

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015**

S

1

SENATE BILL 456

Short Title: Charter School Modifications. (Public)

Sponsors: Senators Tillman (Primary Sponsor); and Rabin.

Referred to: Rules and Operations of the Senate.

March 26, 2015

A BILL TO BE ENTITLED
AN ACT TO MAKE CHANGES TO THE CHARTER SCHOOL STATUTES AND TO
DIRECT THE STATE BOARD OF EDUCATION TO ADOPT RULES REGARDING
REPLICATION OF CERTAIN CHARTER SCHOOLS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-218.5(e) reads as rewritten:

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

Except as provided in subsection (f) of this section, 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 twenty percent ~~(20%)~~(20%). In exercising its discretion in approving additional enrollment growth of greater than twenty percent (20%), only if the State Board finds all of the following: shall consider the following factors:

- (1) ~~The~~Whether the actual enrollment of the charter school is within ten percent (10%) of its maximum authorized enrollment.
- (2) ~~The~~Whether the charter school has commitments for ninety percent (90%) of the requested maximum growth.
- (3) ~~The~~Whether the charter school is not currently identified as low-performing.
- (4) ~~The~~Whether the charter school meets generally accepted standards of fiscal management.
- (5) ~~It is otherwise appropriate to approve the enrollment growth.~~Any other factor deemed relevant by the State Board."

SECTION 2. G.S. 115C-218.95(b) reads as rewritten:

"(b) The State Board shall adopt criteria for adequate performance by a charter school and shall identify charter schools with inadequate performance. The criteria shall include a requirement that a charter school which ~~demonstrates no growth in student performance and has annual performance composites below sixty percent (60%)~~receives an overall performance grade calculated pursuant to G.S. 115C-83.15 of F in any two years in a three-year period is inadequate.

- (1) If a charter school is inadequate in the first five years of the charter, the charter school shall develop a strategic plan to meet specific goals for student performance that are consistent with State Board criteria and the mission approved in the charter school. The strategic plan shall be reviewed and approved by the State Board. The State Board is authorized to terminate or not renew a charter for failure to demonstrate improvement under the strategic plan.



- 1 (2) If a charter school is inadequate and has had a charter for more than five
2 years, the State Board is authorized to terminate, not renew, or seek
3 applicants to assume the charter through a competitive bid process
4 established by the State ~~Board~~ Board; however, the State Board shall not
5 terminate or not renew an inadequate charter school solely for its inadequate
6 performance if the charter school's academic achievement is comparable to
7 the traditional public schools located in a local school administrative unit
8 within a 20-mile radius of where the charter school is located or if the
9 charter school has implemented a strategic improvement plan and is making
10 measurable progress toward adequate student performance goals. The State
11 Board shall develop rules on the assumption of a charter by a new entity that
12 include all aspects of the operations of the charter school, including the
13 status of the employees. Public assets would transfer to the new entity and
14 not revert to the local school administrative unit in which the charter school
15 is located pursuant to G.S. 115C-218.100(b)."

16 **SECTION 3.** G.S. 115C-218.5(d) reads as rewritten:

17 "(d) The State Board of Education may grant the initial charter for a period not to exceed
18 10 years. The State Board of Education may renew the charter upon the request of the
19 chartering entity for subsequent periods ~~of not to exceed~~ 10 years each. ~~The~~ Any renewal
20 ~~may~~ shall be for ~~less than a period of~~ 10 years ~~if any~~ unless one of the following applies:

- 21 (1) The charter school has not provided financially sound audits for the prior
22 three years.
23 (2) The charter school's student academic outcomes for the past three years have
24 not been comparable to the academic outcomes of students in the local
25 school administrative unit in which the charter school is located.
26 (3) The charter school is not in compliance with State law, federal law, the
27 school's own bylaws, or the provisions set forth in its charter granted by the
28 State Board of Education.

29 The State Board of Education shall review the operations of each charter school at least
30 once every five years to ensure that the school is meeting the expected academic, financial, and
31 governance standards."

32 **SECTION 4.** By September 15, 2015, upon recommendations made by the Charter
33 Schools Advisory Board, the State Board of Education shall adopt a process and rules for
34 replication of high-quality charter schools in which the board of directors of a charter school
35 agrees to contract with an education management organization or charter management
36 organization that can demonstrate that it can replicate high-quality charter schools in the State
37 with proven student academic success and financial soundness. The State Board of Education
38 shall report to the Joint Legislative Education Oversight Committee by November 15, 2015, on
39 the process and rules for charter school replication as required by this section.

40 **SECTION 5.** This act is effective when it becomes law. Sections 1 and 2 of this act
41 apply beginning with the 2015-2016 school year. Section 3 of this act applies to any renewal of
42 a charter on or after the date this act becomes law.