

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

H.B. 557  
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HOUSE PRINCIPAL CLERK

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HOUSE DRH30201-MK-40B (01/21)

Short Title: Charter School Funds.

(Public)

Sponsors: Representatives Yarborough and Stam (Primary Sponsors).

Referred to:

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

5 The General Assembly of North Carolina enacts:

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

9 "§ 115C-426. Uniform budget format.

10 ...

11 (c) The uniform budget format shall require the following funds:

12 (1) The State Public School Fund.

13 (2) The local current expense fund.

14 (3) The capital outlay fund.

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

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

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

31 (e) The local current expense fund shall include appropriations sufficient, when added  
32 to appropriations from the State Public School Fund, for the current operating expense of the  
33 public school system in conformity with the educational goals and policies of the State and the  
34 local board of education, within the financial resources and consistent with the fiscal policies of  
35 the board of county commissioners. These appropriations shall be funded by revenues accruing  
36 to the local school administrative unit by virtue of Article IX, Sec. 7 of the Constitution,



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

11 ...."

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

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

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