

1 ~~more than 100 schools statewide meet the standards for final approval, the~~ Except as otherwise
2 provided in subsection (b1) of this section, the maximum number of charter schools operating
3 in the State each school year shall consist of six more than operated in the State during the prior
4 school year plus.

5 The State Board shall give priority to applications that are most likely to further State education
6 policies and to strengthen the educational program offered in the local school administrative
7 units in which they are located.

8 (b1) Notwithstanding the maximum set out in subsection (b) of this section, the State
9 Board of Education may authorize:

10 (1) A charter school in any county that does not currently have a charter school;
11 and

12 (2) An additional charter school for at-risk students operated by the board of a
13 high performing charter school.

14"

15 **SECTION 2.** G.S. 115C-238.29C is amended by adding a new subsection to read:

16 "(a1) The chartering entity shall continuously evaluate its process for reviewing
17 applications in an effort to identify the characteristics of charter school founding members,
18 boards, and academic programs that are predictive of later success of charter schools."

19 **SECTION 3.** G.S. 115C-238.29G reads as rewritten:

20 **"§ 115C-238.29G. Causes for nonrenewal or termination; disputes.**

21 (a) The State Board of Education, or a chartering entity subject to the approval of the
22 State Board of Education, may terminate or not renew a charter upon any of the following
23 grounds:

24 (1) Failure to meet the requirements for student performance contained in the
25 charter;

26 (1a) Failure to meet the standards for academic growth and academic
27 performance developed by the State Board of Education in accordance with
28 subsection (a1) of this section.

29 (2) Failure to meet generally accepted standards of fiscal management;

30 (3) Violations of law;

31 (4) Material violation of any of the conditions, standards, or procedures set forth
32 in the charter;

33 (5) Two-thirds of the faculty and instructional support personnel at the school
34 request that the charter be terminated or not renewed; or

35 (6) Other good cause identified.

36 (a1) The State Board of Education shall develop a diagnostic process of oversight to
37 enable a timely response to poor-performing schools. Under this process developed by the State
38 Board, a school that demonstrates low growth in student performance and low student
39 performance shall be reviewed and the results of the review shall determine subsequent action
40 relative to the school. By the end of the second year of operation, the minimum standard for
41 academic growth for a charter school shall be a year's growth in individual student performance
42 in a school year.

43 If the State Board of Education finds that a charter school has failed to meet its projected
44 levels of improvement in student performance or had low levels of student performance for two
45 consecutive years, the State Board shall terminate or fail to renew that charter at the end of the
46 school year in which that finding is made.

47"

48 **SECTION 4.** G.S. 115C-238.29F(g)(5) and (6) read as rewritten:

49 **"§ 115C-238.29F. General requirements.**

50 ...

51 (g) Admission Requirements. –

1 ...
2 (5) A charter school shall not discriminate against any student on the basis of
3 ethnicity, national origin, gender, or disability. Except as otherwise provided
4 by law or the mission of the school as set out in the charter, the school shall
5 not limit admission to students on the basis of intellectual ability, measures
6 of achievement or aptitude, athletic ability, disability, race, creed, gender,
7 national origin, religion, or ancestry. The charter school may give enrollment
8 priority to siblings of currently enrolled students who were admitted to the
9 charter school in a previous-year year, to siblings of students admitted to the
10 charter school for the upcoming year, and to children of the school's
11 principal, teachers, and teacher assistants. In addition, and only for its first
12 year of operation, the charter school may give enrollment priority to children
13 of the initial members of the charter school's board of directors, so long as (i)
14 these children are limited to no more than ten percent (10%) of the school's
15 total enrollment or to 20 students, whichever is less, and (ii) the charter
16 school is not a former public or private school. Within one year after the
17 charter school begins operation, the population of the school shall
18 reasonably ~~reflect~~ reflect, to the extent practicable given the applicant
19 pool, the racial and ethnic composition of the general population residing
20 within the local school administrative unit in which the school is located or
21 the racial and ethnic composition of the special population that the school
22 seeks to serve residing within the local school administrative unit in which
23 the school is located. The school shall be subject to any court-ordered
24 desegregation plan in effect for the local school administrative unit.

25 (6) During each period of enrollment, the charter school shall enroll an eligible
26 student who submits a timely application, unless the number of applications
27 exceeds the capacity of a program, class, grade level, or building. In this
28 case, students shall be accepted by lot. To assist a school in meeting the
29 requirements of subdivision (5) of this subsection regarding the racial and
30 ethnic composition of the school, the school may stratify the lottery by race
31 and ethnicity.

32 Once enrolled, students are not required to reapply in subsequent
33 enrollment periods."

34 **SECTION 5.(a)** G.S. 115C-546.2(d) reads as rewritten:

35 "(d) Monies transferred into the Fund in accordance with Chapter 18C of the General
36 Statutes shall be allocated for capital projects for school construction projects as follows:

37 (1) A sum equal to sixty-five percent (65%) of those monies transferred in
38 accordance with G.S. 18C-164 shall be allocated on a per average daily
39 membership basis according to the average daily membership for the budget
40 year as determined and certified by the State Board of Education. The State
41 Board of Education shall include the average daily membership of each
42 charter school located within a local school administrative unit in its
43 computation of the average daily membership for that local school
44 administrative unit.

45 (2) A sum equal to thirty-five percent (35%) of those monies transferred in
46 accordance with G.S. 18C-164 shall be allocated to those local school
47 administrative units located in whole or part in counties in which the
48 effective county tax rate as a percentage of the State average effective tax
49 rate is greater than one hundred percent (100%), with the following
50 definitions applying to this subdivision:

- 1 a. "Effective county tax rate" means the actual county rate for the
2 previous fiscal year, including any countywide supplemental taxes
3 levied for the benefit of public schools, multiplied by a three-year
4 weighted average of the most recent annual sales assessment ratio
5 studies.
- 6 b. "State average effective tax rate" means the average effective county
7 tax rates for all counties.
- 8 c. "Sales assessment ratio studies" means sales assessment ratio studies
9 performed by the Department of Revenue under G.S. 105-289(h).
- 10 (3) No county shall have to provide matching funds required under subsection
11 (c) of this section.
- 12 (4) A county may use monies in this Fund to pay for school construction
13 projects in local school administrative units and to retire indebtedness
14 incurred for school construction projects incurred on or after January 1,
15 2003.
- 16 (5) A county may not use monies in this Fund to pay for school technology
17 needs.
- 18 (6) Of the funds that a local school administrative unit receives under this
19 subsection, a pro rata share shall be distributed to charter schools based on
20 the ratio that the charter school students in that school administrative unit
21 bear to the total average daily membership of the local school administrative
22 unit. These funds are not subject to a matching requirement and may be used
23 for operating expenses. Expenditure of these funds is subject to the
24 provisions of G.S. 115C-238.29H."

25 **SECTION 5.(b)** G.S. 115C-238.29H(a1) reads as rewritten:

26 "(a1) ~~Funds allocated by the State Board of Education~~ State funds may be used to enter
27 into operational and financing leases for real property or mobile classroom units for use as
28 school facilities for charter schools and may be used for payments on loans made to charter
29 schools for facilities or equipment. However, State funds shall not be used to obtain any other
30 interest in real property or mobile classroom units. No indebtedness of any kind incurred or
31 created by the charter school shall constitute an indebtedness of the State or its political
32 subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith,
33 credit, ~~or taxing power~~ power, or any funds of the State or its political subdivisions. Every
34 contract or lease into which a charter school enters shall include the previous sentence. The
35 school also may own land and buildings it obtains through non-State sources."

36 **SECTION 6.** This act becomes effective July 1, 2009.