board of directors agrees to contract with an education management  
6 organization or charter management organization that can demonstrate that it  
7 can replicate high-quality charter schools in the State that have proven  
8 student academic success and financial soundness.

9 The State Board of Education shall ensure that the rules for a fast-track replication process  
10 provide that decisions by the State Board of Education on whether to grant a charter through  
11 the replication process are completed in less than 120 days from the application submission  
12 date. The State Board shall provide a decision no later than October 15 of the year immediately  
13 preceding the year of the proposed school opening. The State Board of Education shall adopt  
14 rules and procedures required by this section within 90 days of the effective date of this act, and  
15 report to the Joint Legislative Education Oversight Committee within 120 days of the effective  
16 date of this act."

17 **SECTION 2.(b)** This section is effective the date this act becomes law and applies  
18 beginning with applications submitted for fast-track replication of schools opening in the  
19 2018-2019 school year.

### 20 21 **PART III. EXPANSION OF GROWTH EXCEPTION FOR MATERIAL REVISIONS** 22 **OF CHARTERS**

23 **SECTION 3.(a)** G.S. 115C-218.7(b) reads as rewritten:

24 "(b) Enrollment growth of greater than twenty percent (20%) shall be considered a  
25 material revision of the ~~charter~~ charter for any charter school identified as low-performing. The  
26 State Board may approve such additional enrollment growth of greater than twenty percent  
27 (20%) only if it finds all of the following:

- 28 (1) The actual enrollment of the charter school is within ten percent (10%) of its  
29 maximum authorized enrollment.
- 30 (2) The charter school has commitments for ninety percent (90%) of the  
31 requested maximum growth.
- 32 ~~(3) The charter school is not currently identified as low-performing.~~
- 33 (4) The charter school meets generally accepted standards of fiscal management.
- 34 (5) The charter school is, at the time of the request for the enrollment increase,  
35 substantially in compliance with State law, federal law, the charter school's  
36 own bylaws, and the provisions set forth in its charter granted by the State  
37 Board."

38 **SECTION 3.(b)** G.S. 115C-218.7 is amended by adding a new subsection to read:

39 "(b1) Enrollment growth of greater than twenty-five percent (25%) shall be considered a  
40 material revision of the charter for any charter school that is not identified as low-performing.  
41 The State Board may approve such additional enrollment growth of greater than twenty-five  
42 percent (25%) only if it finds all of the following:

- 43 (1) The actual enrollment of the charter school is within ten percent (10%) of its  
44 maximum authorized enrollment.
- 45 (2) The charter school has commitments for ninety percent (90%) of the  
46 requested maximum growth.
- 47 (3) The charter school meets generally accepted standards of fiscal management.
- 48 (4) The charter school is, at the time of the request for the enrollment increase,  
49 substantially in compliance with State law, federal law, the charter school's  
50 own bylaws, and the provisions set forth in its charter granted by the State  
51 Board."

1           **SECTION 3.(c)** G.S. 115C-218.8 reads as rewritten:

2   "**§ 115C-218.8. Nonmaterial revisions of charters.**

3       It shall not be considered a material revision of a charter and shall not require prior  
4 approval of the State Board for a charter school to do any of the following:

- 5           (1)    Increase its enrollment during the charter school's second year of operation  
6                and annually thereafter ~~by up to twenty percent (20%) of the school's~~  
7                ~~previous year's enrollment.~~ in accordance with G.S. 115C-218.7(b) or  
8                G.S. 115C-218.7(b1).
- 9           (2)    Increase its enrollment during the charter school's second year of operation  
10                and annually thereafter in accordance with planned growth as authorized in  
11                its charter.
- 12           (3)    Expand to offer one grade higher or lower than the charter school currently  
13                offers if the charter school has (i) operated for at least three years, (ii) has  
14                not been identified as continually low-performing as provided in  
15                G.S. 115C-218.94, and (iii) has been in financial compliance as required by  
16                the State Board."

17           **SECTION 3.(d)** This section is effective when it becomes law and applies to  
18 approvals for material changes on or after that date.

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20 **PART IV. ENROLLMENT PRIORITIES FOR STUDENTS PREVIOUSLY**  
21 **ENROLLED IN CHARTERS**

22           **SECTION 4.** G.S. 115C-218.45(f) reads as rewritten:

23       "(f)    The charter school may give enrollment priority to any of the following:

- 24           (1)    Siblings of currently enrolled students who were admitted to the charter  
25                school in a previous year. For the purposes of this section, the term  
26                "siblings" includes any of the following who reside in the same household:  
27                half siblings, stepsiblings, and children residing in a family foster home.
- 28           (2)    Siblings of students who have completed the highest grade level offered by  
29                that school and who were enrolled in at least four grade levels offered by the  
30                charter school or, if less than four grades are offered, in the maximum  
31                number of grades offered by the charter school.
- 32           (3)    Limited to no more than fifteen percent (15%) of the school's total  
33                enrollment, unless granted a waiver by the State Board of Education, the  
34                following:  
35                a.     Children of the school's full-time employees.  
36                b.     Children of the charter school's board of directors.
- 37           (4)    A student who was enrolled in the charter school within the two previous  
38                school years but left the school (i) to participate in an academic study abroad  
39                program or a competitive admission residential program or (ii) because of  
40                the vocational opportunities of the student's parent.
- 41           (5)    A student who was enrolled in another charter school in the State in the  
42                previous school year that does not offer the student's next grade level.
- 43           (6)    A student who was enrolled in another charter school in the State in the  
44                previous school year that does not offer the student's next grade level and  
45                both of the charter schools have an enrollment articulation agreement to  
46                accept students or are governed by the same board of directors.
- 47           (7)    A student who was enrolled in another charter school in the State in the  
48                previous school year."

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50 **PART V. CHARTER SCHOOLS AND NC PRE-K**

51           **SECTION 5.(a)** G.S. 115C-218(c)(3) reads as rewritten:

- "(3) Powers and duties. – The Office of Charter Schools shall have the following powers and duties:
- a. Serve as staff to the Advisory Board and fulfill any task and duties assigned to it by the Advisory Board.
  - b. Provide technical assistance and guidance to charter schools operating within the State.
  - c. Provide technical assistance and guidance to nonprofit corporations seeking to operate charter schools within the State.
  - d. Provide or arrange for training for charter schools that have received preliminary approval from the State Board.
  - e. Assist approved charter schools and charter schools seeking approval from the State Board in coordinating services with the Department of Public Instruction.
  - e1. Assist certain charter schools seeking to participate in the NC prekindergarten program in accordance with G.S. 115C-218.115.
  - f. Other duties as assigned by the State Board."

**SECTION 5.(b)** G.S. 115C-218.45(f), as amended by Section 4 of this act, reads as rewritten:

- "(f) The charter school may give enrollment priority to any of the following:
- (1) Siblings of currently enrolled students who were admitted to the charter school in a previous year. For the purposes of this section, the term "siblings" includes any of the following who reside in the same household: half siblings, stepsiblings, and children residing in a family foster home.
  - (2) Siblings of students who have completed the highest grade level offered by that school and who were enrolled in at least four grade levels offered by the charter school or, if less than four grades are offered, in the maximum number of grades offered by the charter school.
  - (2a) A student who was enrolled in a preschool program operated by the charter school in the prior year.
  - (3) Limited to no more than fifteen percent (15%) of the school's total enrollment, unless granted a waiver by the State Board of Education, the following:
    - a. Children of the school's full-time employees.
    - b. Children of the charter school's board of directors.
  - (4) A student who was enrolled in the charter school within the two previous school years but left the school (i) to participate in an academic study abroad program or a competitive admission residential program or (ii) because of the vocational opportunities of the student's parent.
  - (5) A student who was enrolled in another charter school in the State in the previous school year that does not offer the student's next grade level.
  - (6) A student who was enrolled in another charter school in the State in the previous school year that does not offer the student's next grade level and both of the charter schools have an enrollment articulation agreement to accept students or are governed by the same board of directors.
  - (7) A student who was enrolled in another charter school in the State in the previous school year."

**SECTION 5.(c)** Article 14A of Chapter 115C of the General Statutes is amended by adding a new section to read:

**"§ 115C-218.115. Operation of NC Pre-K programs.**

- (a) A charter school may apply to a local contracting agency to participate in the NC prekindergarten (NC Pre-K) program as a local program site offering families a high-quality

1 prekindergarten experience. A charter school that seeks to operate as a NC Pre-K program site  
2 may request administrative and technical assistance from the Office of Charter Schools with its  
3 application to the local contracting agency if the charter school meets all of the following:

- 4 (1) The charter school has operated as a charter school for at least three school  
5 years.
- 6 (2) The charter school is not currently identified as low-performing.
- 7 (3) The charter school meets generally accepted standards of fiscal management.
- 8 (4) The charter school is substantially in compliance with State law, federal law,  
9 the charter school's own bylaws, and the provisions set forth in its charter  
10 granted by the State Board.

11 (b) The Office of Charter Schools, in consultation with the Department of Health and  
12 Human Services, Division of Child Development and Early Education, shall assist a charter  
13 school under subsection (a) of this section with determining whether the charter school's  
14 proposed program meets (i) the building standards set forth in subsection (c) of this section and  
15 any other State standards for the charter school to be licensed as a child care facility and (ii) the  
16 standards required to be selected as a site under the NC Pre-K program. If the charter school  
17 does not meet these standards, the Office of Charter Schools shall provide assistance to the  
18 charter school in identifying any obstacles to its participation in the NC Pre-K program.

19 (c) A charter school that otherwise meets all of the requirements for a child care facility  
20 license may use an existing or newly constructed classroom in the charter school for three- and  
21 four-year-old preschool students without modifications to the classroom or building if the  
22 classroom meets all of the following:

- 23 (1) Has at least one toilet and one sink for hand washing.
- 24 (2) Meets kindergarten standards for overhead light fixtures.
- 25 (3) Meets kindergarten standards for floors, walls, and ceilings.
- 26 (4) Has floors, walls, and ceilings that are free from mold, mildew, and lead  
27 hazards."

## 29 PART VI. NORTH CAROLINA VIRTUAL PUBLIC SCHOOL

30 **SECTION 6.(a)** Section 7.22(h) of S.L. 2011-145, as amended by Section 88 of  
31 S.L. 2014-115, reads as rewritten:

32 "**SECTION 7.22.(h)** Beginning in 2011, the Director of NCVPS shall submit an annual  
33 report on NCVPS to the State Board of Education no later than December 15 of each year. The  
34 report shall use data from the previous fiscal year and shall include statistics on actual versus  
35 projected costs to local school administrative units and charter schools, student enrollment,  
36 virtual teacher salaries, and measures of academic achievement.

37 The Director of NCVPS shall continue to ensure the following:

- 38 (1) Course quality standards are established and met for courses developed  
39 by NCVPS.
- 40 (2) ~~All e-learning opportunities other than virtual charter schools offered by~~  
41 ~~State funded entities to public school students are consolidated under the~~  
42 ~~NCVPS program, eliminating course duplication.~~
- 43 (3) All courses offered through NCVPS are aligned to the North Carolina  
44 Standard Course of Study."

45 **SECTION 6.(b)** Notwithstanding any other provision of law, local school  
46 administrative units may partner with eligible providers other than the North Carolina Virtual  
47 Public School for e-learning opportunities. Eligible providers shall meet all of the following:

- 48 (1) Be accredited by a regional accrediting agency such as but not limited to,  
49 AdvancEd or the Southern Association of Colleges and Schools (SACS).
- 50 (2) Employ teachers who hold teaching licenses from states that participate in  
51 the NASDTEC Educator Identification Clearinghouse.

(3) Ensure that courses offered to North Carolina students are aligned to the North Carolina Standard Course of Study.

**SECTION 6.(c)** This section is effective when it becomes law.

**PART VII. REORGANIZE STATUTE ON STATE AND LOCAL FUNDS**

**SECTION 7.** G.S. 115C-218.105(b) reads as rewritten:

"(b) Funds allocated by the State Board of Education may be used to enter into operational and financing leases for real property or mobile classroom units for use as school facilities for charter schools and may be used for payments on loans made to charter schools for facilities, equipment, or operations. However, State funds shall not be used to obtain any other interest in real property or mobile classroom units. The school also may own land and buildings it obtains through non-State sources. No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions. Every contract or lease into which a charter school enters shall include the previous sentence. ~~The school also may own land and buildings it obtains through non-State sources.~~"

**PART VIII. EFFECTIVE DATE**

**SECTION 8.** Except as otherwise provided, this act is effective when it becomes law.