

Overview of NC's Public Education Budget

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Governor's Commission on Access to Sound Basic Education
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Agenda

- **System of Public Schools:
Key Features & Facts**
- **Funding for Schools**

System of Schools: Key Features & Facts



State Constitution



Article IX, Sec. 2:

- General Assembly shall provide ... **general and uniform system of free public schools**
- ... wherein **equal opportunities** shall be provided **for all students**.
- ... may assign to units of local government ... responsibility for the financial support of the free public schools as it may deem appropriate.
- Units of local government ... may use local revenues to add to or supplement any public school program.



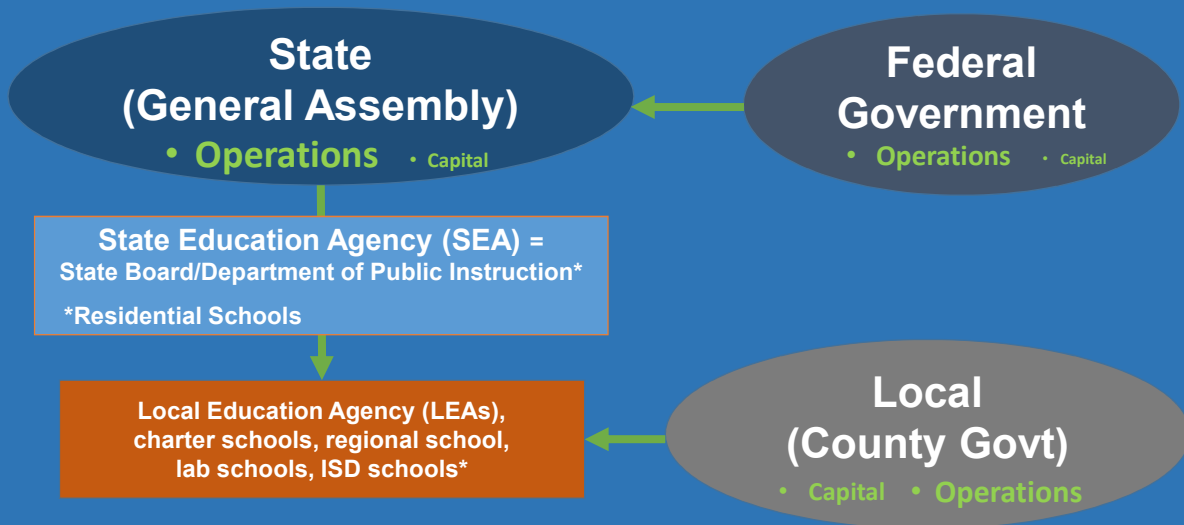
NC General Statute

GS 115C-408(b):

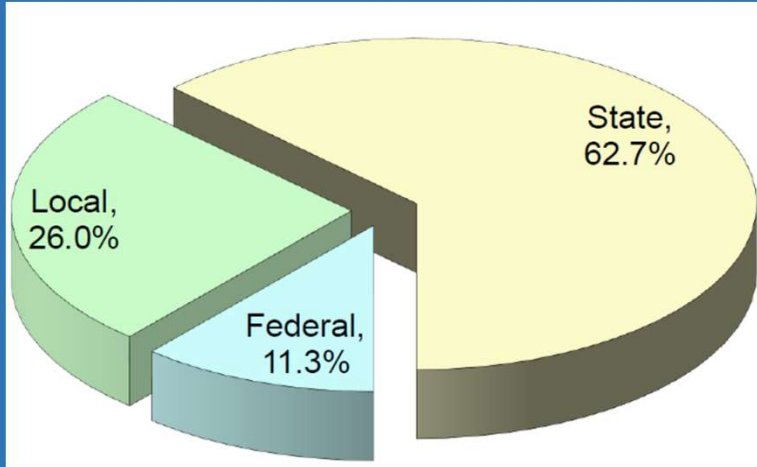
“It is the policy of the State of North Carolina to **provide from State revenue sources the instructional expenses for current operations of the public school system** as defined in the standard course of study.

It is the policy of the State of North Carolina that the **facilities requirements** for a public education system **will be met by county governments.**”

NC Public Schools Funding Structure



Total Funding: Public School Operations



2017-18:
\$9.7 b State

Estimated:

\$1.4 b Fed

\$4 b Local

Source: 2015-16, Child Nutrition included; see p. 3 of *Highlights of the NC Public School Budget* for more detail

Scope of Operations: Local Level

- 1.5 million **Students** (Average Daily Membership; “ADM”)
- 2,551 **schools** across 115 **School Districts** (Local Education Agencies; “LEAs”)
- 174 **Charter Schools**
- 1 **Regional** School, 2 **Laboratory** Schools, 1 **ISD** School

Note: See pp. 5-6, 33-35 of *Highlights of the NC Public School Budget* for more detail regarding ADM

Scope of Operations: Schools Personnel

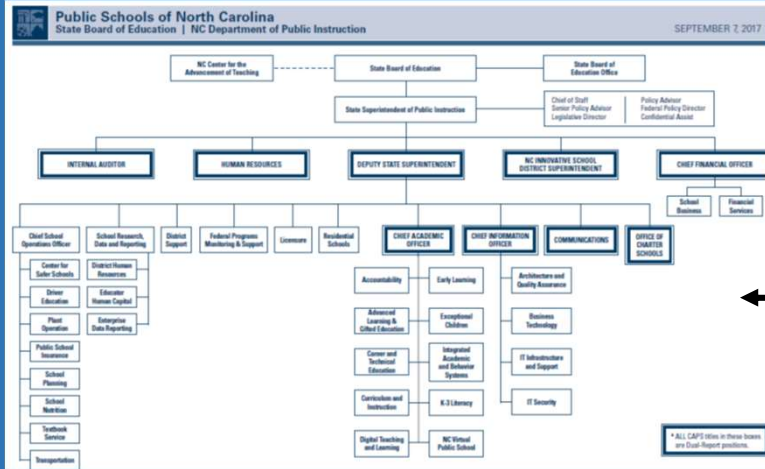
	<u>LEA</u>	<u>Charter</u>
• Teachers	94,304	5,708
• Instructional Support	15,560	540
• Principals/Assistant Principals	5,390	364
• Central Office Administrators	1,897	292

Note: See *Highlights* pp. 2-3, 14-15, 31 for more detail regarding LEA and charter school personnel

Scope of Operations: State Level

- State Board/DPI Oversight, Admin, & Support
- 3 Residential Schools (since 2006)
- NC Center for Advancement of Teaching (NCCAT)
- Innovative School District (ISD)

State Agency Budget



NC School for the Deaf \$ 8.7 m
Eastern NC School for the Deaf \$ 8.1 m
Governor Morehead School \$ 6 m

NC Center for Adv of Teaching \$ 3.4 m

Pass-Through Special Approps \$ 6.9 m
(Teach for America, Comm in Schools, etc.)

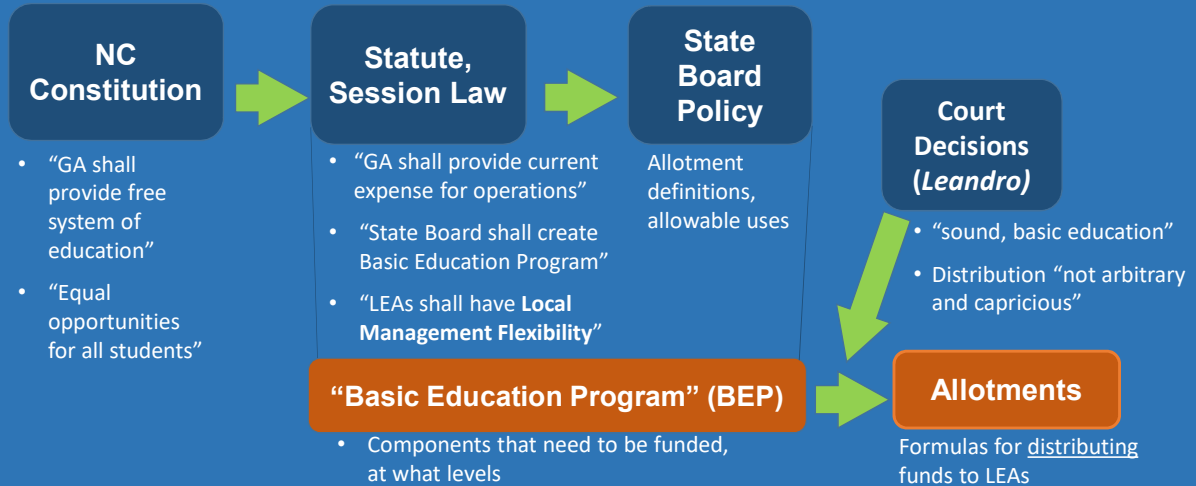
“Core” DPI Programs \$ 54.8 m

Source: June 30, 2017 budget data

After 2017-18 Reduction \$ 50.4 m
(includes Excellent Public Schools Act, Connectivity, ISD – approx. \$3.1 m)

Funding for Schools

Basis for Current System



Basic Education Program (BEP)

1979-1985

General Assembly (GA) and State Board **studied cost to educate students** and the funding relationship between the state and counties

1984

GA clarified state responsibility to provide “**instructional expenses for current operations of the public school system, as defined in the standard course of study**” (SL 1984-1103, codified in GS 115C-408)

1985

GA directed State Board to create a **Basic Education Program** that would “describe the education program to be offered to every child in the public schools” (SL 1985-479, Sec. 55, codified in GS 115C-81)

BEP was to be implemented “within funds appropriated for that purpose” and funds for low-wealth counties were to be provided “to enhance the instructional program and student achievement”

Basic Education Program (BEP)

Identified the **components** required for a school district to be able to provide a **sound basic education** for all students

Component (ie, Education Program "Input")	Estimated Need
Instructional Materials	\$25 (in 1985 dollars) per ADM
Instructional Equipment	\$1.71/ADM
Textbooks	\$20/ADM
Classroom Teachers	One position for every 20 ADM in K-3, 22 ADM in 4-6, 21 ADM in 7-8, 24.5 ADM in 9-12
Secretaries/Clerical Assistants (Central Office)	3 positions for 0-1,999 students in ADM, with one additional position for each 1,000 students in ADM
Finance Officer	One per county
Principal	One per school with at least 7 state allotted teachers or 100 students in ADM

These estimated needs translated into formulas for distributing funding for the various components

Flexibility and Accountability

1995

GA provided LEAs with **increased flexibility in using funds**, increased oversight and accountability for student outcomes (SL 1995-450, "HB 6")

GA **consolidated 49 specific allotment categories into 11** (for a new total of 30) and required the State Board to expand Uniform Educational Reporting System (UERS) data collection to capture information on expenditures at the school level

Current System of Allotments



Supplemental

funds to address special student or situational/LEA characteristics

Base

funds for every student

Current System of Allotments



Supplemental \$

Examples: Exceptional Children (EC), Limited English Proficiency (LEP), At-Risk, Low Wealth, Academically & Intellectually Gifted (AIG), Career & Technical Education (CTE)

Base \$

Examples: Teachers, Principals/Assistant Principals, Instructional Support, Textbooks, Instructional Supplies

Two Types of Allotments: Position and Dollar



Position

provides “guaranteed” position (or months of employment) based on ratio of 1:# ADM – State pays at rate on Statewide salary schedule



Dollar

provides set amount of dollars (typically “\$/ADM”) to be used for allowable purpose

Position Allotments



Example:

Instructional Support (IS)

$$\begin{array}{r}
 1 \text{ position per } 218.55 \text{ students in Statewide ADM} \\
 \times \\
 \text{State average salary for IS} \\
 = \\
 \text{State Budget for IS}
 \end{array}$$

Source: 2017 *Highlights* p. 8

Dollar Allotments








Example:

Academically or Intellectually Gifted (AIG)

\$1,310.82 per student for 4% of ADM

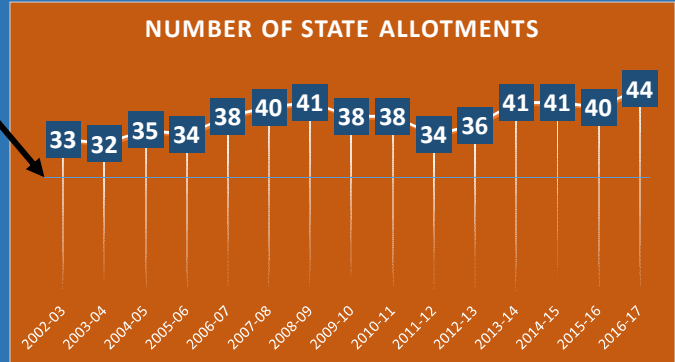
Source: 2017 Highlights p. 8

Selected Allotments – 2017-18 State Budget

 Teachers	\$ 3,217,439,831
 Principals	\$163,799,216
 Classroom Materials/Instructional Supplies	\$ 47,426,528
 Children with Disabilities	\$743,130,211
 Low Wealth Supplemental Funding	\$222,384,974

Total Number of Allotments in System

- ~ 25 “core” allotments (e.g., classroom teachers, textbooks) that have been in place since 2002
- Number of allotments in a given year varies (see chart) based on the *creation* or *end* of certain programs



Examples:

Restart schools, panic alarms, summer reading camps are all individual allotments that have been **created** in the last five years. Staff Development allotment was **ended** in 2011-12.

Allotments produce Weighted Pools of Funds

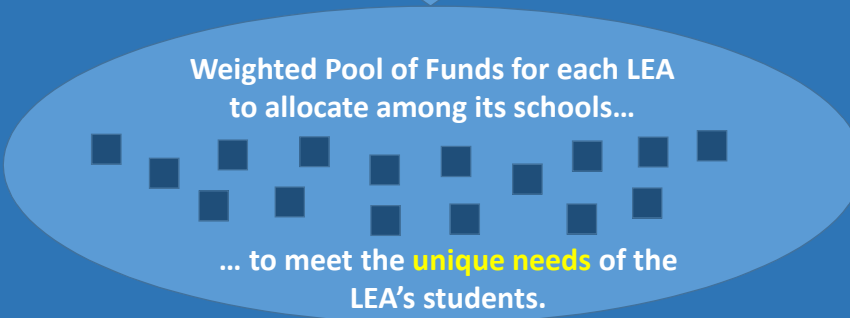
State



Allotments



LEA



Weighted Pool of Funds for each LEA to allocate among its schools...

... to meet the **unique needs** of the LEA's students.

Note: Each Charter School receives average total \$/ADM of LEA in which it is located

Summary

- **System of Public Schools:
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- **Funding for Schools**

Questions?