

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 522
Education/Higher Education Committee Substitute Adopted 5/6/19
Third Edition Engrossed 5/8/19

Short Title: Various Changes to Charter School Laws.

(Public)

Sponsors:

Referred to:

April 3, 2019

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 IV. CLARIFY CHARTER SCHOOL RENEWAL STANDARDS**

7 **SECTION 4.1.** G.S. 115C-218.6 reads as rewritten:

8 "**§ 115C-218.6. Review and renewal of charters.**

9 (a) The State Board of Education shall review the operations of each charter school at
10 least once prior to the expiration of its charter to ensure that the school is meeting the expected
11 academic, financial, and governance standards.

12 (b) The State Board of Education shall renew a charter upon the request of the chartering
13 entity for subsequent periods of 10 years, unless one of the following applies:

14 (1) The charter school has not provided financially sound audits for the
15 immediately preceding three years.

16 (2) ~~The charter school's student academic outcomes for the immediately~~
17 ~~preceding three years have not been comparable to the academic outcomes of~~
18 ~~students in the local school administrative unit in which the charter school is~~
19 ~~located.~~ The percent of students who scored at or above proficient for all
20 end-of-grade and end-of-course tests taken in the previous school year, as
21 required by G.S. 115C-174.11(c)(1), is at least five percentage points lower in
22 the charter school than in the local school administrative unit where the charter
23 school is located.

24 (3) The charter school is not, at the time of the request for renewal of the charter,
25 substantially in compliance with State law, federal law, the school's own
26 bylaws, or the provisions set forth in its charter granted by the State Board of
27 Education.

28 If one of the conditions set forth in subdivisions (1) through (3) of this subsection applies,
29 then the State Board may renew the charter for a period of less than 10 years or not renew the
30 charter."

31 **SECTION 4.2.** This Part applies to applications for the renewal of the charter of a
32 charter school submitted on or after the effective date of this act.

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34 **PART V. APPLICATION BACKGROUND CHECK STANDARDS**

35 **SECTION 5.(a)** G.S. 115C-218.1 reads as rewritten:



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1 **"§ 115C-218.1. Eligible applicants; contents of applications; submission of applications for**
2 **approval.**

3 (a) Any nonprofit corporation seeking to establish a charter school may apply to establish
4 a charter school. If the applicant seeks to convert a public school to a charter school, the
5 application shall include a statement signed by a majority of the teachers and instructional support
6 personnel currently employed at the school indicating that they favor the conversion and evidence
7 that a significant number of parents of children enrolled in the school favor conversion.

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

- 9 (1) A description of a program that implements one or more of the purposes in
10 G.S. 115C-218.
- 11 (2) A description of student achievement goals for the school's educational
12 program and the method of demonstrating that students have attained the skills
13 and knowledge specified for those student achievement goals.
- 14 (3) The governance structure of the school including the names of the initial
15 members of the board of directors of the nonprofit, tax-exempt corporation
16 and the process to be followed by the school to ensure parental involvement.
17 A teacher employed by the board of directors to teach in the charter school
18 may serve as a nonvoting member of the board of directors for the charter
19 school.
- 20 (4) The local school administrative unit in which the school will be located.
- 21 (5) Admission policies and procedures.
- 22 (6) A proposed budget for the school and evidence that the financial plan for the
23 school is economically sound.
- 24 (7) Requirements and procedures for program and financial audits.
- 25 (8) A description of how the school will comply with G.S. 115C-218.20,
26 115C-218.25, 115C-218.30, 115C-218.40, 115C-218.45, 115C-218.50,
27 115C-218.55, 115C-218.60, 115C-218.65, 115C-218.70, 115C-218.75,
28 115C-218.80, 115C-218.85, and 115C-218.90.
- 29 (9) Types and amounts of insurance coverage, including bonding insurance for
30 the principal officers of the school, to be obtained by the charter school.
- 31 (10) The term of the charter.
- 32 (11) The qualifications required for individuals employed by the school.
- 33 (12) The procedures by which students can be excluded from the charter school
34 and returned to a public school. Notwithstanding any law to the contrary, any
35 local board may refuse to admit any student who is suspended or expelled
36 from a charter school due to actions that would lead to suspension or expulsion
37 from a public school under G.S. 115C-390.5 through G.S. 115C-390.11 until
38 the period of suspension or expulsion has expired.
- 39 (13) The number of students to be served, which number shall be at least 80, and
40 the minimum number of teachers to be employed at the school, which number
41 shall be at least three. However, the charter school may serve fewer than 80
42 students or employ fewer than three teachers if the application contains a
43 compelling reason, such as the school would serve a geographically remote
44 and small student population.
- 45 (14) Information regarding the facilities to be used by the school and the manner
46 in which administrative services of the school are to be provided.
- 47 (15) The process for conducting a weighted lottery that reflects the mission of the
48 school if the school desires to use a weighted lottery.
- 49 (16) A nationwide criminal background check for each member of the board of
50 directors of the proposed charter school to ensure that the member has not
51 been convicted, at a minimum, of any crime listed in G.S. 115C-332 or a

1 substantially similar crime in another state. The criminal background check
2 shall include all of the following components:

3 a. A Social Security number trace, including locations returned on at
4 least a county-by-county basis.

5 b. Any known aliases.

6 (17) A certification from each member of the board of directors certifying whether
7 the board member has been convicted of any felony or misdemeanor. If the
8 board member has been convicted of a felony or misdemeanor, the
9 certification shall include a listing of the year of the charge, the charge, and
10 the disposition of the charge.

11 (c) The State Board shall establish reasonable fees of no less than five hundred dollars
12 (\$500.00) and no more than one thousand dollars (\$1,000) for initial and renewal charter
13 applications, in accordance with Article 2A of Chapter 150B of the General Statutes. No
14 application fee shall be refunded in the event the application is rejected or the charter is revoked."

15 **SECTION 5.(b)** This Part applies to applications for initial charters received on or
16 after the effective date of this act.

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18 **PART VIII. REMOVE THE CAP ON ENROLLMENT GROWTH OF VIRTUAL**
19 **CHARTER SCHOOLS PARTICIPATING IN THE VIRTUAL CHARTER SCHOOL**
20 **PILOT PROGRAM**

21 **SECTION 8.1.** Section 8.35(b) of S.L. 2014-100, as amended by Section 7.13 of
22 S.L. 2018-5, reads as rewritten:

23 "**SECTION 8.35.(b)** The virtual charter schools participating in the pilot program authorized
24 by this section shall be subject to the statutes and rules applicable to charter schools pursuant to
25 Article 14A of Chapter 115C of the General Statutes, except as follows:

26 (1) The maximum student enrollment in any participating school shall be no
27 greater than 1,500 in its first year of operation and may increase annually by
28 twenty percent (20%) for each participating ~~school up to a maximum student~~
29 ~~enrollment of 2,592 in the fourth year of the pilot school.~~ The State Board of
30 Education may ~~waive~~ increase this maximum student enrollment threshold,
31 beginning in the fourth year of the school's operation, if the State Board
32 determines that doing so would be in the best interest of North Carolina
33 students.

34 (2) The maximum overall ratio of teachers to students for kindergarten through
35 eighth grade shall be 1:50, and for ninth through twelfth grade shall be 1:150.

36 (3) A student who regularly fails to participate in courses may be withdrawn from
37 enrollment pursuant to procedures adopted by the virtual charter school. The
38 procedures adopted by the virtual charter school shall ensure that (i) fair notice
39 is provided to the parent and student and (ii) an opportunity is provided, prior
40 to withdrawal of the student by the school, for the student and parent to
41 demonstrate that failure to participate in courses is due to a lawful absence
42 recognized under Part I of Article 26 of Chapter 115C of the General Statutes
43 and any applicable rules adopted by the State Board of Education."

44 **SECTION 8.2.** This Part applies beginning with the 2019-2020 school year.

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46 **PART IX. EFFECTIVE DATE**

47 **SECTION 9.** Except as otherwise provided, this act is effective when it becomes
48 law.