

**§ 115C-75.10. Innovative schools funds.**

(a) Funding Allocation Selection. – State and local funding for an innovative school shall be allocated as provided in subsection (b) or subsection (c) of this section. The IS operator shall select one of the allocation methods as the method to be used for the innovative school.

(b) Designated Funding. – Funding shall be allocated to the ISD for the innovative school by the State Board of Education and local board of education as follows:

(1) The State Board of Education shall allocate the following to the ISD for each innovative school:

- a. An amount equal to the average per pupil allocation for average daily membership from the local school administrative unit allotments in which the innovative school was located for each child attending the innovative school except for the allocations for (i) children with disabilities, (ii) children with limited English proficiency, and (iii) transportation. The State Board of Education shall provide the allocation for transportation to the local school administrative unit in which the innovative school is located.
- b. An additional amount for each child attending the innovative school who is a child with disabilities.
- c. An additional amount for children with limited English proficiency attending the innovative school, based on a formula adopted by the State Board of Education.

(2) The local school administrative unit in which the innovative school is located shall transfer to the ISD for the innovative 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 ISD for the innovative school within 30 days of the receipt of monies into the local current expense fund. The local school administrative unit and ISD may use the process for mediation of differences between the State Board of Education 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 an innovative school located in the tax district for which these taxes are levied and in which the student resides. The local school administrative unit shall also provide the ISD with all of the following information within the 30-day time period provided in this subsection:

- a. The total amount of monies the local school administrative unit has in each of the funds listed in G.S. 115C-426(c).
- b. The student membership numbers used to calculate the per pupil share of the local current expense fund.
- c. How the per pupil share of the local current expense fund was calculated.
- d. Any additional records requested by the ISD from the local school administrative unit in order for the ISD to audit and verify the calculation and transfer of the per pupil share of the local current expense fund.

(c) Funding Memorandum of Understanding. – The IS operator, in consultation with the ISD Superintendent, may enter into a funding memorandum of understanding with the local board of education of the local school administrative unit where the innovative school is

located for all student support and operational services and instructional services to be provided by the local board of education in the same manner and degree as in the prior school year or funding in an amount equivalent to the amount the local board of education would have expended on those services if provided. For the purposes of this subsection, student support and operational services include cafeteria services, custodial services, broadband and utilities, and student information services, and instructional services include alternative education, special education services, test administration services, textbooks, technology, media resources, instructional equipment, and other resources. The IS operator and local board of education shall finalize the funding memorandum of understanding within 30 days of the initial request for the memorandum by the IS operator. If the parties have not completed the funding memorandum of understanding within 30 days, the State Board of Education shall resolve any issues in dispute.

(d) The ISD may seek, manage, and expend federal money and grants, State funding, and other funding with the same authority as a local school administrative unit, including decisions related to allocation of State funds among innovative schools, and shall be considered a local school administrative unit for all federal funding purposes. (2016-110, s. 1; 2017-57, ss. 7.26E(a), (f).)