A BILL TO BE ENTITLED
AN ACT TO ESTABLISH THE JOINT LEGISLATIVE STUDY COMMITTEE ON THE IMPACT OF CHARTER SCHOOLS ON LOCAL SCHOOL ADMINISTRATIVE UNITS AND TO PLACE A MORATORIUM ON CHARTER SCHOOL GROWTH PENDING FURTHER LEGISLATION.

Whereas, charter schools were initially authorized by the General Assembly in 1996; and

Whereas, the number of charter schools in operation has increased from 33 in the 1997-1998 school year to 184 in the 2018-2019 school year; and

Whereas, the number of charter schools in operation has more than doubled since the 2001-2002 school year; and

Whereas, State funds provided to charter schools have increased from sixteen million five hundred fifty-nine thousand nine hundred forty-seven dollars ($16,559,947) in the 1997-1998 school year to five hundred eighty million seven hundred seventy-two thousand three hundred eighty-three dollars ($580,772,383) in the 2018-2019 school year; and

Whereas, charter schools were initially authorized to serve as incubators for innovation and new ideas that might be transferrable to public schools; and

Whereas, there must be a full accounting on the use of State funds to educate public school students in North Carolina; and

Whereas, concern has been expressed by several groups that charter schools lack transparency and accountability standards; and

Whereas, charter schools operate differently than public schools and were intended to offer a better learning environment for students; and

Whereas, the growth in the number of charter schools, enrollment growth at various charter schools, and State funds provided to charter schools will continue to rise; Now, therefore, The General Assembly of North Carolina enacts:

PART I. JOINT LEGISLATIVE STUDY COMMITTEE ON THE IMPACT OF CHARTER SCHOOLS ON LOCAL SCHOOL ADMINISTRATIVE UNITS

SECTION 1.(a) There is established the Joint Legislative Study Committee on the Impact of Charter Schools on Local School Administrative Units (Committee). The purpose of the Committee is to study the impact of charter schools on local school administrative units and on student performance.

SECTION 1.(b) The Committee shall consist of 10 members appointed as follows:

(1) Two by the Speaker of the House of Representatives.

(2) Two by the President Pro Tempore of the Senate.
Two by the minority leader of the House of Representatives.

Two by the minority leader of the Senate.

Two by the Governor, as follows:

a. One who is the superintendent of a local school administrative unit.

b. One who is a member of a local board of education.

SECTION 1.(c) Appointments to the Committee shall be made no later than August 1, 2019. In making their appointments, the appointing authorities shall consider the geographic and cultural diversity of the State and the value to the Committee of experience in education. The appointing authorities are also encouraged to consider appointing to the Committee a principal of a charter school or a teacher in a charter school. Any vacancy shall be filled by the appointing authority.

SECTION 1.(d) The Committee shall study and make recommendations on the following:

(1) The history of charter schools in North Carolina, including the original intention behind their authorization.

(2) The impact of charter schools on local school administrative units and the benefits and harms of expanding charter schools.

(3) Innovative ideas for improving local school administrative units.

(4) Proposed transparency and accountability standards for charter schools, including, but not limited to, all of the following:
   a. Public audit procedures.
   b. Compliance with open meetings laws.
   c. Accessibility to meetings of and minutes from the meetings of the boards of directors of charter schools.

(5) Metrics used to measure academic success of students in charter schools and processes used to admit and reject students' applications to charter schools.

(6) Charter school student and teacher attrition rates and the impact of charter school student and teacher attrition on local school administrative units.

(7) The extent to which charter schools (i) are able to provide a sound basic education to their students and (ii) inhibit the ability of local school administrative units to provide a sound basic education to their students.

(8) The State's system of funding charter schools and a complete financial analysis of how State and local funds allocated to charter schools impact funds made available to local school administrative units.

(9) The impact of the termination of a charter school's charter on students.

(10) The extent to which charter schools serve children with disabilities and students with other special needs.

(11) The academic performance of all charter school students, as compared to students in local school administrative units, including children with disabilities.

(12) The extent to which charter schools have an impact on segregation and racial isolation in local school administrative units and charter schools.

(13) The extent to which charter schools employ best practices in teaching and administration.

(14) Suspension and expulsion rates in charter schools as compared to local school administrative units.

SECTION 1.(e) The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall each select a cochair for the Committee from among its members. The Committee shall meet upon the call of its cochairs. A quorum of the Committee is a majority of its members. No action may be taken except by a majority vote at a meeting at which a quorum is present. The Committee, while in the discharge of its official duties, may exercise all powers...
provided for under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Committee may contract for professional, clerical, or consultant services, as provided by G.S. 120-32.02. If the Committee hires a consultant, the consultant shall not be a State employee or a person currently under contract with the State to provide services.

Members of the Committee shall serve without compensation, but may receive travel and subsistence as follows:

1. Members who are officials or employees of a State agency or unit of local government, in accordance with G.S. 138-6.
3. All other members at the rate established in G.S. 138-5.

All State departments and agencies and local governments and their subdivisions shall furnish the Committee with any requested information in their possession or available to them.

SECTION 1.(f) The Legislative Services Officer shall assign professional and clerical staff to assist the Committee in its work. The Director of Legislative Assistants of the House of Representatives and the Director of Legislative Assistants of the Senate shall assign clerical support to the Committee.

SECTION 1.(g) Meetings of the Committee shall begin no later than September 1, 2019. The Committee shall submit a final report on the results of its study, including its recommendations and any proposed legislation, to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Joint Legislative Education Oversight Committee on or before March 1, 2021, by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Legislative Library. The Committee shall terminate on March 1, 2021, or upon the filing of its final report, whichever comes first.

PART II. MORATORIUM ON CHARTER SCHOOL GROWTH PENDING FURTHER LEGISLATION

SECTION 2.(a) Notwithstanding G.S. 115C-218.5, the State Board shall not grant final approval of any application seeking to establish a charter school that is submitted on or after the effective date of this act. Notwithstanding G.S. 115C-218.7, the State Board of Education shall not grant a material revision to a charter school based on enrollment growth. Notwithstanding G.S. 115C-218.8, a charter school shall not increase enrollment or expand grade levels.

SECTION 2.(b) This Part expires only after legislation is enacted addressing the report and recommendations of the Joint Legislative Study Committee on the Impact of Charter Schools on Local School Administrative Units established pursuant to Part I of this act.

PART III. EFFECTIVE DATE

SECTION 3. This act is effective when it becomes law.