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Public School Forum of North Carolina

Governor's Commission on Access to Sound, Basic Education  
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## History and Purpose of the Local School Finance Study

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- First Local School Finance Study published in 1988
- Isolates local spending from state and federal dollars
- Shows amount counties spend on schools **in context** of counties' taxable resources
- Research played role in creation of state supplemental funding for low wealth and small counties
- Regularly cited in Leandro rulings by Judge Manning.

## History of School Finance in NC

### Article IX Education, Sec. 2. Uniform System of Schools

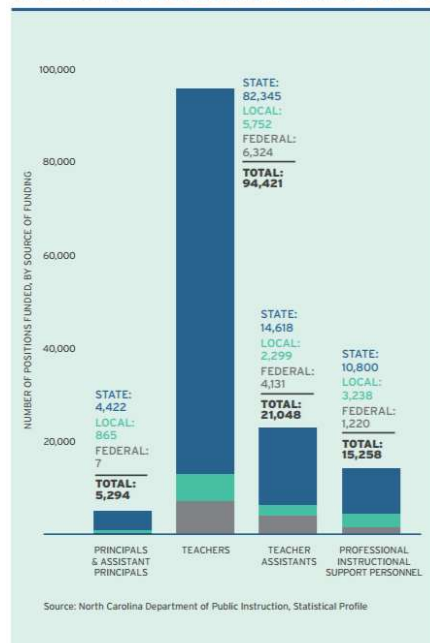
The General Assembly shall provide by taxation and otherwise for a general and uniform system of free public schools, which shall be maintained at least nine months in every year, and wherein equal opportunities shall be provided for all students.

### The Machinery Act of 1933

### School Budget and Fiscal Control Act (1975)

## School Finance in North Carolina

WHO PAYS FOR SCHOOL PERSONNEL? 2015-16



## Blurred Lines

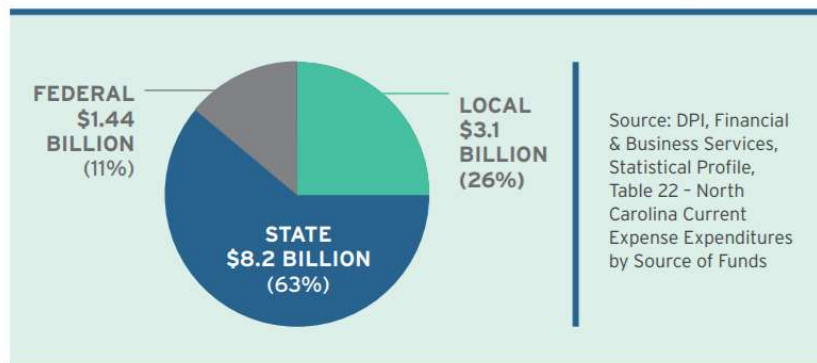
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- In 2015-16, counties spent \$3.1 billion to fund positions, accounting for 26 percent of the combined federal, state, and local total.
- Counties provided funding for:
  - 865 principals and assistant principals (16.3 percent of the total)
  - 5,752 teachers (6.1 percent of the total)
  - 2,299 teacher assistants (10.9 percent of the total)
  - 3,238 professional instructional support personnel (21.2 percent of the total).

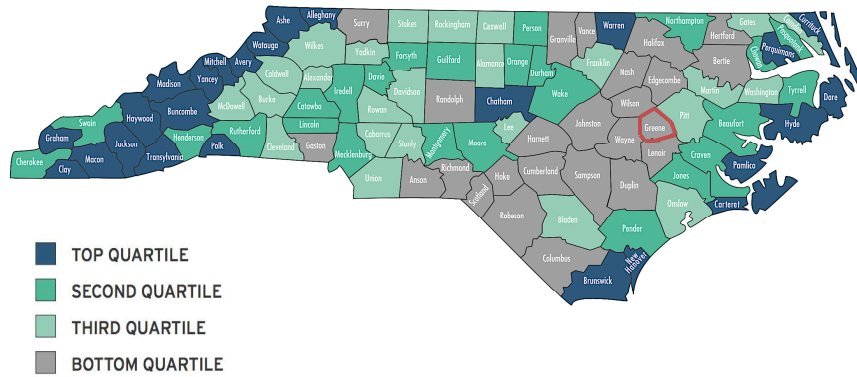
## School Finance in North Carolina

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### SOURCES OF FUNDS FOR SCHOOLS IN NC, 2015-16

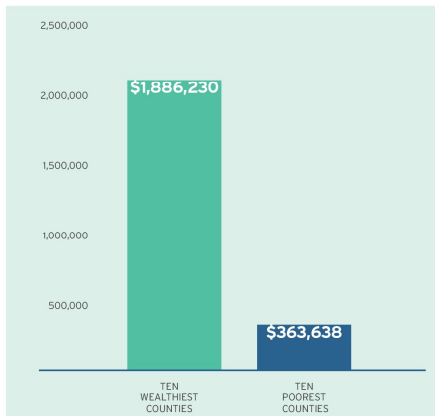


## Disparities in Real Estate Wealth Across NC



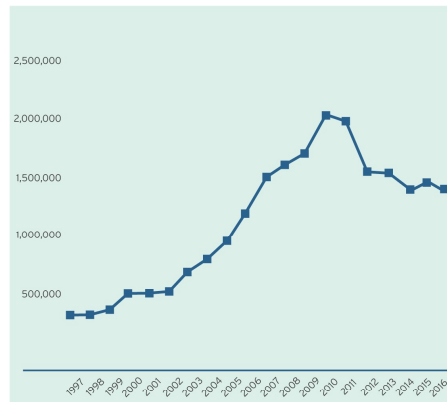
## Disparities in Real Estate Wealth

TAXABLE REAL ESTATE WEALTH PER CHILD



The wealthiest counties have more than five times the taxable property wealth per child available to the ten poorest counties. As a result, even though the ten poorest counties tax themselves at double the rate of the wealthiest counties, the revenue they generate through taxation is substantially lower.

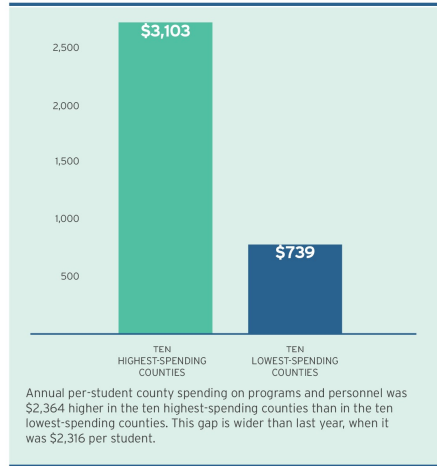
WIDENING REAL ESTATE WEALTH GAP



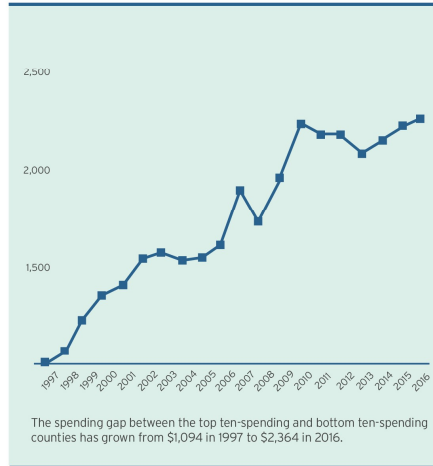
The difference in real estate wealth capacity between the ten wealthiest and ten poorest counties has grown from \$477,477 in 1997 to \$1,522,591.55 in 2016.

## Disparities in Spending

COUNTY-LEVEL SPENDING PER STUDENT

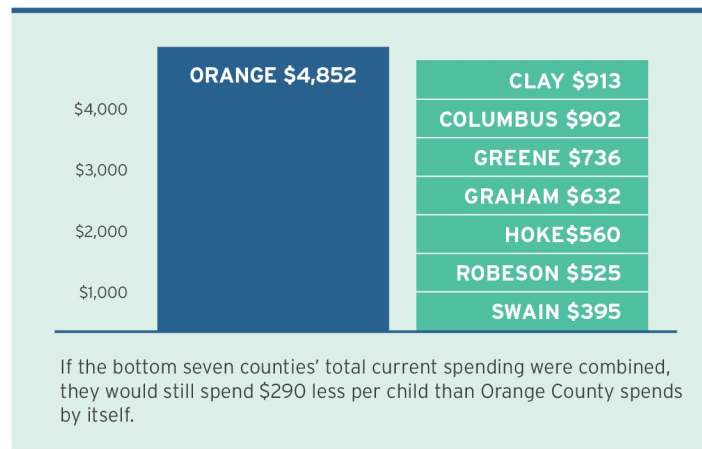


WIDENING SPENDING GAP



## Local Education Spending

SPENDING DISPARITIES





### Greene County: Real Estate Wealth Available Per Student

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Final ADM	3,149	
2015-16 Adjusted Tax Base	\$1,058,818,848	
Adjusted Tax Base Per ADM	\$336,239.71	State Average: \$780,843.25
Average Effective Tax Rate	\$0.82	State Average: \$0.669

State Rank: 98<sup>th</sup> in Real Estate Wealth Available Per Student

## Greene County: Spending

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Greene County 2015-16  
Total Current Spending: **\$2,317,000**

Greene County Spending per ADM: **\$736**

State Average Spending per ADM: \$1,596

## Greene County and Orange County

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	Greene County	Orange County
Final ADM	3,149	20,127
2015-16 Adjusted Tax Base	\$1,058,818,848	\$16,700,296,598
Adjusted Tax Base Per ADM	\$336,239.71	\$829,745.94
Average Effective Tax Rate	\$0.82	\$0.88
<b>Total Spending Per ADM</b>	<b>\$736</b>	<b>\$4,852</b>

## Greene County: Ability to Pay

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**Ability to Pay:** Measure of a county's per student fiscal capacity to support local schools

Greene County revenue per student: **\$2,031.92**

**State Average Revenue Per Student: \$5,724**

State Range: \$1,609.95 (Robeson) to \$26,912.92 (Dare)

## Greene County: Spending w/ Supplemental Funds

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Greene County 2015-16  
Total Current Spending  
with Supplemental Funds: **\$5,659,588**

2015-16 Low Wealth Funding: \$2,104,188  
2015-16 Small County Funding: \$1,238,400

Greene County Spending per ADM  
w/ Supplemental Funds: **\$1,797**

**Increase of \$1,061**



## All dollars are not created equal

COUNTY	STATE PPE	FEDERAL PPE	LOCAL PPE	TOTAL
CMS	5,458.93	970.49	2,412.73	8,842.15
Robeson County	6,882.93	1,675.11	848.85	9,406.89

Robeson County Schools Local PPE: **10%** of total PPE expenditures  
 Charlotte-Meck Schools Local PPE: **27%** of Total PPE expenditures

### Why this matters:

Local funds have the greatest flexibility, allowing districts to put money where it's needed the most.

## Final Thoughts

- The state should ensure both the adequacy and equity of statewide public school funding.
- Do no harm.
- Build school funding pillars that improve education outcomes for all children.
- NC funding structure presents opportunity for major impact.



The PDF of the 2018 Local School Finance Study is available for download at [www.ncforum.org](http://www.ncforum.org).