

ORANGE COUNTY
BOARD OF EDUCATION

AGENDA ITEM ABSTRACT

Meeting Date: March 7, 2011

AGENDA ITEM No. 11-03-17

ACTION ITEM: (Y/N) Y

SUBJECT: Resolution - Charter School Senate Bill 8

INFO. CONTACT: Patrick Rhodes PHONE: 919-732-8126

ATTACHMENTS: 1. DRAFT Resolution – Charter School Senate Bill 8

PURPOSE: The purpose of this agenda item is to provide board members an opportunity to discuss the attached draft Resolution proposed by the North Carolina School Boards Association regarding Charter School related Senate Bill 8.

BACKGROUND: On February 28, 2011, a request was received from Leanne Winner, Director of Governmental Relations, with the North Carolina School Boards Association.

Currently, school districts are required to provide charter schools with the per pupil amount from local funding. According to the North Carolina School Boards Association, Senate Bill 8 would entitle charter schools to a portion of all funds that flow through local public school system accounts, including: donations from private entities; reimbursement of expenses (such as activity bus fees and gymnasium rental fees); grants that school boards took affirmative action to secure for programs that charter schools choose to not offer (such as Head Start, More-at-Four, and Free and Reduced Lunch); fund balances; and child nutrition funds (which include fees paid by parents and governmental subsidies even when the charter school does not serve lunch).

FINANCIAL IMPACT: The potential additional loss of school funding for OCS will be in the hundreds of thousands of dollars.

RECOMMENDATION: The Superintendent recommends the Board of Education discuss the attached DRAFT Resolution and approve as presented.

**Orange County
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Education**

Board Members:

Tony M. McKnight, Chair
Donna Coffey, Vice Chair
Eddie M. Eubanks
Stephen H. Halkiotis
Anne Medenblik
Deborah A. Piscitelli
Brenda Stephens

G. Patrick Rhodes
Superintendent

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**RESOLUTION
For the North Carolina General Assembly to Reconsider
Charter School Senate Bill 8**

Whereas, we are elected/appointed by the citizens of Orange County to provide for the education of the students of the Orange County School System (currently numbering approximately 7,190); and

Whereas, leadership of this school system charges us with the responsibility for securing and appropriately using funding for the educational program from multiple sources including federal, state, and local governments, as well as private donations, additional grants, and various fees and fundraisers; and

Whereas, Orange County Schools have voluntarily taken affirmative action to secure funds to provide elective programs for their students including, but not limited to, prekindergarten programs, believing that these programs provide significant benefits for their students beyond the basic education requirements; and

Whereas, the North Carolina General Assembly has provided for charter schools in North Carolina and is currently considering Senate Bill 8, No Cap on Charter Schools, that would expand these schools and redefine their funding; and

Whereas, Senate Bill 8 would entitle charter schools to a portion of all funds that flow through local public school system accounts, including: donations from private entities; reimbursement of expenses (such as activity bus fees and gymnasium rental fees); grants that school boards took affirmative action to secure for programs that charter schools choose not offer (such as Head Start, More-at-Four, and Free and Reduced Lunch); fund balances; and child nutrition funds (which include fees paid by parents and governmental subsidies even when the charter school does not serve lunch); and

Whereas, the only funds that Senate Bill 8 would exclude from charter school entitlement would be funds where donor specifications have provided that such funds be accounted for in a particular way, and federal grants restricted as to use; and

Whereas, in practice grantors and donors to public school systems restrict the use of funds but do not specify the manner of accounting; and

Whereas, when public school systems receive grants for specific programs such as Head Start and More at Four, the funds must be used solely for the purpose of providing those programs; thus, any portion of these grants shared with charter schools would have to be taken from the current operating budget of the local school system, leading to a reduction in services and/or positions that would otherwise be provided; and

Whereas, under Senate Bill 8, charter schools may apply for and secure grants for specific programs at their schools with no obligation to share such monies or donations with any local school system; and

Whereas, Senate Bill 8 as proposed would result in a significant disparity of per pupil operating funding in favor of charter schools; and

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Whereas, Senate Bill 8 removes the minimum number of students necessary to form a charter school, thereby potentially diverting public funds for education to small groups of private individuals or homeschoolers, creating a voucher-type system; and

Whereas, Senate Bill 8 also provides for consideration of capital funding for charter schools which are owned by private in-state and out-of-state corporations at a time when local public school systems have billions of dollars of capital needs that are going unmet.

Therefore, be it resolved that the Orange County Board of Education respectfully requests members of the North Carolina General Assembly to reconsider Senate Bill 8 and make modifications that address the above concerns, specifically:

- Provide a mechanism for accounting for funds that are not appropriate to share with charter schools.
- Allow for monies to follow the students involved, not requiring sharing of funds when charter schools do not provide the programs involved.
- Remove the provision requiring donor specified accounting and replace it with restrictions of use of funds as stated in the grants.
- Allow for reimbursement of funds (such as activity bus fees, facility rental fees) to be accounted for in such a way as to not create a surcharge for charter schools.
- Reinstate a reasonable number of minimum students necessary to form a charter school.
- Reconsider the capital funding provision.
- Create a bill that is truly fair and equitable for all public schools and public school students in North Carolina and is not subject to ambiguities which will have to be resolved through years of litigation at the expense of students.

At a minimum, revise the proposed legislation so that traditional public schools: 1) are not required to share in self-sustaining, fee-based programs such as child nutrition; 2) are not required to share preschool and other federal funds (such as JROTC and Free and Reduced Lunch) with charter schools that do not provide these programs; 3) are not required to share fund balance reserves; and 4) are not required to share reimbursements (such as facility rental fees and activity bus fees) to which charter schools have no legitimate claim.

If the General Assembly passes Senate Bill 8 without the requested changes we respectfully request that the Governor veto the legislation.

Adopted this the 7th day of March, 2011.

ORANGE COUNTY BOARD OF EDUCATION

By: _____
Tony McKnight, Chair