

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**HOUSE BILL 319\*  
Committee Substitute Favorable 4/23/03**

Short Title: Charter School Law Changes.-AB

(Public)

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Sponsors:

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Referred to:

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March 6, 2003

A BILL TO BE ENTITLED

AN ACT TO AMEND THE LAW REGARDING CHARTER SCHOOLS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 115C-238.29D(d) reads as rewritten:

"(d) The State Board of Education may grant the initial charter for a period not to exceed ~~five-10~~ years and may renew the charter upon the request of the chartering entity for subsequent periods not to exceed ~~five-10~~ years each. The State Board of Education shall review the operations of each charter school at least once every five years to ensure that the school is meeting the expected academic, financial, and governance standards.

A material revision of the provisions of a charter application shall be made only upon the approval of the State Board of Education.

It shall not be considered a material revision of a charter application and shall not require the prior approval of the State Board for a charter school to increase its enrollment during the charter school's second year of operation and annually thereafter (i) by up to ten percent (10%) of the school's previous year's enrollment or (ii) in accordance with planned growth as authorized in the charter. Other enrollment growth shall be considered a material revision of the charter application, and the State Board may approve such additional enrollment growth of greater than ten percent (10%) only if the State Board finds that:

- (1) The actual enrollment of the charter school is within ten percent (10%) of its maximum authorized enrollment;
- (2) The charter school has commitments for ninety percent (90%) of the requested maximum growth;
- (3) The board of education of the local school administrative unit in which the charter school is located has had an opportunity to be heard by the State Board of Education on any adverse impact the proposed growth would have on the unit's ability to provide a sound basic education to its students;

- 1 (4) The charter school is not currently identified as low-performing;  
2 (5) The charter school meets generally accepted standards of fiscal  
3 management; and  
4 (6) It is otherwise appropriate to approve the enrollment growth."

5 **SECTION 2.** G.S. 135-3(8)c. reads as rewritten:

6 "c. **(Effective until June 30, 2004 – See note)** Should a  
7 beneficiary who retired on an early or service retirement  
8 allowance under this Chapter be reemployed, or otherwise  
9 engaged to perform services, by an employer participating in  
10 the Retirement System on a part-time, temporary, interim, or on  
11 a fee-for-service basis, whether contractual or otherwise, and if  
12 such beneficiary earns an amount during the 12-month period  
13 immediately following the effective date of retirement or in any  
14 calendar year which exceeds fifty percent (50%) of the reported  
15 compensation, excluding terminal payments, during the 12  
16 months of service preceding the effective date of retirement, or  
17 twenty thousand dollars (\$20,000), whichever is greater, as  
18 hereinafter indexed, then the retirement allowance shall be  
19 suspended as of the first day of the month following the month  
20 in which the reemployment earnings exceed the amount above,  
21 for the balance of the calendar year. The retirement allowance  
22 of the beneficiary shall be reinstated as of January 1 of each  
23 year following suspension. The amount that may be earned  
24 before suspension shall be increased on January 1 of each year  
25 by the ratio of the Consumer Price Index to the Index one year  
26 earlier, calculated to the nearest tenth of a percent (1/10 of 1%).

27 The computation of postretirement earnings of a beneficiary  
28 under this sub-subdivision, G.S. 135-3(8)c., who has been  
29 retired at least six months and has not been employed in any  
30 capacity, except as a substitute teacher or a part-time tutor, with  
31 a public school for at least six months immediately preceding  
32 the effective date of reemployment, shall not include earnings  
33 while the beneficiary is employed to teach on a substitute,  
34 interim, or permanent basis in a public ~~school~~school or a  
35 charter school. The Department of Public Instruction shall  
36 certify to the Retirement System that a beneficiary is employed  
37 to teach by a local school administrative unit or a charter school  
38 under the provisions of this sub-subdivision and as a retired  
39 teacher as the term is defined under the provisions of G.S.  
40 115C-325(a)(5a).

41 Beneficiaries employed under this sub-subdivision are not  
42 entitled to any benefits otherwise provided under this Chapter  
43 as a result of this period of employment."

44 **SECTION 3.** G.S. 115C-325(a)(5a) reads as rewritten:

1           "(5a) **(Effective until June 30, 2004)** "Retired teacher" means a beneficiary  
2           of the Teachers' and State Employees' Retirement System of North  
3           Carolina who has been retired at least six months, has not been  
4           employed in any capacity, other than as a substitute teacher or a  
5           part-time tutor, with a local board of education or a charter school for  
6           at least six months, immediately preceding the effective date of  
7           reemployment, is determined by a local board of education or a charter  
8           school to have had satisfactory performance during the last year of  
9           employment by a local board of ~~education,~~education or the charter  
10          school, and who is employed to teach as provided in G.S. 135-3(8)c. A  
11          retired teacher at a school other than a charter school shall be treated  
12          the same as a probationary teacher except that (i) a retired teacher is  
13          not eligible for career status and (ii) the performance of a retired  
14          teacher who had attained career status prior to retirement shall be  
15          evaluated in accordance with a local board of education's policies and  
16          procedures applicable to career teachers."

17          **SECTION 4.** G.S. 115C-238.29F(e)(1) reads as rewritten:

18          "(1) An employee of a charter school is not an employee of the local school  
19          administrative unit in which the charter school is located. The charter  
20          school's board of directors shall employ and contract with necessary  
21          teachers to perform the particular service for which they are employed  
22          in the school; at least seventy-five percent (75%) of these teachers in  
23          grades kindergarten through five, at least fifty percent (50%) of these  
24          teachers in grades six through eight, and at least fifty percent (50%) of  
25          these teachers in grades nine through 12 shall hold teacher certificates.  
26          All teachers in grades six through 12 who are teaching in the core  
27          subject areas of mathematics, science, social studies, and language arts  
28          shall be college graduates.

29                 The board also may employ necessary employees who are not  
30          required to hold teacher certificates to perform duties other than  
31          teaching and may contract for other services. The board may discharge  
32          teachers and noncertificated employees."

33          **SECTION 5.** Section 1 of this act is effective when it becomes law and  
34          applies to charters granted or renewed on or after that date. Sections 2 and 3 of this act  
35          become effective July 1, 2003, and expire June 30, 2004. Section 4 of this act is  
36          effective when it becomes law and applies to persons employed by charter schools for  
37          the 2003-2004 and subsequent school years. This section is effective when it becomes  
38          law.