

**NORTH CAROLINA STATE BOARD OF EDUCATION
Policy Manual**

Item	Description
Policy Title	Funding and Accountability for Charter Schools
Policy Category	Public School Employee Charter Schools Administration (CHTR)
Policy ID	CHTR-022
Policy Date	09/07/2023
Previous Policy Dates	
Statutory Reference	N.C. Constitution Article IX, Sec.5; G.S. 115C-218; and SL 2023-110, HB 618
Administrative Procedures Act (APA)	

PREAMBLE

The State Board of Education (“State Board”) is charged by Article IX, Section 5 of the North Carolina Constitution to “supervise and administer the free public school system and the education funds provided for its support... and shall make all needed rules and regulations in relation thereto, subject to laws enacted by the General Assembly.” Article 14A of Chapter 115C of the North Carolina General Statutes authorizes the establishment of charter schools as part of the State’s free public school system. North Carolina Session Law 2023-10, amended G.S. 115C-218 to change the governance of charter schools by substituting a “Charter Schools Review Board (“Review Board”)” for the existing “Charter Schools Advisory Board.”

Under the new statutory provisions of G.S. 115C-218 (a1), the State Board retains its constitutional authority to “establish all rules for the operation and approval of charter schools.” However, the law modifies that authority by providing that “any rule adopted by the State Board shall first be recommended by the Charter Schools Review Board.” The newly revised statute also retains for the State Board its constitutional authority to “allocate funds to charter schools” and to “ensure accountability from charter schools for school finances and student performance.”

Under G.S. 115C-218(b), the Review Board is “located administratively within the Department of Public Instruction and shall report to the State Board of Education.” It is given the following duties by the revised G.S. 115C-218 (b)(10): (1) To make recommendations to the State Board on the adoption of rules regarding all aspects of charter school operation; (2) to review and approve or deny charter applications, renewals and revocations; (3) to make

recommendations to the State Board on actions before the State Board on appeal; and (4) to undertake any other duties and responsibilities as assigned by the State Board. In addition, the chair of the Review Board shall advocate for the recommendations of the Review Board at meetings of the State Board upon the request of the State Board.

To fulfill its constitutional duties, as well as its statutory obligations, to (1) allocate funding to charter schools and (2) ensure accountability from charter schools for school finances and student performance, the State Board enacts this policy.

SBE POLICY

I. Requests for Allocation of Funding for New and Renewed Charter Schools and for Material Charter Changes resulting in Funding Revisions.

A. Charter applications approved by the Review Board.

The Review Board shall present all approved applications to the State Board for allocation of funding before State or federal funds are disbursed for this purpose. The amount of funds the State Board is requested to allocate shall also be a part of the information presented to the State Board by representatives of the Department of Public Instruction's ("NCDPI's") Office of Financial and Business Services, as well as information that assures the application is in compliance with legal requirements.

B. Charter school renewals approved by the Review Board.

The Review Board shall present all approved school renewals to the State Board for allocation of funding before State or federal funds are disbursed for this purpose. The amount of funds requested for allocation shall also be part of the information presented to the State Board by representatives of NCDPI's Office of Financial and Business Services, as well as information that assures the charter school is in compliance with legal requirements. The State Board may request assessments from the Review Board, the Office of Charter Schools, the Office of Financial and Business Services, the Office of Testing and Accountability, the Office of Exceptional Children, and the Office of Federal Programs, and other NCDPI divisions, as appropriate.

C. All material changes being considered by the Review Board.

The Review Board shall present to the State Board any approved material changes to a charter that may result in a change in funding to a charter school before State or federal funds are disbursed for this purpose. Presentations to the State Board shall include the material change approved by the Review Board and the amount of funds involved, as calculated by NCDPI's Office of Financial and Business Services, as well as information that assures the material change is in compliance with legal requirements.

II. Supervision and Administration of the Public Charter Schools

Consistent with its constitutional and statutory duty to supervise and administer the free public schools; consistent with its obligations to oversee the operations of public-school entities; and consistent with the State Board's duty to hold public schools accountable for student performance, the State Board may request and shall receive regular reports on charter school finance, legal compliance, and student performance from the Review Board, the Office of Charter Schools, the Office of Financial and Business Services, the Office of Testing, and Accountability, the Office of Exceptional Children, the Office of Federal Programs, and other NCDPI divisions as appropriate.

D. All material changes being considered by the Review Board.

The Review Board shall present to the State Board any approved material changes to a charter that may result in a change in funding to a charter school before State or federal funds are disbursed for this purpose. Presentations to the State Board shall include the material change approved by the Review Board and the amount of funds involved, as calculated by NCDPI's Office of Financial and Business Services, as well as information that assures the material change is in compliance with legal requirements.

III. Supervision and Administration of the Public Charter Schools

Consistent with its constitutional and statutory duty to supervise and administer the free public schools; consistent with its obligations to oversee the operations of public-school entities; and consistent with the State Board's duty to hold public schools accountable for student performance, the State Board may request and shall receive regular reports on charter school finance, legal compliance, and student performance from the Review Board, the Office of Charter Schools, the Office of Financial and Business Services, the Office of Testing, and Accountability, the Office of Exceptional Children, the Office of Federal Programs, and other NCDPI divisions as appropriate.