



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-218.4s

Date Due: March 15, 2025
DPI Chronological Schedule, 2024-2025

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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.

2025 Award Cycle Process

The 2024-2025 award cycle concluded on February 15, 2025, 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, 2024. 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.

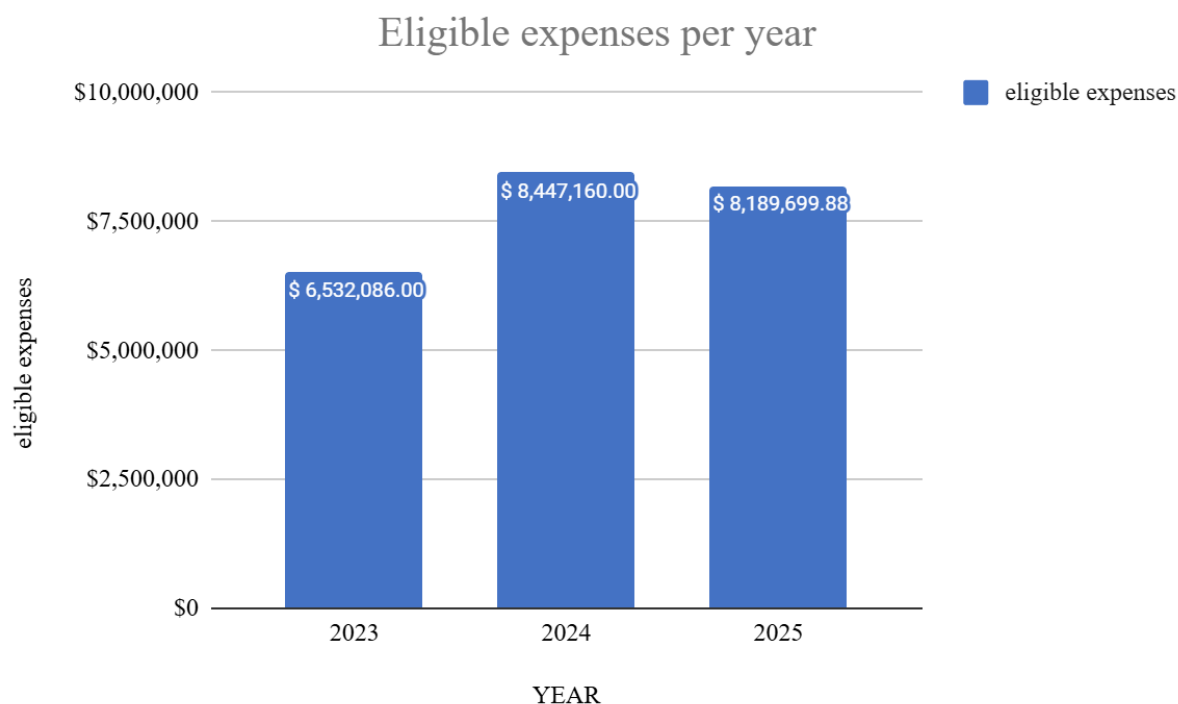
By February 15th

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.

2025 Award Impact

A total of 63 eligible charter schools submitted applications and received awards. This is two less than the number of charter schools that applied and were eligible for the 2024 award. The amount of eligible expenses submitted remained steady at nearly \$8.1 million compared to \$8.5 million for the 2024 award (exact figures in the table below).



The amount of state funding budgeted for the 2025 Charter School Transportation Grant was \$2.5 million. A total of \$2,499,284 was distributed to the eligible schools in the second week of February 2025. 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 (63) 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 2025 award, schools received approximately 35% 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 the National School Lunch Program 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. For example:

- *Due to the impacts of the economy and increased food cost, we have more students that need to participate in our free meal program and transportation program.*
- *There is potential to expand lunch to better serve our scholars; we are exploring additional menu options, accommodating dietary needs, and enhancing the overall lunch experience.*
- *We aim to further support our students by introducing a Second Chance Breakfast program in addition to our free and reduced lunch program for which 100% of our students qualify.*

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:

- *We provide transportation to students from five surrounding counties. These funds help provide competitive pay for drivers.*
- *We anticipate a need for additional buses next year due to increased enrollment and interest in bus service.*
- *In addition to transporting students to and from our school, we transport high school students enrolled in the CCP program via our bus fleet to and from classes at Pamlico Community College and have been doing so since 2015.*
- *To maintain our fleet, we employ a fully certified and trained mechanic to ensure that our buses are maintained at the highest level. Used buses require a skilled mechanic who can make repairs that are no longer under warranty and meet the standards of professional maintenance. This comes at a high cost to the school.*
- *We provide essential daily bus transportation to approximately 80% of our enrolled students, a critical service that supports and sustains enrollment by ensuring access to education for all students.*
- *Currently we have waiting lists on four of the six bus routes we currently run. Increased funding can help with more options.*
- *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 attend our school without this service.*
- *We serve students from seven LEAs and provide bus transportation for students living more than one hour from the school.*

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; and
- allows for additional funding to offer other social services for students.

List of Recipients and County

School	LEA Code	Location by County
ACE Academy	13C	Cabarrus
ALA Charlotte	60N	Mecklenburg
Alpha Academy	26B	Cumberland
American Renaissance	49B	Iredell
Arapahoe	69A	Pamlico
ALA Monroe	90G	Union
Bethel Hill	73A	Person
Bonnie Cone Classical	61V	Mecklenburg
ALA Johnston	51C	Johnston
Carolina International School	13A	Cabarrus
Carter G Woodson	34D	Forsyth
Central Park School for Children	32K	Durham
Bonnie Cone Leadership Academy	62M	Mecklenburg
CIS Academy	78A	Robeson
Classical Whiteville	24N	Columbus
Classical Wilmington	65C	New Hanover
College Prep and Leadership	41H	Guilford
Emereau: Bladen	09B	Bladen
Dillard Academy	96C	Wayne
Durham Charter School	32B	Durham
East Voyager Academy of Charlotte	61W	Mecklenburg
GLOW	65G	New Hanover
Henderson Collegiate	91B	Vance
Hobgood Charter School	42B	Halifax
Clover Garden	01C	Alamance
Community Charter School	36G	Gaston
KIPP Charlotte	60L	Mecklenburg
KIPP Durham	32S	Durham
KIPP Gaston	66A	Northampton
KIPP Halifax	42A	Halifax

Lake Lure	81B	Rutherford
Mallard Creek	61Q	Mecklenburg
Maureen Joy	32A	Durham
Rising Leaders Academy	53C	Lee
Mountain Discovery	87A	Swain
Movement Charter	61T	Mecklenburg
Movement NW	62R	Mecklenburg
Movement School Eastland	62K	Mecklenburg
Movement SW	62P	Mecklenburg
Next Generation	41M	Guilford
Northeast Carolina Prep	33A	Edgecombe
Oak Hill	14B	Caldwell
OMSA	78C	Robeson
Paul R BRown	09A	Bladen
Global Scholars Academy	32M	Durham
Reaching All Minds	32Q	Durham
Monroe Charter Academy	90D	Union
RISE Southeast Raleigh	93J	Wake
Sallie B Howard	98A	Wilson
Shining Rock Classical Academy	44A	Haywood
Success Institute	49D	Iredell
Sugar Creek	60B	Mecklenburg
Southwest Charlotte STEM	62J	Mecklenburg
Thomas Academy	24B	Columbus
Tillery	62A	Montgomery
TMSA Charlotte	61N	Mecklenburg
Uwharrie	76A	Randolph
The Institute for the Dev of Young Leaders	32P	Durham
Aspire Trade HS	62N	Mecklenburg
Wayne STEM	96G	Wayne
Haliwa-Saponi	93A	Warren
Wilmington School of Arts	65H	New Hanover

ZECA	67B	Onslow
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Next Steps and Recommendations

The 2026 award cycle will open in fall 2025. All 2025 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.