



**PUBLIC SCHOOLS OF NORTH CAROLINA**

State Board of Education | Department of Public Instruction

# Charter School Funding

Alexis Schauss, Chief Financial Officer

NC Department of Public Instruction

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# Charter Schools at a Glance

<b>Number of Schools</b>	<b>211</b>
<b>Number of Students</b>	<b>145,274</b>
<b>% of Allotted ADM</b>	<b>10%</b>
<b>Number of Teachers</b>	<b>9,100</b>
<b>Total State Funding</b>	<b>\$1 billion</b>



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# Charter School Funding

# Public School Funds

1-State	Base allocations and restricted state funds administered through DPI
3-Federal	Grants administered through DPI
2-Local	Local current expense
8-Other	Other local funds
5-Enterprise	Nat. School Lunch Program, Before/after school program
4-Capital	Financing

# Fund 1 – State funds administered through DPI

# State Revenue Streams

Public Education is supported by four large revenue streams:

- General Fund appropriations
- Fines and Forfeitures
- Sales Tax Refunds
- Lottery Receipts

Charter schools are beneficiaries of all these funding sources, as the funds support the allotments provided to all public schools.

# State Funds

# General Statute

# 115C-218.105

*Allocate to each charter school an amount equal to the average per pupil allocation for average daily membership from the local school administrative unit in which the charter school is located*

*An additional amount for children with disabilities and for children with limited English proficiency*

# State Base Allocation

The base dollars per student is calculated from the LEA allotments:

## Positions converted to dollars:

- Classroom Teachers
- Program Enhancement Teachers
- School Building Administrators
- Health Professionals
- Instructional Support
- Career Technical Education

## Dollar and Categorical Allotments:

- Central Office Administration
- Non instructional Support
- Career Technical Education Program
- Small County Supplemental Funding
- Disadvantaged Student Supplemental Funding
- Teacher Assistants
- Low Wealth Supplemental Funding
- Academically & Intellectually Gifted
- Transportation
- Instructional Supplies
- At Risk Funding
- Textbooks



# Special Populations

In addition to the base dollars per student, charter schools receive funds for Exceptional Children and Multilingual Learners. These funds are calculated based on the students in membership in the charter school, who are identified in the headcount for each category.

Since 2022, charters have received funds from the State funded Salary Supplement appropriation in accordance with the legislated formula.

**Over 95% of State funding is allocated through the initial allotments and the special populations funding.**

# Other State Funds

Legislation determines the eligibility of applicants for State funded grants.

When eligible, charters are evaluated in accordance with the legislation and/or the State Board of Education policy.

Examples of State grants - school safety grants, charter school transportation grant, STEM grants.

# Fund 3 – Federal funds administered through DPI

# Federal Funds that flow through DPI

Excluding COVID funds

Examples include:

Title I – supplemental funds to support students in poverty

IDEA – supplemental funds to support exceptional children.

ACCESS grants restricted to charter schools.

The federal grant determines the eligibility of applicants for federal funded grants.

DPI evaluates PSUs in accordance with the grant.

Currently, there are 30 federal grants that are administered by DPI.

# COVID Funds

- Over \$6 billion in COVID funds since 2020
- The federal grant gave the States latitude on a portion of the funds
- An additional 40 new programs due to COVID

Full details of the distribution and expenditures on these funds:

<https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/covid-funds>

# Fund 2 – Local Current Expense

# Local Funds

## G.S.115C-218.105(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.



# G.S.115C-426 Uniform Budget Format Local Current Expense Fund

- (c) The uniform budget format shall require the following funds:
- (1) The State Public School Fund.
  - (2) The local current expense fund.
  - (3) The capital outlay fund.

# Other Funds

## G.S. 115C-426(c)

In addition, other funds may be used to account for reimbursements, including

- indirect costs,
- fees for actual costs,
- tuition,
- sales tax revenues distributed using the ad valorem method pursuant to G.S. 105-472(b)(2),
- sales tax refunds,
- gifts and grants restricted as to use,
- trust funds,
- federal appropriations made directly to local school administrative units
- municipal appropriations made directly to local school administrative units under G.S. 160A-700, and funds received for prekindergarten programs.

In addition, the appropriation or use of fund balance or interest income by a local school administrative unit shall not be construed as a local current expense appropriation included as a part of the local current expense fund.

# Local Current Expense Fund – LEAs

## G.S. 115C-426(e)

The local current expense fund shall include appropriations sufficient, when added to appropriations from the State Public School Fund, for the current operating expense of the public school system in conformity with the educational goals and policies of the State and the local board of education, within the financial resources and consistent with the fiscal policies of the board of county commissioners.

These appropriations shall be funded by revenues accruing to the local school administrative unit by virtue of Article IX, Sec. 7 of the Constitution, moneys made available to the local school administrative unit by the board of county commissioners, supplemental taxes levied by or on behalf of the local school administrative unit pursuant to a local act or G.S. 115C-501 to 115C-511, State money disbursed directly to the local school administrative unit, and other moneys made available or accruing to the local school administrative unit for the current operating expenses of the public school system.

# 2009-2010

At the time in general, ALL funds which were not State or federal were accounted for in Fund 2- Local Current Expense Fund.

The Sugar Creek Charter School vs. Charlotte-Mecklenburg Board of Education 2009 determined that charter schools are entitled to a per pupil share of funds in the local current expense fund.

# Fund 8

## G.S. 115C-426(c)

In 2010, SBE created the Fund 8 to separate Fund 2- Local Current Expense Fund from “other funds”.

**Other Specific Revenue Fund** - Revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S. 105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal grants restricted as to use, federal appropriations made directly to local school administrative units, funds received for prekindergarten programs, and special programs and appropriated fund balances (revenues accruing to a school administrative unit in prior years but not yet expended).