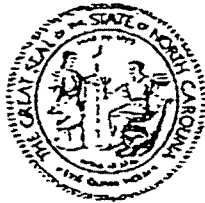


NORTH CAROLINA GENERAL ASSEMBLY  
STATE LEGISLATIVE BUILDING  
RALEIGH 27603

ATTACHMENT #

FILE CO



October 29, 1997

Mr. Jay Robinson, Chairman  
State Board of Education  
301 N Wilmington Street  
Raleigh, North Carolina 27601-2825

OCT 1997

Dear Jay:

As you know, it was the intent of the General Assembly to give public school employees who were participating in the State Retirement System and in the State Health Plan an opportunity to continue this participation when they become employed in a charter school. Senate Bill 297, which the General Assembly enacted this summer, clearly allows these employees, if they choose, to continue this participation for up to six years if their employer grants an approved leave of absence for them to be employed in a charter school or if the employee interrupts his or her public school employment to work in a charter school. Meanwhile, the General Assembly is awaiting a favorable response from the IRS, which will allow all our charter employees to be eligible for participation in both the Retirement System and the Health Plan.

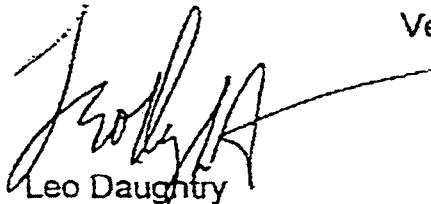
We have recently received a number of letters from former public school employees who left their employment with public schools to work in a charter school. In some instances the charter school has not provided the funds for the employee to continue in both the State Retirement System and the State Health Plan.

*W/ w/ opa  
any T ↑  
make it +  
for ces*

We believe that, at least for those public school employees who are qualified under Senate Bill 297 to continue their participation in both the State Retirement System and the State Health Plan, the charter school must pass the funds it has received for health insurance and retirement benefits on to those employees who choose to continue their participation. The charter school is receiving an equal per pupil share of the local school funds, including funds for retirement and health insurance, and these former public school employees should receive these benefits.

As you can see, we are sending a copy of this letter to every charter school in the State. We hope that every charter school will voluntarily take the immediate and appropriate action to pass the funds for these employees' health insurance and retirement benefits on to these employees. If any charter school fails to take this action, we expect the State Board to use its authority, both under the law governing charter schools and under its charter agreements with each school, to impose this requirement on that school. It is imperative that this matter be resolved no later than December 10, 1997, to prevent an unexpected termination of health benefits that could leave each of these employees with an enormous bill for health services that he or she cannot afford.

Very truly yours,

  
Leo Daughtry  
Majority Leader  
House of Representatives



Beverly M. Perdue  
Senate, 3<sup>rd</sup> District

BMP/chm

cc: Governor James B. Hunt, Jr.  
Mike Ward, Superintendent of Public Instruction  
Senator Marc Basnight, President Pro Tempore  
Senator Wib Gulley  
Representative Harold J. Brubaker, Speaker of the House  
North Carolina Charter Schools