

FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

Introduction to Public School Funding

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Fiscal Research Division

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NC Public Schools—Key Facts

NC public schools divided into 115 local education agencies (LEAs)

- 89 counties where county/LEA boundaries the same
- 11 counties with multiple “county” and “city” LEAs



NC Public Schools—Key Facts

Constitutional Responsibilities

North Carolina Constitution:

- “The General Assembly shall provide by taxation and otherwise for a general and uniform system of **free public schools...**”
- “The General Assembly **may assign to units of local government such responsibility for the financial support of the free public schools** as it may deem appropriate. The governing boards of units of local government...may use local revenues to add to or supplement any public school or post-secondary school program.”

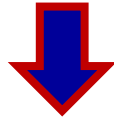


NC Public Schools—Key Facts

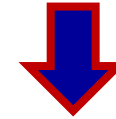
Delineation of Funding Responsibilities

1933 School Machinery Act

State



LEAs



**current expenses
(instructional program)**

**capital expenses
(buildings/maintenance)**



NC Public Schools—Key Facts

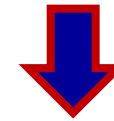
Delineation of Operational Responsibilities

State



- **Development of policies**
- **Technical assistance**
- **Oversight & management of statewide resources**

LEAs



- **Resource allocations between schools**
- **Day-to-day operations**
- **Hiring of personnel**



NC Public Schools—Key Facts

School Characteristics

Fiscal Year	→	2013-14	2018-19
Total Schools	→	2,564	2,675
Traditional	→	2,436	2,485
Charter	→	127	184
Regional	→	1	1
Lab	→		5



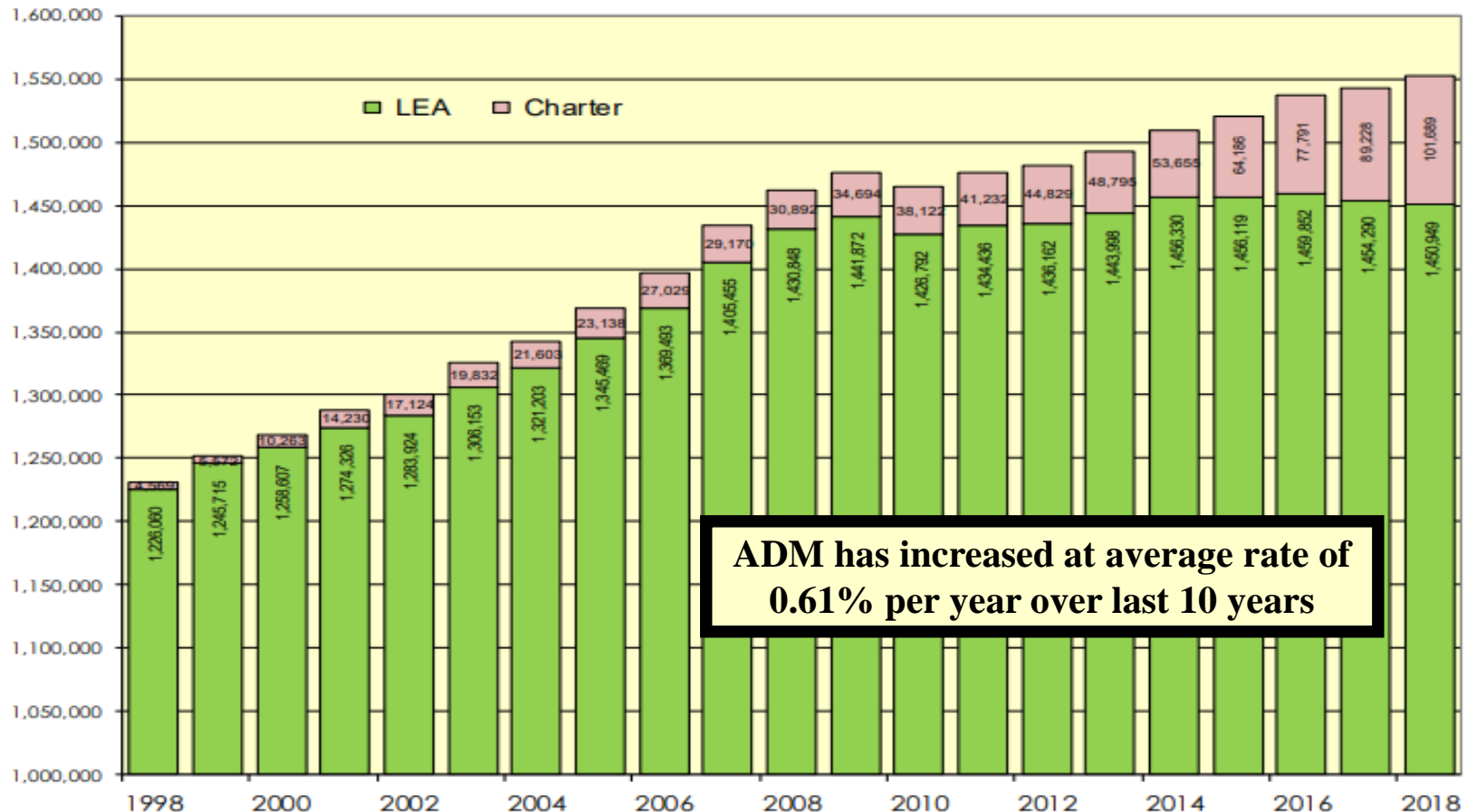
NC Public Schools—Key Facts

Name	Governing Body
Traditional Public Schools	Local Board of Education
Renewal School System (RSS)	Local Board of Education
NC Virtual Public School (NCVPS)	State Board of Education
Innovative School District (ISD)	State Board of Education (may be operated by EMO or DPI)
Regional School	Board of Directors of Regional School
Charter Schools	Nonprofit board or certain municipalities
Lab Schools	UNC Board of Governors



NC Public Schools—Key Facts

Average Daily Membership



ADM has increased at average rate of 0.61% per year over last 10 years



NC Public Schools—Key Facts

LEA Characteristics

- **Size**

- 50% of students are in the 12 largest LEAs
- 41 LEAs (about 1 in 3) with fewer than 4,000 students

- **Wealth**

- Ability to generate local funding for schools

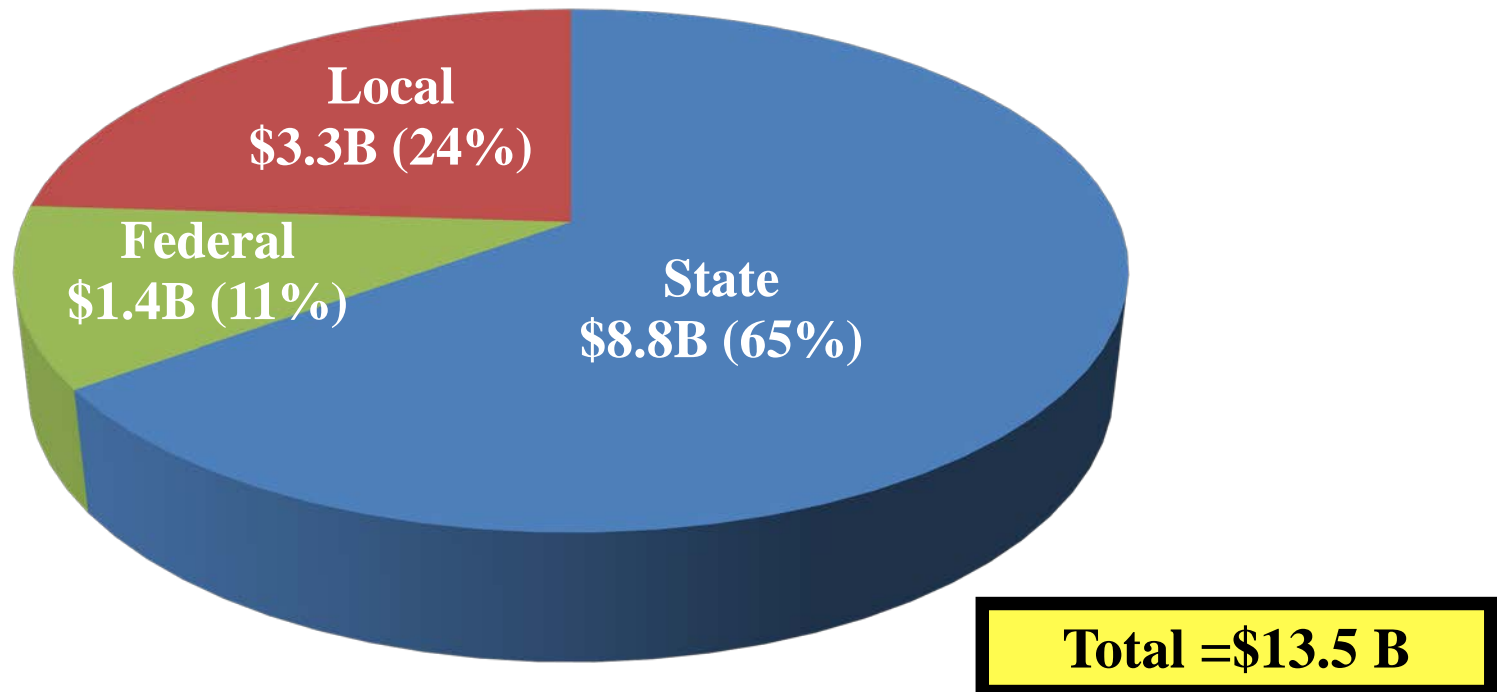
- **Student needs**

- Limited English Proficiency
- Child with Disabilities
- Poverty



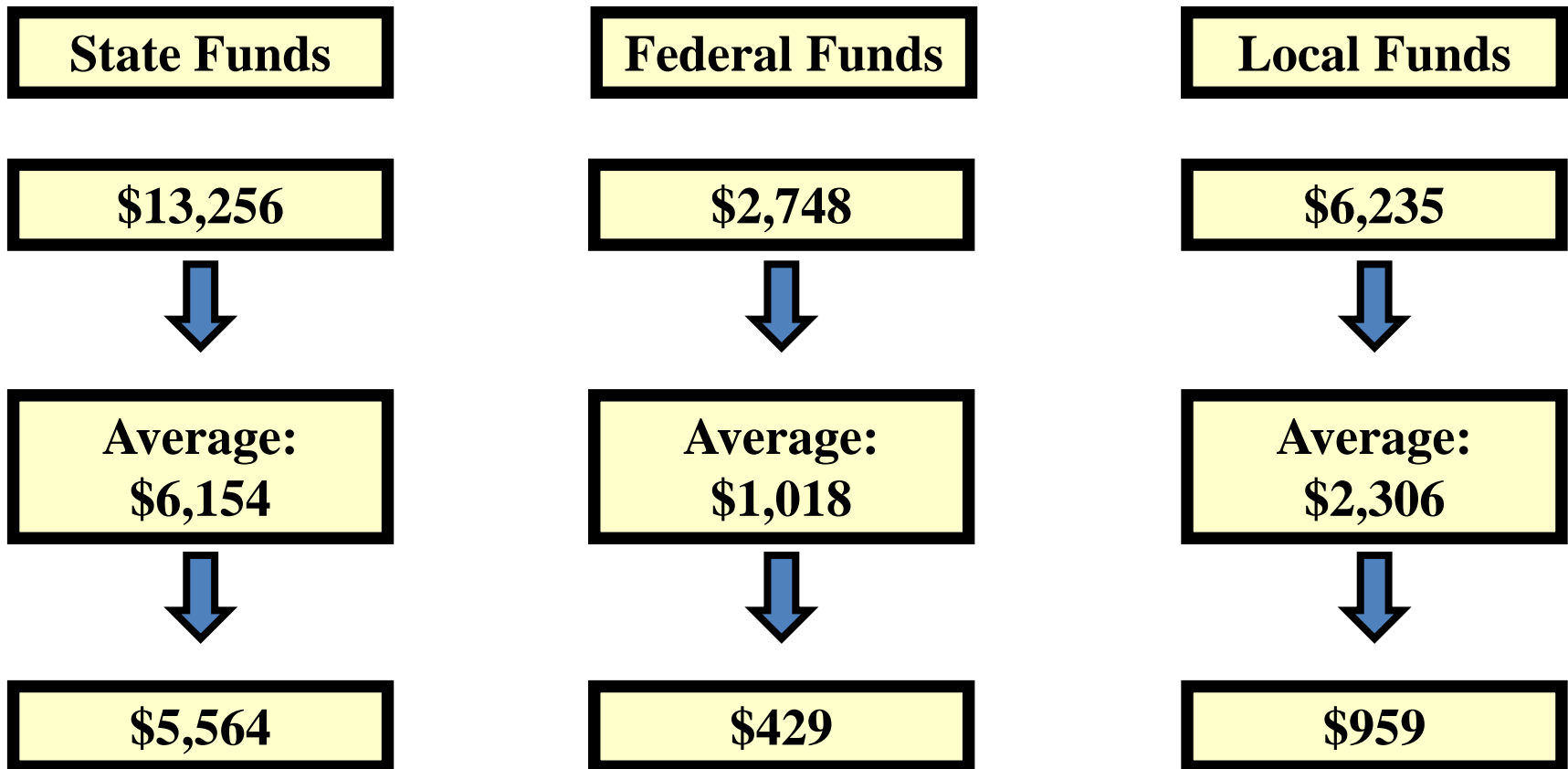
NC Public Schools—Key Facts

Public Schools FY 2017-18 Current Expense Expenditures by Source



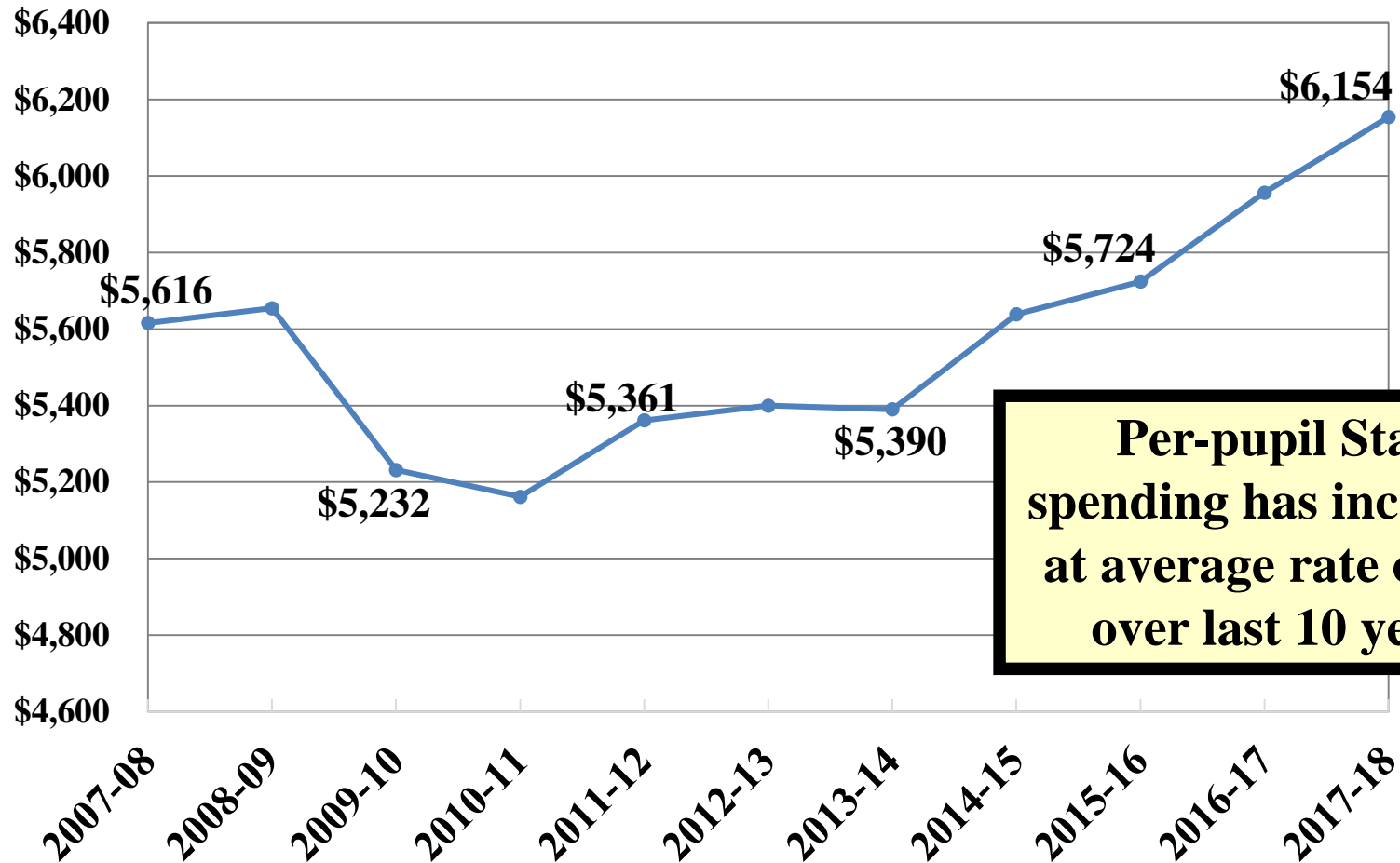
NC Public Schools—Key Facts

2017-18 Per Pupil Expenditures



NC Public Schools—Key Facts

State Expenditures per Pupil



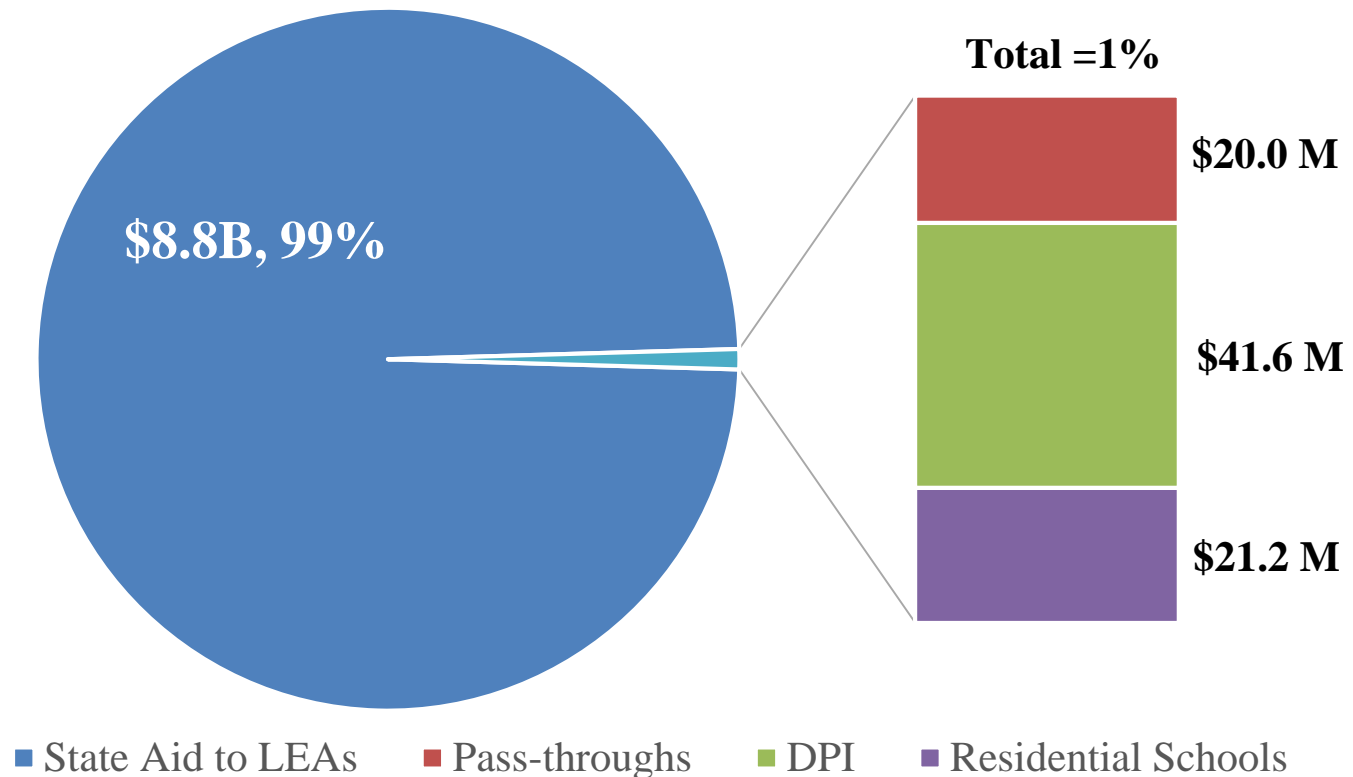
How Is Public Education Money Spent?



How Is Public Education Money Spent?

Majority of Funding Supports Districts

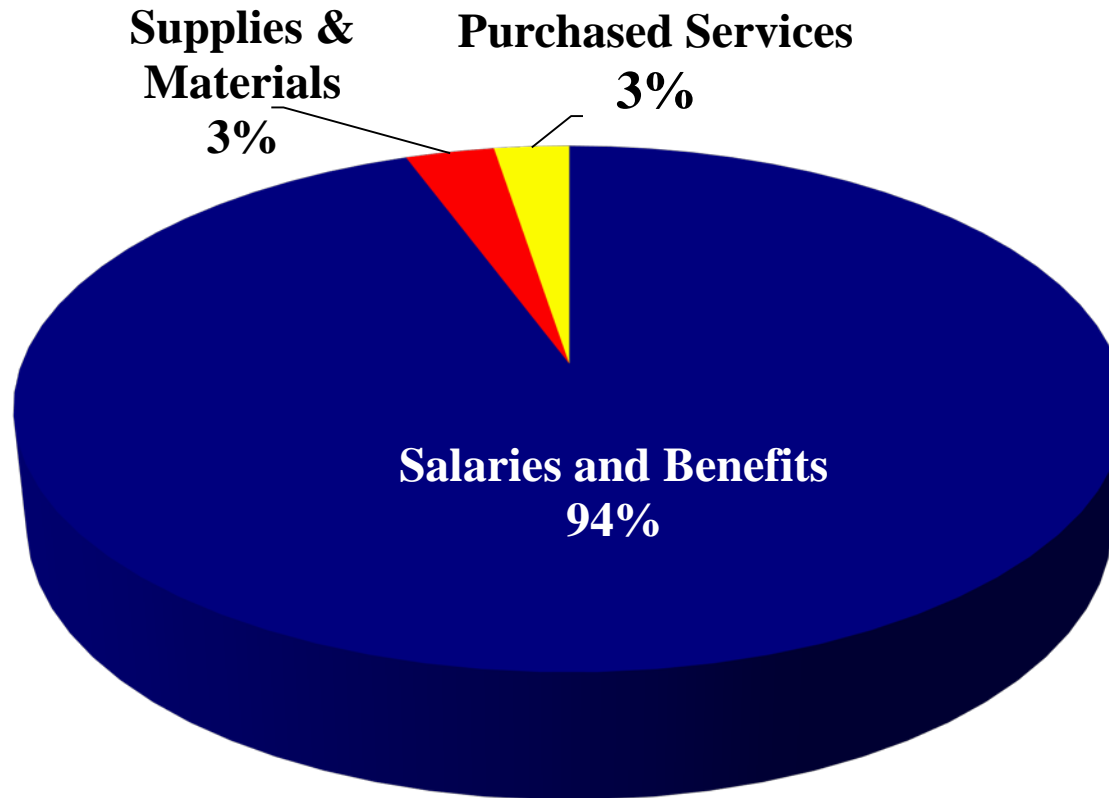
2017-18 General Fund (8.9 billion)



How Is Public Education Money Spent?

Majority of LEA Spending on Personnel

2017-18 State Expenditures (\$8.8 billion)



How Is Public Education Money Spent?

Number of Full-Time Employees Decreasing

Personnel Type	2008-09	2010-11	2012-13	2014-15	2016-17	2017-18	2018-19	# Change:	% Change:
Central Office	1,868	1,861	1,810	1,885	1,897	1,945	1,992	124	6.6%
Principals	2,402	2,423	2,432	2,441	2,452	2,451	2,451	49	2.0%
Assistant Principals	3,000	2,686	2,733	2,832	2,938	2,894	2,943	(57)	-1.9%
Teachers	99,098	94,879	95,146	94,566	94,304	94,117	93,411	(5,687)	-5.7%
Instructional Support	14,550	14,465	14,722	15,275	15,560	15,570	16,512	1,962	13.5%
Teacher Assistants	30,002	26,306	24,412	22,505	21,628	21,521	21,422	(8,580)	-28.6%
Technicians	1,640	1,569	1,555	1,682	1,780	1,796	1,546	(94)	-5.7%
Clerical / Secretarial	11,153	10,646	10,270	10,368	10,322	10,193	9,932	(1,221)	-10.9%
Other Non-Certified	27,414	25,635	24,069	23,733	23,272	23,111	23,057	(4,357)	-15.9%
Total	191,127	180,470	177,149	175,287	174,153	173,598	173,266	(17,861)	-9.3%



How Is Public Education Money Spent?

Changes in FTE Vary by Funding Source

Full-Time Public School Personnel All Position Types

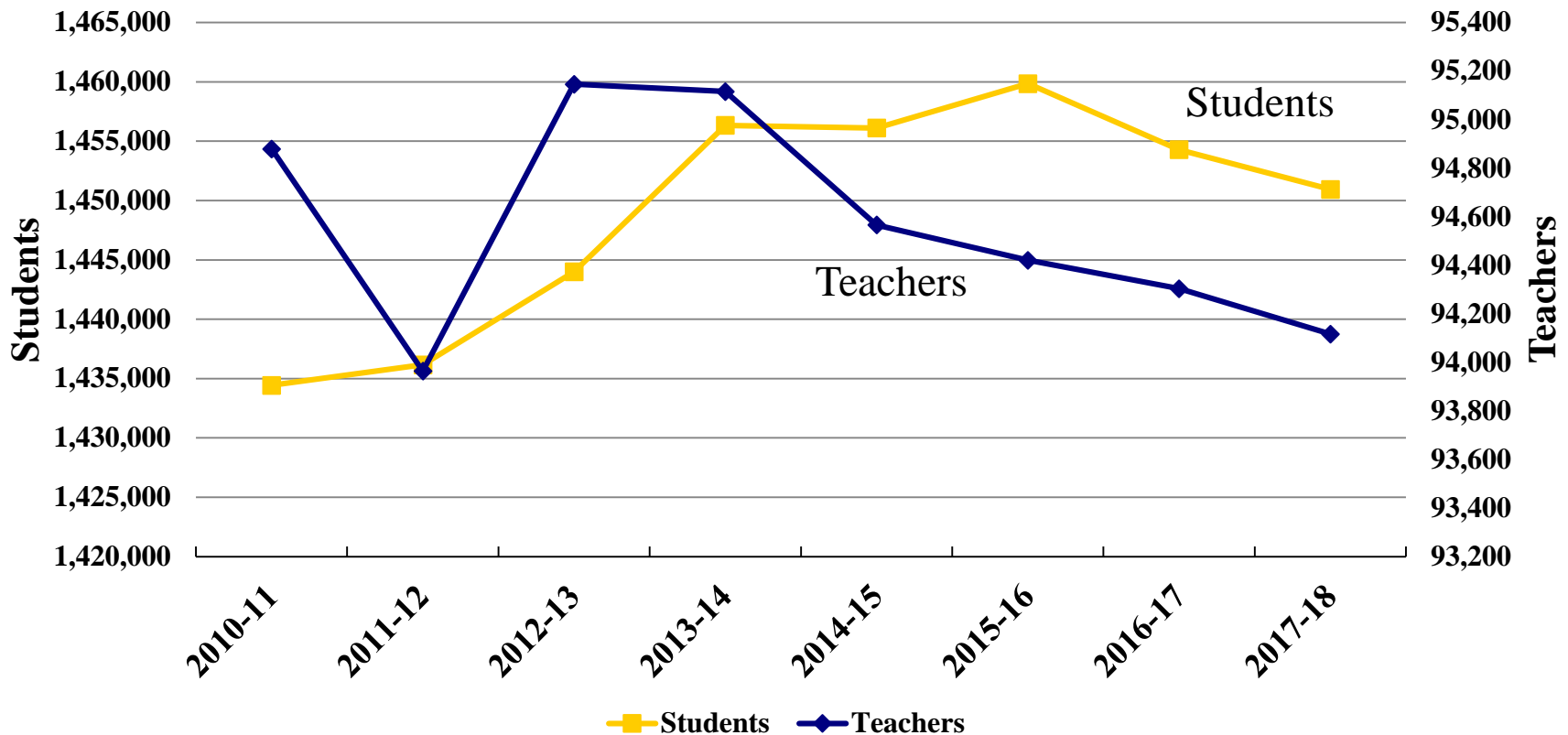
Fund Source	2008-09	2010-11	2012-13	2014-15	2015-16	2016-17	2017-18	2018-19	# Change: FY09 v FY18	% Change: FY09 v FY18
State	144,793	125,981	133,792	131,751	132,079	134,115	133,427	133,349	(11,444)	-7.9%
Federal	12,524	26,070	13,993	12,951	12,614	12,302	11,865	11,906	(618)	-4.9%
Local	33,810	28,419	29,364	30,585	28,669	27,736	28,306	28,011	(5,799)	-17.2%
Total	191,127	180,470	177,149	175,287	173,362	174,153	173,598	173,266	(17,861)	-9.3%



How Is Public Education Money Spent?

Student Population Continues to Grow

Historic Count of Students and Teachers (LEAs Only)



How Is Public Education Money Spent?

Historical Changes in Teacher Salaries

Fiscal Year	Teachers	State Employees	Consumer Price Index
1993-94	5.0%	2.0%	2.6%
1994-95	7.0%	4.0%	2.9%
1995-96	2.0%	2.0%	2.7%
1996-97	5.5%	4.5%	2.8%
1997-98	7.5%	4.0%	1.8%
1998-99	7.5%	3.0%	1.7%
1999-00	7.5%	3.0%	2.9%
2000-01	6.5%	4.2%	3.4%
2001-02	2.9%	0.0%	1.8%
2002-03	1.8%	0.0%	2.2%
2003-04	1.8%	0.0%	2.2%
2004-05	2.5%	2.5%	3.0%

Efforts made to bring NC teacher salaries to national average

Recession



How Is Public Education Money Spent?

Historical Changes in Teacher Salaries

Fiscal Year	Teachers	State Employees	Consumer Price Index
2005-06	4.2%	2.0%	3.8%
2006-07	8.0%	5.5%	3.2%
2007-08	5.0%	4.0%	2.8%
2008-09	4.0%	2.8%	3.8%
2009-10	0.0%	0.0%	-0.4%
2010-11	0.0%	0.0%	1.5%
2011-12	0.0%	0.0%	3.0%
2012-13	1.2%	1.2%	1.8%
2013-14	0.0%	0.0%	1.5%
2014-15	7.0%	\$1,000	1.6%
2015-16	3.8%	\$750 bonus	0.1%
2016-17	4.7%	1.5% + 0.5% bonus	2.1%
2017-18	3.3%	2.2%	2.1%

} Salaries frozen during Recession

} Focus on early to mid-career

2018-19: Monthly increase from \$5,130 to \$5,200 for 25+ years



How Is Public Education Money Spent?

Takeaways

1. Over 99% of State funds support LEAs
2. Almost all funding supports personnel
3. Expenditures per student relatively flat over recent years
 - Growth largely due to salary and benefit increases
4. Growth in student population largely in charter schools



Questions?

