



**Public Schools of North Carolina**  
State Board of Education  
Department of Public Instruction

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# **Report to the North Carolina General Assembly**

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2019 Annual Charter School Report

*<S.L. 2013-335; S.L. 2014-115; S.L. 2019-165>*

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**Date Due: February 15, 2020**

Report #48

DPI Chronological Schedule, 2019-2020



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Charter School Annual Report 2019  
Executive Summary

North Carolina state statute requires an annual reporting of charter school performance, impact on district schools, best practices and other factors. The North Carolina State Board of Education (SBE), Charter Schools Advisory Board (CSAB), and Office of Charter Schools (OCS) welcome this opportunity to reflect on the successes and challenges encountered in the charter sector over the past year, and to chart a path towards high academic outcomes for all students as embodied in the first two purposes of the charter legislation.

The demand for charter schools continues to grow, as evidenced by the growth in charter enrollment. More than 110,000 North Carolina students are enrolled in charter schools, totaling 7.6% of the total public school population. Self-reported data from the state's charter schools indicate that 65,000 students were on waitlists for charter school admission.

This report gives updates on charter school enrollment, academic performance, best practices, and the impact of charter school on districts. It also highlights the benefits of our State receiving the competitive Federal Charter School Program Grant of \$26 million, and a further supplemental grant of \$10 million, over 5 years.

As the charter school movement in North Carolina continues to grow it is important to do further analysis on the counties' financial savings as counties do not pay for any facility costs. Charter schools continually operate with less per pupil government funding than district schools, with capital expenditures accounting for much of the disparity in funding. Charter school facility investments funded outside of the county tax base is conservatively estimated at over \$1 billion. Relatedly, as district per pupil funding varies across the state, the amount of local funding per charter school student also varies.

The North Carolina State Board of Education and the North Carolina General Assembly have each provided critical supports to ensure accountability, oversight, and autonomy in the state's 196 charter schools. We look forward to continued partnership to high-quality expanded choices in the charter sector as charter schools meet measurable student achievement results through its performance based accountability systems.

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## Legislation and Historical Background

In 1996, the North Carolina General Assembly passed the Charter School Act, thereby authorizing the establishment of “a system of charter schools to provide opportunities for teachers, parents, pupils, and community members to establish and maintain schools that operate independently of existing schools, as a method to accomplish all of the following:

1. Improve student learning;
2. Increase learning opportunities for all students, with special emphasis on expanded learning experiences for students who are identified as at-risk of academic failure or academically gifted;
3. Encourage the use of different and innovative teaching methods;
4. Create new professional opportunities for teachers, including the opportunity to be responsible for the learning at the school site;
5. Provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system;
6. Hold the schools established under this Part accountable for meeting measurable student achievement results and provide the schools with a method to change from rule-based to performance-based accountability systems.”

Current statute sets the parameters for how the system of charter schools must operate. The law includes the following sections:

- Purpose of charter schools; establishment of North Carolina Charter Schools Advisory Board and North Carolina Office of Charter Schools
- Eligible applicants; contents of applications; submission of applications for approval
- Opportunity to correct applications; opportunity to address Advisory Board
- Fast-track replication of high-quality charter schools
- Final approval of applications for charter schools
- Review and renewal of charters
- Material revisions of charters
- Nonmaterial revisions of charters
- Charter school exemptions
- Charter school operation
- Civil liability and insurance requirements
- Open meetings and public records
- Accountability; reporting requirements to State Board of Education
- Charter school facilities
- Charter school transportation
- Admission requirements
- Charter school nonsectarian
- Nondiscrimination in charter schools
- Student discipline
- Driving eligibility certificates
- General operating requirements
- Display of the United States and North Carolina flags and the recitation of the Pledge of Allegiance
- Course of study requirements
- Employment requirements

- Identification of low-performing and continually low-performing schools
- Causes for nonrenewal or termination; disputes
- Dissolution of a charter school
- State and local funds for a charter school
- Notice of the charter school process; review of charter schools
- Operation of NC Pre-K programs

Finally, G.S. 115C-218.110 directs that the State Board “shall report annually no later than February 15 to the Joint Legislative Education Oversight Committee on the following:

- 1) The current and projected impact of charter schools on the delivery of services by the public schools.
- 2) Student academic progress in charter schools as measures, where available, against the academic year immediately preceding the first academic year of the charter schools’ operation.
- 3) Best practices resulting from charter school operations.
- 4) Other information the State Board considers appropriate.”

This report addresses this legislated reporting requirement.

### Charter School Oversight in North Carolina North Carolina State Board of Education

Codified in NC General Statute as Article 14A of Chapter 115C (115C-218, *et al.*) the charter schools law assigns the State Board of Education the sole authority of charter school oversight in North Carolina, including but not limited to the approval of charter applications, the approval of material revisions to the charter agreement, and the renewal of charter agreements.

### North Carolina Charter Schools Advisory Board

In 2013, the North Carolina Charter Schools Advisory Board (CSAB) was created in statute, with four expressed powers and duties:

- A. To make recommendations to the State Board of Education on the adoption of rules regarding all aspects of charter school operation, including timelines, 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.
- 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.
- D. To undertake any other duties and responsibilities as assigned by the State Board.

The CSAB is comprised of 11 voting members; four appointed by the North Carolina Senate, four appointed by the North Carolina House of Representatives, two appointed by the State Board of Education, and the Lieutenant Governor or the Lieutenant Governor’s designee. The Superintendent of Public Instruction or the Superintendent’s designee, serves as the secretary of the board and a nonvoting member. Appointed members serve four-year terms, and are limited to serving no more than eight consecutive years. In 2019, three new members were appointed to the

CSAB to fill vacant positions: Jeannette Butterworth, Joel Ford, and Rita Haire. The entire slate of CSAB members, their date of appointment, and their term is below.

**Table 1. 2019 Charter School Advisory Board Members**

Appointed By	First Name	Last Name	County	Start Date of Current Term	End Date of Current Term	Appointment
State Board of Education	Cheryl	Turner	Mecklenburg	2019	June 30, 2023	June 2019 SBE
State Board of Education	Alex	Quigley	Durham	2017	June 30, 2021	July 2017 SBE
Superintendent - (Non-Voting)	Joe	Maimone	Wake	2017	December 31, 2020	Superintendent
Lt. Governor	Steven	Walker	Wake	2017	December 31, 2020	Lt. Governor
House	Bruce	Friend	Wake	2017	June 30, 2021	SL 2018-139
House	Lindalyn	Kakadelis	Mecklenburg	2017	June 30, 2021	SL 2017-75
House	Lynn	Kroeger	Union	2017	June 30, 2021	SL 2017-75
House	Heather	Vuncannon	Randolph	2019	June 30, 2023	SL 2019-122
Senate	Sherry	Reeves	Pamlico	2017	June 30, 2021	SL 2017-75
Senate	Jeannette	Butterworth*	Henderson	2019	June 30, 2021	SL 2018-139
Senate	Rita	Haire*	Davidson	2017	June 30, 2021	SL 2019-233
Senate	Joel	Ford*	Mecklenburg	2017	June 30, 2021	SL 2019-122

\*Indicates board members who were appointed to fill unexpired term vacancies in 2019. Their terms will expire in 2021.

### Office of Charter Schools

N.C. General Statute 115C-218(c) stipulates the establishment of the NC Office of Charter Schools, staffed by an executive director and additional personnel to carry out necessary duties. Pursuant to state statute, the Office of Charter Schools has the following powers and duties:

- A. Serve as staff to the Advisory Board and fulfill any tasks and duties assigned to it by the Advisory Board.
- B. Provide technical assistance and guidance to charter schools operating within the State.
- C. Provide technical assistance and guidance to nonprofit corporations seeking to operate charter schools within the State.
- D. Provide or arrange for training for charter schools that have received preliminary approval from the State Board.

- E. Assist approved charter schools and charter schools seeking approval from the State Board in coordinating services within the Department of Public Instruction.
- F. Assist certain charter schools seeking to participate in the NC prekindergarten program in accordance with G.S. 115C-218.115.
- G. Other duties as assigned by the State Board.

The Office of Charter Schools is currently staffed by six consultants, a program assistant, and an executive director, with office responsibilities divided into multiple workflows, each managed by an individual consultant. The current division of workflows within the office is as follows (listed alphabetically):

**Table 2. Office of Charter School Workflows/Responsibilities**

Workflow	Responsibilities
1. Amendments/Risk Assessment/CSAB Planning	Facilitates process of obtaining approval for any modifications to a school’s charter agreement, manages grievances and complaints from stakeholders, conducts site visits to schools falling out of academic, operational, or financial compliance, and organizes CSAB and SBE meetings.
2. Applications	Facilitates the new school application process, provides training to applicants, hires and trains external evaluators, provides updates to CSAB members.
3. Communications	Manages all internal and external communication between the Office of Charter Schools and the general public.
4. Performance Framework	Facilitates the yearly collection and audit of documents from schools to ensure compliance with NC statute, SBE policy, and the Charter Agreement.
5. Planning Year/Ready-to-Open Process	Provides training to newly approved schools prior to opening, reviews documentation to ensure compliance with statute, policy, and the Charter Agreement, provides CSAB with progress newly approved schools make towards a successful open.
6. Professional Development	Plans and provides ongoing in-person and virtual training to currently operating schools.
7. Renewals	Facilitates the charter renewal process.

In addition, OCS consultants provide general guidance and technical support to each charter school in the state. Best practices indicate that in order to provide the highest quality oversight and support, the ratio of charter office staff to schools should be approximately one consultant to eight schools. North Carolina currently has 196 charter schools in operation, and the Office of Charter Schools is staffed by six consultants, which results in a ratio of one consultant providing support to approximately 33 schools.

### Charter School Student Enrollment

State statute originally capped at 100 the number of charter schools that could operate in the state in a given school year, but the N.C. General Assembly removed that ceiling in August 2011. Since then, the number of charter schools in the state has grown from 100 to 196 (as of September 2019). 194 are brick-and-mortar charter schools operating in 67 different local education agencies, and two are virtual charter schools. Both virtual charter schools have brick-and-mortar headquarters in Durham county.

According to the second month Average Daily Membership (ADM) figures certified in November 2019, 116,316 students are now being served by charter schools. This represents 7.6% of the total public school population (1,526,144).

**Table 3. Charter School Student Demographics  
2018-2019 School Year**

Race/Ethnicity/Gender	Charter		Traditional		All	
	#	%	#	%	#	%
<b>Total White</b>	59,703	54.0%	671,727	47.3%	731,430	<b>47.8%</b>
<b>Total Black</b>	28,676	26.0%	355,201	25.0%	383,877	<b>25.1%</b>
<b>Total Hispanic</b>	11,845	10.7%	262,894	18.5%	274,739	<b>17.9%</b>
<b>Other</b>	10,240	9.3%	131,459	9.2%	141,699	<b>9.3%</b>
<b>Male</b>	55,189	50.0%	730,619	51.4%	785,808	<b>51.3%</b>
<b>Female</b>	55,275	50.0%	690,662	48.6%	745,937	<b>48.7%</b>
<b>Total Enrollment</b>	<b>110,464</b>	<b>100.0%</b>	<b>1,421,281</b>	<b>100.0%</b>	<b>1,531,745</b>	<b>100.0%</b>

### A Closer Look at Racial/Ethnic Diversity in Charter Schools

N.C. General Statute 115C-218.45(e) states, “within one year after the charter school begins operation, the charter school shall make efforts for the population of the school to reasonably reflect the racial and ethnic composition of the general population residing within the local school administrative unit in which the school is located or the racial and ethnic composition of the special population that the school seeks to serve residing within the local school administrative unit in which the school is located.”

To give appropriate insight on the extent to which charter schools reasonably reflect the areas in which they are located, significant research would need to be conducted to disaggregate the racial and ethnic breakdown of traditional schools and charter schools serving diverse communities within all LEAs in the state.

### Special Population Student Enrollment

#### Students with Disabilities

In the 2018-19 school year, charter schools enrolled 11,455 students with disabilities, which represented 10.34% of the total charter school enrollment at that time. During the same period,

district schools enrolled 176,837 students with disabilities, which represented 12.53% of total district school enrollment (not including enrollment at DOJ, NC HHS, and NC DJJ schools).

### **English Learners**

Based on the October 1, 2018 headcount, charter schools enrolled 3,612 English Learners, and LEAs enrolled 112,745 English Learners.

### **Economically Disadvantaged Students**

It is important to note that the ED student data (collected through NCDPI Testing and Accountability Services) is self-reported by charter schools. While charter schools do certify to NCDPI that the numbers they report are accurate, some schools have expressed concern that since they must ask families to self-report income information to verify ED status, the figures may underrepresent the true ED population in a given school and across all charter schools. Charter schools that do not participate in the National School Lunch Program (NSLP), and therefore do not have that participation rate to use as a proxy for ED status, may be most likely to report figures that underrepresent the true ED population at their schools. Improvements to this data collection are being implemented through the Direct Certification System.

At its December meeting, the CSAB dedicated a significant amount of time to discussing the challenges of defining economically disadvantaged, identifying economically disadvantaged students enrolled in charter schools, and the solutions other states have implemented to solve this issue. A DPI official led the discussion and began by clarifying that free- and reduced-price lunch eligibility is no longer the definition of economically disadvantaged. In terms of federal or state reporting, economically disadvantaged is a subcategory and individual-level data is required to report this figure. If schools are not participating in a Community Eligibility Program (CEP) or participating in the NSLP, then they will not have that data. Even if schools ask parents to self-report that information, self-reported data cannot be validated by DPI, which is a requirement for federal reporting and auditing. DPI has applied for a grant for a longitudinal data study to figure out how to calculate the economically disadvantaged population. OCS, CSAB, and DPI continue to work together to more accurately capture the percentage of economically disadvantaged students enrolled in charter schools, particularly those charter schools that do not participate in the National School Lunch Program.

As of November 2019, charter schools enrolled 22,069 economically disadvantaged students, which represents 18.8% of total charter school enrollment.

### **Eliminating Barriers to Access**

#### **Weighted Lotteries**

The ability to conduct a weighted lottery is codified in G.S. 115C-218.45(g1). Charter schools may not discriminate in their admissions process on the basis of race, creed, national origin, religion, or ancestry; however, they are allowed to utilize additional controls to enroll underserved populations, if supported by the school's mission.

In 2018, North Carolina was awarded a federal Charter Schools Program grant to increase educationally disadvantaged student access to high quality charter schools in the state. One stipulation that North Carolina wrote into the grant application is that subgrantees would agree to

implement a weighted lottery. In 2019, the Office of Charter Schools saw a marked increase in the number of schools asking to amend their charter to include the use of a weighted lottery. Prior to 2019, six charter schools requested and received permission to implement a weighted lottery. In 2019, that number increased to 21, with nine schools being approved to amend their charter to include a weighted lottery, and six schools receiving approval to use weighted lotteries after requesting permission in their original charter applications.

There has also been a marked increase in the number of schools including a weighted lottery in their initial charter application. In 2017, 14 applications were approved, and only one requested the use of a weighted lottery. In 2018, 11 applications were approved, and none requested the use of a weighted lottery. In 2019, the first year that grant funds were available to newly approved charter schools, fifteen applications were approved, and five schools requested the use of a weighted lottery in the initial charter application.

The full list of schools with approval to implement weighted lotteries is below.

**Table 4. Charter Schools Requesting to Implement Weighted Lotteries**

School Name	Amendment/Policy Approval	Original App or Amendment?
Central Park School for Children	Jan-13	Amendment
Community School of Davidson	Mar-16	Amendment
Charlotte Lab School	Jan-17	Amendment
GLOW Academy	Jan-17	Amendment
Raleigh Oak Charter School	Jul-18	Original App
The Exploris School	Oct-18	Amendment
Moore Montessori Community School	Jan-19	Amendment
Movement East Charter School	May-19	Amendment
IC Imagine	May-19	Amendment
Willow Oak Montessori	Jul-19	Amendment
MINA Charter School of Lee County	Jul-19	Amendment
Evergreen Community Charter	Jul-19	Amendment
Pocosin Innovative Charter	Jul-19	Amendment
Alamance Community School	Oct-19	Original App
Tillery Charter Academy	Nov-19	Amendment
Wake Preparatory Academy	Nov-19	Amendment
East Voyager Academy	Nov-19	Amendment
Hobgood Charter School		Original App
North Raleigh Charter Academy		Original App
Wendell Falls Charter		Original App
Wilmington School of the Arts		Original App

## **Transportation**

N.C. General Statute 115C-218.40 states that a charter school “may provide transportation to students enrolled at the school. The charter school shall develop a transportation plan so that transportation is not a barrier to any student who resides in the local school administrative unit in which the school is located.”

In 2017, S.L. 2017-57 appropriated \$2.5 million to the Charter School Transportation Grant. Grant awards were available to schools where 50% or more of the student population was economically disadvantaged. These grant funds were not renewed for the following year. Providing transportation is a costly endeavor for charter schools, and those providing transportation receive minimal financial resources to do so. The charter schools providing transportation are often the schools with the most racially and socioeconomically diverse student populations. The dearth of transportation funds provided to charter schools often forces schools to make significant financial trade-offs. Adequate transportation funding is critical to ensuring that charter schools are accessible to all students, regardless of their ability to provide their own transportation to and from school.

As of November 2019, 98 charter schools (50% of all charter schools in the state) indicated that they provide bus transportation for students.

61% of schools that have been open for 1-5 years provide bus transportation.

41% of schools that have been open for 6-10 years provide bus transportation.

50% of schools that have been open for 11-15 years provide bus transportation.

33% of schools that have been open for 16-20 years provide transportation.

58% of schools that have been open for 21+ years provide bus transportation.

## **Child Nutrition**

Charter schools in North Carolina are not required to participate in the National School Lunch Program (NSLP), however, similar to the transportation plan provision, they are required to have a plan that ensures that every child who needs lunch provided will receive a meal. During the application interview process, the CSAB asked detailed questions about how the school will provide lunch for all students who need it.

As of November 2019, 61 charter schools (31% of all charter schools) are participants in the National School Lunch Program, and the remainder have alternative plans to provide lunch. Often times, smaller charter schools find the amount of paperwork required to participate in the NSLP prohibitive, and opt to provide lunch for students through other means.

The Francine Delaney New School for Children has been lauded for its innovative approach to providing lunch for its students. The school has partnered with local grocers and provides a monthly voucher to the parents of students qualifying for free or reduced priced lunch. The vouchers are then used to buy lunch for students to bring to school.

## 2019 Charter Sector Growth and Sustainability

### 2018 Charter Application Updates

During the 2018 application cycle, thirty-five applications were submitted for new charter schools—sixteen applications were submitted for Fast-Track Replication or Acceleration. The Office of Charter Schools screened each application for completeness, and the applicant groups with incomplete applications were given five days to submit or clarify incomplete items. Of the thirty-five applications submitted, six applications were withdrawn prior to receiving a recommendation from the CSAB. Of the remaining 29 applications, fifteen received favorable recommendations from the CSAB and were approved by the State Board of Education. Three of the fifteen schools requested and received approval to open on an accelerated timeline. Each of the approved schools is listed below.

**Table 5. Charter Schools Approved in 2018 Application Cycle**

School Name	County	Approved Special Request
Alamance Community School	Alamance	N/A
Achievement Charter Academy	Harnett	N/A
CE Academy	Wake	N/A
CFA Community Public Charter	Gaston	Acceleration
Doral Academy of North Carolina	Wake	Replication
Elaine Riddick Charter	Perquimans	N/A
Hobgood Charter Academy	Halifax	Acceleration
MINA Charter School of Lee County	Lee	N/A
North Raleigh Charter Academy	Wake	Replication
Pocosin Innovative Charter School	Washington	Acceleration
Revolution Academy	Guilford	N/A
Robert J. Brown Leadership Academy	Guilford	N/A
Wake Preparatory Academy	Wake	Replication
Wendell Falls Charter Academy	Wake	Replication
Wilmington School of the Arts	New Hanover	N/A

The three schools approved to open on an accelerated timeline successfully opened in August/September 2019, and 11 of the 12 approved schools are in their planning year. One school, Robert J. Brown Leadership Academy, elected to relinquish their charter prior to beginning the planning year process.

### 2019 Charter Application Updates

Prior to the 2019 charter application cycle, the CSAB recommended a number of changes to the application timeline and process to the State Board of Education. Among them, a separate, earlier deadline for Fast-Track and Acceleration applications, and a stipulation that applications requesting Fast-Track or Acceleration only be considered for opening on an accelerated timeline, as opposed to being considered to open on a traditional timeline, should they not meet the requirements for Fast-Track Replication or Acceleration. The State Board of Education approved the recommended changes to the charter application timeline and process at its April 2019 meeting.

During the 2019 application cycle, five applications were submitted for Fast-Track Replication or Acceleration, and fourteen applications were submitted for the Traditional timeline. Of the five

applications submitted to open on an accelerated timeline, one received approval from the State Board of Education. The CSAB has conducted a preliminary review of the fourteen applications submitted for the Traditional timeline, and nine were invited for full interviews. The CSAB will conduct full interviews and forward their recommendations to the SBE by their April meeting, per SBE policy CHTR-012. The SBE will make final decisions regarding approval by August 15.

Eleven of the nineteen applications were for schools in urban districts and surrounding areas:

- Mecklenburg County (6 applicants)
- Wake County (2 applicants)
- Guilford County (2 applicants)
- Durham County (1 applicants)

### **Charter Application Approval Rate Trends**

The charter application approval rate over the past five years has increased from 14% of applications being approved in 2014 to 43% percent of applications being approved in 2019

2014: 71 applications submitted; 10 approved (14% approval rate)

2015: 40 applications submitted; 14 approved (35% approval rate)

2016: 28 applications submitted; 8 approved (29% approval rate)

2017: 38 applications submitted; 14 approved (37% approval rate)

2018: 29 applications submitted; 11 approved (38% approval rate)

2019: 35 applications submitted; 15 approved (43% approval rate)

The 2019-2020 application cycle interview phase will conclude in January 2020, and the CSAB's preliminary recommendations will be forwarded to the SBE thereafter.

### **2019 Ready-to-Open Updates**

In 2018-19, 16 schools participated in the Planning Year process. Two of the sixteen schools requested a one-year delay, and were approved to delay their opening until 2020. Fourteen schools completed the Planning Year process and were deemed Ready-to-Open. These schools opened in the fall of 2019. Of the fourteen schools that opened, ten opened with fewer than 75% of their approved ADM. The chart contained in Appendix A outlines each of the fourteen schools that opened, the approved year 1 maximum enrollment, the initial year 1 enrollment requested in the charter application, the self-reported enrollment as of September 2019, the school's breakeven enrollment number, their actual month 1 funded ADM, and the funded percentage of the school's approved or amended maximum enrollment.

### **2019 Charter Renewal Updates**

Thirty-two schools were considered for renewal in 2019. The SBE-approved renewal policy is in Appendix B. Of the 32 schools considered for renewal, the CSAB recommended a ten-year renewal for 21 schools, a seven-year renewal for two schools, a five-year renewal for one school, a three-year renewal for 7 schools, and non-renewal for one school. With the exception of two schools, the SBE accepted all of the CSAB's recommendations. The two ALS alternative high schools were recommended to receive 10-year renewals but were approved for 7-year renewals by the NC State

Board of Education, with the stipulation that the OCS develop a framework for evaluating the success of schools with alternative status.

**Table 6. 2019 Charter Renewals**

<b>SBE-Approved Renewal Term</b>	<b>School Name</b>
<b>10 Years</b>	American Renaissance School Anderson Creek Academy Cardinal Charter Envision Science Academy Evergreen Community Forsyth Academy Greensboro Academy Invest Collegiate - Imagine Quest Academy Raleigh Charter High School Research Triangle Charter South Brunswick Charter The Franklin School of Innovation The Mountain Community School Thomas Jefferson Classical Academy Vance Charter School Wake Forest Charter School Wayne Preparatory Academy Wilson Preparatory Academy
<b>7 Years</b>	Bradford Preparatory School Commonwealth High School (Alternative High School) Pioneer Springs Community School Stewart Creek High School (Alternative High School)
<b>5 Years</b>	The Capitol Encore Academy
<b>3 Years</b>	A.C.E. Academy Carter Community Charter Dillard Academy Haliwa-Saponi Tribal School Lakeside Charter Academy Reaching All Minds Academy United Community Charter
<b>Non-Renewal</b>	Charlotte Learning Academy

**2020 Charter Renewal Updates**

Nineteen schools are being considered for renewal in 2020. The CSAB voted on renewal recommendations for each school in December 2019, and their recommendations will be forwarded to the SBE in January 2020.

**Charter School Closure and Relinquishment Updates**

Due to low academic performance, Charlotte Learning Academy was recommended for a nonrenewal of its charter and closed effective June 30, 2019.

The non-profit board operating Hope Charter Academy voted to relinquish their charter effective June 30, 2019.

Anson Charter requested a second delay and was denied by the CSAB. The school's governing board subsequently voted to relinquish their charter, and the SBE approved the relinquishment at its April 2019 meeting.

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## 2019 Legislative Updates

S.L. 2019-51: Created a term “public school unit” in Chapter 115C to include all types of public schools in the state, including charter schools.

S.L. 2019-82: Amended G.S. 115C-218.85(a) and now requires charter schools to provide financial literacy instruction as required by the State Board of Education, including required professional development for teachers of the financial literacy course.

S.L. 2019-122: Appointed Joel Ford to the Charter School Advisory Board to fill the unexpired term of Alan Hawkes, and re-appointed Heather Vuncannon for another full term.

S.L. 2019-165: Made various changes to laws related to education. Officially changed the reporting date for the annual charter school report to February 15.

S.L. 2019-222: Appropriated funds for school safety. School resource officer grants are to be made available to qualifying school units – including charter schools – to improve school safety.

S.L. 2019-71: Modified teacher licensure requirements.

S.L. 2019-154: Adopted a 15-point scale in the determination of school performance grades.

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## Office of Charter School Updates

### NC ACCESS Grant

In 2018, the North Carolina Department of Public Instruction (NCDPI) was awarded a Public Charter Schools Program (CSP) grant from the U.S. Department of Education (USDOE) of approximately \$26,600,000. The CSP grant is currently being used to implement the North Carolina Advancing Charter Collaboration and Excellence for Student Success (NC ACCESS) Program to:

1. Increase the number of educationally disadvantaged students attending high-quality charter schools and expand the number of high-quality charter schools available to educationally disadvantaged students;
2. Develop a cohort of one hundred (100) charter school leaders who can develop and demonstrate best practices in serving educationally disadvantaged students; and
3. Broadly disseminate best practices in serving educationally disadvantaged students and foster collaboration in the charter school community and between charter schools and district schools.

### NC ACCESS Progress to Date:

1. ACCESS team has been fully staffed and consists of a Grant Administrator, Program Coordinator, Technical Assistance Specialist, and Finance Administrator.
2. Nine subgrants, totaling \$3.4 million, were awarded in the first application cycle. This includes three Planning and Implementation subgrants, four Implementation subgrants, and one Expansion subgrant.
3. ACCESS Fellowship was launched. Four workshops have been held; three in-person and one virtual. Topics covered include school culture and design, parent and community engagement, leadership and empowering teacher leaders, intentional marketing and recruitment, and addressing adverse childhood experiences and the socioemotional learning needs of students.
4. ACCESS team applied for and received \$10 million supplemental grant to further expand the reach of the program, and to support low-performing charter schools across the state. Team will now be able to award 10 additional subgrants (60 instead of 50) over the life of the CSP grant.
5. ACCESS team is piloting a Visiting Fellows program for leaders of low-performing schools. These leaders will participate in the ACCESS fellowship and have access to all resources and support provided through that initiative.
6. ACCESS team received approval to expand the eligibility criteria to better serve schools and to expand the reach of the program.

### Epicenter

S.L. 2017-57 mandated that funds be used to support the purchase of a Web-based electronic records and data management system to automate and streamline reporting and accountability requirements to assist the Office of Charter Schools in complying with annual reporting obligations. OCS has adopted Epicenter for this purpose and has worked with representatives from the National Charter Schools Institute to train school leaders on the use of the platform. Over the past year, each workflow within OCS has transitioned to the Epicenter platform. All charter-related documents are now submitted or collected via the Epicenter portal. OCS

consultants are working with multiple divisions within NCDPI that have expressed interest in also collecting and reviewing documentation through Epicenter.

## **Professional Development**

The Office of Charter Schools continues to welcome feedback in order to better serve the professional learning needs of the charter school community and its stakeholders. Some of the opportunities this year included:

- Office of Charter Schools Huddle West, July 2019 at Gray Stone Day School;
- Office of Charter Schools Charter School Leadership Institute, October 17 & 18, 2019, at Envision Science Academy;
- Leading & Learning Day (formerly known as LP/CLP training), September 26, 2019, at Healthy Start Academy, Durham;
- *For Counselors By Counselors*: A network of support and professional learning for NC charter school counselors. This collaborative cohort works to unify knowledge and offer superior counselor support to students in our charter network;
- *Quick Takes*: 15 minute pre-recorded webinars in topics of interest to the charter community;
- Online professional development and renewal newsletters, through S'more have been very well received and widely read;
- Increased collaboration and professional learning within and across NC DPI divisions;
- Number of Twitter/Social Media followers has increased and professional learning is actively promoted on our Twitter feed;
- Epicenter is now being used as a resource for professional learning as well through an application called *OCS Professional Learning Resource Center*, which will serve as a 'library' of professional learning resources;
- Charter School Teacher of the Year is Ms. Ashley Bailey of Roxboro Community School;
- NCCAT inaugural Beginning Teacher of the Year award had three (3) charter school teachers in the running for Beginning Teacher of the Year.

### Charter School Academic Performance

The sixth legislative purpose of charter schools outlined in G.S. 225C-218 is to “hold schools established under this Part accountable for meeting measurable student achievement results and provide the schools with a method to change from rule-based to performance-based accountability systems.” This section of the Annual Report examines the student achievement results of North Carolina’s charter schools. Please note that this reporting includes data from North Carolina’s two virtual charter schools, which are both currently in pilot status.

With the exception of schools operating under an alternative status, all public schools are assigned School Performance Grades (A-F) based on test scores, and for high schools, additional indicators that measure college and career readiness. School Performance Grades are based on student proficiency (80%) and growth (20%).

**Table 7. 2018-19 School Grades for Charter and Non-Charter Schools**

Grade	Charter		Non-Charter		All	
	#	%	#	%	#	%
A	20	11%	183	8%	203	8%
B	59	33%	686	29%	745	29%
C	53	30%	991	42%	1044	41%
D	34	19%	426	17%	459	18%
F	12	7%	79	3%	89	4%
I	2	1%	12	1%	14	1%
N/A	0	N/A	3	.1%	3	.1%
Alternative	4	2%	90	4%	94	4%
Total A-F	178	97%	2362	96%	2540	
Total A and B	79	44%	869	37%	948	37%
Total D and F	46	26%	502	21%	548	22%
Total Schools	184		2467		2651	

### A “Closer Look” at Charter School Academic Proficiency and Growth

The chart below depicts trends in charter school SPGs over the past five years. The percentage of charter schools earning Ds and Fs increased slightly from 2017-18 to 2018-19. The percentage of charter schools earning As and Bs also increased over the past year.

**Table 8. 2018-2019 Charter School Performance Grade Trends**

	2014 – 15		2015 – 16		2016 – 17		2017 - 18		2018-19	
<b>Grade</b>	#	%	#	%	#	%	#	%	#	%
<b>A<sup>+NG</sup></b>	12	8.5%	12	7.7%	11	6.7%				
<b>A</b>	7	4.9%	5	3.2%	5	3.1%	15	8.9%	20	11%
<b>B</b>	50	35.2%	45	29.0%	55	33.7%	55	32.7%	59	33%
<b>C</b>	31	21.8%	50	32.3%	51	31.3%	60	35.7%	53	30%
<b>D</b>	24	16.9%	29	18.7%	28	17.2%	29	17.4%	34	19%
<b>F</b>	18	12.7%	14	9.0%	13	8.0%	8	4.8%	12	7%
<b>Total</b>	142		155		163		167		178	

Figure A depicts the charter school performance grade trends since 2014-2015. Table 9 presents the trends in charter schools earning a grade of C or higher over the past five years. This percentage was on the rise from 2014-15 until the most recent year, when the percentage of charter schools earning a C or higher decreased 6.1 percentage points. Figure B visually depicts the trends of charter schools earning a C or higher over the past five years. Table 10 contains the percentages of charter schools earning grades of D or F over the past five years, and Figure C visually depicts this trend.

Figure A. School Performance Grade Trends: Number of A & B Charter Schools Since 2014-2015

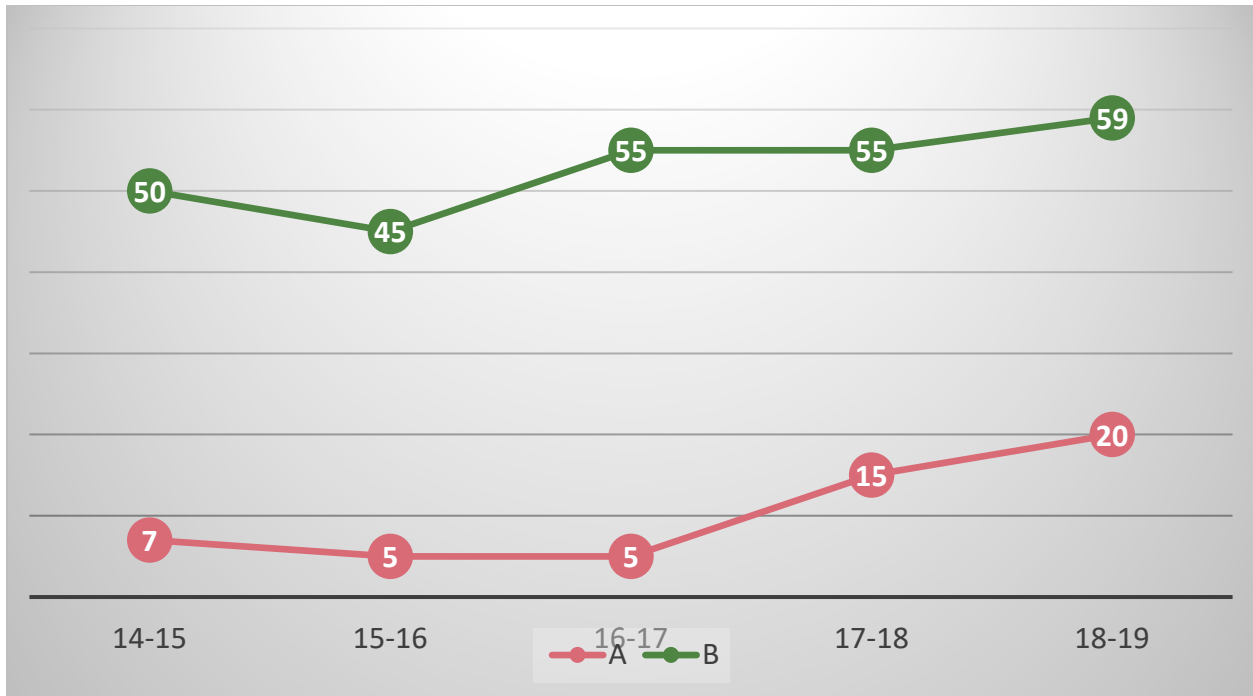
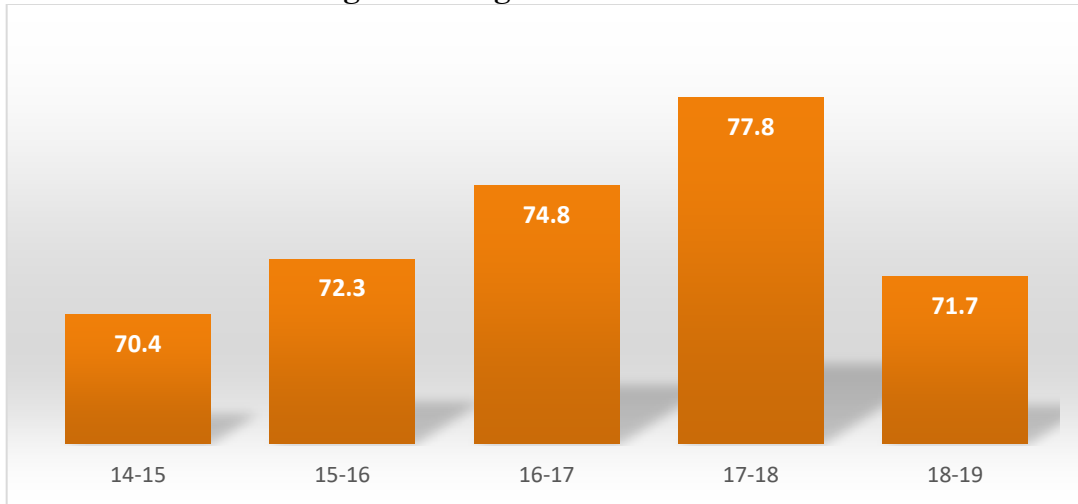


Table 9. School Performance Grade Trends: Schools Earning a C or Higher

	2014 – 15	2015 – 16	2016 – 17	2017 – 18	2018-19
<b>Percentage of C or Better Charter Schools</b>	70.4%	72.3%	74.8%	77.8%	71.7%

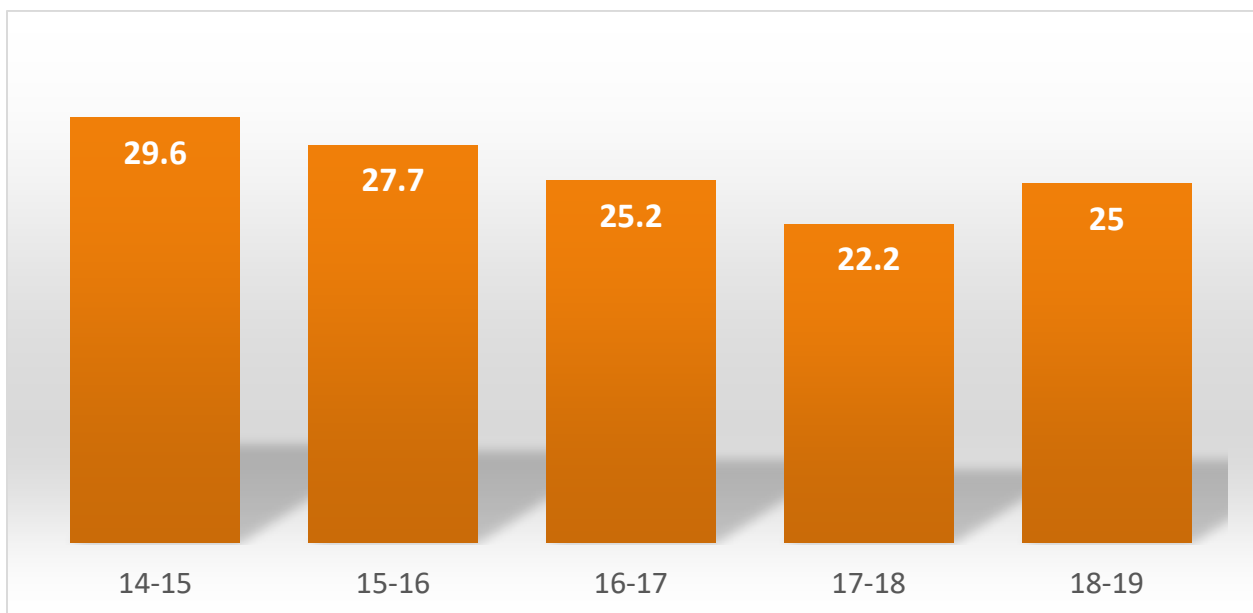
**Figure B. Bar Graph of School Performance Grade Trends of Charter Schools Earning a C or Higher Over Past Five Years**



**Table 10. School Performance Grade Trends: Charter Schools Earning a D or F**

	2014 – 15	2015 – 16	2016 – 17	2017 – 18	2018-19
<b>Percentage of D and F Charter Schools</b>	29.6%	27.7%	25.2%	22.2%	25%

**Figure C. School Performance Grade Trends: Charter Schools Earning a D or F**



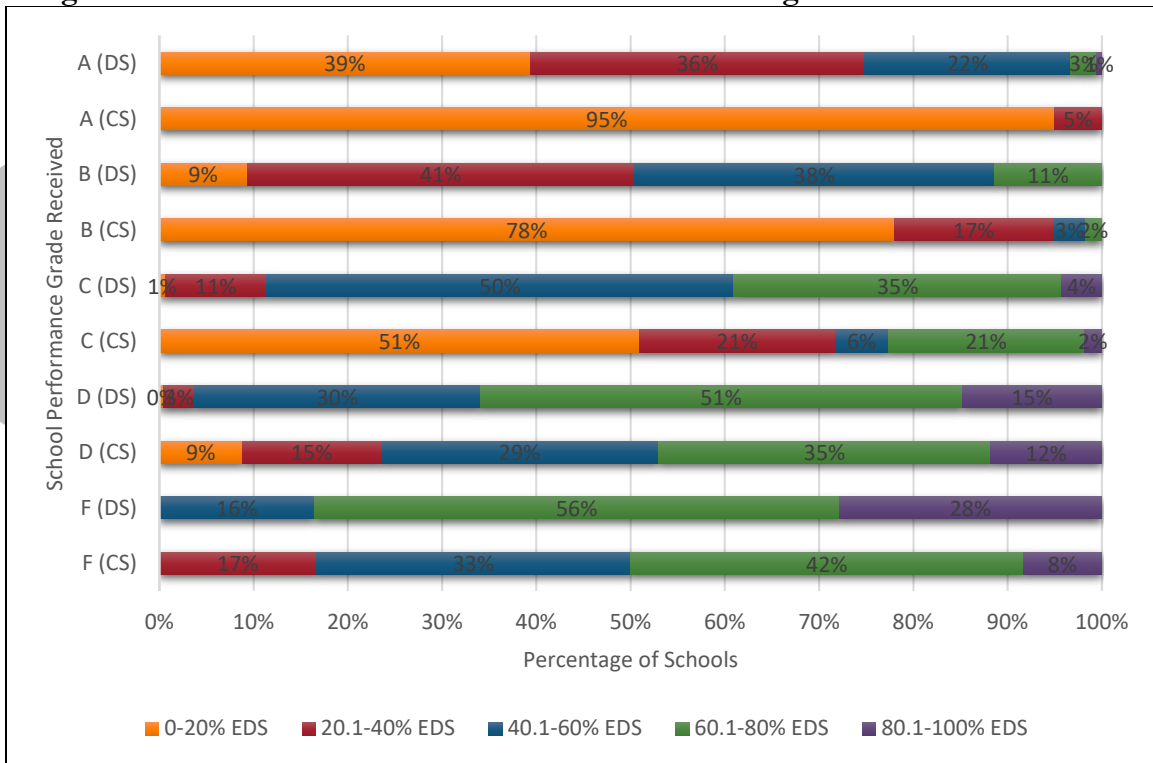
## Additional Context for Charter School Performance Grades

As discussed previously, school performance grades are based on a formula of 80% proficiency and 20% growth. To provide additional context around charter school performance, the next several graphs describe the percentage of economically disadvantaged students tested at charter schools earning school performance grades, as well as the average length of time charter schools earning school performance grades have been in operation.

### School Performance Grades and Economically Disadvantaged Students

Figure D depicts the total number of charter schools (CS) and district schools (DS) receiving A-F letter grades. Within each bar, color-coded sections indicate the percentage of students identified as economically disadvantaged at each school earning a particular letter grade. At the bottom of the graph is a key outlining the percentage of ED students each color represents.

**Figure D. School Performance Grades and the Percentage of ED Students Tested**



Of the 20 charter schools earning an A in 2018-2019, 19 (95%) served 20% or fewer economically disadvantaged students. Within this 19 schools, thirteen served student populations that were fewer than 5% EDS. Southeastern Academy served the largest percentage of ED students of all charter schools earning an A, at 39.3% EDS.

Of the 183 district schools earning an A in 2018-2019, 72 (39%) served 20% or fewer economically disadvantaged students; 65 (36%) served 20.1-40% EDS; 40 (22%) served 40.1-60% EDS; 5 (3%) served 60.1-80% EDS; and 1 (.5%) served greater than 80% EDS.

Of the 59 charter schools earning a B, 46 (or approximately 78%) served student populations that were 20% or fewer EDS. Ten of the 59 schools served between 20.1 – 40% EDS, and three served greater than 40% EDS (Alpha Academy – 49.3%, Bethel Hill Charter – 44%, and Sallie B. Howard – 61.1%).

Of the 686 district schools earning a B, 64 (9%) served 20% or fewer EDS; 282 (41%) served 20.1-40% EDS; 262 (38%) served 40.1-60% EDS; and 78 (11%) served 60.1-80% EDS.

Of the 53 charter schools earning a C, 27 (51%) served 20% or fewer EDS. Eleven schools (21%) served between 20.1 – 40% EDS, 3 (6%) served between 40.1 – 60% EDS, and 11 (21%) served between 60.1 – 80% EDS. One school, Maureen Joy Charter, served greater than 80% ED students, with an ED population of at least 95%.

Of the 991 district schools earning a C, 6 (.6%) served 20% or fewer EDS; 107 (11%) served 20.1-40% EDS; 491 (50%) served 40.1-60% EDS; 345 (35%) served 60.1-80% EDS; and 42 (4%) served greater than 80% EDS.

Of the 34 charter schools earning a D, three (10%) served 20% or fewer EDS. Five schools (15%) served between 20.1 – 40% EDS, and ten (29%) served between 40.1 – 60% EDS. Twelve schools (35%) served between 60.1 – 80% EDS, and four schools (12%) served greater than 80% EDS.

Of the 426 district schools earning a D; 2 (.5%) served 20% or fewer EDS; 14 (3%) served 20.1 – 40% EDS; 129 (30%) served 40.1 – 60% EDS; 218 (51%) served 60.1 – 80% EDS; and 63 (15%) served greater than 80% EDS.

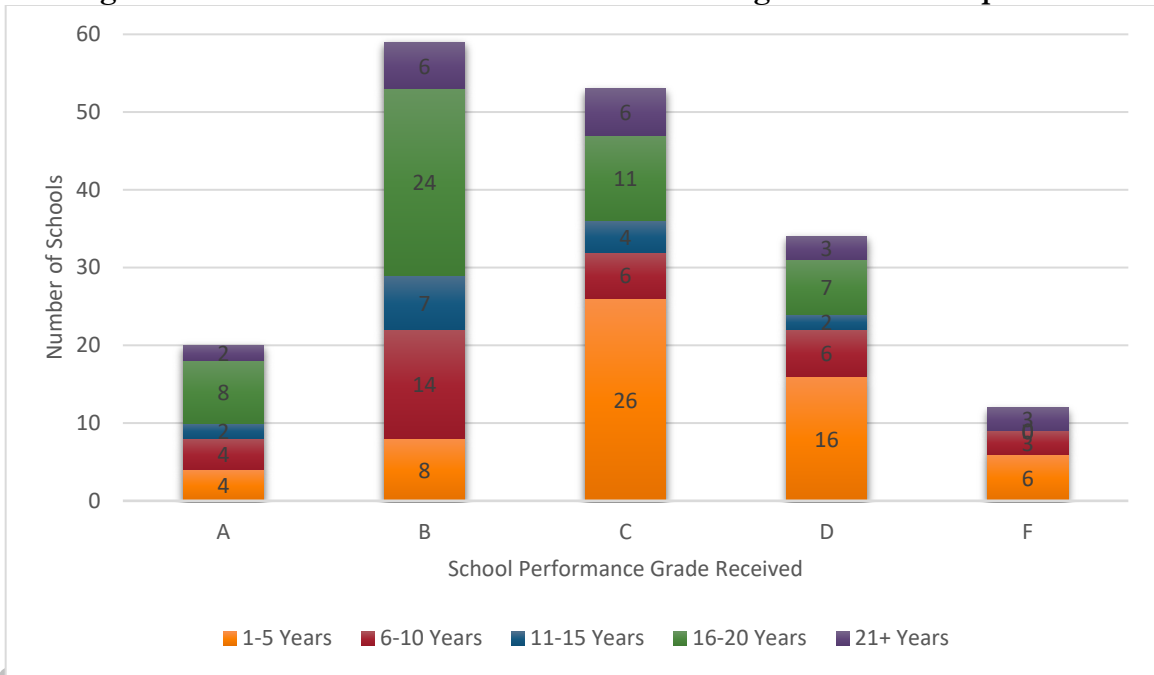
Of the twelve charter schools earning an F, two (17%) schools served 20.1 – 40% EDS, four schools (33%) served 40.1 – 60% EDS, five schools tested 61 – 80% EDS, and one school (8%) served greater than 80% EDS.

Of the 79 district schools earning an F, 13 (16%) served 40.1 – 60% EDS; 44 (56%) served 60.1 – 80% EDS; and 22 (28%) served greater than 80% EDS.

### **School Performance Grades and Length of Time in Operation**

The bar graph in Figure E depicts the number of schools earning grades A-F and contains color-coding to identify the length of time schools earning each particular grade have been in operation.

**Figure E. School Performance Grades and the Length of Time in Operation**



Of the twenty schools earning an A, four (20%) have been in operation for 1-5 years, four (20%) have been in operation for 6-10 years, and twelve (65%) have been in operation for 11 years or more.

Of the 59 schools earning a B, 37 schools (64%) have been in operation for 11 years or more. Eight of the 59 (3%) have been in operation for 1-5 years, and 14 of the 59 (32%) have been in operation for 6-10 years.

Of the 53 schools earning a C, 26 (49%) have been in operation for 1-5 years, six (11%) have been in operation for 6-10 years, four (8%) have been in operation for 11-15 years, 11 (21%) have been in operation for 16-20 years, and 6 (11%) have been in operation for 21 years or more.

Of the 34 schools earning a D, sixteen (47%) have been in operation for 1-5 years. Six (18%) schools earning a D have been in operation for 6-10 years, two (6%) have been in operation for 11-15 years, seven (21%) have been in operation for 16-20 years, and 3 (9%) have been in operation for 21 years or more.

Of the 12 schools earning an F, 6 (50%) have been open for 1-5 years, 3 (25%) have been open 6-10 years, and 3 (25%) have been open for 21 years or more.

### **2018-2019 Charter School Academic Growth**

The section below examines charter school growth compared to non-charter schools, charter school growth trends over the past five years, the demographics of charter schools compared to their growth scores, and growth scores in comparison to the length of time schools have been in operation.

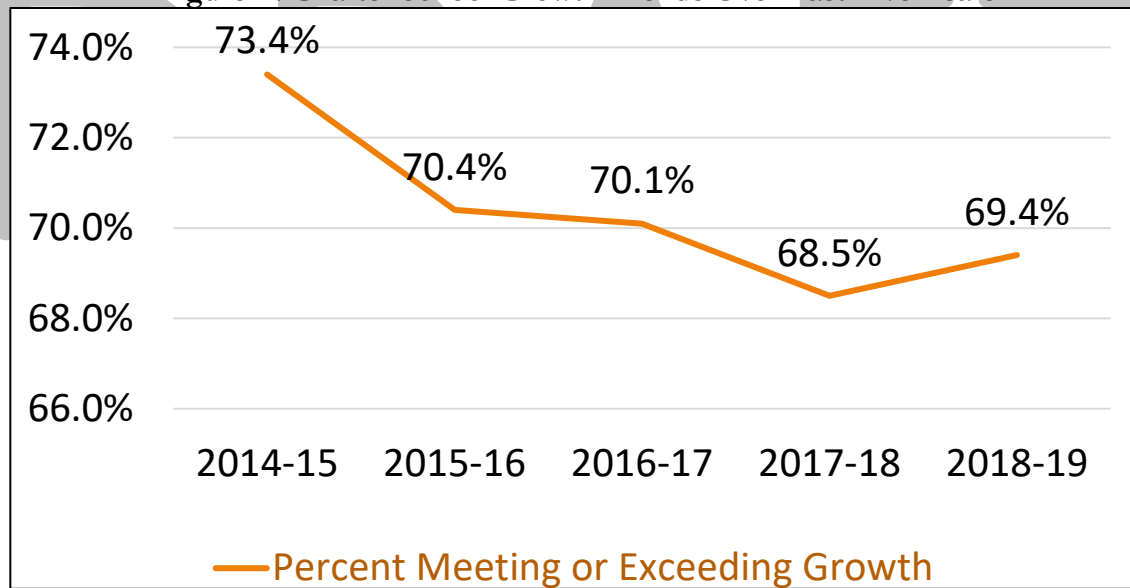
In a comparison of charter and non-charter academic growth, more non-charters met and exceeded growth in 2018-2019 than did charters. 69.4% of charter schools met or exceeded growth whereas 73.6% of district schools met or exceeded growth. A higher percentage of charters failed to meet growth (30.2%) compared to non-charter schools (26.5%). However, as Figure F shows, the percentage of charter schools meeting or exceeding growth increased from 2017-18 to 2018-19, breaking a four-year slide in growth scores.

**Table 11. 2018-19 Charter and Non-Charter Growth Comparison**

Growth Status	Charter		Non-Charter		All	
	#	%	#	%	#	%
<b>Exceeded</b>	48	26.8%	647	27.4%	695	27.3%
<b>Met</b>	77	43%	1095	46.2%	1172	46%
<b>Not Met</b>	54	30.2%	627	26.5%	681	26.7%

\*May not equal 184. Alternative schools and those with insufficient data did not receive a growth score.

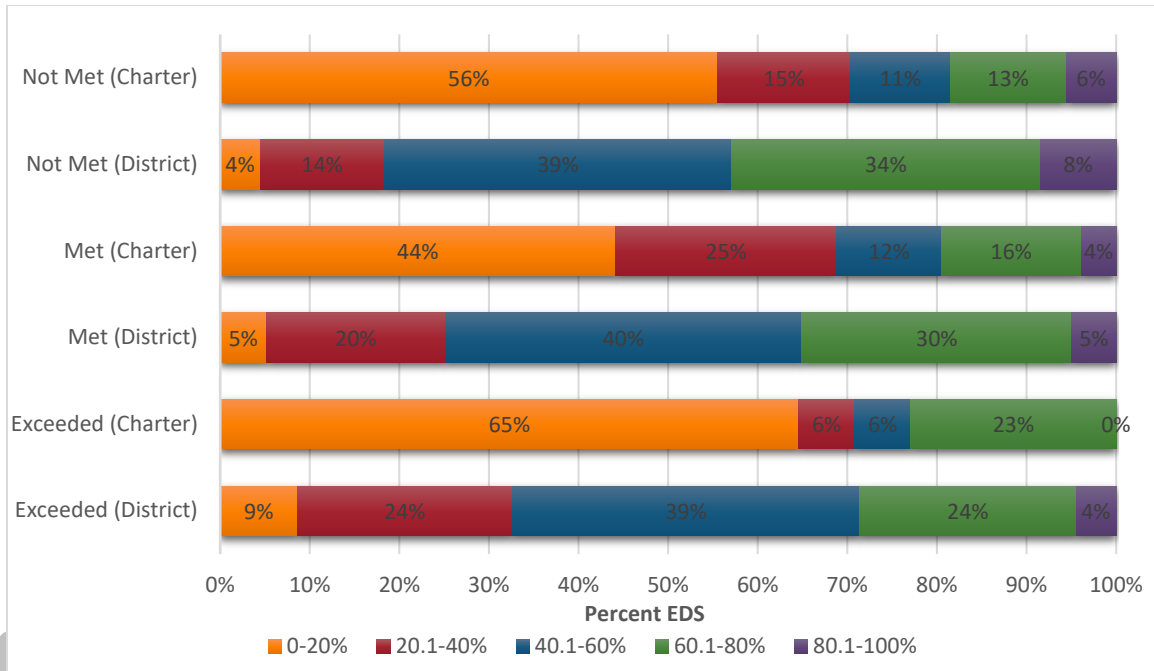
**Figure F. Charter School Growth Trends Over Past Five Years**



**School Growth Status Compared to Percentage of ED Students Tested**

Figure G illustrates the growth status achieved by North Carolina’s charter and district schools and the percentage of students identified as economically disadvantaged at each school.

**Figure G. 2018-2019 Charter/District School Growth Status and Percentage of ED Students Served**



Of the 54 charter schools that did not meet growth, 30 schools (56%) served 20% or fewer EDS; eight (15%) served between 21-40% EDS; six (11%) served between 41-60% EDS, seven (13%) served between 61-80% EDS, and three (6%) served greater than 80% EDS.

Of the 627 district schools that did not meet growth, 28 (4%) served fewer than 20% EDS; 87 (14%) served 20.1-40% EDS; 243 (39%) served 40.1-60% EDS; 216 (34%) served 60.1-80% EDS; and 53 (8%) served greater than 80% EDS.

Of the 77 charter schools that met growth, 34 schools (44%) served 20% or fewer EDS; 19 (25%) served 21-40% EDS; nine (12%) served 41-60% EDS; 12 (16%) served 61-80% EDS; and three (4%) served greater than 80% EDS.

Of the 1095 district schools that met growth, 57 (5%) served 20% or fewer EDS; 218 (20%) served 20.1-40% EDS; 436 (40%) served 40.1-60% EDS; 330 (30%) served 60.1-80% EDS; and 54 (5%) served greater than 80% EDS.

Of the 48 charter schools that exceeded growth, 31 schools (65%) served 20% or fewer EDS; 3 (6%) served 21-40% EDS; 3 (6%) served 41-60% EDS; and 11 (23%) served 61-80% EDS.

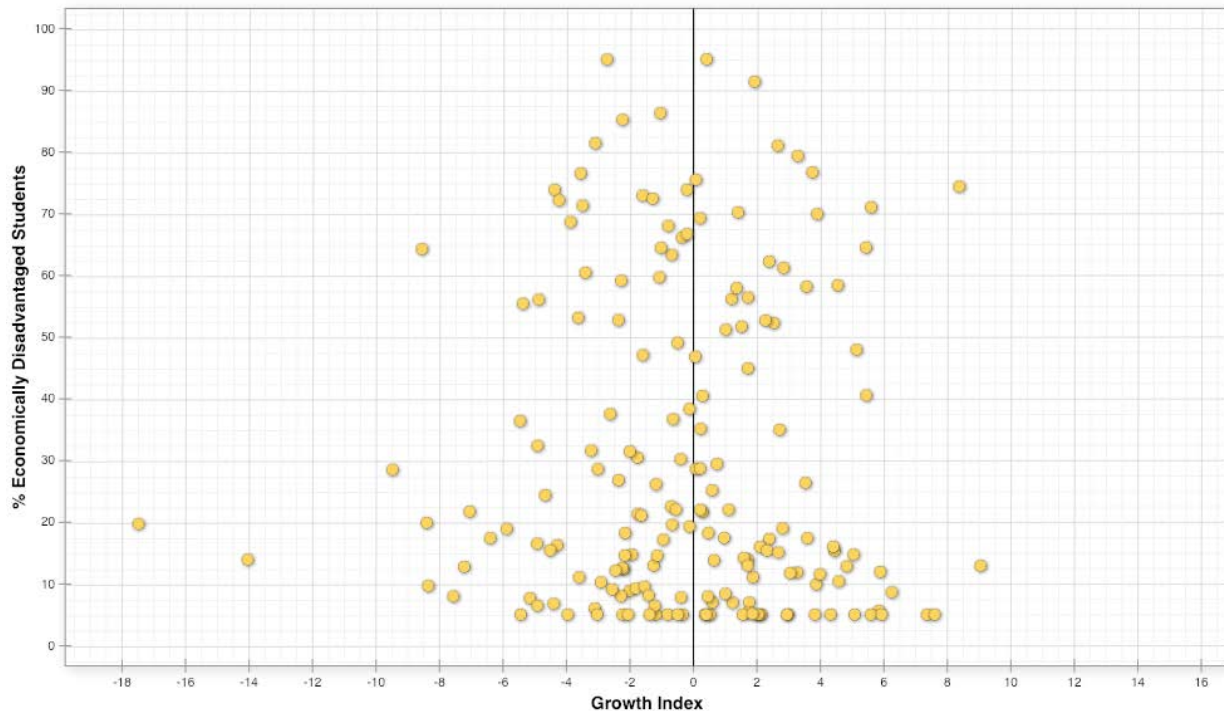
Of the 647 district schools that exceeded growth, 56 (9%) served 20% or fewer EDS; 155 (24%) served 20.1-40% EDS; 251 (39%) served 40.1-60% EDS; 156 (34%) served 60.1-80% EDS; and 29 (22.1%) served greater than 80% EDS.

## High Academic Growth with Disadvantaged Student Populations

One of the six legislative purposes of charter schools in North Carolina is to increase learning opportunities for all students, particularly those who are identified as at-risk of academic failure. One measure of excellence for charter schools is achieving high academic growth with a student population that is economically disadvantaged. The figure below illustrates the growth index achieved by each school compared to the percentage of economically disadvantaged students who were assessed in EOC or EOG assessments in 2018-2019.

It is important to note that the ED% in the chart below is reflective of the percentage of economically disadvantaged students in tested grades only as opposed to the school as a whole. Further, because charter schools are not required to participate in the National School Lunch Program, there is no standard manner in which to accurately capture the ED student population enrolled in charter schools. This may result in ED populations being largely underreported amongst charter schools.

**Figure H. Academic Growth with Economically Disadvantaged Students**



Based on this data, five schools had an ED population (in tested grades) of at least 70% and exceeded growth by achieving an EVAAS growth score of greater than +2:

- Wilmington Preparatory Academy (81.01% ED in tested grades; +2.66 growth score)
- Sugar Creek Charter (79.31% ED in tested grades; +3.29 growth score)
- CIS Academy (76.67% ED in tested grades; +3.75 growth score)
- PreEminent Charter (74.36% ED in tested grades; +8.38 growth score)
- Healthy Start Academy (71.03% ED in tested grades; +5.6 growth score)

KIPP Durham College Preparatory nearly met the 70% ED and +2 growth score threshold; the school had 69.9% ED students in tested grades and earned a +3.9 growth score.

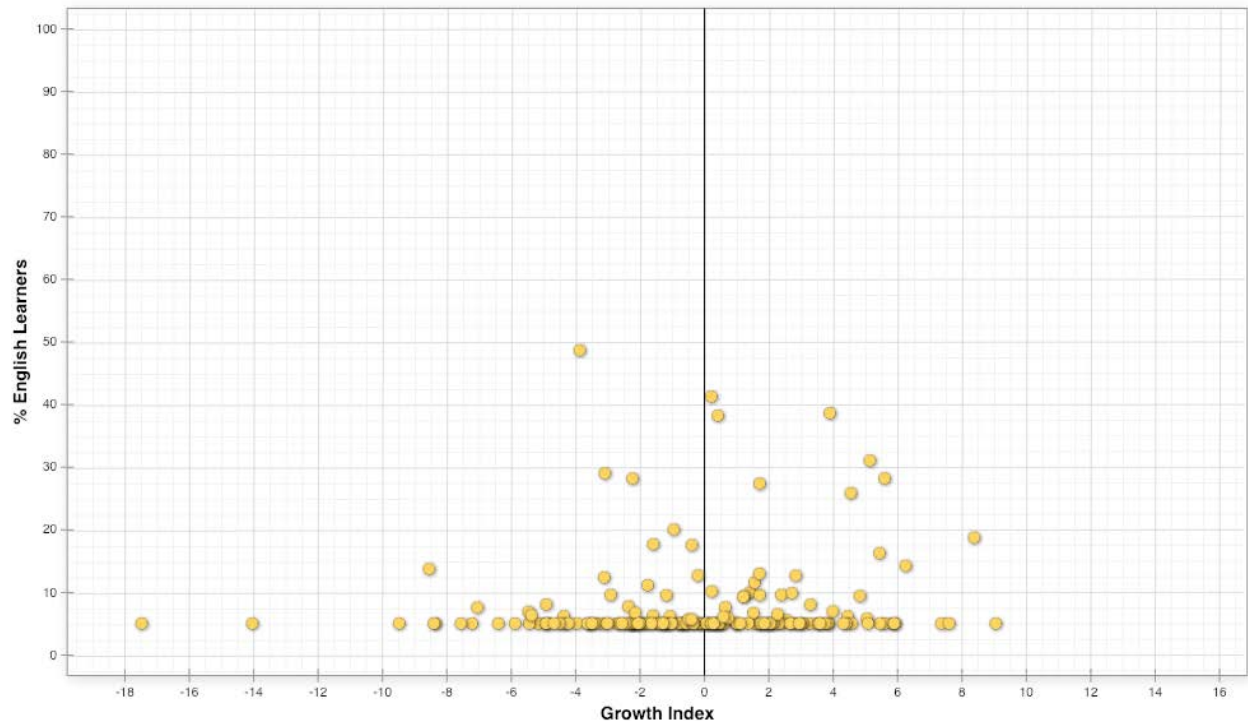
### Academic Growth with English Learners

The figure below illustrates the growth index achieved by each school compared to the percentage of English Learners who were assessed in EOG or EOC assessments in 2018-2019.

Based on this data, four schools had a tested EL population of at least 25% and exceeded growth by achieving an EVAAS score of greater than +2:

- KIPP Durham College Preparatory (38.6% EL tested population; +3.9 growth score)
- Torchlight Academy (31.02% EL tested population; +5.14 growth score)
- Healthy Start Academy (28.17% EL tested population; +5.6 growth score)
- Sallie B. Howard School of the Arts (25.82% EL tested population; +4.55 growth score)

Figure I. Academic Growth with English Learners



### Academic Growth with Students with Disabilities

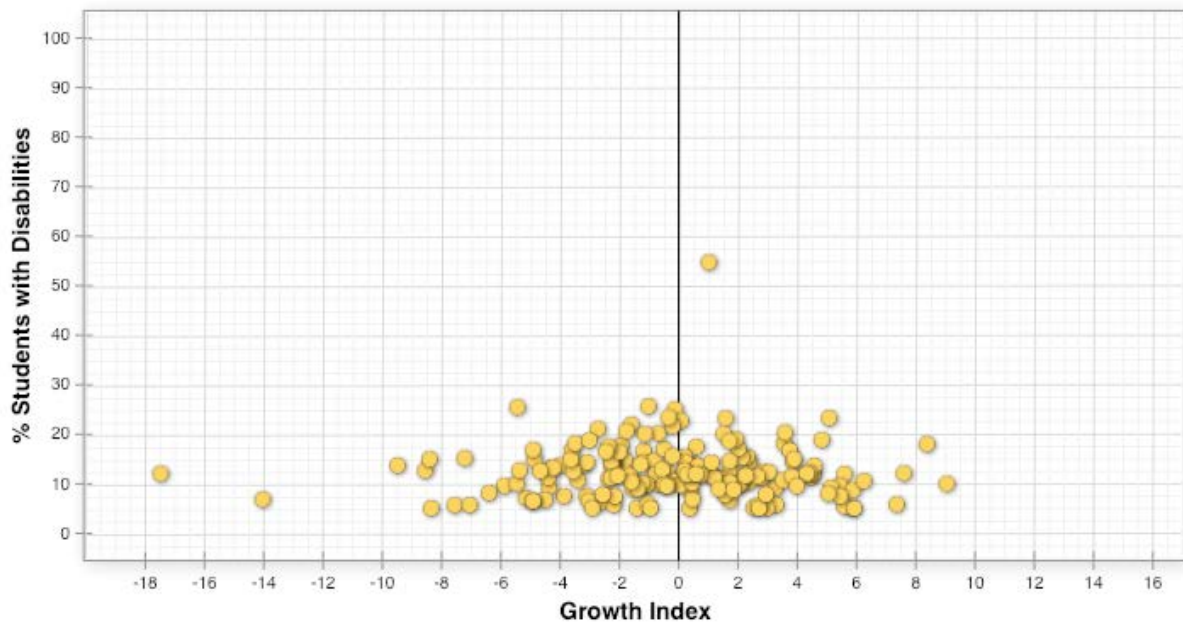
The figure below illustrates the growth index achieved by each school compared to the percentage of students with disabilities who were assessed in EOG or EOC assessments in 2018-2019.

Based on this data, eight schools had a tested SWD population of at least 15% and exceeded growth by achieving an EVAAS score of greater than +2:

- Arapahoe Charter School (18.02% SWD tested population; +3.56 growth score)
- CIS Academy (16.67% SWD tested population; +3.75 growth score)
- Island Montessori Charter School (20.29% SWD tested population; +3.59 growth score)

- Magellan Charter (15.21% SWD tested population; +2.14 growth score)
- Mountain Discovery Charter (15.38% SWD tested population; +2.32 growth score)
- PreEminent Charter (17.95% SWD tested population; +8.38 growth score)
- Quest Academy (17.02% SWD tested population; +2.02 growth score)
- United Community School (18.8% SWD tested population; +4.83 growth score)

**Figure J. Academic Growth with Students with Disabilities**



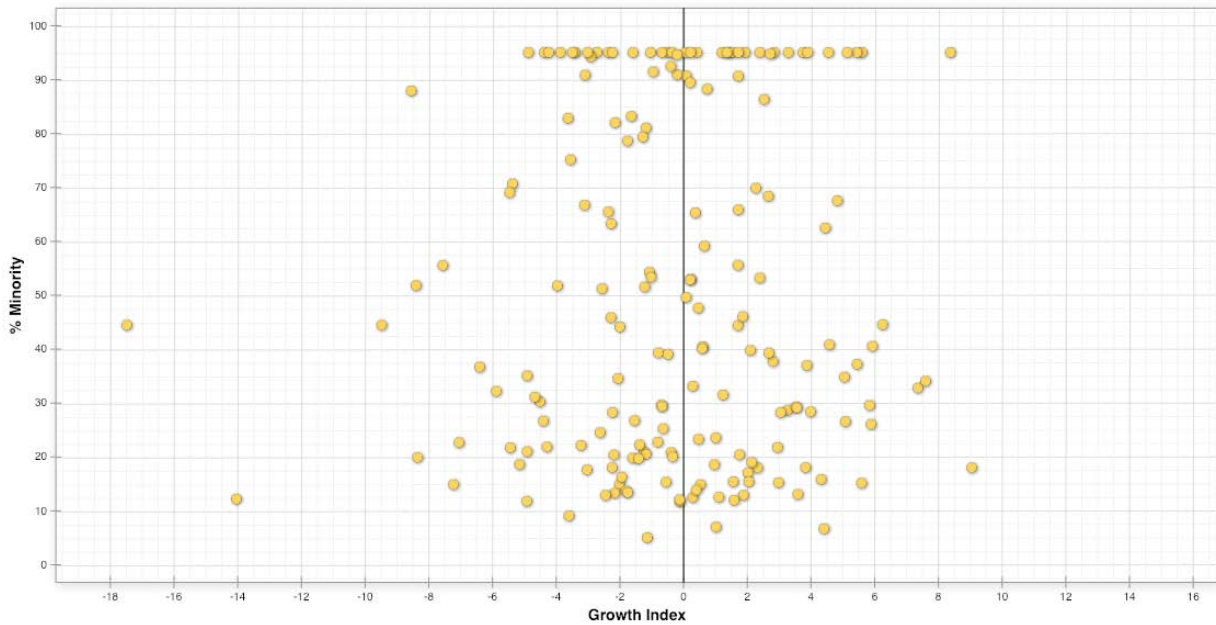
### Academic Growth with Students of Color

The figure below illustrates the growth index achieved by each school compared to the percentage of students of color who were assessed in EOC or EOG assessments in 2018-2019.

Based on this data, eleven schools had a tested student of color population of at least 70% and exceeded growth by achieving an EVAAS score of greater than +2:

- Alpha Academy (86.3%; +2.53)
- CIS Academy (95%; +3.75)
- Guilford Preparatory Academy (95%; +2.39)
- Healthy Start Academy (95%; +5.6)
- Henderson Collegiate (94.74%; +2.72)
- KIPP Durham College Preparatory (95%; +3.9)
- PreEminent Charter (95%; +8.38)
- Quality Education Academy (95%; +2.84)
- Research Triangle Charter (95%; +5.44)
- Sugar Creek Charter (95%; +3.29)
- Torchlight Academy (95%; +5.14)

**Figure K. Academic Growth with Students of Color**

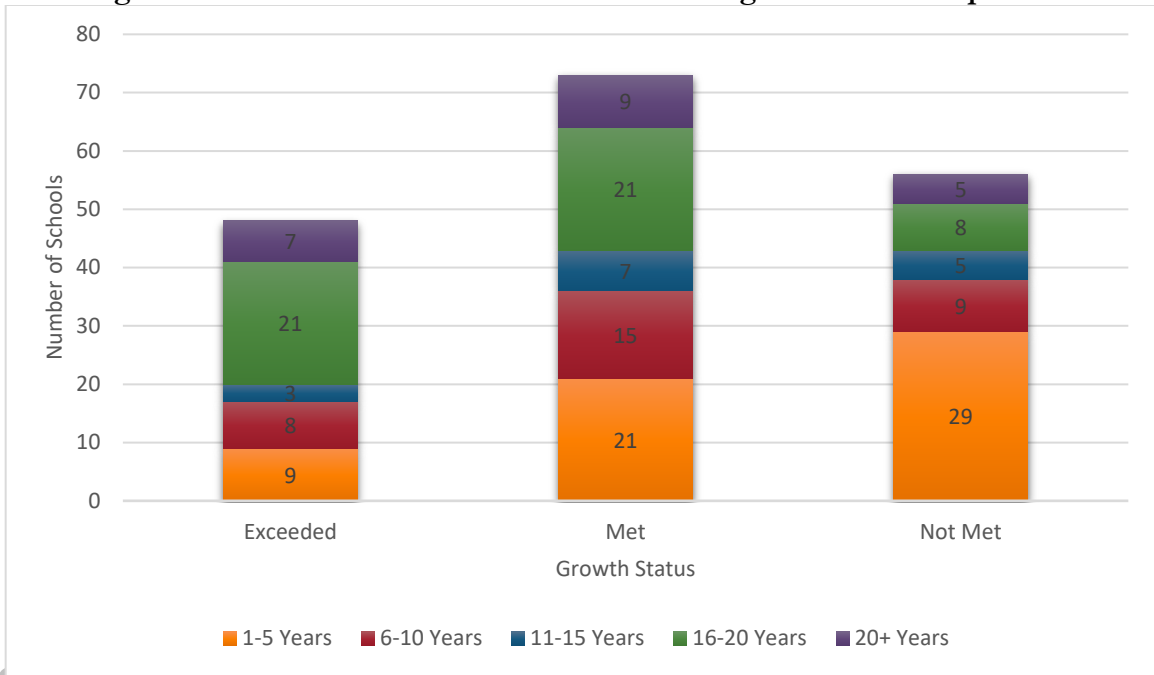


**Charter Academic Growth And Length of Time in Operation**

Figure L depicts the number of charter schools not meeting, meeting, and exceeding growth, and the length of time that schools have been in operation.

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**Figure L. Charter School Growth Status and Length of Time in Operation**



Of the 48 schools that exceeded growth, nine (19%) have been in operation for 1-5 years; 8 (17%) have been in operation for 6-10 years; three (6%) have been in operation for 11-15 years; 21 (44%) have been in operation for 16-20 years; and seven (15%) have been in operation for 21 years or more.

Of the 73 schools meeting growth, 21 (29%) have been in operation for 1-5 years; 15 (21%) have been in operation for 6-10 years; seven (10%) have been in operation for 11-15 years; 21 (29%) have been in operation for 16-20 years; and nine (12%) have been in operation for more than 20 years.

Of the 54 schools not meeting growth, 29 (54%) have been in operation for five years or fewer; 9 (17%) have been in operation for 6-10 years; five (9%) have been in operation for 11-15 years; eight (15%) have been in operation for 16-20 years; and five (9%) have been in operation for greater than 20 years.

**Table 12. Number and Percentage of Schools At or Above 60% Grade Level Proficient and College/Career Ready**

	Charter		Non-Charter		All	
	#	%	#	%	#	%
<b>Schools At/Above 60% GLP (Level 3, 4, or 5)</b>	104	56%	1068	44%	1172	45%
<b>Schools At/Above 60% CCR (Level 4 or 5)</b>	46	25%	350	15%	396	15%

**Academic Performance: Low-Performing and Continually Low-Performing Schools**

S.L. 2016-79 defines Low-Performing and Continually Low-Performing Charter Schools as the following:

1. Low-Performing charter schools are those that receive a school performance grade of D or F and a school growth score of “met expected growth” or “not met expected growth.”
2. Continually Low-Performing charter schools are those that have been designated by the State Board as Low-Performing for at least two of the last three years.

In 2018-19, 47 total schools were identified as either Low-Performing or Continually Low-Performing. Thirty-eight schools were identified as Continually Low-Performing, and forty-two schools were identified as Low-Performing. There was considerable overlap between the Low-Performing and Continually Low-Performing lists. Of the 42 Low-Performing schools, 31 were also Continually Low-Performing. Two of these schools were closed at the end of the 2018-19 school year. Of the 38 Continually Low-Performing Schools, five were not identified as Low-Performing because they received a grade higher than a D and either met or exceeded growth in 2018-19.

The number of LP/CLP charter schools increased from 34 in 2017-18 to 47 in 2018-19.

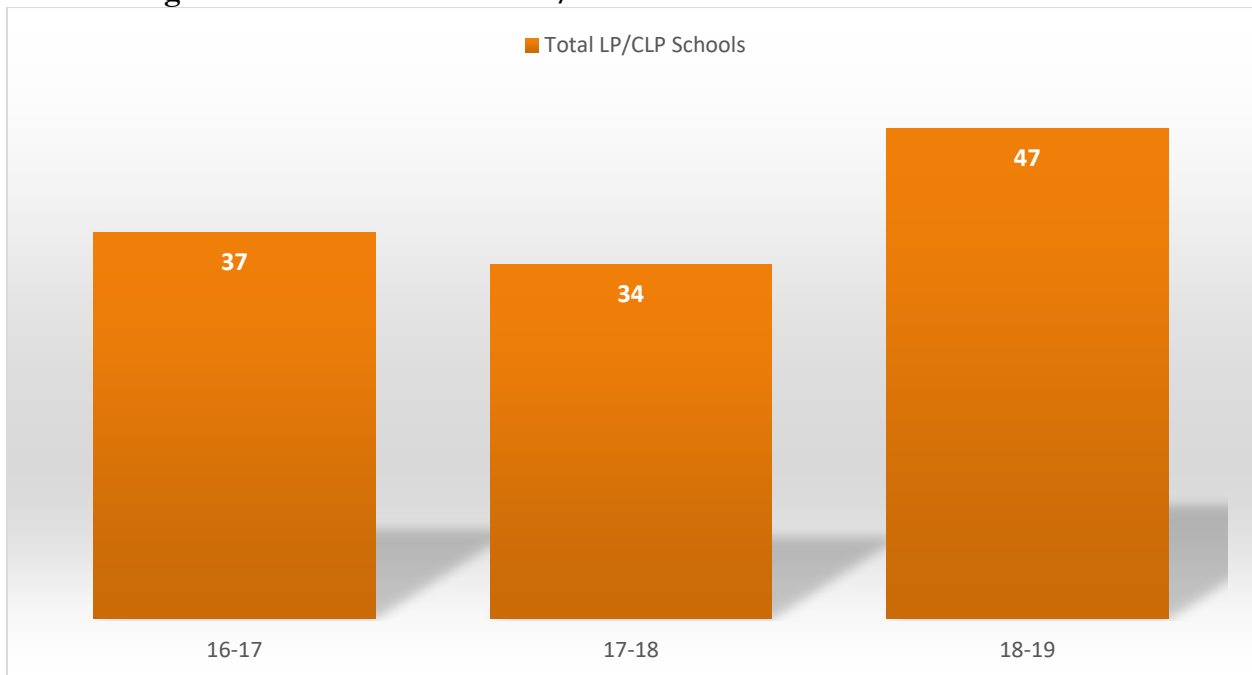
**Table 13. Low-Performing/Continually Low-Performing Charter School Trends**

	2016-17	2017-18	2018-19
LP Charter Schools	37 (22.6%)	28 (16.8%)	42 (23.6%)
LP District Schools	468 (20.3%)	451 (19.5%)	445 (19.2%)
CLP Charter Schools			38 (22.8%)
Recurring LP District Schools			423 (18.5%)

**Table 14. Total Low-Performing/Continually Low-Performing Charter School Trends**

	2016-17	2017-18	2018-19
Total LP/CLP Schools	37	34	47

**Figure M. Total Number of LP/CLP Charter Schools - Three Year Trend**



In order to hold charter schools accountable for student achievement results, the CSAB requires every school on the Low-Performing or Continually Low-Performing list to appear before them and present a plan for school improvement. CSAB members ask pointed questions about the efficacy of school plans and often encourage schools to establish student achievement goals that are feasible and ambitious. Every school identified as Low-Performing or Continually Low-Performing receives a site visit from the OCS Risk Assessment team. Schools consistently appearing on the Low-Performing monitoring list are also at risk of possible charter termination or non-renewal. Additional information on OCS-provided supports for Low-Performing and Continually Low-Performing Schools is located in Appendix C.

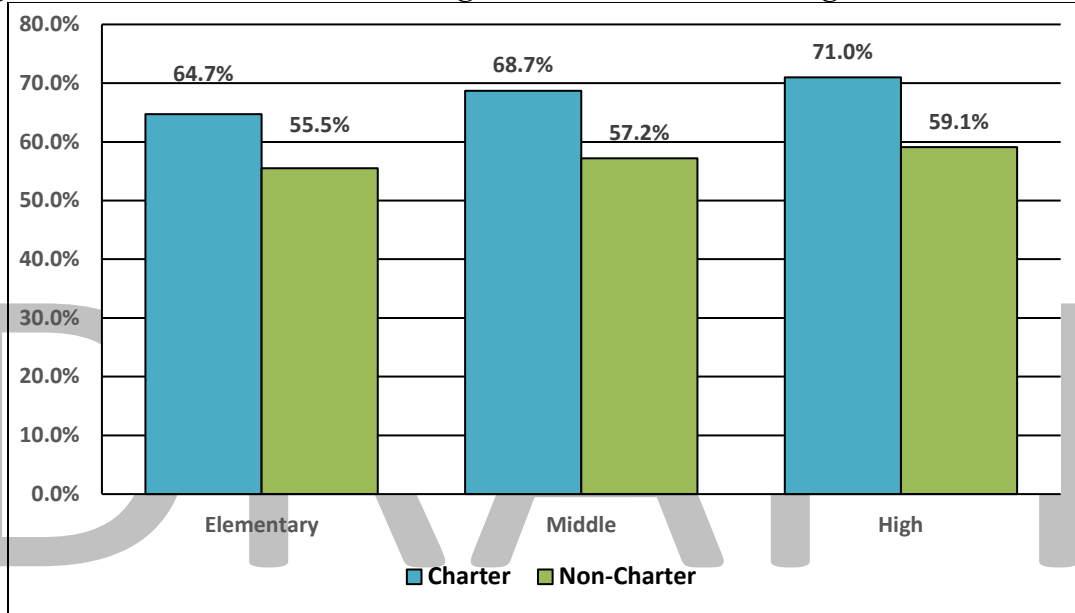
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## Academic Performance: Grade Level Proficiency Across Subject Areas and Subgroups

The next several charts depict charter school student proficiency in English/Language Arts, Math, Science, and the ACT, both overall and within specific subgroups. The number of students captured within each subgroup score is located in Appendix D.

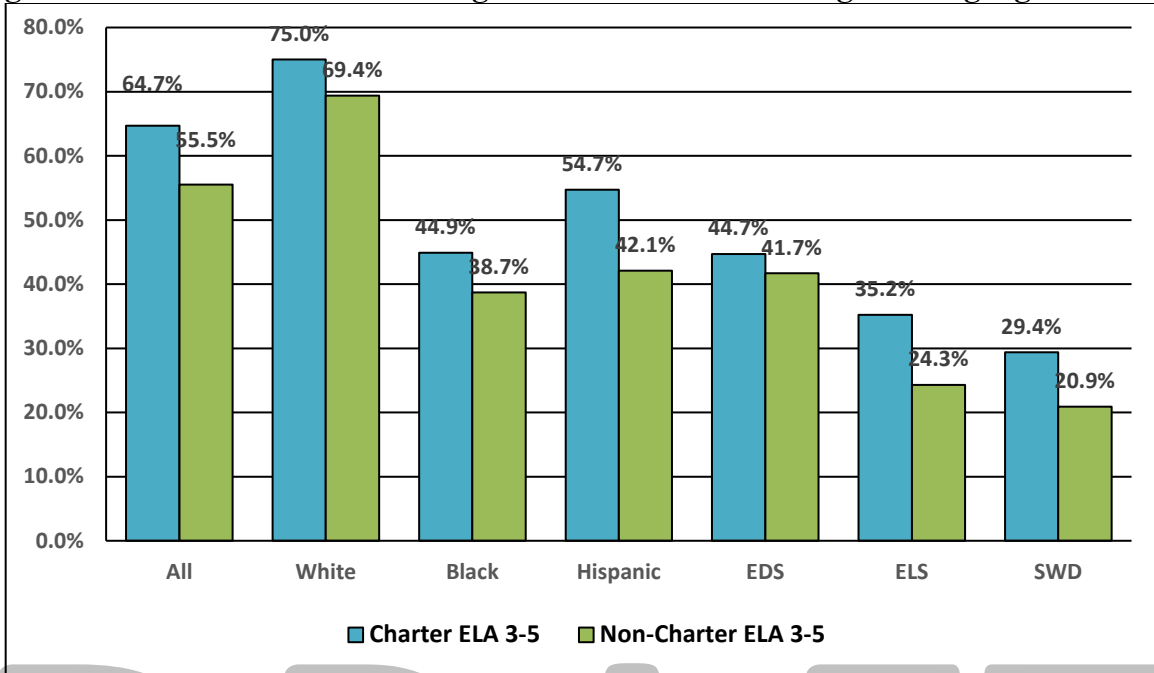
English Language Arts  
Charter Schools and Non-Charter Schools  
All Students Comparisons 2019

Figure N. Percent of Students Scoring a Level 3 or Above on English/ELA EOC/EOG



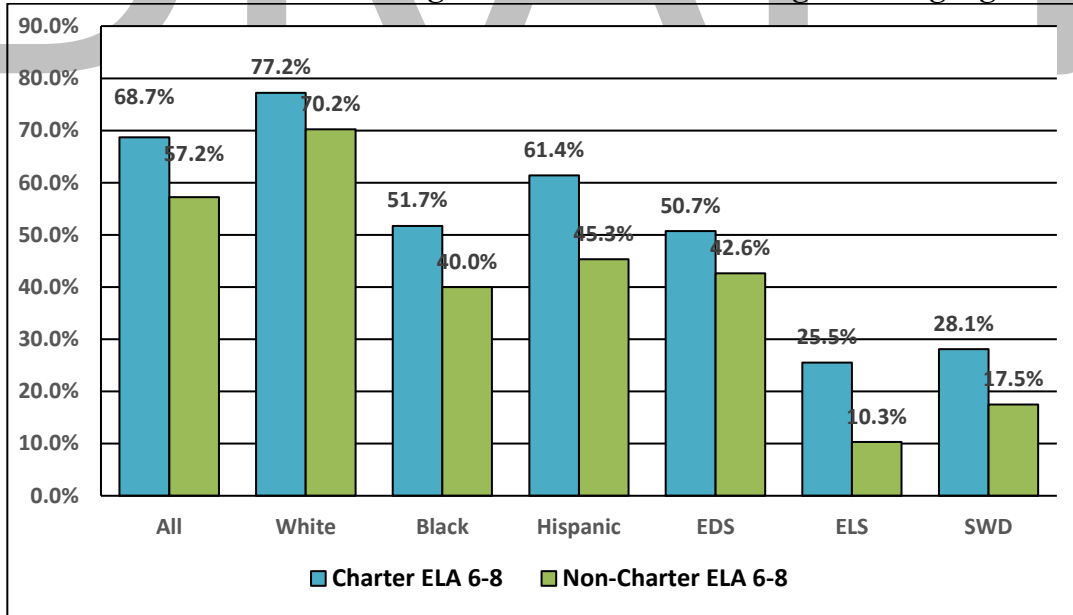
English Language Arts  
Charter Schools and Non-Charter Schools  
Elementary Subgroup Comparison

**Figure O. Percent of Students Scoring a Level 3 or Above on English Language Arts EOG**



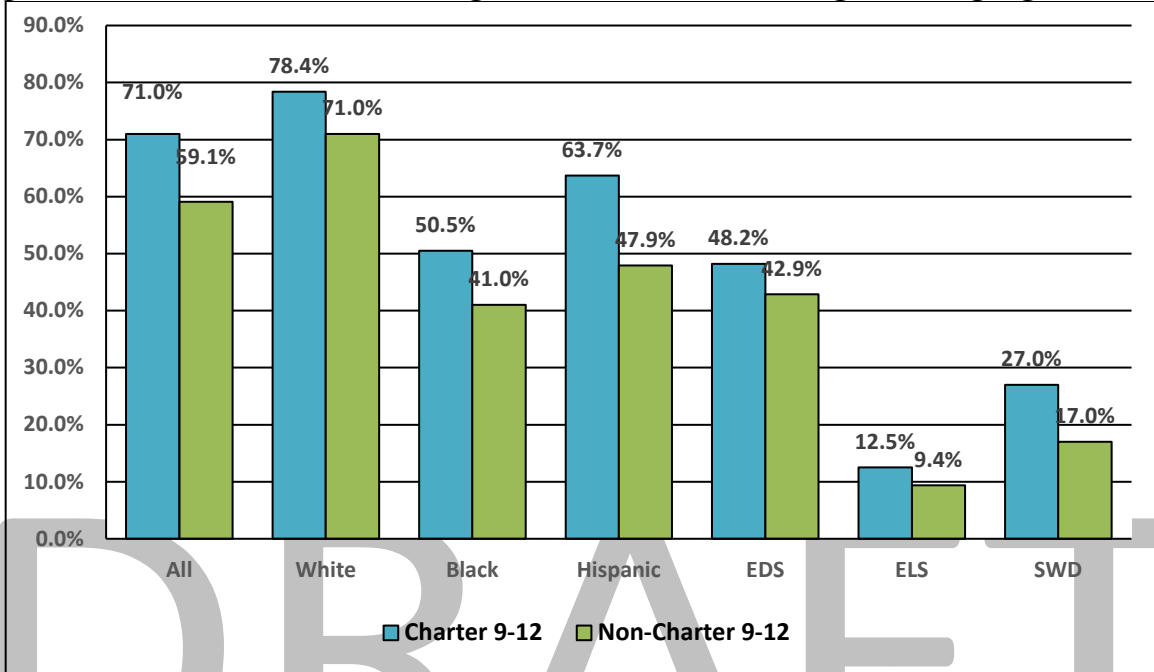
Middle School Subgroup Comparison

**Figure P. Percent of Students Scoring a Level 3 or Above on English/Language Arts EOG**



High School Subgroup Comparison

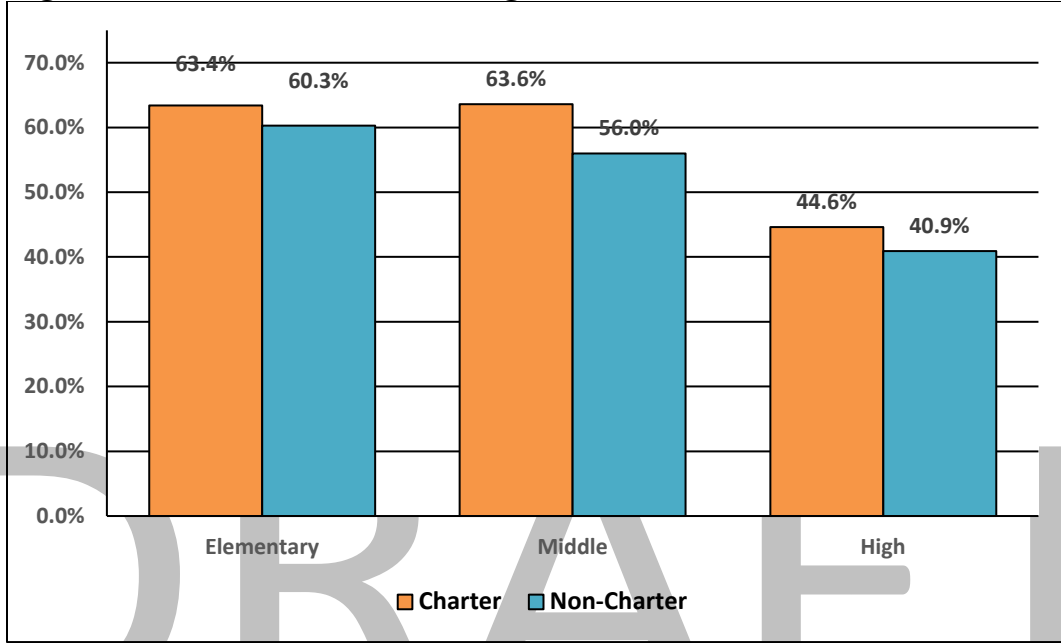
Figure Q. Percent of Students Scoring a Level 3 or Above on English/Language Arts EOC



## Mathematics Performance

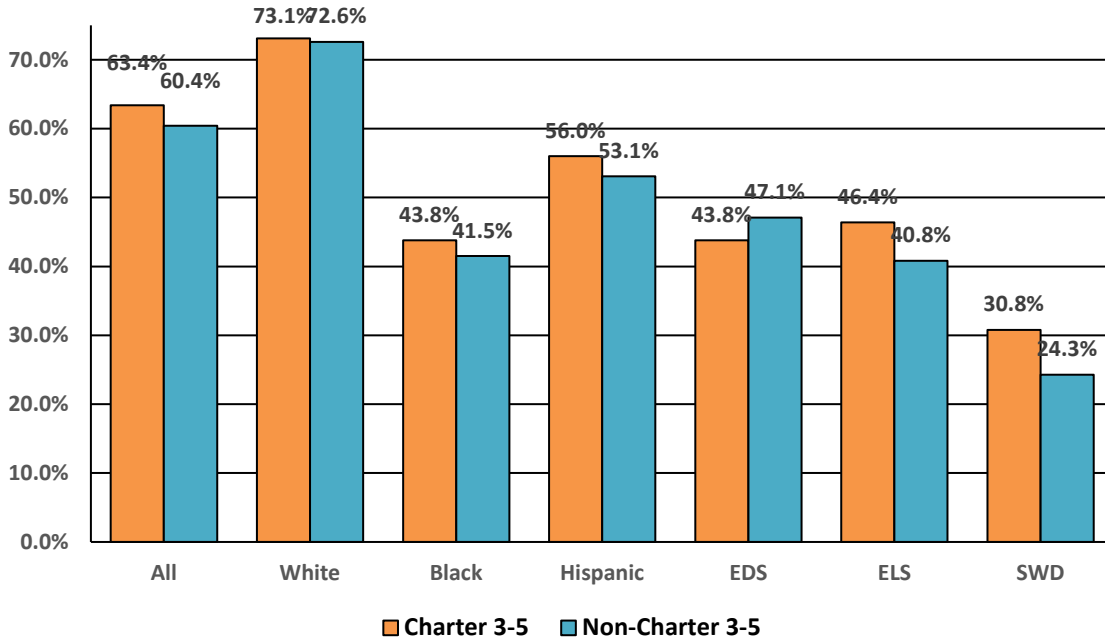
Mathematics  
Charter Schools and Non-Charter Schools  
All Students Comparisons 2019

Figure R. Percent of Students Scoring a Level 3 or Above on Math EOC/EOG



Mathematics  
Charter and Non-Charter Schools  
Percent of Students Scoring a Level 3 or Above on Math EOC/EOG

**Figure S. Elementary School Subgroup Comparison**



**Figure T. Middle School Subgroup Comparison**

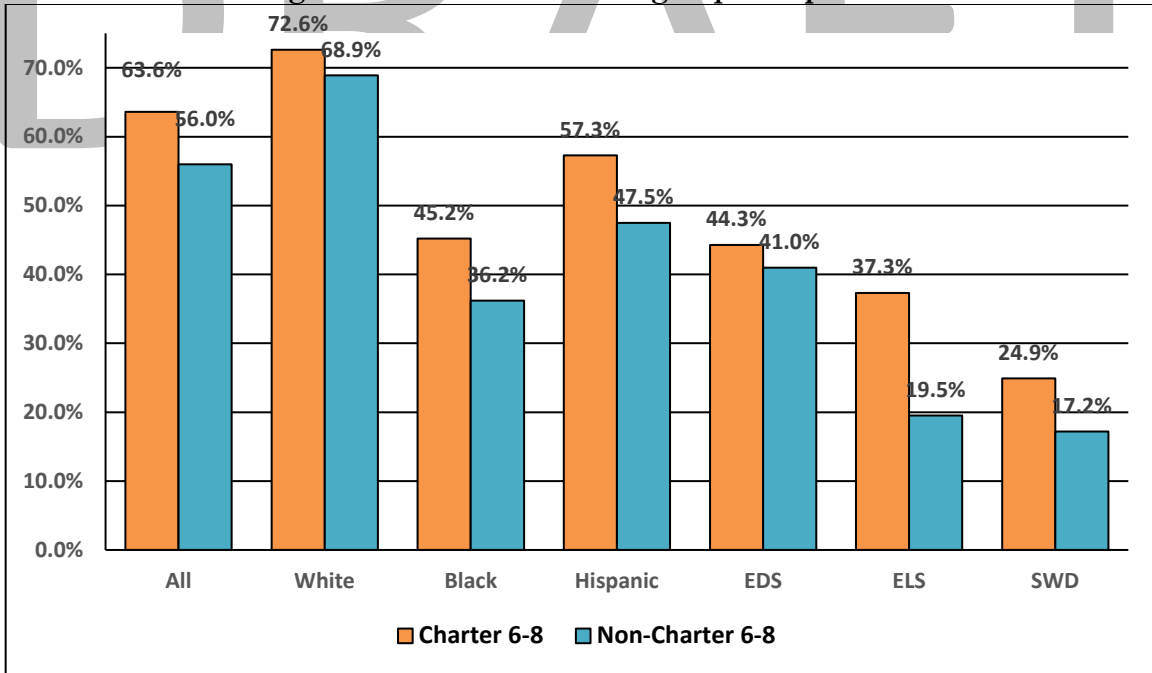
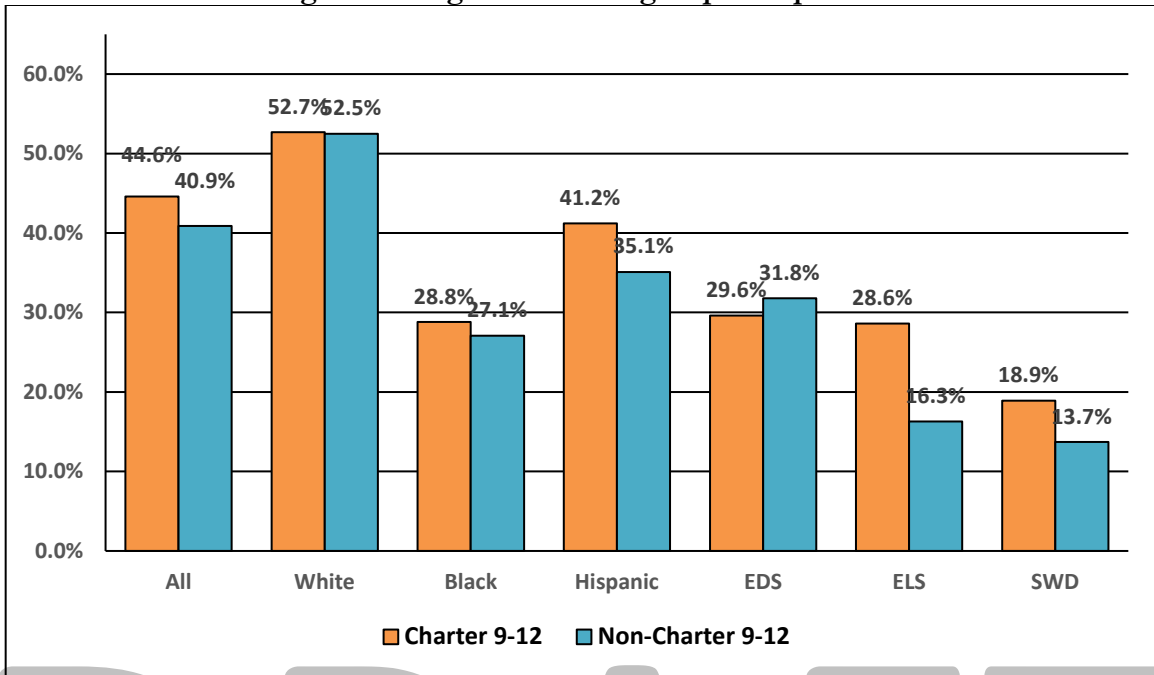


Figure U. High School Subgroup Comparison

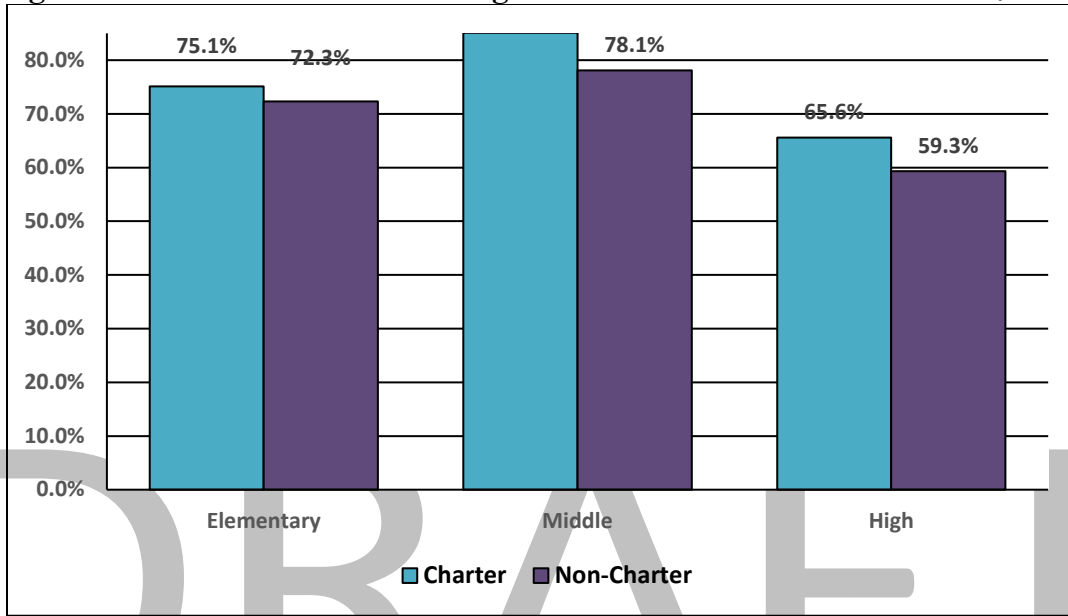


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## Science Performance

Science  
Charter Schools and Non-Charter Schools  
All Students Comparisons 2019

**Figure V. Percent of Students Scoring a Level 3 or Above on Science EOC/EOG**



Science  
Charter and Non-Charter Schools  
Percent of Students Scoring a Level 3 or Above on Math EOC/EOG

Figure W. Elementary School Subgroup Comparison

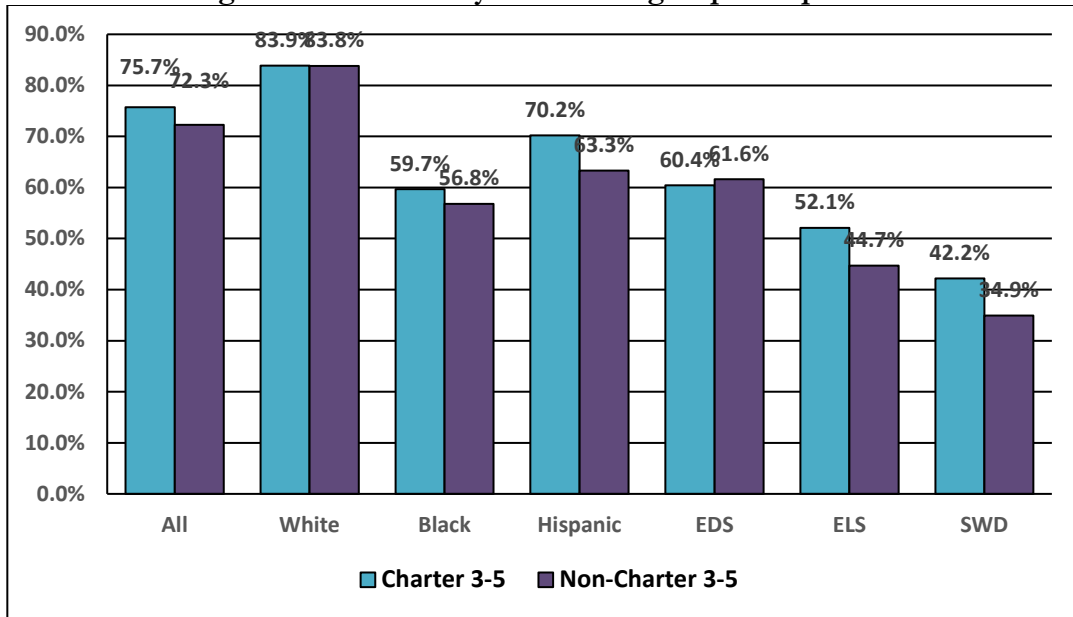


Figure X. Middle School Subgroup Performance

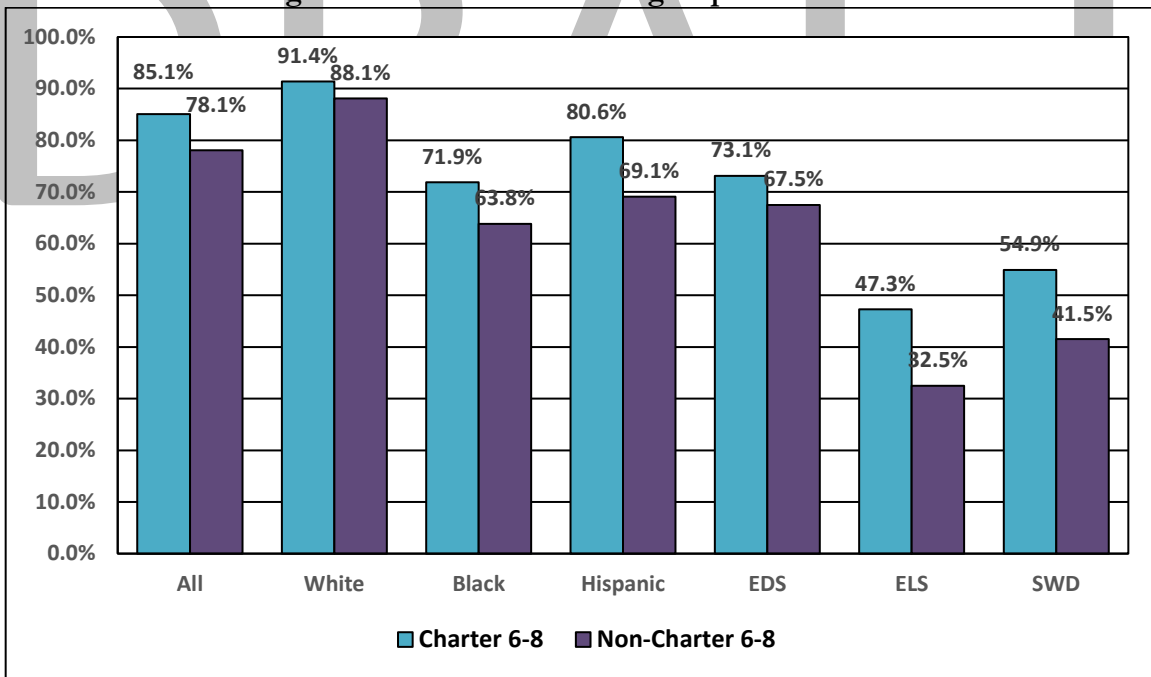
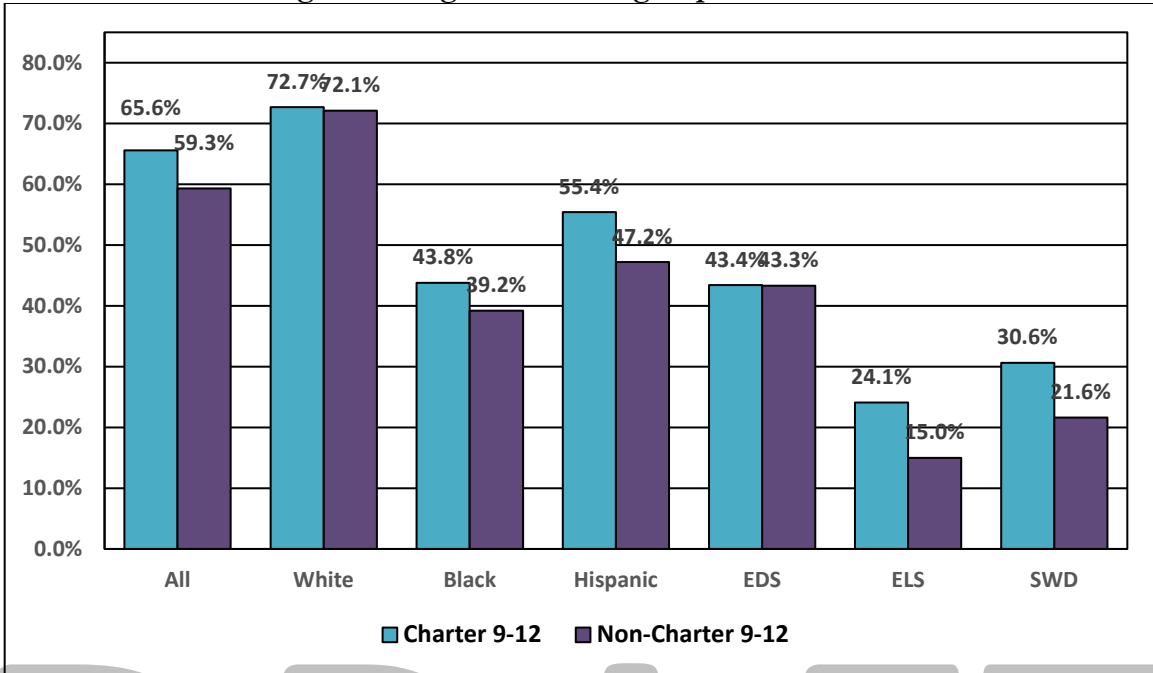
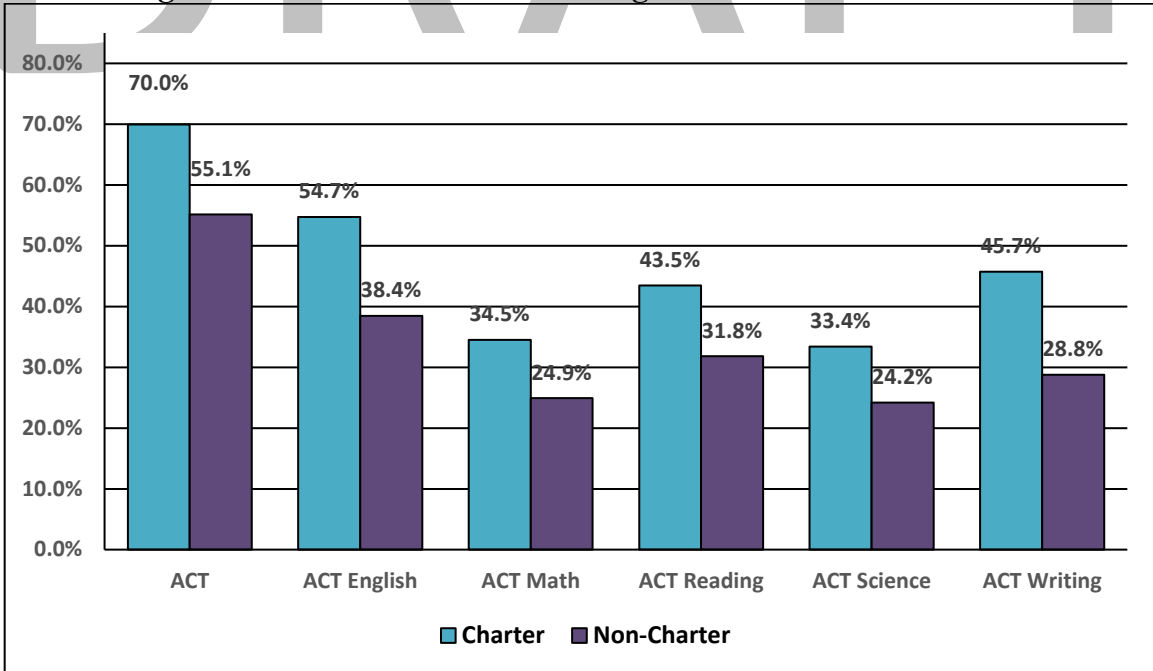


Figure Y. High School Subgroup Performance



ACT Performance  
Charter Schools and Non-Charter Schools

Figure Z. Percent of Students Meeting UNC 2017 ACT Benchmark



**State Board of Education Strategic Plan  
Goals and Measures for Charter Schools**

The State Board of Education sets targets for charter school academic performance, as measured by school performance grades, school growth, and Low-Performing/Continually Low-Performing status. The chart below shows charter schools’ actual results relative to the State Board’s goals and targets.

The Office of Charter Schools, Charter Schools Advisory Board, and State Board of Education are committed to providing the supports necessary to ensure that the charter sector is progressing towards the goals outlined in the SBE strategic plan.

**Table 13. SBE Goals and Measures for Charter Schools**

	Measure	2018-2019	
		Targeted	Actual
2.4.1	Percentage of charter schools receiving SPG of A or B	45.5%	43%
2.4.2	Percentage of charter schools meeting or exceeding expected annual academic growth	75%	69%
2.4.3	Percentage of charter schools meeting or exceeding all financial and operational goals as measured by the OCS’ Performance Framework	90%	TBD
2.4.4a	Decrease number of Low Performing charter schools	25	42
2.4.4b	Decrease number of Continually Low Performing charter schools	8	38

## Charter School Impact on Local Districts

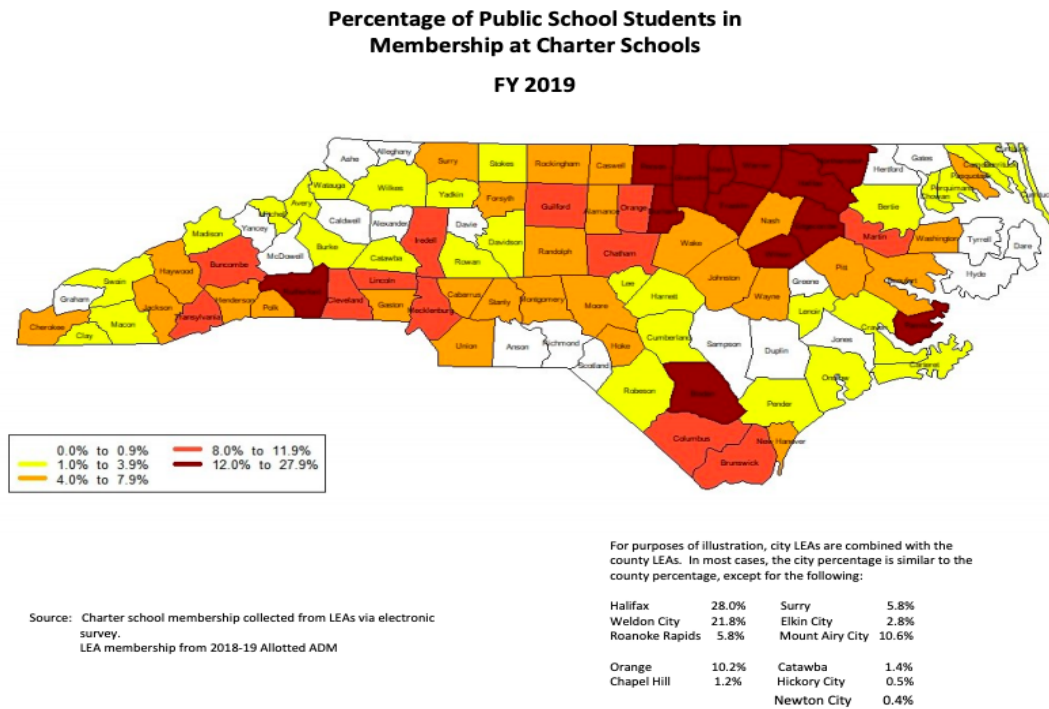
In 2018-2019, charter school average daily membership (ADM) accounted for 7.2% of the state's total ADM. Of the \$9.44 billion in state funding for public education, 7.1% (or \$674,314,240) was allotted to charter schools.

**Table 14. Number of Charters Approved, Opened, Closed and Total State Funds Allotted**

Year	Approved	Opened	Closed	Relinq w/o Opening	Total in Operation	Planning Allotted ADM	% of Total ADM	Total State Funds Allotted
1996-97	34	0	0	0	0			
1997-98	31	34	1	0	33	4,106	0.3%	\$ 16,559,947
1998-99	28	26	3	0	56	5,572	0.4%	\$ 32,143,691
1999-00	17	22	3	5	75	10,257	0.8%	\$ 50,104,210
2000-01	9	15	4	3	86	14,230	1.1%	\$ 64,213,491
2001-02	3	8	3	2	91	19,492	1.5%	\$ 77,177,902
2002-03	2	5	3	1	93	19,832	1.5%	\$ 87,233,744
2003-04	4	2	2	0	93	21,578	1.6%	\$ 94,286,726
2004-05	2	4	0	0	97	24,784	1.8%	\$ 110,888,050
2005-06	1	2	3	0	96	28,733	2.1%	\$ 132,089,910
2006-07	7	1	4	0	93	29,170	2.0%	\$ 144,299,621
2007-08	2	7	2	0	98	30,892	2.1%	\$ 169,871,326
2008-09	0	2	3	0	97	34,694	2.3%	\$ 191,751,412
2009-10	3	0	1	0	96	38,449	2.6%	\$ 187,726,898
2010-11	1	3	0	0	99	41,314	2.8%	\$ 200,058,046
2011-12	9	1	0	0	100	44,829	3.0%	\$ 228,291,552
2012-13	24	7	1	1	106	48,795	3.3%	\$ 255,396,318
2013-14	26	22	2	0	126	53,655	3.6%	\$ 304,459,644
2014-15	11	24	3	0	147	64,186	4.2%	\$ 366,455,982
2015-16	15	14	3	1	158	81,943	5.3%	\$ 444,131,335
2016-17	8	8	0	0	166	92,112	6.0%	\$ 513,450,126
2017-18	9	8	1	1	173	101,689	6.6%	\$ 580,772,383
2018-19	12	12	1	1	184	111,604	7.2%	\$ 674,314,240
	258	227	43	15				

Unlike local education agencies, charter schools are not bound to serve only the students residing within a particular county or district. Many charter schools serve students from multiple districts, which often poses challenges related to transportation and funding allocations. Given the large number of districts from which a charter school may enroll students, it is difficult to pinpoint the specific fiscal impact of a given charter school on its “home district.” The map below illustrates the percentage of public school students in membership for each district in the state.

Figure AA. Percentage of Public School Students in Membership at Charter Schools



In 2018-2019, the individual LEAs with the highest percentages of charter school membership (compared to total district and charter ADM) were located predominantly in rural areas, with the exception of Durham Public Schools. The table below outlines the LEAs where charter membership is at least 13% of the total district and charter ADM. A table of the percentage of charter membership for every LEA in NC is in Appendix E.

Table 15. LEAs with at Least 13% of Students Enrolled in Charter Schools

Region	LEA	Charter Membership	LEA Allotted ADM	Total LEA and CS	% of LEA
1	Halifax	959	2,472	3,431	28.0%
1	Northampton	530	1,651	2,181	24.3%
3	Vance	1,853	5,928	7,781	23.8%
1	Weldon City	251	899	1,150	21.8%
3	Person	1,134	4,449	5,583	20.3%
3	Durham Public	6,957	33,080	40,037	17.4%
3	Granville	1,500	7,511	9,011	16.6%
3	Warren	378	2,039	2,417	15.6%
2	Pamlico	230	1,250	1,480	15.5%
3	Wilson	1,834	11,554	13,388	13.7%
8	Rutherford	1,236	8,183	9,419	13.1%
3	Franklin	1,224	8,198	9,422	13.0%

In 2018-2019, the SBE Education districts with the highest percentages of charter school membership (compared to total district and charter ADM) were Regions 3 and 6. The table below outlines the total percentage of charter membership for each region. A map of the eight State Board of Education Districts is also below for reference.

Figure AB. North Carolina State Board of Education Districts

## North Carolina State Board of Education Districts

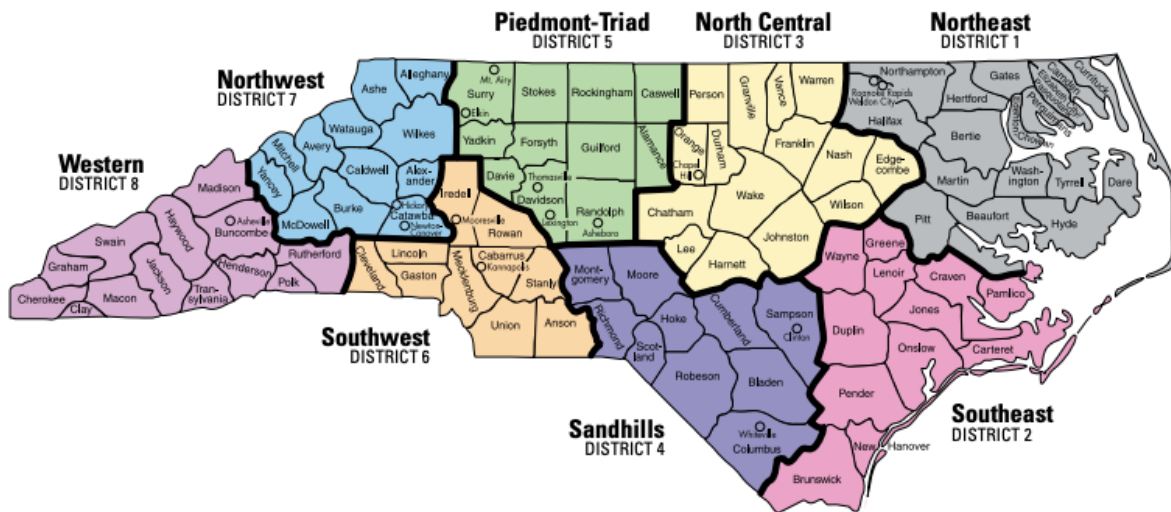


Table 16. SBE Districts/Regions and Total Charter Membership

Region	2019 Charter Membership	LEA Allotted ADM	Total LEA and CS	% of LEA
North Central – 3	35,420	352,216	387,636	9.1%
Southwest – 6	34,523	343,488	378,011	9.1%
Western – 8	6,123	81,266	87,389	7.0%
Northeast – 1	4,632	71,272	75,904	6.1%
Piedmont-Triad – 5	15,273	238,458	253,731	6.0%
Southeast – 2	5,293	140,320	145,613	3.6%
Sandhills – 4	4,804	134,812	139,616	3.4%
Northwest – 7	1,104	82,705	83,809	1.3%

Charter schools also have positive potential impacts on local districts, such as relieving overcrowding, supplementing educational offerings currently available to parents, and reducing the financial strain on districts of building new facilities. Charter schools received a survey to gather square footage information, in order to estimate the amount of money districts have saved on facilities by not having to build schools to house students enrolled in charter schools. Preliminary survey results indicate that charter school square footage across the state totals approximately 11,000,000 square feet. If that figure is multiplied by a conservative estimate of \$100 per square foot

in building, renovation, and maintenance costs, charter schools may be saving districts almost \$1 billion dollars in capital improvements. Further analysis on facilities savings is necessary to confirm this figure.

Prior to 2013, the State Board of Education was required by legislation to solicit impact statements from LEAs when new applications for charters were being considered or when exiting charter schools wanted to grow beyond what was normally allowed within the statute. The General Assembly removed the requirement that LEAs submit impact statements, but the State Board has continued to consider comments from school districts in situations involving charter school enrollment growth.

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### Ensuring Autonomy and Accountability

As schools of choice, charter schools are accountable to parents and guardians, who may withdraw their student(s) and re-enroll them elsewhere, should the school not meet their expectations. However, the North Carolina General Assembly and State Board of Education have approved several additional, concrete measures through which charter schools are held accountable to stakeholders:

- 1) Per General Statute 115C-218.25, all charter school boards are subject to the Open Meetings Laws and must publish the board meeting schedule on their website.
- 2) Per General Statute 115C-218.25, all charter schools are subject to the Public Records Act and must promptly comply with citizen requests.
- 3) Per General Statute 115C-218.90(b), all charter schools must adopt a criminal history check policy mirror that of the local school administrative unit in which the school is located. Further, all charter school board members must have criminal background checks.
- 4) Per General Statute 115C-218.85(3) and SBE policy CHTR-001, all charter schools are required to conduct the student assessments required by the SBE. Further, all charter schools are required to comply with North Carolina's Accountability Model, unless otherwise approved by the SBE. Currently, four charter schools have been approved for an alternative accountability model.
- 5) Per General Statute 115C-218.30 and SBE policy CHTR-006, every charter school is required to undergo an annual audit for both its finances and its compliance with applicable federal and state laws and policies. These audits conducted by an independent auditor approved by the Local Governance Commission, and the audit must be published on the school's website. (LGC Audit Requirements located in Appendix F)
- 6) Per General Statute 115C-218.94 and SBE policy CHTR-010, every charter school identified as Low Performing or Continually Low Performing is required to come before the Charter School Advisory Board and outline their plan for improving student achievement.
- 7) Goal 2, Objective 2.4 of the SBE's Strategic Plan is to "Increase the number of schools meeting academic, operational, and financial goals." Annually, the Office of Charter Schools' Performance Framework serves as the standard mechanism for reporting on progress toward achievement of these goals. The framework provides a consolidated view of the school's performance relative to a list of academic, operational, and financial requirements. The academic elements of the Framework are all standard indicators provided by the State accountability system. The operational and financial elements of the Framework are all required by General Statute, State Board Policy, or the Charter Agreement. This yearly compliance review involves divisions across the entire Department of Public Instruction (such as Exceptional Children and Financial Business Services) and ensures that charter schools are also in compliance with federal reporting requirements. (Performance Framework Guidelines located in Appendix G)
- 8) Per General Statute 115C-218.6 and SBE policy CHTR-007, every charter school is required to undergo a rigorous renewal process prior to having their charter term extended. Schools

not meeting the expected academic, financial, and/or governance standards are subject to renewal terms of 7, 5, 3 years or non-renewal. (Renewal Policy and Framework located in Appendix B)

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## Best Practices Resulting from Charter School Operations

**Northeast Academy for Aerospace and Advanced Technologies “NEAAT”** is a charter school physically located on the campus of Elizabeth City State University in Elizabeth City, North Carolina. NEAAT’s school operations provide several examples of best practices that may be transferred to other charter and district schools.

- 1) NEAAT’s governing board has established a five-year strategic plan, complete with goals, objectives, and yearly milestones. The strategic plan includes an emphasis on an **exceptional school culture** through parent and community engagement, sustained extracurricular activities, demographics that mirror the geographic region, and stakeholder surveys; **college/career readiness** through academic pathways and internship opportunities, professional development for teachers, opportunities for students to present research, and an emphasis on helping students earn industry-recognized credentials/certifications; and the **long-term sustainability** of the school through a growing fund balance, multiple highly qualified candidates for each staffing vacancy, increased teacher retention, and collaborative projects with external partners such as other schools, districts, community organizations, etc.
- 2) NEAAT has demonstrated a commitment to **university/community partnerships**, as evidenced by its collaborative agreement with Elizabeth City State University. In addition to sharing physical classroom space, the university offers NEAAT students opportunities to utilize other campus resources related to NEAAT’s **unique school mission and academic pathways** – aerospace, computer science, and health sciences. The school has obtained sponsorships from organizations such as the William R. Kenan, Jr. Charitable Trust, the Golden Leaf Foundation, the Carnegie Corporation of New York, the Elizabeth City Foundation, and Sentara Albemarle Medical Center. Moreover, the school’s strategic plan contains objectives related to increasing signed partnership agreements and volunteer hours with community and business organizations and designing/implementing high-quality project-based learning assignments that have been informed by business and community partners.

The **North Carolina Advancing Charter Collaboration and Excellence for Student Success (NC ACCESS)** program provided training to NC ACCESS fellows on **developing meaningful relationships and effective parent and community engagement** with educationally disadvantaged students and their families. Each subgrantee was charged with creating a plan to engage diverse populations during the school’s initial enrollment drive and throughout the grant period, and monitoring indicators were provided to ensure that the plans developed were intentional and comprehensive. At the conclusion of the training, the NC ACCESS team offered subgrantees an opportunity to submit a mini-proposal to implement a parent engagement activity. Groups submitting the strongest proposals were awarded \$500 towards project implementation.

**IC Imagine** was awarded a \$500 award to create a parent resource library (both online and physical) to support parents in multiple areas, including the use of social media, bullying, homework help, child/family wellness, literacy and core academic support at home, access to PowerSchool, and college entry. To engage parents with the resource center, the school will host an opening event with dinner for families. At the event, teachers and staff will show families how to access the resources, and then allow families time for exploration. Multiple community organizations, such as the Buncombe County Library and ECAC’s Western Office will partner with the school in the provision

of resources. Finally, IC Imagine will host a Parent Resource Orientation Night with dinner each semester to provide an overview of available resources, share information on community agencies/partners willing to assist, and to continue fostering relationships with families, teachers, and administrators.

### **Hiring a Diverse Teacher Workforce**

The Fordham Institute released a [report](#) examining North Carolina teacher and student data from 2006-07 through 2012-13 to determine the frequency and impact of student-teacher race match in charter and district schools. The report included several key findings, including:

- 1) Charter and district schools served the same proportion of black students, but charter schools hired about 35% more black teachers.
- 2) Black students enrolled in charter schools are more likely to have a black teacher than their counterparts in district schools, but white students in district and charter schools are equally likely to have a white teacher.

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## Charter Schools Receiving Special Awards and Recognition

\*In 2018-2019, Envision Science Academy was the only school in the state to be recognized as an NC Model STEM School of Distinction.

\*Multiple charter schools were recognized by the CSAB for outstanding qualities:

- 1) Lake Norman Charter was recognized in Newsweek as one of America's Best STEM High Schools.
- 2) East Wake Academy teacher Heather Futtrell was honored for her exceptional ability to teach and connect with students.
- 3) Charter School Teacher of the Year Ashley Bailey from Roxboro Community School was recognized for her stellar accomplishments.
- 4) Lincoln Charter School was recognized for outstanding sportsmanship and character.
- 5) Henderson Collegiate and its founder/leader Eric Sanchez was recognized for outstanding student achievement.

\*U.S. News and World Report released a list of Top Ranked NC Schools based on six indicators: College Readiness, Math and Reading Proficiency, Math and Reading Performance, Underserved Student Performance, College Curriculum Breadth, and Graduation Rate. Several charter schools were among the highest rated:

- Raleigh Charter High School (#2)
- Woods Charter (#5)
- Thomas Jefferson Classical Academy (#7)
- Lake Norman Charter School (#9)
- Pine Lake Preparatory (#19)
- Franklin Academy (#20)
- Community School of Davidson (#22)
- Gray Stone Day School (#24)
- Gaston College Preparatory (#28)
- Research Triangle High School (#31)
- The Hawbridge School (#39)
- Union Academy (#46)
- Voyager Academy (#48)
- Longleaf School of the Arts (#51)
- Oxford Preparatory Academy (#52)
- Lincoln Charter (#53)
- East Wake Academy (#54)

\*In a survey of the state's charter high schools, an estimated \$122 million dollars in scholarships were awarded to the graduating class of 2019. The number of reported graduates in the 88 charter high schools returning the survey was 3,432. That averages to \$35,548 per graduate.

## Appendices

Appendix A Ready-to-Open Final Enrollment Report

Appendix B SBE Approved Renewal Policy

Appendix C OCS Supports for Low-Performing and Continually Low-Performing Schools

Appendix D Subgroup Size for Test Performance Reporting

Appendix E Charter Membership in NC LEAs

Appendix F LGC Audit Requirements

Appendix G Performance Framework Guidelines

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2019-2020 New Charter Schools Student Enrollment Update (12/03/19)									
Name of the Charter School	County	Year 1 Grades	Year 1 Approved Maximum	Year 1 Amended Initial	Sept. School Self-Report	Break-Even Number	Actual Average Daily Membership		Funded, As % of Approved/Amended Maximum
							1st Month Funded ADM*	1st Month Total ADM	
Apprentice Academy HS of NC	Union	9-11	225	375	233	225	228	228	61%
B.L.U.E. - G.R.E.E.N. Academy	Forsyth	5-6	200	100	52	80	55	55	55%
Carolina Charter Academy	Wake	K-6	373	448	424	423	426	426	95%
Discovery Charter School	Durham	6-7	352	200	113	125	115	115	58%
Hobgood Charter School	Halifax	K-8	225		225	197	222	222	99%
Monroe Charter Academy	Union	K-3	216	144	76	74	78	78	54%
Pocosin Innovative Charter School	Washington	K-8	250	196	136	150	139	139	71%
Ridgeview Charter School	Gaston	K-4	345		179	253	166	166	48%
Southwest Charlotte STEM Academy	Mecklenburg	K-6	554		432	430	427	427	77%
Steele Creek Preparatory Academy	Mecklenburg	K-6	615		363	531	373	373	61%
TeamCFA: Bonnie Cone Classical Academy	Mecklenburg	K-6	207	325	234	225	234	234	72%
TeamCFA: Community Public Charter	Gaston	K-5	350	260	237	245	237	237	91%

2019-2020 New Charter Schools Student Enrollment Update (12/03/19)									
Name of the Charter School	County	Year 1 Grades	Year 1 Approved Maximum	Year 1 Amended Initial	July School Self-Report	Break-Even Number	Actual Average Daily Membership		Funded, As % of Approved Maximum
							1st Month Funded ADM*	1st Month Total ADM	
Tillery Charter Academy	Montgomery	K-2	144	125	63	80	60	60	48%
West Lake Preparatory Academy	Lincoln	K-6	615	187	116	157	116	116	62%
<b>Note: *Funded ADM cannot exceed approved ADM. Three schools received approval from the State Board of Education to increase their Year One Maximum ADM.</b>									
<b>ONE YEAR DELAY (OPENING IN 2020)</b>									
Kaleidoscope Charter High School	Wake	9-10	230	N/A	N/A	N/A	N/A	N/A	N/A
Movement School East	Mecklenburg	K-2	300	N/A	N/A	N/A	N/A	N/A	N/A
<b>CHARTER RELINQUISHED</b>									
Anson Charter Academy	Anson	K-2	150	N/A	N/A	N/A	N/A	N/A	N/A
Bishop George W. Brooks Male Academy	Guilford	K-2	300	N/A	N/A	N/A	N/A	N/A	N/A
Cardinal Charter Academy West Campus	Chatham	K-6, 9	1130	N/A	N/A	N/A	N/A	N/A	N/A
Robert J. Brown Leadership Academy	Guilford	K-2	300	N/A	N/A	N/A	N/A	N/A	N/A

## Appendix B SBE Approved Renewal Policy

**Policy CHTR-007: Charter School Renewal Process****NC State Board of Education****Original Adopted Date:** 03/02/2017 | **Last Revised Date:** 10/04/2018 | **Last Reviewed Date:** 10/04/2018**Status:** ADOPTED**NORTH CAROLINA STATE BOARD OF EDUCATION****Policy Manual**

<b>Item</b>	<b>Description</b>
<b>Policy Title</b>	Charter School Renewal Process
<b>Policy Category</b>	CHTR
<b>Policy ID</b>	CHTR-007
<b>Policy Date</b>	10/04/2018
<b>Previous Policy Dates</b>	06/01/2000, 09/13/2001, 12/04/2003, 10/05/2006, 03/02/2017
<b>Statutory Reference</b>	G.S. 115C-218.6

**Formerly TCS-U-007****General Information**

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It is stated in G.S. 115C-218.6 that the original charter with the NC State Board of Education may be granted for up to ten years. It is also stated that the charter may be extended or renewed for up to ten years. Therefore, a process for exercising the renewal option is needed. The North Carolina Charter Schools Renewal Report (NCCSRR) is intended to be such a document.

**The North Carolina Charter Schools Renewal Report (RR)**

The NC Charter Schools Renewal Report (NCCSRR) is intended to permit the North Carolina State Board of Education (NCSBE) the time to review the information needed to evaluate the progress of the submitting charter school. The renewal process should also be one that will guide charter schools through a self-assessment that becomes an update to the original application and a "roadmap" to future improvement. Furthermore, as a public document, the NCCSRR shall be made available to federal, state, and local educators, policy makers, parents, and the community. It should be constructed with this in mind.

### ***Process for Renewal***

A completed charter schools renewal report will consist of at least two sections.

#### **Section 1: THE CHARTER SCHOOLS SELF-STUDY** (completed by the school).

This section contains questions related to the <sup>Text</sup>~~Validity~~ of the charter school's academic program, governance structure, and business operations. It will be suggested that this portion be undertaken by a team of people having the ability to look objectively at the entire school and identify ways to further strengthen and align the existing program to its mission and the desires of the community that it serves.

#### § THE RENEWAL SELF-STUDY PROCESS

Each charter school seeking renewal *shall* complete the Renewal Self-study first. Summaries should be written in a concise manner and free of jargon. Charter schools' administrators will be encouraged to seek outside assistance.

The self-study *shall* contain the following in this order:

1. COVER PAGE. Each report will begin with a one-page fact sheet that contains the name and contact information for the school, the name of the principal including phone/fax /E-mail, contact information for the board chairperson, and the date of submission of the report.
2. LETTER OF INTENT. Following the cover page is a formal letter signed by the Board Chairperson stating the Board's intent to seek renewal.
3. TABLE OF CONTENTS. All pages of the NCCSRR will be numbered consecutively. The Table of Contents will allow easy access to the various sections. No font smaller than 12 point should be used and all reports should be typed or computer prepared (the report may be downloaded in word format from the DPI website).
4. EXECUTIVE SUMMARY. An executive summary of the self-study is next. This begins with the school's mission statement and consists of no more than two typed pages.

5. SUPPORTING DOCUMENTATION. The body of the self-study contains various evidence of the success of the students and the progress towards the charter school's goals as outlined in the charter application.

**Section 2: DEPARTMENT OF PUBLIC INSTRUCTION REPORT** (submitted by offices of DPI).

This section will consist of responses from the Office of Charter Schools, School Business, Accountability, Exceptional Children, and any other office or service of the Department that may have information pertinent to the evaluation of the school. All reports from DPI will be submitted to the Office of Charter Schools. The Office of Charter Schools will forward all reports to the Charter Schools Advisory Board (CSAB) for review.

- NC DEPARTMENT OF PUBLIC INSTRUCTION CONTRIBUTIONS TO CHARTER SCHOOLS RENEWAL

The NC Department of Public Instruction, coordinating its efforts through the Office of Charter Schools, will be asked to assist the Charter Schools Advisory Board in its effort to collect information relative to the renewal of the charter. The following chart is an overview of possible sources of documentation and resources for this information. This is, in no way, an exhaustive list and is not meant to, in any way, limit the resources employed by the schools seeking renewal, the Charter Schools Advisory Board, or the State Board of Education (NCSBE) as they prepare for the future of charter schools.

<b>AREAS OF COMPLIANCE</b>	<b>SOURCES OF DOCUMENTATION</b>	<b>SOURCES OF INFORMATION</b>
<b>FINANCIAL</b>	Audit report, financial records, reporting schedule, student accounting, etc.	School Business, Office of Charter Schools
<b>GOVERNANCE</b>	Concerns brought to the Office of Charter Schools, board agendas and minutes, review of policy making committees, interviews	Office of Charter Schools
<b>INSTRUCTION</b>	School site visits by the Office of Charter Schools educational consultants	Office of Charter Schools

AREAS OF COMPLIANCE	SOURCES OF DOCUMENTATION	SOURCES OF INFORMATION
<b>ACCOUNTABILITY</b>	NC accountability results, EC compliance records, Student Information System	Div. of Accountability Services, Div. of Ex. Children Services

**Notes:**

G.S.115-218.100 Funds Reserved:

G.S. 115C-218.100 addresses Funds Reserved for charter schools choosing to participate in the North Carolina Retirement System. All entities should read the statute in its entirety to fully understand any implications for your charter school.

*Reports from the above DPI departments will be sent to the Office of Charter Schools, copied to the charter schools, and forwarded to the Charter Schools Advisory Board.*

**TENTATIVE TIMELINE FOR RENEWAL**

DATE:	ACTION:	By Whom:
<b>August of year 1</b>	A memo explaining the renewal process along with the self-study are sent to the administrators at each school up for renewal.	Office of Charter Schools (OCS) Consultant in charge of renewals sends out the memo.
<b>September of year 1</b>	An invitation for a webinar is sent to the administrator. The webinar is held for those administrators beginning the renewal process.	OCS Consultant responsible for renewals will provide webinar.
<b>October of year 1</b>	Compliance meetings are held with all applicable departments for schools that	OCS Consultant responsible for renewals will send out information to agencies informing

	are in the renewal process.	them of schools currently in the renewal process.
<b>December of year 1</b>	Compliance information is shared with schools.	OCS Consultant responsible for renewals shares compliance information with schools.
<b>December of year 1</b>	Schools submit their self-study and renewal fee.	Schools are responsible for turning in the self-study as well as the renewal fee.
<b>February of year 1</b>	Schedule renewal site visits.	OCS Consultant responsible for renewals will work with schools to schedule the renewal visit.
<b>February-September of year 1</b>	Renewal site visits conducted.	OCS Consultant responsible for renewals and one or more consultants will visit schools.
<b>September of year 1-September of year 2</b>	Renewal site visit summaries completed for each school.	Team members from each visit will make sure the visit is documented for presentation to Charter School Advisory Board(CSAB)
<b>September of year 2</b>	Compliance meetings are held with all sections for schools that are in the renewal process.	Data sheets will be reviewed by all parties providing feedback.
<b>September of year 2</b>	Information that will be shared with the Charter School Advisory Board (CSAB) is sent to each school for review. (Renewal visit summary, data, and compliance.)	The OCS Consultant responsible for renewals will send this information to charter school administrators.
<b>October of year 2</b>	Charter School Advisory Board (CSAB), meets regarding renewals.	OCS Consultant responsible for renewals will present to Charter

		School Advisory Board(CSAB)
<b>October of year 2</b>	Schools are notified if the Charter School Advisory Board (CSAB) would like to interview them in November.	OCS Consultant will send an email to any school in the renewal process that has been requested for interview.
<b>November – December of year 2</b>	Charter School Advisory Board (CSAB) interviews schools and make recommendations to the State Board of Education.	Charter School Advisory Board (CSAB) recommendations are forwarded to the State Board of Education.
<b>December-February of year 2</b>	The State Board of Education reviews Charter School Advisory Board (CSAB) recommendations regarding renewals.	In January, the State Board of Education will make renewal decisions for all schools in the renewal process.

## **A. REQUIREMENTS FOR RENEWAL**

To receive a recommendation for renewal, the school must meet the requirements outlined in 115C.218.6 which states:

- a. The State Board of Education 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 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.

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

Comparable is defined as a proficiency score that is no less than 5 points of the LEA's Grade-Level Proficiency (GLP) score based on NC Accountability data.

A General Renewal Guideline is used to determine renewal recommendations. The Charter School Advisory Board may make an alternate recommendation to the State Board of Education not included in the General Renewal Guidelines.

In the case of a charter school that has been designated as an alternative school for purposes of accountability pursuant to policy CHTR-020, the Charter School Advisory Board shall consider the charter school's performance under the accountability model approved for the school pursuant to policy ACCT-038.

GENERAL RENEWAL GUIDELINES*	
<ul style="list-style-type: none"> <li>▪ <b>10Years</b></li> </ul>	<ul style="list-style-type: none"> <li>- No current significant compliance issues</li> <li>- Financially sound audits last 3 years</li> <li>- Academic outcomes have been comparable to the local school administrative unit in the immediately preceding three years or have exceeded growth the last 3 years</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>7Years</b></li> </ul>	<ul style="list-style-type: none"> <li>- No significant compliance issues last 2 years</li> <li>- Financially sound audits last 2 years</li> <li>- Academic outcomes have been comparable to the local school administrative unit for the last 2 out of 3 years or has exceeded growth the last 2 out of 3 years</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>5Years</b></li> </ul>	<ul style="list-style-type: none"> <li>- No significant compliance issues last 2 years</li> <li>- Financially sound audits last 2 years</li> <li>- Academic outcomes comparable to the local school administrative unit for the last 2 out of 3 years or has met or exceeded growth for the last 2 out of 3 years</li> <li>- Not currently designated as continually low-performing</li> </ul>
<ul style="list-style-type: none"> <li><b>3 Years</b></li> </ul>	<ul style="list-style-type: none"> <li>- Compliance issues more than 1 year creating a pattern</li> <li>- Inability to provide sound audits for the immediately preceding year</li> <li>- Academic outcomes have been comparable to the local school administrative unit at least 1 year or met</li> </ul>

	<p>growth 2 years out of the immediately preceding 3 years</p>
<p><b>NON- RENEWAL OR ASSUMPTION</b></p>	<ul style="list-style-type: none"> <li>- Current and persistent pattern of compliance issues</li> <li>- Financially unsound audits last 2 years of the immediately preceding 3 years</li> <li>- Academic outcomes have not been comparable to the local school administrative unit in any of the immediately preceding 3 years and the school has not met growth in the last 2 years</li> <li>- Recurring low-performance grade of D or F and a growth score of "met expected growth" or "not met expected growth" for the immediately preceding 3 years</li> </ul>

**\*Any renewal of the Charter can be revoked according to SBE Policy CHTR-010.**

**\*CSAB and NCSBE reserve the right to add stipulations to any renewal period.**

**B. CORRECTION OF DEFICIENCIES**

Any areas of noncompliance requires a charter school to create a Corrective Action Plan. The action plan shall address what the deficiencies are, how the school will proceed in correcting the deficiencies, which parties will be responsible for implementation of the plan, and when implementation will take place. The CSAB and the appropriate division(s) of DPI shall set the parameters for completion of the action plan and its implementation. The period for completion of the action plan and its implementation may not extend beyond the end of the first semester of the final year of the school’s current charter. If the CSAB and the DPI determine that implementation of the action plan has corrected the school’s deficiencies the CSAB may recommend renewal of the school’s charter.

Notwithstanding the foregoing, the CSAB may at any time recommend that the NCSBE initiate revocation proceedings of the charter of any school in accordance with 115C-218.6.

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**Policy Reference Disclaimer:** These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for

the board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

**State Reference**

**Description**

GS 115C-218.6

[Review and renewal of charters](#)

### **Performance Framework/Risk Assessment/Site Visits/Investigations**

**Description** – Decrease the number of low-performing and continually low-performing charter schools. Evaluate each schools' level of risk to propose appropriate course of action and assist schools with being complaint. Secondary point of contact for inquiries and complaints. Revise and implement the Performance Framework (PF) for areas of charter school operation, finance, and academics. An initial version of the PF was rolled out in 2014-15 after being reviewed by the CSAB and shared in regional meetings with charter operators across the state. The revised PF was implemented in 2015-16 which will be used moving forward. Send notification letters in September or October to the principals and board chairs of charter schools that are in danger of being deemed academically low performing and continually low-performing per the charter statute. These letters also will seek corrective action plans using NC STAR from the respective charter schools which will also be submitted to OCS and reviewed by the CSAB for SBE recommendations. Perform at least one site visit during the current academic year to each charter school that is considered-risk."

# Risk Assessment

<b>Description</b>	Process of collecting/analyzing charter school risk based on compliance with State Board policies, the charter agreement, general statute, and DPI divisions.
<b>Monitoring Site Visits</b>	
<b>Timeline</b>	
<ol style="list-style-type: none"> <li>1. October of each year – prioritize schools to visit based on low-performing and continually low-performing data.</li> <li>2. Plug in dates to visit based on office calendar (work with schools; give about one week’s notice; consult with renewal calendar).</li> <li>3. Conduct school visits as calendar allows throughout school year.</li> </ol>	
<b>Objectives/Vision</b>	
<ul style="list-style-type: none"> <li>➤ Monitor and assist low-performing and continually low-performing schools.</li> <li>➤ Conduct thorough classroom observations and focus on instructional rigor.</li> <li>➤ Provide feedback and resources for schools to assist with academic improvement.</li> <li>➤ Gain information to serve as resource for CSAB regarding schools.</li> </ul>	
<b>Deliverables/Tasks</b>	
<ul style="list-style-type: none"> <li>• Schedule “monitoring visit” with school leader – give about one week’s notice of exact date. <ul style="list-style-type: none"> <li>○ Explain purpose and procedure – meet with school leaders, teachers if possible, visit all classrooms.</li> </ul> </li> <li>• Send calendar invite to entire Risk Assessment Team and to Dave/Patricia.</li> <li>• Reserve rental car/hotel if needed.</li> <li>• Conduct background research on school. See Site Visit Prewrite Checklist.</li> <li>• Meet with school leader and visit every classroom; visits take between 4-7 hours. If possible, meet with some teachers.</li> <li>• Classroom visits can last between 3-30 minutes; look for instructional rigor.</li> <li>• Post visit: complete summary and feedback for school.</li> <li>• Site visit summary is for internal use; placed in O: drive.</li> <li>• Feedback document is an external document for schools and CSAB.</li> <li>• Aim to give feedback to schools within 5 days of visit.</li> </ul>	
<b>Internal Stakeholders:</b>	OCS/CSAB/SBE, relevant divisions in DPI
<b>External Stakeholders:</b>	Schools (admin/board), parents and students, teachers, community members, media
<b>Resources:</b>	(O:) Drive- Risk Assessment > Site Visits

<b>Assumption and Closures</b>	Monitor to ensure the assumption and closure procedures are followed and communicated with relevant stakeholders.
<b>Timeline</b>	
This is an ongoing workflow that takes place during school assumptions and closures.	
<b>Deliverables/Tasks</b>	<b>Resources/Materials</b>
<ul style="list-style-type: none"> <li>Follow assumption/closure procedures.</li> </ul>	<ul style="list-style-type: none"> <li>(O:) Drive- Risk Assessment &gt; Assumption</li> <li>(O:) Drive- Risk Assessment &gt; Closed schools</li> <li>(O:) Drive- Risk Assessment &gt; Closure Framework</li> <li>GS 115C-218.95</li> <li>GS 115C-218.100</li> </ul>
<b>Internal Stakeholders:</b>	OCS/CSAB/SBE, FBS, School Nutrition, Federal Programs, Accountability, EC, Transportation, Homebase, Legal Staff, ELL
<b>External Stakeholders:</b>	Schools (admin/board), parents and students, teachers, community members, media

<b>Complaints and Grievances</b>	Process for receiving and processing stakeholder concerns regarding a charter school. This workflow is guided by law (SBE policy, general statute, charter agreement, charter application/amendments) and stakeholders should exhaust all avenues at the school level prior to filing with OCS.
<b>Timeline</b>	
This is an ongoing workflow. The current process allows for a 30-day window to process complaints. The peak time periods during the year include the beginning of each school year and end of each school year.	
<b>Deliverables/Tasks</b>	<b>Resources/Materials</b>
<ul style="list-style-type: none"> <li>Receive and read complaint</li> <li>Process using filing forms <ul style="list-style-type: none"> <li>Grievance Notification Form</li> <li>Formal Complaint Form</li> </ul> </li> <li>Send correspondence to complainant and school administrator/board chair</li> <li>Receive response from school/board</li> <li>Process closure form</li> </ul>	<ul style="list-style-type: none"> <li>How to File a Complaint Manual</li> <li>Microsoft Form – Complaint Submission Online</li> <li>State Board Policies</li> <li>Charter Agreement</li> <li>General Statute</li> <li>School Board approved policies/procedures</li> </ul>

<ul style="list-style-type: none"> <li>Place all materials in Risk Assessment&gt;Investigations folder AND school's correspondence folder</li> </ul>	<ul style="list-style-type: none"> <li>(O:) Drive- Risk Assessment &gt; Investigations &gt; 2017-18</li> </ul>
<b>Internal Stakeholders:</b>	OCS/CSAB, relevant divisions in DPI
<b>External Stakeholders:</b>	Schools (admin/board), parents and students, teachers, community members, media

<b>Compliance Team</b>	Quarterly meeting held to provide a collaborative interagency time to discuss significant charter school compliance concerns and identify schools in need of additional monitoring and support.	
<b>Timeline</b>		
October – first meeting January – second meeting March – third meeting May – fourth meeting July – September – analysis of compliance information		
<b>Deliverables/Tasks</b>		<b>Resources/Materials</b>
<ul style="list-style-type: none"> <li>Meeting agenda and calendar invite (one month in advance)</li> <li>Secure meeting location</li> <li>Facilitate meeting and take minutes</li> <li>Email minutes to participants for review</li> <li>Letter to schools identifying they were discussed at the meeting and are on the radar</li> <li>Provide division representatives training/guidance on Performance Framework</li> </ul>		<ul style="list-style-type: none"> <li>(O:) Drive- Risk Assessment &gt; Charter School Compliance Team &gt; 2017-18             <ul style="list-style-type: none"> <li>Prior meeting agendas</li> <li>Prior meeting minutes</li> </ul> </li> </ul>
<b>Internal Stakeholders:</b>	OCS/CSAB, FBS, School Nutrition, Federal Programs, Accountability, EC, Transportation, Homebase, Legal Staff, ELL	
<b>External Stakeholders:</b>	Schools (admin/board)	

<b>Academic Notice</b>	Notification letter and required action steps for school identified as Low-Performing and Continually Low-Performing on a yearly basis.
<b>Timeline</b>	
Sept. 2018 – draft letters to be sent with the release of accountability data; reference prior accountability data	
Oct. 2018 – send letters to schools	

Oct. or Nov. 2018 – presentation to CSAB re: Academic data for year Nov. 2018 – Jan. 2019 – schools present to CSAB	
Ongoing: development/monitoring of school improvement plan by each charter school. Jan. 2019 – April 2019 – collection of plan in 2019 Performance Framework (this data closely correlates with Site Visits)	
Deliverables/Tasks	Resources/Materials
<ul style="list-style-type: none"> <li>Academic Notice letters to schools in Oct. 2018</li> <li>Academic Notice presentation to CSAB in Nov. 2018</li> <li>Review of document submitted for A21</li> <li>Decisions for 2018-19 Site Visits</li> </ul>	<ul style="list-style-type: none"> <li>(O:) Drive- Risk Assessment &gt; Academic Notice</li> <li>GS 115C-218.94</li> <li>GS 115C-218.95</li> <li>GS 115C-105.37</li> <li>SBE Policy CHTR-010</li> </ul>
<b>Internal Stakeholders:</b>	OCS/CSAB, Federal Programs and Support
<b>External Stakeholders:</b>	Schools (admin/board/school improvement team)

<b>Board Meeting Minutes</b>	Tool to monitor and assess the quality of a charter’s governing board.
Timeline	
July – Aug/Sept. – assess risk levels of schools in operation for the upcoming school year Aug. 2018 – divide school into review assignments for consultants Oct. – June – monthly reviews of Board Meeting Minutes Nov. – July – monthly audit of reviews	
Deliverables/Tasks	Resources/Materials
<ul style="list-style-type: none"> <li>Analyze each school for categorization of reviews (High Level Monitoring, Average Monitoring)</li> <li>Create schedule of reviews for 2018-19 school year</li> <li>Audit process for monthly reviews</li> <li>Make changes in categorization as necessary – increased risk, new information, stipulations</li> </ul>	<ul style="list-style-type: none"> <li>(O:) Drive- Risk Assessment &gt; Board Minute Reviews</li> </ul>
<b>Internal Stakeholders:</b>	OCS/CSAB
<b>External Stakeholders:</b>	School board of directors, school administrator

## Risk Assessment Workflow

### I. Board Meeting Minutes Review

(a) Purpose

The routine review of charter school board meeting minutes serves as a tool to monitor and assess the quality level of a charter’s governing board. This review allows valuable insight into governance, financial stability, academics, and operations of North Carolina charter schools on a consistent basis. Additionally, it serves as a preventative measure through identifying schools that may become at-risk and provides a method to actively monitor and evaluate schools that are currently identified as at-risk. In order to provide governance oversight and operational guidance, the Office of Charter Schools will conduct a strategic review of charter school board meeting minutes according to a schedule based on the needed level of monitoring.

(b) Monitoring Schedule

The review schedule will be based on two priority levels of monitoring – **High Level Monitoring** and **Average Monitoring**. High Level Monitoring is broken down into two tiers and involves either a monthly or bi-monthly review of a charter school’s board meeting minutes, while Average Monitoring involves a review cycle of a charter school’s board meeting minutes on a quarterly basis.

**High Level Monitoring Criteria**

- School is identified as “at-risk” by the Charter School Compliance Team
- School is in the first or second year of the Renewal Process
- School is in the first year of operation
- School delivers primary instruction virtually
- School is designated as an Alternative Charter School

**Tier I Criteria – Bi-Monthly Review**

- School is in year 1 or year 2 of the renewal cycle and in good standing
  - Clear of low-performing or continually low-performing designation in the preceding 3 years
  - Sound fiscal management in the preceding 3 years
  - Quality governance in the preceding 3 years

Tier I Review Cycle – Bi-Monthly from July 2017 through June 2018

<b>Group 1</b>	<b>Review 1</b>	<b>Review 2</b>	<b>Review 3</b>	<b>Review 4</b>	<b>Review 5</b>	<b>Review 6</b>
	July 2017	Sept. 2017	Nov. 2017	Jan. 2018	Mar. 2018	May 2018
<b>Group 2</b>	<b>Review 1</b>	<b>Review 2</b>	<b>Review 3</b>	<b>Review 4</b>	<b>Review 5</b>	<b>Review 6</b>
	Aug. 2017	Oct. 2017	Dec. 2017	Feb. 2018	Apr. 2018	June 2018

**Tier II Criteria – Monthly Review**

- School is in year 1 or year 2 of the renewal cycle and deemed at-risk

- All other schools designated in the high-level monitoring criteria that do not qualify for Tier I

Tier II Review Cycle - Monthly from July 2017 through June 2018

<b>Review 1</b>	<b>Review 2</b>	<b>Review 3</b>	<b>Review 4</b>	<b>Review 5</b>	<b>Review 6</b>
July 2017	Aug. 2017	Sept. 2017	Oct. 2017	Nov. 2017	Dec. 2017
<b>Review 7</b>	<b>Review 8</b>	<b>Review 9</b>	<b>Review 10</b>	<b>Review 11</b>	<b>Review 12</b>
Jan. 2018	Feb. 2018	Mar. 2018	Apr. 2018	May 2018	June 2018

**Average Monitoring Criteria**

- School shows financial, governance, and academic compliance
- School is not in the Renewal Process
- School is beyond first year of operation

Review Cycle – Quarterly from July 2017 through June 2018

<b>Group 1</b>	<b>Review 1</b>	<b>Review 2</b>	<b>Review 3</b>	<b>Review 4</b>
	July 2017	Oct. 2017	Jan. 2018	Apr. 2018
<b>Group 2</b>	<b>Review 1</b>	<b>Review 2</b>	<b>Review 3</b>	<b>Review 4</b>
	Aug. 2017	Nov. 2017	Feb. 2018	May 2018
<b>Group 3</b>	<b>Review 1</b>	<b>Review 2</b>	<b>Review 3</b>	<b>Review 4</b>
	Sept. 2017	Dec. 2017	Mar. 2018	June 2018

(c) Board Meeting Minutes Review Process

The process for review involves two components: a running record as well as a formal feedback document that is shared externally with board chairs and school leaders. An excel tracker is used to compile the running record. The tracker includes sections to document communication with the board including best practices, clarifying questions and concerns, as well as board response. A word document template is used to compile the formal feedback document shared externally. The document includes a section for best practices, a section for clarifying questions and concerns, and a section for items requested of the board.

1. Locate the most recent board meeting minutes on school’s website and download a copy to save in the school’s folder in the “O Drive”.

*Minutes are usually posted on the board information page.*

*(O:) > Charter Schools > Schools > **Select School** > Board Information > 2017-18*

2. Save a copy of the “*Board Collaboration Summary*” word document for feedback for the school.
3. Review the board meeting minutes and record best practices, clarifying questions or concerns, and provide feedback for improvement in the Board Collaboration Summary document.
4. Save final word document as PDF.

**Naming Convention - School Name\_Board Meeting Minute Review\_MM.DD.YYYY**

5. Send an email attaching the PDF document to the board chair listed in EDDIE.  
*CC: the school administrator along with OCS Director and Assistant Director*
6. Place both the word document and PDF in the school’s folder in the “O Drive”  
*(O:) > Charter Schools > Schools > **Select School** > Board Information > 2017-18*
7. Fill out the excel tracker with the date of review, the date of the board meeting minutes, notes of best practices and concerns, and the date of board communication.
8. When a school responds, place comments of the response in the excel tracker under the Board Response category.
9. If minutes are not available online, document this in the feedback form and request for minutes to be emailed and/or for online posting of current minutes. Feedback form is emailed to the board chair with the school administrator copied.
10. If there is no response, document in the excel tracker. If there is no response within 2 weeks, follow up with another email and a phone call.

**Note:** Document filing on the “O Drive” is subject to change upon the procurement, implementation, and capabilities of the data system Epicenter.

(d) *Review Cycle and Consultant Assignment*

The last cycle of reviews was established beginning March 2017 and will end June 2017. The new cycle of reviews will begin July 2017 and run through June 2018. Each subsequent review cycle will be established during the month of July and will continue through the year to the month of June in the following year. The only changes in assigned

consultant will be schools identified as at-risk by the Charter School Compliance Team. Schools identified in multiple categories will be placed in the category with the highest level of monitoring. Typically, this will be schools in the at-risk list. Charter School Compliance Team will create the assigned consultant list at the beginning of each cycle. School assignments will generally correlate with assigned work streams. For example, schools in a renewal year may be assigned to individuals on the Renewals Team. Every attempt will be made to ensure review lists are balanced. The determination of monitoring level is subject to fluctuate each cycle by factors such as the number of schools identified as at-risk, the number of schools in a renewal cycle, or the number of schools in their first year of operation.

(e) *Rationale for the Levels of Monitoring*

Starting in the 2017 – 2018 Board Meeting Minute Review cycle schools that do not meet the criteria for high level monitoring will be placed on a condensed schedule compared to previous cycles. In the past, the OCS team has reviewed all board meeting minutes of schools that are not deemed at-risk on a bi-monthly basis. This schedule is changing to quarterly monitoring for the 2017-2018 school year. There are a few influencers for this change from bi-monthly to quarterly. The reasons include time constraints consultants face while juggling the work streams they each lead and the feasibility for each consultant to successfully complete reviews on such a frequent basis, benefits from having a consistent scheduled communication between OCS and charter school boards, a decrease in “big brother” style oversight, and a focus on providing monitoring and assistance to the core schools who are at-risk. A quarterly monitoring cycle creates flexibility with scheduling reviews, gives consultants some of their essential work time back over the course of the year, and provides the office an opportunity to monitor all charter schools over the course of the school year.

(f) *Tips for Reviewing Charter School Board Minutes*

- Do the minutes reflect the date, time, and location of the meeting?
- Is the meeting open and easily accessible to the public?
- Do the minutes reflect the board members absent/present? Is there a quorum?
- Do the number of board members listed reflect compliance with the school’s bylaws?
- Is the meeting called to order? Is the meeting properly adjourned?
- Does the meeting start with the school’s mission statement?
- Is there an approval of the previous meeting minutes?
- Is there an approval of the meeting agenda?
- Are all actions taken by appropriate board member vote and clearly noted in the minutes?
- Is there a review of the school financials or budget reconciliation? Are there issues with the budget discussed (negative fund balance, etc.)?

- Is there a principal's report? Is there a review of academics?
- Does the board vote on new hires or dismissals (if applicable)?
- Are there any ongoing concerns noted with major issues like facility, transportation, etc.?
- Does the board vote to go into closed session? If so, is the reason stated and one of the reasons permissible under Open Meetings Law for closed session discussion?
- Does the board vote to come out of closed session and is action taken in open session?

(g) General Statute Related to Charter School Board and School Operations

**§ 115C-218.15. Charter school operation.**

(a) A charter school that is approved by the State 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 for ensuring compliance with applicable laws and the provisions of their charters.

(b) A charter school shall be operated by a private nonprofit corporation that shall have received federal tax-exempt status no later than 24 months following final approval of the application. The board of directors of the charter schools shall adopt a conflict of interest and anti-nepotism policy that includes, at a minimum, the following:

- (1) The requirements of Chapter 55A of the General Statutes related to conflicts of interest.
- (2) A requirement that before any immediate family, as defined in G.S. 115C-12.2, of any member of the board of directors or a charter school employee with supervisory authority shall be employed or engaged as an employee, independent contractor, or otherwise by the board of directors in any capacity, such proposed employment or engagement shall be (i) disclosed to the board of directors and (ii) approved by the board of directors in a duly called open-session meeting. The burden of disclosure of such a conflict of interest shall be on the applicable board member or employee with supervisory authority. If the requirements of this subsection are complied with, the charter school may employ immediate family of any member of the board of directors or a charter school employee with supervisory authority.
- (3) A requirement that a person shall not be disqualified from serving as a member of a charter school's board of directors because of the existence of a conflict of interest, so long as the person's actions comply with the school's conflict of interest policy established as provided in this subsection and applicable law.

(c) A charter school shall operate under the written charter signed by the State Board 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. 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 that a majority of the board of directors and all officers of the board of directors reside within the State.

### **§ 115C-218.25. Open meetings and public records.**

The charter school and board of directors of the private nonprofit corporation that operates the charter school are subject to the Public Records Act, Chapter 132 of the General Statutes, and the Open Meetings Law, Article 33C of Chapter 143 of the General Statutes. Notwithstanding the requirements of Chapter 132 of the General Statutes, inspection of charter school personnel records for those employees directly employed by the board of directors of the charter school shall be subject to the requirements of Article 21A of this Chapter. The charter school and board of directors of the private nonprofit corporation that operates the charter school shall use the same schedule established by the Department of Natural and Cultural Resources for retention and disposition of records of local school administrative units.

### **§ 143-318.11. Closed sessions.**

(a) Permitted Purposes. – It is the policy of this State that closed sessions shall be held only when required to permit a public body to act in the public interest as permitted in this section. A public body may hold a closed session and exclude the public only when a closed session is required:

(1) To prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes.

(2) To prevent the premature disclosure of an honorary degree, scholarship, prize, or similar award.

(3) To consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. General policy matters may not be discussed in a closed session and nothing herein shall be construed to permit a public body to close a meeting that otherwise would be open merely because an attorney employed or retained by the public body is a participant. The public body may consider and give instructions to an attorney concerning the handling or settlement of a claim, judicial action, mediation,

arbitration, or administrative procedure. If the public body has approved or considered a settlement, other than a malpractice settlement by or on behalf of a hospital, in closed session, the terms of that settlement shall be reported to the public body and entered into its minutes as soon as possible within a reasonable time after the settlement is concluded.

(4) To discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, including agreement on a tentative list of economic development incentives that may be offered by the public body in negotiations, or to discuss matters relating to military installation closure or realignment. Any action approving the signing of an economic development contract or commitment, or the action authorizing the payment of economic development expenditures, shall be taken in an open session.

(5) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating (i) the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease; or (ii) the amount of compensation and other material terms of an employment contract or proposed employment contract.

(6) To consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee. General personnel policy issues may not be considered in a closed session. A public body may not consider the qualifications, competence, performance, character, fitness, appointment, or removal of a member of the public body or another body and may not consider or fill a vacancy among its own membership except in an open meeting. Final action making an appointment or discharge or removal by a public body having final authority for the appointment or discharge or removal shall be taken in an open meeting.

(7) To plan, conduct, or hear reports concerning investigations of alleged criminal misconduct.

(8) To formulate plans by a local board of education relating to emergency response to incidents of school violence or to formulate and adopt the school safety components of school improvement plans by a local board of education or a school improvement team.

(9) To discuss and take action regarding plans to protect public safety as it relates to existing or potential terrorist activity and to receive briefings by staff members, legal counsel, or law enforcement or emergency service officials concerning actions taken or to be taken to respond to such activity.

(10) To view a recording released pursuant to G.S. 132-1.4A.

(b) Repealed by Session Laws 1991, c. 694, s. 4.

(c) Calling a Closed Session. – A public body may hold a closed session only upon a motion duly made and adopted at an open meeting. Every motion to close a meeting shall cite one or more of the permissible purposes listed in subsection (a) of this section. A motion based on subdivision (a)(1) of this section shall also state the name or citation of the law that renders the information to be discussed privileged or confidential. A motion based on subdivision (a)(3) of this section shall identify the parties in each existing lawsuit concerning which the public body expects to receive advice during the closed session.

(d) Repealed by Session Laws 1993 (Reg. Sess., 1994), c. 570, s. 2.

**Board of Directors Collaboration Summary**  
School: **School Name (LEA Code)**  
Board Minutes Review Date: **Month Day, Year**  
OCS Consultant Reviewing: **First Name Last Name**  
Board Minutes Reviewed: **Month Day, Year**

*Best Practices, Questions, and Comments for the Board of Directors:*

Best Practices:

- 
- 

Questions for Clarification:

- 
- 

Comments for Improvement:

- 
- 

*Items Needed from the BOD:*

Comment.

## II. Charter School Compliance Team

### (a) Purpose

Quarterly meeting held to provide collaborative interagency time to discuss significant charter school compliance concerns and identify schools in need of additional monitoring and support. Members invited to attend include staff from OCS, Finance, School Nutrition, Federal Programs, Accountability, Exceptional Children, Transportation, Home Base, and Legal Staff. Meetings will be coordinated by the Risk Assessment Lead in the Office of Charter Schools.

### (b) Proposed Logistics

- Meeting Frequency – held quarterly
- Proposed Meeting Dates for 2017-18:
  - Friday, October 27, 2017
  - Friday, January 26, 2018
  - Friday, March 30, 2018
  - Friday, May 18, 2018
- Tentative Meeting Time – 9:30 am – 11:30 am
- Tentative Location(s) – Room 224 or the State Board Lounge

### (c) Sample Agenda

9:30 – Welcome and Introductions  
9:40 – Review Priority Schools from 2016-17  
10:00 – School Closure / Assumption Update  
10:10 – SharePoint Data Collection  
10:20 – 2018 Charter School Renewal Updates  
10:35 – 2017-18 School Compliance Concerns  
11:30 – Adjourn

### (d) Duties of OCS Staff

- The OCS Administrative Assistant will secure the room for the meeting. Enough space is needed for 10-20 people. Give as much notice as possible.
- Previous list of priority schools, renewal schools, and any updates on school closure or assumption are included in the agenda attachment to meeting attendees.
- Primary format of agenda is consistent throughout each meeting.
- The OCS Consultant for Renewals and Site Visits should be present at each meeting.

- The duties of the Compliance Team Meeting Coordinator include sending out calendar invites at least 3-4 weeks in advance, sending out the meeting agenda, and sending out a reminder 1 week in advance.

### III. School Data Sheets

#### (a) Purpose

To provide an academic overview of a given charter school's performance over time. The typical time frame of data collected and represented in the data sheet is for the preceding three years. Data included in the snapshot include information on grade level proficiency, college and career readiness, school performance grades, school growth, enrollment, economically disadvantaged student data, exceptional children data, graduation rates, and subgroup percentages of population and grade level proficiency. School data sheets are primarily used as a resource for renewals and as requested from the CSAB.

#### (b) Renewal Data Charts

Information Included:

- School Name, LEA Code, County, Grades
- Academic Performance – data from preceding three years
  - GLP (school and LEA)
  - CCR (school and LEA)
  - School Performance Grade
  - School Growth
  - School AMO – Annual Measurable Objectives
  - School Enrollment
- Subgroup Percentage of Population and GLP Performance
  - Charter, LEA, and State
  - Percentage of subgroups
  - GLP Performance
- EDS Subgroup and GLP Performance
  - Charter, LEA, and State
  - Percentage of population
  - GLP Performance
- Exceptional Children Subgroup GLP Performance
  - Charter, LEA, and State
  - Percentage of population
  - GLP Performance
- Graduation Rate
  - Charter, LEA, and State
  - 4-year and 5-year cohort

(c) Considerations

- Demographic Data – available early fall of each year
- Accountability Data for 2016-17 will not be available until October (SBE approval)
- Blank template available in the data folder
- For requested data sets – submit a data request to Ken Barbour
  - Be specific on what is needed, specific business rules, and a timeline for completion.
  - Be prepared to format the data received for visual accessibility.

**IV. Academic Notice**

(a) Purpose

Per general statute and State Board policy, annually the board shall identify schools that are low-performing and continually low-performing. The academic notice letters inform schools of their low-performing or continually low-performing status and identify required steps and potential consequences of designation as such.

(b) Coordinator and Agencies Involved

The coordinator of generating Academic Notice letters for schools that fit the designation falls on the Risk Assessment Team Lead in OCS. Agencies involved in the process include: State Board of Education (Policy), Accountability (Authoritative Source), Office of Charter Schools (Distributor of Letters), and NCDPI District and School Transformation Division (Monitors SIP submission in NCStar)

(c) Process:

- Lists are received directly from Accountability (also published on the accountability website).
  - Notification letters are sent to both Continually Low-Performing Schools and Low-Performing Schools.
  - Identify expectations that are imposed on the school based on the status.
  - Produce letters with updated date, contact information, and superintendent letterhead.
1. Schools are identified as low-performing 2015-2016.
  2. Schools are identified as low-performing 2016-2017.
  3. Schools will be identified as continually low-performing if they meet the designation for both 2015-16 and 2016-17.
  4. Schools must submit a strategic improvement plan in NCStar.

5. District and School Transformation Division will collect and give feedback on plan on NCStar.
  - a. OCS staff over Academic Notice should reach out to DST about deadlines. Determine the original deadline and if the schools are provided a second date due to failure to submit and confirmation of the date of that second deadline.
  - b. OCS staff over Academic Notice should connect with DST about schools that do not submit within the first deadline.
    - i. Schools will receive a letter notifying them of the requirement to submit a plan, direct the school to work with DST, and inform the school that failure to meet the deadline that DST has provided with result in a letter of noncompliance for Governance per State Board Policy CHTR-006.
  - c. Schools that do not submit within the final deadline will be issued a letter of governance noncompliance.
6. Track schools with SIPs in NCStar.
7. Produce an internal office rubric for the integrity of the SIP in NCStar. Rubric will include areas of concerns, areas of suggested focus for the school given academic performance per subject or grade level trends, and feedback on the quality of the plan and execution.
8. Create a way to analyze data of schools that are low-performing and continually low-performing based on subject matter and grade level performance. Identify if there are trends with specific grade levels or subject matter. Identify if the SIP in NCStar addresses these deficiencies.
9. Create a template or document that summarizes the schools that are low-performing and continually-low performing. Identify for the CSAB areas of weakness and whether the SIP in NCStar is addressing these areas of deficiencies.

*(d) Clarifications/Considerations:*

- What are the ramifications for not submitting an SIP?
  - Wording in letter indicates that schools “may” be required to submit an SIP – this indicates it is not mandatory.
- Will OCS staff need access into NCStar?
- Are schools required to send the school improvement plan to OCS?
  - Does the plan get forwarded to CSAB for approval?
  - Does the plan need to be approved by the SBE?

*(e) State Board Policies and General Statutes Regarding Low-Performing Charters*

**SBE Policy – CHTR-010 Continually Low-Performing Charter Schools**

Statutory Reference G.S. 115C-218.94, G.S. 115C-218.95

- a. A continually low-performing charter school is a charter school that has been designated by the State Board as low-performing for at least two of three consecutive years.
- b. If a charter school is continually low-performing, the State Board is authorized to terminate, not renew, or seek applicants to assume the charter through the competitive bid process established by the State Board in CHTR-017.
- c. The State 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 Board and is making measurable progress toward student performance goals.
- d. This policy does not prohibit the State Board of Education from taking any action that is otherwise legal and appropriate pursuant to G.S. 115C-218.95.

**§ 115C-218.94. Identification of low-performing and continually low-performing charter schools.**

- (a) **Identification of Low-Performing Charter Schools.** – The State Board of Education shall identify low-performing charter schools on an annual basis. Low-performing charter schools are those that receive a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" as defined by G.S. 115C-83.15.
- (b) **Identification of Continually Low-Performing Charter Schools.** – The State Board of Education shall identify continually low-performing charter schools on an annual basis. A continually low-performing charter school is a charter school that has been designated by the State Board as low-performing for at least two of three consecutive years. (2016-79, s. 1.7(a).)

**§ 115C-105.37. Identification of low-performing schools.**

- (a) **Identification of Low-Performing Schools.** – The State Board of Education shall identify low-performing schools on an annual basis. Low-performing schools are those that receive a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" as defined by G.S. 115C-83.15.
  - (a1) **Plan for Improvement of Low-Performing Schools.** – If a school has been identified as low-performing as provided in this section and the school is not

located in a local school administrative unit identified as low-performing under G.S. 115C-105.39A, the following actions shall be taken:

- (1) The superintendent shall proceed under G.S. 115C-105.39.
  - (2) Within 30 days of the initial identification of a school as low-performing by the State Board, the superintendent shall submit to the local board of education a preliminary plan for improving both the school performance grade and school growth score, including how the superintendent and other central office administrators will work with the school and monitor the school's progress.
  - (3) Within 30 days of its receipt of the preliminary plan, the local board shall vote to approve, modify, or reject this plan. Before the local board votes on the preliminary plan, it shall make the plan available to the public, including the personnel assigned to that school and the parents and guardians of the students who are assigned to the school, and shall allow for written comments.
  - (4) The local board shall submit a final plan to the State Board within five days of the local board's approval of the plan. The State Board shall review the plan expeditiously and, if appropriate, may offer recommendations to modify the plan. The local board shall consider any recommendations made by the State Board and, if necessary, amend the plan and vote on approval of any changes to the final plan.
  - (5) The local board of education shall provide access to the final plan on the local school administrative unit's Web site. The State Board of Education shall also provide access to each low-performing school plan on the Department of Public Instruction's Web site.
- (b) Parental Notice of Low-Performing School Status. – Each school that the State Board identifies as low-performing shall provide written notification to the parents and guardians of students attending that school within 30 days of the identification that includes the following information:
- (1) A statement that the State Board of Education has found that the school has "received a school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" and has been identified as a low-performing school as defined by G.S. 115C-105.37." The statement shall include an explanation of the school performance grades and growth scores.

- (2) The school performance grade and growth score received.
- (3) Information about the preliminary plan developed under subsection (a1) of this section and the availability of the final plan on the local school administrative unit's Web site.
- (4) The meeting date for when the preliminary plan will be considered by the local board of education.
- (5) A description of any additional steps the school is taking to improve student performance.

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

- (a) The State Board of Education 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 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 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 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 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 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 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 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.

## **V. Governance Non-Compliance**

### **(a) Purpose**

Per State Board Policy, schools may be placed on three levels of either financial or governance non-compliance. This work flow works directly within the agency to determine when schools are not meeting requirements stated in the charter agreement, their charter application, or with stipulations that have been placed upon them and to track this information with regards to when schools are placed on non-compliance status and when they have met requirements to be taken off of non-compliance status.

### **(b) Most Common Reasons for Placement on Governance Non-Compliance**

1. Low-Performing and Continually Low-Performing Schools
2. Licensure Non-Compliance (formal monitoring does not begin until January 2018 licensure database)

3. Governance issue that warrants non-compliance letter at the direction of the Director or Assistant Director of OCS (i.e. failure to submit required documentation, failure to comply with board bylaws, etc.)

(c) Considerations and Notes

1. Tracking spreadsheet required to assist with dates of issuance and follow-up.
2. School meets criteria – issue letter of release (at the Director or Assistant Director’s approval).
3. Task option in Outlook is helpful to keep track.
4. Draft letter – send to Director and Assistant Director for review and approval – implement any corrections – send to the Program Assistant to be issued to the school.
5. Letters are always sent to the Lead Administrator and Board Chair listed in EDDIE.

(d) State Board Policy on Governance and Finance Compliance

**FINANCIAL AND GOVERNANCE NONCOMPLIANCE POLICY FOR CHARTER SCHOOLS**

The following policy represents the North Carolina Department of Public Instruction's internal operating procedures and does not preclude the State Board of Education from taking any action with regards to a Charter School, if so warranted, regardless of the charter school’s financial and governance noncompliance status.

**I. IMPACT OF FINANCIAL NONCOMPLIANCE**

There are three stages of financial noncompliance under which a charter school may be placed: Cautionary, Probationary, and Disciplinary. A charter school may be placed in each stage of noncompliance based on any one of the following financial conditions:

- A. If the charter school fails to report required, Uniform Education Reporting System (UERS), data within 10 days of the required or agreed-upon reporting date or does not submit accurate data due to incorrectly utilizing UERS approved materials or software within the next reporting cycle;
- B. If the charter school fails to respond to a specific financial, personnel, or student information request for information/data by the required reporting date;
- C. If the charter school fails to timely submit the required audited financial statements to the North Carolina Department of State Treasurer’s Local Government Commission, as prescribed by North Carolina General Statute § 115C-218.30. Accountability; reporting requirements to State Board of Education.

D. If the charter school shows signs of financial insolvency or weakness, including a decline in student membership;

E. If the Office of State Treasurer receives a "non-sufficient funds (NSF)" notification during the course of cash certification processing;

F. If the charter school receives a material audit finding in their annual independent financial statement audit which indicates a violation of State law or State Board of Education Policy, a violation of any of the conditions or procedures set forth in their Charter, a failure to meet generally accepted accounting practices and principles, including sound fiscal management in accordance with G.S.115C-238.29G and remains unresolved; and/or

G. If the charter school's staff fails to attend required financial training.

*NOTE: For warning conditions A) through E), funds may be frozen (i.e. the school's access to the cash management system is revoked) until the exception is corrected. Any combination of the above violations may immediately move the charter school to Financial Disciplinary Status without the benefit of being first held in either the Cautionary or Probationary status. Should a charter school have repeated violations of the same or similar non-compliance condition, the charter school may be moved to Financial Disciplinary Status.*

*This policy does not preclude the State Board of Education from taking any action with regards to a charter school if so warranted, regardless of the charter school's financial noncompliance status.*

G. The stages of financial noncompliance are as follows:

**Level 1: Financial Cautionary Status**

A charter school may receive a notification of Financial Cautionary Status for any of the above conditions. The school shall remain in cautionary status for a minimum of 30 calendar days from the date of notification, and during that time must correct the exception(s) that caused the financial warning(s) if applicable. When the exception(s) is corrected as prescribed in the notification of noncompliance by NCDPI, the school will be notified of removal from cautionary status.

**Level 2: Financial Probationary Status**

A charter school may receive a notification of Financial Probationary Status for any of the above conditions. The school will be placed in Financial Probationary Status, if the school fails to correct the exception(s) during the 30 calendar days cautionary period, unless otherwise stated in the initial notification of noncompliance. The school remains in probationary status for a minimum of 30 calendar days from the date of notification, and during that time must correct the exceptions that caused the financial warnings if applicable. When all of the exceptions have been corrected, the school will be notified of removal from probationary status. While in probationary status, state funds for the school

may be allotted on a monthly basis until the exceptions that caused the financial warnings are corrected. Failure to resolve the exceptions may result in the school being placed on Financial Disciplinary Status, referred to the Charter School Advisory Board and/or to the State Board of Education for further action.

### **Level 3: Financial Disciplinary Status**

The school will be placed in Financial Disciplinary Status, if the school fails to correct all of the exceptions during the established timeframe. Any of the financial conditions noted in this policy, or combination thereof, may immediately result in the charter school being placed on Financial Noncompliance Disciplinary status without the benefit of being first held in either the Cautionary or Probationary status. Also, should a charter school have repeat violations of the same or similar non-compliance condition, the charter school may be moved to Financial Disciplinary Status without the benefit of completing either the Cautionary or Probationary status periods.

When in Disciplinary status, the school is expected to immediately address all of the exceptions that caused the financial noncompliance within ten (10) business days from the date of notification or otherwise stated. State funds for the school may be allotted on a monthly basis until the exceptions causing the noncompliance are corrected. When all of the exceptions have been corrected, the school will be notified of removal from disciplinary status. Failure to resolve the exceptions will result in the school being referred to the Charter School Advisory Board and/or to the State Board of Education for further action.

This policy does not preclude the State Board of Education from taking any action with regards to a charter school if so warranted, regardless of the charter school's financial noncompliance status.

## **II. IMPACT OF GOVERNANCE NONCOMPLIANCE**

There are three (3) stages of Governance Noncompliance: Governance Cautionary Status, Governance Probationary Status, and Governance Disciplinary Status. A charter school may earn placement within a status based on any one of the following governance warning conditions:

A. Failure to have a functioning board in place, including failure to conduct regular meetings of the board and failure to adopt policies regarding the operation of the charter school. Such policies would include a minimum of Personnel, Disciplinary, and Parental Grievance policies.

B. Inability to show progress towards the educational and organizational goals described in the charter school application.

C. Failure to maintain student enrollment. (i.e., Required minimum of 80 students, or as otherwise stated in the charter application or approved waiver to operate under the minimum of 80 students.)

D. Bylaws violations including, but not limited to, following the Open Meetings Law, maintaining Public Records, implementing a Conflict of Interest Policy, adhering to basic rules of Parliamentary Procedure.

E. Charter Agreement violations including, but not limited to, following State/Federal Regulations, ensuring Health & Safety Standards, making adequate academic progress, meeting Testing and Reporting requirements, and supplying all reports and documentation as requested by the Office of Charter Schools to ensure legal compliance with General Statute, State Board of Education Policy, and the Charter Agreement

F. Substantiated complaints indicating that the Board is not acting as a representative of the school community to ensure that the needs of all students, parents, and teachers will be addressed.

G. Failure to maintain certification of at least fifty percent (50%) of teachers in all grades pursuant to G.S.115C-218.90. Charter schools shall maintain compliance with this law from December 31 of each year through the end of the school calendar year. Failure to do so will be seen as noncompliance with the statutory requirement.

*NOTE: This policy does not preclude the State Board of Education from taking any action with regards to a charter school if so warranted, regardless of the charter school's governance noncompliance status.*

The stages of noncompliance are as follows:

**Level 1: Governance Cautionary Status:** Upon receiving a Governance Warning for any of the above conditions, the charter school will be placed on Governance Cautionary Status. The school remains in cautionary status for 30 calendar days and during that time must correct the exception that caused the warning. When the 30 calendar days have ended and the exception is corrected, the governance warning will be removed and the school will be removed from cautionary status. Failure to correct the exception during the 30 calendar days cautionary period constitutes a second warning and the school will be placed on Governance Probationary Status.

**Level 2: Governance Probationary Status:** The school remains on Governance Probationary Status for 30 calendar days and during that time must correct the exceptions that caused all of the governance warnings. When the 30 calendar days have ended and the exception is corrected, the governance warning will be removed and the school will be removed from probationary status. Failure to correct the exception during the 30 calendar days probationary period constitutes a third warning and the school will be placed on Governance Noncompliance Status.

**Level 3: Governance Noncompliance Status:** The school remains on Governance Noncompliance Status for 10 calendar days. When in Noncompliance Status, the school is expected to immediately address all of the exceptions that caused the governance warnings. State funds for the school may be allotted on a monthly basis until the exceptions that caused all of the governance warnings are corrected. A School placed in

Governance Noncompliance Status may be referred to the Charter Schools Advisory Board for appropriate inquiry and action as determined by the State Board of Education.

This policy does not preclude the State Board of Education from making any recommendations with regards to a charter school if so warranted, regardless of the charter school's governance compliance status.

### **III. IMPACT OF REVOCATION**

#### **Recommendation for Revocation**

Should a public charter school be recommended to the State Board of Education (SBE) for revocation, the following policy, in addition to the provisions for revocation already contained in the Charter Agreement, shall be followed:

1. The allotment for State funds for the school may be adjusted and allotted on a monthly basis from the point of recommendation through the review and appeal period. Ten percent (10%) of the remaining funds available from the adjusted allotment may be held in reserve, pending the results of any review or appeal process.
2. Access to State and Federal funding may be revoked.

#### **Revocation**

Should the State Board of Education (SBE) vote to revoke a public charter school's charter the policies outlined in the Charter Agreement, in conjunction with the steps outlined below, will be followed:

1. The charter school's financial activity with regards to State, Federal and Local District Funding must be discontinued upon the effective date of revocation, or "closing period"\*. . The charter school must transmit final financial information at that time. The "closing period" is the length of time given the school to successfully close their business with regards to State, Federal, and Local District funding, which should be the end of the month that the revocation becomes effective.
2. The charter school's access to State and Federal funding via the NC DPI Cash Management System will be discontinued.
3. In the event that the revocation occurs before the end of the fiscal year, the allotments for State and Federal funds for the school will be adjusted to reflect a prorata share of the school year that the school was open. Ten percent (10%) of the remaining funds available from the adjusted allotment may be held in reserve, pending the results of any review or appeal process, should the school's Charter be revoked by the SBE these funds will be held in reserve, pending the results of the "closing audit".
4. After the final allotment adjustment, the charter school may request, in writing, any remaining State and Federal funds through the NC DPIs School Business Division. The request must include adequate documentation to support any requested funds during the closing period. Should the final allotment adjustment indicate that the charter school

has overdrawn any State or Federal funds a refund may be due to NC DPI. NC DPI will verify the potential refund amount upon the receipt of the final closing audit and the charter school will be notified, in writing, of any refunds due to NC DPI and given 20 business days to issue the refund.

5. The charter school must transmit final financial information through the last day of the month that the revocation becomes effective.

6. NC DPI will designate and pay a CPA firm to do a "closing audit" of the charter school. The school will be notified when this audit shall occur. Each officer, employee, and agent of the charter school having custody of public money or responsibility for keeping records of public financial or fiscal affairs shall produce all books and records requested by the auditor and shall divulge such information to fiscal affairs as the auditor may request.

7. All net assets as of the effective date of revocation, purchased with public funds, shall be deemed the property of the appropriate local education agency. A record of all asset disposition to the appropriate local education agency should be provided to the auditor conducting the closing audit.

8. The independent auditor in conjunction with NC DPI will ensure that the student information management access has been disabled to ensure the integrity of the school's student data and transcripts.

9. If, upon review by NC DPI, the results of the final closing audit disclose any misuse of funds, violations of state law or SBE policy, or any other indiscretion deemed material, the SBE and/or NC DPI will take the necessary action as indicated per each finding. This would include, but is not exclusive to, requiring refunds of state or federal funds.

10. The charter school and the SBE will be notified, in writing, when the NC DPI has determined that the school has been effectively closed.

### **Professional Development & Technical Assistance**

**Description** – Initial point of contact professional development and develops processes/meetings to provide technical assistance to charter schools. Host a charter leadership institute in the fall for school administrators and board members – both experienced and inexperienced. Also develop and deliver quarterly professional development in collaboration with NCDPI and established charter school leaders. Sessions will include information and training related to compliance, governance, communications, financial integrity, and measurement of academic performance. Provide governance training for charter school boards. Develop and provide Targeted Professional Development for low-performing and continually low-performing charter schools identified each academic year at least quarterly. Additionally, this workflow partners with other divisions inside the agency to evaluate and determine a comprehensive and consistent plan for professional development and technical assistance. All workflows in the office must collaborate

with this workflow as professional development is proposed or created to ensure alignment with an approved professional development and technical assistance plan.

## **Professional Development/Technical Assistance Workflow**

Below is description of the events contained in the OCS Professional Development/Technical Assistance Plan:

### **Training Camps for Low-Performing and Continually Low-Performing Schools**

Training camps are designed to provide professional development and technical assistance to schools that have received a low-performing and continually low-performing designation. In an effort to leverage existing successful schools, these events are planned and implemented within the context of successful schools. The event and all logistics are planned in conjunction with the school leader and their staff, including a request for the school provide lunch for attendees. Content and sessions for these trainings are developed with a significant amount of input from the school leader and their staff. School leaders are asked to develop sessions on the aspects of the schools that contribute to the school's success. Sessions are primarily delivered by the school leader and their school staff. Two of these events are offered each semester (four annually).

### **Huddles**

Huddles are designed as a way of providing ongoing support to charter schools via a more regional approach. One of the huddles will be hosted at a school in a different region of the state, and the second huddle will be the second day of the FBS conference. These events are more casual in nature and seek to build communities of practice within regions. Additionally, it is intended to be a team-based event where schools bring larger groups to attend sessions focused on their professional interests and responsibilities (i.e. EC, MTSS, etc.). The events are offered in the summer (typically late July).

### **Audibles (Webinars)**

These are monthly webinars that highlight topics of interest and service/resources from other departments in and beyond DPI. They are hour long webinars and are typically hosted later in the month. Webinars are recorded and included in regular communication from OCS.

### **Charter Leadership Institute**

This event is the largest event in the OCS Professional Development/Technical Assistance Plan. Hosted in the fall of each year (October), this event provides focused professional development for charter school leaders and board members. This is also a fee-based (\$55) event and is hosted at a school. It features concurrent sessions and general sessions with keynote speakers. It also provides an opportunity for vendors to rent fee-based booth spaces.

### **Other DPI Conferences/Events**

This workflow contributes to other conferences (i.e. CCSA, etc.) via a support role. The exact support functions are decided through the participation in a conference-specific committee.

### **Teacher of the Year**

OCS provides support to this process. Information related to the opportunity will be shared by a Regional Education Facilitator (REF) from the Educator Effectiveness section. This REF will provide specific directions on OCS' involvement in the TOY process.

### **SECU “People Helping People” Scholarship**

The SECU Foundation offers scholarships (typically three) for graduating seniors from NC charter schools. The foundation establishes the parameters for the scholarship opportunity. OCS markets the opportunity, collects application/nomination materials, reviews applications, and submits nominations to the SECU foundation. The foundation will contact individual branches to conduct the awarding of the scholarships at the recipients' school level awards ceremony. OCS contact each primary contact at the school level to inform them of their nominee's status.

### **NC School Jobs**

OCS facilitates the process of integrating schools into the NC School by PeopleAdmin system. This may include marketing the opportunity, providing training and technical assistance, and configuring schools in the system.

At the end of this document is an outline and timeline of the OCS Professional Development/Technical Assistance Plan. Please note, professional development activities related to the planning year are handled within that workflow.

Number and Percentage of students scoring 3 or above					
	Number of Students Non-Charters	% of Students in Non- Charters		Number of Students Charters	% of Students in Charters
<b>Math 3-8</b>	664895	58.2		57032	63.5
<b>Reading 3-8</b>	665341	56.4		57050	66.7
<b>Science 3-8</b>	221931	75.1		18207	80.2
<b>Math1 9-12</b>	81726	40.9		3930	44.6
<b>English II 9-12</b>	114406	59.1		5442	71.0
<b>Biology 9-12</b>	108944	59.3		5364	65.6
<b>Math 3-5</b>	333990	60.3		28236	63.4
<b>Math 6-8</b>	330849	56.0		28794	63.6
<b>Reading 3-5</b>	334116	55.5		28241	64.7
<b>Reading 6-8</b>	331166	57.2		28807	68.7
<b>Science 3-5</b>	113833	72.3		9425	75.7
<b>Science 6-8</b>	108098	78.1		8782	85.1

Percentage of students scoring 3 or above by subgroups (grades 3-8,9-12)

Non-charters (3-8)						
Subgroups	# of studs in Math 3-8 (Non-Charters)	Math 3-8 pct (Non-Charter)	# of studs Reading 3-8 (Non-Charters)	Reading 3-8 pct (NonCharter)	# studs Science 5 and 8 ( Non-Charters)	Science 5 and 8 pct (Non-Charter)
ALL	664895	58.2	665341	56.4	221931	75.1
AMIN	7816	43.9	7821	41.6	2561	69.5
ASIA	23048	84.1	23079	76.1	7390	88.7
BLCK	167251	38.9	167398	39.4	55640	60.2
EDS	332160	44.1	332420	42.2	108053	64.3
ELS	56002	34.1	56054	19.9	17202	41.0
HISP	130748	50.3	130800	43.6	42922	66.0
MULT	29870	56.6	29902	58.4	9848	77.1
SWD	86681	20.8	86797	19.2	28449	38.0
WHITE	305206	70.7	305375	69.8	103265	86.0

CHARTERS(3-8)						
Subgroups	# of studs in Math 3-8 (Charters)	Math 3-8 pct (Charters)	# of studs Reading 3-8 (Charters)	Reading 3-8 pct (Charters)	# of studs in Science 5 and 8 (Charters)	Science 5 and 8 pct (Charters)
ALL	57032	63.5	57050	66.7	18207	80.2
AMIN	410	48.8	410	55.4	130	71.5
ASIA	1979	90.8	1979	87.0	581	93.6
BLCK	14720	44.5	14722	48.3	4593	65.4
EDS	14975	44.2	14979	47.6	4609	66.1
ELS	1949	43.5	1951	32.2	572	50.9
HISP	6450	56.6	6451	58.1	2027	74.9
MULT	2916	60.9	2916	68.0	886	78.4
SWD	6540	27.8	6551	28.7	2075	48.4
WHITE	30495	72.9	30510	76.1	9970	87.6

Non-charters (9-12)						
Subgroups	# of studs in Math1 9-12 ( Non-Charters)	Math1 9-12 pct (Non-Charters)	# of studs in Eng II 9-12 (Non-Charters)	Eng II 9-12 pct ( Non-Charters)	# of studs in Biology 9-12 (Non-Charters)	Biology 9-12 pct ( Non-Charters)
ALL	81726	40.9	114406	59.1	108944	59.3
AMIN	1052	35.8	1311	45.7	1220	47.0
ASIA	1512	58.5	3742	76.8	3711	79.6
BLCK	24012	27.1	28129	41.0	26542	39.2
EDS	44726	31.8	49882	42.9	46906	43.3
ELS	6308	16.3	5888	9.4	5551	15.0
HISP	16630	35.1	19759	47.9	18687	47.2
MULT	3605	40.9	4826	59.6	4583	60.6
SWD	13832	13.7	12998	17.0	12134	21.6
WHITE	34860	52.5	56548	71.0	54071	72.1

CHARTERS(9-12)						
Subgroups	# of studs in Math1 9-12 (Charters)	Math1 9-12 pct (Charters)	# of studs Eng II 9-12 (Charters)	Eng II 9-12 pct ( Charters)	# of studs Biology 9-12 (charters)	Biology 9-12 pct ( Charters)
ALL	3930	44.6	5442	71.0	5364	65.6
AMIN	28	32.1	25	68.0	31	41.9
ASIA	55	67.3	162	89.5	171	91.8
BLCK	957	28.8	1109	50.5	1052	43.8
EDS	823	29.6	765	48.2	762	43.4
ELS	70	28.6	56	12.5	58	24.1
HISP	379	41.2	399	63.7	424	55.4
MULT	231	35.1	250	69.6	258	62.0
SWD	631	18.9	540	27.0	517	30.6
WHITE	2261	52.7	3457	78.4	3426	72.7

Percentage of students scoring 3 or above by subgroups (grades 3-5)

Non-charters (3-5)						
Subgroups	# of studs in Math 3-5 ( Non-Charters)	Math 3-5 pct (Non-Charters)	# of studs in Reading 3-5 (Non-Charters)	Reading 3-5 pct (NonCharters)	# of studs in Science 5 ( Non-Charters)	Science 5 pct (Non-Charters)
ALL	333990	60.3	334116	55.5	113833	72.3
AMIN	4013	47.6	4013	42.1	1317	65.1
ASIA	11879	84.6	11882	74.8	3843	86.8
BLCK	84813	41.5	84867	38.7	28940	56.8
EDS	169637	47.1	169721	41.7	57434	61.6
ELS	38441	40.8	38472	24.3	11971	44.6
HISP	66392	53.1	66422	42.1	22537	63.3
MULT	15384	59.5	15386	58.2	5326	75.0
SWD	44198	24.3	44230	20.9	15124	34.9
WHITE	150997	72.6	151036	69.4	51701	83.8

CHARTERS(3-5)						
Subgroups	# of studs in Math 3-5 (Charters)	Math 3-5 pct Charter)	# of studs in reading 3-5 (Charters)	Reading 3-5 pct (Charters)	# of studs in Science 5 (Charters)	Science 5 pct (Charter)
ALL	28236	63.4	28241	64.7	9425	75.7
AMIN	143	50.3	142	59.9	55	67.3
ASIA	1117	90.1	1117	86.7	350	92.6
BLCK	7347	43.8	7348	44.9	2426	59.7
EDS	7697	43.8	7698	44.7	2528	60.4
ELS	1344	46.4	1346	35.2	424	52.1
HISP	3217	56.0	3219	54.7	1110	70.2
MULT	1479	60.9	1477	65.3	466	72.3
SWD	3216	30.8	3220	29.4	1063	42.2
WHITE	14887	73.1	14892	75.0	5004	83.9

Percentage of students scoring 3 or above by subgroups (grades 6-8)

Non-charters (6-8)						
Subgroups	# of studs in Math 6-8 ( Non-Charters)	Math 6-8 pct (Non-Charters)	# of studs in Reading 6-8 (Non-Charters)	Reading 6-8 pct (NonCharters)	# of studs in Science 8 ( Non-Charters)	Science 8 pct (Non-Charters)
ALL	330849	56.0	331166	57.2	108098	78.1
AMIN	3803	40.0	3808	41.1	1244	74.2
ASIA	11169	83.6	11197	77.5	3547	90.8
BLCK	82396	36.2	82492	40.0	26700	63.8
EDS	162489	41.0	162659	42.6	50619	67.5
ELS	17559	19.5	17580	10.3	5231	32.5
HISP	64343	47.5	64367	45.3	20385	69.1
MULT	14484	53.6	14514	58.7	4522	79.6
SWD	42463	17.2	42547	17.5	13325	41.5
WHITE	154200	68.9	154334	70.2	51564	88.1

CHARTERS(6-8)						
Subgroups	# of studs in Math 6-8 (Charters)	Math 6-8 pct Charter)	# of studs in reading 6-8 (Charters)	Reading 6-8 pct (Charters)	# of studs in Science 8 (Charters)	Science 8 pct (Charter)
ALL	28794	63.6	28807	68.7	8782	85.1
AMIN	267	47.9	268	53.0	75	74.7
ASIA	862	91.6	862	87.4	231	95.2
BLCK	7370	45.2	7371	51.7	2167	71.9
EDS	7275	44.5	7277	50.7	2081	73.1
ELS	604	37.3	604	25.5	148	47.3
HISP	3232	57.3	3231	61.4	917	80.6
MULT	1429	61.2	1431	71.1	420	85.2
SWD	3317	24.9	3322	28.1	1012	54.9
WHITE	15608	72.6	15618	77.2	4966	91.4

Charter School Membership  
By Region  
2018-19

Region	LEA	LEA	2019 Membership				increase 2012 to 2019	increase 2018 to 2019
			2019 Charter membership	LEA Allotted ADM	Total LEA and CS	% of LEA		
1	070	Beaufort	443	6,661	7,104	6.2%	215	10
1	080	Bertie	26	2,209	2,235	1.2%	26	( 84 )
1	150	Camden	44	1,853	1,897	2.3%	44	18
1	210	Chowan	76	1,973	2,049	3.7%	76	4
1	270	Currituck	43	4,113	4,156	1.0%	43	6
1	280	Dare	35	5,322	5,357	0.7%	35	24
1	370	Gates	3	1,671	1,674	0.2%	3	( 4 )
1	420	Halifax	959	2,472	3,431	28.0%	504	68
1	421	Roanoke Rapids City	175	2,871	3,046	5.7%	55	6
1	422	Weldon City	251	899	1,150	21.8%	173	( 19 )
1	460	Hertford	28	2,812	2,840	1.0%	28	3
1	480	Hyde		603	603	0.0%	-	( 2 )
1	580	Martin	409	3,111	3,520	11.6%	392	( 24 )
1	660	Northampton	530	1,651	2,181	24.3%	284	46
1	700	Pasquotank	317	5,549	5,866	5.4%	317	79
1	720	Perquimans	50	1,619	1,669	3.0%	50	8
1	740	Pitt	1126	23,791	24,917	4.5%	983	( 39 )
1	890	Tyrrell	2	607	609	0.3%	2	2
1	940	Washington	115	1,485	1,600	7.2%	96	( 21 )
		<b>Region 1</b>	<b>4,632</b>	<b>71,272</b>	<b>75,904</b>	<b>6.1%</b>	<b>3,326</b>	<b>81</b>
2	100	Brunswick	1256	12,771	14,027	9.0%	568	57
2	160	Carteret	242	8,313	8,555	2.8%	( 3 )	23
2	250	Craven	242	13,813	14,055	1.7%	171	7
2	310	Duplin	27	9,652	9,679	0.3%	25	1
2	400	Greene	28	3,063	3,091	0.9%	19	10
2	520	Jones	1	1,086	1,087	0.1%	( 1 )	( 3 )
2	540	Lenoir	211	8,620	8,831	2.4%	( 230 )	( 1 )
2	650	New Hanover	1600	26,361	27,961	5.7%	1,079	295
2	670	Onslow	317	27,317	27,634	1.1%	317	21
2	690	Pamlico	230	1,250	1,480	15.5%	( 47 )	( 20 )
2	710	Pender	321	9,404	9,725	3.3%	287	-
2	960	Wayne	818	18,670	19,488	4.2%	645	( 1 )
		<b>Region 2</b>	<b>5,293</b>	<b>140,320</b>	<b>145,613</b>	<b>3.6%</b>	<b>2,830</b>	<b>389</b>
3	190	Chatham	1077	9,006	10,083	10.7%	394	( 3 )
3	320	Durham Public	6957	33,080	40,037	17.4%	3,424	453
3	330	Edgecombe	829	5,916	6,745	12.3%	686	12
3	350	Franklin	1224	8,198	9,422	13.0%	566	-
3	390	Granville	1500	7,511	9,011	16.6%	1,277	90
3	430	Harnett	560	20,536	21,096	2.7%	545	107

Data collected from local education agencies via electronic survey. For information only.

Charter School Membership  
By Region  
2018-19

Region	LEA	LEA	2019 Membership				increase 2012 to 2019	increase 2018 to 2019
			2019 Charter membership	LEA Allotted ADM	Total LEA and CS	% of LEA		
3	510	Johnston	1892	36,550	38,442	4.9%	1,214	793
3	530	Lee	125	9,945	10,070	1.2%	114	96
3	640	Nash	1256	15,067	16,323	7.7%	449	89
3	680	Orange	837	7,345	8,182	10.2%	556	67
3	681	Chapel Hill-Carrboro	155	12,474	12,629	1.2%	70	40
3	730	Person	1134	4,449	5,583	20.3%	175	5
3	910	Vance	1853	5,928	7,781	23.8%	1,204	268
3	920	Wake	13809	162,618	176,427	7.8%	8,011	1,538
3	930	Warren	378	2,039	2,417	15.6%	255	60
3	980	Wilson	1834	11,554	13,388	13.7%	982	185
		<b>Region 3</b>	<b>35,420</b>	<b>352,216</b>	<b>387,636</b>	<b>9.1%</b>	<b>19,922</b>	<b>3,800</b>
4	090	Bladen	643	4,360	5,003	12.9%	476	97
4	240	Columbus	563	5,673	6,236	9.0%	126	( 29 )
4	241	Whiteville City	180	2,301	2,481	7.3%	38	( 51 )
4	260	Cumberland	1275	50,093	51,368	2.5%	1,030	215
4	470	Hoke	425	9,000	9,425	4.5%	308	10
4	620	Montgomery	284	3,976	4,260	6.7%	267	83
4	630	Moore	842	12,768	13,610	6.2%	511	151
4	770	Richmond	27	7,222	7,249	0.4%	13	20
4	780	Robeson	523	22,387	22,910	2.3%	403	59
4	820	Sampson	28	8,274	8,302	0.3%	28	18
4	821	Clinton City	2	3,017	3,019	0.1%	2	-
4	830	Scotland	12	5,741	5,753	0.2%	12	3
		<b>Region 4</b>	<b>4,804</b>	<b>134,812</b>	<b>139,616</b>	<b>3.4%</b>	<b>3,214</b>	<b>576</b>

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Charter School Membership  
By Region  
2018-19

Region	LEA	LEA	2019 Membership				increase 2012 to 2019	increase 2018 to 2019
			2019 Charter membership	LEA Allotted ADM	Total LEA and CS	% of LEA		
5	010	Alamance-Burlington	1515	23,019	24,534	6.2%	577	84
5	170	Caswell	215	2,612	2,827	7.6%	35	15
5	290	Davidson	216	19,147	19,363	1.1%	186	( 39 )
5	291	Lexington City	133	3,094	3,227	4.1%	131	83
5	292	Thomasville City	55	2,293	2,348	2.3%	55	14
5	300	Davie	11	6,169	6,180	0.2%	6	( 17 )
5	340	Forsyth	2974	54,480	57,454	5.2%	1,085	98
5	410	Guilford	7308	72,259	79,567	9.2%	5,442	677
5	760	Randolph	1152	16,726	17,878	6.4%	1,109	347
5	761	Asheboro City	210	4,671	4,881	4.3%	210	( 2 )
5	790	Rockingham	576	12,099	12,675	4.5%	344	( 13 )
5	850	Stokes	138	5,921	6,059	2.3%	75	-
5	860	Surry	484	7,882	8,366	5.8%	201	4
5	861	Elkin City	34	1,180	1,214	2.8%	10	2
5	862	Mount Airy City	195	1,649	1,844	10.6%	33	1
5	990	Yadkin	57	5,257	5,314	1.1%	27	( 19 )
		<b>Region 5</b>	<b>15,273</b>	<b>238,458</b>	<b>253,731</b>	<b>6.0%</b>	<b>9,526</b>	<b>1,235</b>
6	040	Anson	32	3,382	3,414	0.9%	25	8
6	130	Cabarrus	2002	33,241	35,243	5.7%	1,586	334
6	132	Kannapolis City	313	5,451	5,764	5.4%	307	( 23 )
6	230	Cleveland	1306	14,597	15,903	8.2%	845	132
6	360	Gaston	2255	31,804	34,059	6.6%	702	126
6	490	Iredell	2725	20,437	23,162	11.8%	1,425	216
6	491	Mooreville City	488	6,005	6,493	7.5%	314	6
6	550	Lincoln	1514	11,441	12,955	11.7%	707	1,514
6	600	Char.-Mecklenburg	19591	148,109	167,700	11.7%	11,310	1,317
6	800	Rowan	710	19,150	19,860	3.6%	637	185
6	840	Stanly-Albemarle	487	8,455	8,942	5.4%	292	5
6	900	Union	3100	41,416	44,516	7.0%	1,610	( 334 )
		<b>Region 6</b>	<b>34,523</b>	<b>343,488</b>	<b>378,011</b>	<b>9.1%</b>	<b>19,760</b>	<b>3,486</b>

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Charter School Membership  
By Region  
2018-19

Region	LEA	LEA	2019 Membership				increase 2012 to 2019	increase 2018 to 2019
			2019 Charter membership	LEA Allotted ADM	Total LEA and CS	% of LEA		
7	020	Alexander	23	4,960	4,983	0.5%	15	( 1 )
7	030	Alleghany	3	1,362	1,365	0.2%	3	( 5 )
7	050	Ashe	22	2,986	3,008	0.7%	9	-
7	060	Avery	41	1,972	2,013	2.0%	22	( 6 )
7	120	Burke	344	12,151	12,495	2.8%	204	43
7	140	Caldwell	64	11,610	11,674	0.5%	38	6
7	180	Catawba	232	16,182	16,414	1.4%	147	12
7	181	Hickory City	22	4,166	4,188	0.5%	21	11
7	182	Newton City	11	3,050	3,061	0.4%	9	5
7	590	McDowell	44	6,092	6,136	0.7%	26	19
7	610	Mitchell	27	1,862	1,889	1.4%	20	10
7	950	Watauga	158	4,690	4,848	3.3%	21	( 14 )
7	970	Wilkes	100	9,418	9,518	1.1%	44	17
7	995	Yancey	13	2,204	2,217	0.6%	5	5
		<b>Region 7</b>	<b>1,104</b>	<b>82,705</b>	<b>83,809</b>	<b>1.3%</b>	<b>584</b>	<b>102</b>
8	110	Buncombe	2110	24,064	26,174	8.1%	1,430	192
8	111	Asheville City	388	4,446	4,834	8.0%	130	21
8	200	Cherokee	162	3,244	3,406	4.8%	( 16 )	( 12 )
8	220	Clay	34	1,292	1,326	2.6%	25	-
8	380	Graham	9	1,152	1,161	0.8%	-	5
8	440	Haywood	454	7,277	7,731	5.9%	453	13
8	450	Henderson	758	13,527	14,285	5.3%	535	57
8	500	Jackson	320	3,755	4,075	7.9%	69	( 13 )
8	560	Macon	71	4,455	4,526	1.6%	23	13
8	570	Madison	32	2,292	2,324	1.4%	25	5
8	750	Polk	128	2,107	2,235	5.7%	7	20
8	810	Rutherford	1236	8,183	9,419	13.1%	349	82
8	870	Swain	82	2,023	2,105	3.9%	15	( 10 )
8	880	Transylvania	339	3,449	3,788	8.9%	172	19
		<b>Region 8</b>	<b>6,123</b>	<b>81,266</b>	<b>87,389</b>	<b>7.0%</b>	<b>3,217</b>	<b>392</b>
		<b>Total</b>	<b>107,172</b>	<b>1,444,537</b>	<b>1,551,709</b>	<b>6.9%</b>	<b>62,379</b>	<b>10,061</b>

Data collected from local education agencies via electronic survey. For information only.

STATE PUBLIC SCHOOL FUND (CHARTER SCHOOLS)

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**State Authorization:** North Carolina General Statute, Chapter 115C-218, Article 14A

**N. C. DEPARTMENT OF PUBLIC INSTRUCTION**

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**Agency Contact:**

**Program**

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**N.C. DPI Confirmation Reports:**

Confirmation of Funds Expended and/or Disbursed from the State Public School Fund and Federal Programs 2016-17 will be available at the [NC DPI School Business Division Annual Reports Application](#). The system provides an electronic view of Year-to-Date (YTD) financial reports in response to requests for confirmation from independent auditors.

The auditor should **not** consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor **can** consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current. The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

**I. PROGRAM OBJECTIVES**

The objective of the State Public School Fund is to provide monies to the Local Education Agencies (LEAs) and Public Charter Schools for the basic education, enrichment and strengthening of educational opportunities for the children of the State of North Carolina.

**II. PROGRAM PROCEDURES**

The State Public School Fund is administered through the State Board of Education (SBE) and the Department of Public Instruction (DPI). The State Board of Education establishes policies and procedures to implement legislative requirements to provide the charter schools with a uniform system of accounting for and reporting on the appropriations and the current operating expenditures. Allotments in the form of dollars are provided to the charter schools by DPI based on their first month average daily membership (ADM) of student population. Each charter school receives an amount equal to the State per pupil allocation for the LEA in which the charter school resides, multiplied by their first month ADM. State funds for children with special needs are included in the charter school’s State allotment based on the number of children included on the correlating April 1 headcount. Allotment reports are sent from the School Allotment Section of the Division of School Business notifying the charter school of the amount of State funds that they

## STATE PUBLIC SCHOOL FUND (CHARTER SCHOOLS)

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have available. DPI publishes monthly Cash Certification Calendars establishing deadlines for requesting funds to assist the charter schools with their cash management efforts. The charter schools have access to request State funds five (5) days per week, except for banking holidays, so that funds may be deposited no more than two business days prior to the date of disbursement. The charter schools must enter requests for funds for a particular Funds Requirement Date according to the deadlines established on the Cash Certification Calendar. Once approval is received from the State Controller's Office, DPI processes the requests so that the funds are transferred by the State Treasurer to the respective public charter school's local bank account after 2:00 p.m. on the Funds Requirement Date.

### III. COMPLIANCE REQUIREMENTS

#### 1. Activities Allowed or Unallowed

**A. Compliance Requirement** - The charter schools must comply with applicable North Carolina General Statutes and particularly applicable sections of Chapter 115C, e.g., Article 14A and Article 31. In addition, the State Board of Education has authority to issue rules and regulations through the [Allotment Policy Manual](#) and letters/memos with which charter schools must comply.

**Audit Objective** - To determine that the Charter School is complying with the requirements of the applicable North Carolina General Statutes, maintaining their records according to generally accepted accounting principles, and expending state allotted funds in compliance with G.S. 115C-218.105.

#### **Suggested Audit Procedures:**

##### Salary Related Procedures:

- Obtain the payroll register for selected period(s) and select a sample of disbursements to determine that personnel are serving in assignments consistent with the expenditure coding in the Uniform Chart of Accounts.
- If the charter school has elected to participate in the State Health Plan or any other health insurance program, review the withholding from employee paychecks to determine that the deductions are in accordance with plan provisions. Verify that employee deductions and employer's matching contribution have been remitted as required.
- If the charter school has elected to participate in the Teachers' and State Employees' Retirement System, review records to determine that the employee withholding and employer's matching requirements have been met. Verify that employee deductions and employer's matching contribution have been remitted as required.
- If the charter school has elected to participate in the Teachers' and State Employees' Retirement System, review records to determine that the charter school is requesting reimbursements for short-term disability (beyond the first six months) from the Retirement System on a timely basis.

**B. Compliance Requirement** - Verify that amounts due to all state, federal, and local taxing authorities have been remitted timely. Any penalties and interest incurred or paid during the current fiscal year should be disclosed.

**Audit Objective** - To determine that the charter school is remitting amounts due to all state, federal, and local taxing authorities on a timely basis, and that all penalties and interest incurred have been properly recorded in the financial statements.

**Suggested Audit Procedures:**

- Trace payroll records to federal forms 941, 940, and W-4.
- Trace payroll records to state Employer's Quarterly Tax and Wage Report, and to Employment Security Commission filings. Verify that reports have been filed timely.
- Disclose any penalties and interest incurred or paid during the current fiscal year in the notes to the financial statements. Verify that penalties and interest have been properly recorded in the financial statements.

**2. Allowable Costs/Cost Principles**

Addressed in the NC Department of Public Instruction Cross-cutting Requirements.

**Additional Compliance Requirement** - The charter schools must comply with N.C.G.A Session Law 2015-241, Section 6.26, CAP STATE FUNDED PORTION OF NONPROFIT SALARIES - No more than one hundred twenty thousand dollars (\$120,000) in State funds may be used for the annual salary of any individual employee of a nonprofit organization receiving State funds. For the purposes of this section, the term "State funds" means funds as defined in G.S. 143C-1-1(d)(25) and any interest earnings that accrue from those funds.

**Audit Objective** - To determine that the Charter School is complying with the requirements of N.C.G.A Session Law 2015-241, Section 6.26.

**Suggested Audit Procedures:** Sample payroll records to ensure state funds are not used for Charter School employee salaries in excess of \$120,000 annually.

**3. Cash Management**

**Compliance Requirement** - The local auditor is not required to test compliance with this requirement. Cash request procedures detailed in the Program Procedures is for information only. DPI monitors compliance with the Cash Management requirements.

**4. Conflict of Interest**

**Compliance Requirement** - Per G.S. 115C-218.15, all charter schools shall be accountable to the State Board for ensuring compliance with applicable laws and the provisions of their charters. SBE Policy, CHTR-006, requires the following:

(1) Conflict of Interest - The Nonprofit board of directors shall adopt and ensure compliance with a conflict of interest and anti-nepotism policy. This policy shall include, at a minimum, the following provisions:

1. No voting member of the governing board shall be an employee of a for-profit company that provides substantial services to the charter school for a fee.

2. (a) Prior to employing any immediate family, as defined in G.S. 115C-12.2, of any member of the board of directors or a charter school employee with supervisory authority shall be employed or engaged as an employee, independent contractor, or otherwise by the board of directors in any capacity, such proposed employment or engagement shall be:

(i) disclosed to the board of directors and

(ii) approved by the board of directors in a duly called open-session meeting. (b) The burden of disclosure of such a conflict of interest shall be on the applicable board member or

## STATE PUBLIC SCHOOL FUND (CHARTER SCHOOLS)

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employee with supervisory authority. If the requirements of this subsection are complied with, the charter school may employ immediate family of any member of the board of directors or a charter school employee with supervisory authority.

3. A requirement that a person shall not be disqualified from serving as a member of a charter school's board of directors because of the existence of a conflict of interest, so long as the person's actions comply with:

- a. the school's conflict of interest policy established as provided in this subsection; and
- b. applicable law

4. No teacher or staff member that is immediate family of the chief administrator shall be hired without the board of directors evaluating their credentials, establishing a structure to prevent conflicts of interest, and notifying the Department, with evidence, that this process has occurred.

5. The requirements of Chapter 55A of the General Statutes related to conflicts of interest.

(2) **Anti-Nepotism** - Local boards of education shall adopt policies requiring that before any immediate family of any board of education member or central office staff administrator, including directors, supervisors, specialists, staff officers, assistant superintendents, area superintendents, superintendents, or principals, shall be employed or engaged as an employee, independent contractor, or otherwise by the board of education in any capacity, such proposed employment or engagement shall be (i) disclosed to the board of education and (ii) approved by the board of education in a duly called open-session meeting. The burden of disclosure of such a conflict of interest shall be on the applicable board member or central office staff administrator (CHTR-006(IIG1); G.S. 115C-47)

**Audit Objective** – To determine that the Charter School Board of Directors has approved conflict of interest and anti-nepotism policies on file and required statements have been completed and signed.

### **Suggested Audit Procedures:**

- Verify that the Charter School Board of Directors has an approved conflict of interest policy on file.
- Verify that the Charter School Board of Directors has an approved nepotism policy on file.
- Inspect documents for evidence of a conflict of interest and nepotism with school employees and /or the board of directors and vendors providing services or supplies to the school.
- Verify that no voting members of the governing board are an employee of a for-profit company that provides substantial services to the charter school for a fee.

## 5. Eligibility

**A. Compliance Requirement** - The State Board of Education has the authority to apportion and equalize over the State all state school funds for assistance to educational programs within or sponsored by the public school system of the State. (G.S. 115C-12(5); G.S.115C-218.105)

**Suggested Audit Procedure** - The auditor is not expected to make tests for this eligibility compliance requirement.

**B. Compliance Requirements** - The federal and state funds allocated as part of the State Public School Fund to serve children with disabilities are intended to provide the additional costs of such programs beyond the regular program costs intended for the benefit of all children. These additional funds may be used for children with disabilities who are between the ages of three through 21, and children with limited English proficiency. (Federal funds may only be used for students with disabilities.) A child with a disability cannot be counted twice in the child count for state funding.

State Board of Education policy LICN-002 requires the designation of appropriate licensure prior to employment for positions requiring licensure. Formal documentation indicating agreement by DPI, Division of Human Resources Management to the certified area(s) appropriate for the proposed program employment should be present.

The disbursements for children with disabilities (purpose code 5200) must be made in accordance with Policies Governing Services for Children with Disabilities, Amended – July 2014. <http://ec.ncpublicschools.gov/policies/nc-policies-governing-services-for-children-with-disabilities/policies-children-disabilities.pdf>

**Audit Objective** – To determine that documentation on each child supports the inclusion as a child with a disability on the child count in question, to ensure that appropriately licensed teachers are serving the children with disabilities, and to determine that the disbursements for children with disabilities were made in accordance with Policies Governing Services for Children with Disabilities, Amended – July 2014.

**Suggested Audit Procedures:**

- Determine that disbursements for children with disabilities (purpose code 5200) were made in accordance with Policies Governing Services for Children with Disabilities.
- Determine that teachers for children with disabilities are appropriately licensed according to North Carolina licensure standards for children with special needs.
- Select a sample of children with special needs and perform the following tests: (If the derivative is greater than => 10%, expand the sample to determine if the entire 'Children with Disabilities' is off in its reporting.).
  - a) Determine that documentation on each child supports the inclusion as a child with a disability on the child count in question.
  - b) Determine if evidence of an Individualized Education Program (IEP) is in place on the child count date.
  - c) Determine if there is a Permission to Place form (DEC 6 [if placement is after school year 1997-98] or DEC 7 [if placement was prior to school year 1997-98]).
  - d) The student is appropriately classified on the child count roster, i.e., a student classified as OH in the student record is classified as OH on the child count roster.
  - e) A student record is available for each student selected for review.

**6. Equipment & Real Property Management**

Addressed in the NC Department of Public Instruction Cross-cutting Requirements.

**Additional Compliance Requirement** – Funds allocated by the State Board of Education may be used to enter into operational and financing leases for real property or mobile

## STATE PUBLIC SCHOOL FUND (CHARTER SCHOOLS)

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classroom units for use as school facilities for charter schools and may be used for payments on loans made to charter schools for facilities or equipment. However, State funds shall not be used to purchase, or to obtain a loan to purchase real property or mobile classroom units (G.S. 115C-218.105(b)).

**Audit Objective** – To determine whether any State funds have been used to obtain any interest, other than those defined in G.S. 115C-218.105(b), in real property or mobile classroom units and ensure the required state language is included in all contracts.

**Suggested Audit Procedure** - Evaluate all purchases of real property or mobile classroom units for compliance with this General Statute.

### 8. Period of Availability of State Funds

**Compliance Requirement** – It is the State Board of Education’s policy that the State Public School Funds appropriated in the current fiscal year are used to pay for obligations incurred during the same fiscal year. An obligation incurred in violation of this policy is invalid and may not be enforced. No prepayment of expenditures is permitted with State funds.

**Audit Objective** – To ensure that funds allotted in the current fiscal year are used to pay for obligations incurred during the current fiscal year.

**Suggested Audit Procedures** – Select a sample of the general expenditure disbursements made from the State Public School Fund during the period of July through September for the fiscal year being audited and perform the following tests:

- Examine the invoices and verify that the expenditures are for the current fiscal year only. If the invoices paid are for a prior or future period obligation, they are invalid and must be refunded.
- As a guideline, the State recommends that if greater than 10% of the invoices selected in the sample above paid for prior or future period obligations, then all expenditures for the period of July through September of the fiscal year being audited should be reviewed. Report the total amount found to have paid for prior or future period obligations as a “Questioned Cost”.

### 9. Procurement and Suspension and Debarment

Addressed in the NC Department of Public Instruction Cross-cutting Requirements.

**Additional Compliance Requirement** – “No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.” Every contract or lease into which a charter school enters shall include the previous sentence. The charter school may own land and buildings it obtains through non-State sources. Charter schools are not bound by any other purchasing requirements. (G.S. 115C-218.105(b))

**Audit Objective** – To determine that every contract or lease into which the charter school entered includes the sentence referenced above.

**Suggested Audit Procedure** – Review all contracts and determine that the referenced sentence is included in the contract.

## 12. Reporting

**Compliance Requirement** – The charter school shall comply with the reporting requirements established by the State Board of Education in the Uniform Education Reporting System (UERS). (G.S. 115C-218.30(b)). The [North Carolina Public Schools Uniform Chart of Accounts](#), revised annually, should be used to monitor the appropriateness of expenditures. The [North Carolina Public Schools Uniform Chart of Accounts](#) is distributed to each charter school and available online.

**Audit Objective** – To determine that the Charter School has complied with the reporting requirements established by the State Board of Education in the Uniform Education Reporting System (G.S. 115C-218.30(b)), and the [North Carolina Public Schools Uniform Chart of Accounts](#) was used to monitor the appropriateness of expenditures.

### **Suggested Audit Procedures:**

- Test a sample of expenditures and verify that the account codes used conform to the North Carolina Public Schools Uniform Chart of Accounts for the related expenditure.
- Ensure that only one set of financial books are being maintained and are on the UERS approved financial software.
- Determine that the Charter School is utilizing the UERS approved financial software to issue checks to the ultimate payee, ensuring that the financial software is being used to generate payments, not just to record payments already issued. Manual check entries should be few and documented as to why they were necessary.

## 14. Special Tests and Provisions

**A. Compliance Requirement** - The “Budget Balance Reconciliation Report” (JHA705EG) and “Cash Balance Report” (JHA714EG) are put on the Internet monthly by the Division of School Business DPI to be accessed by each charter school. Charter schools must reconcile and adjust their accounting records to the “Budget Balance Reconciliation Report” and “Cash Balance Report” periodically.

**Audit Objective** – To determine that the charter schools are reconciling their accounting records to the “Budget Balance Reconciliation Report” and “Cash Balance Report” on a monthly basis and making timely adjustments as necessary.

**Suggested Audit Procedure** – Review evidence that the “Budget Balance Reconciliation Report” and “Cash Balance Report” are being reconciled monthly to the charter school’s financial records, and that all required adjustments are being made when necessary and documented as appropriate. Any adjustments to the information DPI has recorded should be corrected with an adjusting journal entry in the school’s general ledger.

**B. Compliance Requirement** – In accordance with G.S. 115C-218.15(b), “A charter school shall be operated by a private nonprofit corporation that shall have received federal tax-exempt status no later than 24 months following final approval of the application.”

**Audit Objective** – To determine that the Charter School is in compliance with G.S. 115C-218.15(b).

### **Suggested Audit Procedures:**

- Review the documentation from the federal government granting tax-exempt status and confirm that tax-exempt status was granted within the required timeline.
- Review documentation to ensure tax-exempt status is being maintained.

**C. Compliance Requirement** – The school shall obtain and maintain the minimum insurance levels per the Charter Agreement, Section 13 “Insurance and Bonding”. This section does not preclude any charter school from obtaining liability insurance coverage in addition to or in excess of the requirements listed in Section 13 of the Charter Agreement (G.S. 115C-218.20).

**Audit Objective** – To determine that the Charter School is maintaining the minimum required levels of insurance coverage per the Charter Agreement.

**Suggested Audit Procedure** – Verify that the school obtained and maintained insurance in the following amounts:

- a. Errors and Omissions: one million dollars (\$1,000,000) per occurrence;
- b. General Liability: one million dollars (\$1,000,000) per occurrence;
- c. Property Insurance: For owned building and contents, including boiler and machinery coverage, if owned;
- d. Crime Coverage: no less than two hundred fifty thousand dollars (\$250,000) to cover employee theft and dishonesty;
- e. Automobile Liability: one million dollars (\$1,000,000) per occurrence; and
- f. Workers’ Compensation: as specified by Chapter 97 of NC General Statute, Workers’ Compensation Law.

**D. Compliance Requirement** – Per G.S. 115C-218.50, a charter school shall not charge tuition or fees except those that are charged by the local school administrative unit in which the charter school is located.

A charter school, upon approval by the board of directors of the charter school, may establish fees for extracurricular activities, except those fees shall not exceed the fees for the same extracurricular activities charged by a local school administrative unit in which forty percent (40%) or more of the students enrolled in the charter school reside.

**Audit Objective** – To determine the Charter School has complied, and remains in compliance, with the statute regarding the charging of fees for its students.

**Suggested Audit Procedures** – Examine the school’s policy and practice to gauge its compliance with the prohibition for charging of fees different than that of the school district in which the charter is located.

- Verify the school has a board approved policy regarding fees that complies with the statute. Evidence of board meeting minutes would be verifiable evidence.
- Seek evidence from the charter school indicating that any mandatory fees charged by the charter school are also charged by the local school administrative unit in which the school is located.
- Inquire of the local school administrative unit in which the charter school is located what fees and amounts, if any, that they charge students.

**E. Compliance Requirement** – Per G.S. 115C-218.65, charter schools must ensure the School Report Card issued for it by the State Board of Education is provided to the public. The performance score and grade earned for the previous four years must be prominently displayed on the school’s website. If the school received a letter grade of “D” or “F,” the statute requires the charter school to notify parents or guardians, in writing, of that designation.

**Audit Objective** – To determine the Charter School has complied with the statutory provision regarding School Report Cards as stated by the General Assembly.

**Suggested Audit Procedures** – Review documentation to determine compliance by the following:

- Check the school’s website to see if the School Performance Score and Grade earned are prominently displayed on the website. This requirement began with data from the 2013-14 school year, and the first School Performance Score and Grade was released in February 2015.
- Seek other evidence, whether through correspondence with parents, newsletters, press releases, or the school website, that the School Report Card has been disseminated in a public fashion.
- Ask to see a copy of the written notice provided to parents or guardians if the charter school received a “D” or “F.”
- Verify that the school is maintaining the information on the website in a prominent location, as prescribed by law, for the previous four years.

**F. Compliance Requirement** – Per G.S. 115C-218.90(b), if the local school administrative unit in which the charter school is located has adopted a policy requiring criminal history checks, then the board of directors of the charter school shall adopt a policy mirroring that of the local board of education policy that requires an applicant for employment to be checked for a criminal history.

**Audit Objective** – To determine that the Charter School is appropriately following the statute regarding the implementation of a Criminal History Check.

**Suggested Audit Procedures** – Verify that the school is compliant with the statutory requirement for Criminal History Checks by examining the following:

- Verify within the charter school board’s policy manual that the charter school has a Criminal History Check policy that mirrors the one of the school district in which the charter school is located.
- Inspect documents to ensure the use of the Criminal History Check policy with all applicants for employment before granting an unconditional job offer. Charter school boards may offer conditional employment to a candidate pending the results of the person’s criminal history.

Additional State Board of Education Requirements for Charter School Performance Framework Compliance

**G. Compliance Requirement** - The Public Charter School shall at all times be operated by the board of directors of the non-profit corporation in accordance with G.S. 115C-218-et seq. and all other applicable laws and regulations. The majority of board members and 50% or greater of the board officers for a charter school must have their primary residence in NC.

**Audit Objective** - To determine that the Charter School Board of Directors is compliant with regards to North Carolina primary residency for the majority of its members and a minimum of 50% of its board officers.

**Suggested Audit Procedures** - Verify the primary residences of the members of all of the Charter School Board of Directors through the inspection of at least two different pieces of documentation for the current year. Examples of acceptable documents that show the property was occupied as the principal residence of the board member for the year in question are as follow:

- Both sides of a driver’s license with property address.
- Voter’s registration record.

## STATE PUBLIC SCHOOL FUND (CHARTER SCHOOLS)

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- A statement from a bank, charge account, medical billing, utility bills, etc. (Only the portion showing your mailing address and date need to be reviewed.)
- Property tax bill with the property as the mailing address.
- Copy of passport.
- Income tax return showing the mailing address. (Sensitive information may be blacked out.)

**NOTE: This is not an all-inclusive list and no one item is particularly controlling.**

**H. Compliance Requirement** – The Charter School shall comply with State Board of Education policies regarding periodic Board meetings (CHTR-006 (IIA)).

**Audit Objective** – To determine that the Charter School is appropriately following the SBE guidance by meeting no less than eight times per, including the Charter School annual meeting.

**Suggested Audit Procedure** – Verify that a quorum of the board meets no less than eight times a year by reviewing Board minutes.

**I. Compliance Requirement** – Per G.S. 115C-218.25, the charter school and board of directors of the private nonprofit corporation that operates the charter school are subject to the Public Records Act, Chapter 132 of the General Statutes, and the Open Meetings Law, Article 33C of Chapter 143 of the General Statutes. Notwithstanding the requirements of Chapter 132 of the General Statutes, inspection of charter school personnel records for those employees directly employed by the board of directors of the charter school shall be subject to the requirements of Article 21A of this Chapter.

**Audit Objective** – To determine that the Charter School is appropriately following the statute regarding compliance with the Public Records Act and Open Meetings Law.

**Suggested Audit Procedures** – Verify that the school is compliant with the statutory requirement for the Public Records Act by examining the following:

- All official meetings of public bodies are open to the public.
- All Board meetings minutes are documented.
- Timely posting of Board meeting minutes for public viewing.

**J. Compliance Requirement** – The Charter School shall comply with State Board of Education policies regarding the operation of the Charter School, including Personnel, Disciplinary, and Parental Grievance policies (CHTR-006 (IIA)).

**Audit Objective** – To determine that the Charter School has adopted current Personnel, Disciplinary, and Parental Grievance policies.

**Suggested Audit Procedure** – Verify that the school has adopted Personnel, Disciplinary, and Parental Grievance policies and the policies are available to all concerned parties.

**K. Compliance Requirement** – Per the Charter Agreement (14.2), the Charter School shall grant access to local health and fire department officials for inspection of premises or operations of the charter school for purposes of ensuring the health, safety and welfare of students and employees.

**Audit Objective** – To determine that the Charter School maintains records regarding local health and fire inspections

**Suggested Audit Procedure** – Verify that the school maintains records of health and fire inspections.

**L. Compliance Requirement** – Per N. C. G. A. Session Law 2011-147, the Gfeller-Waller Concussion Awareness Act (<http://gfellerwallerlaw.unc.edu/GfellerWallerLaw/gwlaw.html>), public schools must follow concussion safety requirements for interscholastic athletic competition.

**Suggested Audit Procedure** – Addressed in the NC Department of Public Instruction Cross-cutting Requirements.

**M. Compliance Requirement** – Per G.S. 115C-218.100 (as modified in SL 2015-248 [HB334]) A charter school that has elected to participate in the North Carolina Retirement System pursuant to G.S. 135-5.3 shall, for as long as the charter school continues to participate in the North Carolina Retirement System, maintain a minimum of \$50,000 for the purposes of ensuring payment of expenses related to closure proceedings in the event of a voluntary or involuntary dissolution of the charter school. Permissible options to satisfy this requirement includes one or more of the following:

- a. An escrow account.
- b. A letter of credit.
- c. A bond.
- d. A deed of trust.

The closure fund requirement only applies to charters that are members of the North Carolina Retirement System (TSERS) that submitted applications for an initial charter or a renewal of a charter on or after August 2, 2014. Therefore, the first initial charters that this applied to are those charter schools that were approved as fast track charters opening in 2015-16 school year. The first renewals that this applied to, are those that are renewed starting in the 2016-17 school year.

**Audit Objective** - To determine that the Charter School maintained the required \$50,000 for closure related expenses.

**Suggested Audit Procedure** - Verify that the school maintains closure fund of a minimum of \$50,000 by using one or more of the approved methods.

**If the charter school receives any Federal grants, please refer to appropriate compliance supplement for each grant received.**

# 2018 Charter School Performance Framework

**SCHOOL NAME:**

**LEA CODE:**

**GRADE SPAN:**

## A. Operational Annual Monitoring Criteria

MEASURE	CRITERIA	STATUS
<b>A1</b>	The NC Report Card and Letter Grade are prominently displayed on the school’s website and schools with D/F have sent letter to notify parents.	
<b>A2</b>	The school has an assigned administrator in the Education Value-Added Assessment System (EVAAS).	
<b>A3</b>	The school meets the required number of instructional hours or days in accordance with State law.	
<b>A4</b>	The school adheres to all testing and accountability policies for state assessments.	
<b>A5</b>	The school implements mandated programming as a result of state or federal requirements.	
	Title I	
	Title II	
	EC	
	School Nutrition	
	ELL	
<b>A6</b>	The school follows student admissions and lottery requirements as stated in North Carolina General Statute, State Board of Education Policy, and the signed charter agreement.	
<b>A7</b>	The school’s official funded ADM is within 10% of the projected ADM.	
<b>A8</b>	The non-profit board has a current grievance policy.	
<b>A9</b>	The non-profit board has a current conflict of interest policy that complies with G.S. 115C-218.15.	
<b>A10</b>	The non-profit board has a current nepotism policy.	
<b>A11</b>	A quorum of the non-profit board of directors meets no less than 8 times a year (including annual meeting).	
<b>A12</b>	The majority of the non-profit board members have primary residence in North Carolina.	
<b>A13</b>	There is evidence of current fire inspections and related records.	
<b>A14</b>	The school has a viable certificate of occupancy or other required building use authorization.	

<b>MEASURE</b>	<b>CRITERIA</b>	<b>STATUS</b>
<b>A15</b>	The non-profit board holds current, active civil and liability insurance with the minimum coverage as defined in the signed charter agreement.	
<b>A16</b>	The non-profit board has a criminal history check policy that mirrors the LEA in which the school is located.	
<b>A17</b>	The school is compliant with all student health and safety requirements as defined in General Statute, SBE Policy, or the signed charter agreement.	
<b>A18</b>	The school is compliant with teacher licensure percentage requirements by maintaining at least 50% of teachers licensed from December 31 through the end of the school calendar year in accordance with SBE Policy.	
<b>A19</b>	The charter school is compliant with the annual EMO/CMO public records request.	
<b>A20</b>	The charter school is compliant with maintaining the required dissolutions funds as required by G.S. 115C-218.100.	
<b>A21</b>	The school is compliant with the implementation of a School Improvement Plan submitted through NCStar.	

### **B. Operational Renewal Monitoring Criteria**

<b>MEASURE</b>	<b>CRITERIA</b>	<b>STATUS</b>
<b>B1</b>	The school has graduation requirements that match the approved charter application or approved charter application amendments.	
<b>B2</b>	The school has student promotion requirements that match the approved charter application or approved charter application amendments.	
<b>B3</b>	The school is consistently implementing the mission and educational program in the approved charter application or approved charter application amendments.	
<b>B4</b>	The non-profit board operates in accordance with the approved charter application by-laws or approved charter application amended by-laws.	
<b>B5</b>	The non-profit board is compliant with Open Meetings Law.	
<b>B6</b>	The non-profit board is compliant with Public Records Requests.	
<b>B7</b>	The school maintains a discipline policy that is compliant with state and federal law and that is consistent with the approved charter application and approved charter application amendments.	

### C. Financial Compliance

MEASURE	CRITERIA	STATUS	DATA
<b>C1</b>	The State Board policy CHTR-006 outlines the charter school noncompliance levels. This policy details the following three levels of financial non-compliance under which a charter school may be placed by the Division of School Business.		

### D. Academic Outcomes

MEASURE	CRITERIA	STATUS	DATA
<b>D1</b>	The charter school has a School Performance Grade (SPG) of a C or better. <sup>1</sup>		
<b>D2</b>	The charter school met or exceeded expected growth.		
<b>D3</b>	The charter school is identified as a Low-Performing school.		
<b>D4</b>	The charter school is identified as a Continually Low-Performing school.		
<b>D5</b>	The charter school's Performance Composite GLP is comparable <sup>2</sup> to the LEA.		
<b>D6</b>	The charter school's Performance Composite CCR is comparable <sup>2</sup> to the LEA.		
<b>D7</b>	Female Subgroup Grade Level Proficiency		
<b>D8</b>	Male Subgroup Grade Level Proficiency		
<b>D9</b>	Black Subgroup Grade Level Proficiency		
<b>D10</b>	White Subgroup Grade Level Proficiency		
<b>D11</b>	Hispanic Subgroup Grade Level Proficiency		
<b>D12</b>	American Indian Subgroup Grade Level Proficiency		
<b>D13</b>	Economically Disadvantaged Subgroup Grade Level Proficiency		
<b>D14</b>	Exceptional Children Subgroup Grade Level Proficiency		
<b>D15</b>	Reading Performance Grade		
<b>D16</b>	Math Performance Grade		

<sup>1</sup>Schools receiving a D or F rating are at-risk of Low Performing designation and must notify parents of School Performance Grade.

<sup>2</sup>Comparable as defined by the Charter School Advisory Board (CSAB) as being no more than 5% below the LEA on proficiency ratings.