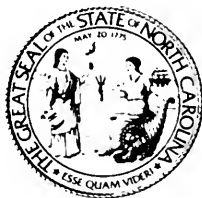


# **LEGISLATIVE RESEARCH COMMISSION**

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## **SCHOOL FINANCE STUDIES**



**REPORT TO THE  
1981 GENERAL ASSEMBLY  
OF NORTH CAROLINA**

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STATE OF NORTH CAROLINA  
LEGISLATIVE RESEARCH COMMISSION  
STATE LEGISLATIVE BUILDING  
RALEIGH 27611



TO MEMBERS OF THE 1981 GENERAL ASSEMBLY

The Legislative Research Commission herewith reports to the 1981 General Assembly of North Carolina on the matter of School Finance Studies. The report is made pursuant to Chapter 838, Section 59, of the 1979 Session Laws.

This report was prepared by the Legislative Research Commission Committee on School Finance Studies, and it is transmitted by the Legislative Research Commission to the members of the 1981 General Assembly for their consideration.

Respectfully submitted,

*W. Craig Lewing*      *Carl J. Stewart, Jr.*  
\_\_\_\_\_  
W. Craig Lewing      Carl J. Stewart, Jr.

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LEGISLATIVE RESEARCH COMMISSION



TABLE OF CONTENTS

	<u>Page</u>
Letter of Transmittal .....	i
Preface .....	v
Committee Proceedings .....	1
Findings and Recommendations .....	3
Appendices	
Appendix A - Members, Legislative Research Commission	A-1
Members, Committee on School Finance	A-1
Studies; Section 59, 1979 Budget Act ...	A-2
Appendix B - Witnesses .....	B-1
Appendix C - Memorandum from Committee on School Finance Studies to Governor and Members of the Advisory Budget Commission .....	C-1
Appendix D - Department of Public Education, Expansion Budget Requests, 1981-83 .....	D-1
Appendix E - Estimated Costs for Raising Non- Professional Public School Personnel to Midpoint of the Salary Schedule .....	E-1
Appendix F - Public Schools, Allotment of Personnel .	F-1
Appendix G - Legislation, Proposal to Extend the Legislative Research Commission's School Finance Study .....	G-1



## PREFACE

The Legislative Research Commission, authorized by Article 6B of Chapter 120 of the General Statutes, is a general purpose study group. The Commission is cochaired by the Speaker of the House and the President Pro Tempore of the Senate and has five additional members appointed from each house of the General Assembly. Among the Commission's duties is that of making or causing to be made, upon the direction of the General Assembly, "such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner" (G.S. 120-30.17(1)).

At the direction of the 1979 General Assembly, the Legislative Research Commission has undertaken studies of numerous subjects. These studies were grouped into broad categories and each member of the Commission was given responsibility for one category of studies. The Cochairmen of the Legislative Research Commission, under the authority of General Statutes 120-30.10(b) and (c), appointed committees consisting of members of the General Assembly and of the public to conduct the studies. Cochairmen, one from each house of the General Assembly, were designated for each committee.

The study of school finance studies was directed by Section 59 of the 1979 Budget Act (Chapter 838 of the 1979 Session Laws). The need for a coordinated study arose from the production of three significant reports on school finance in North Carolina. These reports speak to: (1) salary schedules for State-paid personnel in the State's elementary and secondary schools, (2) standards for allotting school personnel to local school systems, and (3) the overall system of financing public education in North Carolina.

Because of the long range implications of these studies for the Legislature and the public school system, the Legislative

Research Commission placed this study under the Education Area, for which Representative Lura S. Tally of the Commission is responsible. This study was assigned to the Committee on School Finance Studies, cochaired by Representative Malcolm Fulcher and Senator Marvin Ward. Membership lists of the Legislative Research Commission and the Committee on School Finance Studies, as well as a copy of Section 59 of the 1979 Budget Act, may be found in Appendix A.



## COMMITTEE PROCEEDINGS

The Committee on School Finance Studies held seven meetings in the period between November of 1979 and December of 1980. A list of witnesses who appeared before the Committee may be found in Appendix B.

The Committee began by assessing the progress already made toward accomplishing the goals set out in the three studies, the legal and constitutional status of North Carolina's system of public school finance, and efforts by the General Assembly, the State Board of Education and others toward implementing the recommendations of the three study groups. The Committee considered the lack of equity which has resulted from the increasing portion of the cost of education being borne by local government in recent years. The Committee agreed that efforts to equalize funding must necessarily await an accurate determination of local ability to pay.

In the period prior to the interim legislative session (1979 General Assembly, Second Session 1980), the Committee considered methods of advancing implementation of the studies through support for 1980-81 budget items and through direction given to the State Board of Education. The Committee voted to support a proposal by the Governor to revise the salary schedule for certified personnel in the public schools, so that all such personnel will be on the same salary schedule. The Committee also reviewed efforts to bring non-certified school employees onto a uniform salary schedule, observing that all permanent full-time school employees will be on such a schedule as of January 1, 1981; though in several instances State resources have not yet been made available to make it possible for personnel to graduate to higher steps on the schedule. While further efforts in this area are needed, the adoption and funding of the salary schedule for certified personnel by the General

Assembly in 1980 and efforts by the State Board of Education to bring non-certified school personnel onto such a salary schedule represent major steps in implementing the 1979 report of the Legislative Research Commission's Committee on A Uniform and Equitable Salary System for Public School Employees.

The Committee also considered efforts by the State Board of Education to "cost out" the programs that constitute the basic educational program that the State provides and to reduce the number of separate line items on which State funds are allocated.

Following the 1980 interim Legislative session, the Committee discussed progress in implementing the recommendations of the three studies as a result of action in 1980. The Committee also considered efforts undertaken by another committee of the Legislative Research Commission to study causes and prevention of school dropouts; and considered elements of the State Board of Education's 1981-83 expansion budget requests and how funding of certain of these requests might accelerate implementation of the reports of the three study groups.

At its meeting on November 19, 1980, the Committee voted to transmit to the Governor and to the members of the Advisory Budget Commission a list of approximately \$53 million in expenditures from among the \$229 million in 1981-83 expansion budget requests submitted by the State Board of Education (See Recommendation 2 ). With the list, the Committee transmitted a memorandum expressing Committee support for (1) the inclusion of the \$53 million in expansion budget expenditures approved and recommended by the Advisory Budget Commission, (2) inclusion by the Commission in the 1981-82 continuation budget of \$8 million to cover inflationary increases in the cost of school plant operation and (3) an adequate increase in salary for public school employees, such an increase to be related to the increase in the cost of living. The memorandum, and the list of expansion budget expenditures supported by the Committee, was delivered to the Governor and to the members of the Advisory Budget Commission prior to the meeting of the Commission on November 20, 1980.

## FINDINGS AND RECOMMENDATIONS

Pursuant to the direction of Section 59 of the 1979 Budget Act that the Legislative Research Commission "give leadership to the implementation of these studies and to bring to future sessions the guidance and direction required", the Commission's Committee on School Finance Studies makes the following findings and recommends the following courses of action to the 1981 General Assembly.

Finding 1. Much progress has been made with respect to implementation of the recommendations of the 1979 report of the Legislative Research Commission's Committee on a Uniform and Equitable Salary System for Public School Employees. As a result of legislative action in 1980 (1979 General Assembly, Second Session 1980), all certified educational personnel are on a single statewide salary schedule. In addition, the importance of non-certified public school personnel has been recognized and action has been taken to assure that these personnel are paid according to a uniform salary schedule. Despite these accomplishments many of these non-certified personnel remain on a salary schedule which remains underfunded, unable to look forward to movement upward on a graduated scale. Inflation has also acted to erode much of the forward momentum created by the adoption of a uniform salary schedule for certified public school employees.

Recommendation 1. The Committee recommends that the General Assembly appropriate funds to provide allocation increases in funding for non-certified school employees to enable local boards of education to provide salary increases on the salary schedule for non-certified personnel as determined appropriate by local boards. Those funds included on the attached list of 1981-82 budget recommendations (list follows Recommendation 2) represent a minimum first step toward State funding of the salary schedule for

non-certified personnel. The Committee also recommends that the General Assembly appropriate sufficient funds to provide for a salary increase for all State paid public school employees, an increase related to the increase in the cost of living.

Finding 2. Major steps have been undertaken in recent years to reduce class size and improve the system by which North Carolina allocates education personnel, consistent with the recommendations of the commission appointed to study "the formulas and funding procedures whereby the State Board of Education allocates funds to local administrative units." 1977 Session Laws, Resolution 91. Those positions allotted as teaching positions by the State Board of Education must remain teaching positions and cannot be used to employ non-teaching personnel. In addition, allotments of personnel are now based on the best three of the first four months of enrollment, thus permitting better planning and anticipation by local officials. Instructional support positions are also now allotted on a basis permitting greater flexibility at the local level. Progress in the implementation of the recommendations of this commission is summarized in Appendix F.

Recommendation 2. The 1981-83 expansion budget requests of the State Board of Education represent substantial steps toward implementation of the recommendations of the Commission to study the allocation of personnel to local school administrative units. In an effort to act and make recommendations in a manner consistent with economic reality and with a recognition of the limitations which constrain expenditures, the Committee recommends appropriations of \$53 million according to the attached list drawn from among the \$229 million in expansion budget requests submitted by the State Board of Education. The priorities on the attached list are those of the State Board of Education. The members of the Committee feel that these expenditures represent important, though limited steps toward implementation of the recommendations

of the Commission on Allocation of Personnel to Local Administrative Units. In a memorandum to the members of the Advisory Budget Commission expressing these sentiments, the Committee also expressed support for inclusion of \$8 million in the 1981-82 continuation budget to cover inflationary increases in the cost of school plant operation, as well as support for the cost of living salary increase noted in Recommendation 1 above. (See Appendix C for a copy of the memorandum.) The Committee reiterates the sentiments expressed in the memorandum to the Governor and to the members of the Advisory Budget Commission.

	<u>Description</u>	<u>Recommended 1981-82</u>
1	Provide teacher allotment ratio of 1:28, grades 4-6, instead of present ratio of 1:30.	\$12,323,403
2	Reduce teacher daily student load from 150 to approximately 140 for reading, language arts, and math classes in grades 7-12. It is the intent of this Committee that these funds shall be used to reduce the teacher load in these grade levels and these subject areas and for no other purpose.	9,968,855
	Reduce dropouts by expanding basic skills instruction for low achievers, grades 7-12.	4,000,205
4	100 new vocational teachers to serve approximately 10,000 additional students.	1,503,529
	Improve the allotment formula for instructional support from one position for each 264 ADM to one position for each 242 ADM for the employment of assistant principals, guidance counselors, librarians, attendance counselors, social workers, nurses, etc.	4,993,922
	Exceptional Children - Provide services to newly identified exceptional children.	1,000,000
	Provide an allocation increase for non-certified employees and bus drivers in the following amounts. The purpose of this allocation is to provide merit salary increases as determined by local boards of education. For 7A, 7B, and 7C, this will allow an average increase of one-step. For 7D, this will allow an average increase of 50¢ per hour from the current \$3.50.	
	7A Teacher Aides	\$4,179,053
	7B Office Support Personnel	879,156
	7C Custodians	1,382,848
	7D Bus Drivers	3,449,407
		9,890,464
0	Increase instructional materials and supplies from \$13.50 to \$19.50 per ADM in grades 4-12.	4,741,794
1	Increase textbook allotments, grades 9-12, from \$8 to \$15 per ADM and from \$45 to \$55 per student for student increases.	2,366,626
	Develop pre-teacher education screening procedures for the Quality Assurance Program.	200,000
F	Provide staff development for reading/language arts/math teachers, grades 4-12.	1,612,000
	Develop sixteen new LEA Health Coordinators, along with health education curriculum guides and materials.	438,221
	-6-	<u>TOTAL</u>
		\$53,839,010

Finding 3. The Committee finds that there remains a great need to define and cost out a basic program of education. The structure of school finance that has developed in North Carolina since the Depression Era provides for the allocation of specific amounts for educational purposes through specific line-items. The number of line-items has steadily expanded as new items have been added and existing items have been expanded and redirected.

This allocation system by line-items is inflexible and unresponsive to needed change. It provides for fiscal accountability but precludes the delivery of comprehensive educational services to children. There is ultimately in this system no perception of what educational program is being purchased for children; education is defined in terms of discrete line-items rather than in terms of programs and services which these line-items in the aggregate are designed to purchase.

There has traditionally been no clear perception of the educational system's programmatic responsibilities to children. There has been no clear definition of the educational opportunity that should be made available to all school children in North Carolina simply because the multiple line-item allocation system by which State monies are sent out to the schools does not allow for its development and implementation. The staff of the Department of Public Instruction has completed a first effort to develop such a definition. In its work, the staff has defined educational opportunity in terms of levels of inputs in specific categories and the resultant instructional activities that can be purchased for all school children. Costs have been determined for these inputs associated with a basic program of education. Through this process it is possible to identify on a comprehensive per pupil basis the education program to be purchased with public monies.

The Committee finds that there is a need to provide direction to the effort to define and cost out a basic education program. Specifically, the Committee finds that it is necessary to experiment

with the basic education program concept as the mechanism for the allocation of funds to a number of local education agencies that agree to participate in a pilot program. Demographically dissimilar units - for example, rural, small city, and urban - should be included in the pilot project in order to gauge more accurately the impact of a per pupil programmatic allocation scheme upon the local school units in North Carolina.

Recommendation 3. The Committee recommends that a pilot program designed to determine the effectiveness and efficiency of an allocation structure based upon the definition of a comprehensive education program should be initiated. The Committee recommends that the General Assembly allow an appropriate number of model units to be funded, either on the basis of per pupil costs of a defined educational program or for comparison purposes on the basis of a simple reduction in the number of line-item allocations.

Finding 4. The Committee finds that there has never been any clear understanding of who shall pay for what educational services in North Carolina; in particular, there is no consensus as to what the relationship between State and local funding should be in the provision of educational opportunity. An allocation system based on a complex list of line items in a budget does not lend itself to this sort of scrutiny.

This issue of who pays for what will become increasingly important as public funds become scarcer and officials are increasingly held accountable for their expenditure. Traditional local expenditures for education will become an increasingly complex political issue to the extent that property taxes, under increasing political attack, are a principal means of raising local education revenues.

The Committee finds that the issue of relative fiscal responsibility for education is of crucial importance. The



Committee finds that this issue deserves careful and deliberate study by the General Assembly.

The Committee also finds that the absence of a defined program results in another problem characteristic of North Carolina's current school finance structure -- its unresponsive nature. At present, successful educational change is translated into altered or expanded line-items. There is, however, no effective way to determine the relationship of these changes to other components of the education program. Likewise, there is no meaningful way to relate the present line-item allocation system to real educational need because this need has never been defined in a comprehensive programmatic manner.

The unresponsive nature of the present allocation system becomes of particular concern in an era in which the educational arena is characterized by a variety of special interest groups advocating their own concerns and needs. These special interests are often translated into expanded or new line-items which may or may not address real educational need. The Committee finds that there are no standards by which to evaluate the need for and impact of these line-items in terms of a total education program.

The Committee also finds that there is a lack of accountability in the present school finance structure. There is limited fiscal accountability implicit in the present line-item budget structure. It is possible, for example, to determine if monies allocated for a particular line-item are indeed spent for the purpose intended. There is, however, no program accountability to the extent that there is no definition of the program operative in the traditional school finance system. It, therefore, is not possible to determine if monies are being allocated and spent for the purchase of prescribed levels of goods and services which are judged to be crucial to the delivery of a comprehensive educational program. Ultimately, the program accountability issue addresses the very basis of a

school system for it articulates a concern for children and the satisfaction of their educational needs in a comprehensive and a reasoned manner.

The Committee finds that all of these issues - the relationship between local, State, and federal monies in the provision of an educational program, the unresponsiveness of the traditional allocation system, and program accountability - are closely related to the effort to define and cost out a basic program of education. It, therefore, believes that the pilot program which it recommends for the field testing of the basic program concept as a mechanism for allocating funds to local school units assumes added importance.

Recommendation 4. The Committee recommends that the General Assembly direct the Legislative Research Commission, through the Committee on School Finance Studies, to continue "to give leadership to the implementation of these studies and to bring to future sessions the guidance and direction required," as directed by Section 59 of the 1979 Budget Act. This recommendation is made in view of: (1) the nature of the direction in Section 59 of the 1979 Budget Act, (2) the unfinished nature of the task outlined therein, (3) the need to monitor the pilot program proposed in Recommendation 3, and (4) the need to study the funding mechanisms noted above and to make appropriate recommendations in an effort to provide legislative leadership in the area of school finance reform. See Appendix H for enabling legislation.

LEGISLATIVE RESEARCH COMMISSION

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Representative John Gamble	Senator Melvin R. Daniels, Jr.
Representative Parks Helms	Senator Carolyn Mathis
Representative John J. Hunt	Senator R. C. Soles, Jr.
Representative Lura S. Tally	Senator Charles E. Vickery

LEGISLATIVE RESEARCH COMMISSION

COMMITTEE ON SCHOOL FINANCE STUDIES

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Representative George W. Miller, Jr.	Senator Sam R. Noble
Representative Van F. Phillips	

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 1979  
RATIFIED BILL

CHAPTER 838

SENATE BILL 124

AN ACT TO MAKE APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.

-----LEGISLATIVE RESEARCH COMMISSION TO STUDY SCHOOL FINANCE STUDIES

Sec. 59. State and federal funds have been used to produce three very significant statewide reports on school finance. These reports speak to: (1) the overall system of financing public education in North Carolina, (2) standards for allotting school personnel, and (3) salary schedules for all State-paid school personnel. Members of the Legislature and other citizens have invested considerable time in these studies. The 1979 General Assembly has responded to each of these studies. However, each of the studies has long-range implications for the Legislature and the public school system. The Legislative Research Commission is directed to give leadership to the implementation of these studies and to bring to future sessions the guidance and direction required.

## WITNESSES

Dr. Jerome Melton	Deputy Assistant Superintendent, Department of Public Instruction
Mr. John A. Williams, Jr.	Executive Assistant to the Governor, State Budget Officer
Mr. Andrew Vanore	Senior Deputy Attorney General
Mrs. Jean Thompson	Project Coordinator, Governor's Commission on School Finance
Mr. Roger Shurrer	Director, Division of Planning, Department of Public Instruction
Mr. Thomas King	Assistant Controller, State Board of Education
Mr. Eugene Causby	Assistant State Superintendent, Personnel Relations and Public Affairs
Mr. Lloyd Isaacs	Executive Director, North Carolina Association of Educators
Mrs. Ruth Watkins	President, North Carolina Association of Educators
Mr. David Williams	Legislative Commission, North Carolina Association of Educators
Dr. Ernie Copenhager	Association of Classroom Teachers North Carolina Association of Educators
Mr. Richard Jewell	President, Division of Principals North Carolina Association of Educators
Mr. Donald Jones	President, Division of Superintendents North Carolina Association of Educators
Mr. Donald Lassiter	President, Association of Supervisors and Curriculum Development, N.C. Associa- tion of Educators
Mr. Dennis Hands	North Carolina Federation of Teachers
Mrs. Janet Holem	North Carolina Congress of Parents and Teachers
Mr. Raymond Sarbaugh	Executive Director, North Carolina Associa- tion of School Administrators
Mr. Ralph Kimel	North Carolina Principals/Assistant Principals Association

Mrs. Margery Thompson	Charlotte-Mecklenburg Classroom Teachers Association
Mr. Kenneth Brantley	Past President, North Carolina Vocational Association
Dr. Raleigh Dingman	Executive Director, North Carolina School Boards Association
Mr. Ronald Aycock	Executive Director, North Carolina Association of County Commissioners
Mr. Douglas Magann	Superintendent, Guilford County Schools
Mr. John A. Campbell	Finance Officer, Charlotte-Mecklenburg Schools
Mrs. Lucy Ellen Gwynn	President, Association of Classroom Teachers, North Carolina Association of Educators
Dr. Earl Funderburk	Director, Division of Superintendents, North Carolina Association of Educators
Mr. Marvin Dorman	Deputy State Budget Officer
Mr. Alan Hill	Assistant Controller, State Board of Education
Mr. Jerry Beaver	Deputy Assistant Superintendent, Department of Public Instruction
Mr. William Peek	Assistant to the State Superintendent, Department of Public Instruction
Mr. Mark Schafer	Consultant, Special Projects, Department of Public Instruction
Dr. J. Frank Yeager	President, North Carolina Association of School Administrators
Ms. Virginia Ryan	North Carolina Federation of Teachers
Mr. Joseph Porter	Controller, State Board of Education

STATE OF NORTH CAROLINA  
LEGISLATIVE RESEARCH COMMISSION  
STATE LEGISLATIVE BUILDING  
RALEIGH 27611

Appendix C



MEMORANDUM

TO: Honorable James B. Hunt, Jr., Director of the Budget  
Honorable John R. Gamble, Jr.  
Honorable James B. Garrison  
Honorable Harold W. Hardison  
Honorable Edward S. Holmes  
Honorable H. Edward Knox  
Honorable Joe H. Palmer  
Honorable Liston B. Ramsey  
Honorable Marshall A. Rauch  
Honorable Horton Rountree  
Honorable Kenneth C. Royall, Jr.  
Honorable Ralph H. Scott  
Honorable Ben Tison  
Members Advisory Budget Commission

FROM: Legislative Research Commission's Committee on  
School Finance Studies

DATE: November 19, 1980

SUBJECT: Expansion Budget for Education

The Committee on School Finance Studies, which was charged by the 1979 Budget Appropriations Act with providing leadership in implementing the various studies recommending improvements in public education and its financing, has carefully considered the State Board of Education's expansion budget for the 1981-83 biennium in light of these studies.

The Committee recognizes the limited resources available to fund new or expanded programs in the coming biennium. The members of the Committee, however, strongly urge that at least \$53 million be appropriated in the expansion budget for fiscal year 1981-82 to fund those education programs listed on the attached sheet. The priority numbers included on the attached list represent the priorities adopted by the State Board of Education. The Committee on School Finance Studies, however, has adopted the attached list of needs as a single priority. In addition, the Committee urges that the recommendations of the Advisory Budget Commission for the 1981-82 continuation budget include appropriations of \$8 million to cover inflationary increases in the cost of school

plant operation. We also strongly urge that public school employees receive an adequate cost of living increase.

The \$53 million for expansion, out of the \$229 million requested by the State Board of Education, represents a bare minimum to keep North Carolina moving toward its commitment to implement the various studies urging improvement in our public schools.

We have not addressed the second year of the biennium in this memorandum, because we believe the greatest financial pressure is in the first year. We would urge that the second year of the biennium include additional funding.

/no

Attachment (Appears in body of report.)



## DEPARTMENT OF PUBLIC EDUCATION

## Expansion Budget Request

	<u>1981-82</u>	<u>1982-83</u>
Operating Requirements	\$1,947,809,905	\$2,097,188,682
Receipts:		
Federal	269,110,566	270,715,954
Departmental	<u>16,347,232</u>	<u>16,744,863</u>
General Fund Appropriation	\$1,662,352,107	\$1,809,727,865
% Increase Over 1980-81	15.1	20.7
Number of Employees	1,079	1,084
% Increase Over 1980-81	6.9	7.3
1. Provide teacher allotment ratio of 1:26, grades 4-6, instead of the present ratio of 1:30.	26,787,242	27,271,837
2. Reduce teacher daily student load from 150 to 125 for Reading, Language/Arts, and Math classes in grades 7-12.	30,190,257	31,077,476
3. Reduce dropouts by extending basic skills instruction for low achievers, grades 9-12, by allotting \$283 per student for those in the bottom quartile of achievement.	19,399,933	18,763,466
4. 447.5 new vocational teachers each year of biennium to serve 42,500 additional students each year, grades 7-12, 5 percent increased reimbursement rate each year and support for equipment and materials.	14,651,286	31,486,310
5. Improve the allotment formula for instructional support from one position for each 264 ADM to one position for each 200 ADM for the employment of assistant principals, guidance counselors, librarians, attendance counselors, social workers, nurses, etc.	23,587,345	23,389,488
6. Exceptional Children - Provide services to newly identified exceptional children.	4,571,341	26,460,526

	<u>1981-82</u>	<u>1982-83</u>
7. Fund non-certified employees-teacher aides, office support personnel, custodians-to mid-point of state salary schedule and to establish a bus driver's salary schedule with an average salary of \$4.00 in 1981-82 and \$4.50 in 1982-83.	16,784,269	20,327,171
8. Merit salary increments for non-certified personnel (clerical assistants, aides, custodians, maintenance supervisors).	6,275,960	6,335,899
9. Increase instructional materials and supplies from \$13.50 to \$19.50 per ADM grades 4-12 in 1981-82 and from \$19.50 to \$25.00 per ADM grades K-12 in 1981-83.	4,741,794	10,735,307
10. Increase textbook allotment, grades 9-12, from \$8 to \$15 per ADM and from \$45 to \$55 per student for student increases.	2,366,626	2,303,668
11. \$5 per ADM to improve cultural arts education, grades K-6.	2,993,540	2,946,860
12. Allot teacher aides on the basis of one aide for each 4th grade class in 1981-82 and 1982-83; allot one aide for each 5th grade class in 1982-83.	24,647,798	48,227,659
13. Allocate \$5 per ADM K-12 for instructional equipment.	5,581,450	5,513,955
14. \$5 per ADM to improve health, safety, and physical education, grades K-6.	2,993,540	2,946,860
15. \$1 per ADM to improve science education, grades K-6.	598,708	589,372
16. Quality Assurance Program - Teacher Education	2,171,548	910,000
17. Economics education curriculum guides and materials for each school.	-0-	396,540
18. Staff development for Reading/Language Arts/Math teachers, grades 4-12 in 1981-82 and grades 7-12 in 1982-83, plus new teachers in 1982-83 in grades 4-6.	1,612,000	1,221,865

	<u>1981-82</u>	<u>1982-83</u>
19. Economics education staff development activities for teachers and supervisors.	-0-	24,550
20. \$10 per ADM in grades 7-12 to carry-out instructional activities and administer student programs such as athletics, murals, student clubs, debating, drama, and student government.	5,175,820	5,114,190
21A. To allow for inflationary cost increases for association dues, supplies, travel, postage, printing, and telephone in the Department of Public Instruction.	422,500	422,500
21B. To allow for inflationary cost increases for association dues, supplies, travel, postage, printing, and telephone in the Controller's Office.	101,200	101,200
22. New Positions & to Replace Federal or State Funds:		
a. Pupil Personnel - 1 health consultant	26,614	25,703
	(1)	(1)
b. Personnel Relations - 4 personnel management consultants	110,896	107,252
	(4)	(4)
c. Research - 1 consultant, 1 secretary	43,220	41,376
	(2)	(2)
d. Educational Media - 6 regional coord. 4 secretaries	232,641	223,445
	(10)	(10)
e. Language Arts Remediation- 2 regional coord. 1 secretary	73,101	70,346
	(3)	(3)
f. Languages - 1 speech consultant	26,614	25,703
	(1)	(1)
g. Science - 6 regional coordinators, 4 secretaries	232,641	223,445
	(10)	(10)
h. Quality Assurance Program - 1 Consultant 1 secretary	43,220	41,376
	(2)	(2)
i. Plant Operation - 8 regional consulting engineers, 4 clerk-typists	266,270	255,247
	(12)	(12)
j. Financial Services - 8 regional systems accountants 4 clerk-typists	301,786	290,769
	(12)	(12)

22 CON'T	<u>1981-82</u>	<u>1982-83</u>
k. Administrative Services - 1 computer systems analyst 1 prog. analyst 1 educ. consultant 1 additional educ. consultant in 1982-83	106,376 (3)	131,761 (4)
l. School Planning - 2 consultants 1 drafting technician 1 secretary	-0-	94,108 (4)
m. Development - 4 consultants	132,477 (4)	132,497 (4)
n. Research - 4 secretaries	49,626 (4)	49,633 (4)
o. Science - 1 energy consultant 1 half-time secretary	31,453 <u>(1.5)</u>	31,457 <u>(1.5)</u>
TOTAL PRIORITY 22	\$1,676,935 (69.5)	\$1,744,118 (74.5)
23. Allocation of positions for administrators, directors, coordinators, supervisors, etc. in central office to offset loss of leadership personnel due to declining enrollments. 1 position per 1,500 ADM with a minimum of 1 position per LEA.	12,685,502	13,314,564
24. To provide funds to meet inflationary price increases for gasoline, tires, repair parts, and for the purchase of school buses.	4,134,137	12,166,995
25. Community Schools-establish 29 LEA projects @ \$25,000 not now funded; \$1 per ADM to all LEAs (includes 5 percent-\$180,000 for state administration).	1,897,676	1,884,177
26. Full funding of leadership position for maintenance and custodial operations.	1,913,235	1,913,554
27. Allot clerical assistants on basis of one month of employment for each 45 ADM.	2,101,803	1,834,096

	<u>1981-82</u>	<u>1981-83</u>
28. Provide 16 new LEA Health Coordinators each year of the biennium and health education curriculum guides and materials.	438,221	876,560
29. Research and evaluate basic skills program, grades 4-12.	139,000	139,000
30. Allot custodians on basis of 1 month of employment for each 30 ADM.	1,961,632	1,472,049
31. Allot an average of \$100 per state paid public school employee for on-the-job training and improvement.	5,445,500	5,445,500
32. Demonstration sites for successful, alternative programs in basic skills, dropout reduction, and increased attendance.	400,000	400,000
33. To provide committee travel to study and to recommend changes in existing Social Studies/Economics Education, Foreign Languages Curriculum, and Teacher Education Evaluation Committees.	41,000	37,500
34. To provide computer services to collect and manage the increasing volume involved in analyzing and disseminating data related to teacher education programs and school operating budgets.	48,000	84,000
35. To provide access to instructional materials at greatly reduced costs to schools through the establishment of a statewide video duplication center.	101,500	8,000
36. To provide display units and automotive van to the Division of Educational Media for the purpose of maintaining collections of top quality instructional materials and to transport special collections to regional education centers.	14,840	-0-
37. To provide computer terminals in each regional center to process data from the 144 local school units.	39,600	10,600

	<u>1981-82</u>	<u>1982-83</u>
38. Additional funds to meet mandated federal matching for School Food Services.	1,219,680	2,231,300
 TOTAL EXPANSION REQUEST	 <u>\$229,912,418</u>	 <u>\$310,148,912</u>

ESTIMATED COSTS FOR RAISING NON-PROFESSIONAL  
PUBLIC SCHOOL PERSONNEL TO MIDPOINT OF THE SALARY SCHEDULE

<u>Teacher Aides</u>	1980-81 Status			
	Positions Allotted	Amount Allotted Per Position		
		Before 1-1-81	After 1-1-81	
Aides K-3	12,988	\$5,660	\$5,950	
TMH Aides	430.5	5,660	5,950	
Exceptional Child Aides	433	5,660	5,950	
	1981-83 Status			
	Midpoint of Salary Schedule	Annual In- crease Per Position	1981-82 Total Cost	1982-83 Total Cost
Aides K-3	\$6,470	\$520	\$6,753,760	\$6,753,760
TMH Aides	6,470	520	223,860	223,860
Exceptional Child Aides	6,470	520	225,160	225,160
			Total Salaries	\$7,202,780
			Retirement	695,789
			Social Security	481,146
			TOTAL AIDES COST	\$8,379,715

<u>Clerical Assistants</u>	1980-81 Status			
	Months Allotted	Amount Allotted Per Month		
		Before 1-1-81	After 1-1-81	
Clerical Assistants	23,664	\$ 667	\$ 735	
Exceptional Child.	12	667	735	
	1981-83 Status			
	Midpoint of Salary Schedule	Monthly In- crease Per Position	1981-82 Total Cost	1982-83 Total Cost
Clerical Assistants	\$873	\$138	\$3,258,732	\$3,258,732
Exceptional Child.	873	138	1,656	1,656
			Total Salaries	\$3,260,388
			Retirement	314,593
			Social Security	217,794
			TOTAL ASSISTANTS COST	\$3,792,775

(continued)

<u>Custodians</u>	1980-81 Status			
	<u>Months Allotted</u>	<u>Amount Allotted Per Month Per Position</u>		
Custodians	35,489	\$770		
	1981-85 Status			
	<u>To Raise to Midpoint of Salary Schedule</u>	<u>Monthly Increment Per Position</u>	<u>1981-82 Total Cost</u>	<u>1982-83 Total Cost</u>
Custodians	\$801	\$31	\$1,100,159	\$1,100,159
		Retirement	106,275	106,275
		Social Security	73,491	73,711
		TOTAL CUSTODIAN COST	\$1,279,925	\$1,280,145

<u>School Bus Drivers</u>	<u>Number of Drivers</u>	1980-81 Status	
		<u>Amount Allotted Per Year Per Position Before 3-1-81</u>	<u>After 3-1-81</u>
Bus Drivers	12,100	\$1,882	\$1,996
<i>(The average bus driver drives 3.15 hours per day, 181 days per year.)</i>		<i>(\$3.30 per hour)</i>	<i>(\$3.50 per hour)</i>

	1981-85 Status			
	<u>Increase Hourly Wage to \$4.50</u>	<u>Annual Increase Per Position</u>	<u>1981-82 Total Cost</u>	<u>1982-83 Total Cost</u>
Bus Drivers	\$2,566	\$570	\$6,897,000	\$6,897,000

GRAND TOTAL COST To Move Aides, Clerical Assistants, Custodians, and Bus Drivers To Midpoint of Salary Scale

\$20,340,415    \$20,340,415



PUBLIC SCHOOLS  
ALLOTMENT OF PERSONNEL

Fulcher Commission recommendations  
April 1978

(1)

(2)

(3)

Allotted  
1979-80

Allotted  
1980-81

1. Maximum Class size K-12, except band and chorus, and maximum daily contacts of 150 pupils

K-3 1:26  
Gr 4-6 1:30  
Gr 7-12 1:31

K-3 1:26 max. 26 per teacher;  
4-8 1:30 max. 33 per teacher;  
9-12 1:31 max. 37 per teacher;  
and 150 per day

2. Instructional personnel allotment K-12 (excluding administrative, instructional support and systemwide supervision)

K-3 1:26  
Gr 4-6 1:30  
Gr 7-12 1:31

K-3 1:26  
4-8 1:30  
9-12 1:31

3. All personnel allotments to LEAs on ADM basis. (except principals and professional office personnel at school level).

ADM

ADM

ADM

Use best continuous . . .  
3 of 4 months of previous year.

Best 3 of first 4 months projected to current year.

Best 3 of first 4 months projected to current year.

4. Separate principal allotments-full-time, non-teaching, per school.

1 for 7 or more regularly allotted teachers.

1 for 100 ADM or 7 or more regularly allotted teachers.

1 for 100 ADM or 7 or more regularly allotted teachers.

Less than six teachers: designate teacher and provide salary supplement

Less than 100 ADM: teacher may be designated as bldg. principal. No principal allotment for 6 or less teachers

No principal allotment for 6 or less teachers

Teacher Commission Recommendations

ADM	April 1978	Pos.
400-899	1	1
900-1499	2	2
1500-2199	3	3
2200+		

Assistant principals allotted in addition

- 5. Instructional support personnel K-12 based on 3 out of 4 months;
  - a. Counselors
  - b. Psychologist
  - c. Social workers
  - d. Nurses
  - e. Library/media

1: 400 ADM  
 1: 3000  
 1: 2000  
 1: 2500  
 1: 500  
 (average 1: 175)

1: 264 ADM

1: 264 ADM

(Maybe employed from #5, instructional support)

(Maybe employed in schools with at least 25 state-allotted teachers 1:25, 2:50, 3:75 etc.)

6. Central Office Professional

Staff based on K-12 ADM 3 out of 4 months:

- a. Superintendent
- b. Asst. Superintendent:

1  
 0  
 .5  
 1.0  
 1.5  
 2.0  
 2.2  
 2.4  
 2.6  
 2.8  
 3.0  
 1.0

1  
 0  
 0  
 0  
 .5  
 1.0  
 1.0  
 1.0  
 1.0  
 1.0  
 2.0  
 1.0

1  
 0  
 0  
 0  
 .5  
 1.0  
 1.0  
 1.0  
 1.0  
 1.0  
 2.0  
 1.0

-  
 4,500  
 5,000

4,500  
 5,000

12,000

12,000

Each additional 10,000

	(1)	(2)	(3)
	<u>April 1978</u>	<u>1979-80</u>	<u>1980-81</u>
<b>Fulcher Commission recommendations</b>			
<b>c. Instructional program consultants:</b>			
1	0-1,999	0	0
2	2,000-4,999	2,000	2,000
3	5,000-9,999	5,200	5,200
4	10,000-14,999	2.0	2.0
	Each additional		
1	5,000	Each add'l	Each add'l
		@1.0	@1.0
<b>d. Auxiliary services consultants &amp; directors:</b>			
	systemwide leadership and program administrators, etc., school food service, transportation, maintenance, fiscal affairs	Food Service Directors: \$11,501 base or \$5.04 per ADM	Food Service Directors: \$18,413 base or \$5.330474 per ADM
2	0-1,999	Transport. Supervisors and Mechanics: 7.34 pos. per 100 auth. buses	Transport. Supervisors and Mechanics: 7.34 pos. per 100 auth. buses
3	2,000-4,999	Maintenance supervisors: 40% of one pos. per LEA	Maintenance supervisors: 40% of one pos. per LEA
4	5,000-9,999		
5	10,000-14,999		
	Each additional		
	5,000		
<b>7A. Central Office Support Staff</b>			
<b>K-12 ADM best 3 of 4 months</b>			
<b>a. Secretarial services</b>			
3	0-1,999		
5	2,000-4,999		
6	5,000-9,999		
7	10,000-14,999		
	Each additional		
1	5,000		

(1)  
 Fulcher Commission recommendations  
April 1978

(2)  
 Allotted  
1979-80

(3)  
 Allotted  
1980-81

- 7A. b. Accounting services
- 0-1,999 1
  - 2,000-4,999 1
  - 5,000-9,999 2
  - 10,000-14,999 3
  - Each additional 5,000 1
- c. Technical Services
- 0-1,999 ADM 1
  - 2,000-4,999 1
  - 5,000-9,999 2
  - 10,000-14,999 2
  - Each additional 5,000 1

- 7B. School Office Support
- 0-399 ADM 1
  - 400-899 2
  - 900-1,499 3
  - 1,500-2,199 4
  - 2,200 + 5

1 mo. employment  
 per 50 ADM =

0-399 ADM = up to 8 mo.  
 400-899 ADM = 8 to 18 mo.  
 900-1,499 ADM = 18 to 30 mo.  
 1,500-2,199 ADM = 30 to 44 mo.  
 2,200 = 44 mo.  
 3,000 = 60 mo.  
 4,000 = 80 mo.  
 5,000 = 100 mo.

1 mo. employment  
 per 49 ADM =

0-399 ADM = up to 8 mo.  
 400-899 ADM = 8 to 18 mo.  
 900-1,499 ADM = 18 mo.  
 1,500-2,199 ADM = 30 mo.  
 30.5 to 45 mo.  
 2,200 = 45 mo.  
 3,000 = 61 mo.  
 4,000 = 81.5 mo.  
 5,000 = 102 mo.

(

Additional Staff Allotments not covered by Fulcher Commission:

1. Property and cost clerks  
(2) Allotted 1979-80  
(3) Allotted 1980-81  
.95 position per 100 authorized buses; maximum of 5
2. Custodians  
.309 months of employment per 10 ADM
3. Exceptional Children  
-33.4 ADM @ 1 TMH teacher and aid 1:12  
-Learning Disab. (initial allotment)

4. Vocational education

All vocational enrollment except in Trainable Mentally Retarded. Reimbursement percentages for months of employment vary 68% to 74% (State/Federal).  
State funds: 10 month employment per 95 ADM  
Federal funds: Entitlement based on five criteria

5. Teacher aides  
K-3 1:26 ADM
6. Bus drivers  
Average of 3 hour/day per bus @ \$3.30/hour; increase to \$3.50 hour on March 1, 1981.  
K-3 1:26 ADM

Additional Staff Allotments  
not covered by Fulcher Commission:

(2)  
Allotted  
1979-80

(3)  
Allotted  
1980-81

7. Remediation \$236/pupil
8. Health education Indiv. applications; 16 units participate
9. Custodians
- |  | ADM           | 1 mo. @ 50 ADM   |
|--|---------------|------------------|
|  | 0-1,999       | = up to 40 mo.   |
|  | 2,000-4,999   | = 40 to 100 mo.  |
|  | 5,000-9,999   | = 100 to 200 mo. |
|  | 10,000-14,999 | = 200 to 300 mo. |
10. Driver training
- |  |   |
|--|---|
|  | 1 mo. employment @ 14 pupils in last year's 9th grade plus out-of-school youth, \$12.83 per pupil for materials, equipment, and car operational expenses. |
|  | Individual contracts; max. \$330/child  |
11. Developmental Day Center
- |  |   |
|--|---|
|  | 1 mo. employment @ 14 pupils in last year's 9th grade plus out-of-school youth, \$12.83 per pupil for materials, equipment, and car operational expenses. |
|  | Individual contracts; max. \$330/child  |

INTRODUCED BY

Referred to \_\_\_\_\_

1 A BILL TO BE ENTITLED AN ACT TO EXTEND THE LEGISLATIVE RESEARCH  
2 COMMISSION'S SCHOOL FINANCE STUDY

3           Whereas, the Legislative Research Commission was  
4 instructed by the General Assembly in Section 59 of the 1979  
5 Budget Appropriations Act to give leadership in implementing  
6 three studies calling for improvements in the system of financ-  
7 ing public schools, and

8           Whereas, the Legislative Research Commission  
9 submitted a report to the 1981 General Assembly calling for  
10 targeted additional appropriations and pilot programs for  
11 allocating funds to individual systems in a more flexible  
12 manner, and

13           Whereas, it is important that the Legislature  
14 give oversight to the implementation of the school finance  
15 reports; Now, therefore,

16 The General Assembly of North Carolina enacts:

17           Section 1. Section 59 of Chapter 538, Session Laws  
18 of 1979 is amended by adding the following new language at  
19 the end:

20           "The Legislative Research Commission shall continue  
21 to provide leadership in this area during the 1981-83 biennium,  
22 and shall report to the 1983 General Assembly on its progress  
23 in this area."

24           Sec. 2. This act shall become effective July 1, 1981.







