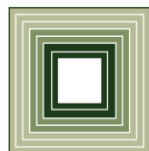


Funding North Carolina's Public Schools



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A Staff Agency of the North Carolina General Assembly

Key Takeaways

- State Public Schools funding is distributed to Local Education Agencies (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

Average Daily Membership

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 =
daily sum of all students in membership for a month
total days in month

Determining Allotted ADM

Each winter, DPI follows these 5 steps for determining total allotted ADM for the next year:

- 1) For each LEA, compare **current year actual** ADM in month 1 and month 2 of school year (example: for building FY 2014-15 budget, look first at FY 2013-14 ADM)
- 2) Identify the **higher** figure (“**Best 1 of 2**”)

September 2013:
20,417

Vs.

October 2013:
20,520

Determining Allotted ADM-Part 2

- 3) Compare the figure from step 2 to a statistical projection of ADM for the coming year



- 4) The higher number is the **allotted ADM** for that LEA in the coming year. (note: an LEA's budgeted ADM can be no lower than the prior-year actual)

Determining Allotted ADM-Part 3

- 5) Sum the allotted ADM figures for all of the LEAs:

Statewide Total Allotted ADM

**2014-15 Allotted ADM:
1,520,305**

Allotments

Basis for Public Schools Funding

Allotments

- **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
- Instead of funding specific programs, 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

Base Allotments

State Funding—Base Allotments

- Base allotments represent 79% of State allocations
- Base allotments provide a foundation of public school operational support
 - Funds flow to all 115 LEAs
 - ADM is the primary determinant of fund allocation
- Most Base allotments support positions
 - Instead of dollar allocations, LEAs receive months of employment or 10- and 12-month positions
 - State pays the salary and benefits of employee regardless of person's placement on salary schedule

Base Allotments Guaranteed Positions

Classroom Teachers

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
2,758,250,828	3,017,215,584	34.8%

- **Purpose:** Provides LEAs guaranteed funding (salaries & benefits) to cover 10-month positions for classroom teachers
- **Formula:** LEAs provided positions based on the allotted ADM by grade spans
- **Note:** Other allotments also support teachers. Partially supported by Lottery funds (2014: \$255M)

Classroom Teachers

Class-size Ratios

2014-15 Grade Spans	Teacher Allotment Ratio	Class-Size Average Ratio for the LEA	Individual Class-Size Maximum
K	1:18	1:21	1:24
1-3	1:17	1:21	1:24
4-6	1:24	--	--
7-8	1:23	--	--
9	1:26.5	--	--
10-12	1:29	--	--

- Average class-size and individual class-size limits in grades 4-12 were eliminated in 2013

Classroom Teachers

Statewide Salary Schedule

		110% of A	112% of A	122% of A
Creditable Experience	A Schedule	M Schedule	NBPTS "A"	NBPTS "M"
0-4	\$ 33,000	\$ 36,300	\$ 36,960	\$ 40,260
5-9	36,500	40,150	40,880	44,530
10-14	40,000	44,000	44,800	48,800
15-19	43,500	47,850	48,720	53,070
20-24	46,500	51,150	52,080	56,730
25+	50,000	55,000	56,000	61,000

- Teacher must be paid at least the amount called for by her/his placement on Statewide schedule
- Annual salary based on 10-month schedule

Classroom Teachers

Statewide Salary Schedule

		110% of A	112% of A	122% of A
Creditable Experience	A Schedule	M Schedule	NBPTS "A"	NBPTS "M"
0-4	\$ 33,000	\$ 36,300	\$ 36,960	\$ 40,260
5-9	36,500	40,150	40,880	44,530
10-14	40,000	44,000	44,800	48,800
15-19	43,500	47,850	48,720	53,070
20-24	46,500	51,150	52,080	56,730
25+	50,000	55,000	56,000	61,000

- LEAs may supplement pay from local funds
- State supplements base salary for Master's (10%) and NBPTS certification (12%)

Classroom Teachers

Statewide Salary Schedule

	M+\$126/mo	NBPTS M +\$126/mo	M+\$253/mo	NBPTS M +\$253/mo
Creditable Experience	Advanced (6th Yr.)	Advanced (w/NBPTS)	PhD	PhD (w/NBPTS)
0-4	\$ 37,560	\$ 41,520	\$ 38,830	\$ 42,790
5-9	41,410	45,790	42,680	47,060
10-14	45,260	50,060	46,530	51,330
15-19	49,110	54,330	50,380	55,600
20-24	52,410	57,990	53,680	59,260
25+	56,260	62,260	57,530	63,530

- Also get supplement for advanced degrees and PhDs

Classroom Teachers

How Does NC Budget Guaranteed Positions?

- Guaranteed positions don't have known fixed cost
- Use 6th pay period actual for estimating next fiscal year's projected costs

**2014-15 Classroom
Teaching Positions
Required: 69,156.5**

X

**2013-14 6th PP Avg.
Salary (& Leg Inc.):
\$43,515**

=

2014-15 Budget: \$3,017,215,584

Classroom Teachers

What is the Rationale for Guaranteed Positions?

- LEAs can hire best candidate regardless of salary
- Eliminates possible incentives to:
 - Discourage teachers from securing advanced degrees or certification
 - Replace effective, experienced teachers with unproven, initially licensed teachers

Classroom Teachers

Major Changes in Prior Biennium

- Modified Allotment Ratios
 - 2013: All ratios increased to eliminate LEA Adjustment
 - 2014: K-1 ratios reduced by 1 student per teacher
- Revised Salary Schedule
 - Collapsed from 30+ steps to 6 tiers
 - Average 7% raise provided in 2014
 - Longevity eliminated

Classroom Teachers

Major Changes in Prior Biennium

- Master's supplement eliminated, except for teachers that :
 - Received it prior to the 2014-15 school year, or
 - Completed at least one class towards a Master's program as of 8/1/2013

Instructional Support

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
327,218,072	347,645,151	4.0%

- **Purpose:** Supports 10-month positions for counselors, social workers and other instructional support personnel
- **Formula:** 1 position per every 218.55 in ADM

Career and Technical Education

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
296,431,205	313,278,979	3.6%

- **Purpose:** Provides guaranteed months of employment to fund CTE teacher salaries and benefits
- **Formula:** 50 months of employment per LEA with remaining funds distributed based on grade 8-12 ADM

School Building Administration

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
236,288,914	237,206,208	2.7%

- **Purpose:** Provides guaranteed funding to support 12-month positions for principals, and months of employment for assistant principals
- **Formula:**
 - Principals: 1 position for each school where ADM > 100 or 7+ state-paid teachers/inst. support (until 2011)
 - Assistant Principals: 1 month of employment per every 98.53 in ADM

Personnel Benefits

ALLOTMENT	2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
SOCIAL SECURITY	276,791,459	298,677,480	3.4%
STATE RETIREMENT	531,912,925	592,254,740	6.8%
MEDICAL INSURANCE	449,265,348	467,898,252	5.4%
SHORT TERM DISABILITY	7,077,920	7,077,920	0.1%
LONGEVITY	85,817,204	50,699,521	0.6%
ANNUAL LEAVE	47,211,431	47,211,431	0.5%
WORKERS COMP	48,205,026	48,205,026	0.6%
UNEMPLOYMENT	19,339,358	19,339,358	0.2%

- Personnel benefits are provided based on the number of positions, and the requirements of the specific benefit

Base Dollar Allotments

Teacher Assistants

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
453,579,630	376,107,530	4.3%

- **Purpose:** Provides funding for teacher assistants' salaries and benefits
- **Formula:** \$727 per K-3 ADM
- **2014 LEGISLATIVE ACTION:**
 - Funding reduced by \$110M R (partially offset by \$25 M nonrecurring appropriation)
 - Lottery receipts now provide \$113M of total funding

Central Office Administration

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
95,461,616	94,386,875	1.1%

- **Purpose:** Provides funding for central office personnel salaries and benefits
- **Formula:** Base formula has changed so many times over last 20 years that this position allotment now functions as a dollar allotment

Noninstructional Support Personnel

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
357,078,745	367,330,979	4.2%

- **Purpose:** Supports clerical, custodians, substitute teachers, and other personnel or purposes
- **Formula:** \$240.19 per ADM
- **NOTE:** Partially supported by Civil Fines and Forfeitures (FY 2014-15: \$132 million)

Instructional Supplies/Classroom Materials

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
43,813,919	43,815,896	0.5%

- **Purpose:** Provides funds for classroom supplies and materials
- **Formula:** \$28.38 per ADM plus \$2.69 per ADM in grades 8 and 9 for PSAT Testing

Career and Technical Education: Pgm. Supp.

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
20,284,738	20,664,365	0.2%

- **Purpose:** Provides funding to assist LEAs in expanding, improving, modernizing, and developing quality CTE programs
- **Formula:** Base of \$10,000 per LEA with remaining funds distributed based on grade 8-12 ADM (\$33.97 per ADM)

Textbooks

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
23,169,585	24,265,721	0.3%

- **Purpose:** Provides funds for textbooks and instructional content in paper and digital form
- **Formula:** \$14.86 per ADM in grades K-12

Transportation

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
443,107,735	455,864,208	5.3%

- **Purpose:** Provides funds for transportation to and from school
 - Bus drivers and other personnel
 - Fuel
 - Maintenance
 - Contract Transportation
- **Formula:** Based on pupils transported and “budget rating”

School Buses

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
38,448,088	43,567,191	0.5%

- **Purpose:** Supports yellow school bus replacement for the existing bus fleet (not for growth)
- **Formula:** Subject to availability of funds, policy is to replace all yellow buses exceeding 20 years or 250,000 miles of service, with certain exceptions:
 - May not replace with less than 150,000 miles
 - Only replace less than 15 years old if over 300,000 miles

School Buses

Major Changes in Prior Biennium

- Formula Revision (Sec 8.11, S.L. 2013-360)
 - Prior to 2013, buses were previously replaced at either 20 years or 200,000 miles in service
 - New process provides opportunity for LEAs to derive benefit from keep vehicles in service
 - \$2,000 bonus payment for retention during initial eligibility, up to 23 years in service
- Funding adjusted to meet lower costs of new replacement requirements

Allotments Addressing Student Characteristics

Allotments Addressing Student Characteristics

- These allotments represent 16% of State allocations
- They are intended to enhance service delivery to specific populations of students
- Resources are provided solely through dollar allotments

Children with Disabilities—School-aged

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
652,938,371	687,603,386	7.9%

- **Purpose:** Provide a program of support to benefit students with identified disabilities in public schools from ages 5-21
- **Formula:** \$3,927 per identified student up to a 12.5% maximum identified LEA student cap

Children with Disabilities—Other Programs

ALLOTMENT	2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
Preschool Children	52,520,194	54,627,017	0.6%
Behavioral Support	11,389,915	11,808,375	0.1%
Group Homes	4,439,538	4,700,583	0.1%
Developmental Day Care	19,449,417	20,593,043	0.2%
Community Residency Ctrs	4,571,640	4,840,452	0.1%

Preschool Children

- **Purpose:** Support local programs which address unique needs of this population
- **Formula:** Dollar equivalent of classroom teacher plus \$3,117 per 3, 4 and pre-K5 year-old identified student

Other Programs (available by LEA application)

Academically or Intellectually Gifted

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
74,737,262	77,880,694	0.9%

- **Purpose:** Supports differentiated services to students with outstanding capability
- **Formula:** Total LEA Funding =

**4% of LEA's ADM X Per-Pupil Funding Factor
(FY 2014-15: \$1,281)**

At-Risk Student Services

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
283,726,446	291,183,097	3.4%

- **Purpose:** Provide services/positions such as:
 - alternative instruction
 - dropout prevention
 - school safety officers (SSOs)
 - summer school instruction
 - remediation
 - alcohol/drug prevention

At-Risk Student Services Formula

- **Formula:** Every LEA receives the following:
 1. Funding equivalent to an School Safety Officer salary (\$37,838) per high school
 2. Remaining funds allocated based 50% on Federal Title I headcount (\$329.77/pupil) and 50% on allotted ADM (\$88.37/pupil)

NOTE: Each LEA must receive at least the equivalent of two teachers and two instructional support personnel (\$249,288).

At-Risk Student Services

Major Changes in Prior Biennium

- **After School Program (Sec 8.19, S.L. 2014-100)**
 - Set-aside \$5 million from At-Risk allotment
 - Created new competitive grant activity intended to improve after school quality
 - Available to LEAs and non-profits partnering with LEAs
 - Maximum award is \$500,000
 - Student population served must be $\geq 70\%$ Free or Reduced Lunch-eligible

Disadvantaged Student Supplemental Funding

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
81,704,803	85,488,650	1.0%

- **Purpose:** Provides supplemental funding to LEAs to enhance capacity to address the needs of disadvantaged students
- **Formula:** Distributed to all LEAs on a per-student basis, factoring in certain student characteristics and the relative wealth of the county

Limited English Proficiency

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
75,741,495	77,647,338	0.9%

- **Purpose:** Provides funding to LEAs to serve students not proficient in English
- **Formula:** Funding provided for up to 10.6% of total LEA ADM. Each LEA receives dollar equivalent of a teacher assistant position, with remaining funds allocated 50% on 3-year weighted average LEP headcount and 50% on LEP concentration.

Excellent Public Schools Act

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
33,513,559	36,617,010	0.4%

- **Purpose:** Funds support multiple activities authorized by S.L. 2012-142 (2012 Approps Act)
- Major Activities Include:
 - Reading Camps for students not demonstrating proficiency
 - Formative Diagnostic Assessment for all K-3 students
 - Kindergarten Entry Assessment for all entering Kindergarteners

Allotments Addressing District Characteristics

Allotments Addressing District Characteristics

- These allotments represent 3% of State allocations
- They are intended to address economic and geographic conditions of school districts
- Resources are provided solely through dollar allotments

Low Wealth Supplemental Funding

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
212,464,471	215,621,537	2.5%

- **Purpose:** Provides funding for counties that have below State-average ability to generate local revenue to support public schools
- **Formula:** Only LEAs with wealth of less than the State average qualify. Qualifying LEAs can receive up to the amount required to bring that LEA up to the Statewide average local revenue per student; dependent on LEA funding effort

Small County Supplemental Funding

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
44,815,205	47,543,689	0.5%

- **Purpose:** Provides additional support for small LEAs to compensate for diseconomies of scale
- **Formula:** Funds are provided to County LEAs based on ADM

Small County Supplemental Funding

Small County Funding Parameters

ADM Range	Funding	ADM Range	Funding
Less than 600	\$1,710,000	2,001-2,300	\$1,560,000
601-1,300	\$1,820,000	2,301-2,600	\$1,470,000
1,301-1,700	\$1,548,700	2,601-2,800	\$1,498,000
1,701-2,000	\$1,600,000	2,801-3,200	\$1,548,000

Small County Supplemental Funding

Major Changes in Prior Biennium

- 2 Formula Revisions
 - 2013: Phased out antecedent formula that provided funding based on 7 different factors in favor of formula recommended by independent consultants
 - 2014: Revised 2013 formula change to provide specific dollar amount tied to district size
- Implications of Changes
 - LEAs with more than 3,200 students no longer eligible
 - 5 year graduated phase-out provided to newly ineligible districts

Child and Family Support Teams

2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
9,523,985	10,051,540	0.1%

- **Purpose:** A combination of positions (nurses) and dollars (social workers) to coordinate services among educational and human service agencies working with at-risk children and their families.
- **Formula:** Positions and dollars distributed between the 79 designated schools

Miscellaneous Programs

Cooperative and Innovative Programs

ALLOTMENT	2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
Cooperative & Innovative HS	23,111,478	25,402,716	0.3%
C & I Virtual HS	1,000,000	1,000,000	0.0%

- This program provides high school students the opportunity to earn college credit while in high school
- There are 79 CIHSs that receive direct supplemental appropriations from the NCGA, with 6 opening in FY 2014-2015

Technology Programs

ALLOTMENT	2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
School Technology Fund	18,000,000	24,000,000	0.3%
Connectivity	19,919,762	19,919,762	0.2%

- **School Technology Fund**
 - Allocated on \$/ADM Basis (FY 2014-15: \$15.79/ADM)
 - Supported by Civil Fines & Forfeitures (\$18m) and Indian Gaming Education Revenue Fund (\$6m)
 - Used for hardware, software but not personnel
- **Connectivity**
 - Funds support the enhancement of school technology infrastructure and internet service costs

FY 2013-15 Newly Authorized Activities

ALLOTMENT	2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
Middle School Safety Officers	7,000,000	7,000,000	0.1%
Panic Alarms	2,000,000	900,000	0.0%
NC Advanced Placement (AP) Partnership	1,500,000	1,500,000	0.0%
AP/International Baccalaureate Test Fees	-	10,831,184	0.1%
Career Technical Education Testing Fees	1,252,157	1,302,243	0.0%
Psychiatric Residential Treatment Facilities	-	3,200,000	0.0%

Miscellaneous Programs

ALLOTMENT	2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
Driver Education*	26,056,736	26,461,843	0.3%
EVAAS	2,995,000	2,795,000	0.0%
Liability Insurance	3,145,000	3,145,000	0.0%
Reserve ADM Contingency	2,618,500	2,618,500	0.0%
School Breakfast	2,017,761	2,017,761	0.0%
Small Speciality High Schools	4,017,304	4,017,304	0.0%
Testing	15,862,981	15,994,747	0.2%
Tort Claims	5,211,964	5,211,964	0.1%
Uniform Education Reporting System	10,258,861	10,258,861	0.1%

*Driver Training funding was made non-recurring in the 2014 Appropriations Act. Without legislative action, there will be no State support for this activity in FY 2015-16.

Directed Grants

ALLOTMENT	2013-14 Budget	2014-15 Budget	% of 14-15 Allotments
Teach for America	6,000,000	6,000,000	0.1%
Communities in Schools	1,446,750	2,446,750	0.0%
Beginnings for Parents	919,730	919,730	0.0%

Charter School Funding

- Charter Schools are entitled to both State and local K-12 funding per G.S. 115C-238.29
- State funding
 - Charter school receives same per-pupil share of State operational funding as its co-located LEA
 - EXCEPTION: 1st yr. of operations, allotments are reduced from student's prior LEA to fund charter
- Local funding
 - LEA must provide to the charter, on behalf of each charter school student from the LEA, “an amount equal to the LEA's per pupil local current expense appropriation”

Charter School Funding

State Charter School Funding: 2008-2014

Fiscal Year	Funded ADM	State Funding	\$/ADM
2007-08	32,266	\$169,192,779	\$5,244
2008-09	35,870	\$190,593,495	\$5,484
2009-10	38,449	\$187,726,898	\$5,061
2010-11	41,716	\$201,748,380	\$5,050
2011-12	45,094	\$228,291,552	\$5,063
2012-13	49,245	\$256,417,175	\$5,178
2013-14	58,192	\$301,899,873	\$5,188

Source: Department of Public Instruction (Highlights), 2008-2014

Charter and Traditional School Comparison

ISSUE	CHARTERS	TRADITIONALS
Governance	Board of directors	Local board of education
Funding Allocations	State, federal and local dollars allocated to the school – based on the domicile of the student and the location of the school.	Allocations are made to the LEA which then decides how to distribute funds across its schools.
Funds for Facilities	State and local funds may be used for operational or financing leases for real property, but not to obtain any other interest in real property. No separate State funds for capital.	Separate capital funds available at local level.
Direct Appropriations from County	Not authorized.	Allowed.
Funding Flexibility	Funds are pooled at the school and generally are not required to be spent according to the specific purpose for which allocated.	Funds may be transferred between allotment categories, subject to some limitations, including limits set by federal law, limits on transfers into Central Office and out of Read to Achieve funds.
Teacher Tenure Law	Does not apply.	Applies, but is being phased out. Effective 2018, all teachers will be hired on definite term contracts.
Teacher Licensure	50% of teachers must hold teaching license. All teachers must be college graduates if teach math, science, social studies or language arts.	All teachers must be licensed or eligible to be licensed within specific time period.

Charter and Traditional School Comparison

ISSUE	CHARTERS	TRADITIONALS
Teacher/Principal Salaries	Negotiated.	Based on State salary schedules.
Retirement/Health Plan	One-time opportunity to opt to participate	Must participate.
School Calendar	At least 185 days or 1025 hours of instruction.	At least 185 days or 1025 hours of instructions, additional requirements including mandatory start and end dates.
Accountability	<p>SBE has authority to terminate, not renew or have charter assumed if charter has had charter for 5 years and has had 1) no growth and, 2) annual performance composites below 60% in any 2 out of 3 year period.</p> <p>SBE also has ability to terminate, not renew or allow charter assumption if specific grounds occur, including failure to meet the student performance requirements contained in the charter.</p>	SBE can dismiss teachers, principals and suspend the local board of education for continually low-performing schools. SBE can also authorize local board of education to operate a low performing school as a charter school with employees still being employed by the local board of education or close the school and re-assign students to higher achieving schools in the school system.
State Testing	Required.	Required.
Standard Course of Study	Not required.	Required.

Charter and Traditional School Comparison

ISSUE	CHARTERS	TRADITIONALS
Read to Achieve	Must retain students who have not demonstrated grade level proficiency on third grade EOG and provide reading interventions for retained students.	Must administer developmental screenings and diagnostic assessments prior to 3rd grade, must retain students who have not demonstrated grade level proficiency on third grade EOG, and must provide specified reading interventions for retained students.
Students with Disabilities	Subject to laws governing students with disabilities.	Subject to laws governing students with disabilities.
Student Discipline	Must follow student discipline laws, but may exclude student and return to traditional school under terms of charter after due process.	Must follow student discipline laws; no option to "return" somewhere else, but may place students in alternative school setting within LEA.
Student Transportation	Not required. Must have plan so transportation is not a barrier for attendance within LEA where charter is located.	Not required, but if provided, subject to regulation and requirements of statutes and State Board of Education.
School Nutrition	Not required.	Required to the extent practicable.
Admission	By application. Open to any eligible student. Lottery process when applications exceed spaces, some preference categories allowed. Students not required to reside in LEA where charter school is located.	Required for any student who is domiciled in LEA. LEA is not required to enroll students not domiciled in the LEA. LEA determines attendance zones.

Opportunity Scholarships

- Authorized in 2013, supports scholarships of up to \$4,200 for attending private school
- Student eligibility is determined by:
 - Prior attendance in a NC public school
 - Family income at or below 185% of the federal poverty guidelines (increasing to 250% in FY 15-16)
- Program administered by the NC State Educational Assistance Authority (NCSEAA)
 - \$10.8 M provided in the UNC section of the budget
 - \$2.2 M dispersed on behalf of 1,103 students attending 192 schools for the fall 2014-15 semester

Other State Fund Sources

NC Lottery Proceeds for Education

- Lottery Act no longer proscribes program-level distributions:
 - 2013 Appropriations Act change
 - NCGA had overridden distributions since FY 2009-10
 - Funds support education programs in all sectors

<u>Program/Allotment</u>	<u>2014-15 Enacted Budget</u>	
	<u>\$</u>	<u>% Total</u>
Classroom Teachers	254,586,185	44%
Teacher Assistants	113,318,880	19%
NC Pre-K	75,535,709	13%
School Capital	100,000,000	17%
Scholarships (Needy Students)	30,450,000	5%
UNC Need-Based Aid	10,744,733	2%
Total, Lottery	584,635,507	100%

Other Major State Funding Sources

- Fines and Forfeitures
 - Constitutional requirement for Revenue, Transportation and other penalties to be used to support Public Schools
 - Proceeds (14-15 Budget: \$150 m) directed to School Technology Fund and Noninstructional Personnel Support
- Department of Revenue Transfer
 - 14-15 Budget: \$53 million
 - Implemented in FY 06-07 to offset elimination of LEA's refund eligibility for the State portion of Sales and Use Tax
- Highway Fund Transfer
 - 14-15 Budget: \$27 million
 - Only State source of Driver Training funding

State Public School Capital Fund

- Pub. Sch. Building Capital Fund
 - Includes annual Lottery (\$100M) and prior Corporate Income Tax allocations for school capital
 - Corporate Income Tax (ADM Fund) set-aside (7.25% of tax) eliminated in the 2013 Appropriations Act
 - While funds are held at county level, proceeds may not support charter school real property acquisition

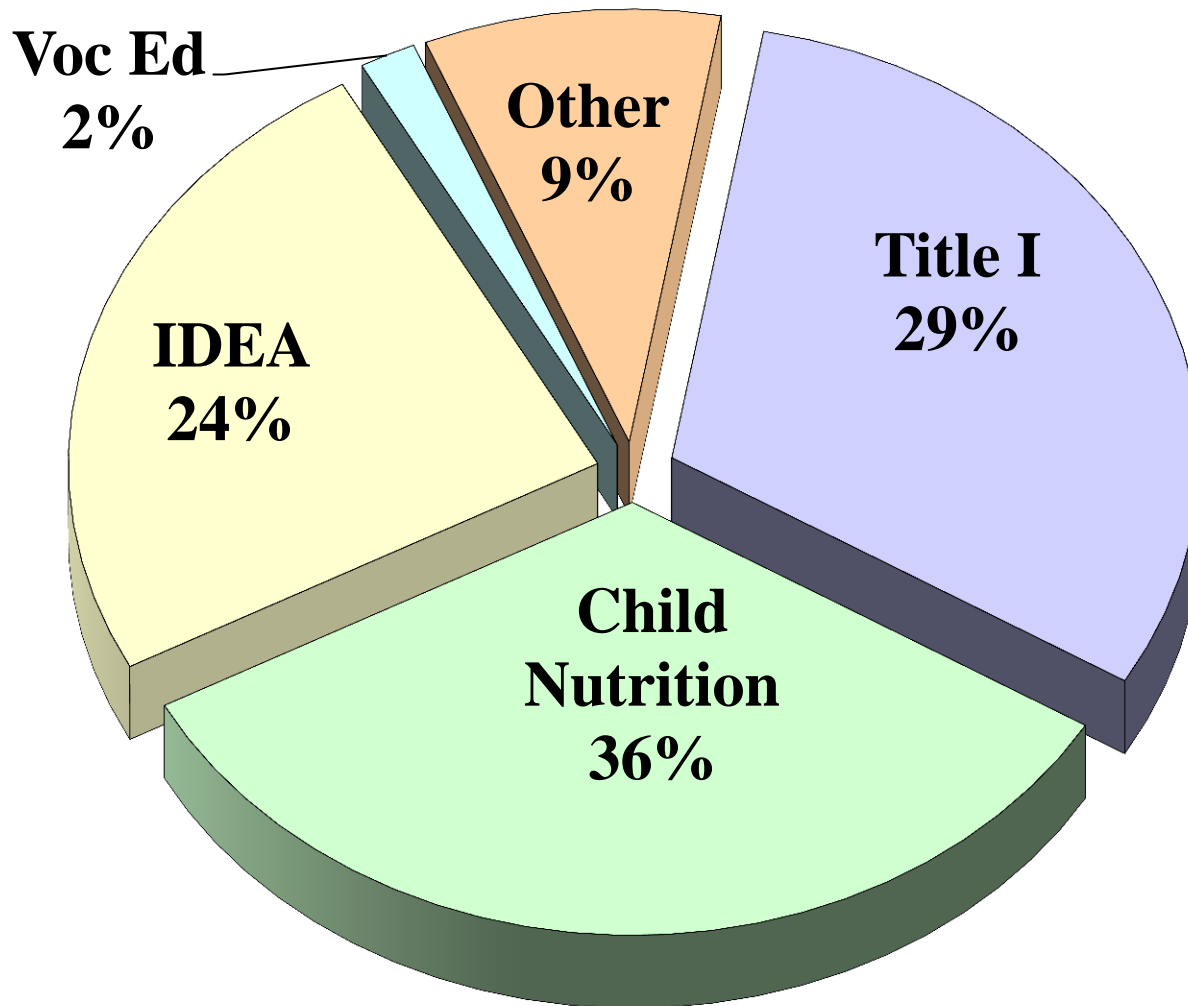
Federal Fund Sources

Federal K-12 Fund Sources

- Most programs are included in State budget, but General Assembly lacks authority to modify program requirements
- Federal grants may be spent over a 27-month period, so expenditures best measure of impact
- Federal funds are typically 10% of a LEA's current expense budget

Federal K-12 Fund Sources

2013-14 State Federal Funding Received



Most federal funds are targeted towards a specific population such as Low Income Children or Children with Special Needs.

These funds must be used for the purposes allotted and cannot be transferred.

Source: Department of Public Instruction (Highlights), Feb. 2014

FY 2013-14 Federal K-12 Fund Sources

	<u>State Aid</u>
<u>No Child Left Behind</u>	
School Improvement Grants	\$ 12,930,242
Title I College and Career Ready Students	366,768,719
Title I College and Career Ready Students School Improvement	8,364,262
Migrant	4,595,954
Neglected and Delinquent	1,865,903
21st Century Community Learning Centers	28,631,494
English Language Acquisition	12,900,979
Rural and Low-Income Schools	5,156,549
Improving Teacher Quality	46,969,099
Mathematics and Science Partnerships	4,241,593
Education for Homeless Children and Youth	1,303,288
Total NCLB	\$ <u>493,728,082</u>

<u>Individuals With Disabilities Education Act</u>	
Special Education - Grants to States	293,455,908
Special Education - Preschool Grants	8,733,190
State Program Improvement	1,218,467
Total IDEA	\$ <u>303,407,565</u>

FY 2013-14 Federal K-12 Fund Sources

Perkins IV

Career and Technical Education Basic	18,430,655
Transfer to Community Colleges	10,824,894
Transfer to Dept. of Juvenile Justice and Delinquency	50,000
Total Perkins	\$ 29,305,549

Miscellaneous

Abstinence Education	809,762
Child Nutrition Food Services	473,429,700 Est.
Child Nutrition Fresh Fruits and Vegetables	4,037,042
Total Miscellaneous	\$ 477,466,742

Questions?