

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 254
Judiciary Committee Substitute Adopted 4/1/25
PROPOSED HOUSE COMMITTEE SUBSTITUTE S254-PCS35305-RQ-19

Short Title: Charter School Changes.

(Public)

Sponsors:

Referred to:

March 11, 2025

A BILL TO BE ENTITLED
AN ACT TO AMEND CHARTER SCHOOL LAWS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-218 reads as rewritten:

"§ 115C-218. Purpose of charter schools; role of State Board of Education; establishment of North Carolina Charter Schools Review Board and North Carolina Office of Charter Schools.

...

(a1) State Board of Education. – The State Board of Education shall have the following duties regarding charter schools:

(1) Rulemaking. – To ~~establish~~adopt all rules for the operation and approval of charter schools. Any rule or policy adopted by the State Board regarding charter schools shall first be ~~recommended~~approved by the Charter Schools Review Board.

(2) Funding. – To allocate funds to charter schools.

(3) Appeals. – To hear appeals from decisions of the Charter Schools Review Board under G.S. 115C-218.9.

(4) Accountability. – To ensure accountability from charter schools for school finances and student performance.

(5) Review of financial assistance. – The State Board shall assign the Review Board to conduct any hearings pursuant to 20 U.S.C. § 1231b-2, including making findings and recommendations regarding those hearings.

(b) North Carolina Charter Schools Review Board. –

...

(10) Powers and duties. – The Review Board shall have the following duties:

a. To ~~make recommendations to the State Board of Education on the adoption of~~propose, recommend, and approve rules and policies regarding all aspects of charter school operation, including time lines, processes, standards, and criteria for acceptance and approval of applications, monitoring of charter schools, and grounds for revocation of charters.

...

e. To conduct hearings and make findings and recommendations pursuant to subdivision (a1)(5) of this section.



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f. To contract for and employ legal counsel, including private counsel, to advise, represent, and provide litigation services to the Review Board, without the need to obtain permission or approval pursuant to G.S. 114-2.3 or G.S. 147-17.

...

(c) North Carolina Office of Charter Schools. –

...

(2) Executive Director. – The Executive Director shall report to and serve at the pleasure of the ~~Superintendent of Public Instruction~~ Review Board at a salary established by the ~~Superintendent~~ Review Board within the funds appropriated for this purpose. The duties of the Executive Director shall include presenting the recommendations and decisions of the Review Board at meetings of the State Board.

...."

SECTION 2.(a) G.S. 115C-218.8 reads as rewritten:

"§ 115C-218.8. Nonmaterial revisions of charters.

It shall not be considered a material revision of a charter and shall not require prior approval of the Review Board for a charter school to do any of the following:

...

(4) Change the location or boundaries of the charter school within a 10-mile radius of the location specified and approved in the charter by (i) relocating the charter school, (ii) expanding the campus of the charter school, or (iii) establishing a noncontiguous satellite campus of the charter school. The relocation of the charter school, the expansion of the campus of the charter school, or the establishment of a noncontiguous satellite campus of the charter school need not be located within the same local school administrative unit as the location specified and approved in the charter."

SECTION 2.(b) G.S. 115C-218.105(a)(1) reads as rewritten:

"(a) The State Board of Education shall allocate to each charter school:

(1) An amount equal to the average per pupil allocation for average daily membership from the local school administrative unit allotments in which the charter school is located pursuant to its charter for each child attending the charter school except for the allocation for children with disabilities and for the allocation for children with limited English proficiency;"

SECTION 3. G.S. 115C-218.15(c) reads as rewritten:

"(c) A charter school shall operate under the written charter signed by the State Superintendent and the applicant. The terms of the written charter shall be approved by the Review Board. 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 Review Board, or if the approval is granted through an appeal pursuant to G.S. 115C-218.9, any conditions imposed by the State Board of Education. No other terms may be imposed on the charter school as a condition for receipt of local funds."

SECTION 4. G.S. 115C-218.85 is amended by adding a new subsection to read:

"(d) Notwithstanding G.S. 116-11(10a) or any other provision of law to the contrary, a charter school shall not be required to list class rank on a student's official transcript or record."

SECTION 5. G.S. 115C-218.90(a) is amended by adding a new subdivision to read:

"(7) A charter school may develop and use any evaluation for conducting evaluations of teachers provided that it includes standards and criteria similar to those used in the North Carolina Professional Teaching Standards and

North Carolina Teacher Evaluation Process, or such other evaluation standard and process required to be used by local school administrative units."

SECTION 6. G.S. 115C-218.94 is amended by adding a new subsection to read:

"(c) The Review Board shall require charter schools that are identified as low-performing or continually low-performing to prepare and report on plans to improve the performance of the school. The requirements of G.S. 115C-105.27 shall not apply to charter schools."

SECTION 7. G.S. 115C-218.105 reads as rewritten:

"§ 115C-218.105. State and local funds for a charter school.

...

(a2) The State Board shall withhold or reduce distribution of funds to a charter school if any of the following applies:

- (1) The change in funding is due to an annual adjustment based on enrollment or is a general adjustment to allocations that is not specific to the charter or actions of that charter school.
- (2) The Review Board notifies the State Board that the charter school has materially violated a term of its charter, has violated a State statute or federal law, or has had its charter terminated or nonrenewed.
- (3) The ~~Superintendent of Public Instruction~~ Review Board notifies the State Board that the charter school has failed to meet generally accepted standards of fiscal management or has violated a State or federal requirement for receipt of funds.

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(c2) The ~~Superintendent of Public Instruction~~ Review Board shall, in consultation with charter schools and local school administrative units, create a standardized enrollment verification and transfer request document that each charter school shall use to request the per pupil share of the local current expense fund from the local school administrative units. Charter schools shall only be required to list the name, age, grade, address, date of charter enrollment, date of charter withdrawal, district of residence, and student identification number of each student as provided to the charter school by the student's parent or guardian in the enrollment verification and transfer request document that the charter school submits to the local school administrative units. A charter school, in its discretion, may take further steps to confirm the student's residence in a particular local school administrative unit.

(c3) The ~~Superintendent of Public Instruction~~ Review Board shall, in consultation with charter schools and local school administrative units, create a standardized procedure that local school administrative units shall use when transferring the per pupil share of the local current expense fund to charter schools. The standardized procedure for transfer of the per pupil share of the local current expense fund shall require, to the extent practicable, that the local school administrative units make the transfers by electronic transfer.

...."

SECTION 8. Part 4 of Article 14A of Chapter 115C of the General Statutes is amended by adding a new section to read:

"§ 115C-218.106. Initial financial data reporting expenses.

From funds available, the Department of Public Instruction shall provide a charter school access to any required financial data reporting platforms during the charter school's first year of operation at no cost to the charter school."

SECTION 9. G.S. 115C-218.123 is amended by adding a new subsection to read:

"(c) If a school is operating under a charter that allows for a remote academy as part of the charter, and the school enrolls or intends to enroll 250 or more students in the remote academy, the school may request that the Review Board grant the remote academy portion of the school a separate charter by submitting the information listed under subsection (a) of this section with the request. Requests submitted pursuant to this section shall be reviewed through an expedited

process to be established by the Review Board. The Review Board shall not require a planning year for remote academies granted a charter pursuant to this subsection."

SECTION 10. G.S. 115C-218.125 reads as rewritten:

"§ 115C-218.125. Evaluation.

(a) The State Board of Education shall evaluate the success of remote charter academies approved under this Part. Success shall be measured by school performance scores and grades, retention rates, attendance rates, and, for grades nine through 12, high school completion and dropout rates. The Board shall report by November 15 of each year to the Joint Legislative Education Oversight Committee on the evaluation of these academies and on any recommended statutory changes.

(b) If a school is operating under a charter that includes in-person instruction and a remote charter academy, the remote charter academy shall receive a separate school performance grade and be treated as a separate school for the purposes of assessing the performance of the remote charter academy pursuant to G.S. 115C-12(9)c1., 115C-83.15, 115C-218.94, and 115C-218.95."

SECTION 11. This act is effective when it becomes law and applies beginning with the 2025-2026 school year.