

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 562

Short Title: Local Funds for Charter Schools. (Public)

Sponsors: Senators Tucker, McInnis, and Curtis (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 3, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE A BOARD OF COUNTY COMMISSIONERS TO APPROPRIATE
3 A PER PUPIL AMOUNT OF FUNDS TO A CHARTER SCHOOL FOR EACH
4 STUDENT ENROLLED IN THE CHARTER SCHOOL WHO RESIDES IN A LOCAL
5 SCHOOL ADMINISTRATIVE UNIT LOCATED IN THAT COUNTY.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Article 14A of Chapter 115C of the General Statutes is amended by
8 adding the following new section to read:

9 **"§ 115C-218.106. Local funds for a charter school.**

10 For each student enrolled in a charter school, the board of county commissioners of the
11 county in which the local school administrative unit is located where the student resides shall
12 appropriate to that charter school an amount equal to the per pupil appropriation from the
13 county to the local school administrative unit or units for local current expense. By October 1
14 of each school year, the total membership of the charter school of students residing in the
15 county for the budget year shall be determined and certified to the charter school and the board
16 of county commissioners by the State Board of Education. The amount of the per pupil
17 appropriation that consists of revenue derived from supplemental taxes shall only be provided
18 to a charter school located in the tax district for which these taxes are levied and in which the
19 student resides. Funds shall be transferred from the board of county commissioners to a charter
20 school at the same time that funds are transferred to the local school administrative unit or
21 units."

22 **SECTION 2.** G.S. 115C-218.105 reads as rewritten:

23 **"§ 115C-218.105. State and local funds for a charter school.**

24 (a) The State Board of Education shall allocate to each charter school:

- 25 (1) An amount equal to the average per pupil allocation for average daily
26 membership from the local school administrative unit allotments in which
27 the charter school is located for each child attending the charter school
28 except for the allocation for children with disabilities and for the allocation
29 for children with limited English proficiency;
30 (2) An additional amount for each child attending the charter school who is a
31 child with disabilities; and
32 (3) An additional amount for children with limited English proficiency attending
33 the charter school, based on a formula adopted by the State Board.

34 In accordance with G.S. 115C-218.7 and G.S. 115C-218.8, the State Board shall allow for
35 annual adjustments to the amount allocated to a charter school based on its enrollment growth
36 in school years subsequent to the initial year of operation.



1 In the event a child with disabilities leaves the charter school and enrolls in a public school
2 during the first 60 school days in the school year, the charter school shall return a pro rata
3 amount of funds allocated for that child to the State Board, and the State Board shall reallocate
4 those funds to the local school administrative unit in which the public school is located. In the
5 event a child with disabilities enrolls in a charter school during the first 60 school days in the
6 school year, the State Board shall allocate to the charter school the pro rata amount of
7 additional funds for children with disabilities.

8 (b) Funds allocated by the State Board of Education may be used to enter into
9 operational and financing leases for real property or mobile classroom units for use as school
10 facilities for charter schools and may be used for payments on loans made to charter schools for
11 facilities, equipment, or operations. However, State funds shall not be used to obtain any other
12 interest in real property or mobile classroom units. No indebtedness of any kind incurred or
13 created by the charter school shall constitute an indebtedness of the State or its political
14 subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith,
15 credit, or taxing power of the State or its political subdivisions. Every contract or lease into
16 which a charter school enters shall include the previous sentence. The school also may own
17 land and buildings it obtains through non-State sources.

18 ~~(c) If a student attends a charter school, the local school administrative unit in which
19 the child resides shall transfer to the charter school an amount equal to the per pupil share of
20 the local current expense fund of the local school administrative unit for the fiscal year. The per
21 pupil share of the local current expense fund shall be transferred to the charter school within 30
22 days of the receipt of monies into the local current expense fund. The local school
23 administrative unit and charter school may use the process for mediation of differences
24 between the State Board and a charter school provided in G.S. 115C-218.95(d) to resolve
25 differences on calculation and transference of the per pupil share of the local current expense
26 fund. The amount transferred under this subsection that consists of revenue derived from
27 supplemental taxes shall be transferred only to a charter school located in the tax district for
28 which these taxes are levied and in which the student resides.~~

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

- 32 ~~(1) The total amount of monies the local school administrative unit has in each
33 of the funds listed in G.S. 115C-426(e).~~
- 34 ~~(2) The student membership numbers used to calculate the per pupil share of the
35 local current expense fund.~~
- 36 ~~(3) How the per pupil share of the local current expense fund was calculated.~~
- 37 ~~(4) Any additional records requested by a charter school from the local school
38 administrative unit in order for the charter school to audit and verify the
39 calculation and transfer of the per pupil share of the local current expense
40 fund.~~

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

48 ~~(e) Prior to commencing an action under subsection (c) of this section, the complaining
49 party shall give the other party 15 days' written notice of the alleged violation. The court shall
50 award the prevailing party reasonable attorneys' fees and costs incurred in an action under
51 subsection (c) of this section. The court shall order any delinquent funds, costs, fees, and~~

1 interest to be paid in equal monthly installments and shall establish a time for payment in full
2 that shall be no later than one year from the entry of any judgment."

3 **SECTION 3.** G.S. 153A-149(b) reads as rewritten:

4 "(b) Each county may levy property taxes without restriction as to rate or amount for the
5 following purposes:

- 6 (1) Courts. – To provide adequate facilities for and the county's share of the cost
7 of operating the General Court of Justice in the county.
- 8 (2) Debt Service. – To pay the principal of and interest on all general obligation
9 bonds and notes of the county.
- 10 (3) Deficits. – To supply an unforeseen deficiency in the revenue (other than
11 revenues of public enterprises), when revenues actually collected or received
12 fall below revenue estimates made in good faith and in accordance with the
13 Local Government Budget and Fiscal Control Act.
- 14 (4) Elections. – To provide for all federal, State, district and county elections.
- 15 (5) Jails. – To provide for the operation of a jail and other local confinement
16 facilities.
- 17 (6) Joint Undertakings. – To cooperate with any other county, city, or political
18 subdivision in providing any of the functions, services, or activities listed in
19 this subsection.
- 20 (7) Schools. – To provide for the county's share of the cost of kindergarten,
21 elementary, ~~secondary, and secondary public schools, including charter~~
22 schools chartered under Article 14A of Chapter 115C of the General
23 Statutes, and post-secondary public education.
- 24 (8) Social Services. – To provide for public assistance required by Chapters
25 108A and 111 of the General Statutes."

26 **SECTION 4.** G.S. 115C-448(d) is repealed.

27 **SECTION 5.** Section 8.35(e) of S.L. 2014-100 reads as rewritten:

28 "**SECTION 8.35.(e)** The State Board of Education shall provide State funding to a virtual
29 charter school participating in the pilot program as provided in ~~G.S. 115C-238.29H(a) and~~
30 ~~G.S. 115C-238.29H(a1).~~ G.S. 115C-218.105. The amount allocated pursuant to
31 ~~G.S. 115C-238.29H(a)(1).~~ G.S. 115C-218.105 shall not, however, include the allocation for
32 low-wealth counties supplemental funding and the allocation for small county supplemental
33 funding. Virtual charter schools participating in the pilot program shall also be subject to the
34 requirements in ~~G.S. 115C-238.29H(b) through G.S. 115C-238.29H(d).~~ G.S. 115C-218.105(b)
35 and G.S. 115C-218.106. The amount of local funds provided to participating schools pursuant
36 to ~~G.S. 115C-238.29H(b).~~ G.S. 115C-218.106 shall be the lesser of seven hundred ninety dollars
37 (\$790.00) per pupil or the amount computed in accordance with
38 ~~G.S. 115C-238.29H(b).~~ G.S. 115C-218.106."

39 **SECTION 6.** This act is effective when it becomes law and applies beginning with
40 county budget ordinances adopted on or after that date.