



NORTH CAROLINA
State Board of Education
Department of Public Instruction

Report to the Joint Legislative Education Oversight Committee, Fiscal Research Division, and Joint Legislative Transportation Oversight Committee

Charter School Transportation Grant Program

SL 2021-180, sec. 7.69(b) (SB 105) amending § 115C-218.4s

Date Due: March 15, 2026
DPI Chronological Schedule, 2025-2026

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BACKGROUND

PERMANENT CHARTER SCHOOL TRANSPORTATION GRANT PROGRAM

Senate Bill 105, Session Law 2021-80, amended Article 14A of Chapter 115C of the General Statutes by adding a new section to read:

"§ 115C-218.42. Charter School Transportation Grant Program.

- (a) Purpose; Definition. – There is established the Charter School Transportation Grant Program (Program). The purpose of the Program shall be to award grant funds to a charter school that meets the requirements of subsection (b) of this section for the reimbursement of up to sixty-five percent (65%) of the eligible student transportation costs incurred by the school in accordance with the provisions of this section. For purposes of this section, the term "eligible student transportation costs" means costs incurred by the charter school for (i) transportation fuel, (ii) vehicle maintenance, (iii) contracted transportation services, and (iv) transportation personnel salaries.
- (b) Program Eligibility. – If a charter school has student enrollment in a semester of the school year of at least fifty percent (50%) of its students residing in households with an income level not in excess of the amount required for a student to qualify for the federal free or reduced-price lunch program, the charter school may apply to the Department for grant funds under the Program for reimbursement of up to sixty-five percent (65%) of the eligible student transportation costs incurred by the school for that semester.
- (c) Applications. – By August 1 of each year, the Department shall establish the criteria and guidelines for the grant application process for the upcoming school year, including any documentation required to be submitted with the application. Each school year, the Department shall accept applications until December 31 for eligible student transportation costs incurred during the fall semester of the school year and until May 15 for eligible student transportation costs incurred during the spring semester of the school year.
- (d) Award of Funds. – From funds made available for the Program, the Department shall award grant funds to the selected charter schools by February 15 for eligible student transportation costs incurred during the fall semester of the same school year and by June 15 for eligible student transportation costs incurred during the spring semester of the prior school year. The total amount of each grant awarded under the Program shall not exceed one hundred thousand dollars (\$100,000) per charter school per school year.
- (e) Reporting. – No later than March 15 of each year in which funds are awarded under the Program, the Department shall report to the Joint Legislative Education Oversight Committee, the Joint Legislative Transportation Oversight Committee, the Senate Appropriations/Base Budget Committee, the House Committee on Appropriations, and the Fiscal Research Division on the administration of the Program, including at least the following information: (1) The number of charter schools that received grant funds. (2) The amount of grant funds awarded to those charter schools. (3) Whether implementing the Program has led to an increase in charter schools offering lunch. (4) Whether implementing the Program has led to an increase in student lunch participation at charter schools offering lunch. (5) Whether implementing the Program has increased or expanded the offering of

student transportation by charter schools. (6) The modes of student transportation offered by charter schools that received grant funds."

This report fulfills the March 15th annual reporting requirement referenced above.

2026 AWARD CYCLE PROCESS

The 2025-2026 award cycle concluded on February 15, 2026, with the allotment of all funds designated for the Charter Schools Transportation Grant Program. The deadline to submit applications and eligible expense documentation was December 31, 2025. The timeline and instructions for schools were as follows:

Until December 31st

OCS shall accept applications for eligible student transportation costs incurred during the fall semester of the school year. Following the availability of the December 1st economically disadvantaged headcount data, OCS will confirm eligibility for each applicant.

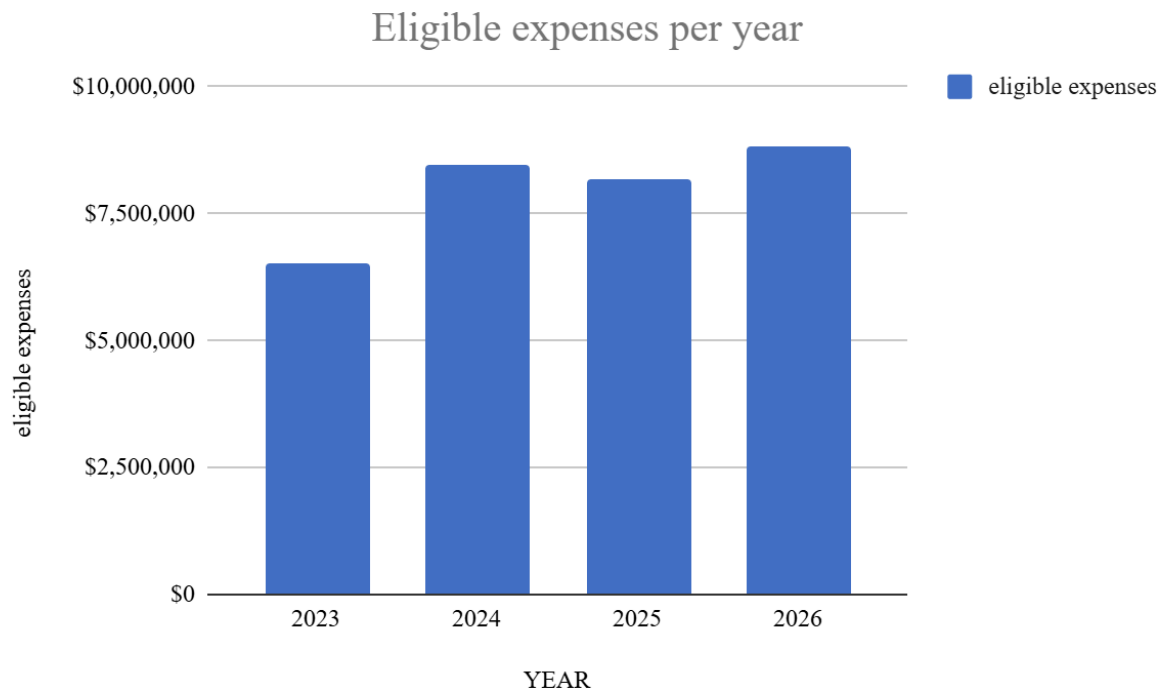
By February 15th

OCS shall award grant funds to the selected charter schools for eligible student transportation costs incurred during the fall semester of the same school year.

- Up to 65% of the eligible student transportation costs incurred by the school.
- Eligible student transportation costs: (i) transportation fuel, (ii) vehicle maintenance, (iii) contracted transportation services, and (iv) transportation personnel salaries.

2026 AWARD IMPACT

A total of 74 eligible charter schools submitted applications and received awards. This is eleven more than the number of charter schools that applied and were eligible for the 2025 award. The amount of eligible expenses submitted increased to \$8.8 million compared to \$8.1 million for the 2025 award.



The amount of state funding budgeted for the 2026 Charter School Transportation Grant was \$2.5 million. A total of \$2,498,371 was distributed to the eligible schools in the second week of February 2026. Individual school award amounts are determined based on the statutory provision allowing 65% of eligible expenses to be reimbursed. Given the number of eligible schools (74) and amount of eligible expenses (over 8 million dollars), that percentage of eligible expenses was significantly reduced to meet the total funds available. For the 2026 award, schools received approximately 31% of eligible expenses. Because the state funding was fully expended following fall semester applications, there will be no spring semester application.

Charter school transportation funding has generated substantial benefits across multiple dimensions of school operations and student support services. The funding has enabled schools to maintain and expand their transportation programs, including the addition of new routes and buses serving students from diverse geographic areas—some traveling as far as 50 miles from campus. Schools utilize various transportation models, including door-to-door service, cluster stop busing, and contracted services, which have proven essential for providing access to specialized programs such as dual language instruction and college courses at partner institutions like Durham Technical Community College. This expanded transportation capacity has made charter schools more attractive enrollment options and has proven particularly crucial for students from lower socio-economic backgrounds who might otherwise face barriers to attendance.

Beyond transportation, the funding has indirectly strengthened child nutrition services, with the majority of participating schools engaged in the National School Lunch Program or Community Eligibility Provision, and many offering enhanced programming such as Second Chance Breakfast initiatives to serve student populations where 100% qualify for free and reduced lunch. The economic relief provided by dedicated transportation funding has created a ripple effect throughout school operations, allowing administrators to reallocate

resources toward critical needs including textbook and supply upgrades, enhanced safety measures, expanded student activities such as field trips and leadership programs, and additional social services—ultimately creating a more comprehensive support system that addresses both the logistical and developmental needs of charter school students.

RECIPIENTS AND COUNTY

School	LEA Code	Location by County
ACE Academy	13C	Cabarrus
ALA Charlotte	60N	Mecklenburg
ALA Coastal	65F	New Hanover
ALA Johnston	51C	Johnston
Alpha Academy	26B	Cumberland
American Renaissance	49B	Iredell
Arapahoe	69A	Pamlico
Bethel Hill	73A	Person
Bonnie Cone Classical	61V	Mecklenburg
Bonnie Cone Leadership Academy	62M	Mecklenburg
Cardinal Charter at Wendell Falls	93T	Wake
Carolina International School	13A	Cabarrus
Carter G Woodson	34D	Forsyth
Central Park School for Children	32K	Durham
Charlotte Lab School	61M	Mecklenburg
CIS Academy	78A	Robeson
Classical Whiteville	24N	Columbus
Classical Wilmington	65C	New Hanover
College Prep and Leadership	41H	Guilford
Community Charter School	36G	Gaston
Community School of Digital & Visual Arts	32C	Durham
Durham Charter School	32B	Durham
East Voyager Academy of Charlotte	61W	Mecklenburg
Emereau: Bladen	09B	Bladen
Faith Academy	80C	Rowan
GLOW	65G	New Hanover
Henderson Collegiate	91B	Vance
Hobgood Charter School	42B	Halifax
Honor Preparatory Academy	62S	Mecklenburg

Iredell Charter Academy of the Arts & Sciences	49G	Iredell
Kestrel Heights	32D	Durham
KIPP Charlotte	60L	Mecklenburg
KIPP Durham	32S	Durham
KIPP Gaston	66A	Northampton
Lake Lure	81B	Rutherford
Mallard Creek	61Q	Mecklenburg
Maureen Joy	32A	Durham
Mountain Discovery	87A	Swain
Movement Charter	61T	Mecklenburg
Movement NW	62R	Mecklenburg
Movement School Eastland	62K	Mecklenburg
Movement SW	62P	Mecklenburg
Next Generation	41M	Guilford
Northeast Carolina Prep	33A	Edgecombe
Oak Hill	14B	Caldwell
OMSA	78C	Robeson
Paul R BRown	09A	Bladen
Pocosin Innovative Charter	94A	Washington
Reaching All Minds	32Q	Durham
RISE Southeast Raleigh	93J	Wake
Rising Leaders Academy	53C	Lee
Rocky Mount	64A	Nash
Sallie B Howard	98A	Wilson
Shining Rock Classical Academy	44A	Haywood
Sledge Institute	91C	Vance
Southwest Charlotte STEM	62J	Mecklenburg
Steele Creek	61Y	Mecklenburg
Success Institute	49D	Iredell
Sugar Creek	60B	Mecklenburg
The Experiential School of Greensboro	41N	Guilford
The Institute for the Dev of Young Leaders	32P	Durham
Thomas Academy	24B	Columbus
Tiller School	16B	Carteret

Tillery	62A	Montgomery
TMSA Charlotte	61N	Mecklenburg
Uwharrie	76A	Randolph
Wayne STEM	96G	Wayne
West Lake Preparatory	55B	Lincoln
Wilmington School of Arts	65H	New Hanover
ZECA	67B	Onslow

NEXT STEPS AND RECOMMENDATIONS

The 2027 award cycle will open in fall 2026. All 2026 funding has been expended through the fall semester award.

The Office of Charter Schools (OCS) respectfully requests consideration of the following recommendations:

1. Consider increasing funding for the program from \$2.5 million to \$5 million. As reported above, although the legislation allows for schools to receive up to 65% of eligible expenses, the final award amount is substantially lower than 65% because the total amount of eligible expenses far exceeds the total amount of state funding available. Although \$5 million would not cover the total cost of eligible expenses, it would lessen the burden on charter schools who continue to provide this critical service in spite of rising costs.
2. Consider providing an annual transportation grant to charter schools who operate summer programming in the amount of \$2.5 million. A majority of grant applicants share how they could expand transportation during the summer with additional funds. This would allow them to reach students who need additional support or who would benefit from programs that challenge them to achieve at higher levels.