



## LEGISLATIVE UPDATE

June 3, 2016

The Senate released its budget proposal late Tuesday night and passed its version of [HB 1030](#) in the wee hours of Friday morning. Thankfully, it includes an *average* 6.5% raise (not across the board) for teachers. Please see the chart of House and Senate proposed teacher salary increases on the next page. The Senate budget also includes one-time bonuses for all Assistant Principals (\$500) and Principals (\$2,000). Eligible school-based administrators would receive an experience-based step increase in addition to the bonus. These figures do not include possible changes made by final-hour amendments. For more information on the budget proposals, visit DPI's Financial and Business Services Office [website](#). You will find comparisons, analyses, and summaries of the current budget proposals.

The following table provides an item-by-item comparison between the House and Senate budget proposals (*not an exhaustive list*):

Budget Item	House	Senate
Central Office funding	No change	(\$5,000,000) R
Textbook and Digital Materials	\$11,670,000 NR	\$39,163 NR
Digital Learning Plan/School Connectivity	\$9,400,000 NR	(\$10,000,000) R
Literacy Coaches	\$25,000,000 R	No change
Reduce class size in grade 2	No change	\$27,146,257 R
Teacher Compensation Model Pilot	\$1,000,000 NR	No change
Cooperative Innovative High Schools	\$2,533,168 R	No change
Department of Public Instruction Cuts	No change	(\$1,940,000) R (\$250,000) NR
Teachers salary increase	\$161,222,806 R	\$280,037,956 R
School-based Administrators step increase	\$10,054,303 R	\$3,612,004 R
School-based Administrators bonus	\$491,890 NR	\$7,000,000 NR
Non-Certified and Central Office staff salary increase	\$28,042,955 R	\$15,000,000 R
Non-Certified and Central Office staff bonus	\$26,665,163 NR	No change
Retirement – LEA	\$71,470,927 R	\$18,594,062 R
Health – LEA	\$28,725,195 R	No change
Transportation (via Lottery)	No change	(\$50,000,000) R

## House & Senate Proposed Teacher Salary Increases

Current		House Proposal			Senate Proposal		
Years	2015-16 Current "A" Salary Schedule	2016-17 Proposed Salary Schedule	Increase with Step	% Increase with Step	2016-17 Proposed Salary Schedule	Increase with Step	% Increase with Step
0	\$35,000	\$35,000			\$35,000		
1	\$35,000	\$35,000	\$0	0.0%	\$35,500	\$500	1.4%
2	\$35,000	\$35,000	\$0	0.0%	\$36,000	\$1,000	2.9%
3	\$35,000	\$35,000	\$0	0.0%	\$36,500	\$1,500	4.3%
4	\$35,000	\$35,000	\$0	0.0%	\$37,000	\$2,000	5.7%
5	\$36,500	\$38,000	\$3,000	8.6%	\$38,250	\$3,250	9.3%
6	\$36,500	\$38,000	\$1,500	4.1%	\$38,750	\$2,250	6.2%
7	\$36,500	\$38,000	\$1,500	4.1%	\$39,250	\$2,750	7.5%
8	\$36,500	\$38,000	\$1,500	4.1%	\$39,750	\$3,250	8.9%
9	\$36,500	\$38,000	\$1,500	4.1%	\$40,250	\$3,750	10.3%
10	\$40,000	\$42,000	\$5,500	15.1%	\$42,500	\$6,000	16.4%
11	\$40,000	\$42,000	\$2,000	5.0%	\$43,000	\$3,000	7.5%
12	\$40,000	\$42,000	\$2,000	5.0%	\$43,500	\$3,500	8.8%
13	\$40,000	\$42,000	\$2,000	5.0%	\$44,000	\$4,000	10.0%
14	\$40,000	\$42,000	\$2,000	5.0%	\$44,500	\$4,500	11.3%
15	\$43,500	\$45,000	\$5,000	12.5%	\$46,750	\$6,750	16.9%
16	\$43,500	\$45,000	\$1,500	3.4%	\$46,750	\$3,250	7.5%
17	\$43,500	\$45,000	\$1,500	3.4%	\$46,750	\$3,250	7.5%
18	\$43,500	\$45,000	\$1,500	3.4%	\$46,750	\$3,250	7.5%
19	\$43,500	\$45,000	\$1,500	3.4%	\$46,750	\$3,250	7.5%
20	\$46,500	\$48,000	\$4,500	10.3%	\$48,250	\$4,750	10.9%
21	\$46,500	\$48,000	\$1,500	3.2%	\$48,250	\$1,750	3.8%
22	\$46,500	\$48,000	\$1,500	3.2%	\$48,250	\$1,750	3.8%
23	\$46,500	\$48,000	\$1,500	3.2%	\$48,250	\$1,750	3.8%
24	\$46,500	\$48,000	\$1,500	3.2%	\$48,250	\$1,750	3.8%
25	\$50,000	\$51,000	\$4,500	9.7%	\$50,000	\$3,500	7.5%
26	\$50,000	\$51,000	\$1,000	2.0%	\$50,000	\$0	0.0%
27	\$50,000	\$51,000	\$1,000	2.0%	\$50,000	\$0	0.0%
28	\$50,000	\$51,000	\$1,000	2.0%	\$50,000	\$0	0.0%
29	\$50,000	\$51,000	\$1,000	2.0%	\$50,000	\$0	0.0%
30	\$50,000	\$51,000	\$1,000	2.0%	\$50,000	\$0	0.0%
31	\$50,000	\$51,000	\$1,000	2.0%	\$50,000	\$0	0.0%
32	\$50,000	\$51,000	\$1,000	2.0%	\$50,000	\$0	0.0%
33	\$50,000	\$51,000	\$1,000	2.0%	\$50,000	\$0	0.0%
34	\$50,000	\$51,000	\$1,000	2.0%	\$50,000	\$0	0.0%
35	\$50,000	\$51,000	\$1,000	2.0%	\$50,000	\$0	0.0%
36	\$50,000	\$51,000	\$1,000	2.0%	\$50,000	\$0	0.0%
37	\$50,000	\$51,000	\$1,000	2.0%	\$50,000	\$0	0.0%
		Bonuses: \$1,000 0-25 years and above Bonus subject to retirement			Bonuses: None		

## **Education-Related Bills**

### **[HB 1080](#)** Achievement School District

This hotly-contested bill passed the House by an eleven-vote margin ([60-49](#)) on Thursday, and it now goes to the Senate. The bill would enact essentially three new education initiatives: 1) an Achievement School District (ASD) beginning with up to 5 of the state's lowest performing elementary schools in 2017-18; 2) an Innovation Zone allowing an LEA that transfers one of its schools to the ASD to have the same exemptions from statute as a charter school, plus other limited flexibilities; 3) a Principal Turnaround Model, newly created under G.S. 115C-105.37B(5), to replace a current principal with a "turnaround" principal on a 5-year contract with "significant compensation and other incentives," and to allow charter-like flexibility in the school with this new principal. The debate on the House floor was vigorous. Advocates for the bill called the ASD model a "rescue" model, touting the innovation and opportunity it will allow students in chronically low-performing schools. When faced with the critics who listed the failures of ASDs in Tennessee, Michigan and New Orleans, etc., proponents of the bill explained that there were sufficient "guardrails" in place unlike the other states' models and that it is worth the risk to experiment and "think outside the box." Opponents of the bill (some who crossed party lines to vote against it), highlighted the work of DPI's District and School Transformation division that, since 2006, has proven sustained academic improvements for students in these low-performing schools. Opponents underscored the new 2015 state law definition of "low-performing schools" that increased the number of such schools from roughly 118 to 581 without any new support structures or state aid for these newly identified schools. The prevailing wisdom in the House, however, was to give this "pilot" a try. Again, read the bill in its entirety and contact your Senator with input, as this bill now goes to the Senate.

### **[SB 867](#)** Protect Students in Schools

On Thursday, the Senate passed SB 867, which would require fingerprint-based criminal background checks for licensure applicants and renewals within public schools. This bill seeks to strengthen our state's ability to oversee such background checks by vesting the responsibility in the State Board of Education under a newly-created statute, G.S. 115C-297.1. The bill also proposes a move to nationwide background checks for licensure applicants in North Carolina public schools. The bill now heads to the House.

### **[HB 657](#)** Math Standard Course of Study Revisions (formerly titled, "Study UNC-Fixed Tuition")

Senate bill sponsors transformed HB 657 into a bill that would revert North Carolina's current high school math standards to the old 2011 math standards. For your convenience (and because this new bill has not been posted on the General Assembly's website yet), please see the link to HB 657 on our original email containing the link to this Update. The new bill was heard for discussion only in the Senate's Education/Higher Education committee on Wednesday, with chairs indicating that the bill would see a committee vote next week.

## [HB 632](#) Student Online Protection Act

HB 632 cleared its final legislative hurdle on Wednesday when the House voted to concur with the Senate's version. As previously reported in past Updates, this bill prevents third-party vendors who contract with public schools from either: 1) releasing personally-identifying student data to other corporations, or 2) using that data for targeted advertising. The bill also requires third-party vendors to delete personally-identifying information within 45 days, if requested by the school or local school board. The bill now awaits the Governor's signature.

## [HB 242](#) Charter School Law Changes (formerly titled "White Collar Investigation")

Senate sponsors made various changes to laws governing charter schools in this other not-yet-publicly-posted bill. Again, please see our original email with a separate link to this new bill. HB 242 directs the State Board of Education to review a charter school's operations once every 10 years (as opposed to the current 5 years) barring special circumstances. Additionally, the bill adds a new provision to when the State Board of Education can approve additional enrollment growth of greater than 20% (under the condition that the actual enrollment is within 10% of the school's maximum authorized enrollment pursuant to current law, G.S. 115C-218.5(e)(1)) as follows:

*(c) For the purposes of calculating actual enrollment and maximum authorized enrollment under subdivision (1) of subsection (b) of this section, if a charter school is pursuing a material revision of enrollment growth based on a proposed capital expansion of the charter school, but fails to meet the requirements of subdivision (1) of subsection (b) of this section, the State Board shall have the discretion to investigate and determine whether subdivision (1) of subsection (b) of this section may be waived to grant the school's material revision request to allow the capital expansion to move forward. In making such a determination, the charter school shall provide the State Board with documentation to show evidence that demonstrates sufficiently in the State Board's discretion all of the following:*

- (1) The requested increase in enrollment growth is within a reasonable margin of the threshold necessary to support the requested material revision.*
- (2) The charter school has secured financing for its proposed capital expansion conditioned on its obtaining the requested material revision of enrollment growth.*

*(d) If a charter school presents evidence of a proposed capital expansion as part of a request for a material revision of enrollment growth under this section that is granted by the State Board, and the charter school is not able to realize that capital expansion within two years of the grant of the material revision, the charter shall reflect the maximum authorized enrollment immediately preceding that material revision.*

It also adds two enrollment priority categories: 1) students who were enrolled in another charter school in North Carolina in the previous year that does not offer the students' next grade levels, and 2) students who were enrolled in another charter school in North Carolina in the previous year that does not offer the students' next grade levels and both schools have enrollment articulation agreements to accept students or are governed by the same board of directors. Charter schools would also be included in the identification of low-performing schools. Another provision states that charter schools would have the opportunity to become Cooperative Innovative High Schools. The Senate Education/Higher Education committee heard the bill on Wednesday for discussion only, with a committee vote expected next week.

## House Health Care Committee Medicaid Reform Waiver

On Wednesday, this committee held a high level overview of the Medicaid Waiver Application that NC submitted to the federal Centers for Medicare and Medicaid Services (CMS) this week. The Secretary for DHHS presented the major points and took questions that revolved around the potential \$400 million in savings that could be realized by moving to a capitated system and refocusing on incenting wellness rather than paying for procedures. There was also a fair amount of comment on having sufficient providers both statewide and within the region/service areas so that there will be some potential for both competition and comparison of outcomes. There was also anticipation that these changes may place NC in the forefront of new ways to manage Medicaid while supporting health outcomes and meeting the needs of citizens.

### **Other Relevant Bills with Action This Week:**

1. [HB 169](#) Regulatory Reduction Act of 2016
  - Withdrawn from Senate Calendar and referred to Senate Committee on Rules and Operations
2. [HB 474](#) Exclude Yr-Round Track-Out Program/Child Care
  - Signed by the Governor
  - Session Law - Ch. SL 2016-7
3. [HB 632](#) ([SB 534](#)) Student Online Protection Act
  - House passed Senate version, sent to the Governor
4. [HB 1030](#) 2016 Appropriations Act
  - [Money Report](#)
  - Amended version passed the Senate, sent to the House for concurrence.
5. [HB 1126](#) Red Light Cameras/City of Greenville
  - Placed on House Calendar for Monday, June 6
6. [HB 1134](#) Admin. Changes Retirement System/Treasurer
  - Referred to House Committee on Appropriations
7. [HB 1137](#) Treasurer's 2016 Investment Admin. Changes.-AB
  - Passed the House, sent to the Senate
  - Referred to Senate Committee on Pensions & Retirement and Aging
8. [SB 575](#) NC/SC Original Boundary Confirmation
  - Referred to House Committee on Finance
9. [SB 726](#) Internal Revenue Code (IRC) Update
  - Signed by the Governor
  - Session Law - Ch. SL 2016-6

10. [SB 727](#) Moore County Local Sales Tax Use Restriction
  - Passed the Senate, sent to the House
11. [SB 792](#) ([HB 1036](#)) State IT Contracts/Contractor Liability
  - Referred to House Judiciary I (SB 792)
  - Referred to House Judiciary I (HB 1036)
12. [SB 818](#) Increase the Zero Tax Bracket
  - Referred to House Committee on Appropriations, if favorable, House Committee on Finance, if favorable, House Committee on Rules
13. [SB 838](#) ([HB 968](#)) Medicaid Transformation Modifications
  - Senate did not concur with House version, [Conference Committee](#) appointed (SB 838)
14. [SB 881](#) Union County School Funding
  - Placed on Senate Calendar for Monday, June 6

### **Committee Meetings/Session: June 6 – June 9**

#### Monday, June 6

- 4:00 PM House Committee on Ethics, 415 LOB
  - HB 1055 State Ethics Comm. Revisions
- 7:00 PM House Session
- 7:00 PM Senate Session

#### Tuesday, June 7:

- 1:00 PM House Committee on Judiciary II, 421 LOB
- 1:00 PM House Committee on Elections, 544 LOB
  - HB 1133 Partisan Election/Transylvania Bd. of Ed.

#### Wednesday, June 8:

- 10:00 AM House Committee on Judiciary IV, 1228/1327 LB
  - HB 1062 Fiduciary Access to Digital Assets
- 12:30 PM House Committee on Judiciary III, 1228/1327 LB
  - HB 1043 Zip Line and Challenge Course Safety Act

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GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE BILL 242  
Committee Substitute Favorable 3/24/15  
Third Edition Engrossed 3/26/15  
PROPOSED SENATE COMMITTEE SUBSTITUTE H242-CSRQ-30 [v.5]  
05/31/2016 10:00:56 AM

Short Title: Various Charter School Law Changes.

(Public)

Sponsors:

Referred to:

March 17, 2015

A BILL TO BE ENTITLED

AN ACT TO MAKE VARIOUS CHANGES TO THE CHARTER SCHOOL STATUTES; TO INCLUDE CHARTER SCHOOLS IN THE DEFINITIONS OF LOW-PERFORMING AND CONTINUALLY LOW-PERFORMING SCHOOLS; TO ALLOW CHARTER SCHOOLS TO BE COOPERATIVE AND INNOVATIVE HIGH SCHOOLS; AND TO EXEMPT CHARTER DENIALS AND NON-RENEWALS FROM THE CONTESTED CASE PROVISIONS OF THE ADMINISTRATIVE PROCEDURE ACT.

The General Assembly of North Carolina enacts:

PART I. CHARTER SCHOOL LAW CHANGES

SECTION 1.1. G.S. 115C-218.5 reads as rewritten:

"§ 115C-218.5. Final approval of applications for charter schools.

- (a) The State Board may grant final approval of an application if it finds the following:
- (1) The application meets the requirements set out in this Article and such other requirements as may be adopted by the State Board of Education.
  - (2) The applicant has the ability to operate the school and would be likely to operate the school in an educationally and economically sound manner.
  - (3) Granting the application would achieve one or more of the purposes set out in G.S. 115C-218.

In reviewing applications for the establishment of charter schools within a local school administrative unit, the State Board is encouraged to give preference to applications that demonstrate the capability to provide comprehensive learning experiences to students identified by the applicants as at risk of academic failure.

(b) The State Board shall make final decisions on the approval or denial of applications by August 15 of a calendar year on all applications it receives prior to a date established by the Office of Charter Schools for receipt of applications in that application cycle. The State Board may make the final decision for approval contingent upon the successful completion of a planning period prior to enrollment of students.

(c) The State Board of Education may authorize a school before the applicant has secured its space, equipment, facilities, and personnel if the applicant indicates the authority is necessary for it to raise working capital. The State Board shall not allocate any funds to the school until the school has obtained space.



\* H 2 4 2 - C S R Q - 3 0 \*

1 (d) The State Board of Education may grant the initial charter for a period not to exceed 10  
2 years. ~~The State Board of Education shall renew the charter upon the request of the chartering~~  
3 ~~entity for subsequent periods of 10 years, unless one of the following applies:~~

4 (1) ~~The charter school has not provided financially sound audits for the prior three~~  
5 ~~years.~~

6 (2) ~~The charter school's student academic outcomes for the past three years have~~  
7 ~~not been comparable to the academic outcomes of students in the local school~~  
8 ~~administrative unit in which the charter school is located.~~

9 (3) ~~The charter school is not, at the time of the request for renewal of the charter,~~  
10 ~~substantially in compliance with State law, federal law, the school's own~~  
11 ~~bylaws, or the provisions set forth in its charter granted by the State Board of~~  
12 ~~Education.~~

13 ~~The State Board of Education shall review the operations of each charter school at least once~~  
14 ~~every five years to ensure that the school is meeting the expected academic, financial, and~~  
15 ~~governance standards.~~

16 (e) ~~A material revision of the provisions of a charter application shall be made only upon~~  
17 ~~the approval of the State Board of Education.~~

18 ~~Except as provided in subsection (f) of this section, enrollment growth shall be considered a~~  
19 ~~material revision of the charter application, and the State Board may approve such additional~~  
20 ~~enrollment growth of greater than twenty percent (20%) only if the State Board finds all of the~~  
21 ~~following:~~

22 (1) ~~The actual enrollment of the charter school is within ten percent (10%) of its~~  
23 ~~maximum authorized enrollment.~~

24 (2) ~~The charter school has commitments for ninety percent (90%) of the requested~~  
25 ~~maximum growth.~~

26 (3) ~~The charter school is not currently identified as low performing.~~

27 (4) ~~The charter school meets generally accepted standards of fiscal management.~~

28 (5) ~~The charter school is, at the time of the request for the enrollment increase,~~  
29 ~~substantially in compliance with State law, federal law, the charter school's own~~  
30 ~~bylaws, and the provisions set forth in its charter granted by the State Board.~~

31 (f) ~~It shall not be considered a material revision of a charter application and shall not~~  
32 ~~require prior approval of the State Board for a charter school to do any of the following:~~

33 (1) ~~Increase its enrollment during the charter school's second year of operation and~~  
34 ~~annually thereafter by up to twenty percent (20%) of the school's previous~~  
35 ~~year's enrollment.~~

36 (2) ~~Increase its enrollment during the charter school's second year of operation and~~  
37 ~~annually thereafter in accordance with planned growth as authorized in its~~  
38 ~~charter.~~

39 (3) ~~Expand to offer one grade higher or lower than the charter school currently~~  
40 ~~offers if the charter school has (i) operated for at least three years, (ii) has not~~  
41 ~~been identified as having inadequate performance as provided in~~  
42 ~~G.S.115C-218.95(b), and (iii) has been in financial compliance as required by~~  
43 ~~the State Board of Education."~~

44 **SECTION 1.2.** Article 14A of Chapter 115C of the General Statutes is amended by  
45 adding a new section to read:

46 **"§ 115C-218.6. Review and renewal of charters.**

47 (a) The State Board of Education shall review the operations of each charter school at least  
48 once every ten years to ensure that the school is meeting the expected academic, financial, and  
49 governance standards.

50 (b) The State Board of Education shall renew a charter upon the request of the chartering  
51 entity for subsequent periods of 10 years, unless one of the following applies:

- 1           (1) The charter school has not provided financially sound audits for the prior three  
2           years.
- 3           (2) The charter school's student academic outcomes for the past three years have  
4           not been comparable to the academic outcomes of students in the local school  
5           administrative unit in which the charter school is located.
- 6           (3) The charter school is not, at the time of the request for renewal of the charter,  
7           substantially in compliance with State law, federal law, the school's own  
8           bylaws, or the provisions set forth in its charter granted by the State Board of  
9           Education."

10           SECTION 1.3. Article 14A of Chapter 115C of the General Statutes is amended by  
11 adding a new section to read:

12 **"§ 115C-218.7. Material revisions of charters.**

13           (a) A material revision of the provisions of a charter shall be made only upon the approval  
14 of the State Board of Education.

15           (b) Enrollment growth of greater than twenty percent (20%) shall be considered a material  
16 revision of the charter. The State Board may approve such additional enrollment growth of greater  
17 than twenty percent (20%) only if it finds all of the following:

- 18           (1) The actual enrollment of the charter school is within ten percent (10%) of its  
19 maximum authorized enrollment.
- 20           (2) The charter school has commitments for ninety percent (90%) of the requested  
21 maximum growth.
- 22           (3) The charter school is not currently identified as low-performing.
- 23           (4) The charter school meets generally accepted standards of fiscal management.
- 24           (5) The charter school is, at the time of the request for the enrollment increase,  
25 substantially in compliance with State law, federal law, the charter school's own  
26 bylaws, and the provisions set forth in its charter granted by the State Board.

27           (c) For the purposes of calculating actual enrollment and maximum authorized enrollment  
28 under subdivision (1) of subsection (b) of this section, if a charter school is pursuing a material  
29 revision of enrollment growth based on a proposed capital expansion of the charter school, but  
30 fails to meet the requirements of subdivision (1) of subsection (b) of this section, the State Board  
31 shall have the discretion to investigate and determine whether subdivision (1) of subsection (b) of  
32 this section may be waived to grant the school's material revision request to allow the capital  
33 expansion to move forward. In making such a determination, the charter school shall provide the  
34 State Board with documentation to show evidence that demonstrates sufficiently in the State  
35 Board's discretion all of the following:

- 36           (1) The requested increase in enrollment growth is within a reasonable margin of  
37 the threshold necessary to support the requested material revision.
- 38           (2) The charter school has secured financing for its proposed capital expansion  
39 conditioned on its obtaining the requested material revision of enrollment  
40 growth.

41           (d) If a charter school presents evidence of a proposed capital expansion as part of a  
42 request for a material revision of enrollment growth under this section that is granted by the State  
43 Board, and the charter school is not able to realize that capital expansion within two years of the  
44 grant of the material revision, the charter shall reflect the maximum authorized enrollment  
45 immediately preceding that material revision."

46           SECTION 1.4. Article 14A of Chapter 115C of the General Statutes is amended by  
47 adding a new section to read:

48 **"§ 115C-218.8. Non-material revisions of charters.**

49           It shall not be considered a material revision of a charter and shall not require prior approval of  
50 the State Board for a charter school to do any of the following:

- 1       (a) Increase its enrollment during the charter school's second year of operation and  
 2       annually thereafter by up to twenty percent (20%) of the school's previous year's  
 3       enrollment.  
 4       (b) Increase its enrollment during the charter school's second year of operation and  
 5       annually thereafter in accordance with planned growth as authorized in its charter.  
 6       (c) Expand to offer one grade higher or lower than the charter school currently offers if the  
 7       charter school has (i) operated for at least three years, (ii) has not been identified as a  
 8       continually low-performing school, and (iii) has been in financial compliance as  
 9       required by the State Board of Education."

10       **SECTION 1.5.** G.S. 115C-218.45(f) reads as rewritten:

- 11       "(f) The charter school may give enrollment priority to any of the following:  
 12       (1) Siblings of currently enrolled students who were admitted to the charter school  
 13       in a previous year. For the purposes of this section, the term "siblings" includes  
 14       any of the following who reside in the same household: half siblings,  
 15       stepsiblings, and children residing in a family foster home.  
 16       (2) Siblings of students who have completed the highest grade level offered by that  
 17       school and who were enrolled in at least four grade levels offered by the charter  
 18       school or, if less than four grades are offered, in the maximum number of  
 19       grades offered by the charter school.  
 20       (3) Limited to no more than fifteen percent (15%) of the school's total enrollment,  
 21       unless granted a waiver by the State Board of Education, the following:  
 22       a. Children of the school's full-time employees.  
 23       b. Children of the charter school's board of directors.  
 24       (4) A student who was enrolled in the charter school within the two previous  
 25       school years but left the school (i) to participate in an academic study abroad  
 26       program or a competitive admission residential program or (ii) because of the  
 27       vocational opportunities of the student's parent.  
 28       (5) A student who was enrolled in another charter school in the State in the  
 29       previous school year that does not offer the student's next grade level.  
 30       (6) A student who was enrolled in another charter school in the State in the  
 31       previous school year that does not offer the student's next grade level and both  
 32       of the charter schools have an enrollment articulation agreement to accept  
 33       students or are governed by the same board of directors."

34       **SECTION 1.6.(a)** G.S. 115C-218.95 reads as rewritten:

35       "**§ 115C-218.95. Causes for nonrenewal or termination; disputes.**

36       (a) The State Board of Education may terminate, not renew, or seek applicants to assume  
 37       the charter through a competitive bid process established by the State Board upon any of the  
 38       following grounds:

- 39       (1) Failure to meet the requirements for student performance contained in the  
 40       charter;  
 41       (2) Failure to meet generally accepted standards of fiscal management;  
 42       (3) Violations of law;  
 43       (4) Material violation of any of the conditions, standards, or procedures set forth in  
 44       the charter;  
 45       (5) Two-thirds of the faculty and instructional support personnel at the school  
 46       request that the charter be terminated or not renewed; or  
 47       (6) Other good cause identified.

48       ~~(b) The State Board shall adopt criteria for adequate performance by a charter school and~~  
 49       ~~shall identify charter schools with inadequate performance. The criteria shall include a~~  
 50       ~~requirement that a charter school which demonstrates no growth in student performance and has~~

1 annual performance composites below sixty percent (60%) in any two years in a three year period  
2 is inadequate.

3 (1) ~~If a charter school is inadequate in the first five years of the charter, the charter  
4 school shall develop a strategic plan to meet specific goals for student  
5 performance that are consistent with State Board criteria and the mission  
6 approved in the charter school. The strategic plan shall be reviewed and  
7 approved by the State Board. The State Board is authorized to terminate or not  
8 renew a charter for failure to demonstrate improvement under the strategic plan.~~

9 (2) ~~If a charter school is inadequate and has had a charter for more than five years,  
10 the State Board is authorized to terminate, not renew, or seek applicants to  
11 assume the charter through a competitive bid process established by the State  
12 Board. The State Board shall develop rules on the assumption of a charter by a  
13 new entity that include all aspects of the operations of the charter school,  
14 including the status of the employees. Public assets would transfer to the new  
15 entity and not revert to the local school administrative unit in which the charter  
16 school is located pursuant to G.S. 115C-218.100(b).~~

17 (b1) The State Board of Education shall identify low-performing charter schools on an  
18 annual basis in accordance with G.S. 115C-105.37. The State Board of Education shall identify  
19 continually low-performing charter schools and provide assistance and intervention in accordance  
20 with G.S. 115C-105.37A.

21 If a charter school is continually low-performing, the State Board is authorized to terminate,  
22 not renew, or seek applicants to assume the charter through a competitive bid process established  
23 by the State Board. However, the State Board shall not terminate or not renew the charter of a  
24 continually low-performing charter school solely for its continually low-performing status if the  
25 charter schools academic achievement is comparable to the schools operated by the local school  
26 administrative unit in which the charter school is located or if the charter school has implemented  
27 a strategic improvement plan approved by the State Board and is making measurable progress  
28 toward adequate student performance goals. The State Board shall develop rules on the  
29 assumption of a charter by a new entity that includes all aspects of the operations of the charter  
30 school, including the status of the employees. Public assets shall transfer to the new entity and  
31 shall not revert to the local school administrative unit in which the charter school is located  
32 pursuant to G.S. 115C-218.100(b)."

33 (c) The State Board of Education shall develop and implement a process to address  
34 contractual and other grievances between a charter school and the local board of education during  
35 the time of its charter.

36 (d) The State Board and the charter school are encouraged to make a good-faith attempt to  
37 resolve the differences that may arise between them. They may agree to jointly select a mediator.  
38 The mediator shall act as a neutral facilitator of disclosures of factual information, statements of  
39 positions and contentions, and efforts to negotiate an agreement settling the differences. The  
40 mediator shall, at the request of either the State Board or a charter school, commence a mediation  
41 immediately or within a reasonable period of time. The mediation shall be held in accordance with  
42 rules and standards of conduct adopted under Chapter 7A of the General Statutes governing  
43 mediated settlement conferences but modified as appropriate and suitable to the resolution of the  
44 particular issues in disagreement.

45 Notwithstanding Article 33C of Chapter 143 of the General Statutes, the mediation proceedings  
46 shall be conducted in private. Evidence of statements made and conduct occurring in a mediation  
47 are not subject to discovery and are inadmissible in any court action. However, no evidence  
48 otherwise discoverable is inadmissible merely because it is presented or discussed in a mediation.  
49 The mediator shall not be compelled to testify or produce evidence concerning statements made  
50 and conduct occurring in a mediation in any civil proceeding for any purpose, except disciplinary  
51 hearings before the State Bar or any agency established to enforce standards of conduct for

1 mediators. The mediator may determine that an impasse exists and discontinue the mediation at  
2 any time. The mediator shall not make any recommendations or public statement of findings or  
3 conclusions. The State Board and the charter school shall share equally the mediator's  
4 compensation and expenses. The mediator's compensation shall be determined according to rules  
5 adopted under Chapter 7A of the General Statutes."

6 **SECTION 1.6.(b)** A charter school identified as inadequate that developed and is  
7 following a strategic plan required by G.S. 115C-218.95(b)(1), as repealed by this section, shall  
8 not be required to continue the strategic plan during the 2016-2017 school year and thereafter if  
9 that charter school has not been identified as low-performing under G.S. 115C-105.37.

10 **SECTION 1.7.** G.S. 115C-218.105 reads as rewritten:

11 "(a) The State Board of Education shall allocate to each charter school:

- 12 (1) An amount equal to the average per pupil allocation for average daily  
13 membership from the local school administrative unit allotments in which the  
14 charter school is located for each child attending the charter school except for  
15 the allocation for children with disabilities and for the allocation for children  
16 with limited English proficiency;  
17 (2) An additional amount for each child attending the charter school who is a child  
18 with disabilities; and  
19 (3) An additional amount for children with limited English proficiency attending  
20 the charter school, based on a formula adopted by the State Board.

21 In accordance with ~~G.S. 115C-218.5(d)~~, G.S. 115C-218.7 and G.S. 115C-218.8, the State  
22 Board shall allow for annual adjustments to the amount allocated to a charter school based on its  
23 enrollment growth in school years subsequent to the initial year of operation.

24 In the event a child with disabilities leaves the charter school and enrolls in a public school  
25 during the first 60 school days in the school year, the charter school shall return a pro rata amount  
26 of funds allocated for that child to the State Board, and the State Board shall reallocate those funds  
27 to the local school administrative unit in which the public school is located. In the event a child  
28 with disabilities enrolls in a charter school during the first 60 school days in the school year, the  
29 State Board shall allocate to the charter school the pro rata amount of additional funds for children  
30 with disabilities.

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

41 (c) If a student attends a charter school, the local school administrative unit in which the  
42 child resides shall transfer to the charter school an amount equal to the per pupil share of the local  
43 current expense fund of the local school administrative unit for the fiscal year. The per pupil share  
44 of the local current expense fund shall be transferred to the charter school within 30 days of the  
45 receipt of monies into the local current expense fund. The local school administrative unit and  
46 charter school may use the process for mediation of differences between the State Board and a  
47 charter school provided in G.S. 115C-218.95(d) to resolve differences on calculation and  
48 transference of the per pupil share of the local current expense fund. The amount transferred under  
49 this subsection that consists of revenue derived from supplemental taxes shall be transferred only  
50 to a charter school located in the tax district for which these taxes are levied and in which the  
51 student resides.

1 (d) The local school administrative unit shall also provide each charter school to which it  
2 transfers a per pupil share of its local current expense fund with all of the following information  
3 within the 30-day time period provided in subsection (c) of this section:

- 4 (1) The total amount of monies the local school administrative unit has in each of  
5 the funds listed in G.S. 115C-426(c).  
6 (2) The student membership numbers used to calculate the per pupil share of the  
7 local current expense fund.  
8 (3) How the per pupil share of the local current expense fund was calculated.  
9 (4) Any additional records requested by a charter school from the local school  
10 administrative unit in order for the charter school to audit and verify the  
11 calculation and transfer of the per pupil share of the local current expense fund.

12 In addition, the local school administrative unit shall provide to the State Board of Education all of  
13 the information required by this subsection for each charter school to which it transfers a per pupil  
14 share of its local current expense fund. This information shall be provided to the State Board of  
15 Education by November 1 of each year. The State Board shall adopt a policy to govern the  
16 collection of this information. The State Board shall issue a letter of non-compliance to a local  
17 school administrative unit that does not provide the State Board with the information required by  
18 this subsection."

19 (e) Prior to commencing an action under subsection (c) of this section, the complaining  
20 party shall give the other party 15 days' written notice of the alleged violation. The court shall  
21 award the prevailing party reasonable attorneys' fees and costs incurred in an action under  
22 subsection (c) of this section. The court shall order any delinquent funds, costs, fees, and interest  
23 to be paid in equal monthly installments and shall establish a time for payment in full that shall be  
24 no later than one year from the entry of any judgment."  
25

## 26 PART II. CHARTER SCHOOLS INCLUDED IN LOW-PERFORMING SCHOOLS

27  
28 SECTION 2.1. G.S. 115C-105.37 is amended by adding a new subsection to read:

29 "(c) Charter Schools Included in Identification of Low-Performing Schools. – For the  
30 purposes of this section, "school" includes a charter school as provided in Article 14A of this  
31 Chapter."

32 SECTION 2.2. G.S. 115C-105.37A is amended by adding a new subsection to read:

33 "(d) Charter Schools Included in Definition of Continually Low-Performing Schools. –  
34 For the purposes of this section, "school" includes a charter school as provided in Article 14A of  
35 this Chapter."

36 SECTION 2.3. G.S. 115C-105.38 is amended by adding a new subsection to read:

37 "(e) For the purposes of this section, "school" includes a charter school as provided in  
38 Article 14A of this Chapter."

## 39 40 PART III. CHARTER SCHOOLS MAY BECOME COOPERATIVE INNOVATIVE 41 HIGH SCHOOLS

42  
43 SECTION 3.1. Article 14A of Chapter 115C of the General Statutes is amended by  
44 adding a new section to read:

45 "§ 115C-218.12. Operation of a cooperative innovative high school.

46 The board of directors of a charter school may seek to establish a cooperative innovative high  
47 school under Part 9 of Article 16 of this Chapter. Notwithstanding any other provision of law, a  
48 charter school that is approved as a cooperative innovative high school shall also be subject to the  
49 statutes and rules applicable to those schools."

50 SECTION 3.2. G.S. 115C-238.50A(3a) reads as rewritten:

1           "(3a) Local board of education. – A local board as defined in ~~G.S. 115C-5(5)~~G.S.  
2           115C-5(5), a board of directors of a charter school as provided in G.S. 115C-  
3           218.15, or a regional school board of directors as defined in G.S.  
4           115C-238.61(5)."

5           **SECTION 3.3.** G.S. 115C-238.53(f) reads as rewritten:

6           "(f) Except as provided in this Part and under the terms of the agreement, cooperative  
7 innovative high schools:

8           (1) Shall have the same exemptions from statutes and rules as charter schools  
9 operating under Article 14A of this Chapter, ~~other than those pertaining to~~  
10 ~~personnel~~except that a local board of education shall not be exempt from  
11 applicable statutes and rules pertaining to its personnel.

12           ...."

13  
14 **PART IV. EXEMPTION FROM CONTESTED CASE PROVISIONS OF THE**  
15 **ADMINISTRATIVE PROCEDURE ACT**

16  
17 **SECTION 4.** G.S. 150B-1(e) is amended by adding a new subdivision to read:

18           "(24) The State Board of Education with respect to the denial of an application for a  
19 charter school under G.S. 115C-218.5, or the nonrenewal of a charter school  
20 under G.S. 115C-218.6."

21  
22 **PART V: FAST TRACK CHARTER APPLICATION TIMELINES**

23           **SECTION 5.** Section 6.5 of S.L. 2014-101 reads as rewritten:

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

32           (1) A charter school in this State governed by the board of directors has student  
33 academic outcomes that are comparable to the academic outcomes of students  
34 in the local school administrative unit in which the charter school is located and  
35 can provide three years of financially sound audits.

36           (2) The board of directors agrees to contract with an education management  
37 organization or charter management organization that can demonstrate that it  
38 can replicate high-quality charter schools in the State that have proven student  
39 academic success and financial soundness.

40 The State Board of Education shall ensure that the rules for a fast-track replication process provide  
41 that decisions by the State Board of Education on whether to grant a charter through the  
42 replication process are completed in less than ~~150 days~~90 days from the application submission  
43 date. The State Board shall provide a decision no later than September 30 of the year immediately  
44 preceding the year of the proposed school opening. The State Board of Education shall adopt rules  
45 and procedures required by this section by ~~December 15, 2014~~within 90 days of the effective date  
46 of this act, and report to the Joint Legislative Education Oversight Committee by ~~February 15,~~  
47 ~~2015~~within 120 of the effective date of this act."

## PART VI. CONFORMING CHANGES

SECTION 6.1. G.S. 115C-12(22)b.5. reads as rewritten:

"5. The number of teachers who left employment in hard-to-staff schools. A hard-to-staff school shall be any school in a local school administrative unit identified as low-performing, as provided in G.S. 115C-105.37."

SECTION 6.2. G.S. 115C-325(q) reads as rewritten:

"(q) Procedure for Dismissal of School Administrators and Teachers Employed in ~~Low-Performing Schools~~ Schools in Local School Administrative Units –

(1) Notwithstanding any other provision of this section or any other law, this subdivision governs the State Board's dismissal of principals assigned to low-performing schools in local school administrative units to which the Board has assigned an assistance team:

...

(2) Notwithstanding any other provision of this section or any other law, this subdivision shall govern the State Board's dismissal of teachers, assistant principals, directors, and supervisors assigned to schools in local school administrative units that the State Board has identified as low-performing and to which the State Board has assigned an assistance team under Article 8B of this Chapter. The State Board shall dismiss a teacher, assistant principal, director, or supervisor when the State Board receives two consecutive evaluations that include written findings and recommendations regarding that person's inadequate performance from the assistance team. These findings and recommendations shall be substantial evidence of the inadequate performance of the teacher or school administrator.

(3) The State Board of Education or a local board may terminate the contract of a school administrator dismissed under this subsection. Nothing in this subsection shall prevent a local board from refusing to renew the contract of any person employed in a school in a local school administrative unit identified as low-performing under G.S. 115C-105.37.

...."

SECTION 6.3. G.S. 115C-325.13(a) reads as rewritten:

"(a) Notwithstanding any other provision of this Part or any other law, this section shall govern the State Board's dismissal of teachers, assistant principals, directors, and supervisors assigned to schools in local school administrative units that the State Board has identified as low-performing and to which the State Board has assigned an assistance team under Article 8B of this Chapter. The State Board shall dismiss a teacher, assistant principal, director, or supervisor when the State Board receives two consecutive evaluations that include written findings and recommendations regarding that person's inadequate performance from the assistance team. These findings and recommendations shall be substantial evidence of the inadequate performance of the teacher, assistant principal, director, or supervisor."

SECTION 6.4. G.S. 135-5.3(b7) reads as rewritten:

"(b7) The Board of Trustees may grant final approval of the application if it finds the following:

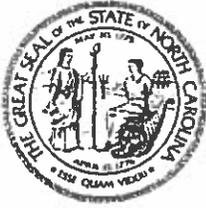
(1) The application meets the requirements set out in this Article.

(2) All members of the board of directors of the charter school have signed a written statement acknowledging and accepting the estimate provided under subsection (b5) of this section and the provisions of G.S. 135-8(i).

- 1           (3)    The charter school has not been identified as ~~inadequate~~ continually low-  
2           performing by the State Board of Education as provided in ~~G.S.~~  
3           ~~115C-218.95(b)~~; G.S. 115C-218.95(b1).  
4           (4)    The charter school's most recent audited financial statements and independent  
5           audit report demonstrate that it is financially sound and can meet the financial  
6           obligations of participation in the Retirement System."  
7  
8

9   **PART VII. EFFECTIVE DATE**

10           **SECTION 7.** Section 5 of this act is effective when it becomes law and applies  
11 beginning with applications submitted for fast-track replication of schools opening in the 2017-  
12 2018 school year. The remainder of this act becomes effective when it becomes law and applies  
13 beginning with the 2016-2017 school year. Section 4 of this act applies to charter applications and  
14 charter renewal applications on or after that date.  
15



# HOUSE BILL 242: Various Charter School Law Changes.

2016-2017 General Assembly

<b>Committee:</b>	Senate Rules and Operations of the Senate	<b>Date:</b>	June 1, 2016
<b>Introduced by:</b>	Reps. Faircloth, Stam	<b>Prepared by:</b>	Drupti Chauhan and Kara McCraw
<b>Analysis of:</b>	PCS to Third Edition H242-CSRQ-30		Committee Co-Counsel

**SUMMARY:** *The Proposed Committee Substitute (PCS) for HB 242 removes all of the content of the bill and replaces it with changes to various charter school laws.*

### SECTION 1.1

**CURRENT LAW:** G.S. 115C-218.5 contains all of the following:

- The process for final approval of initial applications for charter schools.
- The process for charter reviews and renewals.
- Material revisions of charters.
- Non-material revisions of charters.

**BILL ANALYSIS:** This section of the PCS deletes the provisions on the process for charter reviews and renewals; material revisions of charters; and non-material revisions of charters so that each of those items can be set out in new individual statutes.

### SECTION 1.2 – Review and Renewal of Charters

**CURRENT LAW:** G.S. 115C-218.5(d) provides that the State Board of Education (SBE) must review the operations of a charter school at least once every 5 years. The SBE must renew the charter for periods of 10 years unless 1 of the following applies: (i) the charter school has not provided financially sound audits for the past 3 years; (ii) the charter school's student academic outcomes for the past 3 years have not been comparable to the academic outcomes of student in the local school administrative unit in which the charter school is located; or (iii) the charter school is not in substantial compliance with laws, its own bylaws, or the provisions in its charter at the time of the request for the renewal.

**BILL ANALYSIS:** The current law on review and renewals would be set out again in a new separate statute.

The PCS would make one substantive change by directing the SBE to review the operations of a charter once every 10 years.

### SECTION 1.3 – Material Revisions of Charters

**CURRENT LAW:** Material revisions of a charter can only be made upon the approval of the SBE. Enrollment growth greater than 20% is considered a material revision and the SBE may approve this growth only if the SBE finds all of the following:

- The actual enrollment of the charter school is within 10% of its maximum authorized enrollment.
- The charter school has commitments for 90% of the requested maximum growth.
- The charter school is not identified as low-performing.
- The charter school meets generally accepted standards of fiscal management.

Karen Cochrane-Brown  
Director



Legislative Analysis  
Division  
919-733-2578

# House PCS 242

Page 2

- The charter school is substantially in compliance with all laws, its bylaws, and its charter.

**BILL ANALYSIS:** The PCS would provide the SBE with the discretion to waive the requirement that the actual enrollment is within 10% of the maximum authorized enrollment when a charter school is asking for a material revision because of a proposed capital expansion but has not been able to meet that requirement. In this situation, the charter school would have to provide the SBE with the following information:

- The requested increase in enrollment growth is within a reasonable margin of the threshold necessary to support the material revision.
- The charter school has secured financing for its proposed capital expansion conditioned on its obtaining the requested material revision.

If the SBE grants a material revision for enrollment growth based on evidence of a proposed capital expansion and the charter school is not able to realize the capital expansion within 2 years of the grant of the material revision, the charter school would reflect the maximum authorized enrollment that was in place immediately preceding the material revision.

## SECTION 1.4 – Non-Material Revisions of Charters

**CURRENT LAW:** Prior approval of the SBE is not needed and it is not considered a material revision of the charter for a charter school to any of the following:

- Increase its enrollment during the 2nd year of operation and annually thereafter by up to 20% of the school's previous year's enrollment.
- Increase its enrollment during the 2nd year of operation and annually thereafter in accordance with the planned growth authorized in the charter.
- Expand to offer one grade higher or lower than it currently offers if the charter school has operated for at least 3 years, has not been identified as having inadequate performance, and has been in financial compliance.

**BILL ANALYSIS:** The PCS would change the requirement that the charter school "has not been identified as having inadequate performance" to that it "has not been identified as a continually low-performing school".

## SECTION 1.5 – Enrollment Priority

**CURRENT LAW:** Charter schools can give enrollment priority in a number of different situations, including to siblings of currently enrolled students; children of full-time employees; and students who were enrolled at the school within the past 2 years but left for specific reasons such as parental work opportunities.

**BILL ANALYSIS:** The PCS would add 2 more enrollment priority categories:

- Students who were enrolled in another charter school in the State in the previous year that does not offer the students' next grade levels.
- Students who were enrolled in another charter school in the State in the previous year that does not offer the students' next grade levels and both schools have enrollment articulation agreements to accept students or are governed by the same board of directors.

## SECTION 1.6 – Inadequate Performance

**CURRENT LAW:** The SBE must adopt criteria for adequate performance of a charter school and has to identify schools with inadequate performance. The criteria has to include a requirement that a charter school is inadequate if it has no growth in student performance and has annual performance composites below 60% in any 2 years in a 3 year period. If a charter school is inadequate in the first 5 years of its charter, it must develop a plan to meet specific goals for student performance which must also be approved by the SBE. The SBE can terminate or not renew a charter if there is no improvement. If a charter is inadequate and has had a charter for more than 5 years, the SBE can terminate, not renew, or seek applicants to assume the charter.

# House PCS 242

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**BILL ANALYSIS:** The PCS would require the SBE to identify low-performing and continually low-performing charter schools on an annual basis in the same manner as traditional public schools and provide the same assistance and intervention. If a charter school is continually low-performing, the SBE would be able to terminate, not renew, or seek applicants to assume the charter.

However, the SBE cannot terminate or not renew the charter of a continually low-performing school solely because of its continually low-performing status if: (i) the school's academic achievement is comparable to the schools in the local school administrative unit in which the charter school is located; or (ii) the charter has an approved strategic improvement plan and is making measurable progress toward adequate student performance goals.

A school that had been identified as being inadequate and is following a strategic plan would not be required to continue that plan in 2016-2017 if it is not then identified as low-performing.

## **SECTION 1.7 – Information on Per Pupil Shares of Local Current Expense Funds**

**CURRENT LAW:** LEAs must give each charter school to which it transfers a per pupil share of its local current expense fund specific information, including the amount of monies in the LEA's various funds and the student membership numbers used to calculate the per pupil share of the local current expense fund.

**BILL ANALYSIS:** The PCS would require the LEA to provide the SBE with the same information that it provides to the charter schools to which it transfers a per pupil share of its local current expense fund. The SBE would have to adopt a policy on the collection of this information and issues letters of non-compliance if the information is not submitted. This section would also make a conforming change.

## **SECTIONS 2.1-2.3 – Charter Schools Included in Low-Performing Schools**

**BILL ANALYSIS:** The PCS would provide that charter schools are included in the identification of low-performing schools and in the definition of continually low-performing schools.

## **SECTION 3 – Charter Schools May Become Cooperative Innovative High Schools**

**BILL ANALYSIS:** The PCS would allow a charter school to seek to establish a cooperative innovative high school. If the charter school is approved as a cooperative innovative high school, then it would be subject to the statutes and rules applicable to cooperative innovative high schools.

## **SECTION 4 – Exemption from Contested Case Provisions of the Administrative Procedures Act**

**BILL ANALYSIS:** The PCS would provide that the denial of an application or nonrenewal for a charter school would not be subject to the contested case provisions of the Administrative Procedures Act.

## **SECTION 5 – Fast Track Charter Application Timelines**

**CURRENT LAW:** The SBE must have a process and rules for the fast-track replication of high-quality charter schools. The decisions of the SBE on whether to grant a charter through the fast-track replication process must be completed in less than 150 days. In addition, the SBE was required to adopt these rules and procedures by December 15, 2014 and report to the Joint Legislative Education Oversight Committee by February 15, 2015.

**BILL ANALYSIS:** The PCS would provide that the SBE must decide whether to grant a charter through the fast-track replication process in less than 90 days from the application submission date. The SBE must provide a decision no later than September 30 of the year immediately preceding the year of the proposed school opening. The SBE must adopt rules and procedures within 90 days of the effective date of this act and must report to the Joint Legislative Education Oversight Committee within 120 days of the effective date of the act.

## **SECTION 6 – This section makes conforming changes to other statutes.**

**EFFECTIVE DATE:** The bill becomes effective when it becomes law and applies beginning with the 2016-2017 school year. Section 4 applies to charter applications and charter renewals on or after the effective date of the bill. Section 5 applies beginning with applications submitted for fast-track replication of schools opening in the 2017-2018 school year.

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

H

D

HOUSE BILL 657  
Committee Substitute Favorable 4/21/15  
PROPOSED SENATE COMMITTEE SUBSTITUTE H657-CSTW-23 [v.3]

05/31/2016 03:23:54 PM

Short Title: Math Standard Course of Study Revisions.

(Public)

Sponsors:

Referred to:

April 14, 2015

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THE STATE BOARD OF EDUCATION TO MODIFY AND REVISE THE MATHEMATICS STANDARD COURSE OF STUDY IN ORDER TO OFFER THE TRADITIONAL SEQUENCE OF MATHEMATICS COURSES AND TO DISALLOW THE USE OF A CAREER AND TECHNICAL EDUCATION COURSE AS A SUBSTITUTE TO SATISFY A GRADUATION REQUIREMENT FOR A FOURTH CREDIT IN MATHEMATICS.

The General Assembly of North Carolina enacts:

**SECTION 1.** The State Board of Education shall modify the North Carolina Mathematics Standard Course of Study that was adopted by the State Board in June 2010, and implemented beginning with the 2012-2013 school year, to provide that local school administrative units shall only offer the traditional sequence of mathematics courses of (i) Algebra I, (ii) Geometry, and (iii) Algebra II that were effective for the 2011-2012 school year in lieu of Math I, Math II, and Math III. Local school administrative units shall be required to offer course options aligned with the traditional sequence of mathematics courses that were effective for the 2011-2012 school year for students to satisfy the graduation requirement for a fourth credit in mathematics. The State Board shall adopt student assessments consistent with the changes to the North Carolina Mathematics Standard Course of Study required by this section. The changes to the mathematics standard course of study required by this section shall be taught and assessed beginning with the 2016-2017 school year.

**SECTION 2.** The State Board of Education, in conjunction with the State Board of Community Colleges, shall conduct a comprehensive review of the North Carolina Mathematics Standard Course of Study in order to develop a revised mathematics standard course of study. The revised mathematics standard course of study, including student assessments aligned with revisions, shall be implemented beginning with the 2018-2019 school year. The State Board of Education, in conjunction with the State Board of Community Colleges, shall do all of the following in developing revisions to the mathematics standard course of study:

- (1) Maintain the traditional sequence of mathematics courses as required by Section 1 of this act.
- (2) Specifically focus on issues related to remediation in mathematics at the community college and university level.
- (3) Ensure that the process for conducting the review and developing the standard course of study is transparent and that information is made available to the public.



- 1 (4) Involve stakeholders in the process for developing mathematics standards that  
2 meet and reflect North Carolina's priorities and the usefulness of the content  
3 standards, including surveying a representative sample of parents, teachers, and  
4 the public and allowing for public comment opportunities. Where applicable,  
5 information and stakeholder feedback gathered during the review conducted by  
6 the State Board of Education and the Department of Public Instruction of the  
7 North Carolina Mathematics Standard Course of Study that was adopted by the  
8 State Board in June 2010, and implemented beginning with the 2012-2013  
9 school year may be utilized to inform the review process.
- 10 (5) Consider the information gathered by and the recommendations regarding  
11 mathematics standards from the Academic Standards Review Commission,  
12 established under Section 2 of S.L. 2014-78, including the North Carolina  
13 Academic Standards Review Commission's Report of Findings and  
14 Recommendations, published December 31, 2015.
- 15 (6) Ensure that the mathematics standards do all of the following:  
16 a. Increase students' level of academic achievement.  
17 b. Meet and reflect North Carolina's priorities.  
18 c. Are age level and developmentally appropriate.  
19 d. Are understandable to parents and teachers.  
20 e. Are among the highest standards in the nation.

21 **SECTION 3.** In establishing graduation requirements in mathematics to align with the  
22 standard course of study developed Section 2 of this act, the State Board of Education shall not  
23 allow career and technical education courses to be used as substitutions to satisfy the graduation  
24 requirement for a fourth credit in mathematics.

25 **SECTION 4.** By March 15, 2018, the State Board of Education, in conjunction with  
26 the State Board of Community Colleges, shall submit a report to the General Assembly, in  
27 accordance with G.S. 120-29.5, and the Joint Legislative Education Oversight Committee  
28 containing at least the following information:

- 29 (1) A complete copy of the mathematics standard course of study developed in  
30 accordance with this section.
- 31 (2) A document that provides information on all of the differences between the  
32 mathematics standard course of study and the North Carolina Mathematics  
33 Standard Course of Study that was adopted by the State Board in June 2010,  
34 and implemented beginning with the 2012-2013 school year.
- 35 (3) A document that outlines the necessary corresponding changes to student  
36 assessments to align with the mathematics standard course of study.

37 **SECTION 5.** The mathematics standard course of study shall become effective on  
38 June 1, 2018, unless a bill that specifically disapproves the standards is introduced in either house  
39 of the General Assembly before the thirty-first legislative day of the 2018 Regular Session of the  
40 2017 General Assembly. The mathematics standard course of study shall become effective on the  
41 July 1 immediately following the earlier of either the day an unfavorable final action is taken on  
42 the bill or the day that session of the General Assembly adjourns without ratifying a bill that  
43 specifically disapproves the mathematics standard course of study. If the mathematics standard  
44 course of study is specifically disapproved by a bill enacted into law before it becomes effective,  
45 the mathematics standard course of study shall not become effective. For the purposes of this  
46 subsection, a bill specifically disapproves the mathematics standard course of study if it contains a  
47 provision that refers to the mathematics standard course of study and states that the standard  
48 course of study is disapproved. Notwithstanding any rule of either house of the General Assembly,  
49 any member of the General Assembly may introduce a bill during the first 30 legislative days of  
50 the 2018 Regular Session to disapprove the mathematics standard course of study that has been  
51 approved by the State Board and that has not become effective.

1           **SECTION 6.** G.S. 115C-83.15(b) reads as rewritten:

2       "(b) Calculation of the School Achievement Score. – In calculating the overall school  
3 achievement score earned by schools, the State Board of Education shall total the sum of points  
4 earned by a school on all of the following indicators that are measured for that school:

- 5           (1) One point for each percent of students who score at or above proficient on  
6 annual assessments for mathematics in grades three through eight.  
7           (2) One point for each percent of students who score at or above proficient on  
8 annual assessments for reading in grades three through eight.  
9           (3) One point for each percent of students who score at or above proficient on  
10 annual assessments for science in grades five and eight.  
11           (4) One point for each percent of students who score at or above proficient on the  
12 Algebra I-~~or Integrated Math I~~ end of course test.  
13           (5) One point for each percent of students who score at or above proficient on the  
14 English II end of course test.  
15           (6) One point for each percent of students who score at or above proficient on the  
16 Biology end of course test.  
17           (7) One point for each percent of students who complete Algebra II-~~or Integrated~~  
18 ~~Math III~~ with a passing grade.  
19           (8) One point for each percent of students who achieve the minimum score  
20 required for admission into a constituent institution of The University of North  
21 Carolina on a nationally normed test of college readiness.  
22           (9) One point for each percent of students enrolled in Career and Technical  
23 Education courses who meet the standard when scoring at Silver, Gold, or  
24 Platinum levels on a nationally normed test of workplace readiness.  
25           (10) One point for each percent of students who graduate within four years of  
26 entering high school.

27           In calculating the overall school achievement score earned by schools, the State Board  
28 of Education shall (i) use a composite approach to weigh the achievement elements based on the  
29 number of students measured by any given achievement element and (ii) proportionally adjust the  
30 scale to account for the absence of a school achievement element for award of scores to a school  
31 that does not have a measure of one of the school achievement elements annually assessed for the  
32 grades taught at that school. The overall school achievement score shall be translated to a 100  
33 point scale and used for school reporting purposes as provided in G.S. 115C-12(9)c1.,  
34 115C-218.65, and 115C-238.66."

35           **SECTION 7.** Section 6 of this act is effective July 1, 2016, and applies beginning with  
36 the 2016-2017 school year. The remainder of this act becomes effective when it becomes law.



# HOUSE BILL 657: Math Standard Course of Study Revisions.

2016-2017 General Assembly

<b>Committee:</b>	Senate Rules and Operations of the Senate	<b>Date:</b>	June 1, 2016
<b>Introduced by:</b>	Reps. Elmore, Howard	<b>Prepared by:</b>	Kara McCraw and James R. Ritter
<b>Analysis of:</b>	PCS to Second Edition H657-CSRQ-9		Committee Counsel

**SUMMARY:** *The contents on HB 657 that directed the UNC Board of Governors to study a fixed tuition program at constituent institutions are removed entirely and replaced by the Proposed Committee Substitute (PCS) that would require the following:*

- *Local school administrative units (LEAs) to offer the traditional sequence of mathematics courses beginning in 2016-2017.*
- *The State Board of Education (SBE) to review and revise the North Carolina Mathematics Standard Course of Study (MSCOS) for implementation beginning in 2018-2019.*
- *The SBE to disallow a Career and Technical Education course to fulfill a mathematics graduation requirement.*
- *The SBE to submit a report to the Joint Legislative Education Oversight Committee (JLEOC) by March 15, 2018 on the newly developed mathematics standards.*
- *A conforming change to the calculation of the school achievement score to remove references to the courses "Integrated Math I" and "Integrated Math III".*

**CURRENT LAW:** Under G.S. 115C-12(9c) the SBE is required to develop and revise content standards in core areas, such as mathematics, on an on-going basis. The Academic Standards Review Commission, formed under S.L. 2014-78, was required to conduct a comprehensive review of all English and mathematics standards, and report findings to the SBE by December 2015.

**BILL ANALYSIS:** The PCS for HB 657 would make the following changes:

**Section 1** would require the SBE to modify the current MSCOS to provide for LEAs to: (i) only offer the sequence of mathematics courses of Algebra, Geometry, and Algebra II used in 2011-2012, and (ii) offer course options aligned with the sequence of mathematics courses that were effective for the 2011-2012 school year for students to satisfy the graduation requirements for a fourth credit in mathematics. The changes to the MSCOS would be taught and assessed beginning with the 2016-2017 school year.

**Section 2** would require the SBE, in conjunction with the State Board of Community Colleges (SBCC), to conduct a comprehensive review of the MSCOS to develop a revised mathematics standard course of study. The revised mathematics standard course of study (including assessments aligned with revisions) would be implemented beginning with the 2018-2019 school year. The revision process for the MSCOS would require the following:

- Maintaining a traditional sequence of mathematics courses.

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# House PCS 657

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- Focusing on issues related to remediation in mathematics at the community college and university level.
- Ensuring transparency and public information about the review process.
- Involving stakeholders, including surveying a representative sample of parents, teachers, and the public, and allowing public comment. Information and stakeholder feedback from the MSCOS review process may be utilized to inform the review process when applicable.
- Considering the information gathered by and the recommendations regarding mathematics from the Academic Standards Review Commission, including the Commission's 2015 Report.
- Ensuring that mathematics standards do the following: (i) increase students' level of academic achievement, (ii) meet and reflect North Carolina priorities, (iii) are age-level and developmentally appropriate, (iv) are understandable to parents and teachers, and (v) are among the highest standards in the nation.

**Section 3** would prohibit the SBE from allowing career and technical education courses as a substitution to satisfy the graduation requirement for a fourth credit in mathematics.

**Section 4** would direct the SBE in conjunction with the SBCC to report by March 15, 2018 to the JLEOC on the following: (i) a complete copy of the revised MSCOS, (ii) a document contrasting the differences between the revised MSCOS and the MSCOS implemented beginning with the 2012-2013 school year, and (iii) a document that outlines the necessary corresponding changes to student assessments to align with the MSCOS.

**Section 5** The PCS would make the MSCOS effective July 1, 2018 unless a bill that specifically disapproves the MSCOS is introduced in either house of the General Assembly before the 31st legislative day of the 2018 Regular Session of the 2017 General Assembly. The MSCOS would become effective on the July 1 immediately following the earlier of either the day an unfavorable final action is taken on the bill or the day that session of the General Assembly adjourns without ratifying a bill that specifically disapproves the mathematics standard course of study. However, if the MSCOS is specifically disapproved by a bill enacted into law before it becomes effective, the MSCOS would not become effective.

**Section 6** would make a conforming change to the calculation of the school achievement score to remove references to the courses "Integrated Math I" and "Integrated Math III".

**EFFECTIVE DATE:** HB 657 would become effective when it becomes law.

**BACKGROUND:** North Carolina's Standard Course of Study defines the appropriate content standards for each grade level and each high school course to provide a uniform set of learning standards for every public school in North Carolina.

In 2010, the SBE adopted the Common Core State Standards as the model by which school districts and schools are currently required to plan, implement, and monitor K-12 instruction. New Extended Content Standards based on the State Common Core Standards and the State Essential Standards became operational for the 2012-13 school year.

The Academic Standards Review Commission conducted a comprehensive review of all English and mathematics standards and submitted a report with recommendations to the 2016 Session of the 2015 General Assembly. The report recommended a return to the Algebra I, Geometry, and Algebra II sequence of study.