



PUBLIC SCHOOLS OF NORTH CAROLINA

State Board of Education | Department of Public Instruction

Office of Charter Schools

GUIDANCE for QUALITY

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LEGISLATIVE and BUDGET UPDATES

During the short session of the General Assembly, [Senate Bill 793](#) and [Senate Bill 744](#) encompassed a number of provisions specific to charter schools. This document highlights many of those modifications for you, and you are encouraged to evaluate your policy, procedure, and practices to see which ones may need modification.

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GUIDANCE RESOURCES

[Senate Bill 793](#)

[Senate Bill 744](#)

[NC Records Retention Schedule](#)

[Public Records Act](#)

[Open Meetings Law](#)

[Memo from CFO, August 13, 2014](#)

INITIAL CHARTER TERMS and CHARTER RENEWALS

Senate [Bill 793](#) stipulates specific requirements and terms for initial charters and renewals:

“The State Board of Education may renew the charter upon the request of the chartering entity for subsequent periods of 10 years each. The renewal may be for less than 10 years if any one of the following applies:

1. The charter school has not provided financially sound audits for the prior three years.
2. The charter school’s student and academic outcomes for the past 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.
3. The charter school is not 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.”

GRADE EXPANSION

A new provision in [Senate Bill 793](#) creates an additional option of grade expansion for schools in operation less than three years. These schools may expand to offer one grade higher or lower than the charter school currently offers if the charter school meets all of the following criteria:

“(d) The charter school’s student academic outcomes for the year prior to the expansion must have been at least comparable to the academic outcomes of the students in the local school administrative unit which the charter school is located.

- (1) The charter school had provided financially sound audits for the year prior to the expansion.
- (2) The charter school is 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.
- (3) The charter school has been in operation for less than three years.

The charter shall provide documentation of the requirements of this subdivision to the State Board of Education. The charter school shall be permitted to expand to offer the higher or lower grade unless the State Board of Education finds that the charter school has failed to meet the requirements of this subdivision or other exceptional circumstances exist which justify not permitting the grade expansion.”

ENROLLMENT PREFERENCES

Senate [Bill 793](#) provides two additional enrollment preferences. Both preferences are optional and the charter school’s non-profit board should review the preferences and modify school policies accordingly.

PREFERENCE

1. [G.S. 115C-218.45\(f\)\(3\)](#) amends the policy on preference for children of the non-profit board of directors. The charter school may give enrollment priority to children of the charter school’s board of directors as long as the combination of those students with those of full-time employees do not exceed 15% of the school’s total enrollment.

SINGLE-SEX

2. [G.S. 115C-218.45\(e\)](#) States that a charter school whose mission is single-sex may limit admission on the basis of sex.

MOTOR VEHICLES

In [SB 793](#), [G.S. 20-84\(b\)](#) was amended to permit charter schools to secure permanent plates for motor vehicles owned and operated by the charter school if the following criteria is met:

“A motor vehicle that is owned and exclusively operated by a non profit corporation authorized under [G.S. 115C-218.5](#) to operate a charter school and identified by a permanent decal or painted marking disclosing the name of the nonprofit corporation. The motor vehicle shall only be used for school transportation and official charter school related activities.”

EPINEPHRINE AUTO-INJECTORS ON SCHOOL PROPERTY

Charter school health and safety standards, [G.S. 115C-218.75\(a\)](#) were amended to state:

“The Department of Public Instruction shall ensure that charter schools comply with G.S. 115C-375.2A (listed below). The board of directors of a charter school shall provide the schools with a supply of emergency epinephrine auto-injectors necessary to carry out the provisions of G.S. 115C-375.2A.” This law goes into effect November 1, 2014.

G.S.115C-375.2A. School supply of epinephrine auto-injectors.

- (a) A local board of education shall provide for a supply of emergency epinephrine auto-injectors on school property for use by trained school personnel to provide emergency medical aid to persons suffering from an anaphylactic reaction during the school day and at school-sponsored events on school property. Each school shall store in a secure but unlocked and easily accessible location a minimum of two epinephrine auto-injectors. For purposes of this section, "school property" does not include transportation to or from school.
- (b) For the purposes of this section and G.S. 115C-375.2, "epinephrine auto-injector" means a disposable drug delivery system with a spring-activated, concealed needle that is designed for emergency administration of epinephrine to provide rapid, convenient first aid for persons suffering a potentially fatal reaction to anaphylaxis.
- (c) The principal shall designate one or more school personnel, as part of the medical care program under G.S. 115C-375.1, to receive initial training and annual retraining from a school nurse or qualified representative of the local health department regarding the storage and emergency use of an epinephrine auto-injector. Notwithstanding any other provision of law to the contrary, the school nurse or other designated school personnel who has received training under this subsection shall obtain a non-patient specific prescription for epinephrine auto-injectors from a physician, physician assistant, or nurse practitioner of the local health department serving the area in which the local school administrative unit is located.
- (d) The principal shall collaborate with appropriate school personnel to develop an emergency action plan for the use of epinephrine auto-injectors in an emergency. The plan shall include at least the following components:
 - (1) Standards and procedures for the storage and emergency use of epinephrine auto-injectors by trained school personnel.
 - (2) Training of school personnel in recognizing symptoms of anaphylaxis.
 - (3) Emergency follow-up procedures, including calling emergency services and contacting a student's parent and physician.
 - (4) Instruction and certification in cardiopulmonary resuscitation.
- (e) A supply of emergency epinephrine auto-injectors provided in accordance with this section shall not be used as the sole medication supply for students known to have a medical condition requiring the availability or use of an epinephrine auto-injector. Those students may be authorized to possess and self-administer their medication on school property under G.S. 115C-375.2.
- (f) A local board of education, its members, employees, designees, agents, or volunteers, and a physician, physician assistant, or nurse practitioner of the local health department shall not be liable in civil damages to any party for any act authorized by this section or for any omission relating to that act unless that act or omission amounts to gross negligence, wanton conduct, or intentional wrongdoing."

LOCAL FUNDING

SB 793 provided additional provisions for charter schools regarding funding from the local school administrative unit. This section was added to G.S. 115C-218.105(d)(4) and states:

“(4) Any additional records requested by a charter school from the local administrative unit in order for the charter school to audit and verify the calculation and transfer of the per pupil share of the local current expense fund.”

PROPERTY INSURANCE

SB 744 added charter schools to G.S. 115C-533 for the State Board to operate insurance system. More details of this will be coming from DPI. The rewritten text states:

“The State Board of Education shall have the duty to manage and operate a system of insurance for public school property. The State Board may offer a system of property insurance to any charter schools approved pursuant to G.S. 115C-218.5”

OPEN MEETINGS AND PUBLIC RECORDS

The school’s signed Charter Agreement stipulates that the school shall comply with Open Meetings Law and requests for public records. SB 793 further corroborates this requirement and states:

“The charter school and board of directors of the private nonprofit corporation that operates the charter school are subject to the Public Records Act, Chapter 132 of the General Statutes. And the Open Meetings Law, Article 33C of Chapter 143 of the General Statutes. Notwithstanding the requirements of Chapter 132 of the General Statutes, inspection of the charter school personnel records for those employees directly employed by the board of directors of the charter school shall be subject to the requirements of Article 21A of this Chapter.” The CFO of DPI issued a memo dated August 13, 2014 that details requirements from the Charter Agreement.

“The charter school and board of directors of the private nonprofit corporation that operates the charter school shall use the same schedule established by the Department of Cultural Resources for the retention and disposition of records of local school administrative units.”

POLICY AGAINST BULLYING

SB 744 adds a provision regarding charter schools to [G.S. 115C-218.75\(c\)](#) and states:

“A charter school is encouraged to adopt a policy against bullying and harassing behavior, including cyber-bullying, that is consistent with the provisions of Article 29C of this Chapter. If a charter school adopts a policy to prohibit bullying and harassing behavior, the charter school shall, at the beginning of each school year, provide the policy to staff, students, and parents as defined in [G.S. 115C-390.1\(b\)\(8\)](#).”

VIRTUAL CHARTER PILOT PROGRAM

SB 744 creates a virtual charter pilot program for North Carolina. The pilot program is stipulated as:

“SECTION 8.35.(a) Notwithstanding [G.S. 115C-218.5](#) or any other provision of law to the contrary, the State Board of Education shall establish a pilot program to authorize the operation of two virtual charter schools serving students in kindergarten through twelfth grade. The State Board shall establish an application process to allow student enrollment in the selected virtual charter schools beginning with the 2015-2016 school year. A virtual charter school participating in the pilot may serve any grade span of students in kindergarten through twelfth grade. The pilot program shall continue for a period of four school years and shall end with the 2018-2019 school year.

SECTION 8.35.(b) The virtual charter schools participating in the pilot program authorized by this section shall be subject to the statutes and rules applicable to charter schools pursuant to Part 6A of Article 16 of Chapter 115C of the General Statutes, except as follows:

(1) The maximum student enrollment in any participating school shall be no greater than 1,500 in its first year of operation and may increase by twenty percent (20%) for each participating school up to a maximum student enrollment of 2,592 in the fourth year of the pilot. The State Board of Education may waive this maximum student enrollment threshold, beginning in the fourth year of the school's operation, if the State Board determines that doing so would be in the best interest of North Carolina students.

(2) The maximum overall ratio of teachers to students for kindergarten through eighth grade shall be 1:50, and for ninth through twelfth grade shall be 1:150.

(3) A student who regularly fails to participate in courses may be withdrawn from enrollment pursuant to procedures adopted by the virtual charter school. The procedures adopted by the virtual charter school shall ensure that (i) fair notice is provided to the parent and student and (ii) an opportunity is provided, prior to withdrawal of the student by the school, for the student and parent to demonstrate that failure to participate in courses is due to a lawful absence recognized under Part I of Article 26 of Chapter 115C of the General Statutes and any applicable rules adopted by the State Board of Education.

SECTION 8.35.(c) In addition to the operating requirements applicable to a virtual charter school participating in the pilot program pursuant to Part 6A of Article 16 of Chapter 115C of the General Statutes, the following requirements shall apply to a participating virtual charter school:

(1) The school shall maintain an administrative office within North Carolina. In addition, the school shall maintain at least one testing center or meeting place within each of the eight State Board of Education districts where the participating students reside, to allow educators and administrators from the school to meet students and parents.

(2) If the school contracts with a third party for the provision of administrative staff, such staff fulfilling the equivalent positions of superintendent, principal, or business officer shall be residents of North Carolina.

(3) All teaching staff shall carry the appropriate State certification to instruct any course and shall receive professional development in virtual instruction pursuant to the school's application to the State Board of Education to participate in the pilot program within 30 days of the employee's date of hire. At least ninety percent (90%) of the teaching staff shall reside within North Carolina.

(4) The school shall have a withdrawal rate below twenty-five percent (25%). A student enrolled in a school with the intent expressed prior to enrollment of only being enrolled for a finite period of time within the school year shall not be counted in the measured withdrawal rate. The school shall keep a written record of a student's stated intent for finite enrollment. A count of Page 44 S744 [Ratified] school attendance shall be taken at least once during each semester for funding purposes.

(5) The school shall ensure that each student is assigned a learning coach. The learning coach shall provide (i) daily support and supervision of students, (ii) ensure student participation in online lessons, and (iii) coordinate teacher-led instructional sessions and State assessments.

SECTION 8.35.(d) Notwithstanding G.S. 115C-218.1 and G.S. 115C-218.5, a participating virtual charter school that is successful in meeting the requirements of this section and the applicable requirements of Part 6A of Article 16 of Chapter 115C of the General Statutes during the period of the pilot program shall be eligible to be approved by the State Board of Education, at its discretion, without additional application requirements.

SECTION 8.35.(e) The State Board of Education shall provide State funding to a virtual charter school participating in the pilot program as provided 218.105(a)(1) shall not, however, include the allocation for low-wealth counties supplemental funding and the allocation for small county supplemental funding. Virtual charter schools participating in the pilot program shall also be subject to the requirements in G.S. 115C-238.29H (b) through G.S. 115C-218.105(d). The amount of local funds provided to participating schools pursuant to G.S. 115C-218.105(b) shall be the lesser of seven hundred ninety dollars (\$790.00) per pupil or the amount computed in accordance with G.S. 115C-218.105(b).

SECTION 8.35.(f) A participating virtual charter school that does not comply with the provisions of this section may result in deferment or termination of enrollment expansion, or termination of a pilot. Schools are subject to presentation of data to the State Board of Education at the call of the Chair of the State Board with a minimum of 21 days' notice.

SECTION 8.35.(g) The State Board shall report on the initial implementation of the pilot program to the Joint Legislative Education Oversight Committee by November 15, 2016, and on findings from three years of operation of the pilot program by November 15, 2018. At a minimum, the report shall include the following:

- (1) The number of students who have enrolled in courses offered by the schools.
- (2) The number and type of courses offered by the schools.
- (3) The withdrawal rate of students after enrollment.
- (4) Student performance and accountability data.
- (5) Information on the implementation, administration, and funding for the pilot program.
- (6) Recommendations on the modification, continuation, and potential expansion of the program.”

The SBE voted on application, timeline, and process at its September 4, 2014 meeting.

DISSOLUTION OF A CHARTER SCHOOL

SB 744 creates additional stipulations for reserve funds and dissolution of assets for all charter schools in the event of closure. G.S. 115C-218.100 states:

“(a) Funds Reserved for Closure Proceedings. — A charter school shall maintain, for the purpose of ensuring payment of expenses related to closure proceedings in the event of a voluntary or involuntary dissolution of the charter school, one or more of the options set forth in this subsection. The minimum aggregate value of the options chosen by the charter school shall be fifty thousand dollars (\$50,000). The State Board of Education shall not allocate any funds under G.S. 115C-218.105 to a charter school unless the school has provided documentation to the State Board that the charter school has met the requirements of this subsection. Permissible options to satisfy the requirements of this subsection include one or more of the following:

- (1) An escrow account.
- (2) A letter of credit.
- (3) A bond.
- (4) A deed of trust.

(b) Distribution of Assets. — Upon dissolution of a charter school, all net assets of the charter school purchased with public funds shall be deemed the property of the local school administrative unit in which the charter school is located.”

This applies to charter schools that submit applications for an initial charter or the renewal of a charter to the SBE on or after the date this becomes law.

BOARD OF DIRECTORS MEMBERSHIP

SB 793 rewrites G.S.115C-218.1(b)(3) to address the membership of the non-profit board of directors. It states: “A teacher employed by the board of directors to teach in the charter school may serve as a nonvoting member of the board of directors for the charter school.”

FUNDS FOR AP and IB COURSES

SB 744 SECTION 8.27.(e) provides funding for charter schools as follows:

“Beginning with the 2014-2015 school year, the State Board of Education shall use funds allotted in subsection (d) to do all of the following:

- (1) Provide funds to local school administrative units and charter schools to pay testing fees for advanced courses for all students.”

For more information, contact your school’s assigned Office of Charter Schools Consultant(s). A directory of staff can be found at <http://www.ncpublicschools.org/charterschools/consultants/>.