

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

**HOUSE BILL 618
RATIFIED BILL**

AN ACT TO CONVERT THE CHARTER SCHOOLS ADVISORY BOARD INTO THE CHARTER SCHOOLS REVIEW BOARD, TO SHIFT THE AUTHORITY TO APPROVE CHARTERS FROM THE STATE BOARD TO THE REVIEW BOARD, AND TO CREATE A RIGHT OF APPEAL TO THE STATE BOARD OF EDUCATION FROM REVIEW BOARD DECISIONS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 115C-218 reads as rewritten:

"§ 115C-218. Purpose of charter schools; role of State Board of Education; establishment of North Carolina Charter Schools Advisory-Review Board and North Carolina Office of Charter Schools.

...

(a1) State Board of Education. – The State Board of Education shall have the following duties regarding charter schools:

- (1) Rulemaking. – To establish all rules for the operation and approval of charter schools. Any rule adopted by the State Board shall first be recommended by the Charter Schools Review Board.
- (2) Funding. – To allocate funds to charter schools.
- (3) Appeals. – To hear appeals from decisions of the Charter Schools Review Board under G.S. 115C-218.9.
- (4) Accountability. – To ensure accountability from charter schools for school finances and student performance.

(b) North Carolina Charter Schools Advisory-Review Board. –

- (1) ~~Advisory-Review Board. – There is created the North Carolina Charter Schools ~~Advisory-Review Board~~, hereinafter referred to in this Article as the ~~Advisory-Review Board~~. The ~~Advisory-Review Board~~ shall be located administratively within the Department of Public Instruction and shall report to the State Board of Education.~~
- (2) Membership. – The State Superintendent of Public Instruction, or the Superintendent's designee, shall be the secretary of the ~~Advisory-Review Board~~ and a nonvoting member. The ~~Advisory-Review Board~~ shall consist of the following 11 voting members:
 - a. Repealed by Session Laws 2016-126, 4th Ex. Sess., s. 17, effective January 1, 2017.
 - b. Four members appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, in accordance with G.S. 120-121.
 - c. Four members appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives, in accordance with G.S. 120-121.



- d. Two members appointed by the State Board of Education who are not current members of the State Board of Education and who are charter school advocates in North Carolina.
 - e. The Lieutenant Governor or the Lieutenant Governor's designee.
- (3) Covered board. – The ~~Advisory Review~~ Board shall be treated as a board for purposes of Chapter 138A of the General Statutes.
- (4) Qualifications of members. – Members appointed to the ~~Advisory Review~~ Board shall collectively possess strong experience and expertise in public and nonprofit governance, management and finance, assessment, curriculum and instruction, public charter schools, and public education law. All appointed members of the ~~Advisory Review~~ Board shall have demonstrated an understanding of and a commitment to charter schools as a strategy for strengthening public education.
- ...
- (6) Presiding officers and quorum. – The ~~Advisory Review~~ Board shall annually elect a chair and a vice-chair from among its membership. The chair shall preside over the ~~Advisory Review~~ Board's meetings. In the absence of the chair, the vice-chair shall preside over the ~~Advisory Review~~ Board's meetings. A majority of the ~~Advisory Review~~ Board constitutes a quorum.
- (7) Meetings. – Meetings of the ~~Advisory Review~~ Board shall be held upon the call of the chair or the vice-chair with the approval of the chair.
- (8) Expenses. – Members of the ~~Advisory Review~~ Board shall be reimbursed for travel and subsistence expenses at the rates allowed to State officers and employees by G.S. 138-6(a).
- (9) Removal. – Any appointed member of the ~~Advisory Review~~ Board may be removed by a vote of at least two-thirds of the members of the ~~Advisory Review~~ Board at any duly held meeting for any cause that renders the member incapable or unfit to discharge the duties of the office.
- (10) Powers and duties. – The ~~Advisory Review~~ Board shall have the following duties:
- a. To make recommendations to the State Board of Education on the adoption of rules regarding all aspects of charter school operation, including time lines, standards, and criteria for acceptance and approval of applications, monitoring of charter schools, and grounds for revocation of charters.
 - b. To review ~~applications and make recommendations to the State Board for final approval of charter applications and approve or deny charter applications, renewals, and revocations.~~
 - c. To make recommendations to the State Board on actions ~~regarding a charter school, including renewals of charters, nonrenewals of charters, and revocations of charters before the State Board on appeal under G.S. 115C-218.9.~~
 - d. To undertake any other duties and responsibilities as assigned by the State Board.
- (11) Duties of the chair of the ~~Advisory Review~~ Board. – In addition to any other duties prescribed in this Article, the chair of the ~~Advisory Review~~ Board, or the chair's designee, shall advocate for the recommendations of the ~~Advisory Review~~ Board at meetings of the State Board ~~upon the request of the State Board.~~
- (c) North Carolina Office of Charter Schools. –
- ...

- (2) Executive Director. – The Executive Director shall report to and serve at the pleasure of the Superintendent of Public Instruction at a salary established by the Superintendent within the funds appropriated for this purpose. The duties of the Executive Director shall include presenting the recommendations and decisions of the Advisory-Review Board at meetings of the State ~~Board upon the request of the State Board~~.
- (3) Powers and duties. – The Office of Charter Schools shall have the following powers and duties:
 - a. Serve as staff to the Advisory-Review Board and fulfill any task and duties assigned to it by the Advisory-Review Board.
 - ...
 - d. Provide or arrange for training for charter schools that have received preliminary approval from the State-Review Board.
 - e. Assist approved charter schools and charter schools seeking approval from the State-Review Board in coordinating services with the Department of Public Instruction.

...."

SECTION 1.(b) G.S. 115C-218.2 reads as rewritten:

"§ 115C-218.2. Opportunity to correct applications; opportunity to address Advisory Review Board.

(a) ~~The State Board of Education and the Advisory-Review Board~~ shall provide timely notification to an applicant of any format issues or incomplete information in the initial application and provide the applicant at least five business days to correct those issues in the initial application. If the applicant submits the corrections within the five business days, equal consideration shall be given to that application.

(b) Before taking action regarding a charter school or charter school applicant, including ~~recommendations on~~ preliminary or final approval of charter applications, renewals of charters, nonrenewals of charters, and revocations of charters, the Advisory-Review Board or a committee of the Advisory-Review Board shall provide an opportunity for the applicant or charter board member to address the Advisory-Review Board or its committee, if present, at a meeting."

SECTION 1.(c) G.S. 115C-218.3 reads as rewritten:

"§ 115C-218.3. Fast-track replication of high-quality charter schools.

Upon recommendations by the Office of Charter Schools and the Charter Schools Advisory Review Board, the State Board of Education shall adopt a process and rules for fast-track replication of high-quality charter schools currently operating in the State. The State Board of Education shall not require a planning year for applicants selected through the fast-track replication process. In addition to the requirements for charter applicants set forth in this Article, the fast-track replication process adopted by the State Board of Education shall, at a minimum, require a board of directors of a charter school to demonstrate one of the following in order to qualify for fast-track replication:

- (1) The board of directors operates charter schools and can demonstrate both of the following:
 - a. The majority of charter schools in this State governed by the board of directors has student academic outcomes from the three prior school years that are equal to or greater than the student academic outcomes in the local school administrative unit in which each charter school is located.
 - b. The board of directors can provide three years of financially sound audits for each school it governs.

- (2) The board of directors agrees to contract with an education management organization or charter management organization that can demonstrate both of the following:
 - a. The majority of the charter schools in this State managed by the organization has student academic outcomes from the three prior school years that are equal to or greater than the student academic outcomes in the local school administrative unit in which each charter school is located.
 - b. The organization can provide three years of financially sound audits for each school it governs.

The State Board of Education shall ensure that the rules for a fast-track replication process provide that decisions by the ~~State Board of Education~~ Review Board on whether to grant a charter through the replication process are completed in less than 120 days from the application submission date. The State Review Board shall provide a decision no later than October 15 of the year immediately preceding the year of the proposed school opening, opening, and any appeal of the Review Board's decision shall be heard and decided no later than December 1 of the same year."

SECTION 1.(d) G.S. 115C-218.5 reads as rewritten:

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

- (a) The ~~State Review 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 Review 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 Review 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 Review 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~~ Review Board 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.

(d) The ~~State Board of Education~~ Review Board may grant the initial charter for a period not to exceed 10 years.

(e), (f) Repealed by Session Laws 2016-79, s. 1.1, effective June 30, 2016, and applicable beginning with the 2016-2017 school year.

(g) A charter school shall be entitled to automatically extend any deadline to begin operations or commence the term of its charter until the next school year if it notifies the ~~State Review Board~~ Review Board by June 30 that it is seeking land use or development approvals for its selected site or facilities or if it is challenging the denial of any requested land use or development approvals. The term of the charter issued by the ~~State Board~~ shall be tolled during the period of any extension or extensions issued under this section."

SECTION 1.(e) G.S. 115C-218.6 reads as rewritten:

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

(a) The ~~State Board of Education~~ Review Board shall review the operations of each charter school at least once prior to the expiration of its charter to ensure that the school is meeting the expected academic, financial, and governance standards.

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

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

If one of the conditions set forth in subdivisions (1) through (3) of this subsection applies, then the ~~State~~ Review Board may renew the charter for a period of less than 10 years or not renew the charter."

SECTION 1.(f) G.S. 115C-218.7 reads as rewritten:

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

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

(b) Enrollment growth of greater than twenty percent (20%) shall be considered a material revision of the charter if the charter is currently identified as low-performing. The ~~State~~ Review Board shall not approve a material revision for enrollment growth of greater than twenty percent (20%) for a charter that is currently identified as low-performing. Enrollment growth of greater than thirty percent (30%) shall be considered a material revision of the charter for any charter school that is not identified as low-performing. The ~~State~~ Review Board may approve such additional enrollment growth of greater than thirty percent (30%) only if it finds all of the following:

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

(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~~ Review 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~~ Review Board with documentation to show evidence that demonstrates sufficiently in the ~~State~~ Review 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 Review 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."

SECTION 1.(g) G.S. 115C-218.8 reads as rewritten:

"§ 115C-218.8. Nonmaterial revisions of charters.

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

- (1) Increase its enrollment during the charter school's second year of operation and annually thereafter in accordance with G.S. 115C-218.7(b).
- (2) Increase its enrollment during the charter school's second year of operation and annually thereafter in accordance with planned growth as authorized in its charter.
- (3) Expand to offer one grade higher or lower than the charter school currently offers if the charter school has (i) operated for at least three years, (ii) has not been identified as continually low-performing as provided in G.S. 115C-218.94, and (iii) has been in financial compliance as required by the rules adopted by the State Board."

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

"§ 115C-218.9. Appeals to the State Board of Education.

(a) An applicant, charter school, or the State Superintendent may appeal a final decision of the Review Board to grant, renew, revoke, or amend a charter by submitting notice to the Chair of the State Board of Education within 10 days of the Review Board's decision. Copies of the notice shall be sent to the Executive Director of the Office of Charter Schools, State Superintendent, the Chair of the Review Board, and the applicant or charter school affected.

(b) The State Board shall review appealed decisions de novo. The party submitting the appeal, and the applicant or charter school affected, may provide any information to the State Board the party believes the Board should consider in reviewing the Review Board's decision.

(c) The State Board shall issue a written decision in any matter appealed under this section within 60 days of the date the notice of appeal was submitted. The State Board of Education has the final decision-making authority on the approval of charter applications, renewals, revocations, and amendments."

SECTION 1.(i) G.S. 115C-218.15 reads as rewritten:

"§ 115C-218.15. Charter school operation.

(a) A charter school that is approved ~~by the State~~ in accordance with this Article shall be a public school within the local school administrative unit in which it is located. All charter schools shall be accountable to the State Board and the Review Board for ensuring compliance with applicable laws and the provisions of their charters.

...

(c) A charter school shall operate under the written charter signed by the ~~State Board and the applicant~~ State Superintendent and the applicant. A charter school is not required to enter into any other contract. The charter shall incorporate the information provided in the application, as modified during the charter approval process, and any terms and conditions imposed on the charter school by the ~~State Board of Education~~ Review Board, or if the approval is granted

through an appeal pursuant to G.S. 115C-218.9, any conditions imposed by the State Board of Education. No other terms may be imposed on the charter school as a condition for receipt of local funds.

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

(e) The board of directors of the private nonprofit corporation operating the charter school may have members who reside outside of the State. However, the State Board of Education may require by ~~policy~~rule that a majority of the board of directors and all officers of the board of directors reside within the State.

...."

SECTION 1.(j) G.S. 115C-218.20(b) reads as rewritten:

"(b) No civil liability shall attach to the State Board of Education, the Charter Schools Review Board, the Superintendent of Public Instruction, or to any of their members or employees, individually or collectively, for any acts or omissions of the charter school."

SECTION 1.(k) G.S. 115C-218.30 reads as rewritten:

"§ 115C-218.30. Accountability; reporting requirements to State Board of Education.

...

(c) The school shall report at least annually to the Review Board and the State Board of Education the information required by rules adopted by the State Board."

SECTION 1.(l) G.S. 115C-218.35(c) reads as rewritten:

"(c) The local board of education shall make a decision on the charter's request to lease a building or land within 90 days of the request. If the local board of education does not make a decision within 90 days of the request of the charter school, the local board of education shall provide a written explanation of its reasons for not acting on the request within the 90-day time period to the North Carolina Charter Schools ~~Advisory~~Review Board and the Joint Legislative Education Oversight Committee."

SECTION 1.(m) G.S. 115C-218.45 reads as rewritten:

"§ 115C-218.45. Admission requirements.

...

(f) The charter school may give enrollment priority to any of the following:

...

(3) Limited to no more than fifteen percent (15%) of the school's total enrollment, unless granted a waiver by the ~~State Board of Education, Review Board,~~ the following:

- a. Children or grandchildren of persons (i) employed full time by the charter school or (ii) working full time in the daily operation of the charter school, including children of persons employed by an education management organization or charter management organization for the charter school.
- b. Children or grandchildren of the charter school's board of directors.

...

(g1) If a procedure for a weighted lottery reflecting the mission of the school has been approved by the ~~State~~Review Board as part of the charter, and a lottery is needed under subsection (h) of this section, the lottery shall be conducted according to the procedure in the charter.

...."

SECTION 1.(n) G.S. 115C-218.90 reads as rewritten:

"§ 115C-218.90. Employment requirements.

(a) Employees. –

...

- (4) The employees of the charter school shall be deemed employees of the local school administrative unit for purposes of providing certain State-funded employee benefits, including membership in the Teachers' and State Employees' Retirement System and the State Health Plan for Teachers and State Employees. The State Board of Education provides funds to charter schools, ~~approves the original members of the boards of directors of the charter schools, has the~~ has final decision-making authority to grant, supervise, and revoke charters, on the approval of charter applications, renewals, revocations, and amendments, and demands full accountability from charter schools for school finances and student performance. Accordingly, it is the determination of the General Assembly that charter schools are public schools and that the employees of charter schools are public school employees. Employees of a charter school whose board of directors elects to become a participating employer under G.S. 135-5.3 are "teachers" for the purpose of membership in the North Carolina Teachers' and State Employees' Retirement System. In no event shall anything contained in this Article require the North Carolina Teachers' and State Employees' Retirement System to accept employees of a private employer as members or participants of the System.

...
(b) Criminal History Checks. –

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

SECTION 1.(o) G.S. 115C-218.95 reads as rewritten:

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

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

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

(b) Repealed by Session Laws 2016-79, s. 1.7(b), effective June 30, 2016, and applicable beginning with the 2016-2017 school year.

(b1) If a charter school is continually low-performing, the ~~State~~ Review Board is authorized to terminate, not renew, or seek applicants to assume the charter through a competitive

bid process established by the State Board. However, the ~~State Review~~ Board shall not terminate or not renew the charter of a continually low-performing charter school solely for its continually low-performing status if the charter school has met growth in each of the immediately preceding three school years or if the charter school has implemented a strategic improvement plan approved by the ~~State Review~~ Board and is making measurable progress toward student performance goals. The State Board shall develop rules on the assumption of a charter by a new entity that includes all aspects of the operations of the charter school, including the status of the employees. Public assets shall transfer to the new entity and shall not revert to the local school administrative unit in which the charter school is located pursuant to G.S. 115C-218.100(b).

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

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

Notwithstanding Article 33C of Chapter 143 of the General Statutes, the mediation proceedings shall be conducted in private. Evidence of statements made and conduct occurring in a mediation are not subject to discovery and are inadmissible in any court action. However, no evidence otherwise discoverable is inadmissible merely because it is presented or discussed in a mediation. The mediator shall not be compelled to testify or produce evidence concerning statements made and conduct occurring in a mediation in any civil proceeding for any purpose, except disciplinary hearings before the State Bar or any agency established to enforce standards of conduct for mediators. The mediator may determine that an impasse exists and discontinue the mediation at any time. The mediator shall not make any recommendations or public statement of findings or conclusions. The ~~State Review~~ Board and the charter school shall share equally the mediator's compensation and expenses. The mediator's compensation shall be determined according to rules adopted under Chapter 7A of the General Statutes."

SECTION 1.(p) G.S. 115C-218.105 reads as rewritten:

"§ 115C-218.105. State and local funds for a charter school.

...

(c4) The local school administrative unit and charter school may use the process for mediation of differences between the ~~State Review~~ Board and a charter school provided in G.S. 115C-218.95(d) to resolve differences on calculation and transference of the per pupil share of the local current expense fund. In the event the local school administrative unit and the charter school disagree on the amount owed to the charter school, the local school administrative unit may delay transfer of the disputed amount but shall not delay the transfer of the undisputed amount. The amount transferred under this subsection that consists of revenue derived from supplemental taxes shall be transferred only to a charter school located in the tax district for which these taxes are levied and in which the student resides.

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

(1) The total amount of monies the local school administrative unit has in each of the funds listed in G.S. 115C-426(c).

- (2) The student membership numbers used to calculate the per pupil share of the local current expense fund.
- (3) How the per pupil share of the local current expense fund was calculated.
- (4) Any additional records requested by a charter school from the local school administrative unit in order for the charter school to audit and verify the calculation and transfer of the per pupil share of the local current expense fund.

In addition, the local school administrative unit shall provide to the State Board of Education and the Review Board all of the information required by this subsection for each charter school to which it transfers a per pupil share of its local current expense fund. This information shall be provided to the State Board of Education by November 1 of each year. The State Board shall adopt ~~a policy~~ rules, as recommended by the Review Board, to govern the collection of this information. The State Board shall issue a letter of noncompliance to a local school administrative unit that does not provide the State Board and Review Board with the information required by this subsection.

...

(h) Notwithstanding G.S. 115C-218.15(b) and solely with respect to the North Carolina Medicaid program, a charter school that is approved ~~by the State~~ in accordance with this Article as a public school pursuant to this Article shall be deemed a local government entity that is responsible, or assumes responsibility, either directly or indirectly through an agency or other political subdivision, for the payment of the nonfederal share for reimbursable medical services, if any, provided by the charter school. The nonfederal share shall consist exclusively of public funds. For purposes of this subsection, "reimbursable medical services" means services, including administrative activities related to those services, that are medically necessary and for which federal payment is available under the North Carolina Medicaid Program established under Part 6 of Article 2 of Chapter 108A of the General Statutes. For the purposes of this subsection, "nonfederal share" means the share of expenditures for the reimbursable medical services that draws down federal financial participation."

SECTION 1.(q) G.S. 115C-218.110(a) reads as rewritten:

"(a) The ~~State Board of Education~~ Charter Schools Review Board shall distribute information announcing the availability of the charter school process described in this Article to each local school administrative unit and public postsecondary educational institution and, through press releases, to each major newspaper in the State."

SECTION 1.(r) G.S. 115C-296.2(b)(1) reads as rewritten:

"(1) A "North Carolina public school" is a school operated by a local board of education, the Department of Health and Human Services, the Division of Juvenile Justice of the Department of Public Safety, or The University of North Carolina; a school affiliated with The University of North Carolina; or a charter school approved ~~by the State Board of Education~~ in accordance with Article 14A of this Chapter."

SECTION 1.(s) G.S. 135-5.3(b1) reads as rewritten:

"(b1) The board of directors of a charter school operated by a private nonprofit corporation or a charter school operated by a municipality that has received ~~State Board of Education~~ approval under ~~G.S. 115C-218.5~~ Article 14A of Chapter 115C of the General Statutes may elect to become a participating employer in the Retirement System in accordance with this Article."

SECTION 1.(t) G.S. 135-48.54(b) reads as rewritten:

"(b) No later than two years after both parties have signed the written charter under G.S. 115C-218.15, the board of directors of a charter school operated by a private nonprofit corporation or a charter school operated by a municipality shall elect whether to become a participating employer in the Plan in accordance with this Article. This election shall be in writing and filed with the ~~Plan~~ Plan, the Charter Schools Review Board, and the State Board of

Education. This election is effective for each charter school employee as of the date of that employee's entry into eligible service."

SECTION 2. The current members of the Charter Schools Advisory Board shall serve as initial members of the Charter Schools Review Board. Notwithstanding G.S. 115C-218(b), as amended by this act, upon the expiration of the current term of the Charter School Review Board members, (i) one term expiring in 2023 shall be replaced with an appointment by the General Assembly upon the recommendation of the Speaker of the House of Representatives, in accordance with G.S. 120-121, and (ii) two terms expiring in 2023 shall be replaced with an appointment by the General Assembly upon the recommendation of the President Pro Tempore of the Senate, in accordance with G.S. 120-121. Those members shall be appointed for two-year terms. As those terms expire in 2025 and thereafter, or as vacancies occur prior to the expiration of those terms, those members on the North Carolina Charter Schools Review Board shall be appointed in accordance with G.S. 115C-218.

SECTION 3. Any applicant or charter school that received a decision on an application, charter amendment, renewal, or termination from the State Board of Education after July 1, 2022, that differed from the decision recommended by the Charter Schools Advisory Board may apply for the decision to be reconsidered by the Charter Schools Review Board. The applicant or charter school shall request reconsideration within 60 days of the date this act becomes law, and the Review Board shall issue a decision on the reconsideration at the first meeting of the Review Board after it receives the reconsideration request.

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 28th day of June, 2023.

s/ Phil Berger
President Pro Tempore of the Senate

s/ Tim Moore
Speaker of the House of Representatives

Roy Cooper
Governor

Approved _____ .m. this _____ day of _____, 2023