



Public Schools of North Carolina
State Board of Education
Department of Public Instruction

Report to the North Carolina General Assembly

Charter School Modifications
Senate Bill 793
Process for Assumption of
Inadequately Performing Charters

Date Due: February 1, 2015
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301 N. Wilmington Street :: Raleigh, North Carolina 27601-2825

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HISTORICAL BACKGROUND

The General Assembly inserted additional language into the statute for the State Board of Education to consider in adopting a process for the assumption of inadequately performing charter schools. Senate Bill 793 was ratified on July 28, 2014 and became session law on August 6, 2014. That wording from Section 6 is listed below:

“Upon recommendations by the Office of Charter Schools and the Charter Schools Advisory Board and pursuant to G.S. 115C-238.29G(a1)(2), the State Board of Education shall adopt a process and rules for the competitive bid process for the assumption of a charter school that has inadequate performance and could have its charter terminated or not renewed by the State Board of Education. At a minimum, the State Board shall require interested entities to meet the following criteria:

1. Have operated another charter school in the State for three years.
2. Can provide three years of financially sound audits for the charter school they are currently operating in the State.
3. Have student academic outcomes that are comparable to the academic outcomes of students in the local school administrative unit in which the currently operating charter school is located.

The State Board of Education shall adopt rules and procedures required by this section by January 15, 2014, and report to the Joint Legislative Education Oversight Committee by February 15, 2015.”

STATE BOARD ACTION

The State Board of Education (SBE) adopted policy TCS-U-017, Fast Track Replication of High-Quality Charter Schools, at its regularly scheduled December meeting. The action occurred after much discussion. Various forms of the policy appeared before the Charter School Advisory Board twice and were deliberated upon by the State Board of Education in the August, September, and November meetings.

Initially, the policy was lengthy and very deliberate; however, the State Board of Education settled upon a policy that was broad in its construct. This form provides the State Board of Education an opportunity to examine multiple factors in determining whether to terminate or bid out an existing charter. The policy clearly states that no single indicator would receive more weight or would be more determinative by the State Board. The factors utilized in assumption decisions are provided below in a chart format.

Factors Used to Examine Schools that May be “Assumed” due to Inadequate Performance	Factors Used to Examine Schools that May “Assume” an Existing Charter
Academic Performance	Overall financial viability of the assuming schools
Financial status of the existing school, including outstanding debts	Academic performance
Compliance with all applicable laws and policies	Geographic location
Status of the school facility	Existing of any financial/governance compliance issues
Feedback from the school community, including the parents, staff, and students	Ability of the assuming school to retain existing students
Any other relevant factor	Any other relevant factor

This policy permits the State Board of Education to have flexible and fluid action in these highly complex situations. The ability to act on a case-by-case basis is important in understanding the local context that affects students and staff of charter schools that are struggling. The full policy is attached at the end of this document.

**NORTH CAROLINA STATE BOARD OF EDUCATION
Policy Manual**

Policy Identification

Priority: Twenty First Century Systems

Category: Charter School Administration

Policy ID Number: TCS-U-017

Policy Title: Charter Schools Process for Assumption of Inadequately Performing Charter Schools

Current Policy Date: 12/04/2014

Other Historical Information:

Statutory Reference: G.S. #115C-238.29G.(a1)(2)

Administrative Procedures Act (APA) Reference Number and Category:

***** Begin Policy *** (Do not tamper with this line)**

Pursuant to G.S. 115C-238.29G(a) and (a1)(2), the State Board of Education (SBE) has the authority to terminate, not renew, or seek applicants to assume the charter of any charter school with inadequate performance. Upon determination by the SBE that grounds exist to terminate or not renew the charter of an inadequate school ((hereinafter referred to as the "Existing School"), the SBE, in lieu of termination or non-renewal, if appropriate, and on a case-by-case basis, may consider whether assumption is an option.

In determining whether assumption is a viable option, the SBE shall, in addition to complying with the provisions of Section 6 of Session Law 2014-101, consider all factors it deems relevant, including but not limited to:

- (a) Factors Relevant to “Existing” Schools
 - (1) Academic performance;
 - (2) Financial status of the existing school, including outstanding debts;
 - (3) Compliance with all applicable laws and policies;
 - (4) Status of the school facility; and
 - (5) Feedback from the school community, including the parents, staff and students; and
 - (6) Any other relevant factor.

- (b) Factors Relevant to “Assuming” Schools

- (1) Overall financial viability of the assuming school;
- (2) Academic performance;
- (3) Geographic location;
- (4) Existence of any financial/governance compliance issues;
- (5) Ability of the assuming school to retain existing students; and
- (6) Any other relevant factor.

(c) No single factor is given any particular weight or is solely determinative.

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