GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

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SENATE BILL 211

	Short Title:	Penalty for Late Payment of Monies/Charters.	(Public)
	Sponsors: Senators Tillman (Primary Sponsor); Newton, Pate, Rabin, and Sanderson.		
	Referred to:	Rules and Operations of the Senate.	
		March 11, 2015	
1		A BILL TO BE ENTITLED	
2	AN ACT TO	O PROVIDE FOR A MONETARY PENALTY WHEN FUNDS AF	RE NOT
3	TRANSF	ERRED WITHIN REQUIRED TIME LINES BETWEEN LOCAL S	CHOOL
4	ADMINISTRATIVE UNITS AND CHARTER SCHOOLS.		
5	The General Assembly of North Carolina enacts:		
6	SI	ECTION 1. G.S. 115C-218.15 reads as rewritten:	
7	"§ 115C-218.105. State and local funds for a charter school.		
8	(a) Th	he State Board of Education shall allocate to each charter school:	
9	(1) An amount equal to the average per pupil allocation for avera	ge daily
10		membership from the local school administrative unit allotments i	in which
11		the charter school is located for each child attending the charte	r school
12		except for the allocation for children with disabilities and for the a	llocation
13		for children with limited English proficiency;	
14	(2) An additional amount for each child attending the charter school	who is a
15		child with disabilities; and	
16	(3) An additional amount for children with limited English proficiency a	attending
17		the charter school, based on a formula adopted by the State Board.	
18	In accordance with G.S. 115C-218.5(d), the State Board shall allow for annual adjustments		
19	to the amount allocated to a charter school based on its enrollment growth in school years		
20	subsequent to the initial year of operation.		
21	In the event a child with disabilities leaves the charter school and enrolls in a public school		
22	during the first 60 school days in the school year, the charter school shall return a pro rata		
23	amount of funds allocated for that child to the State Board, and the State Board shall reallocate		
24	those funds to the local school administrative unit in which the public school is located. In the		
25	event a child with disabilities enrolls in a charter school during the first 60 school days in the		
26	school year, the State Board shall allocate to the charter school the pro rata amount of		
27	additional funds for children with disabilities.		
28	(b) Funds allocated by the State Board of Education may be used to enter into		
29	operational and financing leases for real property or mobile classroom units for use as school		
30	facilities for charter schools and may be used for payments on loans made to charter schools for		
31	facilities, equipment, or operations. However, State funds shall not be used to obtain any other		
32		al property or mobile classroom units. No indebtedness of any kind inc	
33	created by the	he charter school shall constitute an indebtedness of the State or its	political

33 created by the charter school shall constitute an indebtedness of the State or its political 34 subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, 35 credit, or taxing power of the State or its political subdivisions. Every contract or lease into



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1	which a charter school enters shall include the previous sentence. The school also may own			
2	land and buildings it obtains through non-State sources.			
3	(c) If a student attends a charter school, the local school administrative unit in which			
4	the child resides shall transfer to the charter school an amount equal to the per pupil share of			
5	the local current expense fund of the local school administrative unit for the fiscal year. The per			
6	pupil share of the local current expense fund shall be transferred to the charter school within 30			
7	days of the receipt of monies into the local current expense fund. The local school			
8	administrative unit and charter school may use the process for mediation of differences			
9	between the State Board and a charter school provided in G.S. 115C-218.95(d) to resolve			
10	differences on calculation and transference of the per pupil share of the local current expense			
11	fund. The amount transferred under this subsection that consists of revenue derived from			
12	supplemental taxes shall be transferred only to a charter school located in the tax district for			
13	which these taxes are levied and in which the student resides.			
14	(d) The local school administrative unit shall also provide each charter school to which			
15	it transfers a per pupil share of its local current expense fund with all of the following			
16	information within the 30-day time period provided in subsection (c) of this section:			
17	(1) The total amount of monies the local school administrative unit has in each			
18	of the funds listed in G.S. 115C-426(c).			
19	(2) The student membership numbers used to calculate the per pupil share of the			
20	local current expense fund.			
21	(3) How the per pupil share of the local current expense fund was calculated.			
22	(4) Any additional records requested by a charter school from the local school			
23	administrative unit in order for the charter school to audit and verify the			
24	calculation and transfer of the per pupil share of the local current expense			
25	fund.			
26	(e) Prior to commencing an action under subsection (c) of this section, the complaining			
27	party shall give the other party 15 days' written notice of the alleged violation. The court shall			
28	award the prevailing party reasonable attorneys' fees and costs incurred in an action under			
29	subsection (c) of this section along with a penalty of five percent (5%) of the monies			
30	that should have been transferred. The court shall order any delinquent funds, costs, fees, fees,			
31	penalty, and interest to be paid in equal monthly installments and shall establish a time for			
32	payment in full that shall be no later than one year from the entry of any judgment."			
33	SECTION 2. The act is effective when it becomes law and applies to any actions			
34	filed on or after that date			

34 filed on or after that date.