

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H.B 1119
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH40610-TCa-49A (05/06)

Short Title: Reserved Funds Nontraditional Public Schools. (Public)

Sponsors: Representative L. Hall.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REQUIRE RESERVED FUNDS FOR OPERATORS OF NONTRADITIONAL PUBLIC SCHOOLS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 16 of Chapter 115C of the General Statutes is amended by adding a new Part to read:

"Part 5A. Reserve Funds for Nontraditional Public Schools.

"§ 115C-238.20. Reserve Funds.

(a) For the purposes of this section, a nontraditional public school is a public school operated by a nonprofit board of directors or other private entity that is not a local board of education, a regional school board of directors, the State Board of Education, the Board of Governors of The University of North Carolina, or any other executive branch agency.

(b) The operator of a nontraditional public school shall maintain, for the purposes of ensuring payment of expenses related to breach of contract, early termination, or other closure of a nontraditional public school, one or more of the options set forth in this section. The minimum aggregate value of the options chosen by the operator shall be one hundred thousand dollars (\$100,000). No funds shall be allocated to the operator of a nontraditional public school unless the operator has provided documentation to the State Board of Education that the operator has met the requirements of this section. Permissible options to satisfy the requirements of this section include one or more of the following:

(1) An escrow account.

(2) A letter of credit.

(3) A bond.

(4) A deed of trust."

SECTION 2. There is appropriated from the General Fund to the Department of Public Instruction the sum of twenty thousand dollars (\$20,000) for the 2016-2017 fiscal year to implement G.S. 115C-238.20, as enacted by Section 1 of this act.

SECTION 3. Section 2 of this act becomes effective on July 1, 2016. The remainder of this act is effective when it becomes law.

