

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 800
Committee Substitute Favorable 4/24/17

Short Title: Various Changes to Charter School Laws.

(Public)

Sponsors:

Referred to:

April 13, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE VARIOUS CHANGES TO THE LAWS AFFECTING CHARTER
3 SCHOOLS.

4 The General Assembly of North Carolina enacts:

5
6 **PART I. CHARTER SCHOOLS IN THE WORKPLACE**

7 **SECTION 1.(a)** G.S. 115C-218.45 reads as rewritten:

8 **"§ 115C-218.45. Admission requirements.**

9 ...

10 (f) The charter school may give enrollment priority to any of the following:

11 ...

12 (7) Limited to no more than fifty percent (50%) of the school's total enrollment,
13 children of permanent employees of a charter partner in accordance with
14 subsection (f1) of this section. If the number of applications from these
15 children exceed fifty percent (50%) of the school's total enrollment, these
16 children shall be accepted by a separate lottery.

17 (f1) For purposes of this section, a charter partner is any legal entity authorized to
18 transact business in this State under Chapter 55, 55A, 55B, 57D, or 59 of the General Statutes
19 and that has, acting individually or as part of a consortium of corporations, donated one or more
20 of the following to the charter school:

21 (1) The land on which the school is built.

22 (2) The school building or the space the school occupies. If the charter partner is
23 leasing the building or space to the school, the charter school may only give
24 enrollment priority if the lease provides that the building or space is made
25 available without cost and if the term of the lease is not less than the
26 duration of the charter.

27 (3) Major renovations to the existing school building or other capital
28 improvements, including major investments in technology. For purposes of
29 this subdivision, a major renovation to the existing school building means
30 changes that provide significant opportunities for substantial improvement,
31 including, but not limited to, a structural change to the foundation, roof,
32 floor, or interior or exterior walls or extension of an existing facility to
33 increase its floor area, or an extensive alteration of an existing facility, such
34 as a change in its function or purpose, even if such renovation does not
35 include any structural change to the facility. A major investment in
36 technology includes, but is not limited to, a donation of hardware, software,



1 Internet access, Internet hardware, enterprise systems, software licenses,
2 smart board technology, or audiovisual equipment. The value of a major
3 renovation or of an investment of technology shall be equal to at least fifty
4 percent (50%) of the State's per pupil allocation for charter schools for that
5 year multiplied by the charter school's average daily membership.

6 (f2) Each year that the charter school provides the charter partner with enrollment
7 priority, as described in subdivision (7) of subsection (f) of this section, the charter partner and
8 the charter school shall enter into a memorandum of understanding that shall specify the
9 duration of the priority and the methods by which the charter partner shall support the charter
10 school, including, but not limited to, internships for students, career counseling, academic
11 tutoring, or enrichment activities.

12 (f3) The enrollment priority described in subdivision (7) of subsection (f) of this section
13 shall not be implemented in a way that displaces students who are enrolled at the school at the
14 time the charter application or the material revision providing for the priority is approved by
15 the State Board of Education.

16"

17 **SECTION 1.(b)** G.S. 115C-218.1(b) is amended by adding a new subdivision to
18 read:

19 "(16) Whether the charter school intends to provide enrollment priority to the
20 children of a charter partner and, if so, identifying information for that
21 charter partner."

22 **SECTION 1.(c)** G.S. 115C-218.7 is amended by adding a new subsection to read:

23 "(e) Adoption of the enrollment priority described in G.S. 115C-218.45(f)(3)c. shall be
24 considered a material revision of the charter."

25 **SECTION 1.(d)** G.S. 115C-218.15 is amended by adding a new subsection to read:

26 "(b1) Persons affiliated with a charter partner, as defined in G.S. 115C-218.45(f1), are
27 eligible for membership on the board of directors of a charter school that provides enrollment
28 priority to charter partners, subject to the requirements of subsection (b) of this section, as
29 follows:

30 (1) Persons affiliated with the charter partner shall not constitute a majority of
31 the board.

32 (2) If the charter partner is leasing the building or space to the school, the lease
33 shall provide that the building or space is made available without cost and
34 the term of the lease shall not be less than the duration of the charter."

35 36 **PART II. ALLOW EMPLOYEES OF EDUCATION OR CHARTER MANAGEMENT** 37 **ORGANIZATIONS TO SERVE AS TEACHERS**

38 **SECTION 2.** G.S. 115C-218.90(a)(1) reads as rewritten:

39 "(1) An employee of a charter school is not an employee of the local school
40 administrative unit in which the charter school is located. The charter
41 school's board of directors shall employ and contract with necessary teachers
42 or contract with an education management organization or charter
43 management organization to provide teachers to perform the particular
44 service for which they are employed in the school; at least fifty percent
45 (50%) of these teachers shall hold teacher licenses. All teachers who are
46 teaching in the core subject areas of mathematics, science, social studies, and
47 language arts shall be college graduates.

48 The board also may employ necessary employees who are not required
49 to hold teacher licenses to perform duties other than teaching and may
50 contract for other services. The board may discharge teachers and
51 nonlicensed employees."

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2 **PART IV. MODIFY THE DECISION TIME LINE FOR THE CHARTER SCHOOL**
3 **FAST-TRACK REPLICATION APPLICATION PROCESS**

4 **SECTION 4.(a)** Section 6.5 of S.L. 2014-101, as amended by Section 2 of S.L.
5 2016-79, reads as rewritten:

6 "SECTION 6.5. Upon recommendations by the Office of Charter Schools and the Charter
7 Schools Advisory Board, the State Board of Education shall adopt a process and rules for
8 fast-track replication of high-quality charter schools currently operating in the State. The State
9 Board of Education shall not require a planning year for applicants selected through the
10 fast-track replication process. In addition to the requirements for charter applicants set forth in
11 Part 6A of Article 16 of Chapter 115C of the General Statutes, the fast-track replication process
12 adopted by the State Board of Education shall, at a minimum, require a board of directors of a
13 charter school to demonstrate one of the following in order to qualify for fast-track replication:

- 14 (1) A charter school in this State governed by the board of directors has student
15 academic outcomes that are comparable to the academic outcomes of
16 students in the local school administrative unit in which the charter school is
17 located and can provide three years of financially sound audits.
18 (2) The board of directors agrees to contract with an education management
19 organization or charter management organization that can demonstrate that it
20 can replicate high-quality charter schools in the State that have proven
21 student academic success and financial soundness.

22 The State Board of Education shall ensure that the rules for a fast-track replication process
23 provide that decisions by the State Board of Education on whether to grant a charter through
24 the replication process are completed in less than 90 days from the application submission date.
25 The State Board shall provide a decision no later than October 15 of the year immediately
26 preceding the year of the proposed school opening. The State Board of Education shall adopt
27 rules and procedures required by this section within 90 days of the effective date of this act, and
28 report to the Joint Legislative Education Oversight Committee within 120 days of the effective
29 date of this act."

30 **SECTION 4.(b)** This section is effective the date this act becomes law and applies
31 beginning with applications submitted for fast-track replication of schools opening in the
32 2018-2019 school year.
33

34 **PART V. EFFECTIVE DATE**

35 **SECTION 5.** Except as otherwise provided, this act is effective when it becomes
36 law and applies beginning with the 2017-2018 school year.