16 NCAC 06G .0506 is proposed for adoption as follows:

**16 NCAC 06G .0506  CHARTER SCHOOLS GOVERNANCE NONCOMPLIANCE**

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

1. 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.

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

3. 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.)
   - Bylaws violations including, but not limited to, failure to follow the Open Meetings Law, failure to maintain Public Records, failure to implement a Conflict of Interest Policy, failure to adhere to basic rules of Parliamentary Procedure.
   - 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.
   - 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.
   - 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.

(b) The stages of noncompliance are as follows:

1. 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.

2. 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.

(3) 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.

History Note: Authority G.S. 115C-12; 115C-218, 115C-218.15, 115C-218.30, 115C-218.95;
Interim Rule status conferred Eff. June 27, 2018, pursuant to S.L. 2018-114, sec. 27.(b);