



SENATE BILL 254: Charter School Changes.

2025-2026 General Assembly

Committee:

Introduced by: Sens. Daniel, Britt, B. Newton
Analysis of: Conference Committee Substitute
(S254-CCSRQ-2)

Date:

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Prepared by:

Drupti Chauhan
Committee Counsel

OVERVIEW: *The Conference Committee Substitute for Senate Bill 254 would amend various charter school laws.*

CURRENT LAW: Article 14A of Chapter 115C of the General Statutes governs charter schools in the State. The State Board of Education (SBE) establishes all rules for the operation of approval of charter schools and rules adopted by the SBE must first be recommended by the Charter School Review Board (CSRB). The Executive Director of the Office of Charter Schools reports to and serves at the pleasure of the Superintendent of Public Instruction at a salary established by the Superintendent within the funds appropriated for that purpose. The SBE must withhold or reduce distribution of funds to a charter school if the Superintendent notifies the SBE that the charter school has failed to meet generally accepted standards of fiscal management or has violated a State or federal requirement for receipt of funds. The Superintendent consults with charter schools and local school administrative units (LEAs) to (i) create standardized enrollment verification and transfer request documents that charter schools use to request per pupil share of the local current expense fund and (ii) create a standardized procedure that LEAs use to transfer the per pupil share of the local current expense fund.

BILL ANALYSIS:

Section 1 would do the following:

- Provide that rules or policies adopted by the SBE regarding charter schools must first be approved by the CSRB.
- Authorize the CSRB to propose, recommend, and approve rules and policies on all aspects of charter schools.
- Direct the SBE to assign the CSRB to conduct any hearings under federal law regarding federal funds for charter schools and have the CSRB make findings and recommendations about the hearings.
- Authorize the CSRB to employ legal counsel (including private counsel) to advise, represent, and provide litigation services to the CSRB without the need to obtain permission from the Attorney General or the Governor.
- Provide that the Executive Director of the Office of Charter Schools reports and serves at the pleasure of the CSRB at a salary established by the CSRB within the funds appropriated for that purpose.

Section 2 would provide that it would not be a material revision if a charter school relocates within a 10-mile radius of the location specified and approved in the charter as long as the new location is located within the same local school administrative unit as the located specified and approved in the charter.

Section 3 would provide that the terms of the written charter for a charter school must be approved by the CSRB.

Kara McCraw
Director



Legislative Analysis
Division
919-733-2578

Senate 254 CCS

Page 2

Section 4 would provide that a charter school is not required to list class rank on a student's official transcript or record.

Section 5 would allow charter schools to develop and use any evaluation for conducting evaluation of teachers if the evaluation instrument includes standards and criteria similar to those used in the North Carolina Professional Teaching Standards and North Carolina Teacher Evaluation Process or such other evaluation standard and process required to be used by LEAs.

Section 6 would direct the CSRB to require charter schools that are identified as low-performing or continually low-performing to prepare and report on plans to improve the performance of the school. Charter schools would not have to create school improvement plans under G.S. 115C-105.27.

Section 7 would do the following:

- Provide that if the CSRB notifies the SBE that a charter school has failed to meet generally accepted standards of fiscal management or has violated a State or federal requirement for receipt of funds, the SBE must withhold or reduce distribution of funds to a charter school.
- Direct the CSRB to consult with charter schools and LEAs to (i) create standardized enrollment verification and transfer request documents that charter schools use to request per pupil share of the local current expense fund and (ii) create a standardized procedure that LEAs use to transfer the per pupil share of the local current expense fund.

Section 8 would create a new statute requiring DPI to provide a charter school access to any required financial data reporting platforms during the charter schools' first year of operation at no cost to the school.

Section 9 would provide that if a charter school is operating under a charter that allows for a remote academy as a part of the charter and the school enrolls or intends to enroll 250 or more students in the remote academy, the school may request the CSRB to grant the remote academy portion of the charter school a separate charter. These requests must be reviewed through an expedited process established by the CSRB and no planning year can be required for those remote academies.

Section 10 would provide that if a school is operating under a charter that includes in-person instruction and a remote charter academy, the remote charter academy must receive a separate school performance grade and be treated as a separate school for the purposes of assessing the performance of the remote charter academy.

Section 11 would provide that for the 2025-2027 biennium, DPI must use \$82,100 per fiscal year of lapsed salary funds to provide operating funds for the CSRB. Legal counsel retained by the CSRB and funded with these monies would be able to provide litigation services to the CSRB.

EFFECTIVE DATE: The bill would become effective when it becomes law and apply beginning with the 2025-2026 school year.

**Brian Gwyn and Samantha Yarborough, Attorneys, Legislative Analysis Division, significantly contributed to this summary.*