

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

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SENATE DRS55038-LB-90 (2/5)

Short Title: Charter Schools Get Lottery Funds. (Public)

Sponsors: Senator Pittenger.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ALLOW CHARTER SCHOOLS TO SHARE IN LOTTERY PROCEEDS
ON THE SAME BASIS AS OTHER PUBLIC SCHOOLS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 18C-164(c) reads as rewritten:

"(c) The Commission shall distribute the remaining net revenue of the Education Lottery Fund, as follows, in the following manner:

(1) A sum equal to fifty percent (50%) to support reduction of class size in early grades to class size allotments not exceeding 1:18 in order to eliminate achievement gaps and to support academic prekindergarten programs for at-risk four-year-olds who would otherwise not be served in a high-quality education program in order to help those four-year-olds be prepared developmentally to succeed in school. Charter schools shall be eligible for allocations from these funds on the same basis as other public schools.

(2) A sum equal to forty percent (40%) to the Public School Building Capital Fund in accordance with G.S. 115C-546.2.

(3) A sum equal to ten percent (10%) to the State Educational Assistance Authority to fund college and university scholarships in accordance with Article 35A of Chapter 115C of the General Statutes."

SECTION 2. G.S. 115C-546.2(d) reads as rewritten:

"(d) Monies transferred into the Fund in accordance with Chapter 18C of the General Statutes shall be allocated for capital projects for school construction projects as follows:

(1) A sum equal to sixty-five percent (65%) of those monies transferred in accordance with G.S. 18C-164 shall be allocated on a per average daily membership basis according to the average daily membership for

1 the budget year as determined and certified by the State Board of
2 Education. An allocation for charter schools shall be made on an
3 average daily membership basis to each charter school and disbursed
4 to those schools on the same basis as disbursements to local school
5 administrative units.

6 (2) A sum equal to thirty-five percent (35%) of those monies transferred in
7 accordance with G.S. 18C-164 shall be allocated to those local school
8 administrative units (and to charter schools on the same basis as in
9 subdivision (1) of this subsection) located in whole or part in counties
10 in which the effective county tax rate as a percentage of the State
11 average effective tax rate is greater than one hundred percent (100%),
12 with the following definitions applying to this subdivision:

13 a. "Effective county tax rate" means the actual county rate for the
14 previous fiscal year, including any countywide supplemental
15 taxes levied for the benefit of public schools, multiplied by a
16 three-year weighted average of the most recent annual sales
17 assessment ratio studies.

18 b. "State average effective tax rate" means the average effective
19 county tax rates for all counties.

20 c. "Sales assessment ratio studies" means sales assessment ratio
21 studies performed by the Department of Revenue under
22 G.S. 105-289(h).

23 (3) No county shall have to provide matching funds required under
24 subsection (c) of this section.

25 (4) A county may use monies in this Fund to pay for school construction
26 projects in local school administrative units and to retire indebtedness
27 incurred for school construction projects incurred on or after January
28 1, 2003.

29 (5) A county may not use monies in this Fund to pay for school
30 technology needs."

31 **SECTION 3.** This act becomes effective July 1, 2007.