



HOUSE BILL 242: Various Charter School Law Changes.

2015-2016 General Assembly

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| Committee: | | Date: | August 5, 2016 |
| Introduced by: | | Prepared by: | Drupti Chauhan |
| Analysis of: | S.L. 2016-79 | | Staff Attorney |

OVERVIEW: *S.L. 2016-79 makes various changes to the statutes governing charter schools and reorganizes several of the statutes pertaining to charter schools.*

Review and Renewal of Charters. *The act directs the State Board of Education (SBE) to review the operations of a charter school at least once prior to the expiration of its charter. The SBE may renew a charter for a period of less than ten years or not renew the charter at all if one of the following conditions applies: (i) the charter school has not provided financially sound audits for the immediately preceding three years; (ii) the charter school's student academic outcomes for the immediately preceding three years have not been comparable to the academic outcomes of students in the local school administrative unit (LEA) in which the charter school is located; or (iii) the charter school is not in substantial compliance at the time of the renewal request with State or federal law or the charter school's own bylaws or charter.*

Material Revisions of Charters. *The act gives the SBE the discretion to waive the requirement that the actual enrollment is within 10% of the maximum authorized enrollment when a charter school requests a material revision of its charter because of a proposed capital expansion and has not been able to meet the enrollment requirement. The charter school must provide the SBE with information that demonstrates the following:*

- *The requested increase in enrollment growth is within a reasonable margin of the threshold necessary to support the material revision.*
- *The charter school has secured financing for its proposed capital expansion conditioned on obtaining the requested material revision.*

If the SBE grants a material revision for enrollment growth based on this evidence and the charter school is not able to realize the capital expansion within two years of the grant of the material revision, the charter school must reflect the maximum authorized enrollment that was in place immediately preceding the material revision.

Non-Material Revisions of Charters. *The act recodifies the existing law into a new statute.*

Enrollment Priority. *The act provides charter two additional enrollment priorities that may be used: (i) students who were enrolled in another charter school in the State in the previous year that does not offer the students' next grade levels; and (ii) students who were enrolled in another charter school in the State in the previous year that does not offer the students' next grade level and both of the charter schools have enrollment articulation agreements to accept students or are governed by the same board of directors.*

Information on Per Pupil Shares of Local Current Expense Funds. *The act directs LEAs to provide the SBE with the same information they provide to charter schools to which they transfer a per pupil share of the local current expense fund. The SBE is directed to adopt a policy on the collection of this information and issue letters of non-compliance to LEAs if the information is not submitted.*

Low-Performing and Continually Low-Performing Charter Schools. *The act directs the SBE to identify low-performing and continually low-performing charter schools on an annual basis. Low-performing charter schools are defined as schools that receive a school performance grade of D or F and a school growth score of*

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"met expected growth" or "not met expected growth." Continually low-performing charter schools are those that have been designated as low-performing for at least two of three consecutive years and the SBE may terminate, not renew, or seek applicants to assume the charters. However, the act provides that the SBE must not terminate or not renew the charter of a continually low-performing charter school solely because of its continually low-performing status if: (i) the charter school has met growth in each of the preceding three school years or (ii) the charter has an approved strategic improvement plan and is making measurable progress toward adequate student performance goals.

Charter School Facilities. *The act specifies that a building or land owned by a local board of education is available to be leased to a charter school if it is closed, vacant, or otherwise unused for classrooms, administrative offices, or extracurricular activities. The local board of education must make a decision on the request by the charter school for the building or land within 90 days of the request. If the decision is not made within that time frame, the local board of education must provide a written explanation of its reasons for not acting within the 90 days to the North Carolina Charter Schools Advisory Board and the Joint Legislative Education Oversight Committee.*

Fast-Track Charter Application Timelines. *The act directs the SBE to decide whether to grant a charter through the fast-track replication process by October 15 of the year immediately preceding the year of the proposed school opening. The SBE must adopt rules and procedures within 90 days of the effective date of this act and must report to the Joint Legislative Education Oversight Committee within 120 days of the effective date of this act. These changes become effective June 30, 2016, and apply beginning with applications submitted for fast-track replication of schools opening in the 2018-2019 school year.*

Except as otherwise provided, this act became effective June 30, 2016, and applies beginning with the 2016-2017 school year.