



HOUSE BILL 618: Charter School Review Board.

2023-2024 General Assembly

Committee:		Date:	November 16, 2023
Introduced by:		Prepared by:	Drupti Chauhan
Analysis of:	S.L. 2023-110		Staff Attorney

OVERVIEW: *S.L. 2023-110 as amended by S.L. 2023-107 and Section 7.84 of S.L. 2023-134 converts the North Carolina Charter Schools Advisory Board (Advisory Board) into the North Carolina Charter Schools Review Board (Review Board) which will approve or deny charter applications, renewals, and revocations independent of the State Board of Education (SBE). It requires the SBE to have the following duties with respect to charter schools:*

- *Establish all rules for the operation and approval of charter schools following the recommendations of the Review Board.*
- *Allocate funds to charter schools. The SBE cannot, however, withhold or reduce distribution of funds to a charter school except if one of the following applies:*
 - *The change in funding is due to an annual adjustment based on enrollment or is a general adjustment to allocations that is not specific to the charter or the actions of that charter school.*
 - *The Review Board notifies the SBE that the charter has materially violated a term of its charter, has violated a State statute or federal law, or has had its charter terminated or nonrenewed.*
 - *The Superintendent of Public Instruction (Superintendent) notifies the SBE that the charter school has failed to meet generally accepted standards of fiscal management or has violated requirements for receipt of funds.*
- *Hear appeals from decisions of the Review Board.*
- *Ensure accountability for the charter school finances and student performance.*

The Review Board is prohibited from considering any alleged impact on the local school administrative unit or units in the area served by a charter school when deciding whether to grant, renew, amend, or terminate a charter. Appeals from the Review Board must be heard and decided by the SBE by December 1 of the same year. Applicants, charters schools, or the Superintendent can appeal to the SBE on final decisions made by the Review Board within 10 days of the Review Board's decision. The SBE must review the appealed decision on a de novo basis and the party submitting the appeal can provide any information to the SBE that it considers relevant. The SBE has final decision-making authority on the approval of charter applications, renewals, revocations, and amendments.

The current members of the Advisory Board will serve as initial members of the Review Board. However, upon the expiration of the current term of the Review Board members, two terms expiring in 2025 must be replaced with an appointment to a two-year term of office by the General Assembly upon the recommendation of the Speaker of the House of Representatives and two terms expiring in 2025

Jeffrey Hudson
Director



Legislative Analysis
Division
919-733-2578

House Bill 618

Page 2

must be replaced with an appointment to a two-year term by the President Pro Tempore of the Senate. As those terms expire in 2027 and thereafter, or as vacancies occur prior to the expiration of those terms, the members of the Review Board will be appointed as provided by statute.

Finally, charter schools that received a decision on an application, charter amendment, renewal, or termination from the SBE after July 1, 2022, that differed from the recommendation of the Advisory Board can apply for reconsideration by the Review Board within 60 days of this act becoming effective and the Review Board must issue a decision on the reconsideration request at its first meeting after receiving the request.

This bill was vetoed by the Governor on July 7, 2023, and that veto was overridden by the General Assembly on August 16, 2023. This act became effective August 16, 2023, and the limitations on the SBE to reduce allocation of funds to charter schools became effective July 1, 2023.

ANALYSIS: The act requires the SBE to have the following duties with respect to charter schools:

- Establish all rules for the operation and approval of charter schools following the recommendations by the Review Board.
- Allocate funds to charter schools. The SBE cannot, however, withhold or reduce distribution of funds to a charter school except if one of the following applies:
 - The change in funding is due to an annual adjustment based on enrollment or is a general adjustment to allocations that is not specific to the charter or the actions of that charter school.
 - The Review Board notifies the SBE that the charter has materially violated a term of its charter, has violated a State statute or federal law, or has had its charter terminated or nonrenewed.
 - The Superintendent notifies the SBE that the charter school has failed to meet generally accepted standards of fiscal management or has violated requirements for receipt of funds.
- Hear appeals from decisions of the Review Board.
- Ensure accountability for charter school finances and student performance.

The Advisory Board is converted into the Review Board, which approves or denies charter applications, renewals, and revocations independent of the SBE. Additionally, the Review Board makes recommendations to the SBE on actions before the SBE on appeal.

The Review Board must make decisions on fast-track replication applications no later than October 15 of the year immediately preceding the year of the proposed school opening. Any appeal of the Review Board's decision must be heard and decided by December 1 of the same year.

An applicant, a charter school, or the Superintendent can appeal to the SBE a final decision of the Review Board to grant, renew, revoke, or amend a charter within 10 days of the Review Board's decision. The party submitting the appeal and the applicant or charter school affected can provide information to the SBE that the party believes relevant. The SBE is required to issue a written decision within 60 days of the submission of the notice of appeal. The SBE has final decision-making authority on the approval of charter applications, renewals, revocations, and amendments.

The act makes additional conforming changes throughout Article 14A of Chapter 115C to reflect the new roles of the Review Board and the SBE.

The current members of the Advisory Board serve as initial members of the Review Board. For two terms expiring in 2025, the General Assembly must make the appointment upon the recommendation of the Speaker of the House of Representatives. For two additional terms expiring in 2025, the General Assembly must make the appointments upon the recommendation of the President Pro Tempore of the Senate. These

House Bill 618

Page 3

terms last two years, but as those terms expire in 2027, members of the Review Board are appointed in accordance with law.

Charter schools that received a decision on an application, charter amendment, renewal, or termination from the SBE after July 1, 2022, that differed from the recommendation of the Advisory Board can apply for reconsideration by the Review Board within 60 days of the effective date.

EFFECTIVE DATE: This bill was vetoed by the Governor on July 7, 2023, and that veto was overridden by the General Assembly on August 16, 2023. This act became effective August 16, 2023, and the limitations on the SBE to reduce allocation of funds to charter schools became effective July 1, 2023.

**This summary was substantially contributed to by Brian Gwyn, Committee Counsel.*