Description of the Formula

Flat grant program based on instructional units. The state provides between $30,430 and $67,280 per instructional unit based on a statewide teacher salary schedule. Additional support is provided for administrative personnel and teacher aides. There is no required local contribution. Pupil count is Average Daily Membership (ADM). The State Salary Schedule is located on the following link:  
http://www.ncpublicschools.org/fbs/finance/salary/65+

District-Based Components

Density/Sparsity of Small Schools  
A special allotment is paid for isolated school populations.

<table>
<thead>
<tr>
<th>Grade</th>
<th>One Teacher Position for</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-3</td>
<td>18 students</td>
</tr>
<tr>
<td>4-6</td>
<td>22 students</td>
</tr>
<tr>
<td>7-8</td>
<td>21 students</td>
</tr>
<tr>
<td>9</td>
<td>24.5 students</td>
</tr>
<tr>
<td>10-12</td>
<td>26.64 students</td>
</tr>
</tbody>
</table>

Declining Enrollment or Growth  
Does not apply.

Capital Outlay and/or Debt Service  
State Literary Loan fund provides a maximum loan for any one county in a fiscal year of five hundred thousand dollars ($500,000).

The rate of interest on loans shall be based on 95% of the Bond Buyer 20-Bond Index that is published at the time the loan is approved by the State Board of Education not to exceed eight percent (8%).
Transportation
Local districts provide transportation services. State funds mechanics, drivers’ wages and bus replacement based on efficiency ratings and replacement schedules.

Student-Based Components

Special Education
State allocated aid for handicapped students on the lesser of April first headcount or 12.5% of total ADM.

Compensatory Education
North Carolina has two categories of funding specifically for remediation and students at risk of failing. These categories are as follow:

1. At-risk Student Services/Alternative Schools – This funding allocates 1 School Safety Officer per High School and the remaining funds are allocated 50% based on ADM and 50% based on poverty with a minimum of 2 teachers and 2 instructional support positions.

2. Disadvantaged Student Supplemental Funding

Distribute resources based on a prescribed delivery option … reduction of class size.

Step 1: Use the average statewide (K-12) teacher-to-student classroom teacher allotment for the Fundable Disadvantaged Population which is 1:21.

Step 2: The targeted allotment ratios for the Fundable Disadvantaged Population are:
If low wealth % (per low wealth supplemental funding formula) is > or equal to 90%, one teacher per 20.5 students
- If low wealth % is > 80% but < 90%, one teacher per 20 students.
- If low wealth % is < 80%, one teacher per 19.5 students.
- If an LEA received DSSF funds in FY 2005-06, one teacher per 16 students. These 16 LEAs will not receive less funding than they received in FY 2005-06.

Step 3: Convert the teaching positions to dollars by using the state average teacher salary (including benefits).

English Language Learner/Bilingual Education
The state funds a supplemental allotment for Limited English Proficient Students. Eligible LEAs/charter schools must have at least 20 students with limited English proficiency (based on a 3-year weighted average headcount), or at least 2 1/2% of the ADM of the LEA/charter school. Funding is provided for up to 10.6% of ADM.

FORMULA: Calculate 3-Year Average Headcount

- Most current years available weighted twice (50%)
Two previous years weighted once (25%)

**Base Allocation**
Each eligible LEA/charter school receives the minimum of 1 teacher assistant position.

- 50% of the funds (after calculating the base) will be distributed based on the concentration of limited English proficient students within the LEA.

- 50% of the funds (after calculating the base) will be distributed based on the weighted 3-year average headcount.

**Gifted and Talented Education**
State allocates funding based on 4% of total Average Daily membership per LEA.

**Other**
Teacher Assistants – Dollars per K-3 ADM
Vocational Education – Dollars and Months of Employment for 8-12 ADM
Driver Education – Dollars per 9th grade ADM

**Revenue and Expenditure Information**

**State Mandates Restricting Revenue or Expenditure Increases**
Does not apply.

**Property Assessment Ratios Used/Legal Standards For Property Assessment**
True value in money is used. Reassessments run on an eighty-year cycle.

**Measure of Local Ability To Support Schools**
No measure of local ability is used for the allocation of basic state aid; a measure of local relative ability-to-pay is determined by ranking all school units according to personal income and property valuation per ADM.

**School District Budget and Tax Rate Procedures/Sources of Local Revenue**
All 115 school districts are fiscally dependent; school taxes are levied and budgets approved by county commissioners. A supplemental tax on $100 appraised value of property subject to taxation by the local school administrative unit is permissible with voter approval. A simple majority is required. No more than two elections can be held in one year. Local revenues for schools derive primarily from the property tax.

**State Support for Nonpublic Schools**
Does not apply.

More information can be found in the Highlights of Public School Funding, http://www.ncpublicschools.org/docs/fbs/resources/data/highlights/2010highlights.pdf