



# SENATE BILL 522: Various Changes to Charter School Laws.

2019-2020 General Assembly

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<b>Committee:</b>	Senate Rules and Operations of the Senate	<b>Date:</b>	May 7, 2019
<b>Introduced by:</b>	Sen. Tillman	<b>Prepared by:</b>	Drupti Chauhan
<b>Analysis of:</b>	Second Edition		Committee Counsel

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**OVERVIEW:** *Senate Bill 522 makes various changes to charter school laws.*

## **Part I. Authorize Counties to Provide Capital Funds to Charter Schools**

**Current Law:** State funds can be used to enter into leases for real property or mobile classrooms for charter school facilities and can be used for payments on loans made to charter schools facilities, equipment, or operations. State funds cannot be used to obtain any other interest in real property or mobile classroom units. The Attorney General's Office has issued an opinion letter that this restriction also prohibits counties from providing funds for charter school facility needs.

**Bill Analysis:** Part I would allow counties to provide funds to charter schools by direct appropriation and to lease real property to charter schools. The funds may only be used for the following purposes:

- The acquisition of real property for school purposes, including by not limited to school sites, playgrounds, and athletic fields.
- The acquisition, construction, reconstruction, enlargement, renovation, or replacement of buildings and other structures, including, but not limited to, buildings for classrooms and laboratories, physical and vocational educational purposes, libraries, auditoriums, and gymnasiums.
- The acquisition or replacement of furniture and furnishings, instructional apparatus, and similar items of furnishings and equipment.

If a charter school used county funds to acquire or improve property, the amount provided by the county must be evidenced by a promissory note and secured by a deed of trust on the property acquired or improved by the funds. The county may subordinate the deed of trust to other liens. If the charter school repays the county in the amount of the funds provided, the county shall execute and file a deed of release or other documentation of satisfaction showing that the charter school repaid the county in the amount of the capital funds provided.

**Effective Date:** This Part is effective when it becomes law and applies with the 2019-2020 fiscal year.

## **Part IV. Clarify Charter School Renewal Standards**

**Current Law:** The SBE must renew a charter for a charter school upon the request of the chartering entity for subsequent periods of 10 years. However, the SBE may renew the charter for less than 10 years or not renew the charter at all if one of the following applies:

- The charter school has not provided financially sound audits for the immediately preceding three years.
- 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 in which the charter school is located.

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- 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 set forth in its charter granted by the State Board of Education.

**Bill Analysis:** This Part would revise the student outcome standard so that the SBE could renew the charter for less than 10 years or not renew the charter 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.

**Effective Date:** This Part is effective when it becomes law and applies to applications for the renewal of charters submitted on or after that date.

## **Part V. Charter Application Background Check Standards**

**Bill Analysis:** This Part adds a requirement to the application for a charter to operate a charter school in this State. The application must have 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: (i) a social security number trace, including locations returned on at least a county-by-county basis and (ii) 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 shall include a listing of the year of the charge, the charge, and the disposition of the charge.

**Effective Date:** This Part is effective when it becomes law and applies to applications for initial charters received on or after that date.

## **Part VIII. Remove the Cap on Enrollment Growth of Virtual Charter Schools Participating in the Virtual Charter School Pilot Program.**

**Current Law:** Section 8.35 of S.L. 2014-100 directed the SBE to establish a pilot program to authorize the operation of 2 virtual charter schools serving students in kindergarten through 12th grade. Maximum student enrollment in any virtual charter school shall be no greater than 1,500 students in the school's first year of operation and may increase by 20% for each participating school up to a maximum student enrollment of 2,592 in the fourth year of the pilot program. The SBE may waive the maximum student enrollment threshold beginning in the fourth year of the school's operation, if it determines it is in the best interests of students.

**Bill Analysis:** This Part provides that the maximum student enrollment in a virtual charter school may increase annually by 20%. The SBE may increase the maximum student enrollment threshold beginning in the fourth year of the school's operation.

**Effective Date:** This Part is effective when it becomes law and applies beginning with the 2019-2020 school year.