

FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Commonalities and Differences in State Funding for School Districts

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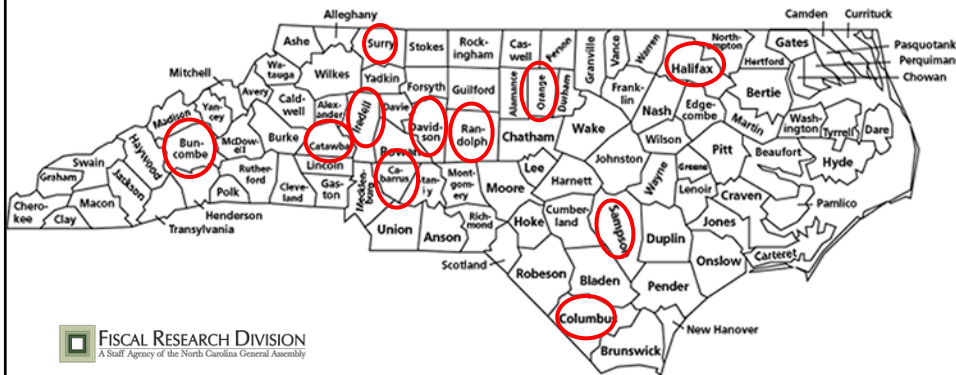
February 21, 2018

Key Takeaways

- State Public Schools funding is distributed to school districts (Local Education Agencies or LEAs) through allotments
- Allotments are distributed based on funding formulas that typically utilize student headcount and other targeted factors
- Most State support is directed at all types of districts and students, but certain allotments address disparate student and district characteristics
- County LEAs and City LEAs treated identically in **most** circumstances

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
 - » **15 City LEAs total**



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Average Daily Membership

- Most allotments are provided to LEAs on the basis of allotted Average Daily Membership (ADM)
- Membership = being on the current roll at a school (“expected to be there”)
 - Not the same as attendance
- ADM =
$$\frac{\text{daily sum of all students in membership for a month}}{\text{total days in month}}$$

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Allotments

- The way the money goes out the door to the LEAs
- Each allotment is driven by a formula
- There are 20+ major State allotments
- The combination of these allotments creates pool of funds from which the LEA can deliver a range of services

State Funding Allotments

- Largely three types of allotments
 - **Base allotments:** go to all LEAs, predominantly on the basis of ADM
 - **Allotments addressing student characteristics:** funding based on relative populations of certain student characteristics
 - **Allotments addressing LEA characteristics:** funding based on LEA size or wealth
- County LEAs and City LEAs treated identically in **most** circumstances

Small County Funding

- 1991 Budget (S.L. 1991-689, Section 201.1)
- Provides additional support for small county LEAs to compensate for diseconomies of scale
- Provided on the basis of ADM
- Roughly 0.5% of dollar value of all allotments
- 27 LEAs received this year
 - Range in funding from \$1.47M to \$1.82M
- Legislation excludes City LEAs

Calculation Differences

- Position Allotments – 1994 Budget (S.L. 1993-769, Section 19.24)
 - City LEAs under 3,000 ADM rounded up to nearest whole
- Central Office
 - Frozen at the 2002-03 level
 - City LEAs' base rates were \$60,000 lower for comparable ADM
- Low Wealth
 - Determination made at county level
 - Distribution on basis of ADM

Calculation Difference Example

- Mt. Airy City Schools in Surry County
- **Grade 1 ADM / Grade 1 Allotment Ratio = Grade 1 Teachers**
 - 114 Students / 16 Students per Teacher = 7.125 positions
 - If rounded to nearest half position = 7.0 positions
 - If rounded **up** to nearest **whole** position = 8.0 positions
- Across all grades, Mt. Airy would receive 7.5 fewer positions

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One Final Note

- Number of LEAs has fiscal impact on allotments with base
 - Central Office Administration
 - Career and Technical Education
 - Children with Disabilities Preschool
 - Limited English Proficient
- If LEAs are consolidated, State realizes savings in these areas
- If LEAs are deconsolidated, State incurs costs in these areas

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