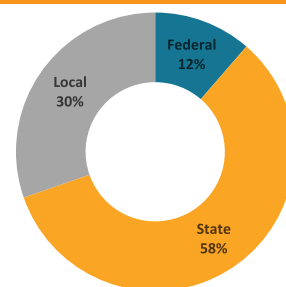


NORTH CAROLINA

AUTHORIZER TYPE(S)	State Education Agency
LEGAL STATUS OF CHARTER SCHOOLS	Independent Local Education Agency
LINKAGE TO A TRADITIONAL DISTRICT	No Link
STATE SPECIAL ED FUNDING FORMULA	Weighted Funding— Funding allocated per student; amount increases based on student need
% OF STUDENTS WITH DISABILITIES	12.06% (all public schools) 9.70% (charter schools)

NORTH CAROLINA Revenue Sources, FY 2014



FY 2014	Spending Per Pupil
NORTH CAROLINA	\$8,512
US	\$11,009

*Sources on last page; click [here](#) for definitions

Charter School Funding

Charter schools receive base funds equal to the average per-pupil allocation from the district in which the school is located, with additional funds for students with disabilities and students with limited English proficiency. In addition, the school district in which a charter school student resides must transfer to the charter school an amount equal to the per-pupil share of the local current expense fund of the school district for the fiscal year.

North Carolina charters are funded in a completely separate formula from the general school funding formula.

Funds for charters come from three sources:

- Federal funds** (3.7%) are targeted towards a specific population such as Low Income Children or Handicapped Children. As no-link LEAs, charters apply for and receive all federal funding for which they qualify directly, both general and special education.
- State funds** (62.9%) are allotted based on the charter school's Average Daily Membership (ADM). State funds may be used for any purpose other than purchasing a building. The per pupil allotment is the average per-pupil cost in state general education dollars as other public schools in the district where the charter is located, and ranged from \$4,684 to \$10,484 per pupil in 2015-16.

Additional state funds are available to charter schools for:

- Students with disabilities: \$3,985.24 per funded child count
- Students with limited English proficiency: Base of a teacher assistant (\$32,599); remainder based 50% on number of funded LEP students and 50% on an LEA's concentration of LEP students.

Charter schools are not eligible for capital funds but do receive (as part of the base funding per ADM) a per student equivalent of the operating funds appropriated for transportation, including fuel, drivers and supplies. Funds that are based on positions (e.g. one teacher for every 18 kindergartners) are converted into dollars at the LEA's average salary when computing charters' average per pupil allotments. Categorical allotments are based on demographic characteristics of student population.

- Local funds** (33.3%) are given to Charter Schools based on the local current expense appropriation in the county in which the student resides, estimated to range from \$300 to \$4,000 per pupil. Local funds may be used for any purpose. Additionally, the local school district is required to provide an accounting of how this per-pupil amount was calculated so that charters can ensure they are receiving the appropriate amount of funding.

State Special Education Funding

North Carolina's special education funding formula is based on a single student weight, and an additional, fixed per pupil amount is calculated for students with disabilities. State special education funds flow directly to the charter from the State Board of Education as for traditional public schools.

Children with Disabilities

School aged children receive \$3,985.24 per funded child count. Child count is comprised of the lesser of the April 1 handicapped child count or 12.5% of the allotted Average Daily Membership (ADM). This is in addition to the state funding based on dollars per ADM.

Local Special Education Funding/Services

Charters may also contract with the student's residential district or other service providers to assist with providing special education. If the charter school contracts with the traditional LEA, the local appropriations would not be adjusted and the charter school would determine which funding source they would use to pay for contracted services.

Federal IDEA Part B Funding

Each LEA receives 75% of their allocation for December 1, 1998. This establishes their base. For LEAs/ New Charter Schools that were not in existence in 1998, the base is determined by the number of students with disabilities that they reported on the Exceptional Children Head Count Transfer System. Any remaining funds are distributed as follows: 85% based upon the number of children who are enrolled in public and private elementary and secondary schools and 15% based on the number children living in poverty (free and reduced lunch).

As no-link LEAs, charters apply for and receive all federal funding for which they qualify directly, both general and special education. The statewide average for LEA charters and traditional schools, based on the December 1 child count, is \$1,518.04 per child.

High-Cost Funds

North Carolina uses federal and state funds to support students with high-cost, low-incidence disabilities.

North Carolina supports a Risk Pool and Out-of-District Placement Program with **federal funds**.

For students with high cost, low incidence disabilities whose educational expenses exceed the per pupil allotment, a charter may apply for additional federal and state funds or categorical grants in order to offset the cost of providing services.

"High need" is defined as any special education and/or related service(s) that is three times the per pupil expenditure and has a fiscal impact that limits and/or inhibits LEA/charter school's ability to provide special education and related services. A student considered "high need" may be funded annually, up to 5 years, if the same level of service is needed and the student continues to meet eligibility requirements.

Although LEAs/Charter Schools can apply for funding for a specific child for up to five (5) years, there is no guarantee that the application will be funded each year, as it is based on the rubric score and the availability of funds.

A memo for FY2015-16 further specifies that in order to be eligible for funding consideration, a child must have special education and related service costs that exceed \$25,431 a year and have a minimum rubric score of eight (8) or higher. The per pupil expenditure used to determine eligibility is \$8,477.

Rubric for Risk Pool Program Fund Allocation 2015-2016 School Year

1. Child requires nursing services (RN, LPN, CNA II) as documented in the IEP (6 points)
2. Child requires an Interpreter, Transliterater, assistance from a Language Facilitator or a Deaf Blind Intervener (5 points)
3. Child requires 1:1 personal assistant for all activities of daily living skills (dressing, toileting, feeding, communication, socialization, safety, etc.) (4 points)
4. Child requires 1:1 personal assistant for behavior support (2 points)
5. Child requires assistive technology to access educational services (1 point)
6. Child requires one or more related services (OT, PT, Speech, O&M specialist, etc.) (1 point)
7. Child requires Brailist (1 point)
8. LEA is over the 12.5% cap (1 point)
9. Exceptional Children Program does not receive local funds (1 point)
10. Exceptional Children Program is a CECAS Daily User (1 point)
11. LEA receives Low Wealth funds, OR has been identified as being significantly disproportionate (mandatory 15% CEIS) (1 point)

(Cont. on following page.)

High-Cost Funds (cont.)

North Carolina supports a Special State Reserve fund with **state funds**.

Special State Reserve funds are for emergency situations for children with disabilities. Often, a high-needs child moves into a Local Education Agency (LEA) or charter school after budgets are set and funds are committed. This situation places a fiscal burden on the LEA/Charter School to secure needed funds for special education and related services for these children.

For the 2014 -2015 school year 52 charter schools accessed Risk pool and/or Special State Reserve funds for 93 students. A total of \$775,000.00 was allotted to Charter Schools in Risk Pool funds for 35 students (approximately 10% of the total amount of Risk Pool funds allotted) and a total of \$1,900,000.00 was allotted to Charter Schools in special state reserve funds for 58 students (approximately 35% of the total amount of special state reserve funds allotted).

Medicaid

Public schools may receive Medicaid funds for some health services provided to students at school. The services must be medically necessary and the student must be eligible for Medicaid and special education. Parents must provide consent.

In order for LEAs to access Fee for Service Medicaid funding, the LEA must first apply for a Medicaid provider number to request reimbursement. Since many Charter Schools contract for related services and do not have their own staff providing those services, many charters do not have Medicaid provider numbers and therefore are not able to request fee for service Medicaid reimbursement funds.

References / Resources

Reference sites

North Carolina Department of Public Instruction

<http://www.dpi.state.nc.us/>

Funding links

Highlights of the North Carolina Public School Budget February 2015

<http://www.ncpublicschools.org/docs/fbs/resources/data/highlights/2015highlights.pdf>

North Carolina Department of Public Instruction: State Base and Exceptional Children Dollars For FY2015-16 Initial Allotments

<http://www.dpi.state.nc.us/docs/fbs/allotments/state/2015-16/base-adm.xls>

Dissecting Charter School Funding October 2015

<http://www.dpi.state.nc.us/docs/fbs/charterschools/dissectingcharterfunding.wmv>

North Carolina Department of Public Instruction: Low Wealth Formula

<http://www.ncpublicschools.org/docs/fbs/allotments/support/lowwealthformula.xls>

North Carolina Department of Public Instruction: Financial Guide For Charter Schools

<http://www.ncpublicschools.org/docs/fbs/finance/reporting/guides/charterschoolfinance.pdf>

North Carolina Department of Public Instruction: Exceptional Children Division State and Federal Per Child Allocations for Children with Disabilities and 2014-2015

<http://ec.ncpublicschools.gov/finance-grants/allotment-allocations/per-child-allocations/per-child-allocations>

North Carolina Department of Public Instruction: 2013-14 Allotment Policy Manual

<http://www.dpi.state.nc.us/docs/fbs/allotments/general/2013-14policymanual.pdf>

High-cost links

North Carolina Department of Public Instruction: Risk Pool Program

<http://ec.ncpublicschools.gov/finance-grants/applications/risk-pool-program>

<http://ec.ncpublicschools.gov/finance-grants/applications/risk-pool-program/2015-16/rp-memo.pdf>

<http://ec.ncpublicschools.gov/finance-grants/applications/risk-pool-program/2015-16/rp-instructions.pdf>

Medicaid links

North Carolina Department of Public Instruction: Medicaid in Education

<http://ec.ncpublicschools.gov/finance-grants/medicaid-in-education>

Departments/Organizations

North Carolina Department of Public Instruction

Sources for data on first page of report

Percentage of students with disabilities: U.S. Department of Education, Civil Rights Data Collection (CRDC) for the 2013-14 school year. Available at <https://www2.ed.gov/about/offices/list/ocr/docs/crdc-2013-14.html>

Federal, state, and local revenue sources & spending per pupil: United States Census Bureau, Annual Survey of School System Finances.

Available at <https://www.census.gov/programs-surveys/school-finances.html>