

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 1012

Short Title: Ban Online For-Profit Charters. (Public)

Sponsors: Senators Chitlik and Applewhite (Primary Sponsors).

Referred to: Rules and Operations of the Senate

May 4, 2026

1 A BILL TO BE ENTITLED
2 AN ACT TO PROHIBIT THE USE OF FOR-PROFIT CHARTER MANAGEMENT
3 COMPANIES, TO REQUIRE STUDENTS THAT ATTEND REMOTE CHARTER
4 ACADEMIES TO COMPLETE STATE-MANDATED ASSESSMENTS IN-PERSON IN
5 THE PRESENCE OF A SOCIAL WORKER, TO LIMIT REMOTE CHARTER
6 ACADEMY CHARTER RENEWAL TERMS TO ONE YEAR, TO REQUIRE YEARLY
7 FINANCIAL AUDITS OF REMOTE CHARTER ACADEMIES, AND TO PROHIBIT
8 THE RENEWAL OF A CHARTER FOR LOW-PERFORMING REMOTE CHARTER
9 ACADEMIES.

10 The General Assembly of North Carolina enacts:

11 **SECTION 1.(a)** Part 2 of Article 14A of Chapter 115C of the General Statutes is
12 amended by adding a new section to read:

13 **"§ 115C-218.92. Nonprofit management organizations.**

14 A charter school shall not be managed by or obtain services from for-profit education
15 management organizations or charter management organizations. Charter schools may be
16 managed by or obtain services from nonprofit education management organizations or charter
17 management organizations."

18 **SECTION 1.(b)** G.S. 115C-218.122(c) reads as rewritten:

19 "(c) A remote charter academy ~~may~~ shall require students to attend in person to fulfill
20 State-mandated student ~~assessments~~ assessments in accordance with G.S. 115C-174.17.

21 (c1) A remote charter academy may conduct optional in-person meetings between students
22 and instructors or parents and instructors at a charter school facility."

23 **SECTION 1.(c)** Part 2 of Article 10A of Chapter 115C of the General Statutes is
24 amended by adding a new section to read:

25 **"§ 115C-174.17. In-person testing for remote charter students.**

26 The Department of Public Instruction shall develop an in-person testing program to enable
27 all students that attend a fully remote charter school to complete all State-mandated assessments
28 in person. As part of the assessment program for remote charter students, the Department shall:

29 (1) Establish at least 10 regional testing centers, spread across the State to ensure
30 all students can report for assessments with minimal travel burdens.

31 (2) Contract for personnel to administer and proctor the assessments. Contract
32 administrators and proctors may be other public school unit employees but
33 shall not be employees of the remote charter school that the students being
34 assessed attend.



1 (3) Hire or contract for a minimum of one social worker to be present at every
2 assessment. Students shall be informed of the availability of social workers at
3 the assessments."

4 **SECTION 1.(d)** G.S. 115C-218.123(b) reads as rewritten:

5 (b) The Review Board shall review and approve a charter or charter modification for the
6 creation of a remote charter academy that meets the requirements established in this Part for a
7 term of ~~five years.~~one year. The Review Board shall approve a minimum of two statewide remote
8 charter academies that meet the qualifications of this Part for operation beginning with the
9 2026-2027 school year and thereafter."

10 **SECTION 1.(e)** G.S. 115C-218.124 reads as rewritten:

11 "**§ 115C-218.124. Operation and renewal of remote charter academies.**

12 ...

13 (b) Each approved remote charter academy shall receive a school code. A nonprofit that
14 has a school code for in-person instruction in addition to a school code for a remote charter
15 academy ~~may provide all financial reporting for both school codes jointly in a form directed by~~
16 ~~the Department of Public Instruction.~~shall provide separate financial reports for each school
17 code. As a condition of renewal, a remote charter academy shall submit with its renewal
18 application a financial audit for the previous year.

19 (c) A nonprofit may apply for renewal of the remote charter academy for additional terms
20 of ~~five years.~~one year. The Review Board shall consider compliance with the requirements of
21 this Part and success of the remote charter academy in the prior five years in determining whether
22 to approve a request for renewal of a remote charter academy.

23 (d) A remote charter academy that is identified as low-performing is not eligible for
24 charter renewal."

25 **SECTION 2.(a)** There is appropriated from the General Fund to the Department of
26 Public Instruction the sum of one hundred thousand dollars (\$100,000) in recurring funds
27 beginning with the 2026-2027 fiscal year for the Department to hire one or more
28 High-Performing Placement Coaches. The purpose of the High-Performing Placement Coaches
29 shall be to counsel and guide families through school transition when a student is attending a
30 remote charter academy that is not renewed as a result of being low-performing.

31 **SECTION 2.(b)** There is appropriated from the General Fund to the Department of
32 Public Instruction the sum of sixty-two thousand dollars (\$62,000) in recurring funds beginning
33 with the 2026-2027 fiscal year for the Department to establish the in-person assessment program
34 as required under G.S. 15C-174.17, as enacted by this act.

35 **SECTION 3.** This act becomes effective July 1, 2026. Section 1(a) of this act applies
36 to contracts entered into on or after July 1, 2026. Sections 1(b) through (e) of this act apply to
37 applications for new charters or renewals submitted on or after July 1, 2026.