



# School Funding

A PRACTICAL GUIDE:

RESPONSIBILITIES, BENCHMARKING, &  
STRATEGY

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Navigating NC K-12 Funding Series

*Part 1 of 5*

*December 5, 2025*

**Johnna Sharpe**, Consultant to Counties  
**Amy Cannon**, NCACC Outreach Associate





# PRESENTATION OVERVIEW



**The Basics**  
Operating and Capital Responsibilities



**Schools by the Numbers**  
Trends and Benchmarks



**Funding Strategy**  
Goals and Formulas



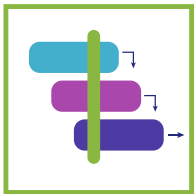
## KNOW THE BASICS

Understand statutory responsibility for school operating and capital funding



## USE YOUR DATA

Learn what trends and benchmarks are most effective in schools' analysis



## PLAN YOUR STRATEGY

Improve predictability and transparency around school funding

# SESSION GOALS



*And provide you with a handy resource guide*



## **The Basics** Operating and Capital Responsibilities



## **Schools by the Numbers** Trends and Benchmarks



## **Funding Strategy** Goals and Formulas

# COUNTY FUNDING RESPONSIBILITIES

## Statutory Requirement

“The local current expense fund shall include 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 educational 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 commissioners.**

NCGS 115C-426(e)

## What is “*Sufficient*” Funding?

Not precisely defined in the law-interpretation is where the debate lies

**How does your county define and demonstrate “sufficiency” in school funding?**

# SPECIFIC STATUTORY REQUIREMENTS

## NCGS 115C Sections

- 521      Erection of school buildings
- 249      Building for bus/vehicle storage
- 522(c)   Library, science and classroom equipment
- 522(c)   Water supply and sanitary facilities
- 524(b)   Keeping school buildings in good repair
- 524      School maintenance & repairs
- 522(c)   Instructional supplies and reference books
- 534      School property insurance
- 525(b)   Fire inspections

# CAPITAL BUDGETING

## NCGS § 115C-426 (F)

**“The capital outlay fund shall include appropriations for:**

The acquisition of real property for school purposes, including but not limited to school sites, playgrounds, athletic fields, administrative headquarters, and garages.

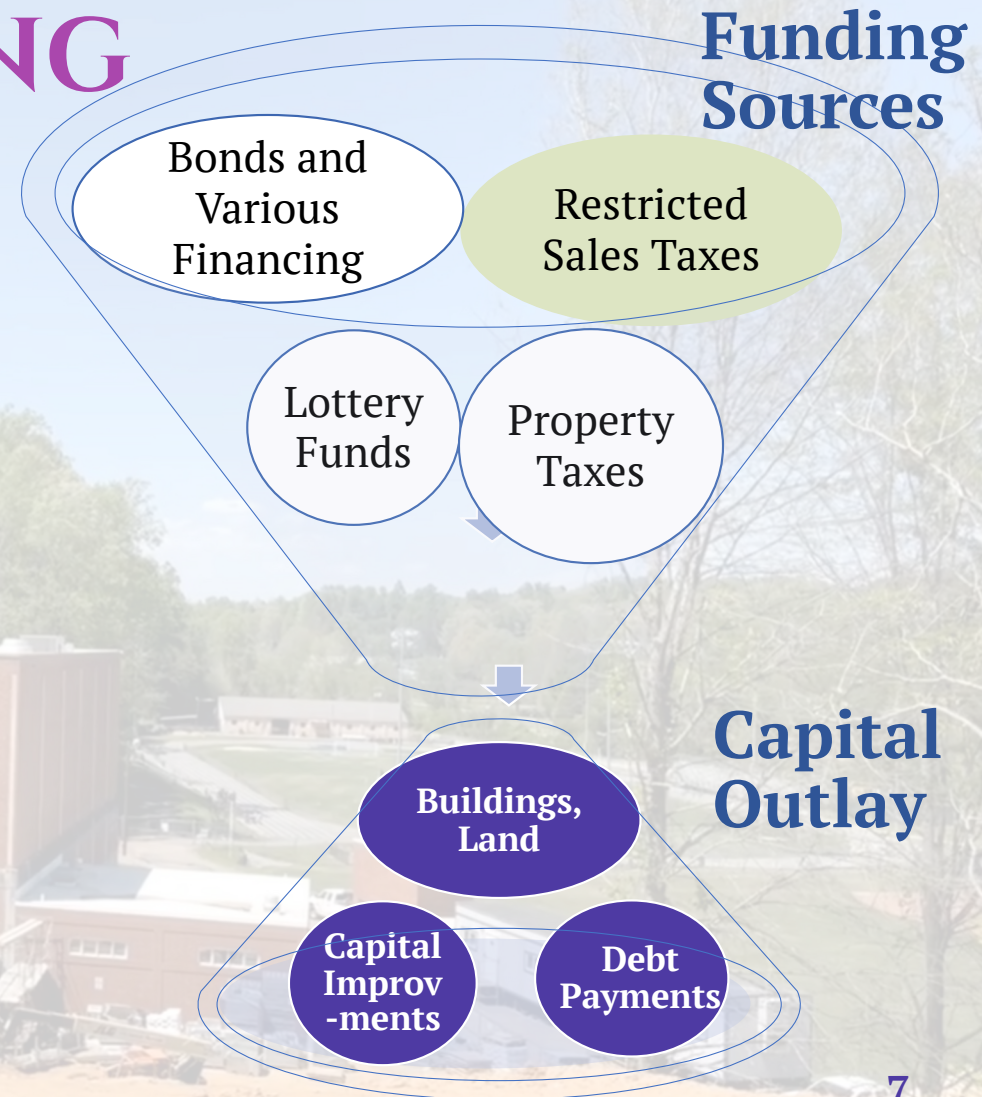
The acquisition, construction, reconstruction, enlargement, renovation, or replacement of buildings and other structures, including but not limited to buildings for classrooms and laboratories, physical and career and technical educational purposes, libraries, auditoriums, gymnasiums, administrative offices, storage, and vehicle maintenance.

The acquisition or replacement of furniture and furnishings, instructional apparatus, data-processing equipment, business machines, and similar items of furnishings and equipment.

The acquisition of school buses as additions to the fleet.

The acquisition of activity buses and other motor vehicles.

Such other objects of expenditure as may be assigned to the capital outlay fund by the uniform budget format.”



# DOES THE SCHOOL SYSTEM HAVE A CAPITAL PLAN?

Given the county's responsibility to fund capital projects that **require long-term planning**, it is important that the schools provide the county with a detailed, multi-year capital plan

## NCGS:§115C-521

### Erection of school buildings

(a) It shall be the duty of local boards of education to provide classroom facilities adequate to meet the requirements of G.S. 115C-47(10) and 115C-301. **Local boards of education shall submit their long-range plans for meeting school facility needs to the State Board of Education by January 1, 1988, and every five years thereafter.** In developing these plans, local boards of education shall consider the costs and feasibility of renovating old school buildings instead of replacing them.

(b) It shall be the duty of the local boards of education to make provisions for the public school term by providing adequate school buildings equipped with suitable school furniture and apparatus. **The needs and the cost of those buildings, equipment, and apparatus, shall be presented each year when the school budget is submitted to the respective tax-levying authorities. The boards of commissioners shall be given a reasonable time to provide the funds which they, upon investigation, shall find to be necessary for providing their respective units with buildings suitably equipped,** and it shall be the duty of the several boards of county commissioners to provide funds for the same.

# HOW RESPONSIBILITIES ARE FUNDED

FUNDING SOURCES					
Property Tax	Sales Tax			Fines & Forfeitures	Lottery Funds
	Article 40 (30%)	Article 42 (60%)	Article 46 (if levied and designated)		
USES	School Operating (Current Expense)				
	Capital Outlay (Amount in Operating Budget)				
	Debt Service (School Debt Paid by County)				
	School Capital Program (Cash funding for School Capital Program)				

# LOTTERY FUNDS

**THIS TOPIC  
DESERVES A  
SESSION OF ITS  
OWN — SO  
YOU’LL  
RECEIVE AFTER  
THE  
WEBINAR.....**

## **PRACTICAL GUIDE TO MANAGING LOTTERY FUNDS**

A concise, practical overview of how counties and school districts can plan, request, expend and report Lottery Funds

## **NC DPI LOTTERY RESOURCES**

A road map to all the must have tools provided by NC Department of Public Instruction

# KEY OPERATING STATUTES



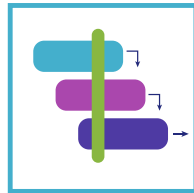
## APPROPRIATION BASIS\*\*

### 115C-429(B)

BOC may appropriate all or a portion of Current Expense by Purpose and Function

### 115C-443

Transfer approval



## RECORDS

### 115C-429(c)

BOC has full authority to request all books, records, audit reports, etc. bearing on financial operations



## DISPUTE RESOLUTION

### 115C-431

Process if BOE formally challenges BOC appropriation



## CAN'T REDUCE FUNDING

### 159-13(b)(9)

Once adopted, BOC cannot reduce BOE appropriation unless by agreement or unless a general reduction in county expenditures

**\*\* SEE NEXT SLIDE**

# PURPOSE AND FUNCTION

Counties may appropriate some or all of the Current Expense funding down to the function level

**Per NCGS 115C-433, if appropriated by P & F, BOE must obtain approval from BOC to increase/decrease more than 25%**

Board cannot set a threshold lower than 10%

<p><b>INSTRUCTIONAL SERVICES</b>                  Regular                  Special                  Alternative                  School Leadership                  Co-curricular                  School-based Support</p>	<p><b>SUPPORTING SERVICES PROGRAMS</b>                  Support and Development Services                  Special Populations Support and Development Services                  Alternative Programs and Services and Support Development                  Operational Support Services                  Financial and Human Resource Services                  Accountability Services                  System-wide Pupil Support Services                  Policy, Leadership and Public Relations Services</p>
<p><b>NON-PROGRAMMED CHARGES</b>                  Payments to Other Government Units                  Unbudgeted Funds                  Debt Services                  Interfund Transfer                  Contingency                  Educational Foundations                  Scholarships</p>	<p><b>ANCILLARY SERVICES</b>                  Community Services                  Nutrition Services                  Adult Services</p>

**Even though a BOE may request funding categories during the budget process, unless there is an interlocal agreement or purpose/function appropriation, they can spend funds however they want**



**The Basics**  
Operating and Capital Responsibilities



**Schools by the Numbers**  
Trends and Benchmarks



**Funding Strategy**  
Goals and Formulas



# WHERE TO START

## COUNTY DATA

**Property Tax Revenues**

**Sales Tax Revenues**

**School Current Expense**

**School Capital Outlay**

**School Debt Service**

## SCHOOL DATA

**Enrollment / ADM**

**Per Pupil Funding**

**Salary Supplements**

**School Fund Balance**

# COUNTY DATA

“IN GOD WE TRUST.  
ALL OTHERS MUST  
BRING DATA.”

*-W. Edwards Deming (pioneer in data-driven  
decision-making)*



# ACKNOWLEDGEMENTS

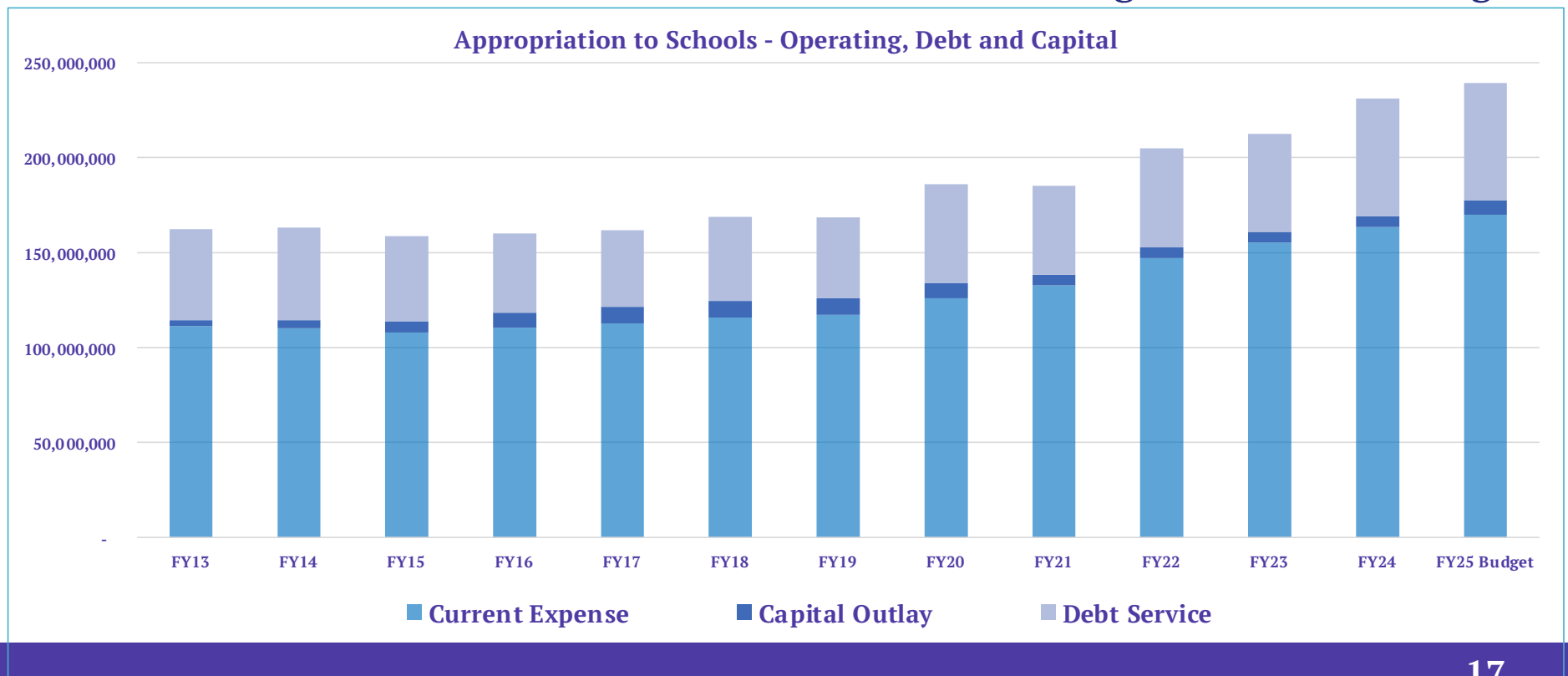
*Special thanks to **Lee** and **Forsyth** Counties for being the prototypes for the data gathered in this section*



# SCHOOL FUNDING HISTORY

How has the percentage of school funding changed over time?

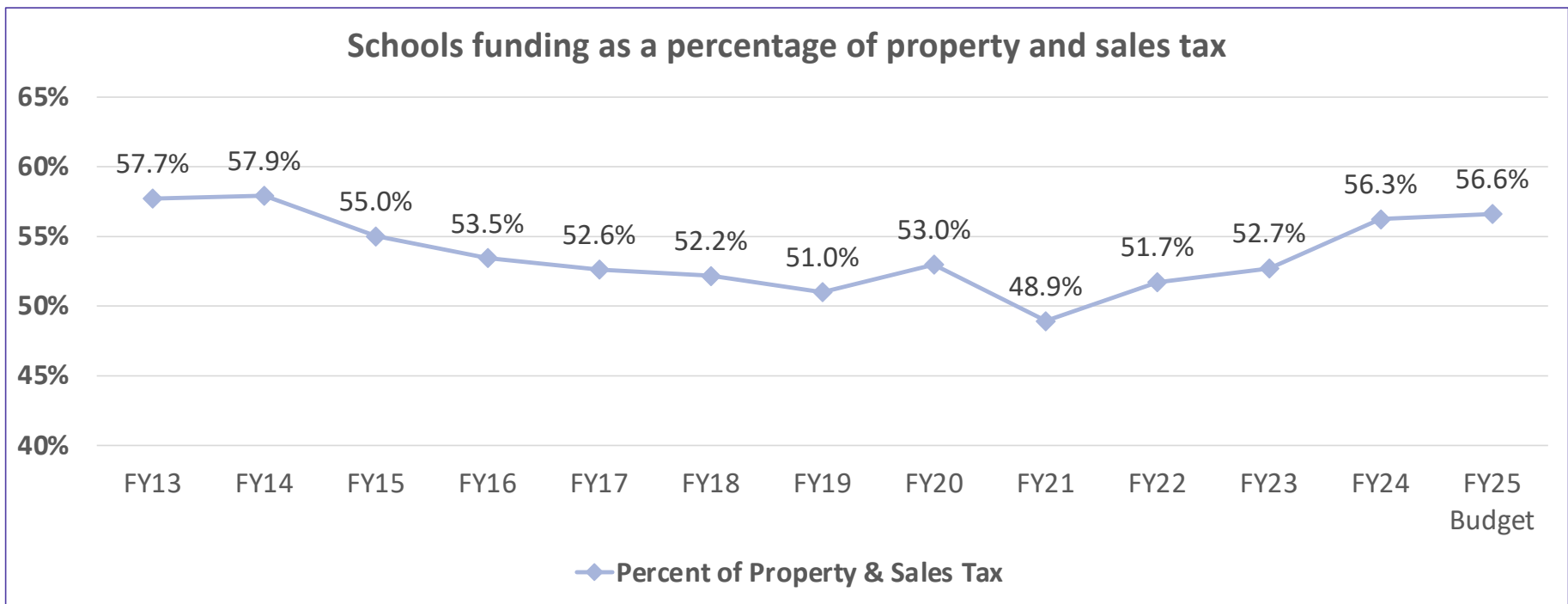
How could this data help inform decision-making on school funding?



# PERCENT OF PROPERTY AND SALES TAX REVENUES

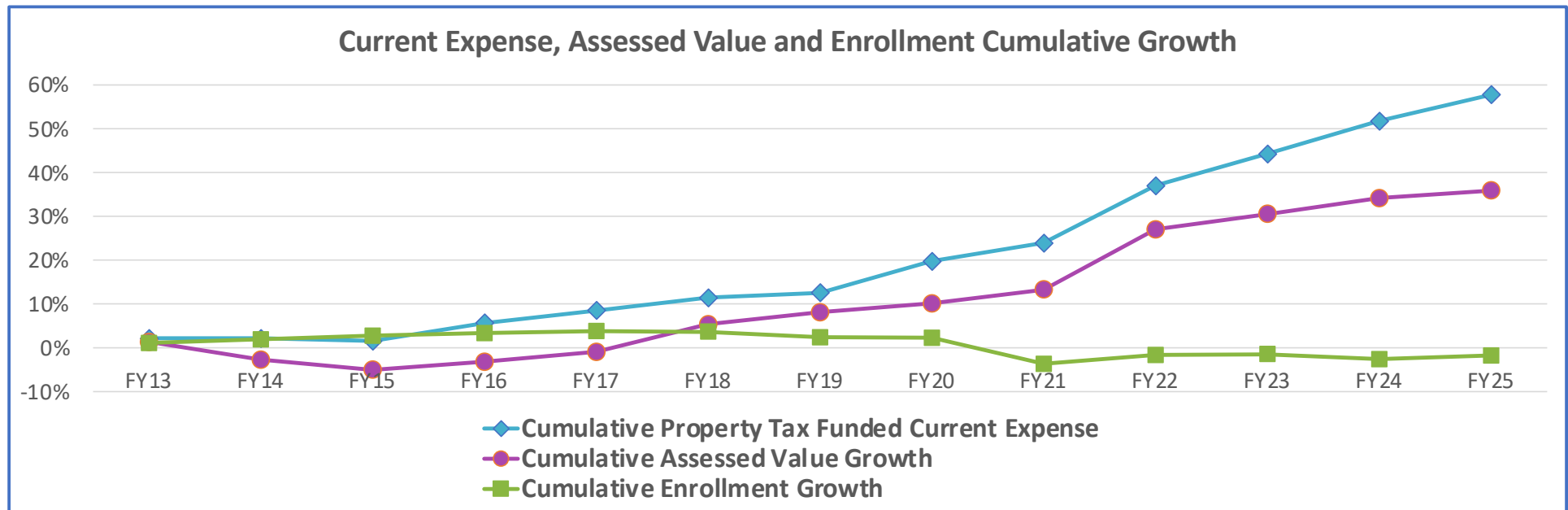
How much of the county budget is dedicated to education?

How could this data help inform future decision-making?



# GROWTH FACTORS: CURRENT EXPENSE, TAX VALUE, ENROLLMENT

How do these three growth factors relate to one another?  
What will this picture tell you?



# BENCHMARK COUNTIES: POPULATION & TAXES (EXAMPLE: TEN LARGEST)

Data for comparisons is available from the NCACC Map Book and Annual Budget and Tax Survey; both available by the end of the August

LEA	COUNTY	2024 POPULATION		2025 TAX RATE		2024 TAX LEVY PER CAPITA	
		VALUE	RANK	VALUE	RANK	VALUE	RANK
110	Buncombe	279,331	7	0.5176	8	\$ 925	6
130	Cabarrus	248,866	10	0.5760	7	\$ 982	4
260	Cumberland	343,636	5	0.8050	1	\$ 593	10
320	Durham	340,727	6	0.7987	2	\$ 1,147	2
340	Forsyth	396,317	4	0.6778	4	\$ 784	9
410	Guilford	553,023	3	0.7305	3	\$ 953	5
510	Johnston	249,714	9	0.6700	5	\$ 787	8
600	Mecklenburg	1,190,000	2	0.4831	10	\$ 1,166	1
900	Union	263,285	8	0.5880	6	\$ 917	7
920	Wake	1,210,000	1	0.5135	9	\$ 1,146	3

# COUNTY DATA

*What does your  
County's data tell you?*

*Would your board be  
surprised by the data?*

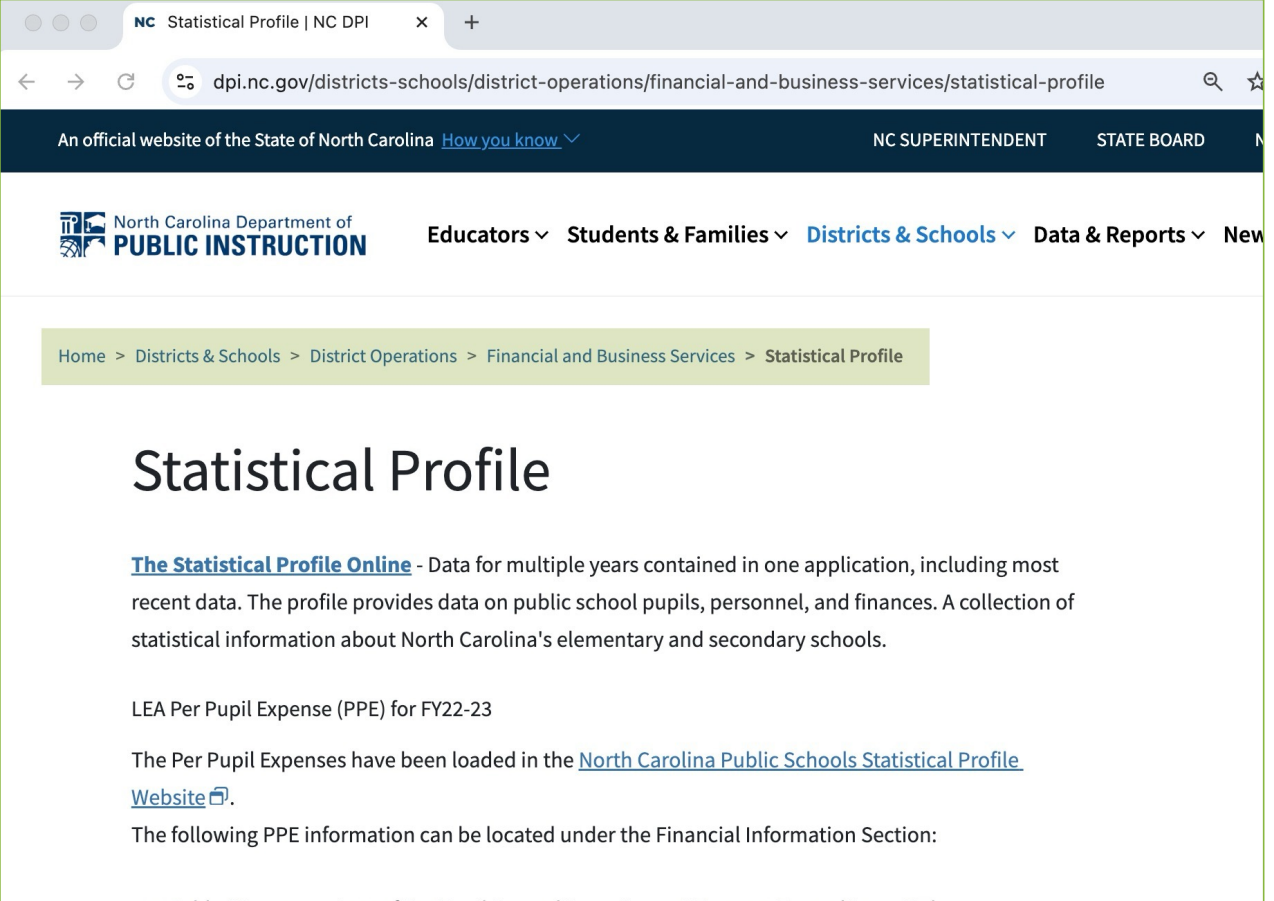




# NC DPI DATA SOURCES

NC Department of Public Instruction (DPI) has multiple years of data, easily downloaded in Excel to aid in building your comparisons

<https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/statistical-profile>



The screenshot shows a web browser window displaying the NC DPI Statistical Profile page. The browser's address bar shows the URL: [dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/statistical-profile](https://www.dpi.nc.gov/districts-schools/district-operations/financial-and-business-services/statistical-profile). The page header includes the text "An official website of the State of North Carolina" and navigation links for "NC SUPERINTENDENT" and "STATE BOARD". The main navigation menu features "Educators", "Students & Families", "Districts & Schools", "Data & Reports", and "New". A breadcrumb trail indicates the current location: "Home > Districts & Schools > District Operations > Financial and Business Services > Statistical Profile". The main heading is "Statistical Profile". Below this, a paragraph describes "The Statistical Profile Online" as a data application for multiple years, covering public school pupils, personnel, and finances. A section titled "LEA Per Pupil Expense (PPE) for FY22-23" states that the data is available on the "North Carolina Public Schools Statistical Profile Website".

# NC DPI DATA SOURCES

Data is tracked by LEA – Local Education Agency

Section II will be most frequently used section

**NORTH CAROLINA PUBLIC SCHOOLS STATISTICAL PROFILE**

Home | Part I. State Summary | **Part II. Local Education Agencies** | Part III. Charter/Regional Schools | Part IV. Monthly Student Accounting Reports

Exit Profile | Table of Contents >  
[previous page<<<](#) | [>>>next page](#)

**Part II. Local Education Agencies**

Click Map to View LEA's Data: Or Select LEA: 170 Caswell County Schools

**Caswell County Schools** 353 County Home Road, Yanceyville, NC 27379  
 Select School Year: School Year 2023-24

**Table A1 - (at LEA Level) FINAL PUPILS BY GRADE**

**Final Pupils by Grade**  
 Caswell County Schools School Year 2023-24

**More Information about the Type**

Year	LEA	LEA Name	Month	Type	KIND	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
2024	170	Caswell County Schools	Month Final	Enrollment	177	191	158	169	152	168	152	147	155	218	18
2024	170	Caswell County Schools	Month Final	ADM	166	180	150	157	145	163	147	138	147	197	17
2024	170	Caswell County Schools	Month Final	ADA	149	161	136	146	133	147	135	125	131	174	15
2024	170	Caswell County Schools	Month Final	MLD	169	179	152	156	146	165	149	137	145	195	17
2024	170	Caswell County Schools	Month Final	Promotion	160	172	146	154	146	162	149	137	145	175	15
2024	170	Caswell County Schools	Month Final	Non-Promotion	9	7	6	2	0	3	0	0	0	20	1

# ENROLLMENT [AVERAGE DAILY MEMBERSHIP – ADM]

DPI Source: Part 1: State Summary  
Financial Information, Table 29

LEA #	LEA Name	2019	2020	2021	2022	2023	2024	Change since 2019	2024 Rank
<b>530</b>	<b>Lee</b>	<b>9,344</b>	<b>9,304</b>	<b>10,104</b>	<b>12,096</b>	<b>12,685</b>	<b>12,504</b>	<b>33.8%</b>	<b>5</b>
190	Chatham	10,878	10,747	11,609	13,505	14,221	14,130	29.9%	2
390	Granville	9,983	9,961	10,712	12,379	13,267	14,049	40.7%	3
430	Harnett	8,907	9,105	9,857	11,234	11,746	12,172	36.7%	7
630	Moore	9,475	9,426	9,842	11,119	11,613	11,775	24.3%	8
710	Pender	9,349	9,452	10,006	11,037	11,228	12,244	31.0%	6
860	Surry	9,968	10,252	10,798	12,834	12,374	12,875	29.2%	4
980	Wilson	9,584	9,572	10,853	12,122	12,721	14,435	50.6%	1
	<b>TOTAL</b>	<b>77,488</b>	<b>77,819</b>	<b>83,781</b>	<b>96,326</b>	<b>99,855</b>	<b>104,184</b>	<b>34.5%</b>	

ADM is count used by state for funding

Reflects attendance, not just enrollment

Final count based on numbers through April 1

## Formula:

Total number of days students are in membership (enrolled and attending)  
*Divided by*  
Number of school days in a given period

# PER PUPIL FUND (ALL SOURCES)

DPI Source: Part 1: State Summary  
Financial Information, Table 25  
*(Excludes Child Nutrition)*

Local Category below includes the primary funding sources of  
County Current Expense, Fines & Forfeitures

LEA	LEA Name	2024								2024 Rank Among Top 10
		Federal PPE	Federal Rank	State PPE	State Rank	Local PPE	Local Rank	Total PPE	Total Rank	
110	Buncombe	\$ 1,689	70	\$ 7,747	91	\$ 3,703	15	\$ 13,139	61	4
130	Cabarrus	\$ 687	111	\$ 7,238	112	\$ 2,615	48	\$ 10,540	114	9
260	Cumberland	\$ 1,845	53	\$ 7,826	90	\$ 1,717	102	\$ 11,388	103	10
320	Durham	\$ 2,483	29	\$ 7,679	96	\$ 5,143	6	\$ 11,388	22	1
340	Forsyth	\$ 1,850	52	\$ 7,385	109	\$ 3,601	17	\$ 12,836	70	5
410	Guilford	\$ 2,404	31	\$ 7,712	95	\$ 3,791	12	\$ 11,388	41	2
510	Johnston	\$ 1,620	73	\$ 7,871	88	\$ 2,666	44	\$ 11,388	87	8
600	Mecklenburg	\$ 1,698	68	\$ 7,237	113	\$ 3,600	18	\$ 11,388	79	6
900	Union	\$ 912	105	\$ 6,976	115	\$ 2,811	37	\$ 11,388	113	7
920	Wake	\$ 992	100	\$ 7,161	114	\$ 3,713	14	\$ 11,388	93	3
<b>999</b>	<b>STATE TOTAL</b>	<b>\$ 1,708</b>		<b>\$ 7,890</b>		<b>\$ 2,959</b>		<b>\$ 11,388</b>		

# PER PUPIL FUNDING (LOCAL ONLY)

DPI Source: Part 1: State Summary  
Financial Information, Table 25  
(Excludes Child Nutrition)

Multi-year look at changes with benchmark group

Per Pupil Funding - Local Only									
LEA	LEA Name	2019	2020	2021	2022	2023	2024	Change since 2019	2024 Rank Among Benchmark Group
<b>530</b>	<b>Lee</b>	<b>\$ 2,033</b>	<b>\$ 1,805</b>	<b>\$ 1,859</b>	<b>\$ 2,063</b>	<b>\$ 2,340</b>	<b>\$ 2,507</b>	<b>23.3%</b>	<b>4</b>
190	Chatham	\$ 3,573	\$ 3,346	\$ 3,551	\$ 4,105	\$ 4,560	\$ 4,709	31.8%	1
390	Granville	\$ 2,031	\$ 1,837	\$ 1,964	\$ 2,108	\$ 2,608	\$ 2,919	43.8%	2
430	Harnett	\$ 1,443	\$ 1,316	\$ 1,431	\$ 1,699	\$ 1,663	\$ 1,577	9.3%	8
630	Moore	\$ 2,429	\$ 2,388	\$ 2,160	\$ 2,499	\$ 2,790	\$ 2,683	10.5%	3
710	Pender	\$ 2,013	\$ 1,963	\$ 1,983	\$ 2,221	\$ 2,136	\$ 2,394	18.9%	5
860	Surry	\$ 1,557	\$ 1,495	\$ 1,400	\$ 1,847	\$ 1,857	\$ 1,770	13.6%	7
980	Wilson	\$ 1,839	\$ 1,657	\$ 1,460	\$ 1,741	\$ 1,860	\$ 2,281	24.0%	6
999	STATE TOTAL	\$ 2,322	\$ 2,255	\$ 2,321	\$ 2,597	\$ 2,763	\$ 2,959	27.5%	

# SALARY SUPPLEMENTS

DPI Source: Part 1: State Summary  
Public School Personnel, Table 20

Salary Supplement Data is available for Teachers, Principals and Assistant Principals

Year	LEA ↑	LEA Name	Teacher No. of Position	Teacher No. Rec. Supplmt.	Teacher Average Supplmt.	Principal No. of Position	Principal No. Rec. Supplmt.	Principal Average Supplmt.	Assistant Principals No. of Position	Assistant Principals No. Rec. Supplmt.	Assistant Principals Average Supplmt.
2025	010	Alamance-Burlington Schools	1,563	1,562	6,432	41	41	17,202	47	47	9,708
2025	020	Alexander County Schools	275	275	7,137	11	11	9,554	7	7	7,001
2025	030	Alleghany County Schools	130	130	4,754	4	4	6,002	2	2	500
2025	040	Anson County Schools	265	265	1,307	9	9	4,471	6	6	3,041
2025	050	Ashe County Schools	226	226	3,725	6	6	6,792	7	7	4,125
2025	060	Avery County Schools	149	149	1,627	8	8	9,662	1	1	2,363
2025	070	Beaufort County Schools	461	461	1,890	13	13	4,308	16	16	1,650
2025	080	Bertie County Schools	140	140	7,491	6	6	9,304	4	4	3,358
2025	090	Bladen County Schools	310	310	4,090	13	13	7,942	13	13	5,114
2025	100	Brunswick County Schools	1,007	1,007	10,786	20	20	17,788	32	32	10,500
2025	110	Buncombe County Schools	1,853	1,843	7,222	44	44	22,502	65	64	13,944
2025	111	Asheville City Schools	309	309	6,675	8	8	13,676	14	14	10,254
2025	120	Burke County Schools	922	922	4,942	25	25	5,044	22	22	3,915
2025	130	Cabarrus County Schools	2,650	2,650	6,823	44	44	23,168	94	94	9,046
2025	132	Kannapolis City Schools	374	374	4,938	9	9	25,081	14	14	3,798
2025	140	Caldwell County Schools	740	740	2,937	25	25	8,297	18	18	5,117
2025	150	Camden County Schools	148	148	6,035	5	5	6,489	5	5	2,582
2025	160	Carteret County Schools	672	672	4,186	18	0	0	14	14	5,753
2025	170	Caswell County Schools	0	0	0	6	0	0	4	0	0
2025	180	Catawba County Schools	1,202	1,202	5,758	28	28	11,030	33	33	6,877

# TEACHER SALARY SUPPLEMENTS

DPI Source: Part 1: State Summary  
Public School Personnel, Table 20

Multi-year look at changes with benchmark group

LEA	LEA Name	2019	2020	2021	2022	2023	2024	Change since 2019	2024 Rank Among Benchmark Group
<b>530</b>	<b>Lee</b>	<b>\$ 4,624</b>	<b>\$ 4,586</b>	<b>\$ 4,626</b>	<b>\$ 4,582</b>	<b>\$ 6,518</b>	<b>\$ 6,756</b>	<b>46.1%</b>	<b>2</b>
190	Chatham	\$ 5,960	\$ 6,481	\$ 6,413	\$ 6,493	\$ 7,413	\$ 7,504	25.9%	1
390	Granville	\$ 4,304	\$ 4,415	\$ 4,578	\$ 4,537	\$ 4,466	\$ 5,916	37.5%	4
430	Harnett	\$ 3,219	\$ 3,208	\$ 3,211	\$ 3,169	\$ 3,859	\$ 4,944	53.6%	6
630	Moore	\$ 3,822	\$ 3,773	\$ 3,806	\$ 3,743	\$ 4,502	\$ 5,643	47.6%	5
710	Pender	\$ 3,384	\$ 4,077	\$ 4,264	\$ 4,494	\$ 4,632	\$ 6,277	85.5%	3
860	Surry	\$ 1,388	\$ 1,273	\$ 1,281	\$ 1,279	\$ 3,182	\$ 3,242	133.6%	7
980	Wilson	\$ 3,523	\$ 3,846	\$ 3,829	\$ 3,860	\$ 5,296	\$ 393	-88.8%	8
999	STATE TOTAL	\$ 4,580	\$ 4,772	\$ 4,942	\$ 5,123	\$ 6,053	\$ 6,508	42.1%	

# POSITION COUNTS

DPI Source: Part II: LEA  
Public School Personnel, Table A6

	2019	2024	Change Counts
<b>Grand Total Locally Funded Positions</b>	<b>941</b>	<b>1,363</b>	422
Grand Total State Funded Positions	5,150	4,883	(267)
Grand Total Federal Funded Positions	462	566	104
<b>Grand Total All Positions</b>	<b>6,553</b>	<b>6,812</b>	259
<b>% of Locally Funded Positions</b>			
% of Locally Funded Positions	14.4%	20.0%	5.6%
<b>% of Federal Funded Positions</b>			
% of Federal Funded Positions	7.1%	8.3%	1.3%
<b>% of State Funded Positions</b>			
% of State Funded Positions	78.6%	71.7%	-6.9%

	2019	2024	Change	
<b>Administrators</b>	Official Adm., Mgrs.	21	28	7
	Principals	1	2	1
	Ast. Principals, Teaching	-	-	-
	Ast. Principals, Nonteaching	35	53	18
	<b>Subtotal</b>	<b>57</b>	<b>83</b>	26
<b>Teachers</b>	Elementary Teachers	132	173	41
	Secondary Teachers	126	274	148
	Other Teachers	1	4	3
	<b>Subtotal</b>	<b>259</b>	<b>451</b>	192
<b>Professionals</b>	Guidance	27	15	(12)
	Psychological	2	1	(1)
	Librarian, Audiovisual	10	9	(1)
	Consultant, Supervisor	32	57	25
	Other Professional	62	57	(5)
	<b>Subtotal</b>	<b>133</b>	<b>139</b>	6
<b>Others</b>	Teacher Assistants	29	34	5
	Technicians	47	45	(2)
	Clerical, Secretarial	153	183	30
	Service Workers	145	311	166
	Skilled Crafts	100	103	3
	Laborers, Unskilled	18	14	(4)
	<b>Subtotal</b>	<b>492</b>	<b>690</b>	198
<b>Grand Total Locally Funded Positions</b>	<b>941</b>	<b>1,363</b>	422	

# CURRENT EXPENSE BY SOURCE

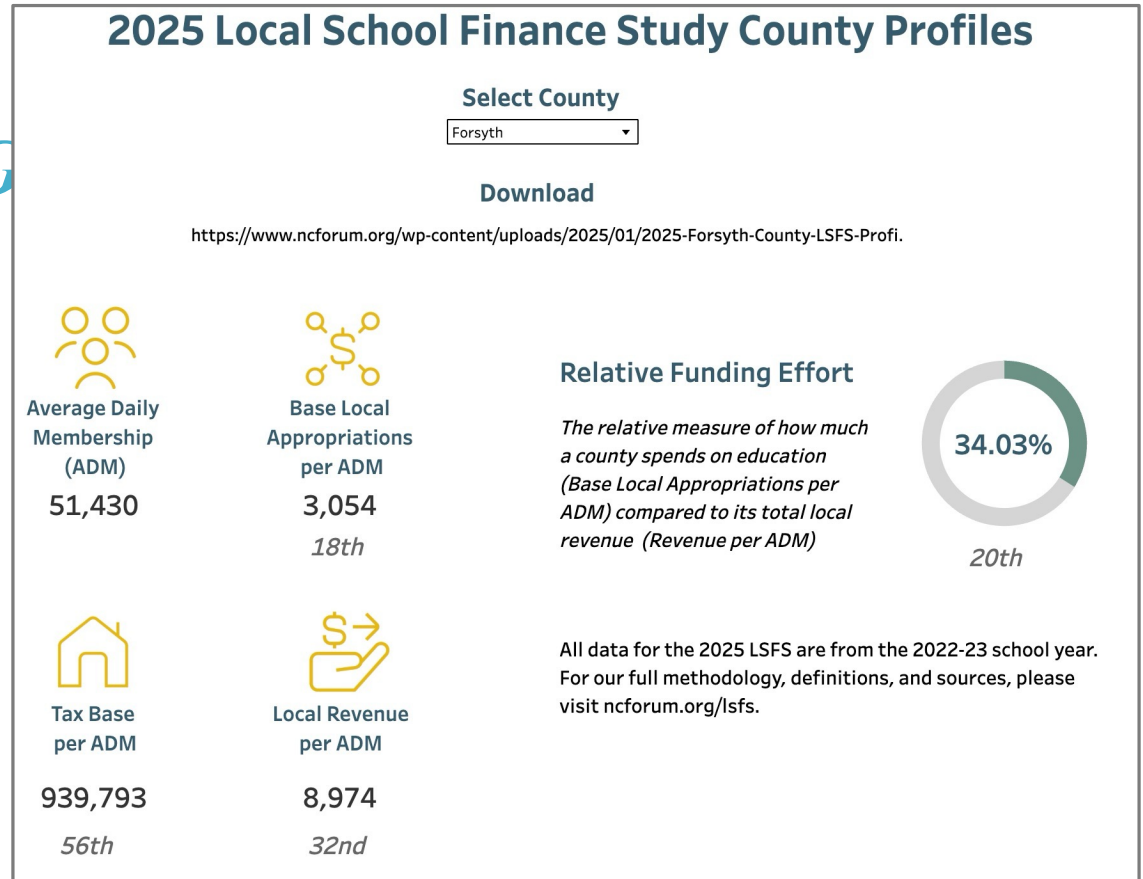
DPI Source: Part II: LEA  
Current Expenditures, Table A7

Consider trending this data over 3 to 4 years to look for significant changes in how dollars are spent

Home	Part I. State Summary	Part II. Local Education Agencies	Part III. Charter/Regional Schools	Part IV. Monthly Student Accounting Reports					
<a href="#">Exit Profile</a> <a href="#">Table of Contents &gt;</a> <a href="#">previous page&lt;&lt;&lt;</a> <a href="#">&gt;&gt;&gt;next page</a>									
Select School Year: <input type="text" value="School Year 2023-24"/>									
Select LEA: <input type="text" value="530 Lee County Schools"/>									
Table A7 - CURRENT EXPENDITURES BY SOURCE OF FUNDS									
<b>Current Expenditures by Source of Funds</b> <b>Lee County Schools</b> <b>School Year 2023-24 Final ADM 8,964</b>									
	Source State	Source Federal	Source Local	Source Total	Per Pupil State	Per Pupil Federal	Per Pupil Local	Per Pupil Total	Per Pupil Percent
SALARIES	47,441,736	6,977,202	10,677,563	65,096,501	5,292.47	778.36	1,191.16	7,261.99	58.1
EMPLOYEE BENEFITS	20,187,969	2,837,285	4,192,302	27,217,556	2,252.12	316.52	467.68	3,036.32	24.3
PURCHASED SERVICES	3,068,807	1,358,676	5,981,482	10,408,965	342.35	151.57	667.28	1,161.20	9.3
SUPPLIES & MATERIALS	2,190,582	3,674,658	1,924,359	7,789,599	244.38	409.94	214.68	869.00	6.9
INSTRUCTIONAL EQUIP.	122,687	1,437,504	11,740	1,571,931	13.69	160.36	1.31	175.36	1.4
<b>TOTAL</b>	<b>73,011,781</b>	<b>16,285,325</b>	<b>22,787,446</b>	<b>112,084,552</b>	<b>8,145.01</b>	<b>1,816.75</b>	<b>2,542.11</b>	<b>12,503.87</b>	<b>100.0</b>
Percent Total	65	15	20	100	0.00	0.00	0.00	0.00	0.0
<a href="#">Export to Excel</a>									

# PUBLIC SCHOOL FORUM: *RELATIVE FUNDING EFFORT*

Measures how much a county spends on education (Base Local Appropriations per ADM) compared to its local revenue (Revenue per ADM)



# SCHOOL FUNDING HISTORY

## (TEN LARGEST)

Use your benchmark set to create a composite view of relative ranking

2024 COUNTY SCHOOLS DATA															
LEA	COUNTY	PERCENT OF GENERAL FUND				PER PUPIL				PER CAPITA				TEACHER SALARY SUPPLEMENTS	
		TOTAL **		CURRENT EXPENSE ONLY		TOTAL **		CURRENT EXPENSE ONLY		TOTAL **		CURRENT EXPENSE ONLY			
		VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK	VALUE	RANK
110	Buncombe	36.9%	9	26.3%	8	\$7,256	3	\$5,176	2	\$ 568	8	\$ 406	7	\$7,107	6
130	Cabarrus	43.9%	4	28.7%	6	\$4,273	8	\$2,792	8	\$ 600	6	\$ 392	8	\$6,481	8
260	Cumberland	29.0%	10	22.9%	10	\$2,313	10	\$1,828	10	\$ 322	10	\$ 255	10	\$3,523	10
320	Durham	39.6%	7	31.3%	3	\$7,726	2	\$6,106	1	\$ 698	3	\$ 552	1	\$8,361	3
340	Forsyth	40.6%	6	28.7%	5	\$4,552	7	\$3,214	6	\$ 584	7	\$ 412	6	\$8,081	4
410	Guilford	41.0%	5	31.0%	4	\$5,227	6	\$3,950	5	\$ 623	5	\$ 471	4	\$7,529	5
510	Johnston	37.4%	8	25.2%	9	\$3,577	9	\$2,408	9	\$ 526	9	\$ 354	9	\$6,507	7
600	Mecklenburg	48.4%	3	37.2%	1	\$5,542	5	\$4,251	3	\$ 654	4	\$ 502	3	\$9,797	2
900	Union	55.9%	2	27.6%	7	\$6,015	4	\$2,965	7	\$ 945	2	\$ 466	5	\$5,242	9
920	Wake	72.4%	1	34.4%	2	\$8,499	1	\$4,035	4	\$1,122	1	\$ 532	2	\$9,828	1

\*\* Total: includes operating, debt and capital

# SCHOOL FUND BALANCE

Source: Schools Financial Statements  
Individual Fund Statements: General Fund

	2023			
	Original	Final	Actual	Variance
<b>REVENUES</b>				
Forsyth County	155,156,825	157,082,524	157,082,524	0
Non-County				
Other	1,600,000	10,475,588	11,356,842	881,254
Total Non-County	1,600,000	10,475,588	11,356,842	881,254
<b>TOTAL REVENUES</b>	<b>156,756,825</b>	<b>167,558,112</b>	<b>168,439,366</b>	<b>881,254</b>
<b>EXPENDITURES</b>				
Instructional Services	95,789,457	95,495,966	91,612,798	3,883,168
System-wide Support Services	49,999,961	60,379,739	59,602,820	776,919
Ancillary Services	405,045	546,045	524,824	21,221
Nonprogrammed Charges	9,772,910	10,346,910	10,279,089	67,821
Debt Service	789,452	789,452	789,452	0
<b>TOTAL EXPENDITURES</b>	<b>156,756,825</b>	<b>167,558,112</b>	<b>162,808,983</b>	<b>4,749,129</b>
Revs over (under) expenditures	0	0	5,630,383	5,630,383
Other financing sources			1,449,019	
Net Change in Fund Balance	0	0	7,079,402	5,630,383
Beginning Fund Balance			20,541,907	
Change in Reserves - Inventory & Encumbrances			(2,392,452)	
Ending Fund Balance			<u>25,228,857</u>	

Do you include fund balance as part of your school funding review?

If underspending, in what areas?

If overspending, is there an expectation of county to fund in the future?

# SCHOOLS' FUND BALANCE HISTORY

What trends are visible in you LEA's fund balance over the past 3 years?

	FY20	FY21	FY22	FY23	FY24
<b>WSFCS General Fund Fund Balance</b>	<b>\$9,897,854</b>	<b>\$20,279,678</b>	<b>\$20,541,907</b>	<b>\$25,228,857</b>	<b>TBD</b>
<i>Percentage Increase (Decrease) Over Prior Year</i>		<i>104.9%</i>	<i>1.3%</i>	<i>22.8%</i>	
<i>Percentage Increas (Decrease) Since FY20</i>		<i>104.9%</i>	<i>107.5%</i>	<i>154.9%</i>	
<b>Fund Balance as a Percent of Next Year's Budget</b>	<b>7.4%</b>	<b>13.1%</b>	<b>13.1%</b>	<b>TBD</b>	





**The Basics**  
Operating and Capital Responsibilities



**Schools by the Numbers**  
Trends and Benchmarks

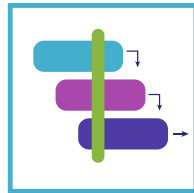


**Funding Strategy**  
Goals and Formulas

# COMMON SCHOOL FUNDING CHALLENGES



**Increased pressures on local funding to fill state gaps**



**Disparities between fast-growing and rural counties**



**Pressure from charter schools and enrollment shifts**



**Understanding how local dollars are actually being spent**

*Formulas won't eliminate the debate - but they dramatically narrow the gap between expectations and reality.*

COUNTY	PER PUPIL	GROWTH IN TAX BASE	PERCENT OF AD VALOREM REVENUE	STATE DISPUTE FORMULA
BRUNSWICK			X	
BUNCOMBE		X		
CLEVELAND	X			
CUMBERLAND			X	
CURRITUCK	X			
DAVIDSON		X		
DAVIE			X	
GUILFORD		X		
MOORE			X	
ORANGE			X	
TRANSYLVANIA				X
WAYNE			X	

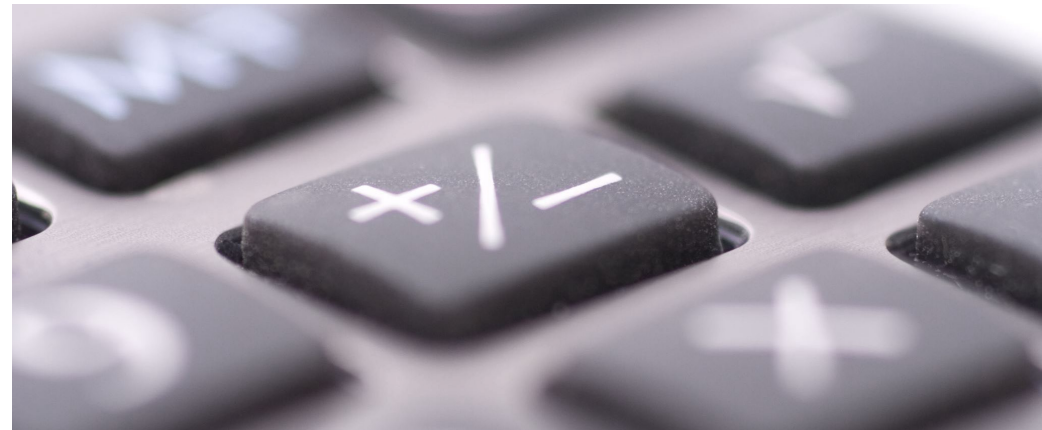
## FORMAL FUNDING AGREEMENTS

Very few counties report having a formal funding agreement in place with their Boards of Education

*(Source: 2023 NCACC Budget & Tax Survey)*

## WHY NOT USED MORE

Most formulas generate less than Boards of Education expect and request



# FORMULA FACTORS

Two most common formulas:

**Per Pupil and  
Growth in Tax  
Base**

ASSUMPTION	Factors Used	
	GROWTH IN TAX BASE	PER PUPIL
ASSESSED VALUE NORMAL GROWTH RATE	X	
PRIOR PER PUPIL FUNDING ( <i>PROP TAX FUNDED</i> )		X
ARTICLE 46 GROWTH	X	X
ENROLLMENT GROWTH		X
INFLATION	X	X
OPENING OF NEW FACILITIES	X	X

# INFLATION FACTOR RECOMMENDATION

## **What index should be used for calculating inflation?**

The Dispute Resolution Statute (§ 115C-431) uses the Employment Cost Index (ECI).

The ECI measures the change in hourly labor cost to employers over time. The index considers both wages and benefits.

## **What's the difference between ECI and CPI?**

The CPI (Consumer Price Index) measures inflation and is used to preserve purchasing power.

ECI measures wage increases.

**If inflation is considered in a formula, recommend using the ECI.**

GROWTH IN TAX BASE					Change Over Starting Point	
	FY25 Recurring	One-Time Converted to Recurring	FY26 Starting Point	FY26 Assumptions/ Forecast	\$	%
<b>ASSUMPTIONS</b>						
Property Tax Normal Growth Rate				2.51%		
Article 46 Growth Assumption				-4.8%		
Enrollment Growth Assumption				N/A		
Inflation				N/A		
<b>School Appropriation</b>						
Prop Tax Funded Appropriation	153,100,000	3,777,805	156,877,805	160,815,438	3,937,633	2.5%
Article 46	20,563,331	-	20,563,231	19,575,903	(987,428)	-4.8%
<b>Total</b>	<b>173,663,331</b>	<b>3,777,805</b>	<b>177,441,036</b>	<b>180,391,341</b>	<b>6,728,010</b>	<b>3.9%</b>
Enrollment	51,290	51,290	51,290	50,500	50,500	-1.5%
Per Pupil Funding Result	\$3,386	\$74	\$3,460	\$3,572	\$133	3.9%

# FORMULA IN ACTION

Example:  
**Forsyth County**  
*Used Growth in Tax Base*  
 Formula for FY26 budget

PER PUPIL SPENDING PLUS INFLATION					Change Over Starting Point	
	FY25 Recurring	One-Time Converted to Recurring	FY26 Starting Point	FY26 Assumptions / Forecast	\$	%
<b>ASSUMPTIONS</b>						
Property Tax Normal Growth Rate				N/A		
Article 46 Growth Assumption				-4.8%		
Enrollment Growth Assumption				-1.5%		
Inflation				2.5%		
<b>School Appropriation</b>						
Prop Tax Funded Appropriation	153,100,000	3,777,805	156,877,805	158,341,488	5,241,488	3.3%
Article 46	20,563,331	-	20,563,231	19,575,903	(987,428)	-4.8%
<b>Total</b>	<b>173,663,331</b>	<b>3,777,805</b>	<b>177,441,036</b>	<b>177,917,391</b>	<b>4,254,060</b>	<b>2.4%</b>
Enrollment	51,290	51,290	51,290	50,500	50,500	-1.5%
Prop Tax Per Pupil Funding	\$2,985	\$74	\$3,059	\$3,135	\$104	3.5%
Total Per Pupil Funding	\$3,386	\$74	\$3,460	\$3,523	\$84	2.5%

# WHY FUNDING FORMULAS ARE WORTH A TRY



## **Establishes a Transparent, Predictable Framework**

Creates a clear, dependable mechanism that both BOE and BOC can rely on, minimizing conflict and increasing public trust in the process – not just annually reacting the to ask



## **Reduces Budget Uncertainty Through Recurring, Sustainable Funding**

Eliminates the unpredictability and delays caused by annual negotiations, allowing BOE to build a realistic request



## **Supports Long-Term Planning**

Predictable funding enables the superintendent and school board to develop multi-year strategies with greater fiscal certainty



## **Encourages Collaboration and Agreed Upon Goals**

Aligns school funding with pre-set metrics through an Interlocal Agreement adopted by both boards

# INTERLOCAL AGREEMENT

Even if Boards don't reach a formal agreement, a Funding Formula is an effective tool for the County Manager when building their budget recommendation

## Outline of Interlocal Agreement

- I. Purpose and Intent
- II. Definitions
- III. Funding Formula and Methodology
- IV. Formula Application and Annual Process
- V. Exceptions and Modifiers
- VI. Term and Renewal
- VII. Termination and Amendment
- VIII. Governance and Dispute Resolution
- IX. Data Sharing and Collaboration
- X. Legal Authority
- XI. Execution



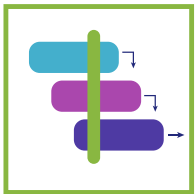
## KNOW THE BASICS

You now have a clear framework for understanding your statutory responsibilities and the boundaries of “sufficiency” – the foundation for every school funding conversation.



## USE YOUR DATA

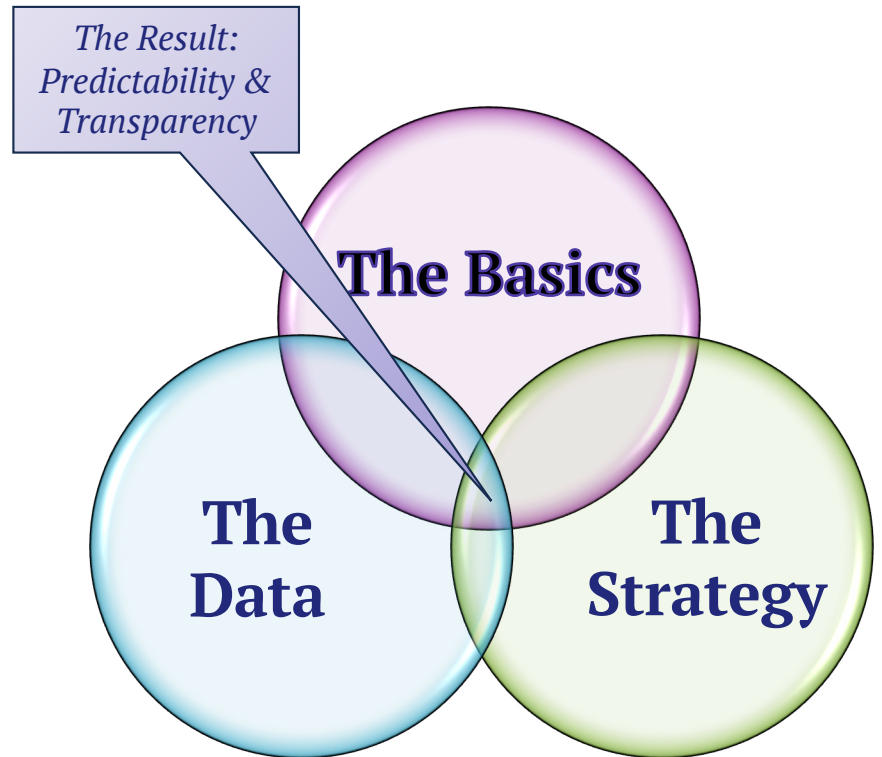
County and DPI data reveal patterns that cut through assumptions. When you trend it year over year, the story becomes impossible to ignore.



## PLAN YOUR STRATEGY

Formulas, targets, and benchmarks don’t remove the debate, but they *discipline* it – bringing predictability to your largest recurring expense.

# BRINGING IT ALL TOGETHER



# POSSIBLE NEXT STEPS

## Pick one data set and start tracking – momentum starts small

A single trend line (ADM, per-pupil funding, fund balance, or tax-base growth) can change the conversation next budget cycle.

## Consider how your county will define and demonstrate “*sufficiency*”

Clarifying this expectation now eliminates most of the friction you face with your Board of Education later.

# RESOURCES SUMMARY

*It takes a little time to pull the initial data sets together if you haven't been tracking, but then it's just an annual update*

## NCACC

Map Book – 2025 Version Available Online  
Annual Budget and Tax Survey

## DPI STATISTICAL PROFILE

Statewide comparative data

LEA Details

## LEA INFORMATION

Annual Audits

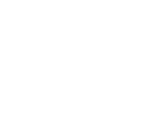
Budget Documents



**THANK  
YOU**

**Johnna Sharpe**  
Consultant to Counties

**Amy Cannon**  
NCACC Outreach Associate



# Upcoming Webinars in the Series

**Webinar 2 — December 11, 2025 | 12:00 p.m.**

Legal & Policy Landscape: Statutory Requirements, Leandro, & Local Flexibility

**Webinar 3 — January 6, 2026 | 12:00 p.m.**

In Practice: County-School Partnerships That Work

**Webinar 4 — January 16, 2026 | 12:00 p.m.**

Looking Ahead: Funding Challenges, Shifts, and Strategic Planning

**Webinar 5 — January 23, 2026 | 12:00 p.m.**

Ask the Experts: Live Q&A on County Roles in School Funding

REGISTER  
FOR THE  
NEXT  
WEBINAR

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