

Funding NC Public Schools: Allotments

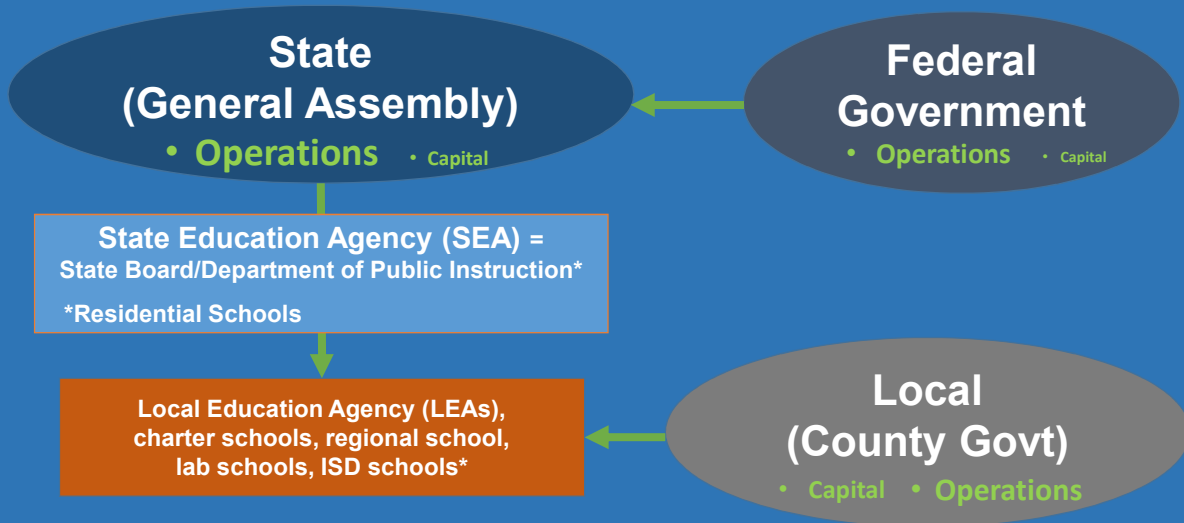
Adam Levinson, NCDPI Chief Financial Officer
Governor's Commission on Access to Sound Basic Education
April 10, 2018

Agenda

- **System of Allotments**
- **Supplemental Allotments to address Economic Disadvantage**

System of Allotments

NC Public Schools Funding Structure



What is an Allotment?



- Mechanism for allocating the basic component resources (inputs) required to operate public schools
- Based on statute, session law, State Board Policy
- **Authority to draw cash from the State Treasurer**



Resources: www.ncpublicschools.org/fbs/allotments

Allotment Design Principles

- **Equity**
- **Stability/Predictability**
- **Objectivity**
 - Based on research/evidence, standard factors
- **Transparency**
 - Based on clear logic, as simple as is practical/feasible

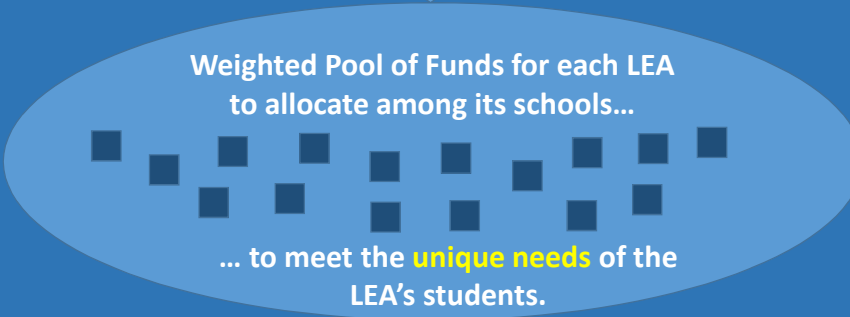
Allotments produce Weighted Pools of Funds

State



Allotments

LEA



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

Current System of Allotments



Supplemental

funds to address special student or situational/LEA characteristics

Base

funds for every student

Two Types of Allotments: Position and Dollar



Position

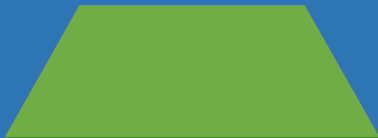
provides “guaranteed” position (or months of employment) based on ratio of 1:# ADM – State pays at rate on Statewide salary schedule



Dollar

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

Distribution of Allotments



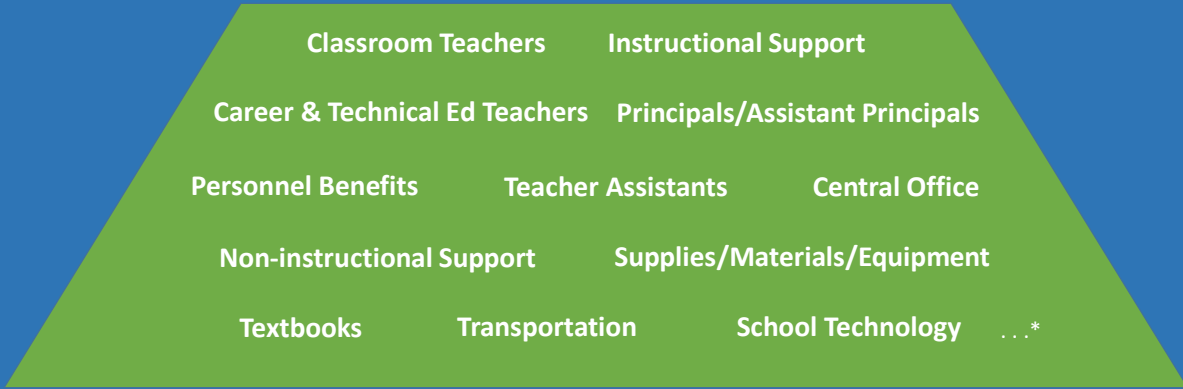
~ 80% of funding is in the Base
(~ 70% is for **instructional personnel**)



~ 60% of funding is through **position allotments** (salary & benefits)

Note: 94% of total expenditures in 2016-17 were for personnel; most supplemental, dollar allotments are spent on personnel

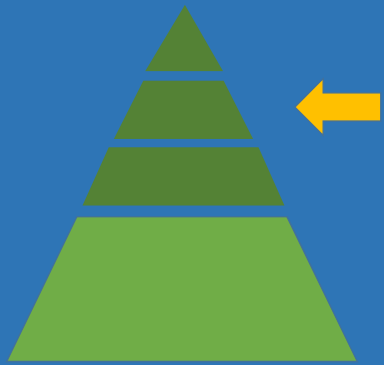
Distribution of Allotments



**Note: There is no single, standard definition of "base;" this slide identifies items commonly considered so, but is not exhaustive*

Allotments to address Economic Disadvantage

Allotments to address Economic Disadvantage



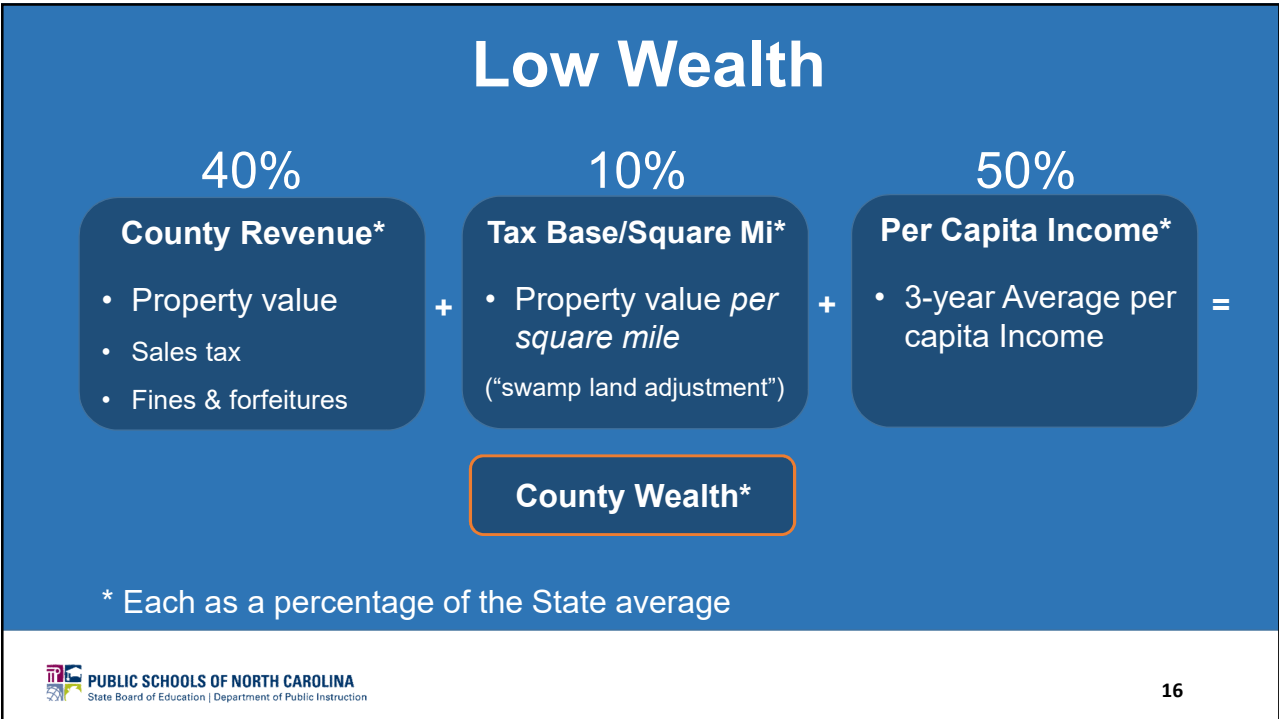
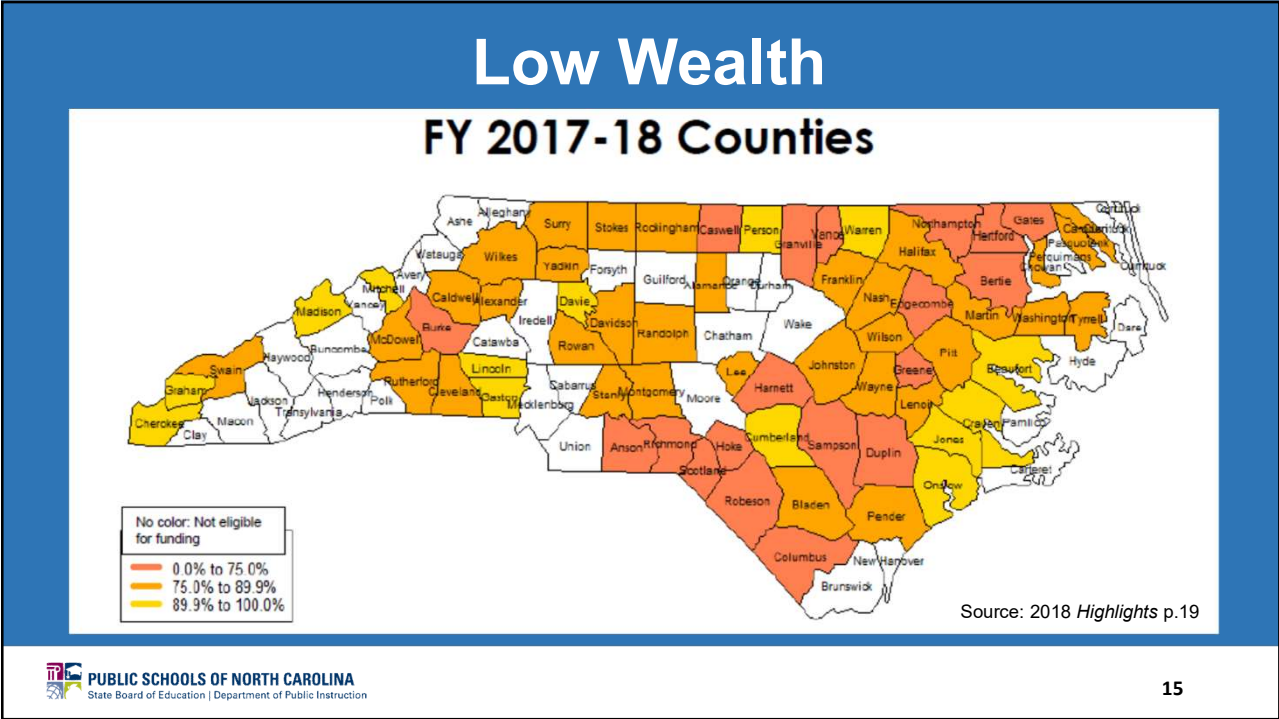
Supplemental \$

Low Wealth Supplemental Funding (“Low Wealth”)
 Disadvantaged Student Supplemental Funding (“DSSF”)
 At-Risk Student Supplemental Funding (“At-Risk”)

Low Wealth

\$228,792,171

- Provides supplemental funds (\$/ADM) to counties with below State-average ability to generate local revenue to use for enhancing public school operations (current expense)
- 67 counties eligible/funded in 2017-18 (plus 10 city LEAs)
- General Assembly first funded LW in 1990-91; fully funded in 2006-07



Low Wealth

If **County Wealth*** < 100%, then County qualifies for funding

Examples:

County	ADM	Revenue per ADM (40%)	Tax Base per Sq. Mile (10%)	Per Capita Income (50%)	40%+10%+50% =Total
Alamance County	24,544	77.86%	136.06%	89.25%	89.38%
Alexander County	4,992	84.17%	48.57%	80.81%	78.94%
Alleghany County	1,410	163.36%	33.73%	79.63%	108.53%

For full calculation sheet, see *Calculating Low Wealth Supplemental Funding* at www.ncpublicschools.org/fbs/

Low Wealth

Effort requirement

An eligible county must meet one of two criteria to receive 100% of their calculated funding:

- Is the county **effective tax rate** equal to or above the state average?
- Do **local contributions** to education spending equal or exceed what county could contribute (based on State average local contribution)?

Supplemental funding is adjusted downward if local effort does not meet one of the criteria

Low Wealth

Allowable uses broad, focused on instruction:

- Instructional positions
- Instructional support positions
- Teacher Assistants
- Clerical Support
- Substitutes
- Overtime pay
- Fringe Benefits
- Pay supplements for instructional and instructional support personnel
- Instructional supplies, materials, equipment
- Staff development
- Textbooks

Funds must supplement, not supplant local contributions

DSSF

\$91,737,981

- Provides supplemental funds (\$/ADM) to enhance LEAs' **capacity** to meet the needs of disadvantaged students
- Every county eligible/funded in 2017-18
- General Assembly first funded DSSF in 2004-05 for an initial cohort of 16 LEAs; funded all LEAs in 2006-07

DSSF

Composite index orders LEAs based on research-derived “community” variables associated with low academic performance:

% of students in single-parent homes + **% of students in poverty (Title I)** + **% of students with at least one parent having < HS education** =

LEA Composite % (proxy for relative disadvantage)

DSSF

Relative disadvantage then translated to basis for funding using the following data:

- 5-year State average % of students performing below grade level (“State Average Disadvantaged Population Percentage”)
- LEA Composite percentage point distance from that State average

Estimated LEA Disadvantaged Population (% of LEA ADM)

DSSF

Additional capacity for relatively more disadvantaged LEAs is then provided . . . through **the dollar equivalent of reduced teacher-student ratios**, with greater levels of funding going to LEAs that are less wealthy (based on LW data)

More disadvantaged → Less wealthy → More DSSF funding to supplement capacity

At-Risk

\$297,463,488

Provides supplemental funds (\$/ADM) to support **every** LEA's efforts to do the following:

- Identify students likely to drop out
- Provide special alternative programs and/or schools
- Deliver summer school instruction and transportation
- Offer remediation, tutoring
- Conduct alcohol and drug prevention
- Provide preschool screening and early intervention
- Maintain safe schools
- Meet special needs of pregnant and parenting students

At-Risk



Dollar equivalent of School Resource Officer (SRO) salary (\$37,838) per High School

50%

50%



Students in Poverty
(based on Title I data)

Students in ADM

* Each LEA receives a minimum of the dollar equivalent of two teachers and two instructional support personnel (salary & benefits)

At-Risk

“Priority” uses focused on instruction:

- Instructional or instructional support positions and/or professional development
- Intensive in-school and/or after-school remediation
- Diagnostic software and progress monitoring tools

Funds can carry over to be used by Aug 31 of next FY

Summary

- **System of Allotments**
- **Supplemental Allotments to address Economic Disadvantage**

Questions?