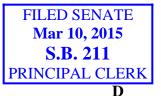
GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015



SENATE DRS35069-RQ-8 (03/05)

| Short Title: | Penalty for Late Payment of Monies/Charters. | (Public) |
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| Sponsors: | Senator Tillman (Primary Sponsor). | |
| Referred to: | | |

| 1 | A BILL TO BE ENTITLED | | |
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| 2 | AN ACT TO PROVIDE FOR A MONETARY PENALTY WHEN FUNDS ARE NOT | | |
| 3 | TRANSFERRED WITHIN REQUIRED TIME LINES BETWEEN LOCAL SCHOOL | | |
| 4 | ADMINISTRATIVE UNITS AND CHARTER SCHOOLS. | | |
| 5 | The General Assembly of North Carolina enacts: | | |
| 6 | SECTION 1. G.S. 115C-218.15 reads as rewritten: | | |
| 7 | "§ 115C-218.105. State and local funds for a charter school. | | |
| 8 | (a) The State Board of Education shall allocate to each charter school: | | |
| 9 | (1) An amount equal to the average per pupil allocation for average daily | | |
| 10 | membership from the local school administrative unit allotments in which | | |
| 11 | the charter school is located for each child attending the charter school | | |
| 12 | except for the allocation for children with disabilities and for the allocation | | |
| 13 | for children with limited English proficiency; | | |
| 14 | (2) An additional amount for each child attending the charter school who is a | | |
| 15 | child with disabilities; and | | |
| 16 | (3) An additional amount for children with limited English proficiency attending | | |
| 17 | the charter school, based on a formula adopted by the State Board. | | |
| 18 | In accordance with G.S. 115C-218.5(d), the State Board shall allow for annual adjustments | | |
| 19 | | | |
| 20 | subsequent to the initial year of operation. | | |
| 21 | In the event a child with disabilities leaves the charter school and enrolls in a public school | | |
| 22 | during the first 60 school days in the school year, the charter school shall return a pro rata | | |
| 23 | amount of funds allocated for that child to the State Board, and the State Board shall reallocate | | |
| 24 | those funds to the local school administrative unit in which the public school is located. In the | | |
| 25 | event a child with disabilities enrolls in a charter school during the first 60 school days in the | | |
| 26 | school year, the State Board shall allocate to the charter school the pro rata amount of | | |
| 27 | additional funds for children with disabilities. | | |
| 28 | (b) Funds allocated by the State Board of Education may be used to enter into | | |
| 29 | operational and financing leases for real property or mobile classroom units for use as school | | |

facilities for charter schools and may be used for payments on loans made to charter schools for facilities, equipment, or operations. However, State funds shall not be used to obtain any other interest in real property or mobile classroom units. No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions. Every contract or lease into



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| which a charter school enters shall include the previous sentence. The school also may own |
| land and buildings it obtains through non-State sources. |
| (c) If a student attends a charter school, the local school administrative unit in which |
| the child resides shall transfer to the charter school an amount equal to the per pupil share of |
| the local current expense fund of the local school administrative unit for the fiscal year. The per |
| pupil share of the local current expense fund shall be transferred to the charter school within 30 |
| days of the receipt of monies into the local current expense fund. The local school |
| administrative unit and charter school may use the process for mediation of differences |
| between the State Board and a charter school provided in G.S. 115C-218.95(d) to resolve |
| differences on calculation and transference of the per pupil share of the local current expense |
| fund. The amount transferred under this subsection that consists of revenue derived from |
| supplemental taxes shall be transferred only to a charter school located in the tax district for |
| which these taxes are levied and in which the student resides. |
| (d) The local school administrative unit shall also provide each charter school to which |
| it transfers a per pupil share of its local current expense fund with all of the following |
| information within the 30-day time period provided in subsection (c) of this section: |
| (1) The total amount of monies the local school administrative unit has in each |
| of the funds listed in G.S. 115C-426(c). |
| (2) The student membership numbers used to calculate the per pupil share of the |
| local current expense fund. |
| (3) How the per pupil share of the local current expense fund was calculated. |
| (4) Any additional records requested by a charter school from the local school |
| administrative unit in order for the charter school to audit and verify the |
| calculation and transfer of the per pupil share of the local current expense |
| fund. |
| (e) Prior to commencing an action under subsection (c) of this section, the complaining |
| party shall give the other party 15 days' written notice of the alleged violation. The court shall |
| award the prevailing party reasonable attorneys' fees and costs incurred in an action under |
| subsection (c) of this section.section along with a penalty of five percent (5%) of the monies |
| that should have been transferred. The court shall order any delinquent funds, costs, fees, fees, |
| penalty, and interest to be paid in equal monthly installments and shall establish a time for |
| payment in full that shall be no later than one year from the entry of any judgment." |
| SECTION 2. The act is effective when it becomes law and applies to any actions |
| filed on or after that date. |
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