



SENATE BILL 354: Student Notice/Charter School Closure/Restr.

2019-2020 General Assembly

Committee:	Senate Education/Higher Education.	If Date:	May 2, 2019
	favorable, re-refer to Rules and Operations of the Senate		
Introduced by:	Sens. Ballard, Edwards, Harrington	Prepared by:	Brian Gwyn
Analysis of:	Second Edition		Committee Co-Counsel

OVERVIEW: *The 2nd edition of Senate Bill 354 would do the following:*

- *Require notice to parents prior to closing a charter school or materially revising its charter.*
- *Require an information session and public hearing prior to (i) the nonrenewal of the charter of a continually low-performing charter school or (ii) the termination of a charter for reasons other than fiscal mismanagement or violations of law.*
- *Exempt final actions of the State Board of Education (State Board) related to the disapproval, termination, or nonrenewal of charters from being "contested cases" under the jurisdiction of the Office of Administrative Hearings.*

CURRENT LAW: Under G.S. 115C-218.7, the material revision of a charter requires approval by the State Board. For low-performing charter schools, enrollment growth greater than 20% is considered a material revision. For charter schools not identified as low-performing, enrollment growth greater than 30% is considered a material revision. Otherwise, whether a revision is material is determined by State Board policy. There are no express requirements that the State Board or charter school provide notice to parents of a material revision to the charter.

G.S. 115C-218.6(a) requires the State Board to review the operations of each charter school at least once prior to the expiration of its charter to ensure that the school is meeting the expected academic, financial, and governance standards. The State Board has adopted a two-year charter school review process, which takes place prior to a charter renewal.

G.S. 115C-218.95 identifies the criteria and process for nonrenewal or termination of a charter by the State Board, but there are no express requirements that the State Board or the charter school provide notice to parents.

Under Article 3 of Chapter 150B of the General Statutes, disputes between a State agency and another person must first be reviewed by the Office of Administrative Hearings (OAH). The decision by OAH can then be reviewed in superior court under G.S. 150B-45. Therefore, if the board of directors of a charter school disagrees with the final action of the State Board regarding disapproval, termination, or nonrenewal of a charter, the board of directors must petition OAH for a hearing before an administrative law judge before seeking review in superior court.

BILL ANALYSIS:

Material revisions

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The bill would require a charter school board of directors to notify parents of enrolled students at least 7 days prior to meeting to consider requesting a material revision to the school's charter. The notice would be required to include information about the board of directors meeting and a description of the material revision being requested. Charter schools would be encouraged, but not required, to notify parents of the final action by the State Board regarding the material revision.

Nonrenewal of the charter of a continually low-performing charter school

The bill would require the Office of Charter Schools to conduct a public hearing and information session as part of its review of the operations of a continually low-performing charter school, which could be part of the site visits required by State Board policy. The hearing would be required to include information about the academic performance of the charter school, as well as opportunities for the public, including parents, teachers, and community members, to express their views. At least one member of the State Board and one member of the Advisory Board would be required to attend the hearing.

The Office of Charter Schools would be required to notify the charter school at least 20 days in advance of the public hearing regarding the date, time, location, and methods for the public to submit comments. The charter school would then notify parents within 5 days of receiving the notice from the Office of Charter Schools.

Prior to taking final action to not renew the charter of a continually low-performing charter school, the State Board would be required to review and consider a record of the public hearing. If the State Board decides to not renew the charter, the charter school would notify parents within 5 days of receiving notice of the final action from the State Board.

Termination of a charter

The bill would require the Advisory Board to do the following prior to a final recommendation to terminate the charter of a charter school:

- Conduct a public hearing that includes information on the academic performance of the charter school and an opportunity for public comment. At least one member of the State Board and one member of the Advisory Board must be present at the hearing.
- Notify the charter school of the public hearing at least 20 days in advance.
- Review and consider the following information:
 - A record of the public hearing.
 - A comparison of the charter school's student academic outcomes to the academic outcomes of students in the local school administrative unit in which the charter school is located.
 - An analysis of whether the charter school has met growth or has made measurable progress toward student performance goals under a strategic improvement plan.
 - Considerations related to transitioning students with disabilities enrolled in the charter school to a new school, should the charter school be closed.
 - The impact on the capital needs of the public school or schools where students will be assigned if the charter school ceases to operate.

The State Board would be required to notify the charter school at least 20 days prior to a meeting to take final action on a recommendation of the Advisory Board to terminate its charter. In making its final determination, the State Board would be required to review and consider the same evidence required of the Advisory Board described above, in addition to evidence from the Advisory Board meeting at which the recommendation was made.

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The charter school would be required to notify parents within five days of receiving notice of the public hearing and the State Board meeting to take final action on the Advisory Board's recommendation.

For the termination of a charter due to fiscal mismanagement or violations of law, the requirements described above would not apply. Instead, the following would be required:

- The State Board must notify the charter school at least 20 days prior to scheduling a meeting at which final action on the termination of the charter will be considered.
- The charter school must notify parents within 5 days of receiving notice of the State Board's meeting described above.
- The charter school must notify parents of the final action by the State Board.

Other Changes

The bill would also make the following changes to existing law:

- Require charter schools to notify parents within 5 days of passing a resolution to voluntarily dissolve the school's charter.
- Require local boards of education to provide a statement on the capital impact a charter school termination would have on their districts.
- Exempt State Board actions related to disapproval, termination, or nonrenewal of charters from the type of contested case that could be subject to the jurisdiction of OAH.
- Clarify that virtual charter pilot schools cannot be terminated prior to the end of the pilot period without following the procedures enacted in the bill.

EFFECTIVE DATE: The bill would be effective when it becomes law and would apply to actions commenced to voluntarily dissolve, terminate, not renew, or materially revise a charter on or after July 1, 2019.