

CHARTER SCHOOLS (PRC 036)

PROGRAM REPORT CODE: 036
UNIFORM CHART OF ACCOUNTS CODE: XXXX-036-XXX
STATUTORY REFERENCE: [GS 115C, Article 14A](#)
[SL 2001-424, Section 28.20](#)
[SL 2020-97 Section 3.1\(1\)](#)

TYPE: Dollars
TERM: July 1 - June 30
PURPOSE: Provides state funding to charter schools based on the students attending the school.
ELIGIBILITY: All charter schools approved by the State Board of Education.
FORMULA:

Funding for an existing charter school is based on the dollars per ADM of the LEA in which the school is located. Funding for new charter schools is based on the dollars per ADM of the LEA in which the student is, or would be, currently enrolled. The total number of public-school students attending a new charter school will reduce an LEA's initial allotment.

An LEA's initial allotment is also reduced for existing charter schools growing over their planning ADM. LEAs are held harmless and will not have their allotment reduced for the following categories: Central Office Administration and School Building Administration.

A charter school will have 34% of its Initial Allotment available to "draw down" after the General Assembly adjourns.

After the 1st month ADM is submitted, allotments will be recalculated and an additional 34% of the allotment will be made available to the charter school. Note: charters in good financial standing may receive the full annual allocation. Charter schools in financial disciplinary noncompliance may receive their funding in monthly installments.

~~If the charter school's first month ADM is lower than the initially funded ADM, the charter school's state allotments will be decreased.~~

Unless noted in the exceptions below, charter schools with a two year history of accurate projections shall be funded at the higher of

1. 2020-21 actual month 1 ADM and
2. 2021 Phase II final ADM projection as reported in the CSADM system by the charter school, not to exceed the allotted 2020-21 ADM

All other charter schools shall be funded at the higher of

1. 2020-21 actual month 1 ADM and
2. the prior year funded month 1 ADM

Exceptions

- a) Virtual charter schools shall be funded based on current year month 1 membership last day and adjusted for month 5
- b) Schools serving students at risk of dropping out, as approved by the SBE, shall be funded on Month 5 ADM
- c) For schools that were not open in 2019 or 2020, the school shall be funded based on 2020-21 actual month 1 ADM, not to exceed the legal maximum.

No charter school shall be funded for an average daily membership greater than is permissible by law.

A charter school is deemed to have a history of accurate projections if the projection provided by the charter school in the CSADM system Phase II final Projection was within 2% or 20 ADM of funded ADM in either 2019 or 2020, and the difference between the projection and funded ADM in both 2019 and 2020 did not exceed 10% of the projection.

For schools that were not open in 2019, the 2020 year will be the only year used for this assessment

~~The funded ADM shall not exceed the charter school's maximum ADM.~~

The final 32% of the allotment will be distributed prior to the end of February.

After 1st month ADM adjustments, a charter school can request additional funding if it has significant growth (20% or more) in months two through four. Requested ADM must be verified and be within the charter school's maximum. The state contingency reserve will be used to fund the prorated increases within funds available. Please refer to the Charter School Financial Guide for instructions for this process.

In addition to the state funding based on dollars per ADM, a charter school may receive Children with Disabilities and Limited English Proficiency funding if they qualify. These special funds plus the dollars per ADM funding are distributed under PRC 036.

SPECIAL PROVISIONS:

- 1) During the first 60 school days, if a child with disabilities was included in the prior fiscal year April 1 child count and leaves or returns to an LEA from a charter school, the prorated share of funds allocated for that child will be adjusted. In order to initiate the transfer of funds, the LEA or charter school receiving the students must complete the appropriate transfer request forms by the 10th of the month following the month the child transferred. Children with Disabilities' transfer requests are sent to the School Allotments Section. Please refer to www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-

[services/allotments--funding-public-school-units#forms](#) for the Children with Disabilities Child Count Transfer System. Notification must include the student's name (first, middle last), PowerSchool number, birth date, the LEA or charter school from which the child came, the date the student transferred, and the beginning date of the current school year.

- 2) A charter in its third year of operation or longer that is in good financial and governance standing, shall receive the balance of its total allocation in the second installment.
- 3) Funding for 1st Month ADM increases will be reduced from the LEA in which the charter school resides if the LEA is declining in ADM after second month. If the LEA is increasing in ADM after the second month, the funding will come from the Contingency Reserve.
- 4) Charter schools will receive an allocation of fines and forfeitures based on dollars per allotted ADM in PRC 036. Unspent funds will revert June 30.
- 5) Funding allotted to purchase diagnostic devices in accordance with the Excellent Public Schools Act ([SL 2012-142 Part VII-A](#)) must be used to purchase diagnostic devices.
- 6) Charter School Staff may participate in the Digital Learning Staff development of the LEA in which they are located.
- 7) Charter Schools, if awarded, will receive funding for Resource Officers for Middle Schools in PRC 036.
- 8) For charter schools, which have been approved by the State Board of Education to serve students who are at risk of or have dropped out of high school, either in the prior year or during the current year, shall be funded based on 5th month ADM. These schools have specialized programs to encourage these students to re-enroll in school and assist them until they have graduated.
- 9) Charter Schools must have a valid Certificate of Occupancy on file with the Office of Charters before any funding can be released for the fiscal year.
- 10) Virtual Charter School Pilots -Virtual Charters are funded based on a dollars per ADM excluding Low Wealth and Small County. The school is funded based on month 1 and month 5 Membership Last Day.