

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

H

1

HOUSE BILL 1085

Short Title: Increase Charter School Accountability. (Public)

Sponsors: Representatives Insko and Glazier (Primary Sponsors).

*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

Referred to: Appropriations.

May 19, 2014

A BILL TO BE ENTITLED

AN ACT TO INCREASE CHARTER SCHOOL ACCOUNTABILITY AND TO  
APPROPRIATE FUNDS TO IMPLEMENT THE PROVISIONS OF THIS ACT.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** G.S. 115C-238.29B(b) reads as rewritten:

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

...

(3b) The results of criminal history record checks, as defined in G.S. 115C-332,  
of the initial members of the board of directors.

...."

**SECTION 1.(b)** This section applies to charter school applications submitted to the  
State Board of Education on or after the effective date of this act.

**SECTION 2.** 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  
10 years and may renew the charter upon the request of the chartering entity for subsequent  
periods not to exceed 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.~~"

**SECTION 3.(a)** G.S. 115C-238.29E reads as rewritten:

**§ 115C-238.29E. Charter school operation-operation; annual school plan; State Board of  
Education evaluation.**

(a) A charter school that is approved by the State shall be a public school within the  
local school administrative unit in which it is located. All charter schools shall be accountable  
to the State Board for ensuring compliance with applicable laws and the provisions of their  
charters.

(b) A charter school shall be operated by a private nonprofit corporation that shall have  
received federal tax-exempt status no later than 24 months following final approval of the  
application.

(c) A charter school shall operate under the written charter signed by the State Board  
and the applicant. A charter school is not required to enter into any other contract. The charter  
shall incorporate the information provided in the application, as modified during the charter  
approval process, and any terms and conditions imposed on the charter school by the State  
Board of Education. No other terms may be imposed on the charter school as a condition for  
receipt of local funds.



1       (d) The board of directors of a charter school, upon receiving a charter from the State  
2 Board of Education, is responsible for the supervision and control of the charter school,  
3 including ensuring that the school complies with the requirements of State and federal law. The  
4 board of directors of the charter school shall decide matters related to the operation of the  
5 school, including budgeting, curriculum, and operating procedures.

6       (d1) The board of directors shall submit the results of a criminal history record check, as  
7 defined in G.S. 115C-332, of any new member of the board of directors to the State Board of  
8 Education prior to the member's appointment to the board.

9       (d2) The board of directors of a charter school shall require that the administrators of the  
10 charter school submit a plan of performance and operation to the board of directors annually for  
11 its approval. The plan shall include at least the following information:

12           (1) School enrollment numbers.

13           (2) Student attrition during the school year, if any.

14           (3) Governance and management information, including staffing, finances,  
15 student academic performance, school operational performance, innovative  
16 practices and implementation, and future plans.

17       (d3) A charter school shall submit the information in the plan approved by the board of  
18 directors under subsection (d2) of this section to the State Board of Education as part of its  
19 reporting requirements under G.S. 115C-238.29F(f).

20       (d4) During the first half of the term of a charter school's charter, but no later than three  
21 years after a charter school is operating under its charter, the State Board of Education shall  
22 conduct at least one comprehensive evaluation of the school's operations to ensure that a charter  
23 school is meeting expected academic, financial, and governance standards. The State Board  
24 shall create a written report reflecting the results of its evaluations of a charter school's  
25 operations that shall be used as documentation to inform the charter school renewal process and  
26 any actions taken by the State Board pursuant to G.S. 115C-238.29G. The written report shall  
27 contain at least the following:

28           (1) A review of all of the information submitted by the school to the State Board  
29 pursuant to this Article.

30           (2) The findings of at least one physical site visitation to the school.

31       (e) A charter school's specific location shall not be prescribed or limited by a local  
32 board or other authority except a zoning authority. The school may lease space from a local  
33 board of education or as is otherwise lawful in the local school administrative unit in which the  
34 charter school is located. If a charter school leases space from a sectarian organization, the  
35 charter school classes and students shall be physically separated from any parochial students,  
36 and there shall be no religious artifacts, symbols, iconography, or materials on display in the  
37 charter school's entrance, classrooms, or hallways. Furthermore, if a charter school leases space  
38 from a sectarian organization, the charter school shall not use the name of that organization in  
39 the name of the charter school.

40       At the request of the charter school, the local board of education of the local school  
41 administrative unit in which the charter school will be located shall lease any available building  
42 or land to the charter school unless the board demonstrates that the lease is not economically or  
43 practically feasible or that the local board does not have adequate classroom space to meet its  
44 enrollment needs. Notwithstanding any other law, a local board of education may provide a  
45 school facility to a charter school free of charge; however, the charter school is responsible for  
46 the maintenance of and insurance for the school facility. If a charter school has requested to  
47 lease available buildings or land and is unable to reach an agreement with the local board of  
48 education, the charter school shall have the right to appeal to the board of county  
49 commissioners in which the building or land is located. The board of county commissioners  
50 shall have the final decision-making authority on the leasing of the available building or land.

1 (f) Except as provided in this Part and pursuant to the provisions of its charter, a charter  
2 school is exempt from statutes and rules applicable to a local board of education or local school  
3 administrative unit."

4 **SECTION 3.(b)** Notwithstanding G.S. 115C-238.29E(d1), as enacted by this act,  
5 an individual currently serving as a member of a board of directors of a charter school as of the  
6 effective date of this act shall submit the results of the member's criminal history record check,  
7 as defined in G.S. 115C-332, to the State Board of Education on or before September 1, 2014.

8 **SECTION 3.(c)** Notwithstanding G.S. 115C-238.29E(d4), as enacted by this act,  
9 any charter school that has (i) operated under its current charter for longer than half of the term  
10 of that charter and (ii) yet to be reviewed in accordance with G.S. 115C-238.29D(d), prior to  
11 the effective date of this act, shall be evaluated in accordance with G.S. 115C-239.29E(d4)  
12 within 12 months of the effective date of this act.

13 **SECTION 4.** G.S. 115C-238.29G reads as rewritten:

14 "**§ 115C-238.29G. Causes for nonrenewal or termination; remedial plans; disputes.**

15 (a) The State Board of Education may terminate, not renew, or seek applicants to  
16 assume the charter through a competitive bid process established by the State Board upon any  
17 of the following grounds:

- 18 (1) Failure to meet the requirements for student performance contained in the  
19 charter;
- 20 (2) Failure to meet generally accepted standards of fiscal management;
- 21 (3) Violations of law;
- 22 (4) Material violation of any of the conditions, standards, or procedures set forth  
23 in the charter;
- 24 (4a) Failure to meet conditions or correct deficiencies identified in a remedial  
25 plan in accordance with subsection (a2) of this section.
- 26 (5) Two-thirds of the faculty and instructional support personnel at the school  
27 request that the charter be terminated or not renewed; or
- 28 (6) Other good cause identified.

29 (a1) The State Board shall adopt criteria for adequate performance by a charter school  
30 and shall identify charter schools with inadequate performance. The criteria shall include a  
31 requirement that a charter school which demonstrates no growth in student performance and  
32 has annual performance composites below sixty percent (60%) in any two years in a three-year  
33 period is inadequate.

- 34 (1) If a charter school is inadequate in the first five years of the charter, the  
35 charter school shall develop a strategic plan to meet specific goals for  
36 student performance that are consistent with State Board criteria and the  
37 mission approved in the charter school. The strategic plan shall be reviewed  
38 and approved by the State Board. The State Board is authorized to terminate  
39 or not renew a charter for failure to demonstrate improvement under the  
40 strategic plan.
- 41 (2) If a charter school is inadequate and has had a charter for more than five  
42 years, the State Board is authorized to terminate, not renew, or seek  
43 applicants to assume the charter through a competitive bid process  
44 established by the State Board. The State Board shall develop rules on the  
45 assumption of a charter by a new entity that include all aspects of the  
46 operations of the charter school, including the status of the employees.  
47 Public assets would transfer to the new entity and not revert to the local  
48 school administrative unit in which the charter school is located pursuant to  
49 G.S. 115C-238.29F(i).

50 (a2) Following a review of a charter school's operations, including the evaluation  
51 required by G.S. 115C-238.29E(d4), the State Board of Education may determine the charter

1 school is in noncompliance with State or federal law or the terms and conditions of its charter  
2 and require that the charter school (i) meet any additional conditions placed on the school by  
3 the State Board and (ii) implement a remedial plan, approved by the school's board of directors,  
4 to correct any deficiencies identified by the State Board. Prior to implementation, the remedial  
5 plan shall be reviewed and approved by the State Board. The charter school shall meet the  
6 conditions placed on the school or correct the deficiencies identified in the remedial plan within  
7 a reasonable amount of time established by the State Board.

8 ...."

9           **SECTION 5.(a)** There is appropriated from the General Fund to the Department of  
10 Public Instruction, Office of Charter Schools, the sum of two hundred six thousand six hundred  
11 fourteen dollars (\$206,614) for the 2014-2015 fiscal year in recurring funds to fund an  
12 additional two consultant positions in the Office of Charter Schools to implement the  
13 requirements of this act.

14           **SECTION 5.(b)** This section becomes effective July 1, 2014.

15           **SECTION 6.** Except as otherwise provided in this act, this act is effective when it  
16 becomes law and applies beginning with the 2014-2015 school year.