

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 297*

Education/Higher Education Committee Substitute Adopted 4/3/97

Short Title: Amend Charter Sch. Laws.

(Public)

Sponsors:

Referred to: Pensions/Retirement/Insurance.

March 5, 1997

A BILL TO BE ENTITLED

AN ACT TO AMEND THE LAWS GOVERNING CHARTER SCHOOLS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 115C-238.29B reads as rewritten:

"§ 115C-238.29B. Eligible applicants; contents of applications; submission of applications for approval.

(a) Any person, group of persons, or nonprofit corporation seeking to establish a charter school within a local school administrative unit may apply to establish a charter school on behalf of a private nonprofit corporation school. If the applicant seeks to convert a public school to a charter school, the application shall include a statement signed by a majority of the teachers and instructional support personnel currently employed at the school indicating that they favor the conversion and evidence that a significant number of parents of children enrolled in the school favor conversion.

(b) The application shall contain at least the following information:

(1) A description of a program that implements one or more of the purposes in G.S. 115C-238.29A.

(2) A description of student achievement goals for the school's educational program and the method of demonstrating that students have attained the skills and knowledge specified for those student achievement goals.

- 1 (3) The governance structure of the school including the process to be
2 followed by the school to ensure parental involvement. If the applicant
3 seeks to operate the charter school by a board of directors whose
4 members are approved by the State Board of Education, the applicant
5 shall include the names of the proposed initial members of the board of
6 directors.
- 7 (3a) The local school administrative unit in which the school will be located.
- 8 (4) Admission policies and procedures.
- 9 (5) A proposed budget for the school and evidence that the plan for the
10 school is economically sound.
- 11 (6) Requirements and procedures for program and financial audits.
- 12 (7) A description of how the school will comply with G.S. 115C-238.29F.
- 13 (8) Types and amounts of insurance coverage, including bonding insurance
14 for the principal officers of the school, to be obtained by the charter
15 school.
- 16 (9) The term of the contract.
- 17 (10) The qualifications required for individuals employed by the school.
- 18 (11) The procedures by which students can be excluded from the charter
19 school and returned to a public school. Notwithstanding any law to the
20 contrary, any local board may refuse to admit any student who is
21 suspended or expelled from a charter school due to actions that would
22 lead to suspension or expulsion from a public school under G.S. 115C-
23 391 until the period of suspension or expulsion has expired.
- 24 (12) The number of students to be served, which number shall be at least 65,
25 and the minimum number of teachers to be employed at the school,
26 which number shall be at least three. However, the charter school may
27 serve fewer than 65 students or employ fewer than three teachers if the
28 application contains a compelling reason, such as the school would
29 serve a geographically remote and small student population.
- 30 (13) Information regarding the facilities to be used by the school and the
31 manner in which administrative services of the school are to be
32 provided.
- 33 (14) ~~A description of whether the school will operate independently of the~~
34 ~~local board of education or whether it agrees to be subject to some~~
35 ~~supervision and control of its administrative operations by the local~~
36 ~~board of education. In the event the charter school elects to operate~~
37 ~~independently of the local board of education, A statement of whether~~
38 the school will be operated by a nonprofit, tax-exempt corporation or by
39 a board of directors whose members are approved by the State Board of
40 Education. In the event a nonprofit, tax-exempt corporation will operate
41 the charter school, the application must specify which employee
42 benefits will be offered to its employees and how the benefits will be
43 funded.

1 (c) An applicant shall submit the application to a chartering entity for preliminary
2 approval. A chartering entity may be:

- 3 (1) The local board of education of the local school administrative unit in
4 which the charter school will be located;
- 5 (2) The board of trustees of a constituent institution of The University of
6 North Carolina, so long as the constituent institution is involved in the
7 planning, operation, or evaluation of the charter school; or
- 8 (3) The State Board of Education.

9 Regardless of which chartering entity receives the application for preliminary
10 approval, the State Board of Education shall have final approval of the charter school.

11 (c1) Unless an applicant submits its application under subsection (c) of this section
12 to the local board of education of the local school administrative unit in which the charter
13 school will be located, the applicant shall submit a copy of its application to that local
14 board by November 10. The local board may offer any information or comment
15 concerning the application it considers appropriate to the chartering entity. The local
16 board shall deliver this information to the chartering entity no later than January 1 of the
17 next calendar year. The applicant shall not be required to obtain or deliver this
18 information to the chartering entity on behalf of the local board."

19 Section 2. Part 6A of Article 16 of Chapter 115C of the General Statutes is
20 amended by adding the following new section to read:

21 **"§ 115C-238.29C1. Criminal history checks.**

22 (a) As used in this section:

- 23 (1) 'Criminal history' means a county, state, or federal criminal history of
24 conviction of a crime, whether a misdemeanor or a felony, that indicates
25 an individual (i) poses a threat to the physical safety of students or
26 personnel, or (ii) has demonstrated that he or she does not have the
27 integrity or honesty to fulfill his or her duties as the operator of a charter
28 school. These crimes include the following North Carolina crimes
29 contained in any of the following Articles of Chapter 14 of the General
30 Statutes: Article 5A, Endangering Executive and Legislative Officers;
31 Article 6, Homicide; Article 7A, Rape and Kindred Offenses; Article 8,
32 Assaults; Article 10, Kidnapping and Abduction; Article 13, Malicious
33 Injury or Damage by Use of Explosive or Incendiary Device or
34 Material; Article 14, Burglary and Other Housebreakings; Article 15,
35 Arson and Other Burnings; Article 16, Larceny; Article 17, Robbery;
36 Article 18, Embezzlement; Article 19, False Pretense and Cheats;
37 Article 19A, Obtaining Property or Services by False or Fraudulent Use
38 of Credit Device or Other Means; Article 20, Frauds; Article 21,
39 Forgery; Article 26, Offenses Against Public Morality and Decency;
40 Article 26A, Adult Establishments; Article 27, Prostitution; Article 28,
41 Perjury; Article 29, Bribery; Article 31, Misconduct in Public Office;
42 Article 35, Offenses Against the Public Peace; Article 36A, Riots and
43 Civil Disorders; Article 39, Protection of Minors; and Article 60,

1 Computer-Related Crime. These crimes also include possession or sale
2 of drugs in violation of the North Carolina Controlled Substances Act,
3 Article 5 of Chapter 90 of the General Statutes, and alcohol-related
4 offenses such as sale to underage persons in violation of G.S. 18B-302
5 or driving while impaired in violation of G.S. 20-138.1 through G.S. 20-
6 138.5. In addition to the North Carolina crimes listed in this
7 subdivision, such crimes also include similar crimes under federal law
8 or under the laws of other states.

9 (2) 'School personnel' means any:

- 10 a. Employee of a charter school,
11 b. Independent contractor or employee of independent contractor of
12 a charter school if the independent contractor carries out duties
13 customarily performed by school personnel,
14 c. Member of the board of directors of a charter school,
15 whether paid with federal, State, local, or other funds, who has
16 significant access to students or who has responsibility for the fiscal
17 management of a charter school.

18 (b) The State Board of Education shall adopt a policy on whether and under what
19 circumstances school personnel shall be required to be checked for a criminal history.
20 The policy shall not require school personnel to be checked for a criminal history check
21 before preliminary approval is granted under G.S. 115C-238.29B. The Board shall apply
22 its policy uniformly in requiring school personnel to be checked for a criminal history.
23 The Board may grant conditional approval of an application while the Board is checking
24 a person's criminal history and making a decision based on the results of the check.

25 The State Board shall not require school personnel to pay for the criminal history
26 check authorized under this section.

27 (c) The Department of Justice shall provide to the State Board of Education the
28 criminal history from the State and National Repositories of Criminal Histories of any
29 school personnel for which the Board requires a criminal history check. The Board of
30 Education shall require the person to be checked by the Department of Justice to (i) be
31 fingerprinted and to provide any additional information required by the Department of
32 Justice to a person designated by the State Board, or to the local sheriff or the municipal
33 police, whichever is more convenient for the person, and (ii) sign a form consenting to
34 the check of the criminal record and to the use of fingerprints and other identifying
35 information required by the repositories. The State Board shall consider refusal to
36 consent when deciding whether to grant final approval of an application under G.S.
37 115C-238.29D and when making an employment recommendation.

38 The State Board shall not require school personnel to pay for being fingerprinted as
39 authorized under this section.

40 (d) The State Board shall review the criminal history it receives on an individual.
41 The State Board shall determine whether the results of the review indicate that the
42 individual (i) poses a threat to the physical safety of students or personnel, or (ii) has
43 demonstrated that he or she does not have the integrity or honesty to fulfill his or her

1 duties as school personnel and shall use the information when deciding whether to grant
2 final approval of an application for a charter school under G.S. 115C-238.29D and for
3 making an employment recommendation to the charter school. The State Board shall
4 make written findings with regard to how it used the information when deciding whether
5 to grant final approval under G.S. 115C-238.29D and when making an employment
6 recommendation.

7 (e) The State Board shall provide to a person designated by the charter school the
8 criminal history it receives on any person who is, or who is applying for employment as,
9 an employee or independent contractor of the charter school. At the same time, the State
10 Board shall provide to the person designated by the charter school the written findings the
11 Board makes in subsection (d) of this section and its employment recommendation. If
12 the State Board recommends dismissal or nonemployment of any person, the charter
13 school shall dismiss or refuse to employ that person.

14 (f) All the information received by the State Board of Education or the charter
15 school in accordance with subsection (e) of this section through the checking of the
16 criminal history is privileged information and is not a public record but is for the
17 exclusive use of the State Board of Education or the charter school. The State Board of
18 Education or the charter school may destroy the information after it is used for the
19 purposes authorized by this section after one calendar year.

20 (g) There shall be no liability for negligence on the part of the State Board of
21 Education or the charter school, or their employees, arising from any act taken or
22 omission by any of them in carrying out the provisions of this section. The immunity
23 established by this subsection shall not extend to gross negligence, wanton conduct, or
24 intentional wrongdoing that would otherwise be actionable. The immunity established by
25 this subsection shall be deemed to have been waived to the extent of indemnification by
26 insurance, indemnification under Articles 31A and 31B of Chapter 143 of the General
27 Statutes, and to the extent sovereign immunity is waived under the Tort Claims Act, as
28 set forth in Article 31 of Chapter 143 of the General Statutes."

29 Section 3. G.S. 115C-238.29D(d) reads as rewritten:

30 "(d) The State Board of Education may grant a charter for a period not to exceed
31 five years and may renew the charter upon the request of the chartering entity for
32 subsequent periods not to exceed five years each. A material revision of the provisions of
33 a charter application shall be made only upon the approval of the State Board of
34 Education. Nonrenewal of a charter operated by a board of directors whose members are
35 approved by the State Board of Education shall constitute a termination of the board of
36 directors."

37 Section 4. G.S. 115C-238.29E reads as rewritten:

38 "**§ 115C-238.29E. Charter school operation.**

39 (a) A charter school that is approved by the State shall be a public school within
40 the local school administrative unit in which it is located. ~~It~~~~A charter school that~~
41 receives preliminary approval from the local board of education of the local school
42 administrative unit in which the school is located shall be accountable to the local that
43 board of education—for purposes of ensuring compliance with applicable laws and the

1 provisions of its charter. All other charter schools shall be accountable to the State Board
2 of Education for purposes of ensuring compliance with applicable laws and the
3 provisions of their charters.

4 (b) ~~A charter school shall be operated by a private nonprofit corporation that shall~~
5 ~~have received federal tax-exempt status no later than 24 months following final approval~~
6 ~~of the application. in one of the following ways:~~

7 (1) By a private nonprofit corporation that receives federal tax-exempt
8 status no later than 24 months after final approval of the application.

9 (2) By a board of directors whose members are approved by the State Board
10 of Education. The board of directors shall be composed of no more than
11 25 members. The terms of the initial proposed members of the board of
12 directors shall serve terms no longer than the length of the charter
13 granted by the State Board. The terms of subsequent proposed members
14 of the board of directors shall serve terms no longer than five years.
15 Vacancies on the board of directors shall be recommended by the
16 current board of directors and approved by the State Board of
17 Education. The board of directors whose members are approved by the
18 State Board of Education shall have all powers necessary or convenient
19 to carry out and effectuate the purposes and provisions of this Part as
20 well as the obligations and duties imposed on it by the State Board.

21 In the event a charter school receives final approval from the State Board of
22 Education by March 15, 1997, and, in its application, the school agreed to be subject to
23 some supervision and control of its administrative operations by the local board of
24 education, the State Board shall provide the opportunity for the school to be operated by a
25 board of directors whose members are approved by the State Board.

26 (c) ~~A charter school shall operate under a written contract signed by the local board~~
27 ~~of education entity to which the charter school is accountable under subsection (a) of this~~
28 ~~section and the applicant. The contract shall incorporate at a minimum the information~~
29 ~~provided in the application, as modified during the charter approval process, and any~~
30 ~~terms and conditions imposed on the charter school by the State Board of Education.~~

31 ~~If the local board of education does not sign the contract, the State Board may sign on~~
32 ~~behalf of the local board.~~

33 (d) The board of directors of the charter school shall decide matters related to the
34 operation of the school, including budgeting, curriculum, and operating procedures.

35 (e) ~~A charter school shall be located in the local school administrative unit with which it~~
36 ~~signed the contract. Its~~ A charter school's specific location shall not be prescribed or
37 limited by a local board or other authority except a zoning authority. The school may
38 lease space from a local board of education, from a public or private nonsectarian
39 organization, or as is otherwise lawful in the local school administrative unit in which the
40 charter school is located. At the request of the charter school, the local board of
41 education of the local school administrative unit in which the charter school will be
42 located shall lease any available building or land to the charter school unless the board

1 demonstrates that the lease is not economically or practically feasible or that the local
2 board does not have adequate classroom space to meet its enrollment needs.

3 (f) Except as provided in this Part and pursuant to the provisions of its contract, a
4 charter school is exempt from statutes and rules applicable to a local board of education
5 or local school administrative unit."

6 Section 5. G.S. 115C-238.29F reads as rewritten:

7 "**§ 115C-238.29F. General requirements.**

8 (a) Health and Safety Standards. – A charter school shall meet the same health and
9 safety requirements required of a local school administrative unit.

10 (b) School Nonsectarian. – A charter school shall be nonsectarian in its programs,
11 admission policies, employment practices, and all other operations and shall not charge
12 tuition or fees. A charter school shall not be affiliated with a nonpublic sectarian school
13 or a religious institution.

14 (c) Civil Liability and Insurance. –

15 (1) The board of directors of a charter school may sue and be sued. The
16 State Board of Education shall adopt rules to establish reasonable
17 amounts and types of liability insurance that a board of directors shall
18 be required by the contract to obtain. The board of directors shall obtain
19 at least the amount of and types of insurance required by these rules to
20 be included in the contract. The liability in tort of a charter school, the
21 members of its board of directors, its officers, and its employees shall
22 not be covered under the Tort Claims Act, as set out in Article 31 of
23 Chapter 143 of the General Statutes, and the State shall not provide for
24 the defense of any civil or criminal action or proceeding brought against
25 any member of a board of directors, officer, or employee of a charter
26 school. Any sovereign immunity of a charter school, the members of its
27 board of directors, its employees, or its officers, is waived to the extent
28 of indemnification by insurance.

29 (2) No civil liability shall attach to any chartering entity, to the State Board
30 of Education, or to any of their members or employees, individually or
31 collectively, for any acts or omissions of the charter school. ~~In the event~~
32 ~~a charter school has not elected total independence from the local board of~~
33 ~~education under subsection (e) of this section, the immunity established by~~
34 ~~this subsection—~~The immunity established by this subdivision shall be
35 deemed to have been waived to the extent of indemnification by
36 insurance, indemnification under Articles 31A and 31B of Chapter 143
37 of the General Statutes, and to the extent sovereign immunity is waived
38 under the Tort Claims Act, as set forth in Article 31 of Chapter 143 of
39 the General Statutes.

40 (d) Instructional Program. –

41 (1) The school shall provide instruction each year for at least 180 days.

42 (2) The school shall design its programs to at least meet the student
43 performance standards adopted by the State Board of Education and the

- 1 student performance standards contained in the ~~contract with the local~~
2 ~~board of education contract.~~
- 3 (3) A charter school shall conduct the student assessments required for
4 charter schools by the State Board of Education.
- 5 (4) The school shall comply with policies adopted by the State Board of
6 Education for charter schools relating to the education of children with
7 special needs.
- 8 (5) The school is subject to and shall comply with Article 27 of Chapter
9 115C of the General ~~Statutes;~~ Statutes, except that a charter school may
10 also exclude a student from the charter school and return that student to
11 another school in the local school administrative unit in accordance with
12 the terms of its contract.
- 13 (e) Employees. –
- 14 (1) An employee of a charter school is not an employee of the local school
15 administrative unit in which the charter school is located. The charter
16 school's board of directors shall employ and contract with necessary
17 teachers to perform the particular service for which they are employed
18 in the school; at least seventy-five percent (75%) of these teachers in
19 grades kindergarten through five, at least fifty percent (50%) of these
20 teachers in grades six through eight, and at least fifty percent (50%) of
21 these teachers in grades nine through 12 shall hold teacher certificates.
22 The board also may employ necessary employees who are not required
23 to hold teacher certificates to perform duties other than teaching and
24 may contract for other services. The board may discharge teachers and
25 noncertificated employees.
- 26 (2) No local board of education shall require any employee of the local
27 school administrative unit to be employed in a charter school.
- 28 (3) If a teacher employed by a local school administrative unit makes a
29 written request for an extended leave of absence to teach at a charter
30 school, the local school administrative unit shall grant the leave. The
31 local school administrative unit shall grant a leave for any number of
32 years requested by the teacher, shall extend the leave for any number of
33 years requested by the teacher, and shall extend the leave at the teacher's
34 request. The local school administrative unit may require that the
35 request for a leave or extension of leave be made up to 90 days before
36 the teacher would otherwise have to report for duty. A teacher who has
37 career status under G.S. 115C-325 prior to receiving an extended leave
38 of absence to teach at a charter school may return to a public school in
39 the local school administrative unit with career status at the end of the
40 leave of absence or upon the end of employment at the charter school if
41 an appropriate position is available. If an appropriate position is
42 unavailable, the teacher's name shall be placed on a list of available

1 teachers and that teacher shall have priority on all positions for which
2 that teacher is qualified in accordance with G.S. 115C-325(e)(2).

- 3 (4) ~~In the event a charter school, in its application, elects total independence
4 from the local board of education, its employees shall not be deemed to
5 be employees of the local school administrative unit and shall not be
6 entitled to any State-funded employee benefits, including membership
7 in the North Carolina Teachers' and State Employees' Retirement
8 System or the Teachers' and State Employees' Comprehensive Major
9 Medical Plan. In the event a charter school, in its application, agrees to
10 be subject to some supervision and control of its administrative
11 operations by the local board of education, the employees of the charter
12 school will be deemed employees of the local school administrative unit
13 for purposes of providing certain State-funded employee benefits,
14 including membership in the Teachers' and State Employees' Retirement
15 System and the Teachers' and State Employees' Comprehensive Major
16 Medical Plan. The Board of Trustees of the Teachers' and State
17 Employees' Retirement System, in consultation with the State Board of
18 Education, shall determine the degree of supervision and control
19 necessary to qualify the employees of the applicant for membership in
20 the Retirement System. In no event shall anything contained in this Part
21 require the North Carolina Teachers' and State Employees' Retirement
22 System to accept employees of a private employer as members or
23 participants of the System.~~

24 The employees of a charter school operated by a board of directors
25 whose members are approved by the State Board are public employees
26 and are 'teachers' within the meaning of G.S. 135-1(25) to the same
27 extent as if they were employees of a local school administrative unit.
28 Employees of a charter school operated by a nonprofit, tax-exempt
29 corporation are not public employees and are not 'teachers' within the
30 meaning of G.S. 135-1(25).

31 (f) Accountability. –

- 32 (1) The school is subject to the financial audits, the audit procedures, and
33 the audit requirements adopted by the State Board of Education for
34 charter schools.
35 (2) The school shall comply with the reporting requirements established by
36 the State Board of Education in the Uniform Education Reporting
37 System.
38 (3) The school shall report at least annually to the chartering entity and the
39 State Board of Education the information required by the chartering
40 entity or the State Board.

41 (g) Admission Requirements. –

- 42 (1) Any child who is qualified under the laws of this State for admission to
43 a public school is qualified for admission to a charter school.

- 1 (2) No local board of education shall require any student enrolled in the
2 local school administrative unit to attend a charter school.
- 3 (3) Admission to a charter school shall not be determined according to the
4 school attendance area in which a student resides, except that any local
5 school administrative unit in which a public school converts to a charter
6 school shall give admission preference to students who reside within the
7 former attendance area of that school.
- 8 (4) Admission to a charter school shall not be determined according to the
9 local school administrative unit in which a student resides, ~~except that~~
10 ~~the provisions of G.S. 115C-366(d) shall apply to a student who wishes~~
11 ~~to attend a charter school in a county other than the county in which the~~
12 ~~student resides.~~ resides.
- 13 (5) A charter school shall not discriminate against any student on the basis
14 of ethnicity, national origin, gender, or disability. Except as otherwise
15 provided by law or the mission of the school as set out in the contract,
16 the school shall not limit admission to students on the basis of
17 intellectual ability, measures of achievement or aptitude, athletic ability,
18 disability, race, creed, gender, national origin, religion, or ancestry.
19 Within one year after the charter school begins operation, the population
20 of the school shall reasonably reflect the racial and ethnic composition
21 of the general population residing within the local school administrative
22 unit in which the school is located or the racial and ethnic composition
23 of the special population that the school seeks to serve residing within
24 the local school administrative unit in which the school is located. The
25 school shall be subject to any court-ordered desegregation plan in effect
26 for the local school administrative unit.
- 27 (6) The school shall enroll an eligible student who submits a timely
28 application, unless the number of applications exceeds the capacity of a
29 program, class, grade level, or building. In this case, students shall be
30 accepted by lot.
- 31 (7) Notwithstanding any law to the contrary, a charter school may refuse
32 admission to any student who has been expelled or suspended from a
33 public school under G.S. 115C-391 until the period of suspension or
34 expulsion has expired.
- 35 (h) Transportation. – The charter school shall provide transportation for students
36 enrolled at the school who reside in the local school administrative unit in which the
37 school is located. The charter school may provide transportation for students enrolled at
38 the school who reside in different local school administrative units. school. The charter
39 school shall develop a transportation plan so that transportation is not a barrier to any
40 student who resides in the local school administrative unit in which the school is located.
41 The charter school is not required to provide transportation to any student who lives
42 within one and one-half miles of the school. At the request of the charter school and if
43 the local board of the local school administrative unit in which the charter school is

1 located operates a school bus system, then that local board shall contract with the charter
2 school to provide transportation in accordance with the charter school's transportation
3 plan to students who reside in the local school administrative unit and who reside at least
4 one and one-half miles of the charter school. A local board may charge the charter
5 school a reasonable fee that is sufficient to cover the cost of providing this transportation.
6 Furthermore, a local board may refuse to provide transportation under this subsection if it
7 demonstrates there is no available space on buses it intends to operate during the term of
8 the contract or it would not be practically feasible to provide this transportation.

9 (i) Assets. – Upon dissolution of the charter school or upon the nonrenewal of the
10 charter, all net assets of the charter school shall be deemed the property of the local
11 school administrative unit in which the charter school is located."

12 Section 6. G.S. 115C-238.29G reads as rewritten:

13 "**§ 115C-238.29G. Causes for nonrenewal or ~~termination~~-termination; disputes.**

14 (a) The State Board of Education, or a chartering entity subject to the approval of
15 the State Board of Education, may terminate or not renew a contract upon any of the
16 following grounds:

- 17 (1) Failure to meet the requirements for student performance contained in
18 the contract;
- 19 (2) Failure to meet generally accepted standards of fiscal management;
- 20 (3) Violations of law;
- 21 (4) Material violation of any of the conditions, standards, or procedures set
22 forth in the contract;
- 23 (5) Two-thirds of the faculty and instructional support personnel at the
24 school request that the contract be terminated or not renewed; or
- 25 (6) Other good cause identified.

26 (b) The State Board of Education shall develop and implement a process to
27 address contractual and other grievances between a charter school and its chartering ~~entity~~
28 entity, the local board of education, or the State Board during the time of its charter."

29 Section 7. G.S. 115C-238.29H(a) reads as rewritten:

30 "(a) The State Board of Education shall allocate to each charter school (i) an
31 amount equal to the average per pupil allocation for average daily membership from the
32 local school administrative unit allotments in which the charter school is located for each
33 child attending the charter school except for the allocation for children with special needs
34 and (ii) an additional amount for each child attending the charter school who is a child
35 with special needs.

36 Funds allocated by the State Board of Education ~~shall not be used to purchase land or~~
37 ~~buildings.~~ may be used to enter into operational leases for real property or mobile
38 classroom units for use as school facilities for charter schools. However, funds allocated
39 by the State Board of Education shall not be used to obtain any other interest in real
40 property or mobile classroom units. As used in this subsection, the term 'operational
41 leases' is defined according to generally accepted accounting principles. The school may
42 own land and buildings it ~~obtained~~-obtains through non-State sources."

1 Section 8. G.S. 115C-238.29I is amended by adding the following new
2 subsection to read:

3 "(e) Notwithstanding the dates set forth in this Part, the State Board of Education
4 may establish an alternative timeline for the submission of applications, preliminary
5 approvals, criminal record checks, appeals, and final approvals so long as the Board
6 grants final approval by March 15 of each calendar year."

7 Section 9. G.S. 115C-238.29J(a) reads as rewritten:

8 "(a) Local boards of education are authorized and encouraged to provide
9 administrative and evaluative support to charter schools located within their local school
10 administrative units ~~and to contract with those charter schools to provide student transportation~~
11 ~~units."~~

12 Section 10. G.S. 143-291 is amended by adding the following new subsection:

13 "(d) Charter schools as authorized under Part 6A of Article 16 of Chapter 115C of
14 the General Statutes and their boards of directors are not State agencies for purposes of
15 this Article, and their liability in tort is not subject to this Article."

16 Section 11. Article 31A of Chapter 143 of the General Statutes is amended by
17 adding the following new section:

18 **"§ 143-300.4A. Defense of charter school personnel.**

19 Notwithstanding any other provisions of this Article, the State shall not provide the
20 defense of any civil or criminal action or proceeding brought against any member of a
21 board of directors, officer, or employee, individually or collectively, of a charter school
22 authorized under Part 6A of Article 16 of Chapter 115C of the General Statutes."

23 Section 12. Article 31B of Chapter 143 of the General Statutes is amended by
24 adding the following new section:

25 **"§ 143-300.15A. Defense of charter school personnel.**

26 Notwithstanding any other provisions of this Article, the State shall not provide the
27 defense of any civil or criminal action or proceeding brought against any member of a
28 board of directors, officer, or employee, individually or collectively, of a charter school
29 authorized under Part 6A of Article 16 of Chapter 115C of the General Statutes."

30 Section 13. (a) G.S. 150B-21.2(a)(1) shall not apply to proposed rules adopted by
31 the State Board of Education if the proposed rules are directly related to the
32 implementation of this act.

33 (b) Notwithstanding G.S. 150B-21.3(b), a permanent rule that is adopted by the
34 State Board of Education, is approved by the Rules Review Commission, and is directly
35 related to the implementation of this act, shall become effective five business days after
36 the Commission delivers the rule to the Codifier of Rules, unless the rule specifies a later
37 effective date. If the State Board of Education specifies a later effective date, the rule
38 becomes effective upon that date. A permanent rule that is adopted by the State Board of
39 Education that is directly related to the implementation of this act, but is not approved by
40 the Rules Review Commission, shall not become effective.

41 (c) G.S. 150B-21.4(b1) shall not apply to permanent rules the State Board of
42 Education proposes to adopt if those rules are directly related to the implementation of
43 this act.

1 Section 14. Employees of charter schools that are operated by a board of
2 directors whose members are approved by the State Board of Education shall be eligible
3 for participation in the North Carolina Teachers' and State Employees' Retirement System
4 upon the first day of the calendar month following the State's receipt of a favorable letter
5 of determination or ruling from the Internal Revenue Service, United States Department
6 of Treasury, that they are qualified for participation.

7 Section 15. This act is effective when it becomes law.