
Academically or Intellectually Gifted

Key Takeaways

- Academically or Intellectually Gifted (AIG) funding is calculated as no more than 4% of allotted ADM, regardless of the number of students identified by the LEA
- While funding is capped at 4%, there is no limit on the percentage of students identified as AIG
- Funding supplements other State basic allotments which support AIG students
- Each LEA has its own definition of AIG

Purpose/Eligibility

Purpose

- Support to LEAs for fulfilling statutory requirement (G.S. 115C-150.7) to provide differentiated services to students with outstanding capability
- Program funds supplement other basic allotments

Eligibility

- Funding
 - All LEAs
- Services
 - Any student identified by LEA in accordance with its Local Plan (required by G.S. 115C-150.7)

Allotment Formula

- AIG funding is allotted as follows:
 1. Funded Head Count
 - Identify LEA total of classified AIG students
 - Take lower of:
 - Identified Total
 - or
 - 4% of LEA's allotted ADM
 2. Funding Factor- Dollars per eligible funded headcount
 - Set through appropriations process
- Multiply (1) and (2) for a final allotment amount

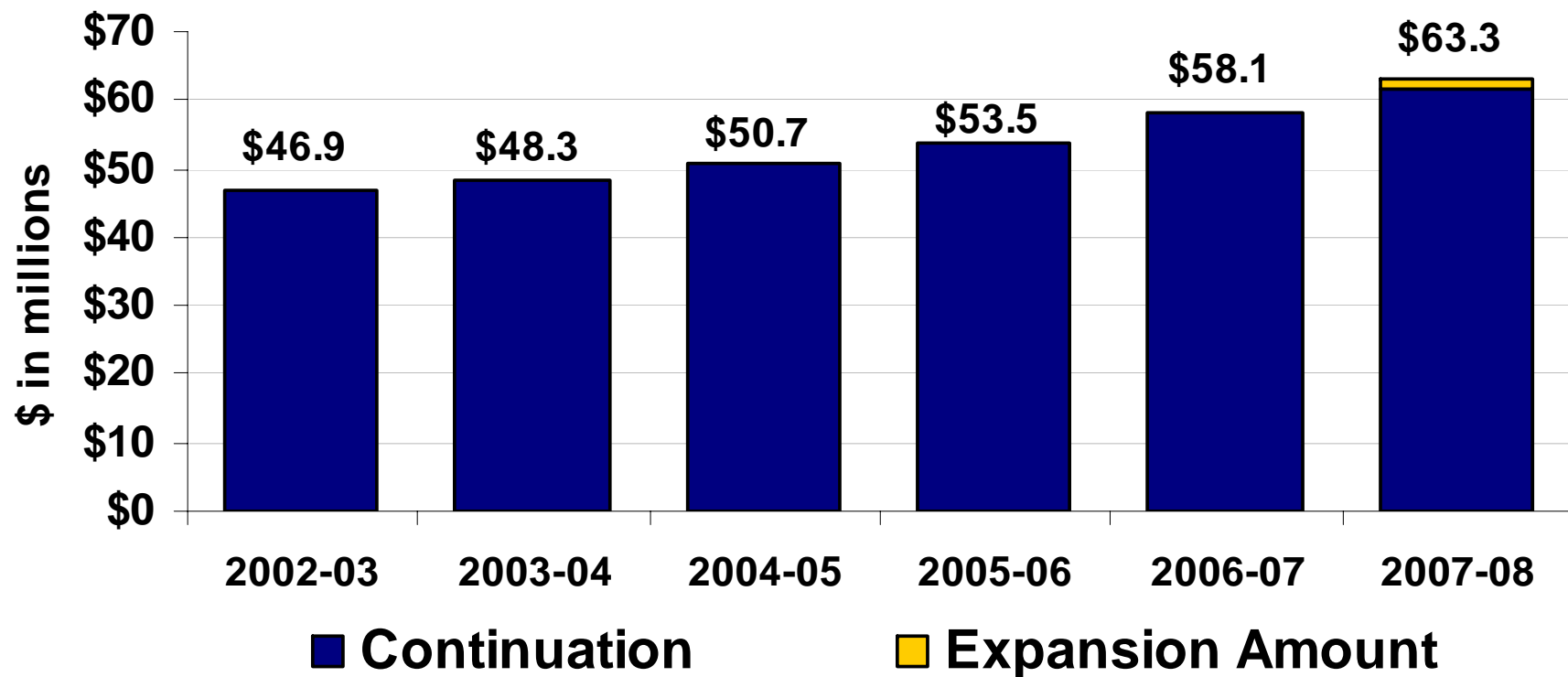
Formula—2007-08 LEA Example

2007-08 AIG Funding

LEA's Total Allotted ADM	25,863
4% of Allotted ADM (statutory ceiling— LEA identified headcount is above 4%)	1,035
Funding Factor set by General Assembly	\$1,083.32
Multiply 4% of Allotted ADM by funding factor for final total allotment to LEA	\$1,121,236

Funding History

Academically or Intellectually Gifted Appropriations

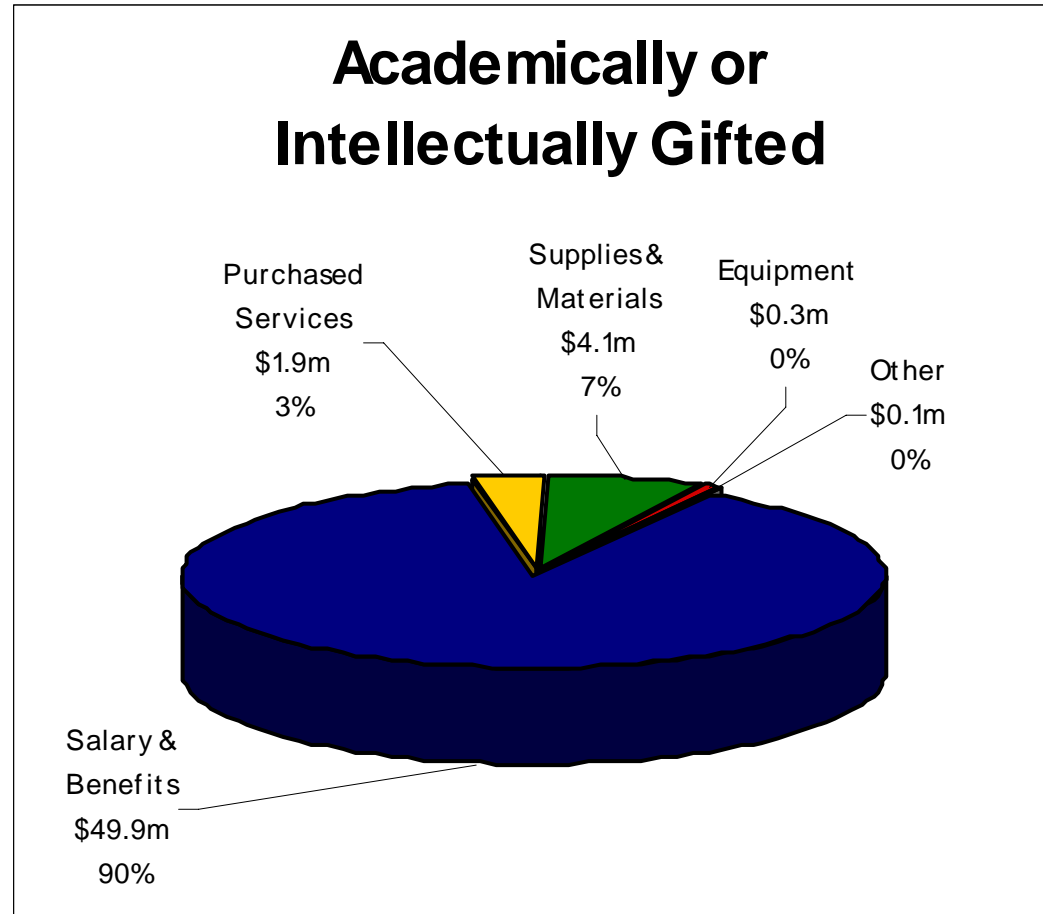


Expenditures

Eligible uses:

1. for academically or intellectually gifted students
2. to implement the plan developed **under G.S. 115C-150.7**
3. for children with special needs (with an approved ABC transfer)
4. in accordance with an accepted school improvement plan, for any purpose so long as that school demonstrates it is providing appropriate services to academically or intellectually gifted students assigned to that school in accordance with the local plan developed under **G.S. 115C-150.7**

Actual 2006-07 Expenditures



Expenditures—Cont.

- **AIG Fund Usage**
 - Most LEAs spend majority of funds on teachers salaries and benefits
 - 17 LEAs spend more than 20% on Supplies and Equipment for items like computer software
- **Transfers**
 - FY 2006-07 data
 - Only 3 LEAs
 - Total transferred \$567,237 (1% of AIG funding)

AIG Identification Issues

- LEAs use multiple criteria to identify students requiring AIG services
 - Elementary and Middle Schools
 - End of Grade Test and Test of Cognitive Skills instruments most frequently used
 - High Schools
 - Tests less prevalent while self-selection into advanced classes and teacher recommendations most common
- Identified AIG student count varies from 3 to 26 percent
 - 111 LEAs have identified more than 4 percent

AIG Identification Issues-Cont.

- 2001 Study found that minority students may be underrepresented in high school advanced classes
- Efforts to address the issue include:
 - Project Bright Idea
 - A U.S. Department of Education grant designed to increase the number of under-represented populations in gifted through changing teacher's capacity
 - The number of AIG-identified students has gone up 24% in the six participating LEAs
 - K-12 Nurturing Programs
 - DPI has encouraged all LEAs to support programs to identify promising underrepresented students

Key Takeaways

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Questions for Consideration

- 4% Cap
 - Appropriate expenditure level and allowable student count?
- AIG Identification
 - Is the lack of a single uniform definition appropriate?
 - Concern about variation in percentage of identified students?

Improving Student Accountability

Comparing Similar Allotments

State Allotment	FY 07-08 Funding	Targeted Population
At-Risk / Alternative Schools	\$220,251,092	Students at risk of dropping out
Disadvantaged Student Supplemental Funding	\$69,209,078	Disadvantaged students
Improving Student Accountability	\$37,762,504	Students performing below grade level

State Allotment	Allotment Based On
At-Risk / Alternative Schools	Title I poverty count / ADM
Disadvantaged Student Supplemental Funding	% in single parent family % below poverty line % with parent without h.s. degree
Improving Student Accountability	# of students below grade level

- Note that DSSF requires spending plan requiring State Board approval

Key Takeaways

- Focused on students performing below grade level
- Per-child funding fluctuates year-to-year
- Final funding amount not known until after start of school year
- Funds can only be spent on below-grade-level students

Purpose and Eligibility

Purpose

- To improve the academic performance of students performing below grade level

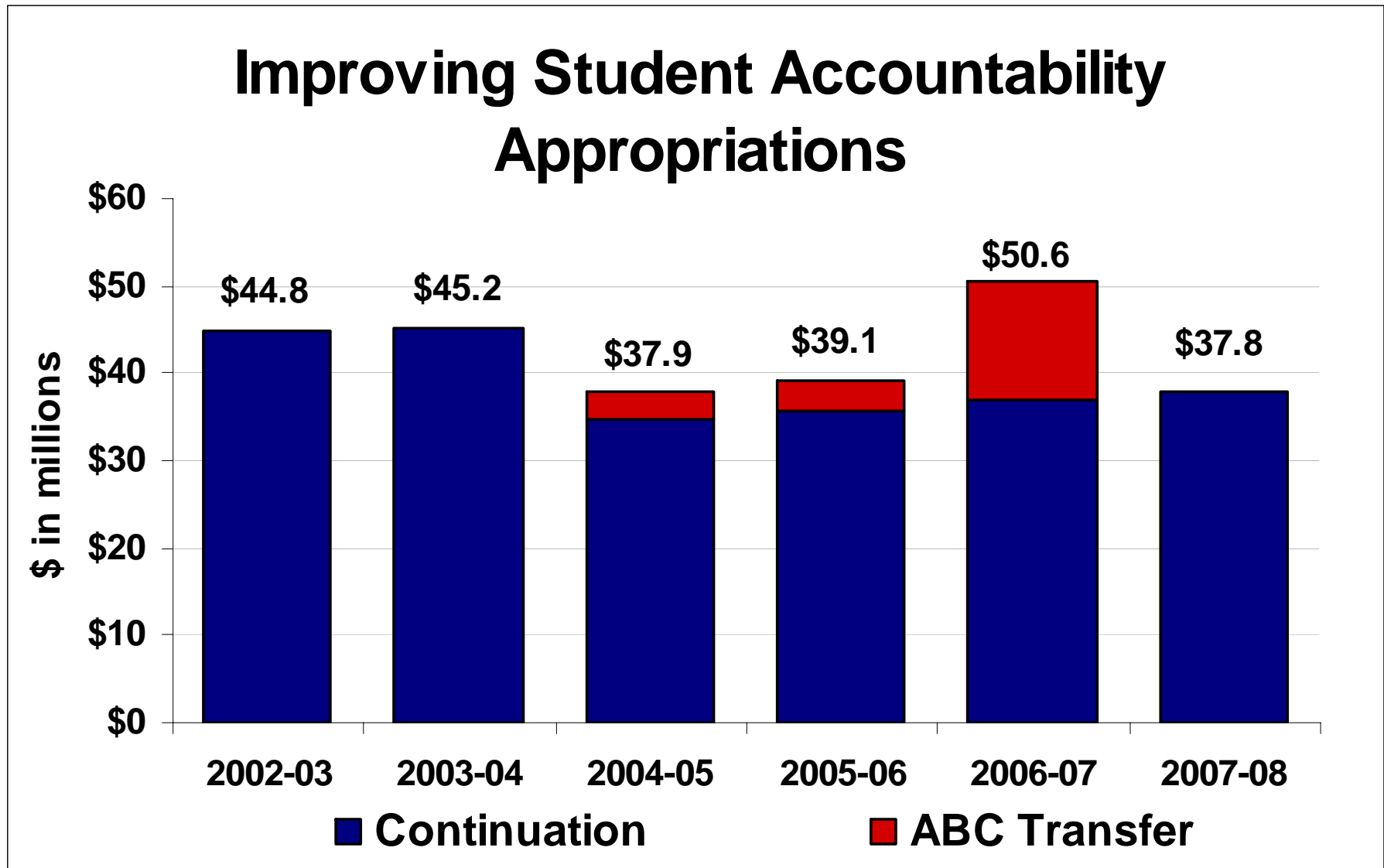
Eligibility

- All LEAs are eligible

Allotment Formula

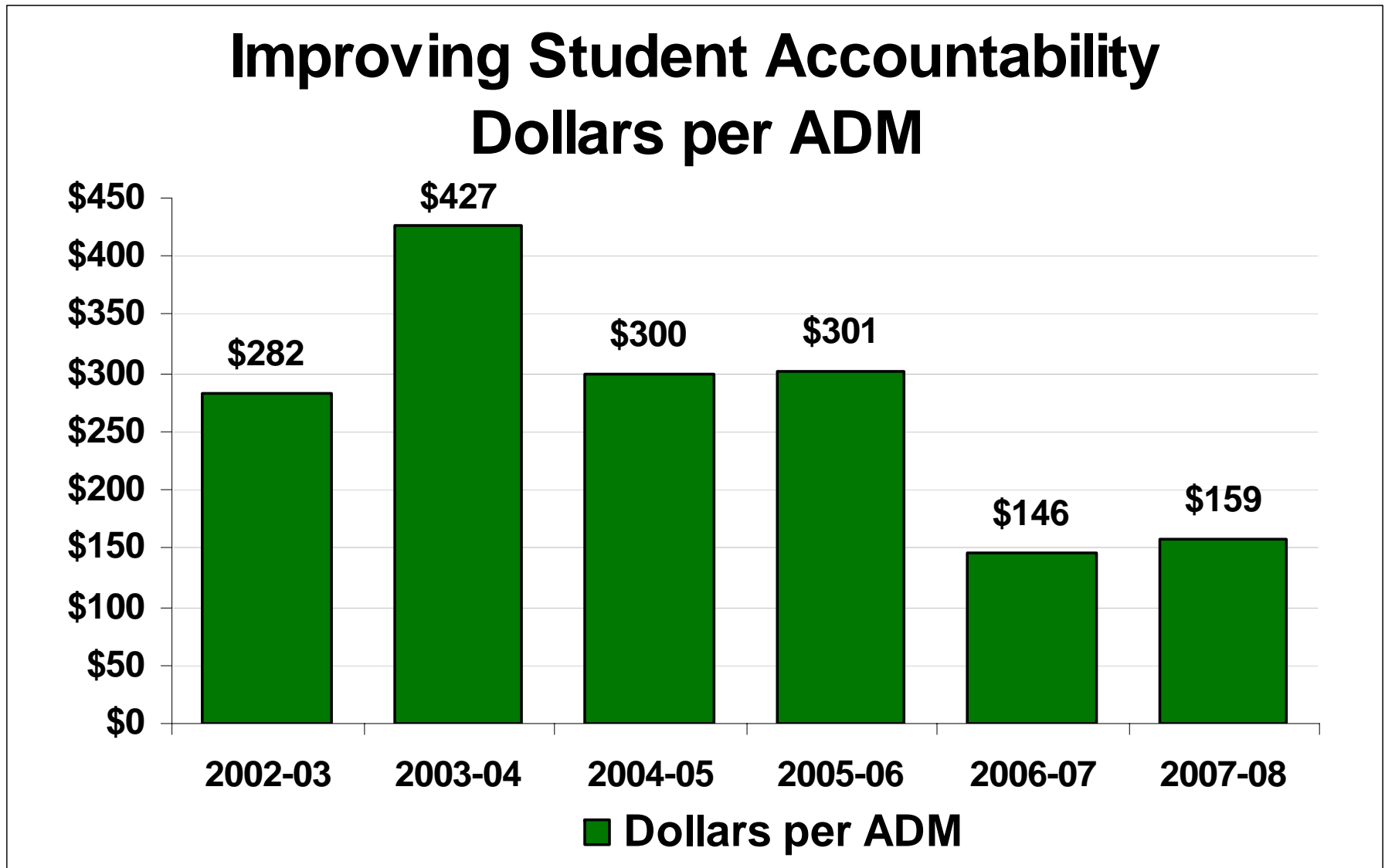
- Two basic steps:
 1. Determine number of children scoring at Level I or II on grade 3-8 end-of-grade tests
 2. Distribute to LEAs pro rata
- Additional funds can be transferred in if ABC Bonuses are below budgeted amount

Appropriations History



Source: Department of Public Instruction

Funding per Student



Source: Department of Public Instruction



Eligible Uses of Funds

- Funds can only be used to improve the academic performance of students in grades 3-12 who are performing below grade level
- Examples of eligible uses include:
 - Summer school / remediation
 - Tutoring
 - Instructional software

Eligible Uses of Funds

- LEA flexibility:
 - Funds cannot be transferred out of this category
 - Funds can be transferred into this category
- LEAs have until August 31 to expend funds
 - Allows expenditure on summer programs

Eligible Uses of Funds

Many State allotments can be used for at-risk students

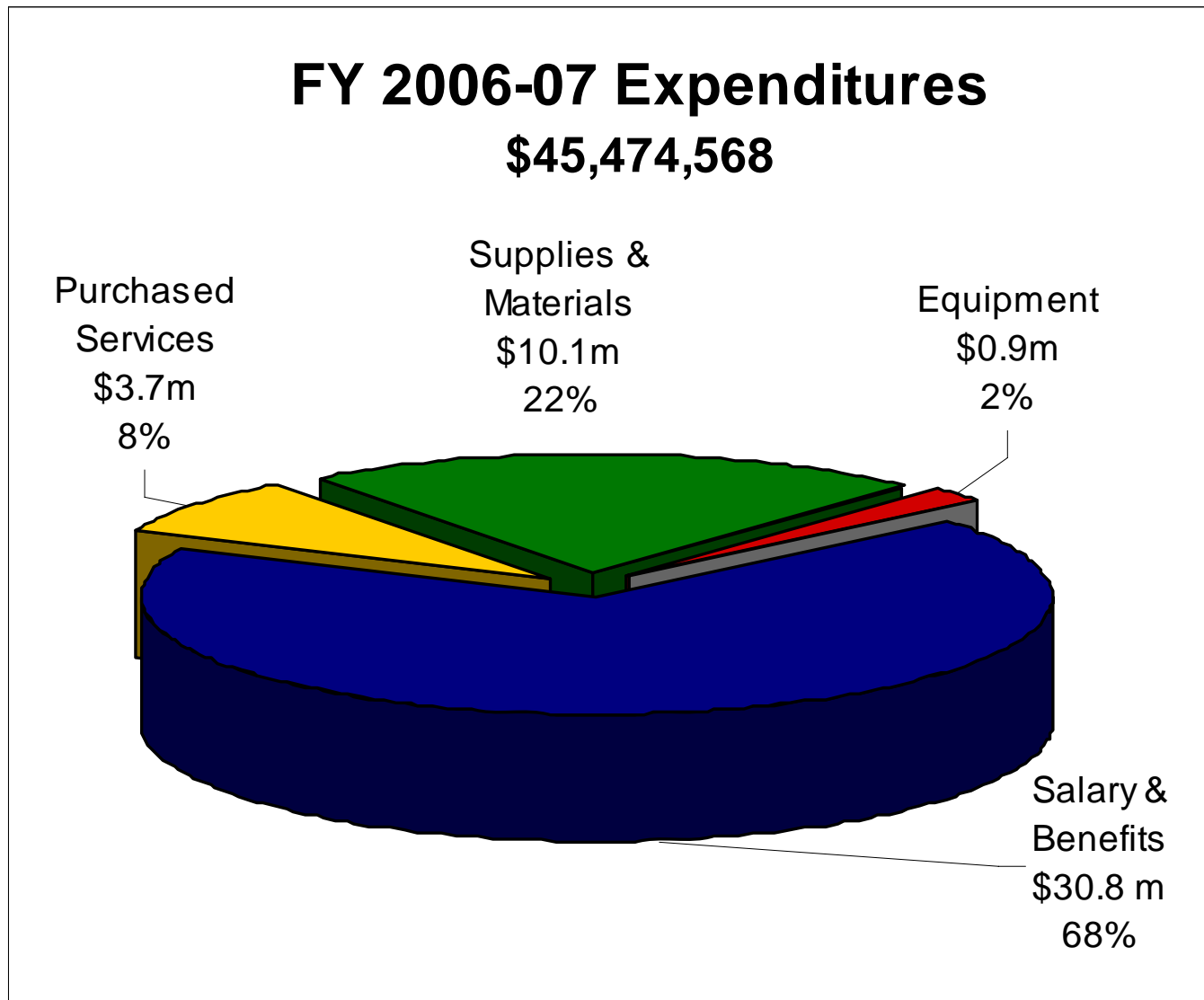
- All basic allotments
- DSSF
- At-Risk Student Services / Alternative Schools
- Improving Student Accountability
- Limited English Proficiency
- Low Wealth
- Small County
- Children With Special Needs
- Career Technical Education

Eligible Uses of Funds

Federal money can also be used for at-risk students

- For 2006-07 school year, over \$650 million:
 - Title I: \$322.6 million
 - IDEA: \$274.4 million
 - Vocational Education: \$21.5 million
 - 21st Century Learning Community Centers: \$20.5 million
 - Safe & Drug-Free Schools: \$5.8 million
 - Rural & Low Income Schools Program: \$4.5 million
 - Homeless Children and Youth: \$1.1 million

FY 2006-07 Expenditures



Source: Department of Public Instruction

Key Takeaways

- Focused on students performing below grade level
- Per-child funding fluctuates year-to-year
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Questions for Consideration

- Should supplemental allotments for at-risk students (At-Risk, DSSF, Improving Student Accountability, etc.) be collapsed to increase simplicity?

At-Risk Student Services / Alternative Schools

Key Takeaways

- Product of HB6 (1995) - consolidating 7 allotments into this allotment
- Supplements basic allotments
- LEAs have considerable flexibility in meeting needs of at-risk students
 - Multiple funding sources are available for At-Risk students

Purpose and Eligibility

Purpose

- At-risk allotment provides:
 - Special alternative instructional programs for at-risk students
 - Funding for dropout prevention, school safety officers (SSOs), summer school instruction and transportation, remediation, alcohol and drug prevention, early intervention, and preschool screening

Eligibility

- All LEAs are eligible

Who is Considered At-Risk?

Per State Board Policy

“...a young person who because of a wide range of individual, personal, financial, familial, social, behavioral or academic circumstances may experience school failure or other unwanted outcomes unless interventions occur to reduce the risk factors.”

Who is Considered At-Risk

Circumstances Placing a Student At Risk:

- not meeting proficiency standards or grade retention;
- unidentified or inadequately addressed learning needs;
- alienation from school life;
- unchallenging curricula and/or instruction;
- tardiness and or poor school attendance;
- negative peer influence;
- unmanageable behavior;
- substance abuse and other health risk behaviors;
- abuse and neglect; and
- inadequate parental/family and/or school support

Allotment Formula

- Four basic steps:
 1. \$500,000 to State Board of Education
 2. Each LEA given the dollar equivalent needed to hire an SSO for each high school
 3. Funds for students in treatment programs (S.L. 1987-863)
 4. Of remaining funds
 - 50% based on Title I poverty count
 - 50% based on allotted ADM
 - Minimum allotment is dollar equivalent of two teachers and two instructional support personnel (\$226,978)

Allotment Formula – Step 1

State Board Allocation

- Limited to \$500,000 per year
 - 0.23% of allotment in 07-08
- Recent initiatives include
 - Closing the Gap
 - Rapid Recovery and Project Recovery Courses
 - Senior Project Training Program
 - Graduation Project Professional Development and Project Management Pilot
 - Military Children

Allotment Formula – Step 2

School Safety Officers

- Each LEA given the dollar equivalent needed to hire an SSO for each high school (\$37,838)

# of High Schools	SSO Salary	Total SSO Allotment	Share of Total Allotment
499	\$37,838	\$18,881,162	8.57%

- Note: LEAs do *not* have to hire an SSO with these funds
 - Can use federal or local funds
 - Local agreements for free services

Allotment Formula – Step 3

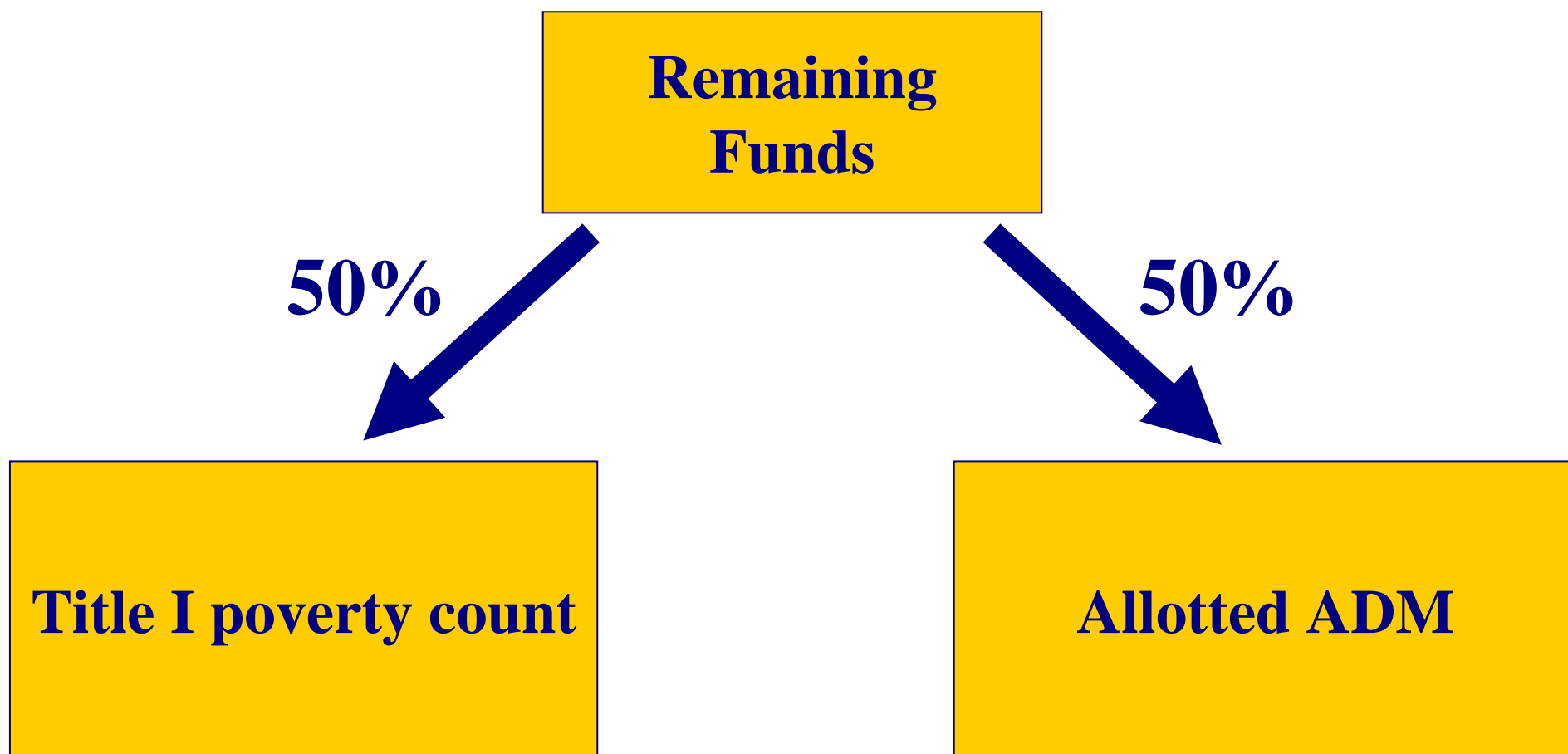
Treatment Programs

- For 2007-08, \$1.4 million
 - 0.64% of allotment in 07-08
- Six LEAs receive:

– Buncombe County	\$132,802
– Guilford County	\$540,412
– Harnett County	\$132,802
– Mecklenburg County	\$265,602
– Moore County	\$132,802
– Pitt County	\$211,924

Allotment Formula – Step 4

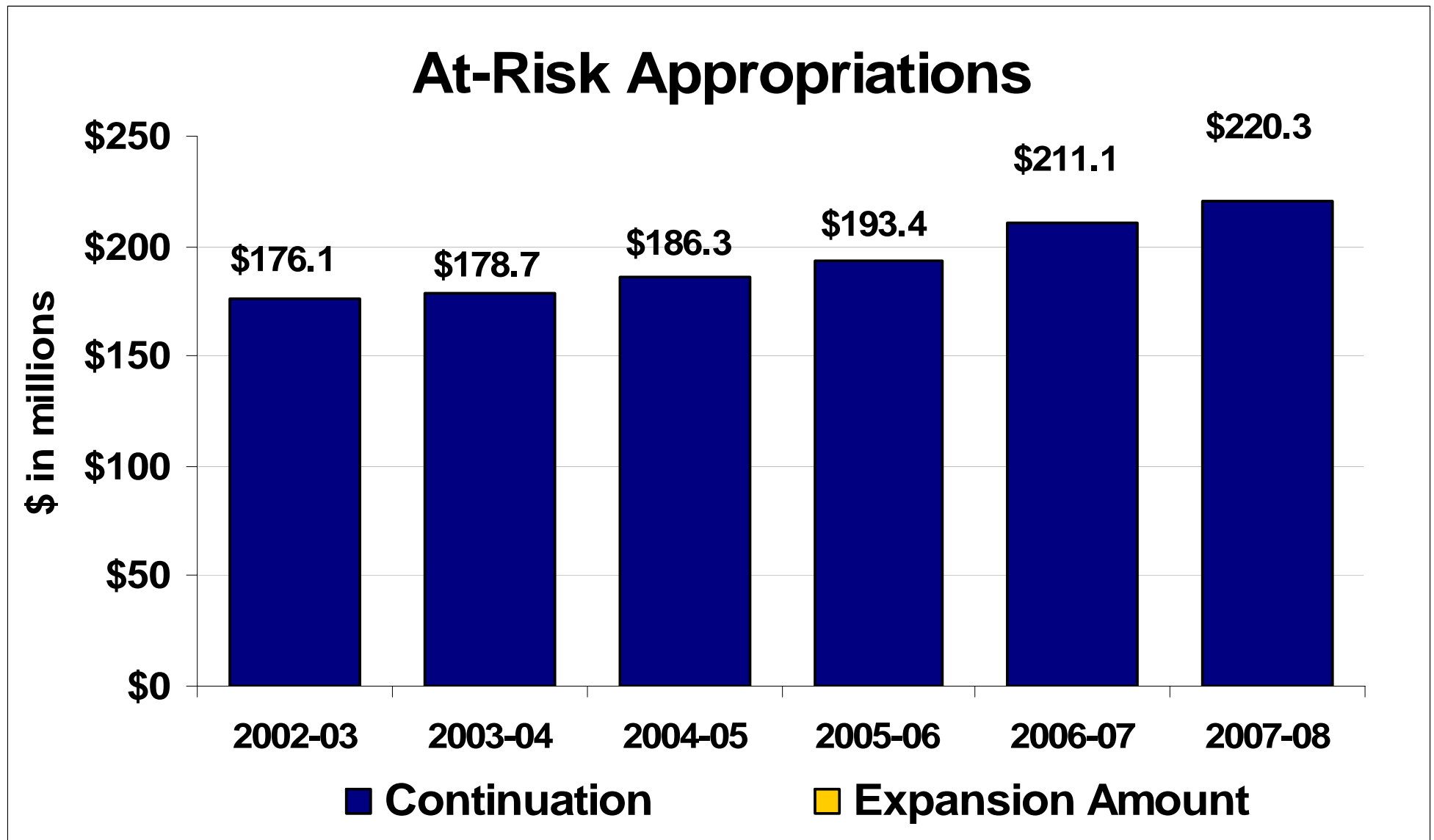
Remaining Funds



Allotment Formula Recap

- Four basic steps:
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Appropriations History



Source: Department of Public Instruction

Eligible Uses of Funds

- Funding for school safety officers, summer school instruction and transportation, remediation, alcohol and drug prevention, early intervention, safe schools, and preschool screening
- Priority of funds per 2005 budget:
 - provide instructional positions or instructional support positions and/or professional development;
 - provide intensive in-school and/or after-school remediation; and
 - purchase diagnostic software and progress monitoring tools.

Eligible Uses of Funds

- LEA flexibility:
 - Funds cannot be transferred out of this category
 - Funds can be transferred into this category
- LEAs have until August 31 to expend funds
 - Allows expenditure on summer programs

Eligible Uses of Funds

Many State allotments can be used for at-risk students

- All basic allotments
- DSSF
- At-Risk Student Services / Alternative Schools
- Improving Student Accountability
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- Children With Special Needs
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Federal money can also be used for at-risk students

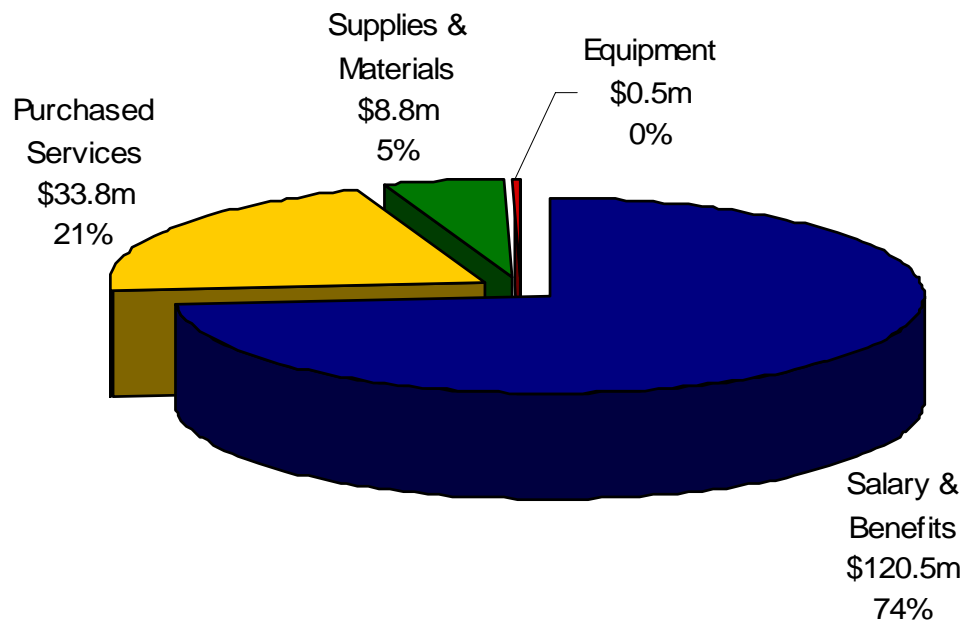
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FY 2006-07 Expenditures

At-Risk

FY 2006-07 Expenditures

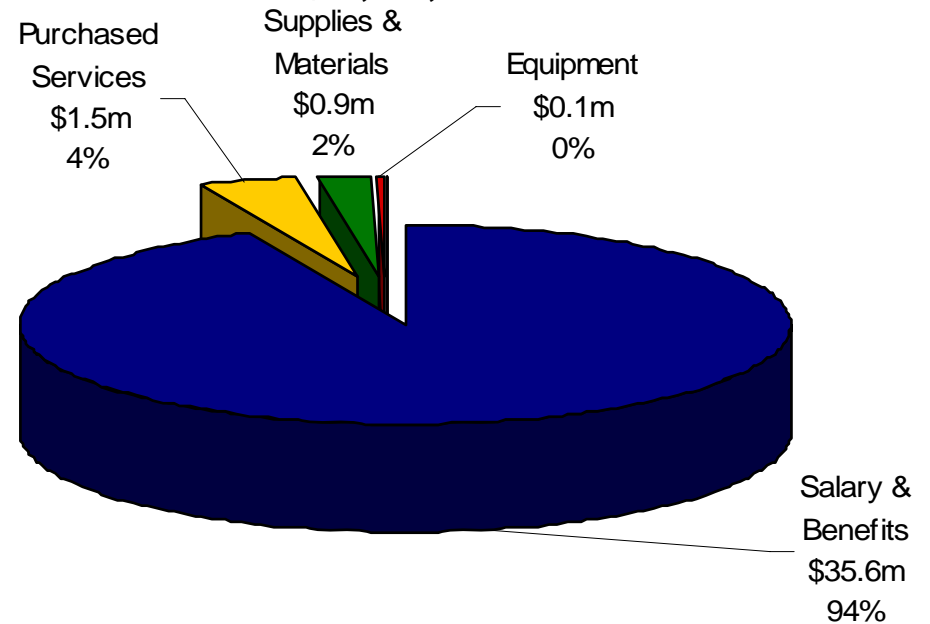
\$163,445,558



Alternative Schools

FY 2006-07 Expenditures

\$38,162,064



Source: Department of Public Instruction

What is a School Safety Officer?

- School Safety Officer (SSO) and School Resource Officer (SRO) are often used confused
- **SSO** – “any other person who is regularly present in a school for the purpose of promoting and maintaining safe and orderly schools and *includes a school resource officer*” (G.S.14-202.4)

What is a School Resource Officer?

DJJDP – Center for the Prevention of School Violence

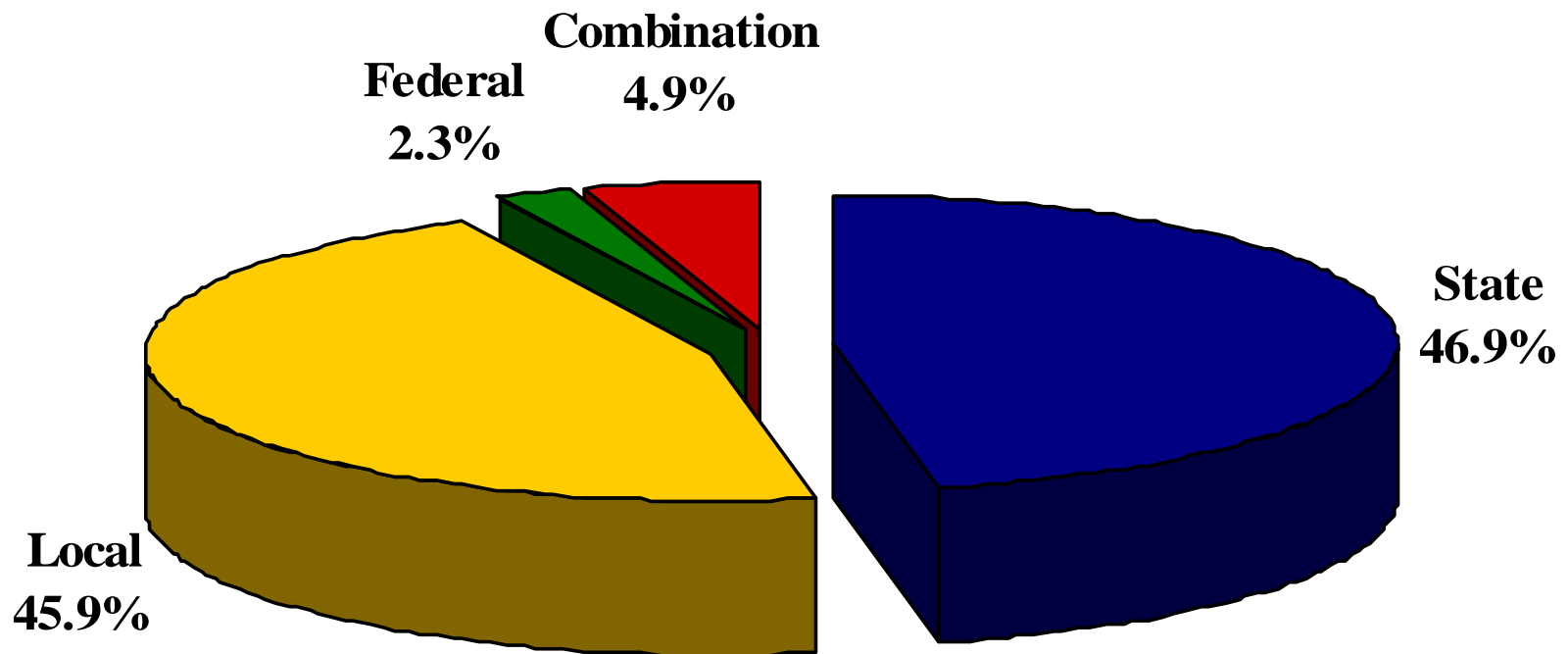
A certified law enforcement officer who is permanently assigned to provide coverage to a school or a set of schools

The SRO is specifically trained to perform three roles:

- 1. law enforcement officer**
- 2. law-related counselor**
- 3. law-related education teacher**

School Resource Officer Funding

SRO Funding: 2006-07 (total SROs: 778)



Source: Department of Juvenile Justice and Delinquency Prevention - Center for the Prevention of School Violence, *Annual School Resource Officer Census: 2006 - 2007*

Key Takeaways

- Product of HB6 (1995) - consolidating 7 allotments into this allotment
- Supplements base allotments
- LEAs have considerable flexibility in meeting needs of at-risk students
 - Multiple funding sources are available for At-Risk students

Questions for Consideration

- Collapse supplemental allotments for at-risk students (At-Risk, DSSF, Improving Student Accountability, etc.) to increase simplicity?
- Bifurcate At-Risk allotment to focus on specific populations?
- Require SSO at middle schools?

Comparing Similar Allotments

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Public School Building Capital Fund

Key Takeaways

- School capital funding is traditionally a local school district responsibility
- The Public School Building Capital Fund is one of few State supports for school capital funding
- Funding is provided from both
 - Corporate Income Tax
 - and
 - North Carolina Education Lottery proceeds

Statutory Treatment of Public School Capital

- School Machinery Act of 1933
 - State assumed most responsibility for current operations while localities retain capital support role
- State Role [115C-408(b)] :

“...**instructional expenses for current operations of the public school system** as defined in the standard course of study.”
- County Governments:

“...the **facilities requirements** for a public education system...”

Purpose/Eligibility

- Public School Building Capital Fund (PSBCF)
 - G.S. 115C-546.1 outlines the purpose:

“...to assist county governments in meeting their public school building capital needs and their equipment needs under their local school technology plans.”
- PSBCF allocations are provided only to counties, not to all LEAs
 - Counties decide how to distribute to City LEAs where there is more than one LEA in a county

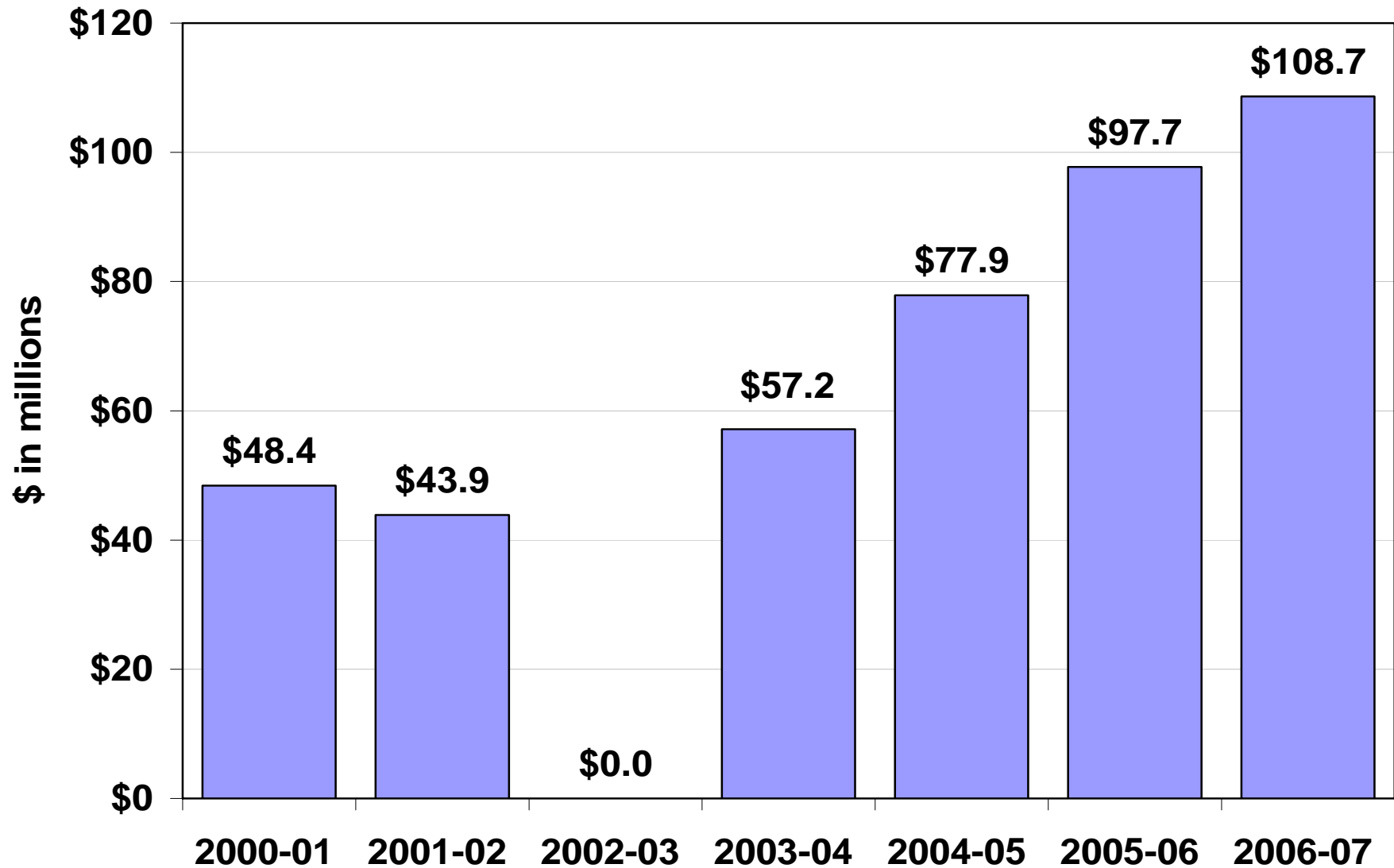
Determining PSBCF Funding

- 2 Sources for PSBCF funding:
 1. Corporate Income Tax (ADM Fund)
 2. North Carolina Education Lottery (Lottery)
- Determination of Corporate Income Tax resources
 1. Secretary of Revenue calculates Corporate Income Tax receipts (G.S. 105-130.3) from the prior quarter
 - Corporate Tax Rate is 6.9%
 2. Of this amount, 5/69 is provided for PSBCF
- What does it mean?
 - PSBCF revenues are approximately 7.25% of all Corporate Income Tax receipts

Comparing ADM Fund and Lottery Fund

<u>PSBCF Components:</u>	<u>Funding Source</u>	<u>Allotment Formula</u>	<u>Required Local Match</u>
ADM Fund	7.25% of Corporate Income Tax	100% by County ADM	\$1 Local: \$3 State
Lottery	40% of Lottery education revenues	65%--LEA ADM 35%--“local effort”	None

FY 2000-07 PSBCF ADM Fund Revenues

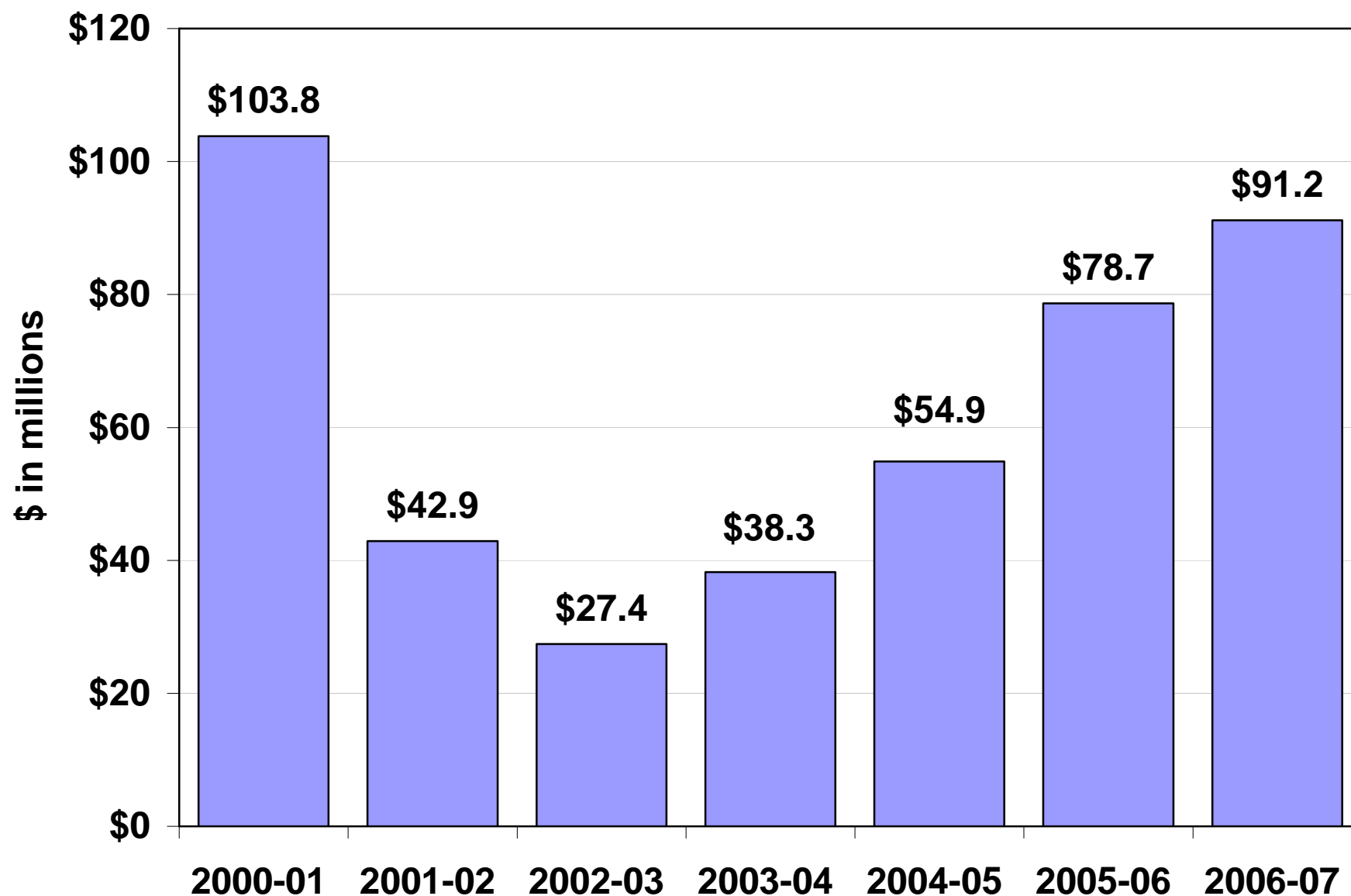


**2002-03 Revenues were diverted to the State Public School Fund due to budgetary shortfalls.

How Do Counties Access Funding?

- Funds accrue in dedicated accounts solely for capital projects
- Counties apply to DPI to access funding for specific projects
 - Application review finalized within 2-4 weeks
- Upon approval, DPI transfers funds to a disbursal account for the project's duration
 - Does not revert

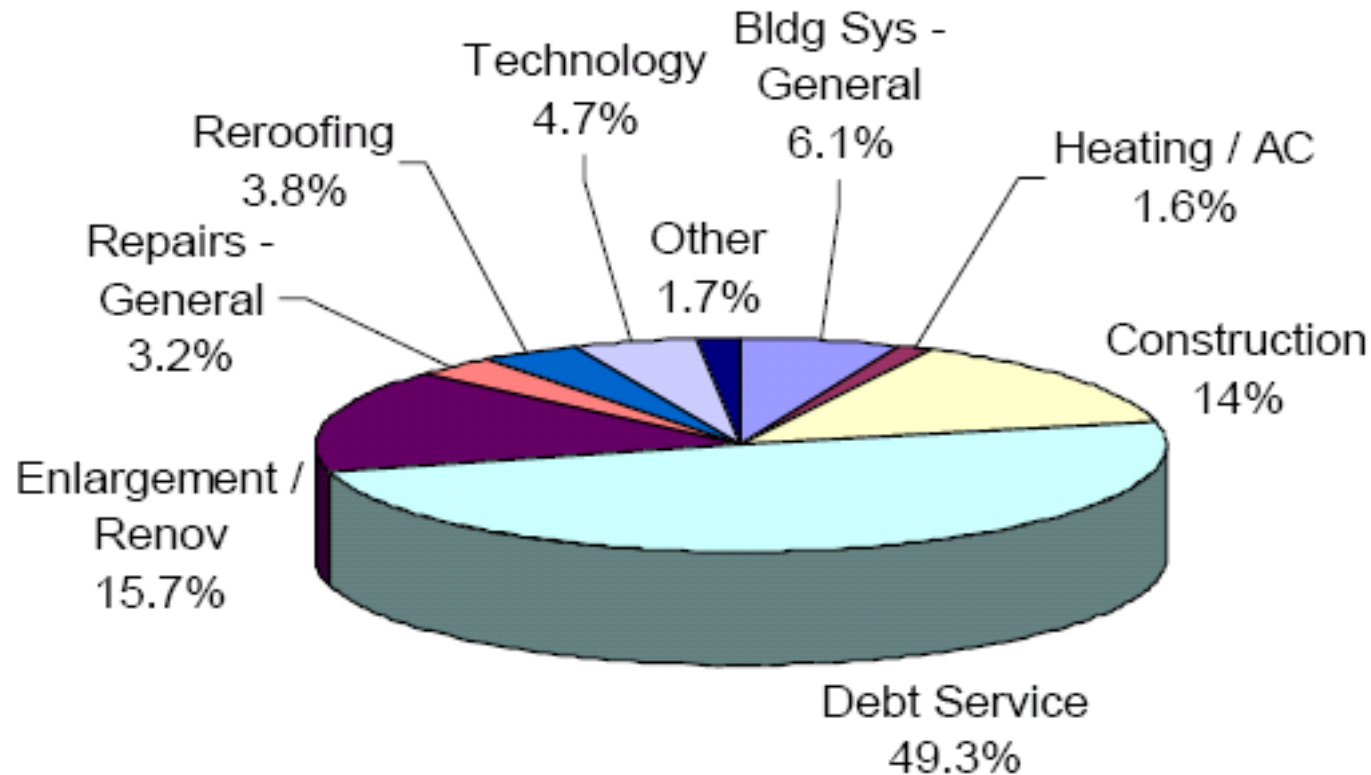
FY 2000-07 ADM Fund Project Allocations



Expenditures

- Funds can be used for the following:
 1. Purchase of land for public school buildings
 2. Planning/design fees
 3. Construction
 4. Renovation
 5. Enlargement
 6. Repair
 7. School technology (only “ADM” funds)
 8. Retirement of capital-related debt service
- Does not support centralized administration, maintenance, or non-school facilities

FY 2006-07 Project Allotments



FY 2006-07 PSBCF Allotments (ADM plus Lottery)

("Other" includes Land Purchase, Planning and Design, and Exterior Upgrades.)

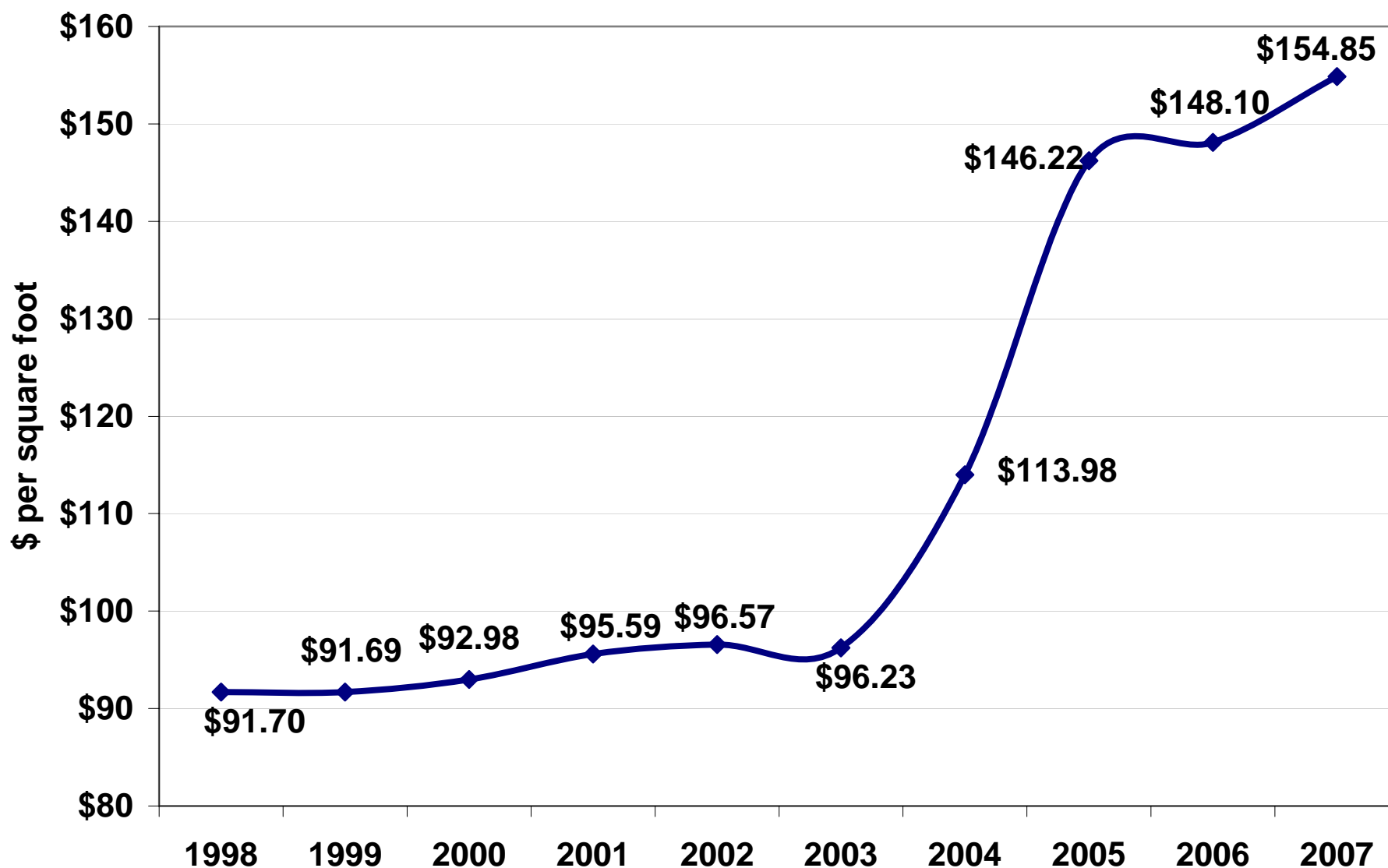
Public School Capital Context

- County Needs
 - 2005-06 Five-Year Public School Facilities Needs Assessment report identified over \$9.8 billion in capital needs
- County Bond Issues
 - Over \$3 billion in local bonds passed in FY 2006-07

Other State Public School Capital Support

- The General Assembly has provided or allowed for other types of capital support:
 - State Bond Issues
 - 1949 (\$25 million and \$25 million appropriation)
 - 1953 (\$50 million)
 - 1963 (\$100 million)
 - 1973 (\$300 million)
 - 1996 (\$1.8 billion)
 - County Sales Tax expansion
 - 1983—30% of 0.5 cent increase dedicated to capital
 - 1986—60% of 0.5 cent increase dedicated to capital
 - Both are due to sunset in 2011

1998-2007 School Construction Costs/sq. ft.



SOURCE: Department of Public Instruction



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

Medicaid Swap

- S.L. 2007-323 requires a one-time reduction to PSBCF funding as part of the State's assumption of certain Medical Assistance Program expenses
- DPI is required to withhold from a County's PSBCF allotment the lowest amount of:
 - 60% of the PSBCF allocation
 - or
 - 60% of State Medicaid payments
- County must “replace” foregone PSBCF funding with revenues saved by lowered Medicaid costs

Key Takeaways

- School capital funding is traditionally a local school district responsibility
- The Public School Building Capital Fund is one of few State supports for school capital funding
- Funding is provided from both
 - Corporate Income Tax
 - and
 - North Carolina Education Lottery proceeds

Questions to Consider

- Allocation Criteria
 - Is it a concern that PSBCF funds are allocated based on differing criteria?
- Construction Costs Outpacing Corporate Tax Revenues
 - Should the diminished purchasing power of PSBCF support be addressed?

North Carolina Education Lottery Funding

Key Takeaways

- Proceeds from the North Carolina Education Lottery (Lottery) support four separate education programs
- Lottery revenues have not met projections so actual 2006-07 education distributions were well below appropriation
- Local effort component of school construction formula provides support only to those LEAs over Statewide average

Purpose/Eligibility

- Lottery provides support to counties for educational purposes, such as:
 - More at Four (Pre-K)
 - Class Size Reduction (K-3)
 - School Construction (Pre-K-12)
 - College Scholarships (Postsecondary)
- Eligibility
 - Pre-K-12 resources provided to Counties
 - Scholarship funds earmarked for needy students

Determining Lottery Funds for Education

- Statute set guidelines for allocating revenues:
 - 50% for Prizes
 - 35% for Education Programs
 - 15% for Administrative Costs (8%) & Retailers (7%)
- It also created a Lottery Reserve Fund
 - Fully funded at \$50 million from 1st year revenues
- Budget office allocates public school program funds to DPI and scholarship funding to the State Education Assistance Authority (NCSEAA)
 - DPI and NCSEAA administer Lottery funding

Allocation of Education Funding

35% of Total Lottery Revenues

- 50% for More-at-Four and Class Size Reduction
 - Particular amounts for each activity not specified
- 40% for Public School Construction
 - 65% based on Average Daily Membership (ADM)
 - 35% based on “local effort”
- 10% for Scholarships for Needy Students

Funding Availability

- General Assembly appropriates annual funding levels for Lottery proceeds
 - Based on estimates of availability from State Budget and Fiscal Research
- Use of Education Lottery Reserve
 - If available revenues fall below the appropriated amounts, the Governor may transfer an amount from the Reserve to equal the appropriation
- When revenues exceed appropriation
 - 50% to Public School Building Capital Fund and 50% to NCSEAA for scholarships

2006-07 Appropriations vs. Allocations

Education Programs:	FY 2006-07 Appropriations	FY 2006-07 Allocations	Allocation % of Appropriations
Class Size Reduction	127.9 M	78.1 M	61%
More at Four Prekindergarten	84.6 M	84.6 M	100%
Public School Construction	170.0 M	130.2 M	77%
Scholarships for Needy Students	42.5 M	32.7 M	77%
Total	\$425.0 M	\$325.6M	77%

NOTE: G.S. 18C-164 provides flexibility between Class Size Reduction and More at Four allocations as long as combined funding total is 50% of all education revenues

What is the outlook for FY 2007-08?

- Education Program Appropriations

Education Programs:	FY 2007-08 Appropriations
Class Size Reduction	90.4 M
More at Four Prekindergarten	84.6 M
Public School Construction	140.0 M
Scholarships for Needy Students	35.0 M
Total	\$350.0 M

- Education Program Transfers

- 1st Quarter education transfers were \$79.9 million
- At this pace, total transfers would be \$30 million below appropriation
- Lottery public school appropriations are approximately 4% of all 2007-08 total State public school funding

Lottery School Construction Funding

- Only Lottery program with a two-tiered formula
 - 65% of funds distributed by ADM
 - 35% of funds distributed by “local effort”
- “Local Effort” Funding
 - Construction funds are 40% of education transfers
 - % of Lottery total funding: $40\% \times 35\% = \boxed{14\%}$
- Public School Building Capital Fund
 - Both ADM and local effort funds distributed through PSBCF and are subject to most of its rules
 - Only differences: No required match and funds can’t be used for technology

School Construction Formula

FY 2007-08 Projected Lottery Transfers

- Overall total funding estimated at \$350M
- Allocate 40% for construction→\$140M
- ADM Funding: 65% of \$140M → \$91M
distributed to Counties based on student count
- Local Effort Funding: 35% of \$140M → \$49M

Lottery School Construction--Local Effort

Allotment Formula

- Three steps to determine eligibility:
 1. Determine “effective county tax rate” (ECTR)
 2. Compare ECTR to Statewide average and if $ECTR > 100\%$ of the Statewide average then LEA is eligible
 3. Distribute funds on behalf of all eligible LEAs based on ADM

School Construction Allotment Formula

Step 1: Determine Effective County Tax Rate

- What is a Real Estate Assessment Sales Ratio?
 - Measure of the assessed value of property compared to the selling price of property
$$= \frac{\text{Assessed Value}}{\text{Selling Price}}$$
 - Result is a percentage, usually below 100%, as sales values are typically greater than assessed values
- Why use the Real Estate Assessment Sales Ratio?
 - Factors in property tax base as well as property tax rates
 - Does not disadvantage counties with lower tax rates but property valuations closer to true market value

Step #1 Continued

LEA Name	Real Estate Assessment Sales Ratio			Property Tax Rates Year of latest revaluation	Weighted Sales Assessment Ratio
	2004	2005	2006		
Chatham County	0.8976	1.0000	0.9753	2005	0.9835
Cherokee County	0.9686	0.8188	0.7480	2004	0.8084
Chowan County	0.8168	0.7278	1.0000	2006	1.0000

- WSAR calculation based on latest year of reevaluation
 1. 2006: $WSAR = 2006 \text{ Ratio (Chowan)}$
 2. 2005: $WSAR = 1/3 \text{ 2005 Ratio} + 2/3 \text{ 2006 ratio (Chatham)}$
 3. 2004 or prior: $WSAR = 1/6 \text{ 2004 Ratio} + 2/6 \text{ 2005 Ratio} + 3/6 \text{ 2006 Ratio (Cherokee)}$

Step #1 Continued

LEA Name	Sales Assessment Ratio	Property Tax Rates 2006-07	Effective County Tax Rates
Chatham County	0.9835	0.5970	0.5870
Cherokee County	0.8084	0.5200	0.4200
Chowan County	1.0000	0.5450	0.5450

$$\begin{array}{c} \text{Weighted} \\ \text{Sales} \\ \text{Assessment} \\ \text{Ratio} \end{array} \times \begin{array}{c} \text{Property Tax} \\ \text{Rate} \end{array} = \begin{array}{c} \text{Effective} \\ \text{County Tax} \\ \text{Rate} \end{array}$$

School Construction Allotment Formula

Step 2: Compare LEA's ECTR to State Average

LEA Name	Effective County Tax Rates	% of State Avg Effective Tax Rate	Eligible?
Chatham County	0.5870	101.91%	Yes
Cherokee County	0.4200	72.92%	No
Chowan County	0.5450	94.62%	No
State Average			
Effective Tax Rate	0.5760		

**State Average =
Average of all
County ECTRs**

School Construction Allotment Formula

Step 3: Distribute Funds to Eligible LEAs

- Calculate Total ADM for all eligible LEAs and divide by available funds to derive funding factor

$$\begin{array}{|c|} \hline \text{35\% Fund:} \\ \text{\$49,000,000} \\ \hline \end{array} \div \begin{array}{|c|} \hline \text{Total eligible} \\ \text{ADM: 859,729} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Funding Factor} \\ \text{(\$/ADM):} \\ \text{\$56.99} \\ \hline \end{array}$$

- Chatham County Funding Calculation:

$$\begin{array}{|c|} \hline \text{Chatham Cty.} \\ \text{ADM: 7,724} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Funding} \\ \text{Factor: \$56.99} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Chatham 2007-} \\ \text{08 Funding:} \\ \text{\$440,227} \\ \hline \end{array}$$

- Funding estimate based on Lottery appropriation and is subject to change if actual revenues fall below this level

EDUCATION LOTTERY - SCHOOL CONSTRUCTION 35% FUNDING



35% Formula Issues to Consider

- Local Effort is measured against a State average
 - Guarantees winners and losers
- Variability
 - Data is updated every year
 - Inclusion or exclusion of a county with high ADM can produce substantial funding decrease/increase
 - No hold harmless provision
- Proposed Changes (Introduced Bills)
 - Distribute all funding 100% by ADM
 - Use high growth and low wealth elements in formula

2007 Legislative Change to Lottery

- S.L. 2007-323 Change
 - Added flexibility to Lottery revenue distribution, “...*in order to increase and maximize the available revenues for education purposes...*”
 - Commission may set prize percentage over 50% as long as change will increase total net education transfers

EXAMPLE:

FY 2006-07 actual: $\$930\text{M} \times 35\% = \325M

Flexible Percentage: $\$1,000\text{M} \times 33\% = \330M

Net Change: +\$5 million

****Percentage transferred to education could be lower but provide greater total funding**

Key Takeaways

- Proceeds from the North Carolina Education Lottery (Lottery) support four separate education programs
- Lottery revenues have not met projections so actual 2006-07 education distributions were well below appropriation
- Local effort component of school construction formula provides support only to those LEAs over Statewide average

Questions to Consider

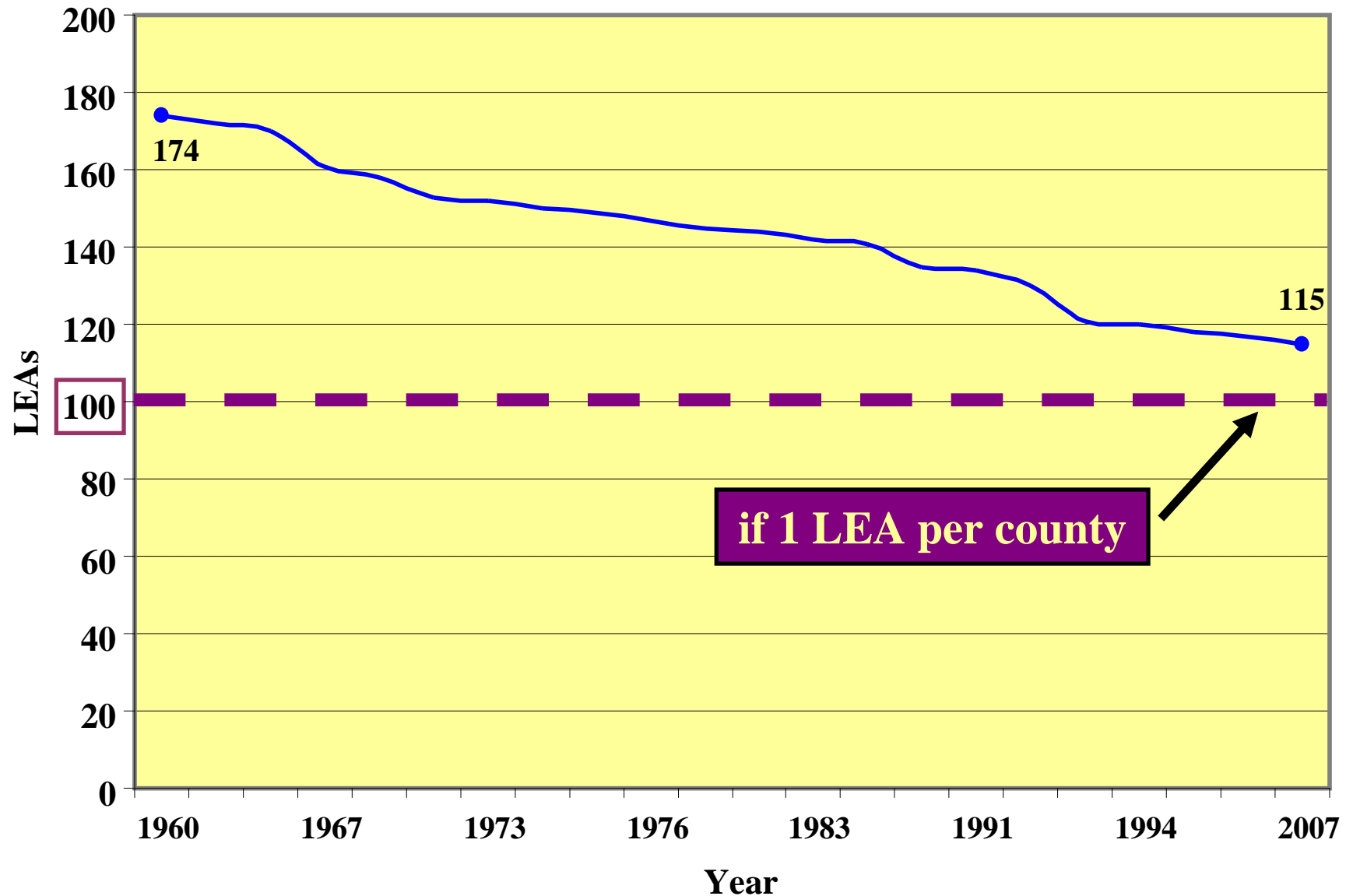
- School Construction Funding
 - What is the goal of the current funding distribution?
 - Does formula optimally direct funding to meet goal?
 - Should other factors such as growth, capacity, or capital efficiency be considered?
 - Is a hold harmless provision warranted to address funding volatility?

Funding One LEA per County

Key Takeaways

- Would not force LEAs to consolidate
- Potential savings stem from reducing 6 allotments that have a base allotment to each LEA
- Formulas allocating funds solely on a “per ADM” or “per headcount” basis would remain unchanged
- Affects the city LEA *and* the county LEA

Total LEAs: 1960 - Present



Counties With Multiple LEAs

- There are 15 city LEAs in 11 counties:

County	LEAs
Buncombe	Buncombe County, Asheville City
Cabarrus	Cabarras County, Kannapolis City
Catawba	Catawba County, Hickory City, Newton-Conover City
Columbus	Columbus County, Whiteville City
Davidson	Davidson County, Lexington City, Thomasville City
Halifax	Halifax County, Roanoke Rapids City, Weldon City
Iredell	Iredell-Statesville, Mooresville City
Orange	Orange County, Chapel Hill-Carrboro City
Randolph	Randolph County, Asheboro City
Sampson	Sampson County, Clinton City
Surry	Surry County, Elkin City, Mount Airy City

Potential Savings

- 6 of 33 allotments contain
 - a base allotment that is the same for each LEA, and
 - an allotment that is graduated on the basis of each LEA's ADM
- By funding one LEA per county, no county would receive more than one base allotment

Potential Savings

Allotment Category - Base Allotments	One City LEA	Statewide (15 City LEAs)
Central Office Administration	\$ 360,000	\$ 5,400,000
Vocational Education - Months of Employment (MOE)	280,600	4,209,000
Vocational Education - Program Support	10,000	150,000
Children with Disabilities (Preschool)	53,401	801,015
Limited English Proficiency (LEP)*	27,085	379,190
Professional Development	27,073	406,095
Total	\$ 758,159	\$ 11,345,300

*Weldon City is not eligible for the LEP allotment; thus the total in the Statewide column reflects only 14 city LEAs.

- State Board policy provides for a two-year phase-out of base allotments if LEAs merge

State Allotment Reductions per LEA

LEA	Central Office	CTE (MOE)	CTE (Prog Suppt)	CWD (Preschool)	LEP	Professional Development	Total Allot Reduction per LEA
Buncombe County	\$210,000	\$140,300	\$5,000	\$26,701	\$13,543	\$13,537	\$409,080
Asheville City	\$150,000	\$140,300	\$5,000	\$26,701	\$13,543	\$13,537	\$349,080
Cabarras County	\$210,000	\$140,300	\$5,000	\$26,701	\$13,543	\$13,537	\$409,080
Kannapolis City	\$150,000	\$140,300	\$5,000	\$26,701	\$13,543	\$13,537	\$349,080
Catawba County	\$280,000	\$187,067	\$6,667	\$35,601	\$18,057	\$18,049	\$545,439
Hickory City	\$220,000	\$187,067	\$6,667	\$35,601	\$18,057	\$18,049	\$485,439
Newton-Conover City	\$220,000	\$187,067	\$6,667	\$35,601	\$18,057	\$18,049	\$485,439
Columbus County	\$210,000	\$140,300	\$5,000	\$26,701	\$13,543	\$13,537	\$409,080
Whiteville City	\$150,000	\$140,300	\$5,000	\$26,701	\$13,543	\$13,537	\$349,080
Davidson County	\$280,000	\$187,067	\$6,667	\$35,601	\$18,057	\$18,049	\$545,439
Lexington City	\$220,000	\$187,067	\$6,667	\$35,601	\$18,057	\$18,049	\$485,439
Thomasville City	\$220,000	\$187,067	\$6,667	\$35,601	\$18,057	\$18,049	\$485,439
Halifax County	\$280,000	\$187,067	\$6,667	\$35,601	\$13,543	\$18,049	\$540,925
Roanoke Rapids City	\$220,000	\$187,067	\$6,667	\$35,601	\$13,543	\$18,049	\$480,925
Weldon City	\$220,000	\$187,067	\$6,667	\$35,601	\$0	\$18,049	\$467,383
Iredell-Statesville	\$210,000	\$140,300	\$5,000	\$26,701	\$13,543	\$13,537	\$409,080
Mooresville City	\$150,000	\$140,300	\$5,000	\$26,701	\$13,543	\$13,537	\$349,080
Orange County	\$210,000	\$140,300	\$5,000	\$26,701	\$13,543	\$13,537	\$409,080
Chapel Hill-Carrboro	\$150,000	\$140,300	\$5,000	\$26,701	\$13,543	\$13,537	\$349,080
Randolph County	\$210,000	\$140,300	\$5,000	\$26,701	\$13,543	\$13,537	\$409,080
Asheboro City	\$150,000	\$140,300	\$5,000	\$26,701	\$13,543	\$13,537	\$349,080
Sampson County	\$210,000	\$140,300	\$5,000	\$26,701	\$13,543	\$13,537	\$409,080
Clinton City	\$150,000	\$140,300	\$5,000	\$26,701	\$13,543	\$13,537	\$349,080
Surry County	\$280,000	\$187,067	\$6,667	\$35,601	\$18,057	\$18,049	\$545,439
Elkin City	\$220,000	\$187,067	\$6,667	\$35,601	\$18,057	\$18,049	\$485,439
Mount Airy City	\$220,000	\$187,067	\$6,667	\$35,601	\$18,057	\$18,049	\$485,439
State Savings	\$5,400,000	\$4,209,000	\$150,000	\$801,015	\$379,190	\$406,095	\$11,345,300

Questions for Consideration

- Are educational opportunities for children enhanced by having multiple LEAs?
- Will consolidation create additional problems?

Mentoring

Key Takeaways

- Paid mentoring is provided for a beginning teacher's first 2 years in service as well as for 1st Year Instructional Support personnel
- Most LEAs receive guaranteed State funding to compensate each mentor \$100/month for up to 10 months (and \$100 for a day prior to school year)
- Legislation allows LEAs to receive a mentoring “dollar allotment” which can be used to hire full-time mentors or support other mentoring activities (23 LEAs)

Purpose and Participants

- Purpose (State Board Policy)
 - “...*Quality mentors considered a critical key to success of beginning teachers...*”
 - Mentoring part of LEA’s efforts to support, develop and retain beginning teachers
 - Three-year Beginning Teacher Support Program
- Mentors
 - Qualified and well-trained teachers and instructional support personnel
- Beginning Teachers/Instructional Support
 - Newly certified in first 2 years of teaching; or,
 - 1st year entry-level instructional support personnel

State Funding

- Guaranteed Allotment
 - Provides funds to LEA to compensate mentors
 - \$100/month for maximum of 10 months
 - \$100 for serving as a mentor for one day prior to the start of the school year
 - 92 LEAs (80%) opted for this approach in FY 2006-07
- Dollar Allotment
 - Provides LEA the average of previous 3 years of mentoring expenditures
 - LEA must submit a plan to State Board for approval
 - LEA may use resources to hire full-time mentors, provide staff development or implement other strategies
 - 37% of FY 2006-07 mentoring funds (\$8.9m) spent this way

Program Effectiveness

- S.L. 2007-323, Section 7.17 requires DPI to report to the Joint Legislative Oversight Committee on the effectiveness of local mentoring programs
- DPI Report Findings:
 - Teacher Retention
 - 50% of North Carolina teachers who started with no experience leave after 5 years, same as the National average
 - Retention of lateral entry teachers improved by 14 percent
 - Mentee Feedback
 - 43% of new teachers report that mentoring is an important factor in staying at their school, but 42% say it is only slightly important or not important at all

Questions for Consideration

- Is the two-tiered allotment approach the optimal method to distribute mentoring funds?
- Should Committee consider expanding mentoring program to create full-time mentors as State Board has proposed?