



HOUSE BILL 334: Charter School and Other Education Laws Changes

2015-2016 General Assembly

Committee:

Introduced by:

Analysis of: S.L. 2015-248

Date:

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Legislative Analyst

SUMMARY: *S.L. 2015-248 makes a variety of changes to the charter school statutes and other education statutes, including:*

The Charter School Advisory Board (Advisory Board)

- *Adds a nonvoting member who is a member of the State Board of Education (SBE) and is appointed by the Chair of the SBE. The Chair of the SBE must make this appointment within 45 days of the effective date of the act.*
- *Prohibits the voting member of the Advisory Board appointed by the SBE from being a member of the SBE and requires that member to be a charter school advocate. The SBE must make this appointment within 45 days of the effective date of the act.*
- *Requires the Chair of the Advisory Board or the Chair's designee to advocate for the recommendations of the Advisory Board at meetings of the SBE upon the request of the SBE.*

The North Carolina Office of Charter Schools

- *Codifies the Office of Charter Schools (OCS) in the General Statutes and places it administratively in the Department of Public Instruction (DPI), but subject to the supervision, direction, and control of the SBE.*
- *Requires the Executive Director of the OCS be appointed by the SBE and report to and serve at the pleasure of the SBE.*
- *Authorizes various powers and duties for the OCS, including serving as staff to the Advisory Board, providing technical assistance and guidance to charter schools and nonprofits seeking to operate charter schools, and assisting in coordinating services between charter schools and DPI.*
- *All State agencies and departments are directed to cooperate with the OCS in carrying out its power and duties.*
- *The SBE must appoint an Executive Director of the OCS within 90 days of the effective date of this act. This initial appointment must be upon the recommendation of a search committee comprised of the Lieutenant Governor (the chair of the search committee), the vice-chair of the SBE, and one other member of the SBE appointed by the SBE.*

Other Changes Related to Charter Schools

- *Increases the minimum number of students a charter school may serve from 65 to 80.*

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- *Clarifies that unless allowed by law or the mission of the charter school as set out in its charter, a charter school may not limit admission to students on the basis of intellectual ability, measures of achievement or aptitude, athletic ability, or disability. Under no circumstances may a charter school limit admission to students on the basis of race, creed, national origin, religion, or ancestry.*
- *Provides for weighted lotteries. A charter school applicant must set forth in its application the process it will use for conducting a weighted lottery that reflects the mission of the school if it wishes to use a weighted lottery for admission. The SBE must approve the process for the weighted lottery and the charter school could then conduct such a lottery in accordance with the procedure set forth in the charter and approved by the SBE.*
- *Requires the SBE and the Advisory Board to provide timely notification to charter applicants of format issues or incomplete information in the initial application and provide five business days for corrections. Equal consideration must then be given to the application if corrections are submitted within the time period. The Advisory Board or a committee of the Advisory Board must provide for an applicant or charter school board member to address the Advisory Board or committee if they are present at a meeting before action is taken regarding the charter school or charter applicant. The Advisory Board must make recommendations on guidance for implementing this requirement to the SBE and the SBE must develop the guidance by October 15, 2015.*
- *Requires the SBE to renew a charter upon the request of the chartering entity for a period of 10 years unless one of the following applies:*
 - *The charter school has not provided financially sound audits for the prior 3 years.*
 - *The charter school's student academic outcomes for the past 3 years have not been comparable to the academic outcomes of the students in the LEA in which the charter is located.*
 - *The charter school is not, at the time of the request for renewal of the charter, substantially in compliance with State law, federal law, the school's own bylaws, or the provisions in the charter granted by the SBE.*
- *Modifies what is considered a material revision of a charter application for enrollment growth by eliminating the requirement the SBE must find it is appropriate to approve enrollment growth and instead requiring that the charter school be, at the time of the request for the enrollment increase, substantially in compliance with State and federal law, the charter school's own bylaws, and the provisions set forth in the charter granted by the SBE.*
- *By January 15, 2016, based upon written recommendations by the Advisory Board, requires the SBE to adopt a policy on the process for determining whether a charter school is in "substantial compliance." The SBE must report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the adoption of this policy.*
- *Modifies the actions considered to be non-material revisions to provide that it is not a material revision and no SBE approval is needed for a charter school to expand one grade higher or lower than the school currently offers if the school has (i) operated for at least 3 years; (ii) has not been identified as having inadequate performance; and (iii) has been in financial compliance as required by the SBE.*

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- *Effective March 1, 2016, boards of directors of charter schools are required to adopt a policy on conflict of interest and anti-nepotism that includes the following: (i) the requirements of Chapter 55A of the General Statutes related to conflicts of interest; (ii) a requirement that before any immediate family members of a member of the board of directors or an employee with supervisory authority can be employed, that proposed employment is disclosed to the board and approved in an open session meeting, with the burden of disclosure on the applicable board member or employee with supervisory authority; (iii) a requirement that the person is not disqualified from serving as a member of the school's board of directors because of the existence of a conflict of interest as long as the person's actions comply with the policy.*
- *Effective March 1, 2016, the board of directors may have members who reside outside of North Carolina but the SBE may require through policy that the majority of the board of directors and all officers reside within the State.*
- *Effective March 1, 2016, local boards of education are required to adopt policies that require disclosure to and approval by the local board of education in an open meeting before any immediate family of any board of education member or central office staff administrator is employed or contracted by the local board of education.*
- *If approved by the board of directors of the charter school, the school may establish fees for extracurricular activities. These fees cannot exceed the fees for the same extracurricular activities charged by the local school administrative unit in which 40% of the students enrolled in the charter schools reside.*
- *Charter schools that submitted applications or renewals of charters to the SBE on or after August 2, 2014, are required to have a fund of at least \$50,000 reserved for closure proceedings only if it has elected to participate in the North Carolina Retirement System.*
- *The SBE is directed to study and develop a proposed policy regarding the circumstances in which a charter school should be subject to the \$50,000 reserve funds requirement for payment of expenses related to closure. The SBE must consider whether total or partial waivers should be allowed and the eligibility for such waivers. The SBE must report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the study, proposed policy, and legislative recommendations.*
- *By January 15, 2016, and based on recommendations of the Advisory Board, the SBE must amend the process and rules for the replication of high-quality charter schools established in the State Board of Education's policy on fast track replication of high quality charter schools to authorize consideration for fast track replication of a charter application from a board of directors of a North Carolina nonprofit corporation who agrees to contract with an education management organization or charter management organization currently operating a charter school in the State for at least one year, regardless of whether the board of directors has previously operated a charter school within the State. The SBE must report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the amendment to the process and rules.*
- *The Advisory Board must study and make recommendations to the SBE on a process for allocating allotments to charter schools that increase enrollment not requiring the prior approval of the SBE. The SBE must review the recommendations and report to the Joint Legislative Education Oversight Committee by February 15, 2016, on recommended policy or proposed legislation.*

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- *Upon recommendations of the Advisory Board, the SBE must adopt a policy on the submission of proposed rules and guidance related to charter schools for review by the Advisory Board and a requirement for the Advisory Board to provide recommendations to the SBE on covered matters. The SBE must report to the Joint Legislative Education Oversight Committee by February 15, 2016, on the policy adoption.*

Other Education Changes

- *Requires that a student's continuing eligibility to receive a Special Education Scholarship for Students with Disabilities is assessed every three years by one of the following: (i) the local school administrative unit or (ii) a licensed psychologist with a school psychology focus who must assess if the education and related services received by the student in the nonpublic school setting have improved the child's educational performance and if the child would continue to benefit from the nonpublic school placement. References to "reevaluations" are replaced with "continuing eligibility assessments." This change applies to students required to be assessed on or after January 1, 2015.*

This act has various effective dates. Except as otherwise provided, this act became effective September 23, 2015.