



Public Schools of North Carolina  
State Board of Education  
Department of Public Instruction

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# Report to the North Carolina General Assembly

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Charter School Transportation Grant Pilot  
Program

*SB 257 S.L. 2017-57*

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**Date Due: March 15, 2018**

Report # 55

DPI Chronological Schedule, 2016-2017

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**Report to the JLEOC on  
Charter School Transportation Grant Pilot Program  
March 15, 2018**

**Background**

North Carolina Session Law 2017-57 (Senate Bill 257) provides for each of the following actions:

**Department of Public Instruction (DPI) to establish the Charter School Transportation Grant Pilot Program (Program).**

“Sec. 7.35 of S.L. 2017-57 directs DPI to establish the Charter School Transportation Grant Pilot Program (Program).

The purpose of the Program is to award grant funds to a charter school that meets the requirements of the Program for the reimbursement of up to 65% of the eligible student transportation costs incurred by the charter school in accordance with the terms of the Program.

Eligible student transportation costs means costs incurred by the charter school for:

- (i) transportation fuel;
- (ii) vehicle maintenance; and
- (iii) contracted transportation services.

To be eligible for the Program and receive grant funds, a charter school must have a student enrollment of at least 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 in a semester of the school year.

By August 1, 2017, DPI must establish the criteria and guidelines for the grant application process for the Program for the upcoming school year, including any documentation required to be submitted with the application. DPI must accept applications until December 31, 2017, for eligible student transportation costs incurred during the fall semester of the school year and until May 30, 2018, for eligible student transportation costs incurred during the spring semester of the school year. From funds made available for the Program, the Department must award grant funds under the Program to the selected charter schools by January 15, 2018, for eligible student transportation costs incurred during the fall semester of the school year and by June 15, 2018, 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 must not exceed \$100,000.”

## **Report**

DPI must report by March 15, 2018, to the Fiscal Research Division, the Joint Legislative Transportation Oversight Committee, and the Joint Legislative Education Oversight Committee on the administration of the Program, Including:

- (i) The number of charter schools that received grant funds;
- (ii) The amount of grant funds awarded to those charter schools;
- (iii) Whether implementing the Program has led to an increase in charter schools offering lunch;
- (iv) Whether implementing the Program has led to an increase in student lunch participation at charter schools offering lunch;
- (v) Whether implementing the Program has increased or expanded the offering of student transportation by charter schools; and
- (vi) The modes of student transportation offered by charter schools that received grant funds.

## **NC Department of Public Instruction Action**

Senate Bill 257 specified that DPI must establish the criteria and guidelines for the grant application process for the Program for the upcoming school year, including any documentation required to be submitted with the application by August 1, 2017.

To adhere to the stipulations, the Office of Charter Schools (OCS) notified schools of the Transportation Grant opportunity in August 2017. Also, OCS established criteria and guidelines for the program and presented its proposal to the Charter Schools Advisory Board (CSAB).

Per G.S. 115C.218(b)(10), one of the CSAB's duties is to make recommendations to the State Board of Education on the adoption of rules regarding **all** aspects of charter school operation, including time lines, etc. Since OCS is staff to the CSAB, the established criteria and guidelines for the Program required a review and recommendation from the CSAB.

The Office of Charter Schools (OCS) proposed criteria and guidelines for the charter schools grant application process to the Charter Schools Advisory Board (CSAB) on September 5, 2017. In reviewing the totality of information, the Advisory Board decided to adopt the guidelines and process outlines below which the SBE approved at its September 2017 meeting.

### **Five Step Charter School Grant Process:**

1. Complete a Letter of Intent (Appendix A) to help with the planning and grant dissemination since there is 2.5 million allotted;
2. Complete an application (Appendix B);
3. OCS, CSAB and other division participation to review and approve an application;
4. After application approval, require the school to submit relevant documentation such as receipts, etc.; and
5. Fund disbursement to approved schools.

### **Number of Charter Schools Receiving Grant Funds**

Thirty-nine charter schools submitted a Letter of Intent (LOI). While an LOI was required in the established process, if a charter school did not submit by the deadline

(OCS) provided an additional opportunity for the school to submit the requested LOI.

Forty-one charter schools submitted an application to receive reimbursement for the fall transportation costs. Approximately \$3,034,216.39 was requested from the charter schools for the fall reimbursement. OCS has yet to evaluate submitted documentation to determine if the submitted documentation and request meet the criteria outlined in Senate Bill 257. The maximum reimbursement per Senate Bill 257 was \$2.5 million.

### **Dollar Amount of Grant Funding Awarded to Charter Schools**

The OCS is currently reviewing the fall disbursements for the charter schools requesting reimbursement.

### **Program Impact on Charter Schools Offering Lunch**

It is difficult to determine the Program's impact on the charter schools offering lunch at this time. Since the schools were not aware of the program until late summer, many had planned specific lunch programming for the 2017-18 school year. Additionally, the schools receiving grant funds were originally required to report to DPI by February 15, 2018. Inclement weather the last couple of weeks will require a change in the reporting period which will exceed the report due date to the JELOC. Once submitted, the report requires the school to report on if receiving the grant has led to an increase in school lunch offerings.

### **Program Impact on Increasing Student Lunch Participation at Charter Schools**

It is difficult to determine the Program's impact on increasing student lunch participation at charter schools. Most schools requesting reimbursement offer lunch through the National Free and Reduced Lunch Program (FRL). Specifically, approximately 30 charter schools requesting reimbursement participate in the FRL program. Additionally, the schools receiving grant funds were originally required to report to DPI by February 15, 2018. Inclement weather the last couple of weeks will require a change in the reporting period which will exceed the report due date to the JELOC. Once submitted, the report requires the school to report on if receiving the grant has increased its lunch participation.

### **Program Impact on Increasing and Expanding Student Transportation Offerings by Charter Schools**

As the Program requires reimbursement, it is difficult to determine the Program's impact on increasing and expanding student transportation offerings in charter

schools. Once all reimbursements are received, charter schools may increase or expand student transportation offerings for the 2018-19 school year. Additionally, the schools receiving grant funds were originally required to report to DPI by February 15, 2018. Inclement weather the last couple of weeks will require a change in the reporting period which will exceed the report due date to the JELOC. Once submitted, the report requires the school to report on if receiving the grant has allowed the charter school to increase and expand its transportation offerings.

### **Modes of Student Transportation Offered by Charter Schools Receiving Grant Funds**

Charter school reimbursements for the fall are pending due to inclement weather. A review of information submitted indicates that most schools requesting reimbursement provide transportation to students via bus and contracted services. Approximately 35 of the charter schools requesting reimbursement provide direct bus transportation and the remaining applicants have a contract with a vendor to provide transportation services.

Additionally, the schools receiving grant funds were originally required to report to DPI by February 15, 2018. Inclement weather the last couple of weeks will require a change in the reporting period which will exceed the report due date to the JELOC. Once submitted, the report requires the school to report on the modes of transportation offered by the charter school receiving the grant.

## Appendix A



### LETTER OF INTENT TO APPLY FOR THE CHARTER SCHOOL TRANSPORTATION GRANT PILOT PROGRAM

Two-and-a-half million dollars was provided to the NC Department of Public Instruction to establish a Charter School Transportation Grant Program for the 2017-18 school year. The purpose of the Charter School Transportation Grant pilot program is to reimburse a charter school that has a student enrollment 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 total amount of each grant awarded under the Program shall not exceed one hundred thousand dollars (\$100,000).

Eligible “student transportation costs” for reimbursement include costs incurred by the charter school in a semester for:

- (i) transportation fuel;
- (ii) vehicle maintenance; and
- (iii) contracted transportation services.

To determine the number of charter schools applying and eligible to receive the grant, a letter of intent is required. The information presented in your Letter of Intent will help NCDPI plan the grant dissemination. Please contact the Office of Charter Schools at [ocs@dpi.nc.gov](mailto:ocs@dpi.nc.gov) or 919-807-3491 with questions or concerns. All information provided by the applicant will be public information. The Letter of Intent must be signed by an authorized agent, contain the required information, and be received by the Office of Charter Schools by the stated time and date to be accepted.

Please send the completed Letter of Intent (template below) to [ocs@dpi.nc.gov](mailto:ocs@dpi.nc.gov) in the Office of Charter Schools by **5:00 PM** on **September 1, 2017**. The attached template ***must*** be utilized by the potential applicant as the Letter of Intent. The grant application including criteria and guidelines will be released pending the Charter Schools Advisory Board review/recommendation and State Board of Education approval in September 2017.



A verification email will be sent to the email provided within 10 days of receipt. If a verification email is not sent within 10 days please contact [ocs@dpi.nc.gov](mailto:ocs@dpi.nc.gov).

## **LETTER OF INTENT TO APPLY FOR THE 2017-18 CHARTER SCHOOL TRANSPORTATION GRANT PILOT PROGRAM**

Date: Click here to enter text.

Dear Office of Charter Schools:

Click here to enter text. is interested in applying for the 2017-18 Charter School Transportation Grant Program.

**Required:** *(All items in this section must be completed for Letter of Intent to be accepted.)*

Nonprofit Name: Click here to enter text.

Name of Charter School: Click here to enter text.

LEA Code: Click here to enter text.

Board Chair Name: Click here to enter text.

Board Chair E-mail address: Click here to enter text.

Principal/Director Name: Click here to enter text.

Principal/Director E-mail address: Click here to enter text.

Mailing Address: Click here to enter text.

Telephone Number: Click here to enter text.

E-mail address: Click here to enter text.

County of Charter School Location: Click here to enter text.

Mission Statement of Charter School: Click here to enter text.

Grade Structure of Charter School: Click here to enter text.

Current Student Enrollment: Click here to enter text.

List the types of Transportation the school is providing: Click here to enter text.

List the number of students in the charter school that qualify for free and reduced lunch: Click here to enter text.

Provide the number of years the charter school has provided transportation:  
[Click here to enter text.](#)

List the reason(s) your school is seeking reimbursement under this grant (see eligible costs below):  
[Click here to enter text.](#)

- (i) transportation fuel
- (ii) vehicle maintenance
- (iii) contracted transportation services

Provide the reimbursement amount you are seeking: [Click here to enter text.](#)

Sincerely,

\_\_\_\_\_ (Signature of Board Chair)

\_\_\_\_\_ (Signature of Director/Principal)

# NC Department of Public Instruction



## Charter School Transportation Grant Pilot Program

# Grant Application

Application Deadline: **December 31, 2017**

**Program Implementation: Fall 2017**

Application Submission to: **The Office of Charter Schools**  
at [ocs@dpi.nc.gov](mailto:ocs@dpi.nc.gov)

## Program Purpose

Pursuant to Session Law (SL) 2017-57, the Department of Public Instruction (NCDPI) is required to establish the Charter School Transportation Grant Pilot Program (Program). The total amount of available funds for the program is \$2.5 million dollars. The maximum available for a single program is \$100,000.

The purpose of the Program is to award grant funds to a charter school meeting specific eligibility requirements for the reimbursement of up to sixty-five percent (65%) of the eligible student transportation costs incurred by the school.

Disbursements are contingent on:

1. Timely submission of documentation reporting expenditures (e.g. contracts, budgets, reports, etc);
2. Verification of those documents;
3. Consideration of the total number of requests; and
4. Development of pro rata distribution formula if needed.

## Timeline

Activity	Date
Release/Distribute Letter of Intent	August 2017
Letter of Intent Due to Office of Charter Schools (OCS)	September 1, 2017
Grant Application Deadline	December 31, 2017
Select/Award Grant Recipients	January 15, 2018
Recipients Submit Required Report to NCDPI (pg. 3)	February 16, 2018
Grant Recipients Submit Spring Reimbursement Documents (if applicable)	May 18, 2018
Grant Recipients Receive Second Disbursement (if applicable)	June 15, 2018
NC Department of Public Instruction Reporting to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Education Oversight Committee	March 15, 2018

## **Permissible Uses of Program Funds**

Program funds awards shall be used for the below listed purchases. The maximum amount of award is \$100,000 per program. The maximum amount may be distributed in one semester in some instances.

1. Transportation Fuel
2. Vehicle Maintenance
3. Contracted Transportation Services

## **Eligible Applicants**

If a charter school has a student enrollment 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 in a semester of the school year, the charter school may apply to NCDPI 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.

## **Required Reporting**

Grant recipients are required to submit a report by February 16, 2018 on the following:

1. Whether receiving the reimbursement has led to an increase in the charter school offering lunch;
2. Whether receiving the reimbursement has led to an increase in student lunch participation at the charter school;
3. Whether receiving the reimbursement has increased or expanded the offering of student transportation by the charter schools; and
4. The modes of student transportation offered by the charter school receiving grant funds.

## Program Criteria and Guidelines

Applications will be reviewed in conjunction with documented evidences to determine the amount of funds for disbursement per school. All schools will receive some funding; however, consideration shall be given to the number of schools seeking reimbursement, the allowable reimbursement amount (\$100,000/per school), and the limited amount of \$2.5 million dollars for disbursement.

### Required Application Materials

Completed applications must include the below listed materials/attachments and be submitted by 5:00 p.m. on deadline to via email to [ocs@dpi.nc.gov](mailto:ocs@dpi.nc.gov) .

<b>Application Materials</b>
<input type="checkbox"/> Cover Sheet
<input type="checkbox"/> Required Responses
<input type="checkbox"/> Documented Evidences
<input type="checkbox"/> Signature Page

*To be completed by OCS*

## Cover Sheet

Date of Application: 		
Name of Primary Contact Person :		Title of Primary Contact Person 
Name of Board Chair: 		Email Address of Board Chair: 
Name of Charter School: 		Name of School System(s): 
School Address: 	City, State, Zip: 	State Board Region: 
Email Address of Primary Contact Person: 	Area Code and Telephone Number of Primary Contact Person: 	Area Code and Telephone Number of Board Chair: 

## Required Application Responses

Please provide a detailed response for the following:

1. What year did the school open?

|      |

2. Fully explain the modes of transportation currently offered by the school.

|      |

3. How long has the school provided the transportation outlined above in #2?

|      |

4. Does the school have plans to expand its current transportation offerings? Explain.

|      |

5. Does the school currently provide lunch? Explain.

|      |

6. What percentage of the charter school's population is residing in a household with an income level not in excess of the amount required for a student to qualify for the federal free or reduced lunch?

|      |

7. Does the charter school participate in the federal free or reduced lunch program? If yes, how long has the school participated?

|      |

8. Does the charter school provide lunch other than the federal free and reduced lunch program? If so, how long has the school provided lunch? Explain.

|      |

9. Does the school have plans to expand its current lunch offerings? Explain.

|      |

10. What is the amount of eligible transportation costs for the Fall 2017 and Spring 2018 semesters? *Please note you will be required to submit documentation each semester as requested by NCDPI.*

a. Fall 2017 Reimbursement Amount: |      |



b. Estimated Spring 2018 Reimbursement Amount: [                      ]

11. What transportation and lunch plans does the school have in place to ensure all students have transportation and lunch each day? Explain and attach the plans.

[                      ]

12. Attach a copy of the school's transportation maintenance schedule.

13. How will receiving the reimbursement funds help the school fulfill its approved mission?

[                      ]

## **Documented Evidences: Documentation to substantiate expenditures submitted to NCDPI for reimbursement**

### Reimbursable Expenses

Transportation costs are those amounts actually expended for the transportation of children to and from school, field trips, and activity trips, including fuel, vehicle maintenance and contracted transportation services.

All expenditures must be appropriately recorded in the charter school's books and records (e.g. detailed account ledgers) and the school's financial management system must distinguish expenditures by grant award. All expenditures submitted for reimbursement must be appropriately coded according to the Chart of Accounts, down to object code. All expenditures must be both incurred and paid prior to submitting the expenditures to DPI for reimbursement.

Adequate supporting documentation for expenditures submitted for reimbursement includes, but is not limited to, all estimates, bids, purchase orders, invoices, original receipts and proof of payment applicable to each expenditure submitted for reimbursement. All credit card purchases must be supported by invoices and original receipts in order to be reimbursed.

Each grant recipient must maintain expenditure documentation locally to be provided to DPI on request. In addition, annual audit compliance supplements will include testing of related expenditures by each school's independent auditor during the school's annual audit.

To support the expenditure reimbursement of Contracted Transportation Services, the following should be retained:

1. Contractual Agreement or Terms Services – For all contractual agreements with vendors or consultants for goods or services, the subrecipient should ensure it follows its written procurement procedures which must also be in accordance with state laws and regulations. The entity should ensure its agreements include appropriate clauses, include details of services to be provided (who, what, when, where, and why), and include a fee schedule (if applicable). The agreements should be signed by an authorized representative of both the vendor and the contracting entity.

If a subrecipient's expenditure report includes a claim of reimbursement for personnel compensation classified as Purchased Service, contractual agreements should be signed and maintained.

2. Invoices - Invoices received from vendors for provided goods or services must be maintained, as well as, copies of the appropriate checks to support payment.

The school must ensure that any contractor is informed of and understands all requirements related to providing student transportation, including documentation requirements. Each school should ensure that a contract it enters into clearly outlines the contractor's responsibilities and provides for access to the contractor's documentation of compliance with all applicable laws and regulations.

### Record Retention

The grantee shall retain grant records, including financial records and supporting documentation, for a minimum of three (3) years after the end date of the grant and the final expenditure claim for reimbursement and all final reports have been submitted, unless informed otherwise or in the case of litigation.

### Transportation Object Codes

- 6550 – 311
- 6550-423 (fuel)
- 6550-424 (oil/maintenance)
- 6550-425 (tires/tubes)
- 6550-331 (contracted services)
- 6550-422 (related parts, etc.)

### **Attach the following:**

- ☐ Transportation Plan (include routes, schedules, contracts, etc.)
- ☐ Lunch Plan (include schedules, vendors, etc.)
- ☐ Board approved 2016-17 actual expenditures broken down by object code
- ☐ Board approved 2017-18 year-to-date expenditures broken down by object code
- ☐ Copies of the check register reports to demonstrate eligible reimbursable transportation cost(s)
- ☐ Copies of contracts (if applicable)

## Signature Page

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Primary Contact Signature

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Date

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Board Chair Signature

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Date

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Director, NCDPI Office of Charter Schools Signature

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Date