

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2015

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HOUSE BILL 557

Short Title: Charter School Funds. (Public)

Sponsors: Representatives Yarborough and Stam (Primary Sponsors).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Appropriations.

April 6, 2015

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR THE TYPE OF FUNDS TO BE INCLUDED IN THE LOCAL CURRENT EXPENSE FUND OF A LOCAL SCHOOL ADMINISTRATIVE UNIT AND TRANSFERRED TO CHARTER SCHOOLS ON A PER PUPIL BASIS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-426, as amended by Section 7.17(a) of S.L. 2010-31, An Act to Modify the Current Operations and Capital Improvements Appropriations Act of 2009 and for Other Purposes, reads as rewritten:

"§ 115C-426. Uniform budget format.

- ...
(c) The uniform budget format shall require the following funds:
(1) The State Public School Fund.
(2) The local current expense fund.
(3) The capital outlay fund.

In addition, other funds may be used to account for reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S. 105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal appropriations made directly to local school administrative units, funds received for prekindergarten programs, and special programs. In addition, the appropriation or use of fund balance or interest income by a local school administrative unit shall not be construed as a local current expense appropriation only (i) for funds received for prekindergarten programs; (ii) for funds received for the federal Junior Reserve Officer Training Corps program; or (iii) if necessary to comply with a requirement by a donor of a gift or grant that the local school administrative unit use a separate fund to account for trust funds and federal grants restricted as to use.

Each local school administrative unit shall maintain those funds shown in the uniform budget format that are applicable to its operations.

(d) The State Public School Fund shall include appropriations for the current operating expenses of the public school system from moneys made available to the local school administrative unit by the State Board of Education.

(e) The local current expense fund shall include appropriations sufficient, when added to appropriations from the State Public School Fund, for the current operating expense of the public school system in conformity with the educational goals and policies of the State and the local board of education, within the financial resources and consistent with the fiscal policies of the board of county commissioners. These appropriations shall be funded by revenues accruing



1 to the local school administrative unit by virtue of Article IX, Sec. 7 of the Constitution,
2 moneys made available to the local school administrative unit by the board of county
3 commissioners, supplemental taxes levied by or on behalf of the local school administrative
4 unit pursuant to a local act or G.S. 115C-501 to 115C-511, State money disbursed directly to
5 the local school administrative unit, and other moneys made available or accruing to the local
6 school administrative unit for the current operating expenses of the public school
7 ~~system~~system, including, but not limited to, indirect costs, reimbursements, fees for actual
8 costs, tuition, sales tax revenues that are distributed either via the per capita method or the ad
9 valorem method pursuant to G.S. 105-472(b), sales tax refunds, gifts and grants, federal
10 appropriations made directly to local school administrative units, interest income, and fund
11 balance used or accruing for the local school administrative unit's current operating expenses.

12"

13 **SECTION 2.** G.S. 115C-218.105(c) reads as rewritten:

14 "(c) If a student attends a charter school, the local school administrative unit in which
15 the child resides shall transfer to the charter school an amount equal to the per pupil share of
16 the local current expense fund of the local school administrative unit for the fiscal year. The per
17 pupil share of the local current expense fund shall be transferred to the charter school within 30
18 days of the receipt of monies into the local current expense fund. The local school
19 administrative unit and charter school may use the process for mediation of differences
20 between the State Board and a charter school provided in G.S. 115C-218.95(d) to resolve
21 differences on calculation and transference of the per pupil share of the local current expense
22 fund. The amount transferred under this subsection that consists of revenue derived from
23 supplemental taxes shall ~~be transferred only to a charter school located in the tax district for~~
24 ~~which these taxes are levied and in which the student resides.~~not be transferred to a charter
25 school located outside the tax district in which the student resides if (i) the language on the
26 ballot authorizing the levy of a supplemental tax approved by the voters specified that the
27 supplemental taxes were only to be levied for students residing in and attending charter schools
28 located in that specific tax district and (ii) the ballot was voted on by the voters before July 1,
29 2015."

30 **SECTION 3.** This act is effective when it becomes law and applies beginning with
31 the 2015-2016 fiscal year.