



Board Agenda Memo #W-40-04

To: Officers and Board of Directors

From: Moses Carey, Jr., Co-chair
Dr. John W. Thuss, Jr., Co-chair

Date: May 10, 2004

Subject: Final Report of the 2003-04 Fiscal Task Force

Attached is a preliminary copy of the final report of the 2003-04 Fiscal Task Force. The report is complete and includes recommendations on both general policy and local funding formula options.

The Appendices listed on page 9 of the report are currently being revised and will be distributed at the Board meeting on May 19.

Action Requested:

The Board is requested to approve the final report of the 2003-04 Fiscal Task Force.

FISCAL TASK FORCE REPORT

INTRODUCTION

In the Fall of 2001, Association President David Plyler created a task force to review state and county fiscal relationships and responsibilities, particularly in the areas of human services and public education, the areas of greatest interdependence for the two levels of government. Called the NCACC County and State Functional and Fiscal Task Force or “Fiscal Task Force” for short, the group was chaired by Cumberland County Commissioner Breeden Blackwell and Caldwell County Commissioner John Thuss.

During its first six months, the Task Force met monthly to examine human services and public education funding and administrative responsibilities. Articles in *CountyLines* updated Association members on Task Force activities, focusing on efforts to determine which services should be administered and financed at what levels of government. The Task Force published an Executive Summary of its Findings and Recommendations in the Spring of 2002 (see Appendix ___). Its “Final Report,” published in June 2003, focused on Medicaid and the need to relieve counties of the responsibility of paying Medicaid program costs. These costs are anticipated to total approximately \$450 million for North Carolina counties in 2004-05 and represent costs over which county commissioners and administrators have no control.

In August 2003, Association members elected Robeson County Commissioner Noah Woods President of their Association. As he took office, President Woods, a lifetime educator and school administrator, stated his desire to “collaborate with the North Carolina School Boards Association ... to work together to improve public education and our schools and to establish long-range articulation agreements to enable our school systems to adequately plan for sustainable school improvement and reform.”

An initial step toward increasing cooperation between school boards and boards of county commissioner and between the two organizations representing these groups was taken in October 2003 when officers of the two organizations met together at the Albert Coates Local Government Center in Raleigh. At that meeting, leaders of both groups heard from staff about the coordination of lobbying efforts in non-budget areas: public construction laws and bidding requirements, ethics and conflict of interest proposals affecting local officials, Open Meetings and Public Records Law changes and issues affecting labor law and employee relations. It was noted that the two groups are united in seeking additional state funding, and resisting spending cuts, for public schools – both for current operations and for capital outlay. Where there are differences between the two groups on spending issues, we are able to work them out and present a united front; e.g., extending the requirements for earmarking local sales tax revenues for school construction. The officers of the two organizations also discussed those issues that divide the groups—issues relating to control of resources flowing from the state, “non-supplant” or “maintenance of effort” requirements. Of particular importance because of their contentious nature at the local level are disputes revolving around local expenditures for schools and the process for resolving such disputes.

It is this area of school budget conflict that remains most vexing at the local level, and it was this area on which Association President Woods sought to focus efforts to help members improve cooperative efforts “to improve public education and our schools.” Mr. Woods asked the Fiscal Task Force to explore efforts to resolve these budget disputes before they grow bitter and cause embarrassment to all parties involved. He named Orange County Commissioner and former Association President Moses Carey to co-chair the Task Force with Caldwell County Commissioner John Thuss. (Cumberland County Commissioner Breeden Blackwell was elected Association First Vice President in August 2003.) The three met with Education Steering Committee Chair and Robeson County Commissioner Johnny Hunt and staff to begin the investigation.

COMMITTEE PROCEEDINGS

I

The first meeting of the 2003-04 Fiscal Task Force in pursuit of its new charge was a joint meeting with the Association’s Public Education Steering Committee on November 19, 2003. The Committee heard three presentations on state and federal school funding issues: North Carolina’s school finance structure, the Leandro lawsuit brought by “low wealth counties” and the ramifications of recent federal legislation – “No Child Left Behind.”

John Poteat, Director of Policy Research with the Public School Forum of North Carolina, discussed the findings contained in the most recent of 16 annual Local School Finance Studies. He emphasized the “widening spending gap” between the state’s wealthier counties and those at the bottom of the “ability to pay” ladder. Disparities in available resources, measured by real estate wealth or taxable real property, were examined with respect to capital expenditures as well as current operating expenditures. Citing the Forum’s Local School Finance Study, Mr. Poteat noted that the gap between real estate wealth of the wealthiest and poorest counties of the state has grown 42% between 1998 and 2003. The ten wealthiest counties have almost four times more real estate capacity available than the ten poorest counties in the state. Ironically, the poorest counties are taxing themselves at 75.4 cents per \$100 of real estate compared with an average rate of 43.3 cents per \$100 in the wealthiest counties (17 cents below the state average).

Ann McColl, Associate Professor in the Department of Educational Leadership, College of Education at the University of North Carolina at Charlotte and an attorney specializing in public school law, spoke to the two committees on the origin, history and implication of the Leandro lawsuit. Ms. McColl noted that the lawsuit, initiated in 1994, centers around provisions of the State Constitution dealing with education.

“The people have a right to the privilege of education, and it is the duty of the state to guard and maintain that right.”

Art.1, sec. 15

“The General Assembly shall provide by taxation and otherwise for a general and uniform system of free public schools . . . wherein equal opportunities shall be provided for all students.”

Art. IX, sec. 2(1)

“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 local government with financial responsibility for public education may use local revenues to add to or supplement any public school or post-secondary school program.”

Art. IX, sec. 2(2)

While the original lawsuit focused on issues of equity and unequal funding based on unequal ability to pay (documented in the Local School Finance Study described above), the case has evolved to an examination of issues related to the adequacy of the educational system, whether students possess:

1. Sufficient ability to read, write and speak the English language and a sufficient knowledge of fundamental mathematics and physical science to enable the student to function in a complex and rapidly changing society;
2. Sufficient fundamental knowledge of geography, history and basic economic and political systems to enable the student to make informed choices with regard to issues that affect the student personally or affect the student’s community, state, and nation.
3. Sufficient academic and vocational skills to enable the student to successfully engage in post-secondary education or vocational training; and
4. Sufficient academic and vocational skills to enable the student to compete on an equal basis with others in further formal education or gainful employment in contemporary society.

In the course of the lawsuit, the trial court has defined input measures of a sound, basic education: well trained competent principals with leadership skills; competent, certified, well-trained teachers; and sufficient resources to provide an equal opportunity to a sound, basic education. Output measures defined by the trial court include dropout rates, preparation for work or further education and grade level proficiency.

With oral arguments in the state's appeal of the trial court decision held in September 2003, the General Assembly and other state and local officials await a decision that could dramatically alter responsibilities for funding the state's public, elementary and secondary schools. Ms. McColl emphasized the need for understanding that school finance litigation is not a "one shot" solution, that litigation strategies must be coupled with political strategies, and that public engagement is critical for reaching resolution and long-term success.

Bill McGrady, Chief of the Compensatory Education Section in the School Improvement Division of the Department of Public Instruction, briefed the members of the two committees on P.L. 107-110, the "No Child Left Behind Act" of 2001, federal legislation amending the Elementary and Secondary Education Act of 1965 and the requirements contained in the Act. Each state is to establish measures of "Adequate Yearly Progress" to measure progress by disaggregated subgroups of students; race/ethnicity, disabled, limited English proficiency, and economically disadvantaged. He described a set of escalating sanctions to be imposed on schools receiving federal Title I funds whose students fail to achieve required adequate yearly progress. The Act also includes requirements for training and competency to be imposed on teachers and teacher assistants.

Sanctions to be imposed on schools where students do not meet new requirements will include options on the part of students to attend other schools, requirements to provide supplemental educational services and corrective action or restructuring. Among the challenges faced by North Carolina schools are confusion between the state's ABC program results and No Child Left Behind results, the "all or nothing" nature of No Child Left Behind, funding and retaining highly qualified teachers, and the high number of our schools and school systems likely to fall short of adequate yearly progress standards.

Members of the two committees discussed efforts by school and county leaders to engage Federal officials (Congress and the Administration) to address four issues.

1. Adjust the design of Adequate Yearly Progress to set realistic measures for determining success, especially in light of consequences if those measures are not met at school and school district levels;
2. Fully fund the federal participation to the levels authorized in the Act to help schools and school districts meet the mandates and expectations created by the legislation;
3. Correct provisions relating to school choice and supplemental services to avoid the operational and financially counterproductive results in efforts to improve schools and student achievement.
4. Ensure that existing teachers and the supply of new teachers will be adequate in quantity and quality and for specific subjects, locations and groups of students to meet the mandate for highly qualified teachers.

The Committee included the Joint meeting by beginning an examination of local funding issues. Caldwell County Finance Director Laurie Faw described a study she undertook in pursuit of a graduate degree. She surveyed county finance officials to determine how school and county officials work together to determine local funding for capital projects and current expenses.

II

The second meeting of the 2003-04 Fiscal Task Force took place on January 13, 2004. Representatives of several counties in which local funding arrangements or formulas had been negotiated were invited to discuss these arrangements. The counties from which representatives were invited were chosen based on responses to Laurie Faw's survey research*. Included among these were two, Robeson and Scotland, with spending formulas prescribed by legislation. The Committee also heard from officials representing Pitt, Rockingham, Chatham, Wake, Lenoir, Halifax and Durham Counties. Several speakers spoke of formulas tied to statewide average expenditures. Others spoke of increases based on revenue growth or a fixed portion of a tax rate. In one county, Pitt, an agreement was described that attempts to tie funding to student achievement.

In the course of the discussion, several overriding principles were articulated as affecting all local funding and negotiations.

1. Communication between school and county officials is critically important. Various arrangements were cited: monthly or quarterly meetings involving boards, chairs and/or CEOs (School superintendents and county managers); often involving meal functions. Those meetings that lead to cooperative working relationships must be honest, frank and not designed to gloss over or obscure differences.
2. Arrangements that are too complicated or involve complex calculations that need to be re-explained whenever membership on either board changes are less likely to be effective.
3. State efforts and definitions are inadequate. We all need better information on what is required and a better definition of a basic education.
4. The state/local tax structure needs to be updated to reflect a changing economy – specifically an economy with a predominant service sector rather than one relying on manufacturing.

The various models articulated during the meeting are described in the Recommendations Section below, but committee members agreed that all such agreements needed to be examined to determine which specific expenditure should not be included in the formula, e.g., teacher supplements.

* The Task Force acknowledges and thanks Caldwell County Finance Officer Laurie Faw for her survey research and analysis of local school finance arrangements

III

The third meeting of the 2003-04 Task Force took place March 17, 2004. In a relatively short meeting, members reviewed earlier activities, the various formula options described at the January meeting and recommendations to be included in the final report. The Committee agreed to delegate approval of the final report to the co-chairs.

RECOMMENDATIONS

I – General Policy

1. The General Assembly should act to fulfill its responsibilities under existing laws by providing from state revenues the resources needed for the standard course of study that must be made available in every public school throughout the state. Counties should continue to be responsible for building and maintaining capital facilities.
2. The federal government should fully fund, to the level authorized, the “No Child Left Behind” mandate.
3. The General Assembly should approve amendments to the Dispute Resolution Process in the School Budget and Fiscal Control Act to reduce the friction and controversy that can characterize the dispute resolution process.
4. The General Assembly should engage in a serious examination of the current state/local revenue structure and its adequacy to meet the program needs that exist now and in the future. The Legislature should involve county officials at every stage of this examination.
5. Counties should have available additional revenue sources, including supplemental school taxes and impact fees, to fund school construction and current expenses. Any revenue source available to any county should be available to all counties.
6. County boards of commissioners and local boards of education should intensify efforts to improve meaningful communication with each other in an effort to understand issues and problems faced by both groups and clarify boundaries between them.
7. County boards of commissioners and local boards of education should jointly consider agreement on funding formulas with the aims of reducing the likelihood, frequency and intensity of local budget disputes.

II – Local Funding Formula Options

The Task Force recommends consideration, by local boards of education and boards of county commissioners, of six possible formulas to avoid conflict. These options should be thoroughly examined and discussed in light of each unique situation. Three are based on averages determined or affected by external factors, i.e., funding levels in other jurisdiction. Three are based on internal calculations and history.

1. The “Statewide Average” Model. – In this system, the local boards agree on a funding formula that sets goals based on a statewide average per public expenditure or some percentile thereof. In some instances, a goal is set and a number of years are agreed upon as the time within which to meet the goals. While laudable for a less wealthy county seeking to “catch up,” the obvious problem with this model is the moving target that serves as the goal, a target that changes without any control on the part of the county setting it. This can be avoided by using a set statewide average in a particular year.
2. The “Modified Statewide Average” Model. – This system involves the same calculation as in the “Statewide Average” system above, but by recalculating the average excluding the ten highest and ten lowest per pupil expenditures. (Some number other than ten could be excluded.)
3. The “Benchmarking” Model. – In this system, a group of counties are selected for comparison, based on their similarity with respect to population, tax base, student population, per capita income, sales tax revenues, and Medicaid expenditures. Per pupil expenditures of those similarly situated counties are then used to set a goal or goals in the benchmarking county. See Appendix ____.
4. The “Inflation” Model. – In this model, the per pupil expenditure is recalculated by adjusting the previous year’s expenditure by new student population figures and an agreed upon inflation figure (Consumer Price Index or some other number). The danger of this formula is that the inflation figure used may not be that appropriate in the specific community.
5. The “Snapshot” Model. – In this system, the boards take a snapshot at a given point in time (usually at revaluation) to determine what portion of the county’s overall revenue is spent on schools. That portion (measured by the number of cents or the percentage) is then used in years following the snapshot with school expenditures growing as overall revenue expands.
6. The “Tax Base Growth” Model. – In this model, the percentage of the tax base that is appropriated to schools is calculated. This percentage is then applied to the growth of that tax base in a given year and that number added to the school expenditure. This approach can be varied by separately calculating percentages of the separate components of the tax base (sales tax revenues, property tax revenues) and separately adding appropriate portions of the growth in these components. This variation can be appropriate depending on a) different rates of growth in different tax base components, or b) a disproportionate allocation of sales tax revenues to school capital outlay.

CONCLUSION

As North Carolina charts its way through a new economy – one focused on technology, services and information – the state’s elementary and secondary system is at a crossroads. The basic policy responsibility for determining the quality, equity and direction of the system remains with the General Assembly. The involvement of the federal government, through the mandates of the “No Child Left Behind” legislation, and our judicial branch, through adjudication of the Leandro lawsuit, however, both complicate the policy making process and illustrate the enhanced importance of that process.

In this intensified environment, local officials – both educational policy makers and local funding sources – owe it to the young people of our state to bring their best efforts to their responsibilities to make our educational system the best possible. In these pursuits, we cannot afford to be trapped and distracted by public and awkward local funding disputes. The recommendations of this Task Force are designed to afford local school and county officials a variety of options to avoid these disputes and to focus joint and cooperative efforts on meeting the educational needs of our young people as they face an uncertain future in our new economy.

APPENDICES

- A. Task Force Roster
- B. Task Force Executive Summary, May 2002
- C. Summary of Statutory Mandates
- D. Services and Programs Provided by Counties and Municipalities
- E. Caldwell County Benchmarking List
- F. List of Responses to Questions posed by Laurie Faw
- G. “Widening Spending Gap” – Chart published by Public School Forum in 2003 Local School Finance Study
- H. “Two very Different Profiles” – Published by Public School Forum in 2003 Local School Finance Study

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Clarifying County and State Responsibilities

Executive Summary of the Findings and Recommendations of the 2001-02 NCACC Functional and Fiscal Task Force

NCACC President David Plyler's task force was charged with reviewing state and county fiscal relationships and responsibilities, with initial attention to human services and public education, in order to determine whether those relationships and responsibilities are appropriate and sound. The principal findings in the two main areas of concern are presented here.

Medicaid. Counties should be relieved of the responsibility for paying Medicaid program costs. Counties should continue to administer the program according to federal and state regulations and pay the current 50% administrative costs.

In most states, the state government administers the Medicaid program and fully funds the nonfederal share of Medicaid costs. In North Carolina, counties serve as agents of the state in determining eligibility for qualifying citizens, but they do so according to strict federal and state regulations. Counties pay 50% of the local cost to administer the Medicaid program, while the federal government pays the other 50%. NC counties are also mandated to pay 15% of the nonfederal program costs or about 5.7% of the total costs for medical services provided.

The task force found that it is inappropriate for counties to pay for Medicaid program costs, for the following reasons:

- Because the program must be provided uniformly throughout the state, the federal and state governments make all the decisions about the program. The federal and state governments decide who will be eligible, which services will be provided, and how much will be paid to medical care service providers. Counties make none of the decisions that determine Medicaid program costs, and therefore they have no control over their share of such costs.
- Poorer counties have relatively more poor people eligible for the Medicaid program. Poorer counties also have lower tax bases and lower incomes, making Medicaid program costs more burdensome for them.
- Exploding increases in Medicaid costs have greatly reduced the ability of counties to support other programs for which counties have appropriate administrative and program cost responsibilities, such as: EMS, law enforcement, jail and court facilities, public works projects, economic development, senior services, social services, public health programs, library services, public schools, and other functions and services.

Public education. The General Assembly should act to fulfill its responsibilities under existing laws by providing from state revenues the resources needed for the standard course of study that must be made available in every public school throughout the state. Counties should continue to be responsible for building and maintaining capital facilities.

Since 1868 North Carolina's constitution has made the General Assembly responsible for providing a "general and uniform" system of public schools. In 1933 the state accepted responsibility for paying all the operating expenses of the public schools for an eight-month term. In subsequent decades, as counties increasingly supplemented state operating funds, the responsibilities of the states and counties became unclear. In 1984, in an effort to improve public schools, the General Assembly enacted into law a requirement that a "standard course of study" be devised that would define an adequate, minimum education program to be provided in all public schools. One provision of the law (General Statutes, Chapter 115C) established the state's responsibility, as follows:

"To insure a quality education for every child in North Carolina, and to assure that the necessary resources are provided, it is the policy of the State of North Carolina to provide from State revenue sources the instructional expenses for current operations of the public school system as defined in the standard course of study."

SUMMARY OF STATUTORY MANDATES FOR SCHOOL FINANCING

I. Specific Statutory Requirements for County Financing

<u>Activity or Function</u>	<u>Statutory Reference</u>
A. School Facilities, Furniture, Apparatus	115C-521
B. Buildings for Bus and Vehicle Storage	115C-249
C. Initial Purchase of School Buses	115C-249
D. School Maintenance and Repairs	115C-524
E. Instructional Supplies, Reference Books	115C-522(C)
F. Library, Science, and Classroom Equipment	115C-522(C)
G. Water Supply and Sanitary Facilities	115C-522(C)
H. School Property Insurance	115C-534

II. Specific Statutory Requirements for School Board to Finance (Do not specify County appropriation)

A. School Board Member Compensation and Expenses	115C-38
B. Superintendent's Office: Furniture, Equipment Supplies	115C-277
C. School Finance Officer and Fiscal Services*	115C-435
D. Annual Independent Audit	115C-447

* NOTE: State appropriates funds for one school finance officer per county.

III. General Mandates in the School Budget and Fiscal Control Act

- A. In defining the Local Current Expense Fund the law states that: "The Local Current Expense Fund shall include (county) appropriations, sufficient, when added to appropriations from the State Public School Fund, for the current operating expense of the public school system in conformity with the education goals and policies of the state and the local board of education, within the financial resources and consistent with the fiscal policies of the board of county commissioner." (G.S. 115C-426(B)).
- B. The local Board of Education may seek mediation "If the board of education determines that the amounts appropriated by the county commissioners are not sufficient to support a system of free public schools." (G.S. 115C-431).

March 20, 2000

2002 County School Funding Survey

Questions:

1. Is capital or operations the most pressing need of the local school system?
2. Have the Commissioners and the Board of Education developed an agreement on a multi-year capital improvements plan that is updated annually but which identifies capital expenditures several years into the future?
3. Please describe the detail of information the Board of Education furnishes to support its budget request.
4. Do the Finance Officer, County Manager, or the Commissioners meet with the school superintendent or school finance director prior to the budget submitted to the county?
5. What process is used to determine what local funding will be allocated to the school? (a funding formula for example)

In regards to the school's portion of the two 1/2 cent sales taxes:

- 6a. Is the 1/2 cent school tax used to pay debt service?
- 6b. Is it treated as a flow through directly to the school so that the Board of Education receives the funds as soon as the county receives them?
- 6c. Is it budgeted in a capital reserve/escrow fund for future capital projects?
- 6d. Is it kept by the county for school capital outlay but passed to the Board of Education only when the school system submits bills for capital projects?
- 6e. Is it allocated for capital outlay projects that the Commissioners and Board of Education jointly agree to?

	(1)	(2)	(3)	(4)	(5)	(6)a	(6)b
Alamance	Equal	Yes	Receive breakdown of all revenue sources/expenditures	Yes	ADM x cost of living adjustment, some discretion	No	No
Alexander	Capital	Yes	Continuation budget and expansion budget	Yes	Goal of \$1,000 per ADM	Yes	No
Ashe	Capital	Yes	Detailed information	Yes	No formula, try to give across the board percentages to school & detps.	Yes	Yes
Avery	Capital	No	Local funds only in detail	Yes	No formula	Yes	Unansw.
Beaufort	Capital	No	Local funds only in detail	Yes	No formula	Yes	No
Cabarrus	Capital	Yes	State budget format	Yes	No formula - FY 03 used CPI	Yes	No
Caldwell	Capital	No	All funding sources	Yes	No formula	Yes	No
Camden	Operations	Yes	Receive total budget - all sources	Yes	Used formula to figure amount needed to receive small schools funding	Yes	No
Caswell	Equal	No	Local budget	Yes	No formula	Yes	Yes
Catawba	Capital	Yes	Detailed request(positions, equipment, etc.)	Yes	capital-100% of 1st 1/2cent, 60% of 2nd, also use current-ADM	No	No
Cherokee	Capital	No	Detail of revenue/exp. And capital	No	No formula	Yes	No
Chatham	Operations	No	Detailed local funds only	Yes	ADM x cost of living adjustment	Yes	No
Chowan	Capital	No	By program and function	Yes	No formula	Yes	No
Columbus	Operations	No	Entire budget, federal, state & local	Yes	No formula but ADM is used to fairly allocate between 2 school systems	Yes	Yes
Craven	Capital	Yes	By function, detail if requested	Yes	No formula	Yes	No
Currituck	Equal	No	Unanswered	Yes	ADM x CPI - allocate additional 10% of sales tax for capital	Yes	No
Dare	Capital	Yes	All sources of revenue and detail positions	No	ADM x cost of living adjustment, dedicate 6.5 cents of property tax to cap	Yes	No
Durham	Capital	Yes	By program/function	Yes	No formula - goal of \$1960 per ADM, but they actually exceed this	Yes	No
Edgecombe	Operations	No	Total budget-all sources	No	No formula	Yes	Yes
Forsyth	Operations	Yes	Request in detail and summary form	Yes	No formula	Yes	No
Franklin	Equal	Yes	Very detailed by function	Yes	Used formula FY03 -ADM x 5% increase	Yes	No
Gates	Capital	No	All funding sources by operation	No	No formula	Yes	No
Greene	Operations	No	In detail by program	Yes	Have used % increase based on tax base increase-before freezing of reit	Yes	Unansw.

	(1)	(2)	(3)	(4)	(5)	(6)a	(6)b
Guilford	Capital	No	Local budget	Yes	No formula	No	No
Halifax	Capital	Yes	Copy of budget w/ narrative of special needs	Yes	ADM formula - look at low wealth requirements	Yes	No
Hertford	Operations	No	Total budget-all sources	Yes	No formula	No	No
Iredell	Capital	Yes	By program, local only	Yes	Before freezing of reimbursements - 5% annual increase	Yes	No
Jones	Operations	No	All sources by program/function	No	Give same % as given to departments	No	No
Lee	Capital	Yes	Unanswered	Varies	No formula	Yes	No
Lenoir	Equal	No	All sources by program/function	Yes	Increase funding 2% to 2.5%, \$250,000 for classroom computers per yr	Yes	No
Lincoln	Capital	Yes	Local - little detail	Yes	No formula - attempt to move toward state ADM average	Yes	No
McDowell	Operations	No	By current expense/capital and category if requested	No	Goal of 7% increase per year when possible	Yes	No
Mecklenburg	Operations	Yes	State budget format	Yes	No formula	Yes	No
Mitchell	Operations	No	Local funds only in detail	Yes	No formula	Y	Yes
Montgomery	Equal	No	No detail	No	No formula	No	No
Moore	Capital	No	All sources by program/function	Yes	No formula	Yes	No
New Hanover	Capital	Yes	Detailed	Yes	No formula	Yes	No
Onslow	Capital	Yes	All sources by category	No	No formula	Yes	Unansw.
Pasquotank	Current	No	Local budget detail only	Yes	No formula - last few years prior amount w/ cost of living increase	Yes	No
Pender	Unsure	Yes	Receive request for current expense/capital	Yes	No formula	Yes	No
Person	Operations	No	Total adopted budget	No	No formula	Yes	No
Pitt	Capital	No	Full budget document	Yes	No formula - do give additional 10% more of sales tax than required	Yes	No
Polk	Capital	No	No request	No	ADM(plus or minus) plus CPI(plus or minus)	Yes	No
Richmond	Operations	No	Line item local budget only	Yes	No formula - begin with CPI and see what they can afford	Yes-in pas	No
Rockingham	Operations	Yes	Receive copy of budget	Yes	Target per ADM figure	Yes	No
Rowan	Capital	No	Submitted for information	Yes	Modified ADM state avrg., 10 highest-lowest discarded and rest averaged	Yes	No
Rutherford	Unansw.	Unansw.	Entire budget, federal, state & local	Yes	No formula - 100% of articl 40 & 60% of 42	Yes	No
Scotland	Capital	Unansw.	Unanswered	Yes	Legislation requiring funding at state ADM average	Yes	No
Stanly	Capital	No	Local budget only	Yes	No formula	No	Yes
Surry	Operations	No	State budget format	Upon requ	No formula - goal is to reach statewide averages	Yes	No
Tyrrell	Operations	Yes	Total by program	Yes	No formula - look at prior year funding/ADM & impact on state funding	Yes	No
Transylvania	Operations	Yes	Local budget by function	Yes	No formula	Yes	No
Vance	Capital	No	Detail by program/function	No	No formula	Yes	No
Wake	Both	Yes	Entire budget, federal, state & local	No	Allot 29.6 cents of property tax - past two years have exceeded this	Yes	No
Warren	Operations	No	Detailed by line item	Yes	No formula	Yes	No
Washington	Operations	No	Detailed by program/function	Yes	No formula	Yes	No
Wilkes	Capital	No	Detailed local budget	Yes	No formula -attempt to increase allocation 5-6% per year	Yes	Yes

Questions:

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capital improvement
expenditures severa
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 4. Do the Finance Offic
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 - 6c.Is it budgeted in a c
 - 6d.Is it kept by the cou
school system subn
 - 6e.Is it allocated for ca

(6)c (6)d (6)e

Alamance	Yes	Yes	Yes
Alexander	Yes	Yes	Yes
Ashe	No	No	No
Avery	Unansw.	Unansw.	Unansw.
Beaufort	No	No	Yes
Cabarrus	No	Yes	Yes
Caldwell	No	No	
Camden	Yes	Yes	Yes
Caswell	No	No	Yes
Catawba	No	Yes	Yes
Cherokee	No	Yes	No
Chatham	No	No	No
Chowan	Yes	Yes	Yes
Columbus	No	No	No
Craven	No	Unansw.	Unansw.
Currituck	Yes	Yes	Yes
Dare	No	No	No
Durham	No	No	No
Edgecombe	Yes	No	No
Forsyth	No	N/A	N/A
Franklin	Yes	No	No
Gates	No	No	Unansw.
Greene	Unansw.	Unansw.	Unansw.

(6)c (6)d (6)e

Guilford	No	Yes	Yes
Halifax	Yes	Yes	Yes
Hertford	No	No	No
Iredell	Yes	Yes	Yes
Jones	No	Yes	No
Lee	No	No	No
Lenoir	Yes	Yes	Yes
Lincoln	Yes	Unansw.	Unansw.
McDowell	Yes	Yes	Yes
Mecklenburg	No	No	No
Mitchell	No	No	No
Montgomery	No	No	No
Moore	No	No	No
New Hanover	No	No	No
Onslow	Unansw.	Unansw.	Unansw.
Pasquotank	No	N/A	N/A
Pender	No	No	No
Person	Yes	No	n/a
Pitt	Yes	No	Yes
Polk	No	No	No
Richmond	Yes	Unansw.	Unansw.
Rockingham	Yes	Yes	Yes
Rowan	Yes	No	No
Rutherford	Special Re	No	Yes
Scotland	No	No	No
Stanly	No	No	No
Surry	Yes	Yes	Yes
Tyrrell	Yes	Yes	Yes
Transylvania	No	No	Yes
Vance	Yes	No	Yes
Wake	No	No	Yes
Warren	No	n/a	n/a
Washington	No	No	Unansw.
Wilkes	No	No	No