



Public Schools of North Carolina
State Board of Education
Department of Public Instruction

Report to the Joint Legislative Education Oversight Committee, Fiscal Research Division, and Joint Legislative Transportation Oversight Committee

*Charter School Transportation Grant
Program*

*SL 2021-180, sec. 7.69(b) (SB 105)
amending § 115C-218.42*

Date Due: March 15, 2024
DPI Chronological Schedule, 2023-24

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Background

PERMANENT CHARTER SCHOOL TRANSPORTATION GRANT PROGRAM

Senate Bill 105, Session Law 2021-80, amended Article 14A of Chapter 115C of the General Statutes by adding a new section to read:

"§ 115C-218.42. Charter School Transportation Grant Program.

- (a) Purpose; Definition. – There is established the Charter School Transportation Grant Program (Program). The purpose of the Program shall be to award grant funds to a charter school that meets the requirements of subsection (b) of this section for the reimbursement of up to sixty-five percent (65%) of the eligible student transportation costs incurred by the school in accordance with the provisions of this section. For purposes of this section, the term "eligible student transportation costs" means costs incurred by the charter school for (i) transportation fuel, (ii) vehicle maintenance, (iii) contracted transportation services, and (iv) transportation personnel salaries.
- (b) Program Eligibility. – If a charter school has student enrollment in a semester of the school year of at least fifty percent (50%) of its students residing in households with an income level not in excess of the amount required for a student to qualify for the federal free or reduced-price lunch program, the charter school may apply to the Department for grant funds under the Program for reimbursement of up to sixty-five percent (65%) of the eligible student transportation costs incurred by the school for that semester.
- (c) Applications. – By August 1 of each year, the Department shall establish the criteria and guidelines for the grant application process for the upcoming school year, including any documentation required to be submitted with the application. Each school year, the Department shall accept applications until December 31 for eligible student transportation costs incurred during the fall semester of the school year and until May 15 for eligible student transportation costs incurred during the spring semester of the school year.
- (d) Award of Funds. – From funds made available for the Program, the Department shall award grant funds to the selected charter schools by February 15 for eligible student transportation costs incurred during the fall semester of the same school year and by June 15 for eligible student transportation costs incurred during the spring semester of the prior school year. The total amount of each grant awarded under the Program shall not exceed one hundred thousand dollars (\$100,000) per charter school per school year.
- (e) Reporting. – No later than March 15 of each year in which funds are awarded under the Program, the Department shall report to the Joint Legislative Education Oversight Committee, the Joint Legislative Transportation Oversight Committee, the Senate Appropriations/Base Budget Committee, the House Committee on Appropriations, and the Fiscal Research Division on the administration of the Program, including at least the following information: (1) The number of charter schools that received grant funds. (2) The

amount of grant funds awarded to those charter schools. (3) Whether implementing the Program has led to an increase in charter schools offering lunch. (4) Whether implementing the Program has led to an increase in student lunch participation at charter schools offering lunch. (5) Whether implementing the Program has increased or expanded the offering of student transportation by charter schools. (6) The modes of student transportation offered by charter schools that received grant funds."

This report fulfills the March 15th annual reporting requirement referenced above.

2024 Award Cycle Process

The 2023-2024 award cycle concluded on February 15, 2024, with the allotment of all funds designated for the Charter Schools Transportation Grant Program. The deadline to submit applications and eligible expense documentation was December 31, 2023. The timeline and instructions for schools were as follows:

Until December 31st

OCS shall accept applications for eligible student transportation costs incurred during the fall semester of the school year. Following the availability of the December 1st EDS headcount data, OCS will confirm eligibility for each applicant.

By February 15th

OCS shall award grant funds to the selected charter schools for eligible student transportation costs incurred during the fall semester of the same school year.

- Up to 65% of the eligible student transportation costs incurred by the school.
- Eligible student transportation costs: (i) transportation fuel, (ii) vehicle maintenance, (iii) contracted transportation services, and (iv) transportation personnel salaries.

Eligibility

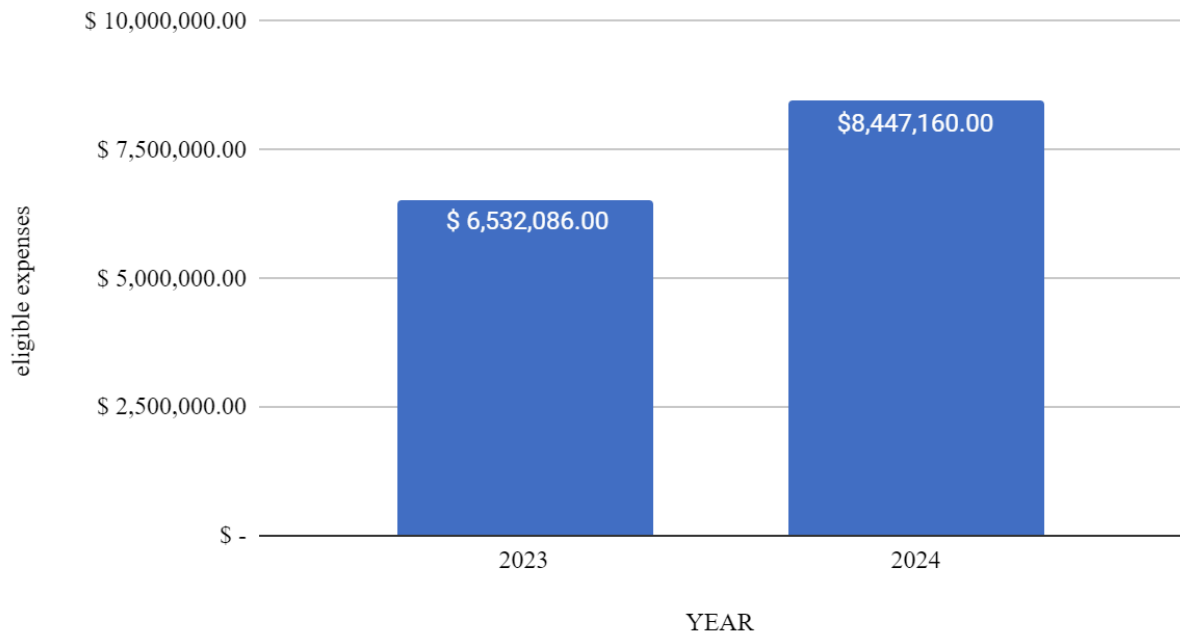
1. A charter school with student enrollment in a semester of the school year of at least 50% students residing in households with an income level not in excess of the amount required for a student to qualify for the federal free and reduced price lunch program.
2. A charter school should know if it meets this requirement. DPI/Accountability produces two EDS headcount collections each year - as of April 1 and December 1. OCS will confirm the applicant school meets the 50% threshold using this headcount data prior to awarding subgrants.

2024 Award Impact

Increase in Eligible School and Eligible Expenses

A total of 65 eligible charter schools submitted applications and received awards. This is an increase from the 45 charter schools that applied and were eligible for the 2023 award. The amount of eligible expenses submitted also increased from over \$6.5 million to nearly \$8.5 million (exact figures in the table below).

Eligible expenses per year



The amount of state funding budgeted for the 2024 Charter School Transportation Grant was \$2.5 million. A total of \$2,475,832 was distributed to the eligible schools in the second week of February 2024. Individual school award amounts are determined based on the statutory provision allowing 65% of eligible expenses to be reimbursed. Given the number of eligible schools (65) and amount of eligible expenses (over 8 million dollars), that percentage of eligible expenses was significantly reduced to meet the total funds available. For the 2024 award, schools received approximately 33% of eligible expenses. Because the state funding was fully expended following fall semester applications, there will be no spring semester application.

Child Nutrition Services

The majority of eligible schools participate in National School Lunch Programming or qualify for Community Eligibility Provision; those who elect not to participate (or are unable due to cafeteria limitations) provide in-house free or reduced child nutrition programming.

Many schools provided details in their grant applications highlighting the importance of nutrition and transportation services.

- *We already offer free lunches to all students; however, this funding allows us to maintain our older fleet of buses.*
- *We plan to upgrade our kitchen equipment with money saved through this grant.*
- *The School is a CEP school and participates in the NSLP. The school built a kitchen and currently prepares all food fresh, onsite daily.*
- *The school currently provides free breakfast and lunch for every student daily, and provides transportation to and from school for eligible students daily. We do not, at this time, have plans for expansion or growth, but do desire to continuously improve the quality of these offerings for our students.*
- *Our school is in the process of planning for a cafeteria expansion.*

Expanded Transportation Services

Schools reported the expansion of transportation programming and the ability to maintain buses as major impacts of this funding. Schools reported a combination of additional routes and additional buses. The schools receiving grant awards all reported busing as a form of transportation, although the method varied. The schools reported a mix of door to door busing, cluster stop busing, and contracted bus services. Some specific feedback received by the Office of Charter Schools as to the impact of this grant included:

- *By receiving funds to help with transportation costs, we will be able to provide transportation to more students. Currently, we have waiting lists on 4 of our 6 bus routes. It is our goal to continue adding new buses to our fleet to ensure transportation is safe and dependable.*
- *Funding allows for additional routes to reduce student ride time and for bus upgrades.*
- *This funding allows us to maintain a fleet of 12 buses, many of which run two routes, and is a very expensive service.*
- *We plan to add more miles to our current bus route range.*
- *Lack of transportation for families living in poverty is often a barrier to access when it comes to the education of their children. Families are then forced to send their children to the lowest performing schools, continuing the cycle of intergenerational poverty. Nationwide, low-income schools have seen a continued decline in test scores and graduation rates with a simultaneous increase in teenage pregnancy rates. Over 80% of our students utilize the school's bus system to and from school daily. Transportation is provided to our students no matter their street address. We believe that a student's zip*

code should not determine their destiny and as such are committed to our students' complete development into adulthood.

- *Expansion of the transportation department by means of newer and better maintained buses is always a plan that we are looking forward to achieving.*
- *Contracted Services have been provided since the school opened, but demand for bus transportation has continued to grow every year. Each year, our school endeavors to add another bus or another route in order to accommodate additional student riders. This grant will help the school continue to expand service for transportation, and should allow the school to expand its food service program as well by offsetting expenses.*
- *Receiving these funds will enable the school to provide a critical service for our students, of whom the majority reside in rural areas, 85% are eligible for free or reduced-price meals, and 95% are students of color. Our school provides free bus transportation to community bus stops for approximately 50% or roughly 650 students both to and from school each day, in addition to relying on our own buses for field trips, athletics program participation, and more. Our current bus fleet is extremely aged with the majority of our roughly 16 buses already having more than 100k miles, and several with more than 200k miles. We must frequently invest funds into bus repairs and sets funds aside annually for the acquisition of new buses to replace those that fall out of commission. We know that providing transportation for our students is critical to our mission of serving historically under-resourced students who would not be able to afford to attend our school without this service. We therefore find it mission critical to provide bussing for students in order to create a pathway out of poverty for them.*
- *We offer after school and Saturday school. We offer free transportation to and from school daily as well as to these additional programs. In doing so, we have seen an increase in fuel costs and bus driver salary costs.*
- *By receiving funds to support the cost of school bus transportation, we can overcome the financial barriers that some of our families face. This will ensure that every student, regardless of their economic circumstances, can attend school regularly and benefit from the exceptional learning environment we strive to provide. The impact of this funding will extend beyond transportation itself. It will contribute to reducing absenteeism rates, improving academic performance, and fostering a stronger sense of community among our students and families. By removing the logistical and financial challenges associated with transportation, we can empower our students to fully engage in their education, participate in extracurricular activities, and access additional resources that contribute to their overall growth and success.*

- *This funding aligns perfectly with our school's mission of providing equitable educational opportunities to all students. It demonstrates our commitment to leveling the playing field and ensuring that every child has an equal chance to thrive and reach their full potential.*

Additional Impact

Schools report significant positive impacts programmatically by allowing funds otherwise spent on transportation to be diverted to other needs within the school. This year's applications included notes on those impacts including:

- ability to fund much needed textbook and supply upgrades;
- increased school safety through safety upgrades;
- increased student activities such as field trips, educational clubs, and leadership programs;
- ability to provide snacks to students in afterschool programs and Saturday programs; and
- allows for additional funding to economically disadvantaged student programming.

Next Steps and Recommendations

The 2025 award cycle will open in fall 2024. All 2024 funding has been expended through fall semester awards.

The Office of Charter Schools (OCS) respectfully requests consideration of the following recommendations:

1. **Recommend that legislation be amended for an August 15th report date, as opposed to the current March 15th report date.** Given that awards are allotted in February, the March date does not allow significant time to seek detailed input from schools on current school year impact of the awards nor does it allow time to analyze data received from grantees.
2. **Consider increasing funding for the program.** As reported above, although the legislation allows for schools to receive up to 65% of eligible expenses, the final award amount is substantially lower than 65% of eligible expenses because the total amount of eligible expenses far exceeds the total amount of state funding available. OCS consistently hears from our eligible charter schools that this grant program is critical to maintaining transportation services for students.