



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

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# Report to the North Carolina General Assembly

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Fast Track Replication of High Quality Charter  
Schools

*SL 2016-79 (HB 242), Section 6.5*

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**Date Due: October 28, 2016**  
Report # 73  
DPI Chronological Schedule, 2015-2016

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SBE MISSION: The State Board of Education will use its constitutional authority to lead and uphold the system of public education in North Carolina.

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**June St. Clair Atkinson, Ed.D., State Superintendent**

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**Report to the JLEOC on  
Fast Track Replication of High-Quality Charter Schools  
October 28, 2016**

**Background**

North Carolina Session Law 2016-79 (House Bill 242) provides for each of the following actions:

**State Board of Education to Adopt Rules and Make Decisions on Fast Track Applicants no later than October 15 (Charter Schools)**

“SECTION 6.5. Upon recommendations by the Office of Charter Schools and the Charter Schools Advisory Board, the State Board of Education shall adopt a process and rules for fast-track replication of high-quality charter schools currently operating in the State.

The State Board of Education shall not require a planning year for applicants selected through the fast-track replication process. In addition to the requirements for charter applicants set forth in Part 6A of Article 16 of Chapter 115C of the General Statutes, the fast-track replication process adopted by the State Board of Education shall, at a minimum, require a board of directors of a charter school to demonstrate one of the following in order to qualify for fast-track replication:

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

The State Board of Education shall ensure that the rules for a fast-track replication process provide that decisions by the State Board of

Education on whether to grant a charter through the replication process are completed no later than October 15 of the year immediately preceding the year of the proposed school opening.

## **Report**

SECTION 6.5. The State Board of Education shall adopt rules and procedures required by this section and report to the Joint Legislative Education Oversight Committee within 120 days of the effective date of this act.

## **State Board of Education Action**

Senate Bill 793 specified that the State Board of Education (SBE) adopt rules and procedures for Fast Track Replication of Charter Schools. On September 4, 2014, the State Board of Education (SBE) established TCS-U-016 (Appendix A) upon recommendations from the CSAB and NCDPI Office of Charter Schools. The SBE's original Fast Track policy:

- Outlined minimum standards for Fast Track consideration; and
- Established a 150 day timeline constraint for completion of application review.

The SBE amended TCS-U-016 (Appendix B) in its April 2015 meeting for consistency with Section 9(a) of S.L. 2015-208 which directed the following:

“By January 15, 2016, upon written recommendations made by the Charter Schools Advisory Board (Advisory Board), the State Board of Education shall amend the process and rules for replication of high-quality charter schools established in North Carolina State Board of Education Policy TCS-U-016 (Fast Track Replication of High Quality Charter Schools) to authorize consideration for fast-track replication of a charter application from a board of directors of a North Carolina nonprofit corporation who agrees to contract with an education management organization or charter management organization currently operating a charter school or schools in the State for at least a year, regardless of whether the board of directors has previously operated a charter school within the State.

S.L. 2016-79 (House Bill 242) directed SBE to amend its minimum requirements for fast track applicants and to make final decisions about fast track applications by October 15 of each calendar year. Upon recommendation of the CSAB and NCDPI Office of Charter Schools, the SBE changed and adopted the Fast Track Replication Process for consistency with House Bill 242 at its October 2016 meeting (Appendix C).

## Appendix A

### NORTH CAROLINA STATE BOARD OF EDUCATION Policy Manual

#### **Policy Identification**

**Priority:** Twenty – First Century

**Systems Category:** Charter

**Schools Administration Policy**

**ID Number:** TCS-U-016

**Policy Title:** Fast Track Replication of Quality Charter Schools

**Current Policy Date:** \*NEW\*

#### **Other Historical Information:**

**Statutory Reference:** G.S. 115C-238.29 *et al*

#### **Administrative Procedures Act (APA) Reference Number and Category:**

##### A. Eligibility

1. A nonprofit corporation that currently holds a charter to operate a public charter school may apply for additional charters authorizing the replication of the existing school.
2. A nonprofit board seeking to replicate an existing charter school must demonstrate that its current school or schools have a consistent track record of success both financially and academically.
3. In addition to other reasonable requirements imposed by the State Board of Education (SBE) during the application process in accordance with G.S. §115C-238.29D(a), the fast-track replication applicant must meet the following eligibility criteria:

a.) All existing schools operated by the nonprofit must demonstrate student proficiency for the three

academic years immediately preceding the replication application by:

1. Exceeding the average proficiency of the State for grade levels offered by the charter school that have an EOG or EOC; and
2. Exceeding the average proficiency of the District wherein the existing schools are located for grade levels offered by the charter school that have an EOG or EOC.

b.) All existing schools operated by the nonprofit must meet student growth consistent with State formulas for the three academic years preceding the replication application;

c.) All existing schools must either:

1. Exceed the district's proficiency by 10% in the previous academic year while also falling within the top quartile of performance for all charter schools; or
2. Exceed the District and State performance on subgroup targets for Exceptional Children, Economically Disadvantaged, and Limited English Proficient students.

d.) All existing schools, individually, must have unqualified audits for three years immediately preceding the replication application;

e.) All existing schools must not have had any warning letters issued by the Department of Public Instruction (DPI) during the three academic years immediately preceding the replication application; and

f.) A majority of the members comprising the nonprofit board must be North Carolina residents.

4. An applicant's eligibility, as set forth herein, must be maintained continuously throughout the application period and process. If the applicant's academic or financial performance falls below the standards listed above, the application shall be disqualified. The eligibility standards are measured beyond the three-year period and are expected to be maintained up until the decision by the SBE.

#### B. Expectations

1. The completed application for replication is due from an applicant by 5:00 p.m. (Eastern Standard Time) on June 1 of a calendar year. A \$1,000.00 non-refundable application fee must be submitted for each application prior to the deadline
2. An applicant may submit up to 2 applications per cycle for replicating a school, but each application will be assessed on its own merits and must be appropriately tailored to the identified population or targeted locale.
3. Applications may contain similar or identical sections as appropriate in particular circumstances, but the application must address the special or unique needs of the proposed students and community. Any section of any application that has been copied must be appropriately cited in the completed proposal.

#### C. Application Process

1. **Pre-Qualification:** The nonprofit corporation seeking replication submits information to the Office of Charter Schools (OCS) to determine if the proposed school meets the required performance threshold. This information is due no later than April 1. The OCS will have at least 30 days to determine applicant eligibility.
2. **Application:** The nonprofit corporation that meets the qualification criteria will be invited to submit a replication application, and with a nonrefundable fee of \$1,000.00, no later than June 1. The application deadline and fee submission initiates the 150 day deadline for review and decision by the State Board of Education.



3. Evaluation: The Department of Public Instruction will lead the review process by performing due diligence work related to the academic and financial standing of the proposed replication.
  - a. All applications will first be reviewed by the OCS and any persons assigned by OCS to assist in the initial review. The initial review will consider and evaluate:
    - i. The timeliness and completeness of the application. Any application not submitted timely or which is incomplete will be rejected.
    - ii. The academic and financial plan for the proposed students and community related to the educational need.
    - iii. The nonprofit board's ability to expand its portfolio of schools by a thorough review of the board's operations and governance model.
  - b. The OCS will prepare and present a summary of its findings to the Charter School Advisory Board (CSAB) for review and evaluation.

D. Review by the CSAB

1. The CSAB will convene its respective committees to review and evaluate each application for replication.
2. Each committee will determine which replication applications may move forward for interview by the CSAB.
3. The full CSAB will conduct interviews of all qualified candidates recommended by the committees. The full CSAB will vote on which applications meet the criteria in order to be recommended to the SBE.
4. Recommended applicants will be presented to the SBE by the OCS, and the SBE will issue its final decision by

November 15.

E. Fast Track

1. Beginning in the 2015 calendar year, a nonprofit that receives final approval to replicate will open the next academic year following final approval by the SBE.
2. In the event the nonprofit is unable to begin operation of the replicated school by the timeframe identified in this policy, it may request a one-year delay from the SBE. The SBE is authorized to impose reasonable conditions upon such request if it deems such conditions necessary to ensure the success of the replicated charter school.
3. The SBE shall consider the failure to timely open in its review of future replication applications from the nonprofit.

F. Accountability

1. Each school within a network of schools is a separate and distinct charter school and each will be assessed based upon its own separate academic and financial information. The strengths or weaknesses of other schools are not factors in determining the success or failure of any individual school.
2. However, the strengths and weaknesses of all schools in a network may influence the decision of whether to allow further replications.
3. The SBE, DPI, and the OCS will monitor and regulate replicated schools to the same extent and in the same manner as all charter schools, and the nonprofit board remains responsible for the operation of all schools in its network.
4. The nonprofit board shall ensure that, with respect

to all of its schools, the public will have open access to board members and meetings of the board.

## Appendix B

### NORTH CAROLINA STATE BOARD OF EDUCATION Policy Manual

#### **Policy Identification**

**Priority:** Twenty-First Century Systems

**Category:** Charter Schools Administration

**Policy ID Number:** [TCS-U-016](#)

**Policy Title:** Fast Track Replication of High Quality Charter Schools

**Current Policy Date:** 04/07/2016

**Other Historical Information:** 09/04/2014, 04/02/2015

**Statutory Reference:**

**Administrative Procedures Act (APA) Reference Number and Category:**

#### A. Purpose and Definitions

##### 1. Overview

A charter school model that has been successfully implemented in North Carolina or elsewhere should serve as a platform on which additional schools could and should operate. Accordingly, the State Board of Education (SBE) may, in certain well-defined instances, grant permission for a non-profit corporation board of directors (board) to replicate either its own successful model, or to employ an educational management company (EMO) or a charter management organization (CMO) to replicate a successful model currently being operated under the management of the EMO or CMO. The SBE may also, in certain well-defined instances, grant permission for a non-profit corporation board to “fast track” such a replication by foregoing the planning year normally required for newly-approved charter applicants. This Policy outlines the criteria and process by which the SBE may authorize fast-track replication.

Nothing in this policy shall be construed to prohibit a North Carolina non-profit corporation board that seeks to replicate another charter school from doing so through the regular application process and, upon approval, receiving the planning year trainings from NCDPI.

## 2. Definitions

a. “Replication” is the act of copying, recreating, or repeating, in this case a successful charter school model. A "model" would include components such as the mission, curriculum, governance, policies and procedures inherent in the operation of the charter school. A "replication" would require the utilization of one charter school "model" to form the creation of a new charter school.

b. “Model” constitutes components such as the core mission and function of a charter school, including its governance, its curriculum, its organizational structure, its targeted population, and other characteristics of the school, such as small class size, thematic academics, extended day, etc.

c. “Fast-Track Replication” is a special form of replication in which the approved applicant foregoes the planning year normally required of new charter school applicants. The "fast-track" applicant will still be required to participate in a one-day basic training workshop that will be provided by the NCDPI.

## B. Eligibility Criteria

1. A non-profit corporation board that currently operates a charter school in NC is eligible to apply to replicate its currently existing model only if the non-profit corporation board’s current school or schools demonstrate a consistent track record of academic, financial, and operational success. If the board operates more than one school, each school must meet this standard. To meet this standard, the non-profit corporation board must meet each of the following conditions:

a. Each school operated by the non-profit corporation must have academic outcomes at least comparable to those of the students enrolled in the LEAs in which they are located. In addition, each

school operated by the non-profit corporation must meet or exceed student growth consistent with State standards, for the three years immediately preceding the application, and maintain that growth throughout the application period.

b. Each school operated by the non-profit corporation must have unqualified audits for the three years immediately preceding the application and must maintain that fiscal standard throughout the application period.

c. Each school operated by the non-profit corporation must have resolved any noncompliance issues cited by NCDPI during the three years immediately preceding the application and must maintain this standard throughout the application period.

d. A majority of the non-profit corporation board members and 50% or greater of the board officers must be North Carolina residents.

2. A non-profit corporation board that does not currently operate a charter school in NC is eligible to apply to replicate through fast-track replication an existing model operated by an EMO/CMO. The non-profit corporation board is eligible to apply only if the schools operated by the EMO/CMO have a consistent track record of academic, financial, and operational success. The non-profit corporation board is eligible to replicate an existing model operated by the EMO/CMO only if the non-profit corporation board meets each of the following conditions:

a. The non-profit corporation board must demonstrate that each of the schools being managed by the EMO/CMO in North Carolina (1) have an academic proficiency comparable to the LEAs in which the current schools are located; or (2) meet or exceed growth for the three years immediately preceding the application at issue. If the EMO/CMO does not currently manage any schools in NC or the schools it manages in NC do not yet have the data listed above, the non-profit corporation board must demonstrate to the SBE that the schools operated in other states by the EMO/CMO meet similarly rigorous standards for academic performance. The EMO/CMO must continue to meet these standards throughout the application period.

- b. The non-profit corporation board must demonstrate that each of the schools in North Carolina managed by the EMO/CMO have unqualified audits without fiscal compliance issues for three years immediately preceding the application. If the EMO/CMO does not currently manage any schools in NC or the schools it manages in NC do not yet have the data listed above, the non-profit corporation board must demonstrate to the SBE that the schools operated in other states by the EMO/CMO meet similarly rigorous standards for financial performance. The non-profit corporation board must maintain this standard throughout the application period.
- c. A majority of the non-profit corporation board members and 50% or greater of the board officers must be North Carolina residents.

### C. General Requirements

1. In addition to the specific requirements set forth above, the SBE may impose reasonable requirements both in the review and application stages as well as in the approval process. The SBE's obligation and responsibility to ensure quality charter schools supersedes an applicant's opportunity to apply for fast-track replication.
2. In addition to considering growth and proficiency and financial audits, the SBE may consider any other relevant factors in determining whether to grant a fast-track replication request, including the needs of the particular geographical area proposed to be served by the replicated model; the ability of the non-profit corporation board to manage additional schools; the abilities and strengths of the non-profit corporation board that seeks to employ the EMO/CMO; and the community support for the replicated model.

### D. Accountability

1. For purposes of accountability, each school within a network of schools operated by a non-profit corporation board or an EMO/CMO is a separate and distinct charter school and will be

assessed based upon its own separate academic, financial, and operational performance.

2. The strengths or weaknesses of other schools are not factors in determining whether the SBE should take action against an individual school; however, the strengths and weaknesses of all schools in a network may influence the SBE's decision regarding whether or not to allow fast-track replication of a school in that network.
3. The SBE, DPI, and the OCS will observe and evaluate schools that are replications to the same extent and in the same manner as the State monitors all charter schools.
4. The non-profit corporation board shall ensure that, with respect to each of the schools in the EMO/CMO's network, the public will have open access to board members and meetings of the board.



## Appendix C

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3. The SBE, DPI, and the OCS will observe and evaluate schools that are replications to the same extent and in the same manner as the State monitors all charter schools.
4. The non-profit corporation board shall ensure that, with respect to each of the schools in the EMO/CMO's network, the public will have open access to board members and meetings of the board.

### **E. Time of Decision**

1. The SBE will make a decision whether to grant a charter through fast track replication no later than October 15 of the year immediately preceding the year of the proposed opening of the school. This subsection applies beginning

for schools proposing to open for Fast Track in 2018-19 and in subsequent years.