

# FAILED



NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
House Bill 219

AMENDMENT NO. A1  
(to be filled in by  
Principal Clerk)

H219-ATC-73 [v.4]

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Amends Title [YES]  
Fourth Edition

Date \_\_\_\_\_, 2023

Senator Meyer

1 moves to amend the bill on page 1, line 3, by rewriting that line to read:

2  
3 "SCHOOLS AND NONPUBLIC SCHOOLS THAT ACCEPT OPPORTUNITY  
4 SCHOLARSHIPS.";

5  
6 and on page 6, lines 46-47, by inserting the following between those lines:

7  
8 **"PART VII-C. PROHIBITION ON USE OF FOR-PROFIT COMPANIES IN**  
9 **OPERATION OF CHARTERS**

10 **SECTION 7C.1.** G.S. 115C-218.15(b) reads as rewritten:

11 "(b) A charter school shall be operated by a private nonprofit corporation that shall have  
12 received federal tax-exempt status no later than 24 months following final approval of the  
13 application. A charter school shall not contract with any for-profit entity for operation or  
14 management of the school. The board of directors of the charter schools shall adopt a conflict of  
15 interest and anti-nepotism policy that includes, at a minimum, the following:

16 ...."

17 **SECTION 7C.2.** G.S. 115C-218.3 reads as rewritten:

18 **"§ 115C-218.3. Fast-track replication of high-quality charter schools.**

19 Upon recommendations by the Office of Charter Schools and the Charter Schools Advisory  
20 Board, the State Board of Education shall adopt a process and rules for fast-track replication of  
21 high-quality charter schools currently operating in the State. The State Board of Education shall  
22 not require a planning year for applicants selected through the fast-track replication process. In  
23 addition to the requirements for charter applicants set forth in this Article, the fast-track  
24 replication process adopted by the State Board of Education shall, at a minimum, require a board  
25 of directors of a charter school to demonstrate one of the following in order to qualify for  
26 fast-track replication:

27 ...

28 (2) The board of directors agrees to contract with ~~an~~ a nonprofit education  
29 management organization or nonprofit charter management organization that  
30 can demonstrate both of the following:

31 a. The majority of the charter schools in this State managed by the  
32 nonprofit organization has student academic outcomes from the three



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1 prior school years that are equal to or greater than the student academic  
2 outcomes in the local school administrative unit in which each charter  
3 school is located.

- 4 b. The nonprofit organization can provide three years of financially  
5 sound audits for each school it governs.

6 ...."

7 **SECTION 7C.3.** G.S. 115C-218.45(f)(3) reads as rewritten:

8 "(3) Limited to no more than fifteen percent (15%) of the school's total enrollment,  
9 unless granted a waiver by the State Board of Education, the following:

- 10 a. Children or grandchildren of persons (i) employed full time by the  
11 charter school or (ii) working full time in the daily operation of the  
12 charter school, including children of persons employed by ~~an~~a  
13 nonprofit education management organization or nonprofit charter  
14 management organization for the charter school."

15 **SECTION 7C.4.** G.S. 115C-218.90(a)(1) reads as rewritten:

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

25 The board also may employ necessary employees who are not required to  
26 hold teacher licenses to perform duties other than teaching and may contract  
27 for other services. The board may discharge teachers and nonlicensed  
28 employees."  
29

30 **PART VII-D. REQUIRE CHARTER SCHOOLS AND NONPUBLIC SCHOOLS**  
31 **ACCEPTING OPPORTUNITY SCHOLARSHIPS TO PROVIDE SERVICES TO**  
32 **STUDENTS AS OTHERWISE REQUIRED FOR LOCAL SCHOOL**  
33 **ADMINISTRATIVE UNITS**

34 **SECTION 7D.1.** G.S. 115C-218.10 reads as rewritten:

35 "**§ 115C-218.10. Charter school exemptions.**

36 Except as provided in this Article and pursuant to the provisions of its charter, a charter school  
37 is ~~exempt from~~subject to the statutes and rules applicable to a local board of education or local  
38 school administrative unit."

39 **SECTION 7D.2.** G.S. 115C-218.40 reads as rewritten:

40 "**§ 115C-218.40. Charter school transportation.**

41 The charter school ~~may~~shall provide transportation for students enrolled at the ~~school~~school  
42 as provided in this section. The charter school shall develop a transportation plan so that  
43 transportation is not a barrier to any student who resides in the local school administrative unit

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1 in which the school is located. The charter school is not required to provide transportation to any  
2 student who lives within one and one-half miles of the school. At the request of the charter school  
3 and if the local board of the local school administrative unit in which the charter school is located  
4 operates a school bus system, then that local board may contract with the charter school to  
5 provide transportation in accordance with the charter school's transportation plan to students who  
6 reside in the local school administrative unit and who reside at least one and one-half miles of  
7 the charter school. A local board may charge the charter school a reasonable charge that is  
8 sufficient to cover the cost of providing this transportation. Furthermore, a local board may refuse  
9 to provide transportation under this section if it demonstrates there is no available space on buses  
10 it intends to operate during the term of the contract or it would not be practically feasible to  
11 provide this transportation."

12 **SECTION 7D.3.** G.S. 115C-562.5(a) reads as rewritten:

13 "(a) A nonpublic school that accepts eligible students receiving scholarship grants shall  
14 comply with the following:

- 15 (1) Provide to the Authority documentation for required tuition and fees charged  
16 to the student by the nonpublic school.
- 17 (2) Provide to the Authority a criminal background check conducted for the staff  
18 member with the highest decision-making authority, as defined by the bylaws,  
19 articles of incorporation, or other governing document. Information provided  
20 to the Authority in accordance with this subdivision is privileged information  
21 and is not a public record but is for the exclusive use of the Authority.
- 22 (3) Provide to the parent or guardian of an eligible student, whose tuition and fees  
23 are paid in whole or in part with a scholarship grant, an annual written  
24 explanation of the student's progress, including the student's scores on  
25 standardized achievement tests.
- 26 (4) Administer, at least once in each school year, a nationally standardized test or  
27 other nationally standardized equivalent measurement selected by the chief  
28 administrative officer of the nonpublic school to all eligible students whose  
29 tuition and fees are paid in whole or in part with a scholarship grant enrolled  
30 in grades three and higher. For grades three through eight, the nationally  
31 standardized test or other equivalent measurement selected must measure  
32 achievement in the areas of English grammar, reading, spelling, and  
33 mathematics. For grades nine through 12, the nationally standardized test or  
34 other equivalent measurement selected must measure either (i) achievement  
35 in the areas of English grammar, reading, spelling, and mathematics or (ii)  
36 competencies in the verbal and quantitative areas. Test performance data shall  
37 be submitted to the Authority by July 15 of each year. Test performance data  
38 reported to the Authority under this subdivision is not a public record under  
39 Chapter 132 of the General Statutes.
- 40 (5) Provide to the Authority graduation rates of the students receiving scholarship  
41 grants in a manner consistent with nationally recognized standards.
- 42 (6) Contract with a certified public accountant to perform a financial review,  
43 consistent with generally accepted accounting principles, for each school year

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1 in which the school enrolls 70 or more students receiving scholarship grants  
2 or scholarship funds awarded by the Authority.

3 (7) Comply with all statutes and rules applicable to a local board of education or  
4 local school administrative unit, including the provision of school nutrition  
5 services, student transportation services, and services for students with  
6 disabilities."  
7

8 **PART VII-E. PROHIBIT SEX OFFENDERS FROM EMPLOYMENT IN CHARTER**  
9 **SCHOOLS AND SCHOOLS THAT ACCEPT OPPORTUNITY SCHOLARSHIPS**

10 **SECTION 7E.1.** G.S. 115C-218.15(b) reads as rewritten:

11 "(b) A charter school shall be operated by a private nonprofit corporation that shall have  
12 received federal tax-exempt status no later than 24 months following final approval of the  
13 application. The board of directors of the charter schools shall adopt a conflict of ~~interest-interest,~~  
14 criminal history exclusions, and anti-nepotism policy that includes, at a minimum, the following:

15 (1) The requirements of Chapter 55A of the General Statutes related to conflicts  
16 of interest.

17 (2) A requirement that before any immediate family, as defined in  
18 G.S. 115C-12.2, of any member of the board of directors or a charter school  
19 employee with supervisory authority shall be employed or engaged as an  
20 employee, independent contractor, or otherwise by the board of directors in  
21 any capacity, such proposed employment or engagement shall be (i) disclosed  
22 to the board of directors and (ii) approved by the board of directors in a duly  
23 called open-session meeting. The burden of disclosure of such a conflict of  
24 interest shall be on the applicable board member or employee with supervisory  
25 authority. If the requirements of this subsection are complied with, the charter  
26 school may employ immediate family of any member of the board of directors  
27 or a charter school employee with supervisory authority.

28 (3) A requirement that a person shall not be disqualified from serving as a member  
29 of a charter school's board of directors because of the existence of a conflict  
30 of interest, so long as the person's actions comply with the school's conflict of  
31 interest policy established as provided in this subsection and applicable law.

32 (4) A requirement that no member of the board of directors have been convicted  
33 of any offense that require registration in the Sex Offender and Public  
34 Protection Registration Programs under Article 27A of Chapter 115C,  
35 regardless of whether the offense has been expunged."

36 **SECTION 7E.2.** G.S. 115C-218.90(b) reads as rewritten:

37 "(b) Criminal History Checks. –

38 (1) ~~If the local board of education of the local school administrative unit in which~~  
39 ~~a charter school is located has adopted a policy requiring criminal history~~  
40 ~~checks under G.S. 115C-332, then the~~A ~~board of directors of each a charter~~  
41 ~~school located in that local school administrative unit shall adopt a policy~~  
42 ~~mirroring the local board of education policy that require~~to require  
43 an applicant for employment or volunteer to be checked for a criminal history, as

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1 defined in G.S. 115C-332. Each charter school board of directors shall apply  
2 its policy uniformly in requiring applicants for employment to be checked for  
3 a criminal history before the applicant is given an unconditional job offer. A  
4 board of directors shall not employ or permit to volunteer any individual who  
5 has been convicted of any offense that require registration in the Sex Offender  
6 and Public Protection Registration Programs under Article 27A of Chapter  
7 115C, regardless of whether the offense has been expunged. A charter school  
8 board of directors may employ an applicant conditionally while the board is  
9 checking the person's criminal history and making a decision based on the  
10 results of the check. ~~If the local board of education adopts a policy providing~~  
11 ~~for periodic checks of criminal history of employees, then the board of~~  
12 ~~directors of each charter school located in that local school administrative unit~~  
13 ~~shall adopt a policy mirroring that local board of education policy.~~ A board of  
14 directors shall indicate, upon inquiry by any other local board of education,  
15 charter school, or regional school in the State as to the reason for an  
16 employee's resignation or dismissal, if an employee's criminal history was  
17 relevant to the employee's resignation or dismissal.

18 ...."

19 **SECTION 7E.2.** G.S. 115C-562.5(a) is amended by adding a new subdivision to

20 read:

21 "(2a) Require applicants for employment and volunteers to be checked for criminal  
22 history, as defined in G.S. 115C-332. A nonpublic school shall not employ or  
23 permit to volunteer any individual who has been convicted of any offense that  
24 require registration in the Sex Offender and Public Protection Registration  
25 Programs under Article 27A of Chapter 115C, regardless of whether the  
26 offense has been expunged."

27  
28 **PART VII-F. REQUIRE FUNDS TO FOLLOW THE CHILD WHEN TRANSFERRING**  
29 **MID-YEAR FROM CHARTER SCHOOLS OR SCHOOLS THAT RECEIVE**  
30 **OPPORTUNITY SCHOLARSHIPS**

31 **SECTION 7F.1.** G.S. 115C-218.105(a) reads as rewritten:

32 "(a) The State Board of Education shall allocate to each charter school:

- 33 (1) An amount equal to the average per pupil allocation for average daily  
34 membership from the local school administrative unit allotments in which the  
35 charter school is located for each child attending the charter school except for  
36 the allocation for children with disabilities and for the allocation for children  
37 with limited English proficiency;
- 38 (2) An additional amount for each child attending the charter school who is a child  
39 with disabilities; and
- 40 (3) An additional amount for children with limited English proficiency attending  
41 the charter school, based on a formula adopted by the State Board.

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1 In accordance with G.S. 115C-218.7 and G.S. 115C-218.8, the State Board shall allow for  
2 annual adjustments to the amount allocated to a charter school based on its enrollment growth in  
3 school years subsequent to the initial year of operation.

4 In the event a child ~~with disabilities~~ leaves the charter school and enrolls in ~~a another~~ public  
5 school ~~unit, during the first 60 school days in the school year,~~ the charter school shall return a pro  
6 rata amount of funds allocated for that child to the State Board, and the State Board shall  
7 reallocate those funds to the ~~local school administrative unit in which the public school is located.~~  
8 public school unit in which the child enrolls. In the event a child with disabilities enrolls in a  
9 charter school during the first 60 school days in the school year, the State Board shall allocate to  
10 the charter school the pro rata amount of additional funds for children with disabilities."

11 **SECTION 7F.2.** G.S. 115C-562.2(c) reads as rewritten:

12 "(c) The Authority shall permit an eligible student receiving a scholarship grant to enroll  
13 in a different nonpublic school and remain eligible. An eligible student receiving a scholarship  
14 grant who transfers to another nonpublic school or to a public school unit during the year ~~may~~  
15 shall be eligible to receive a pro rata share of any unexpended portion of the scholarship grant  
16 for tuition and fees at the nonpublic school to which the student transfers. ~~transfers or shall be~~  
17 eligible to have a pro rata share of the scholarship grant reallocated to the public school unit in  
18 which the child enrolls. The Authority shall coordinate with the Department of Public Instruction  
19 to effectuate reallocations required by this subsection to public school units."  
20

21 **PART VII-G. ENABLE OPPORTUNITY SCHOLARSHIP REPORTING**

22 **SECTION 7G.1.** G.S. 115C-562.2 is amended by adding a new subsection to read:

23 "(c1) An eligible student awarded a scholarship grant shall participate, if selected, in  
24 administration of a common examination selected by the Authority for purposes of program  
25 evaluation as provided in G.S. 115C-562.7A to maintain eligibility for receipt of the scholarship  
26 grant."

27 **SECTION 7G.2.** G.S. 115C-562.5 reads as rewritten:

28 "**§ 115C-562.5. Obligations of nonpublic schools accepting eligible students receiving**  
29 **scholarship grants.**

30 (a) A nonpublic school that accepts eligible students receiving scholarship grants shall  
31 comply with the following:

32 ...

33 (4a) Administer or allow administration of a common examination to those  
34 students selected as provided in G.S. 115C-562.7A for purposes of program  
35 evaluation.

36 (4b) Provide to the Authority grade retention rates for students receiving  
37 scholarship grants and grade retention rates for the total number of students  
38 enrolled.

39 (5) Provide to the Authority graduation rates of the students receiving scholarship  
40 grants in a manner consistent with nationally recognized standards.

41 ...."

42 **SECTION 7G.3.** G.S. 115C-562.7(c) reads as rewritten:

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1       "(c) The Authority shall report annually, no later than December 1, to the Department of  
2 Public Instruction and the Joint Legislative Education Oversight Committee on the  
3 ~~following evaluation of the scholarship grants required by G.S. 115C-562.7A.~~

4           (1) ~~Learning gains or losses of students receiving scholarship grants. The report~~  
5 ~~shall include learning gains of participating students on a statewide basis and~~  
6 ~~shall compare, to the extent possible, the learning gains or losses of eligible~~  
7 ~~students by nonpublic school to the statewide learning gains or losses of public~~  
8 ~~school students with similar socioeconomic backgrounds, using aggregate~~  
9 ~~standardized test performance data provided to the Authority by nonpublic~~  
10 ~~schools and by the Department of Public Instruction.~~

11           (2) ~~Competitive effects on public school performance on standardized tests as a~~  
12 ~~result of the scholarship grant program. The report shall analyze the impact of~~  
13 ~~the availability of scholarship grants on public school performance on~~  
14 ~~standardized tests by local school administrative units to the extent possible,~~  
15 ~~and shall provide comparisons of the impact by geographic region and~~  
16 ~~between rural and urban local school administrative units.~~

17       ~~This report shall be conducted by an independent research organization to be selected by the~~  
18 ~~Authority, which may be a public or private entity or university. The independent research~~  
19 ~~organization shall report to the Authority on the results of its research. The Joint Legislative~~  
20 ~~Education Oversight Committee shall review reports from the Authority and shall make ongoing~~  
21 ~~recommendations to the General Assembly as needed regarding improving administration and~~  
22 ~~accountability for nonpublic schools accepting students receiving scholarship grants."~~

23       **SECTION 7G.4.** Part 2A of Article 39 of Chapter 115C of the General Statutes is  
24 amended by adding a new section to read:

25 **"§ 115C-562.7A. Scholarship grant evaluations.**

26       (a) Selection of Evaluator. – The Authority shall select an independent research  
27 organization, which may be a public or private entity or university, to conduct research for the  
28 reports required under G.S. 115C-562.7(c). In consultation with the independent research  
29 organization, the Authority shall select a common test to be used for purposes of the scholarship  
30 grant evaluations. The Authority shall provide information to the independent research  
31 organization related to both applicants and recipients for the scholarship grants for the purpose  
32 of establishing student samples to conduct the evaluation.

33       (b) Evaluation Reports. – The independent research organization selected pursuant to  
34 subsection (a) of this section shall conduct research and report to the Authority on the evaluation  
35 of at least the following:

36           (1) Learning gains or losses of students receiving scholarship grants. The report  
37 shall include learning gains of participating students and shall compare, to the  
38 extent possible, the learning gains or losses of eligible students by nonpublic  
39 school to the statewide learning gains or losses of public school students with  
40 similar socioeconomic backgrounds.

41           (2) Competitive effects on public school performance on standardized tests as a  
42 result of the scholarship grant program. The report shall analyze, to the extent  
43 possible, the impact of the availability of scholarship grants on public school

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1 performance on standardized tests by local school administrative units and  
2 shall provide comparisons of the impact by geographic region and between  
3 rural and urban local school administrative units.

4 (c) Evaluation Methods. – To ensure valid and reliable results, the independent research  
5 organization shall select samples of students who (i) receive the scholarship grant and attend  
6 nonpublic schools and (ii) meet eligibility requirements for the scholarship grant and attend a  
7 public school and shall administer a common test to those students for purposes of the scholarship  
8 grant evaluations. This testing shall be conducted so that the sample size shall be large enough  
9 to assure valid comparisons. If students selected for the sample have otherwise been administered  
10 the common test in that school year, the results of that test shall be provided to the independent  
11 research organization by the nonpublic or public school.

12 (d) Aggregate Test Information. – The Department of Public Instruction and the  
13 Authority shall provide aggregate test information for nonpublic and public students to the  
14 independent research organization upon request for the purpose of conducting the scholarship  
15 grant evaluation.

16 (e) Confidential Information. – All personally identifiable student information provided  
17 to the independent research organization for research purposes as permitted by the Federal  
18 Education Rights and Privacy Act, 20 U.S.C. § 1232g., shall be confidential and shall not be a  
19 public record."

20 **SECTION 7G.5.** G.S. 115C-174.11(c) is amended by adding a new subdivision to  
21 read:

22 "(5) The Department of Public Instruction shall require local boards of education  
23 to participate in administration of a common examination to the sample of  
24 students enrolled in the local school administrative unit selected as provided  
25 in G.S. 115C-562.7A for purposes of evaluation of the scholarship grant  
26 program established in Part 2A of Article 39 of this Chapter. The testing shall  
27 be conducted with the smallest size sample of students necessary to assure  
28 valid comparisons."

29 **SECTION 7G.6.** G.S. 115C-562.8(c) reads as rewritten:

30 "(c) Of the funds allocated to the Authority to award scholarship grants under this Part,  
31 the Authority may retain up to two and one-half percent (2.5%) the lesser of four percent (4%)  
32 of the funds appropriated or two million one hundred fifty thousand dollars (\$2,150,000) each  
33 fiscal year for administrative costs associated with the scholarship grant program. The Authority  
34 shall use up to one hundred fifty thousand dollars (\$150,000) each fiscal year to cover expenses  
35 related to the selection of an independent research organization to conduct evaluations pursuant  
36 to G.S. 115C-562.7A."

37 **SECTION 7G.7.** Section 8.29(g) of S.L. 2013-360 reads as rewritten:

38 "**SECTION 8.29.(g)** The Authority shall select an independent research organization, as  
39 required by G.S. 115C-562.7, as enacted by this section, beginning with the 2017-2018 school  
40 year. ~~The first learning gains report required by G.S. 115C-562.7, as enacted by this section, shall~~  
41 ~~not be due until December 1, 2018.~~ The first financial review for a nonpublic school that accepts  
42 scholarship grant funds, as required by G.S. 115C-562.5(a)(6), as enacted by this section, shall  
43 not be required until the 2015-2016 school year."



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1           **SECTION 7G.8.** The Authority shall select an independent research organization to  
2 conduct the research required by G.S. 115C-562.7A, as enacted by this act, beginning with the  
3 2023-2024 school year. The first learning gains report required by G.S. 115C-562.7A, as enacted  
4 by this act, shall not be due until December 1, 2024.

5           **SECTION 7G.9.** Section 7G.6 of this act becomes effective July 1, 2023. The  
6 remainder of this act is effective when it becomes law. Sections 7G.1 through 7G.5 of this act  
7 apply beginning with the 2023-2024 school year. A nonpublic school enrolling a student  
8 receiving a scholarship grant for the 2023-2024 school year shall provide the Authority with data  
9 on grade retention required pursuant to G.S. 115C-562.5(a)(4b), as enacted by this act, for the  
10 2019-2020, 2020-2021, 2021-2022, and 2022-2023 school years."

SIGNED \_\_\_\_\_  
Amendment Sponsor

SIGNED \_\_\_\_\_  
Committee Chair if Senate Committee Amendment

ADOPTED \_\_\_\_\_ FAILED \_\_\_\_\_ TABLED \_\_\_\_\_

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and vote information, is available in the  
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