



# SENATE BILL 392: Various Charter School Changes.

2019-2020 General Assembly

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<b>Committee:</b>		<b>Date:</b>	December 5, 2019
<b>Introduced by:</b>	Sens. Ballard, Brown, Newton	<b>Prepared by:</b>	Drupti Chauhan Staff Attorney
<b>Analysis of:</b>	Ratified		

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**OVERVIEW:** *Senate Bill 392 would make various changes to laws related to charter schools and would do the following:*

- *Authorize the Superintendent of Public Instruction to approve issuance of private activity bonds for charter school facilities after a public hearing.*
- *Clarify charter school renewal standards.*
- *Require background checks for charter school boards of directors.*
- *Remove the cap on enrollment growth of virtual charter schools participating in the virtual charter school pilot program.*
- *Authorize the State Board to allow a participating virtual charter school to increase enrollment by greater than 20%.*
- *For a participating virtual charter school that has been placed under monthly compliance monitoring as a result of a material change to its charter, require State Board approval before the school can have any enrollment increase.*

*SB 392 was ratified by the General Assembly on July 18, 2019, and vetoed by the Governor on July 29, 2019.*

## **PART I. DESIGNATE THE SUPERINTENDENT OF PUBLIC INSTRUCTION AS AN APPLICABLE ELECTED REPRESENTATIVE WHO MAY APPROVE BONDS TO FINANCE OR REFINANCE A CHARTER SCHOOL FACILITY**

**BILL ANALYSIS:** Part I of the bill would designate the Superintendent of Public Instruction as an applicable elected representative under the Internal Revenue Code, who can approve issuance of a private activity bond to finance a charter school facility, following a public hearing conducted in accordance with the Internal Revenue Code and applicable State and federal laws and regulations.

## **PART II. CLARIFY CHARTER SCHOOL RENEWAL STANDARDS**

**BILL ANALYSIS:** Part II of the bill would revise the student outcome standards so that the State Board of Education (SBE) can renew a charter for a charter school for less than 10 years or not renew the charter at all if the percent of students who scored at or above proficient for all end-of-grade and end-of-course tests taken in the previous school year is at least 5 percentage points lower in the charter school than in the local school administrative unit in which the charter school is located.

## **PART III: REQUIRE BACKGROUND CHECKS FOR CHARTER BOARDS OF DIRECTORS**

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**BILL ANALYSIS:** Part III of the bill would add a requirement to the application for a charter to operate a charter school in this State. The application would be required to include the following:

- A nationwide criminal background check for each member of the board of directors of the proposed charter school to ensure that the member has not been convicted of any crime listed in G.S. 115C-332 or a substantially similar crime in another state. The criminal background check must include the following:
  - A social security number trace, including locations returned on at least a county-by-county basis.
  - Any known aliases.
- A certification from each member of the board of directors certifying whether the board member has been convicted of any felony or misdemeanor. If the board member has been convicted of a felony or misdemeanor, the certification must include a listing of the year of the charge, the charge, and the disposition of the charge.

## **PART IV. CHANGES TO THE CAP ON ENROLLMENT GROWTH OF VIRTUAL CHARTER SCHOOLS PARTICIPATING IN THE VIRTUAL CHARTER SCHOOL PILOT PROGRAM**

**BILL ANALYSIS:** Part IV of the bill would remove the maximum student enrollment cap for a virtual charter school, and would authorize the SBE to allow a virtual charter school to grow by more than 20% if the SBE finds that doing so is in the best interest of North Carolina students. For a virtual charter school that has been placed under monthly compliance monitoring by the Charter School Advisory Board or the SBE as a result of a material change to its charter, the school must receive SBE approval before any enrollment increase.

**EFFECTIVE DATE:** Senate Bill 392 would become effective when it becomes law. The modified charter renewal standards would apply to applications for the renewal of charters submitted on or after the effective date. The background checks for boards of directors would be required beginning with applications for initial charters received on or after the effective date. The changes to virtual charter school enrollment would apply beginning with the 2019-2020 school year.