

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 335

Short Title: Timely Local Payments to Charter Schools. (Public)

Sponsors: Representatives Bradford, Riddell, Hardister, and Saine (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Education - K-12, if favorable, Rules, Calendar, and Operations of the House

March 22, 2021

1 A BILL TO BE ENTITLED
2 AN ACT TO REVISE REQUIREMENTS REGARDING THE TRANSFER OF FUNDS FROM
3 A LOCAL SCHOOL ADMINISTRATIVE UNIT TO A CHARTER SCHOOL TO
4 INCENTIVIZE THE TIMELY TRANSFER OF FUNDS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 115C-218.105(c) reads as rewritten:

7 "(c) If a student attends a charter school, the local school administrative unit in which the
8 child resides shall transfer to the charter school an amount equal to the per pupil share of the local
9 current expense fund of the local school administrative unit for the fiscal year. The per pupil
10 share of the local current expense fund shall be transferred to the charter school ~~within 30 days~~
11 ~~of following~~ the receipt of monies into the local current expense fund ~~and~~ and within 30 days
12 of receipt of a written request from the charter school identifying the student or students enrolled
13 in the charter school who reside in the local school administrative unit. If the local school
14 administrative unit fails to transfer the per pupil share of the local current expense fund to the
15 charter school within 30 days of receipt of the written request, the sum to be transferred shall be
16 increased by eight percent (8%). Beginning on the thirty-first day from the date the local school
17 administrative unit receives the written request from the charter school, interest shall accrue on
18 this amount at the legal rate provided in G.S. 24-1 until the total amount, including applicable
19 increases as provided in this subsection, is transferred to the charter school. If the local school
20 administrative unit receives additional monies into the local current expense fund following the
21 initial transfer to the charter school, the local school administrative unit shall transfer the per
22 pupil share of those additional monies to the charter school within 30 days of receipt. In the event
23 the local school administrative unit and the charter school disagree on the amount owed to the
24 charter school, the local school administrative unit shall not delay payment of the undisputed
25 amount. The local school administrative unit and charter school may use the process for
26 mediation of differences between the State Board and a charter school provided in
27 G.S. 115C-218.95(d) to resolve differences on calculation and transference of the per pupil share
28 of the local current expense fund. The amount transferred under this subsection that consists of
29 revenue derived from supplemental taxes shall be transferred only to a charter school located in
30 the tax district for which these taxes are levied and in which the student resides."

31 **SECTION 2.** This act is effective when it becomes law and applies beginning with
32 the 2021-2022 school year.

