

2017 LOCAL SCHOOL FINANCE STUDY



> INTRODUCTION

Under North Carolina's school finance system, born more than eight decades ago, it is the state's responsibility to pay for instructional expenses (including personnel) while county governments pay for capital expenses (buildings and maintenance).

During the Great Depression, through the 1933 School Machinery Act, the General Assembly attempted to "relieve" counties of the responsibility for operating and maintaining public schools. In 1975, the School Budget and Fiscal Control Act reinforced the primacy of state support, setting forth the state's policy of using state revenue sources for instructional expenses and current operations while expecting county governments to meet public schools' facilities requirements.

Over time, however, the lines drawn in the 1933 and 1975 laws have become blurred, and the local role in funding school operations has increased. In 2014-15, counties spent \$2.7 billion to fund instructional

expenses, accounting for 26 percent of the combined federal, state, and local total. Counties provided funding for 1,025 principals and assistant principals (19.4 percent of the total), 6,332 teachers (6.7 percent of the total), 2,694 teacher assistants (12.0 percent of the total), and 3,268 professional instructional support personnel (21.4 percent of the total).

For more than 25 years, the Public School Forum of North Carolina has isolated local spending from state and federal spending to examine the capacity and actual effort of counties to support public schools. The annual Local School Finance Study focuses not only on the amount that counties spend on schools, but also on each county's investment in the context of that county's taxable resources.

From the early years of the Study, two trends have become evident that have deepened over time. First, wealthier counties are able to spend more on schools

while simultaneously making less taxing effort. Because wealthier counties have more taxable resources, they can keep taxes low while still generating significant revenues. Conversely, counties with fewer taxable resources need to make greater taxing effort to support their schools. Second, there is a widening gap between counties with many taxable resources and those with few, and as a result, a widening gap in counties' school spending patterns.

State policy decisions made during the last 25 years have blunted the impact of these trends, narrowing the educational investment gap by providing additional funds for the state's smallest and lowest-wealth counties. However, even with these important, positive policy steps, investments in North Carolina schools still vary dramatically by zip code. As a result, young people born into one of the state's economically thriving counties will have levels of investment in their education not shared elsewhere in the state.

CONTENTS

1 INTRODUCTION

3 2014-15 SPENDING PER STUDENT

4 WHAT'S NEW IN THE 2017 STUDY?

5 2017 RANKINGS-AT-A-GLANCE

6 A HISTORICAL PERSPECTIVE

8 WHO PAYS FOR WHAT?

10 GAPS AND TRENDS 2017

12 NOTES ON METHODOLOGY

13 APPENDICES

13 TABLE 1: RANKINGS OF ADJUSTED PROPERTY VALUATIONS PER STUDENT

14 TABLE 2: ACTUAL EFFORT

15 TABLE 2A: SIX-YEAR AVERAGE OF CAPITAL OUTLAY AND DEBT SERVICE

16 TABLE 3: ACTUAL EFFORT WITH SUPPLEMENTAL FUNDING FOR LOW-WEALTH AND SMALL COUNTIES

17 TABLE 4: ABILITY TO PAY

18 TABLE 5: RELATIVE EFFORT

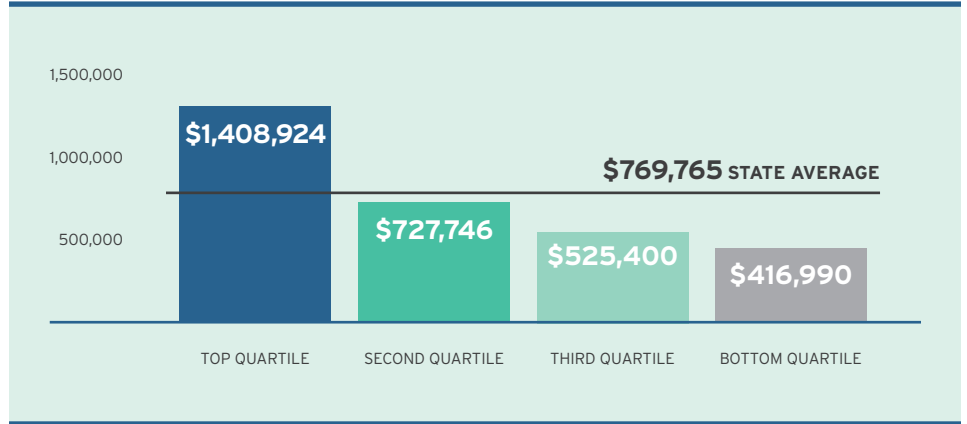
19 GLOSSARY

20 DATA SOURCES & ACKNOWLEDGMENTS

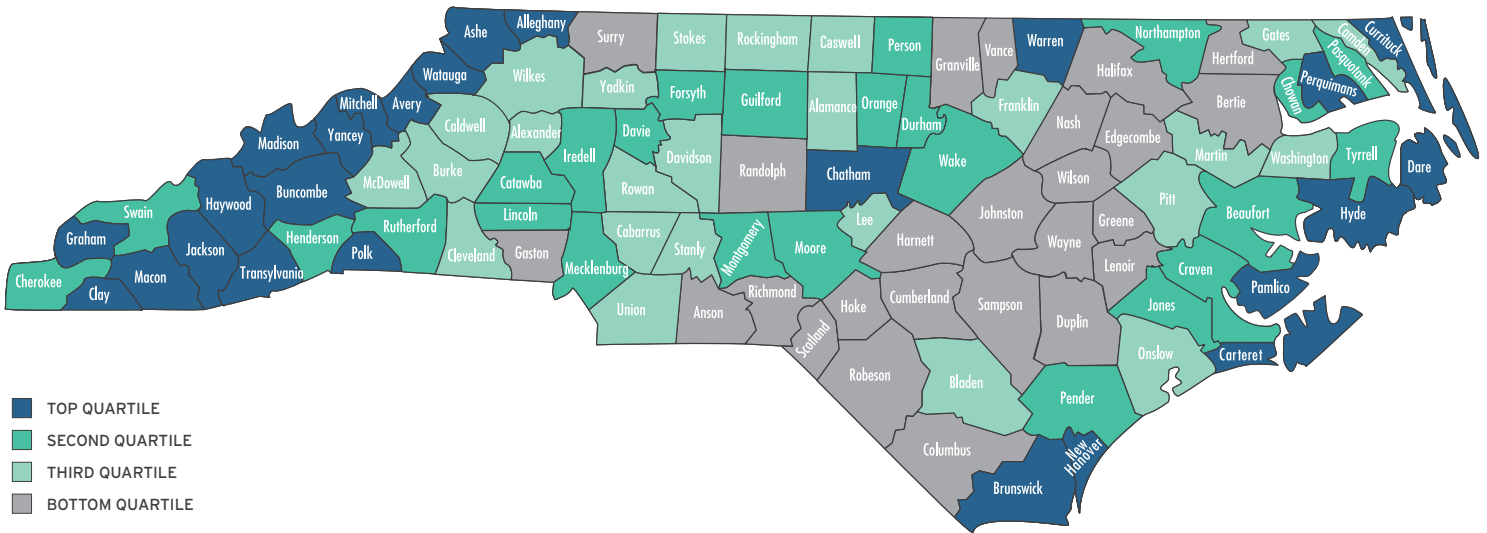
> INTRODUCTION (CONTINUED)

Disparities in resources available to counties can be illustrated by dividing the state into quartiles according to adjusted property wealth available per child. The top quartile includes high-growth Piedmont and mountain and beach resort areas, which had an average of \$1,408,923.70 real estate wealth available per child - \$639,159 above the state average. The bottom quartile has \$416,990 real estate wealth available per child - \$352,775 below the state average. The map illustrates where counties in each quartile are located throughout the state. In 2014-15, 34 counties were above the state average property wealth of \$769,765 available per child, while 68 counties were below the state average.

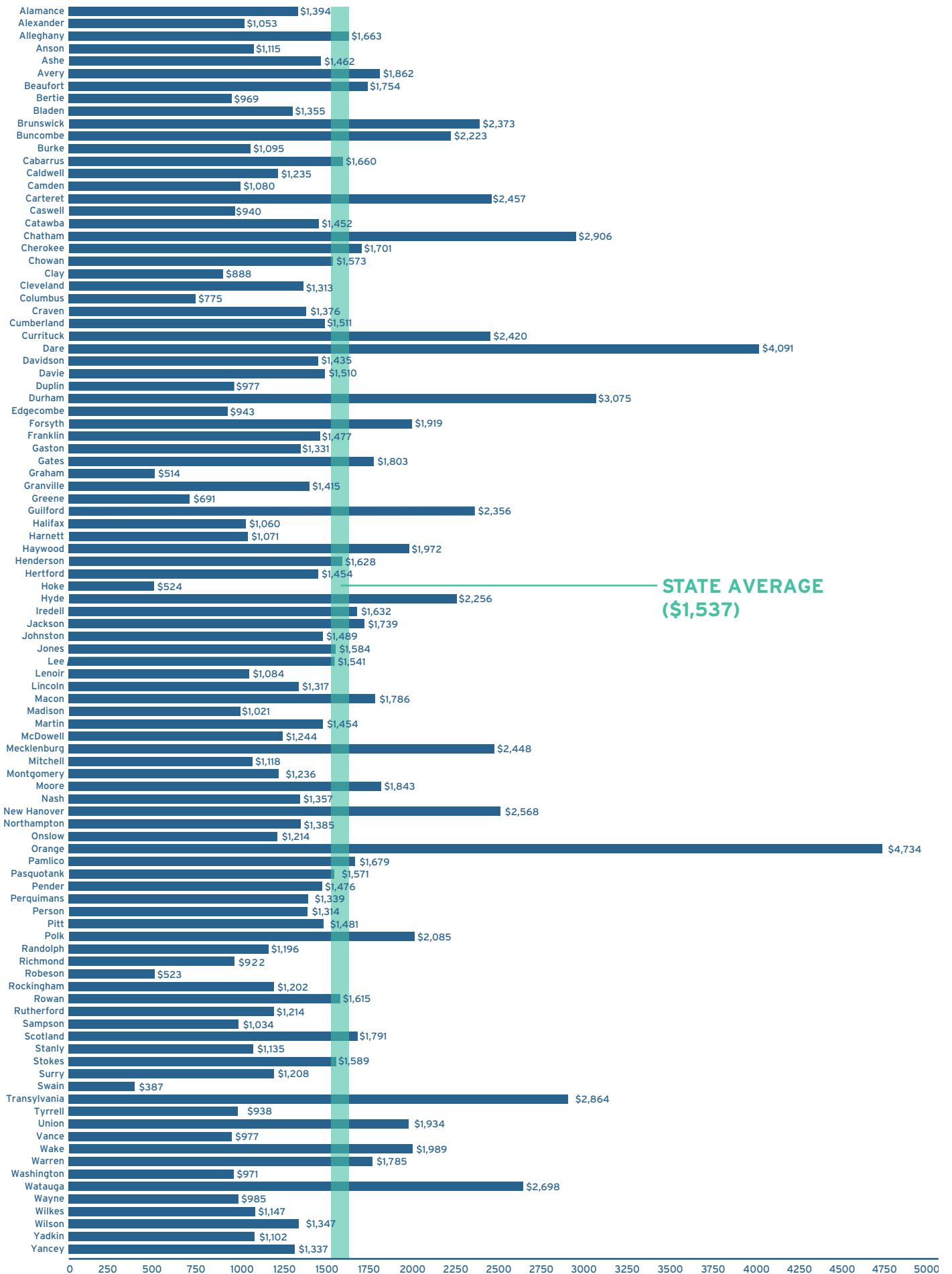
REAL ESTATE WEALTH AVAILABLE PER STUDENT



DISPARITIES IN REAL ESTATE WEALTH



2014-15 TOTAL LOCAL CURRENT SPENDING PER STUDENT



> WHAT'S NEW IN THE 2017 LOCAL SCHOOL FINANCE STUDY?

Long-time readers of the annual Local School Finance Study noticed a new look beginning with the 2014 study, which continues this year. "Under the hood," however, the study is largely the same as in 2013 and previous years, with a few notable exceptions.

Most significantly, since 2014, the study has included charter school enrollment in each county's total Average Daily Membership (ADM). Charter schools receive funding based on their ADM, just as district schools do. The change reflects that each county's funding for instructional expenses is divided approximately equally among all district and charter school students residing in the county.

For most counties, the new calculation resulted in little change to the study data. For some counties with large percentages of students attending charter schools, however, substantial shifts occurred. For instance, Person, Pamlico, and Northampton Counties, each with more than 10 percent of their public school students enrolled in charter schools, saw significant changes in their rankings in several of the finance study tables compared to 2013 and earlier studies. More detail about the change and its impact can be found in the report's "Notes on Methodology" section.

Also new since 2014, the state average per capita income used in Table 4 is the statewide average from the U.S. Bureau of Economic Analysis. Aside from this and the inclusion of charter school enrollments, the study's methodology is unchanged. The five main data tables included in past years' studies appear again in this year's study as appendices. The tables appear in the same order as in past years, to facilitate comparison with previous studies. The capital outlay and debt service averages, which appeared in Tables 2 and 5 prior to the 2014 study, and did not factor into the rankings, now appear as a separate Table 2A, with counties ranked to mirror the order in Table 2 to facilitate comparison with previous studies. Also since 2014, several redundant table columns have been omitted and others reordered to facilitate readability.

Finally, the 2014 Local School Finance Study pioneered a new summary table, which we include again this year: Local School Finance Study Rankings-at-a-Glance, which collects the rankings

from Tables 1-5 in a single table, ordered by the Table 5 Relative Effort rank. The table is accompanied by a brief explanation of the rankings, which also serves as an introduction to the more detailed tables included in the appendices.

The rankings in these five columns are calculated in the five tables included in the appendices to this report.

Property Value Rank: The first column shows county rankings based on the real estate wealth available in each county. Most local funding for schools comes from property taxes. Counties ranked higher on this measure have more property available for potential taxation to support education. (See Table 1)

Actual Effort Rank: Rankings in the second column reflect the actual dollar effort of counties to fund schools, without taking into account property wealth. Counties that spend the most per student rank highest on this measure. (See Table 2)

Actual Effort Rank II: The rankings in the third column serve the same purpose as the second column but take into account supplemental state funding provided for low-wealth and small counties. Counties that spend the most per student based on county spending combined with low-wealth and small county supplemental state funding rank highest on this measure. This column can be analyzed alongside the second column to show the impact of supplemental funding on counties' relative rankings. (See Table 3)

Ability to Pay Rank: The fourth column's rankings reflect an analysis of each county's fiscal capacity to support public schools, taking into account property values (from the first column, adjusted using the state's average effective property tax rate) and non-property tax revenues. Large, urban counties that combine high adjusted property valuations with broad-based economic activity and high per capita incomes tend to receive high rankings on this measure. (See Table 4)

Relative Effort Rank: The final column compares Actual Effort (from Table 2) and Ability to Pay (from Table 4). Low-wealth counties with comparatively high spending levels tend to rank highest in this measure. (See Table 5)



LOCAL SCHOOL FINANCE STUDY RANKINGS-AT-A-GLANCE

	FROM TABLE 1	FROM TABLE 2	FROM TABLE 3	FROM TABLE 4	FROM TABLE 5	
COUNTY	PROPERTY VALUE RANK: Adjusted Property Tax Base Per ADM	ACTUAL EFFORT RANK: Total Current Spending Per ADM	ACTUAL EFFORT RANK II: Total Current Spending Per ADM with Low Wealth and Small County Funding	ABILITY TO PAY RANK: Revenue Per ADM	RELATIVE EFFORT RANK: Current Spending as Percentage of Revenue per Student	
TOP QUARTILE	Dare	1	2	4	1	95
	Jackson	2	27	54	3	98
	Watauga	3	6	13	4	84
	Avery	4	20	15	8	93
	Hyde	5	13	3	9	85
	Brunswick	6	11	22	5	92
	Macon	7	24	46	7	96
	Carteret	8	8	17	2	94
	Currituck	9	10	18	6	90
	Transylvania	10	5	9	11	63
	Clay	11	94	30	25	97
	Ashe	12	46	42	21	87
	Yancey	13	59	37	27	86
	Pamlico	14	29	12	18	88
	New Hanover	15	7	11	10	77
	Polk	16	15	14	17	75
	Alleghany	17	30	10	22	80
	Graham	18	99	45	33	99
	Buncombe	19	14	28	16	73
Perquimans	20	58	20	23	91	
Chatham	21	4	8	12	58	
Haywood	22	17	35	24	61	
Madison	23	84	67	39	89	
Warren	24	25	21	34	47	
Moore	25	21	41	20	81	
SECOND QUARTILE	Henderson	26	33	65	26	74
	Mitchell	27	74	38	45	76
	Cherokee	28	28	51	40	32
	Northampton	29	53	23	49	46
	Durham	30	3	7	15	31
	Orange	31	1	2	13	3
	Tyrrell	32	92	5	48	83
	Beaufort	33	26	47	32	49
	Swain	34	100	99	44	100
	Person	35	62	86	41	69
	Mecklenburg	36	33	16	14	67
	Wake	37	16	34	19	78
	Iredell	38	32	64	28	71
	Jones	39	36	1	37	55
	Pender	40	45	62	52	33
	Montgomery	41	65	82	47	66
	Catawba	42	49	84	38	64
	Rutherford	43	68	75	62	45
	Lincoln	44	61	68	42	68
Davie	45	41	71	35	65	
Chowan	46	37	27	46	29	
Craven	47	54	92	36	72	
Guilford	48	12	25	29	12	
Forsyth	49	19	40	30	34	
Wilkes	50	72	91	63	54	
THIRD QUARTILE	Stokes	51	35	39	69	8
	Davidson	52	50	66	53	37
	McDowell	53	64	52	74	24
	Rowan	54	34	48	59	13
	Bladen	55	56	58	71	16
	Caldwell	56	66	60	73	25
	Camden	57	79	31	55	70
	Stanly	58	73	90	60	60
	Caswell	59	91	59	89	52
	Cabarrus	60	31	63	43	30
	Washington	61	88	19	83	53
	Rockingham	62	70	77	66	40
	Onslow	63	67	97	31	82
	Pasquotank	64	38	50	57	15
	Lee	65	39	53	56	19
	Yadkin	66	76	83	77	38
	Burke	67	77	93	72	48
	Union	68	18	33	50	7
	Martin	69	47	29	64	17
Alamance	70	52	74	51	41	
Alexander	71	82	96	79	44	
Gates	72	22	6	88	2	
BOTTOM QUARTILE	Bertie	73	89	36	91	43
	Hertford	74	48	26	84	6
	Pitt	75	43	57	54	28
	Granville	76	51	70	75	10
	Cleveland	77	63	69	81	14
	Franklin	78	44	44	87	5
	Anson	79	69	32	85	26
	Wilson	80	75	70	65	27
	Surry	81	69	79	61	50
	Randolph	82	71	72	80	23
	Halifax	83	81	88	82	39
	Gaston	84	60	87	70	20
	Lenoir	85	78	56	68	56
	Edgecombe	86	90	89	90	51
	Cumberland	87	40	78	58	18
	Duplin	88	86	80	78	57
	Nash	89	55	61	67	21
	Johnston	90	42	49	86	4
	Wayne	91	85	94	76	59
Richmond	92	93	81	94	35	
Columbus	93	95	95	93	62	
Hoke	94	97	100	98	79	
Sampson	95	83	73	92	22	
Harnett	96	80	76	95	9	
Scotland	97	23	24	97	1	
Greene	98	96	55	99	42	
Vance	99	87	85	96	11	
Robeson	100	98	98	100	36	

> STATE AND LOCAL SCHOOL FUNDING IN NORTH CAROLINA: A HISTORICAL PERSPECTIVE

North Carolina's first state constitution in 1776 included an education provision that stated, "A School or Schools shall be established by the Legislature for the convenient Instruction of Youth." The legislature provided no financial support for schools.

A century later, the constitution adopted after the Civil War required the state to provide funding for all children ages 6-21 to attend school tuition-free. In 1901, the General Assembly appropriated \$100,000 for public schools, marking the first time there was a direct appropriation of tax revenue for public schools. Today, the constitution mandates that the state provide a "general and uniform system of free public schools" and that the state legislature may assign counties "such responsibility for the financial support of the free public schools as it may deem appropriate." N.C. Const. art. IX, § 2 (see note, "Sources of Local School Finance Law: The North Carolina State Constitution").

The constitution adopted after the Civil War required the state to provide funding for all children ages 6-21 to attend school tuition-free.



SOURCES OF LOCAL SCHOOL FINANCE LAW: THE NORTH CAROLINA STATE CONSTITUTION

Article IX, Sec. 2. Uniform system of schools.

(1) General and uniform system: term. The General Assembly shall provide by taxation and otherwise for a general and uniform system of free public schools, which shall be maintained at least nine months in every year, and wherein equal opportunities shall be provided for all students. **(2) Local responsibility.** 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 units 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.

Apart from the constitutional provisions, a major change in the school funding structure occurred during the Great Depression. Under the School Machinery Act (enacted in 1931 and amended in 1933), the state assumed responsibility for all current expenses necessary to maintain a minimum eight-month school term and an educational program of basic content and quality (instructional and program expenses). In exchange for the state's expanded role, local governments assumed responsibility for school construction and maintenance (capital expenses). The School Machinery Act established counties as the basic unit for operating public schools, which is maintained today with large county-wide school systems, except in the 11 counties that also have city school systems.

In 1975, the General Assembly enacted the School Budget and Fiscal Control Act, which delineated responsibility for school funding:

To ensure 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. It is the policy of the State of North Carolina that the facilities requirements for a public education system will be met by county governments.

As noted in the introduction, over time the delineations proscribed by the School Machinery Acts and the School Budget and Fiscal Control Act have given way to increased local investment in instructional expenses. Even so, the North Carolina Supreme Court has made clear that it is the state that bears responsibility for fulfilling the constitutional obligation to guard and maintain the right of every North Carolina child to receive a "sound basic education." *Leandro v. North Carolina*, 346 N.C. 336 (1997).

The North Carolina Supreme Court has made clear that it is the state that bears responsibility for fulfilling the constitutional obligation to guard and maintain the right of every North Carolina child to receive a "sound basic education."

North Carolina has been engaged in litigation defending its system of school finance for almost twenty years. The legal action was instigated in part by spending inequities between low-wealth and higher-wealth counties. These inequities persist today. In 2014-15, the state's ten highest-spending counties spent an average of \$46,321 more per classroom than the ten lowest-spending counties. This large gap exists primarily because of the variation in property wealth across the state. The wealthiest counties have \$1,890,059 in real estate capacity available per student, compared with the poorest counties, which have approximately \$354,630 in real estate capacity available per student. This gap has widened by over \$1 million since the North Carolina Supreme Court's *Leandro* decision in 1997.



SOURCES OF LOCAL SCHOOL FINANCE LAW: THE *LEANDRO* CASE

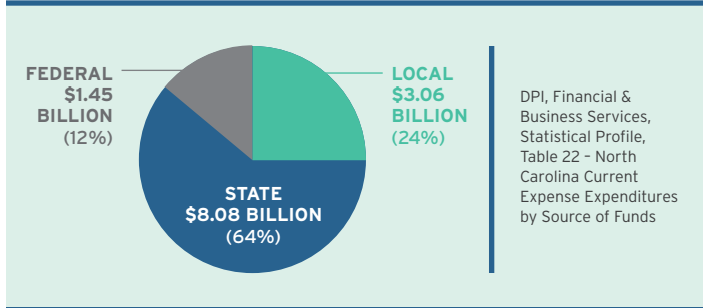
"Because the North Carolina Constitution expressly states that units of local governments with financial responsibility for public education may provide additional funding to supplement the educational programs provided by the state, there can be nothing unconstitutional about their doing so or in any inequality of opportunity occurring as a result... Clearly then, a county with greater financial resources will be able to supplement its programs to a greater degree than less wealthy counties, resulting in enhanced educational opportunity for its students."

Leandro v. State, 488 S.E.2d 249 (N.C. 1997).

> SCHOOL FUNDING: WHO PAYS FOR WHAT?

North Carolina public schools spent \$12.6 billion on instructional expenses in the 2014-15 school year, using a combination of state, federal, and local resources. State funding accounted for 64 percent of expenditures, federal funding accounted for 12 percent, and local funding accounted for 24 percent of spending.

SOURCES OF FUNDS FOR SCHOOLS IN NC, 2014-15



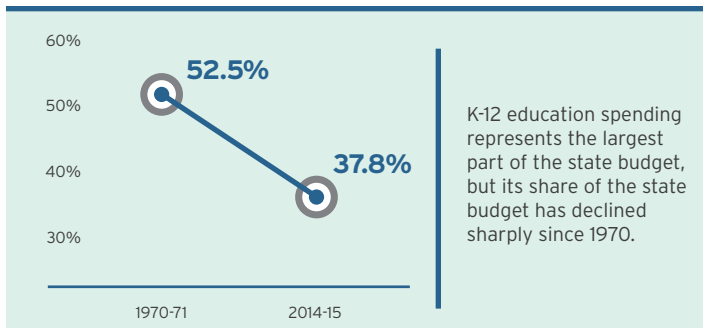
STATE FUNDS

In 2014-15, the state provided \$8.1 billion to operate 2,583 district, charter, and regional schools in 115 school systems across 100 counties for 1.52 million students. Approximately 93 percent of state funds were spent on salaries and benefits for 131,751 state-funded school personnel.

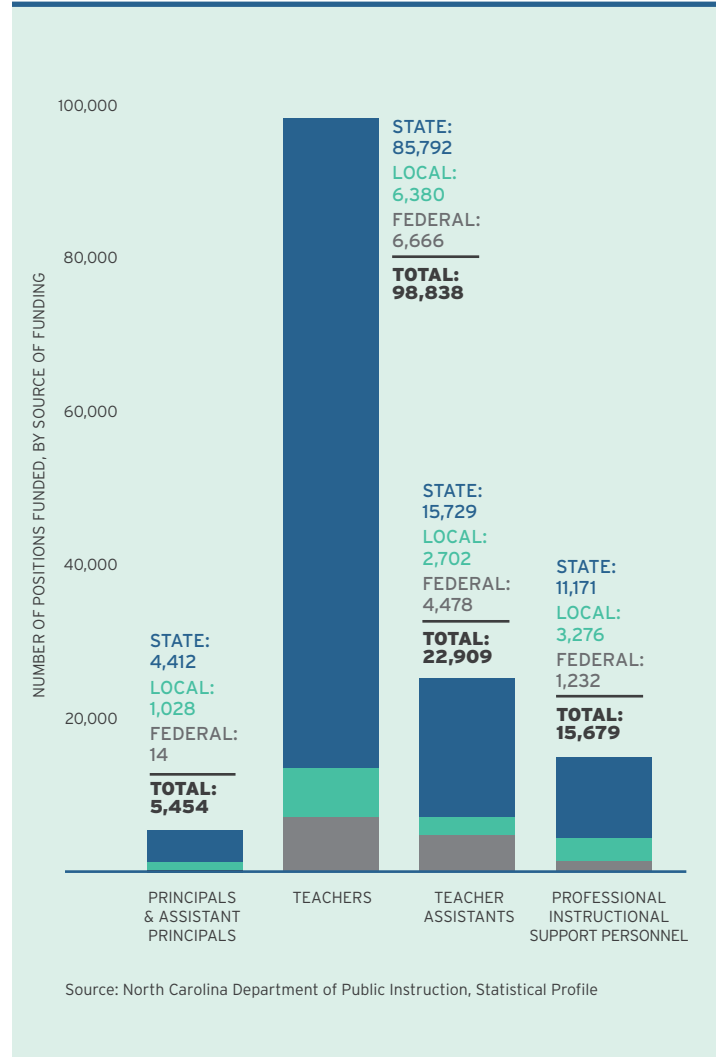
State funding for operations has continually increased from \$3.44 billion in 1992-93 to \$8.1 billion in 2014-15. But while the level of funding has increased over time, the percentage of the state's General Fund dedicated to education has continually declined. In 2014-15, 37.8 percent of the state's General Fund was appropriated for K-12 public education, a significant drop from 1970, when it was 52.5 percent. If public education were funded at the same percentage of the General Fund as in 1970, districts and schools would have an additional \$3.05 billion to educate our students.

State funding for capital outlays has been relatively small compared with the state's investment in operations, and compared with what counties invest in facilities. The amount of funding the state provides for capital outlays has also decreased drastically since 2012-13, when the state spent \$32 million on capital outlays (5.8 percent of the combined local, state, and federal total). In 2013-14 and 2014-15, the state contributed 2.1 percent of the total capital outlay expenditure in the state, spending \$9.6 million in 2013-14 and \$12.2 million in 2014-15.

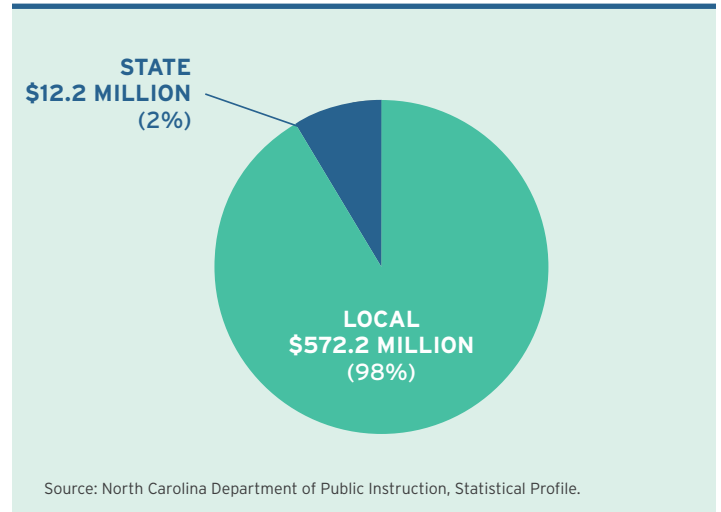
K-12 SPENDING (% OF GENERAL OPERATING BUDGET)



WHO PAYS FOR SCHOOL PERSONNEL? 2014-15



FUNDING FOR SCHOOL BUILDINGS, 2014-15



LOCAL FUNDS

The nearly century-old division of state and local responsibility for school funding still shapes the way North Carolina pays for public education today, with 64 percent of instructional expenditures coming from the state and 97.9 percent of capital expenses paid at the local level. However, the division has eroded somewhat, with counties funding 18.8 percent of principal and assistant principal positions, 6.5 percent of teachers, 11.8 percent of teacher assistants, and 20.9 percent of professional instructional support personnel; and with the state paying 2 percent of capital expenses.

Considering local expenditures on programs and personnel in 2014-15, the ten counties that spent the most per student averaged \$3,026 per student compared to the ten that spent the least, which averaged \$710 per student. That represents a gap of \$2,316 – and 60 counties are below the state average of \$1,537. The bottom seven counties combined spend \$432 less than Orange County spends on its own.

One of the primary challenges from the five low-wealth plaintiffs in the *Leandro* case dealt with the inequities between varying levels of county support for schools. However, the state Supreme Court ruled in 1997 that “the ‘equal opportunities’ clause of Article IX, Section 2(1) of the North Carolina Constitution does not require substantially equal funding or educational advantages in all school districts. Consequently, the provisions of the current state system for funding schools which require or allow counties to help finance their school systems and result in unequal funding among the school districts of the state do not violate constitutional principles.”



LOCAL SCHOOL FUNDING: IMPACTS ON SCHOOLS AND CLASSROOMS

Differences in counties' levels of investment in their school systems translate into dramatically different options at the school and classroom level. As an illustration, at a statewide average class size of 20 students per classroom, the ten counties that spend the most per student would spend, on average, \$60,526 per classroom. By contrast, the ten counties that spend the least per child would spend, on average, \$14,205 per classroom – a difference of \$46,321 per classroom. At the state's average elementary school size of 490 students, that translates to a difference of \$1,134,859 per elementary school. At the state's average high school size of 848, it translates to a difference of \$1,964,002 per high school.

FEDERAL FUNDS

Resources from the federal government accounted for 12 percent of North Carolina public education spending on instructional expenses in 2014-15, and totaled \$1,449,542,854. Federal resources are given to states in the form of direct grants, state applications, state plans, or a combination of the three.



> LOCAL SCHOOL FINANCE STUDY 2017: GAPS AND TRENDS

The primary source of revenue for county government is local property taxes, and this year the study once again revealed wide variation between the property values of the state's wealthiest and poorest counties, and resulting disparities in revenues generated. This year also saw the continuation of marked differences in spending per child between North Carolina's highest- and lowest-spending counties.

POOREST COUNTIES TAXED THEMSELVES AT HIGHER RATES, BUT STILL GENERATED SUBSTANTIALLY LESS FROM PROPERTY TAX

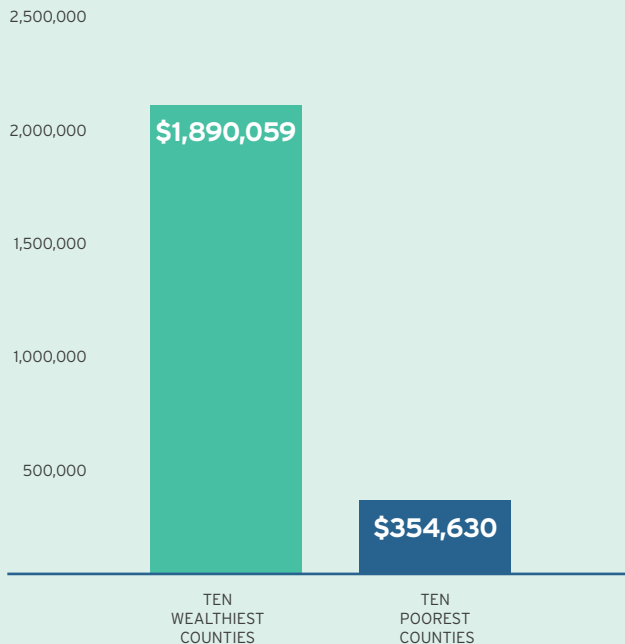
Coastal and mountain counties have the highest real estate wealth capacity in the state. In 2014-15, every county in the top ten had a per student real estate wealth capacity above \$1.6 million, and together had an average five times greater than the bottom ten counties. The ten wealthiest counties had an average real estate capacity of \$1,890,059 per student, compared with the ten poorest counties, which had, on average,

a real estate capacity of \$354,630 per student. This gap of \$1.54 is marginally larger than last year's gap of \$1.52 million. The gap had decreased for the previous four years of the Local School Finance Study (there was a \$1.69 million gap in 2012-13). Major factors that contributed to the narrowing gap included reductions in real estate wealth in the wealthiest counties, some counties' 2011 revaluations, and increases in student enrollment in several counties.

The ten poorest counties taxed themselves at nearly double the rate of the ten wealthiest counties - \$0.83 compared to \$0.44, a 39-cent difference. In spite of this, because of the disparity in real estate wealth capacity, the revenue the poorest counties could generate, even at the higher tax rate, was substantially lower than what the wealthier counties could generate at lower rates. The poorest counties continue raising their tax rates, while the wealthiest counties lower theirs, and yet the substantial revenue disparity persists.

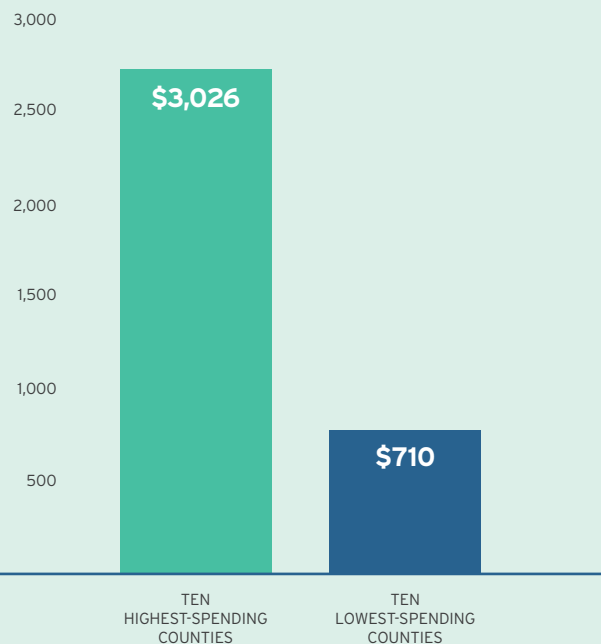
LOW- VS. HIGH-WEALTH COUNTIES

TAXABLE REAL ESTATE WEALTH PER CHILD



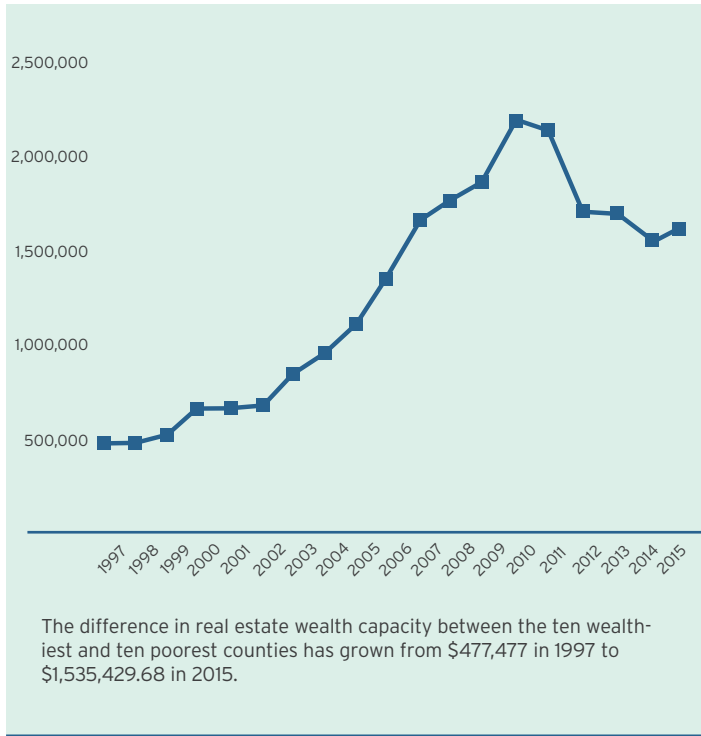
The wealthiest counties have more than five times the taxable property wealth per child available to the ten poorest counties. As a result, even though the ten poorest counties tax themselves at double the rate of the wealthiest counties, the revenue they generate through taxation is substantially lower.

SPENDING PER STUDENT



Annual per-student county spending on programs and personnel was \$2,316 higher in the ten highest-spending counties than in the ten lowest-spending counties. This gap is wider than last year, when it was \$2,211 per student.

WIDENING REAL ESTATE WEALTH GAP



LARGE SPENDING DISPARITIES REMAIN

This year's study found a larger gap between the highest- and lowest- spending counties: \$2,316 per student, compared with \$2,211 last year. Orange County, at the top of the list, spends more than twelve times more per student than Swain County at the bottom. The ten highest-spending counties spend 4.26 times more per child (\$3,026 per child) than the ten lowest-spending counties (\$710 per child). On average, the highest-spending counties increased their spending by 3.8 percent more per child this year since last year (\$110 more per student). The lowest-spending counties increased their average spending per student by .8 percent (\$5 per student).

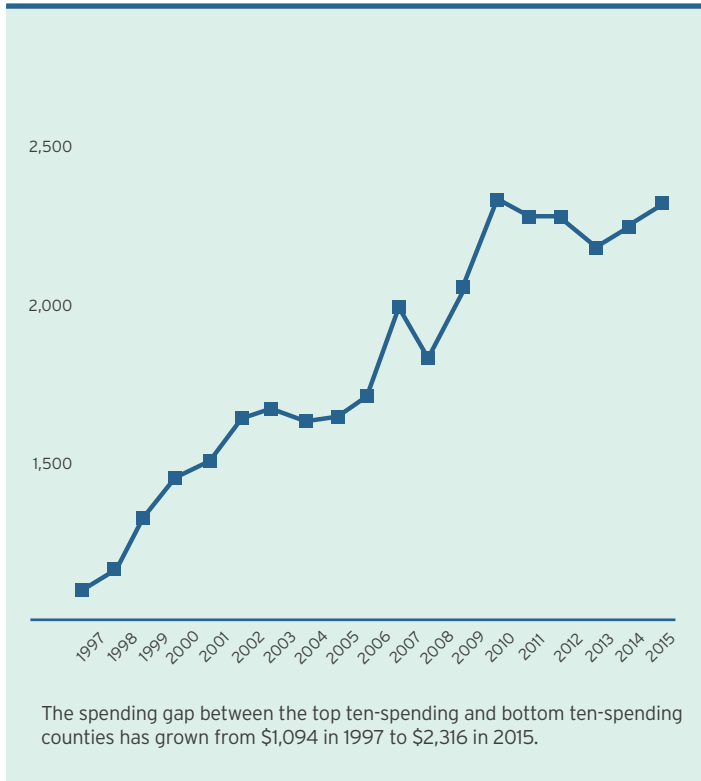
SUPPLEMENTAL FUNDING REMAINS CRUCIAL

In 1991, the state enacted supplemental funds for low-wealth and small counties, in part to address the limited capacity that some counties have to raise revenues through taxation because of their limited local resources and size. In 2014-15 the General Assembly provided an appropriation of \$227.8 million for 68 low-wealth counties (79 districts) and \$38.9 million for 25 small counties.

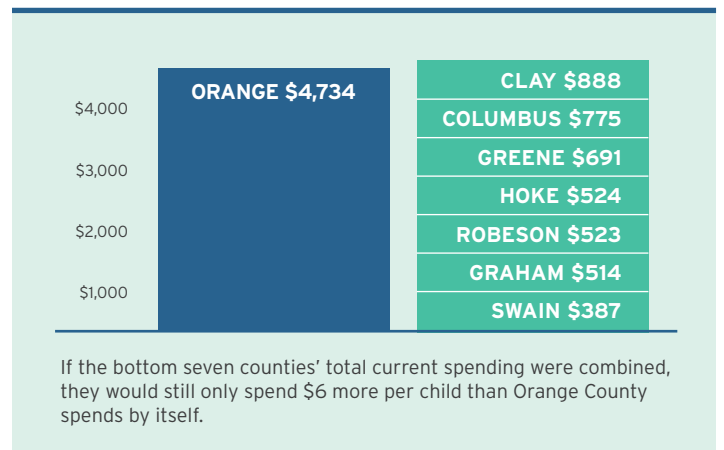
Low-wealth supplemental funding is provided to systems whose ability to generate local revenue per student is below the state average. Some of the factors used to determine eligibility are county adjusted property tax base, square miles in the county, and per capita income. In 2014-15, low-wealth eligible counties received total low-wealth supplemental funding ranging from \$10,618 to \$17.3 million. Per-student dollars ranged from \$9 (Graham) to \$734 (Robeson).

Small county supplemental funding was provided in 2014-15 to those county school systems with average daily membership (ADM) less than 3,200. City school districts are not eligible for this funding. If a school district becomes ineligible due to an ADM greater than 3,200, the funding will be phased out over 5 years. Martin and Anson counties were in the first year of phase-out and received 80% of their 2013-14 allotment. In 2014-15 eligible counties received between \$1.17 and \$1.67 million in small-county supplemental funding. Per-student dollars ranged from \$358 (Anson) to \$3,048 (Tyrrell).

WIDENING SPENDING GAP



SPENDING DISPARITIES



> NOTES ON METHODOLOGY

CHARTER SCHOOL ENROLLMENT

The Department of Public Instruction's Division of School Business' *Report on Average Daily Membership and Membership Last Day by LEA (ADM & MLD)* provides estimates of charter school enrollment in each county. Adding charter school enrollments to the ADM of the county in which each charter school is located produces a base calculation of total ADM for each county. However, charter schools may enroll students from across county lines, with local funding flowing from each student's district of residence to the charter school he or she attends (this is different from state ADM funding for charter schools). These cross-district enrollments are not captured by the ADM & MLD report.

Therefore, the 2017 Local School Finance Study relies on results of a survey of districts conducted by the Division of School Business in 2015 to account for all students within each district who attend charter schools. Survey data are provided at the Office of Charter Schools website for information only and are not used for any financial or budget purposes.

CAPITAL SPENDING

Data from the North Carolina Department of State Treasurer's *Report on County Spending on Public School Capital Outlays* was used to calculate a six-year average of county appropriations for capital outlay, interest on debt for school construction, and the net change in capital reserves. Withdrawals from the Public School Building Capital Fund, Grants from the Public School Building Bond Fund, and the North Carolina Education Lottery Funds have been removed from the county total. The debt service includes expenditures for school bond repayment and lease purchase agreements. The capital outlay is actual spending on capital projects or equipment for buildings.

SALES/ASSESSMENT RATIO

In North Carolina, most residential and commercial property is revalued once every eight years. Prior to 1984 it was difficult to compare tax wealth and effort because of this impediment to estimating the market value of property valuations. In 1984 the Department of Revenue completed its first statewide Sales/Assessment Ratio Study, comparing the market value of recently sold property with its assessed value. Using the ratio of assessed property value to market value, the Department calculated an adjusted property tax rate for each county. The longer it has been since a county has undergone reevaluation, the more likely it is that the market value of property in the county exceeds its assessed valuation.

Rapidly growing communities have numerous demands on public services, and the demands tend to outstrip land value increases. Therefore, to meet the increase in demands for additional services, local officials must either revalue property more often or raise taxes. In an effort to make this study as accurate as possible, a three-year weighted average is used to calculate the adjusted property valuation. This approach is intended to result in more accurate valuations for small, rural counties where relatively few land transactions might have taken place during any given year.

OTHER REVENUE SOURCES

The primary source of local revenue is property taxes. In addition to property taxes, this study includes a county's share of local option sales taxes and fines and forfeitures. Allotments from the ADM fund and grants for school construction have been removed to isolate capital spending. Finally, 11 counties have supplemental school taxes, with additional revenue totaling \$63.4 million in 2014-15.



TABLE 1: RANKING OF ADJUSTED PROPERTY VALUATIONS PER STUDENT

This table reflects the real estate wealth available to counties to support education. The ranking is based on the total adjusted property valuation for each county, divided by the number of students attending public school in the county. The property valuation was adjusted using a three-year weighted average of the Sales/Assessment Ratios.

Table with 8 columns: COUNTIES, RANK, PREVIOUS YEAR'S RANK, LAST YEAR REVALUED, EFFECTIVE COUNTY TAX RATE, 2014-15 ADJUSTED PROPERTY TAX BASE, 2014-15 FINAL ADM, ADJUSTED PROPERTY TAX BASE PER ADM. Lists 100 counties from Dare to Robeson, plus a State Total/Average row.

TABLE 2: ACTUAL EFFORT

This table reflects the actual dollar effort of communities to fund schools, without taking into account property wealth. This ranking is based on 2014-15 total current spending for each county (including supplemental school taxes), divided by the number of students attending public school in the county. High-wealth communities with corresponding high levels of spending tend to rank highest in this measure.

COUNTIES	RANK THIS YEAR	PREVIOUS YEAR'S RANK	2014-15 CURRENT SPENDING	2014-15 CURRENT SPENDING PER ADM	2014-15 SUPPLEMENTAL SCHOOL TAXES	2014-15 TOTAL CURRENT SPENDING (WITH SUPPLEMENTAL)	2014-15 FINAL ADM	2014-15 TOTAL CURRENT SPENDING PER ADM
Orange	1	1	\$73,135,134	\$3,634	\$22,135,495	\$95,270,629	20,123	\$4,734
Dare	2	2	\$20,163,320	\$4,091	\$0	\$20,163,320	4,929	\$4,091
Durham	3	3	\$118,563,483	\$3,075	\$0	\$118,563,483	38,551	\$3,075
Chatham	4	4	\$26,818,413	\$2,906	\$0	\$26,818,413	9,228	\$2,906
Transylvania	5	6	\$10,595,738	\$2,864	\$0	\$10,595,738	3,699	\$2,864
Watauga	6	5	\$12,062,834	\$2,698	\$0	\$12,062,834	4,471	\$2,698
New Hanover	7	7	\$67,879,109	\$2,568	\$0	\$67,879,109	26,432	\$2,568
Carteret	8	12	\$21,000,000	\$2,457	\$0	\$21,000,000	8,546	\$2,457
Mecklenburg	9	10	\$385,936,594	\$2,448	\$0	\$385,936,594	157,636	\$2,448
Currituck	10	11	\$9,353,526	\$2,420	\$0	\$9,353,526	3,865	\$2,420
Brunswick	11	8	\$31,349,382	\$2,373	\$0	\$31,349,382	13,212	\$2,373
Guilford	12	9	\$179,360,398	\$2,356	\$0	\$179,360,398	76,133	\$2,356
Hyde	13	15	\$1,288,286	\$2,256	\$0	\$1,288,286	571	\$2,256
Buncombe	14	13	\$59,872,901	\$1,957	\$8,136,173	\$68,009,074	30,594	\$2,223
Polk	15	16	\$4,934,788	\$2,085	\$0	\$4,934,788	2,367	\$2,085
Wake	16	14	\$322,372,340	\$1,989	\$0	\$322,372,340	162,043	\$1,989
Haywood	17	18	\$14,393,249	\$1,972	\$0	\$14,393,249	7,298	\$1,972
Union	18	19	\$83,457,494	\$1,934	\$0	\$83,457,494	43,157	\$1,934
Forsyth	19	17	\$108,020,219	\$1,919	\$0	\$108,020,219	56,280	\$1,919
Avery	20	21	\$3,973,725	\$1,862	\$0	\$3,973,725	2,134	\$1,862
Moore	21	20	\$24,446,931	\$1,843	\$0	\$24,446,931	13,266	\$1,843
Gates	22	27	\$2,945,000	\$1,803	\$0	\$2,945,000	1,633	\$1,803
Scotland	23	28	\$10,614,325	\$1,791	\$0	\$10,614,325	5,928	\$1,791
Macon	24	22	\$7,845,651	\$1,786	\$0	\$7,845,651	4,393	\$1,786
Warren	25	42	\$4,385,066	\$1,758	\$0	\$4,385,066	2,495	\$1,758
Beaufort	26	25	\$12,669,163	\$1,754	\$0	\$12,669,163	7,221	\$1,754
Jackson	27	26	\$6,826,102	\$1,739	\$0	\$6,826,102	3,926	\$1,739
Cherokee	28	30	\$5,832,950	\$1,701	\$0	\$5,832,950	3,429	\$1,701
Pamlico	29	29	\$2,583,812	\$1,679	\$0	\$2,583,812	1,539	\$1,679
Alleghany	30	24	\$2,308,274	\$1,663	\$0	\$2,308,274	1,388	\$1,663
Cabarrus	31	31	\$62,112,349	\$1,660	\$0	\$62,112,349	37,428	\$1,660
Iredell	32	35	\$40,109,402	\$1,411	\$6,294,517	\$46,403,919	28,431	\$1,632
Henderson	33	39	\$22,560,051	\$1,628	\$0	\$22,560,051	13,861	\$1,628
Rowan	34	34	\$32,198,980	\$1,615	\$0	\$32,198,980	19,933	\$1,615
Stokes	35	36	\$10,211,763	\$1,589	\$0	\$10,211,763	6,426	\$1,589
Jones	36	59	\$1,769,342	\$1,584	\$0	\$1,769,342	1,117	\$1,584
Chowan	37	37	\$3,421,929	\$1,573	\$0	\$3,421,929	2,176	\$1,573
Pasquotank	38	23	\$9,021,858	\$1,571	\$0	\$9,021,858	5,744	\$1,571
Lee	39	38	\$15,338,050	\$1,541	\$0	\$15,338,050	9,952	\$1,541
Cumberland	40	44	\$76,985,248	\$1,511	\$0	\$76,985,248	50,937	\$1,511
Davie	41	47	\$9,507,445	\$1,510	\$0	\$9,507,445	6,298	\$1,510
Johnston	42	40	\$52,150,000	\$1,489	\$0	\$52,150,000	35,031	\$1,489
Pitt	43	43	\$35,576,287	\$1,481	\$0	\$35,576,287	24,018	\$1,481
Franklin	44	50	\$13,818,840	\$1,477	\$0	\$13,818,840	9,354	\$1,477
Pender	45	41	\$13,044,356	\$1,476	\$0	\$13,044,356	8,836	\$1,476
Ashe	46	49	\$4,541,475	\$1,462	\$0	\$4,541,475	3,107	\$1,462
Martin	47	46	\$5,305,028	\$1,454	\$0	\$5,305,028	3,648	\$1,454
Hertford	48	51	\$4,273,524	\$1,454	\$0	\$4,273,524	2,940	\$1,454
Catawba	49	45	\$35,151,688	\$1,452	\$0	\$35,151,688	24,207	\$1,452
Davidson	50	62	\$29,516,340	\$1,307	\$2,882,031	\$32,398,371	22,576	\$1,435
Granville	51	48	\$12,385,287	\$1,415	\$0	\$12,385,287	8,752	\$1,415
Alamance	52	55	\$33,117,119	\$1,394	\$0	\$33,117,119	23,758	\$1,394
Northampton	53	52	\$3,300,000	\$1,385	\$0	\$3,300,000	2,383	\$1,385
Craven	54	56	\$19,615,914	\$1,376	\$0	\$19,615,914	14,256	\$1,376
Nash	55	60	\$21,892,636	\$1,309	\$803,836	\$22,696,472	16,725	\$1,357
Bladen	56	64	\$6,757,745	\$1,355	\$0	\$6,757,745	4,988	\$1,355
Wilson	57	58	\$18,013,038	\$1,347	\$0	\$18,013,038	13,375	\$1,347
Perquimans	58	63	\$2,300,000	\$1,339	\$0	\$2,300,000	1,718	\$1,339
Yancey	59	61	\$2,967,225	\$1,337	\$0	\$2,967,225	2,219	\$1,337
Gaston	60	57	\$43,816,704	\$1,331	\$0	\$43,816,704	32,910	\$1,331
Lincoln	61	53	\$16,638,846	\$1,317	\$0	\$16,638,846	12,635	\$1,317
Person	62	33	\$7,456,720	\$1,314	\$0	\$7,456,720	5,674	\$1,314
Cleveland	63	54	\$9,900,000	\$625	\$10,908,431	\$20,808,431	15,850	\$1,313
McDowell	64	65	\$7,814,056	\$1,244	\$0	\$7,814,056	6,282	\$1,244
Montgomery	65	66	\$5,013,616	\$1,236	\$0	\$5,013,616	4,057	\$1,236
Caldwell	66	67	\$14,778,726	\$1,235	\$0	\$14,778,726	11,964	\$1,235
Onslow	67	32	\$30,836,918	\$1,214	\$0	\$30,836,918	25,397	\$1,214
Rutherford	68	68	\$11,310,489	\$1,214	\$0	\$11,310,489	9,316	\$1,214
Surry	69	69	\$12,295,715	\$1,060	\$1,709,248	\$14,004,963	11,596	\$1,208
Rockingham	70	70	\$15,834,840	\$1,202	\$0	\$15,834,840	13,177	\$1,202
Randolph	71	71	\$21,899,017	\$957	\$5,480,234	\$27,379,251	22,888	\$1,196
Wilkes	72	72	\$11,273,988	\$1,147	\$0	\$11,273,988	9,827	\$1,147
Stanly	73	73	\$9,863,046	\$1,135	\$0	\$9,863,046	8,693	\$1,135
Mitchell	74	74	\$2,172,622	\$1,118	\$0	\$2,172,622	1,943	\$1,118
Anson	75	75	\$3,904,353	\$1,115	\$0	\$3,904,353	3,502	\$1,115
Yadkin	76	77	\$5,982,160	\$1,102	\$0	\$5,982,160	5,426	\$1,102
Burke	77	76	\$13,945,431	\$1,095	\$0	\$13,945,431	12,734	\$1,095
Lenoir	78	78	\$9,900,000	\$1,084	\$0	\$9,900,000	9,133	\$1,084
Camden	79	92	\$2,012,565	\$1,080	\$0	\$2,012,565	1,863	\$1,080
Harnett	80	80	\$21,523,700	\$1,059	\$230,269	\$21,753,969	20,316	\$1,071
Halifax	81	79	\$5,202,231	\$662	\$3,130,476	\$8,332,707	7,859	\$1,060
Alexander	82	81	\$5,400,000	\$1,053	\$0	\$5,400,000	5,127	\$1,053
Sampson	83	83	\$10,169,280	\$883	\$1,733,492	\$11,902,772	11,512	\$1,034
Madison	84	88	\$2,495,560	\$1,021	\$0	\$2,495,560	2,445	\$1,021
Wayne	85	84	\$19,039,728	\$985	\$0	\$19,039,728	19,323	\$985
Duplin	86	89	\$9,485,760	\$977	\$0	\$9,485,760	9,706	\$977
Vance	87	85	\$7,202,440	\$977	\$0	\$7,202,440	7,373	\$977
Washington	88	91	\$1,603,000	\$971	\$0	\$1,603,000	1,651	\$971
Bertie	89	86	\$2,503,000	\$969	\$0	\$2,503,000	2,582	\$969
Edgecombe	90	87	\$6,610,530	\$943	\$0	\$6,610,530	7,009	\$943
Caswell	91	94	\$2,751,306	\$940	\$0	\$2,751,306	2,927	\$940
Tyrrell	92	82	\$537,595	\$938	\$0	\$537,595	573	\$938
Richmond	93	90	\$6,925,000	\$922	\$0	\$6,925,000	7,510	\$922
Clay	94	93	\$1,150,000	\$888	\$0	\$1,150,000	1,295	\$888
Columbus	95	95	\$7,040,450	\$775	\$0	\$7,040,450	9,086	\$775
Greene	96	96	\$2,168,000	\$691	\$0	\$2,168,000	3,136	\$691
Hoke	97	98	\$4,470,416	\$524	\$0	\$4,470,416	8,530	\$524
Robeson	98	99	\$12,375,000	\$523	\$0	\$12,375,000	23,668	\$523
Graham	99	97	\$611,893	\$514	\$0	\$611,893	1,190	\$514
Swain	100	100	\$786,797	\$387	\$0	\$786,797	2,033	\$387
State Total/Average			\$26,186,526	\$1,503	\$63,444,202	\$2,682,096,826	1,500,399	\$1,537

TABLE 2A: SIX-YEAR AVERAGE OF CAPITAL OUTLAY AND DEBT SERVICE

This table provides a six-year average of capital outlay and debt service, ordered according to the rankings from Table 2. In previous years' studies, this data was included in Table 2.

COUNTIES	ACTUAL EFFORT RANK THIS YEAR (FROM TABLE 2)	2014-15 TOTAL CURRENT SPENDING PER ADM (FROM TABLE 2)	SIX-YEAR CAPITAL OUTLAY AVERAGE	SIX-YEAR CAPITAL DEBT SERVICE AVERAGE	2014-15 FINAL ADM	CAPITAL SPENDING PER ADM	DEBT SERVICE PER ADM
Orange	1	\$3,634	\$10,918,516	\$16,350,313	20,123	542.59	812.52
Dare	2	\$4,091	\$1,805,699	\$8,724,856	4,929	366.34	1770.11
Durham	3	\$3,075	\$29,791,932	\$13,194,752	38,551	772.79	342.27
Chatham	4	\$2,906	\$4,766,386	\$4,307,209	9,228	516.51	466.75
Transylvania	5	\$2,864	\$1,459,040	\$2,473,179	3,699	394.44	668.61
Watauga	6	\$2,698	\$1,490,125	\$6,885,916	4,471	333.29	1540.13
New Hanover	7	\$2,568	\$5,493,340	\$18,609,988	26,432	207.83	704.07
Carteret	8	\$2,457	\$4,846,109	\$6,459,386	8,546	567.06	755.84
Mecklenburg	9	\$2,448	\$70,107,827	\$128,091,173	157,636	444.75	812.58
Currituck	10	\$2,420	\$1,305,504	\$1,594,715	3,865	337.78	412.60
Brunswick	11	\$2,373	\$4,079,447	\$5,147,376	13,212	308.77	389.60
Guilford	12	\$2,356	\$49,934,888	\$49,132,364	76,133	655.89	645.35
Hyde	13	\$2,256	\$733,757	\$117,795	571	1285.04	206.30
Buncombe	14	\$1,957	\$24,471,502	\$13,831,932	30,594	799.88	452.11
Polk	15	\$2,085	\$412,122	\$780,035	2,367	174.11	329.55
Wake	16	\$1,989	\$87,781,393	\$161,338,167	162,043	541.72	995.65
Haywood	17	\$1,972	\$772,992	\$2,223,302	7,298	105.92	304.65
Union	18	\$1,934	\$6,127,056	\$45,086,772	43,157	141.97	1044.72
Forsyth	19	\$1,919	\$29,643,031	\$28,679,129	56,280	526.71	509.58
Avery	20	\$1,862	\$1,873,604	\$1,454,624	2,134	877.98	681.64
Moore	21	\$1,843	\$3,123,226	\$6,074,051	13,266	235.43	457.87
Gates	22	\$1,803	\$399,934	\$678,649	1,633	244.91	415.58
Scotland	23	\$1,791	\$743,666	\$427,843	5,928	125.45	72.17
Macon	24	\$1,786	\$3,542,138	\$4,348,301	4,393	806.31	989.82
Warren	25	\$1,758	\$562,535	\$356,034	2,495	225.46	142.70
Beaufort	26	\$1,754	\$1,250,896	\$2,399,568	7,221	173.23	332.30
Jackson	27	\$1,739	\$3,042,521	\$2,034,997	3,926	774.97	518.34
Cherokee	28	\$1,701	\$717,417	\$1,017,627	3,429	209.22	296.77
Pamlico	29	\$1,679	\$138,439	\$434,374	1,539	89.95	282.24
Alleghany	30	\$1,663	\$708,496	\$649,777	1,388	510.44	468.14
Cabarrus	31	\$1,660	\$10,061,275	\$28,541,320	37,428	268.82	762.57
Iredell	32	\$1,411	\$5,596,113	\$25,108,255	28,431	196.83	883.13
Henderson	33	\$1,628	\$1,809,253	\$4,884,760	13,861	130.53	352.41
Rowan	34	\$1,615	\$2,176,594	\$9,499,356	19,933	109.20	476.56
Stokes	35	\$1,589	\$4,950,123	\$2,448,025	6,426	770.33	380.96
Jones	36	\$1,584	\$161,339	\$279,915	1,117	144.44	24.99
Chowan	37	\$1,573	\$70,683	\$781,191	2,176	32.48	359.00
Pasquotank	38	\$1,571	\$804,013	\$2,506,993	5,744	139.97	436.45
Lee	39	\$1,541	\$4,648,279	\$7,067,244	9,952	467.07	710.13
Cumberland	40	\$1,511	\$15,370,532	\$4,651,086	50,937	301.76	91.31
Davie	41	\$1,510	\$2,371,894	\$1,999,015	6,298	376.61	317.40
Johnston	42	\$1,489	\$4,907,100	\$30,708,154	35,031	140.08	876.60
Pitt	43	\$1,481	\$7,444,321	\$8,135,344	24,018	309.95	338.72
Franklin	44	\$1,477	\$8,803,488	\$6,534,027	9,354	941.15	698.53
Pender	45	\$1,476	\$1,497,102	\$5,430,071	8,836	169.43	614.54
Ashe	46	\$1,462	\$636,876	\$1,478,316	3,107	204.98	475.80
Martin	47	\$1,454	\$2,984,945	\$797,363	3,648	818.24	218.58
Hertford	48	\$1,454	\$675,922	\$0	2,940	229.91	0.00
Catawba	49	\$1,452	\$13,886,066	\$18,406,694	24,207	573.64	760.39
Davidson	50	\$1,307	\$7,393,846	\$7,391,364	22,576	327.51	327.40
Granville	51	\$1,415	\$3,149,283	\$4,511,949	8,752	359.84	515.53
Alamance	52	\$1,394	\$1,702,809	\$6,151,115	23,758	71.67	258.91
Northampton	53	\$1,385	\$331,053	\$680,306	2,383	138.92	285.48
Craven	54	\$1,376	\$1,094,392	\$4,886,195	14,256	76.77	342.75
Nash	55	\$1,309	\$9,695,699	\$2,048,139	16,725	579.71	122.46
Bladen	56	\$1,355	\$423,684	\$1,446,956	4,988	84.94	290.09
Wilson	57	\$1,347	\$558,896	\$3,843,783	13,375	41.79	287.39
Perquimans	58	\$1,339	\$185,977	\$696,908	1,718	108.25	405.65
Yancey	59	\$1,337	\$521,317	\$0	2,219	234.93	0.00
Gaston	60	\$1,331	\$18,471,848	\$8,154,216	32,910	561.28	247.77
Lincoln	61	\$1,317	\$3,239,225	\$7,324,867	12,635	256.37	579.73
Person	62	\$1,314	\$1,336,363	\$2,669,257	5,674	235.52	470.44
Cleveland	63	\$625	\$6,976,262	\$1,505,593	15,850	440.14	94.99
McDowell	64	\$1,244	\$2,463,317	\$1,013,806	6,282	392.12	161.38
Montgomery	65	\$1,236	\$121,860	\$1150,532	4,057	30.04	283.59
Caldwell	66	\$1,235	\$1,887,503	\$2,336,528	11,964	157.77	195.30
Onslow	67	\$1,214	\$2,140,368	\$8,228,560	25,397	84.28	324.00
Rutherford	68	\$1,214	\$432,420	\$5,104,704	9,316	46.42	547.95
Surry	69	\$1,060	\$3,419,478	\$4,459,832	11,596	294.88	384.60
Rockingham	70	\$1,202	\$3,719,533	\$2,915,561	13,177	282.27	221.26
Randolph	71	\$957	\$3,510,669	\$10,620,747	22,888	153.38	464.03
Wilkes	72	\$1,147	\$1,633,448	\$3,913,839	9,827	166.22	398.27
Stanly	73	\$1,135	\$2,370,033	\$1,936,869	8,693	272.64	222.81
Mitchell	74	\$1,118	\$424,552	\$184,732	1,943	118.50	95.08
Anson	75	\$1,115	\$161,310	\$520,269	3,502	46.06	148.56
Yadkin	76	\$1,102	\$418,064	\$1,592,317	5,426	77.05	293.46
Burke	77	\$1,095	\$2,431,586	\$4,163,641	12,734	190.95	326.97
Lenoir	78	\$1,084	\$1,891,874	\$1,732,342	9,133	207.15	189.68
Camden	79	\$1,080	\$40,847	\$389,761	1,863	21.93	209.21
Harnett	80	\$1,059	\$6,859,429	\$8,779,444	20,316	337.64	432.14
Halifax	81	\$662	\$1,253,399	\$1,287,778	7,859	159.49	163.86
Alexander	82	\$1,053	\$132,753	\$1,137,124	5,127	25.89	221.79
Sampson	83	\$883	\$3,037,244	\$7,317,216	11,512	263.83	635.62
Madison	84	\$1,021	\$316,260	\$297,131	2,445	129.35	121.53
Wayne	85	\$985	\$11,442,507	\$676,587	19,323	592.17	35.01
Duplin	86	\$977	\$1,227,589	\$1,234,820	9,706	126.48	127.22
Vance	87	\$977	\$3,390,138	\$1,521,652	7,373	459.80	206.38
Washington	88	\$971	\$458,720	\$132,029	1,651	277.84	79.97
Bertie	89	\$969	\$542,376	\$656,212	2,582	210.06	254.15
Edgecombe	90	\$943	\$1,257,334	\$785,448	7,009	179.39	112.06
Caswell	91	\$940	\$350,225	\$467,866	2,927	119.65	159.85
Tyrrell	92	\$938	\$62,150	\$80,597	573	108.46	140.66
Richmond	93	\$922	\$1,886,855	\$600,283	7,510	251.25	79.93
Clay	94	\$888	\$273,134	\$97,674	1,295	210.91	75.42
Columbus	95	\$775	\$1,778,613	\$276,455	9,086	195.75	30.43
Greene	96	\$691	\$2,384,690	\$454,838	3,136	760.42	145.04
Hoke	97	\$524	\$3,917,819	\$1,156,050	8,530	459.30	135.53
Robeson	98	\$523	\$3,757,058	\$0	23,668	158.74	0.00
Graham	99	\$514	\$17,446	\$333,813	1,190	14.66	280.51
Swain	100	\$387	\$473,606	\$719,432	2,033	232.96	353.88
State Total/Average		\$1,503	\$567,866,312	\$821,496,457	1,500,399	\$311	\$391

TABLE 3: ACTUAL EFFORT WITH SUPPLEMENTAL FUNDING FOR LOW-WEALTH AND SMALL COUNTIES

This table uses many of the same figures as Table 2 but adds state supplemental funding for low-wealth and small counties to the total current spending. Counties are ranked based on their total current spending combined with low-wealth and small county supplemental funding.

COUNTY	RANK	PREVIOUS YEAR'S RANK	2014-15 TOTAL CURRENT SPENDING (FROM TABLE 2)	2014-15 TOTAL CURRENT SPENDING PER ADM	2014-15 LOW-WEALTH FUNDING	2014-15 SMALL COUNTY FUNDING	2014-15 TOTAL CURRENT SPENDING W/ LOW WEALTH & SMALL COUNTY	2014-15 FINAL ADM	2014-15 TOTAL CURRENT SPENDING PER ADM W/ LOW WEALTH & SMALL COUNTY	CHANGE IN SPENDING PER ADM W/ LOW WEALTH & SMALL COUNTY
Jones	1	5	\$1,769,342	\$1,584	\$11,324,023	\$1,521,273	\$14,614,638	1,117	\$13,084	\$11,500
Orange	2	3	\$95,270,629	\$4,734			\$95,270,629	20,123	\$4,734	\$0
Hyde	3	1	\$1,288,286	\$2,256		\$1,330,127	\$2,618,413	571	\$4,586	\$2,329
Dare	4	4	\$20,163,320	\$4,091			\$20,163,320	4,929	\$4,091	\$0
Tyrrell	5	2	\$537,595	\$938	\$107,667	\$1,359,781	\$2,005,043	573	\$3,499	\$2,561
Gates	6	6	\$2,945,000	\$1,803	\$812,031	\$1,672,919	\$5,429,950	1,633	\$3,325	\$1,522
Durham	7	7	\$118,563,483	\$3,075			\$118,563,483	38,551	\$3,075	\$0
Chatham	8	9	\$26,818,413	\$2,906			\$26,818,413	9,228	\$2,906	\$0
Transylvania	9	12	\$10,595,738	\$2,864			\$10,595,738	3,699	\$2,864	\$0
Alleghany	10	10	\$2,308,274	\$1,663		\$1,661,631	\$3,969,905	1,388	\$2,860	\$1,197
New Hanover	11	15	\$67,879,109	\$2,568	\$5,299,720		\$73,178,829	26,432	\$2,769	\$201
Pamlico	12	8	\$2,583,812	\$1,679		\$1,605,660	\$4,189,472	1,539	\$2,722	\$1,043
Watauga	13	11	\$12,062,834	\$2,698			\$12,062,834	4,471	\$2,698	\$0
Polk	14	13	\$4,934,788	\$2,085		\$1,377,058	\$6,311,846	2,367	\$2,667	\$582
Avery	15	14	\$3,973,725	\$1,862		\$1,467,041	\$5,440,766	2,134	\$2,550	\$687
Mecklenburg	16	21	\$385,936,594	\$2,448	\$2,170,121		\$388,106,715	157,636	\$2,462	\$14
Carteret	17	27	\$21,000,000	\$2,457			\$21,000,000	8,546	\$2,457	\$0
Currituck	18	22	\$9,353,526	\$2,420			\$9,353,526	3,865	\$2,420	\$0
Washington	19	29	\$1,603,000	\$971	\$687,582	\$1,667,130	\$3,957,712	1,651	\$2,397	\$1,426
Perquimans	20	25	\$2,300,000	\$1,339	\$148,130	\$1,649,034	\$4,097,164	1,718	\$2,385	\$1,046
Warren	21	26	\$4,385,066	\$1,758	\$265,211	\$1,278,094	\$5,928,371	2,495	\$2,376	\$619
Brunswick	22	16	\$31,349,382	\$2,373			\$31,349,382	13,212	\$2,373	\$0
Northampton	23	20	\$3,300,000	\$1,385	\$795,621	\$1,548,523	\$5,644,144	2,383	\$2,369	\$984
Scotland	24	24	\$10,614,325	\$1,791	\$3,413,206		\$14,027,531	5,928	\$2,366	\$576
Guilford	25	19	\$179,360,398	\$2,356			\$179,360,398	76,133	\$2,356	\$0
Hertford	26	18	\$4,273,524	\$1,454	\$1,375,248	\$1,248,984	\$6,897,756	2,940	\$2,346	\$893
Chowan	27	17	\$3,421,929	\$1,573	\$192,836	\$1,411,335	\$5,026,100	2,176	\$2,310	\$737
Buncombe	28	31	\$68,009,074	\$2,223			\$68,009,074	30,594	\$2,223	\$30
Martin	29	23	\$5,305,028	\$1,454	\$1,464,900	\$1,327,763	\$8,097,691	3,648	\$2,220	\$766
Clay	30	35	\$1,150,000	\$888			\$1,636,556	1,295	\$2,152	\$1,264
Camden	31	41	\$2,012,565	\$1,080	\$358,140	\$1,606,936	\$3,977,641	1,863	\$2,135	\$1,055
Anson	32	30	\$3,904,353	\$1,115	\$2,114,044	\$1,292,886	\$7,311,283	3,502	\$2,088	\$973
Union	33	38	\$83,457,494	\$1,934	\$3,688,819		\$87,146,313	43,157	\$2,019	\$85
Wake	34	33	\$322,372,340	\$1,989			\$322,372,340	162,043	\$1,989	\$0
Haywood	35	39	\$14,393,249	\$1,972			\$14,393,249	7,298	\$1,972	\$0
Bertie	36	28	\$2,503,000	\$969	\$1,371,909	\$1,168,750	\$5,043,659	2,582	\$1,953	\$984
Yancey	37	37	\$2,967,225	\$1,337		\$1,342,535	\$4,309,760	2,219	\$1,942	\$605
Mitchell	38	42	\$2,172,622	\$1,118		\$1,582,697	\$3,755,319	1,943	\$1,933	\$815
Stokes	39	40	\$10,211,763	\$1,589	\$2,140,728		\$12,352,491	6,426	\$1,922	\$333
Forsyth	40	36	\$108,020,219	\$1,919			\$108,020,219	56,280	\$1,919	\$0
Moore	41	46	\$24,446,931	\$1,843	\$973,501		\$25,420,432	13,266	\$1,916	\$73
Ashe	42	43	\$4,541,475	\$1,462		\$1,237,965	\$5,779,440	3,107	\$1,860	\$398
Granville	43	44	\$12,385,287	\$1,415	\$3,865,894		\$16,251,181	8,752	\$1,857	\$442
Franklin	44	51	\$13,818,840	\$1,477	\$3,542,994		\$17,361,834	9,354	\$1,856	\$379
Graham	45	32	\$611,893	\$514	\$10,618	\$1,572,068	\$2,194,579	1,190	\$1,844	\$1,330
Macon	46	50	\$7,845,651	\$1,786	\$247,031		\$8,092,682	4,393	\$1,842	\$56
Beaufort	47	49	\$12,669,163	\$1,754	\$610,758		\$13,279,921	7,221	\$1,839	\$85
Rowan	48	48	\$32,198,980	\$1,615	\$4,111,615		\$36,310,595	19,933	\$1,822	\$206
Johnston	49	47	\$52,150,000	\$1,489	\$11,209,401		\$63,359,401	35,031	\$1,809	\$320
Pasquotank	50	34	\$9,021,858	\$1,571	\$1,329,447		\$10,351,305	5,744	\$1,802	\$231
Cherokee	51	59	\$5,832,950	\$1,701	\$319,911		\$6,152,141	3,429	\$1,794	\$93
McDowell	52	63	\$7,814,056	\$1,244	\$3,422,705		\$11,236,761	6,282	\$1,789	\$545
Lee	53	54	\$15,338,050	\$1,541	\$2,404,265		\$17,742,315	9,952	\$1,783	\$242
Jackson	54	55	\$6,826,102	\$1,739			\$6,826,102	3,926	\$1,739	\$0
Greene	55	45	\$2,168,000	\$691	\$1,990,883	\$1,265,091	\$5,423,974	3,136	\$1,730	\$1,038
Lenoir	56	85	\$9,900,000	\$1,084	\$5,813,595		\$15,713,595	9,133	\$1,721	\$637
Pitt	57	58	\$35,576,287	\$1,481	\$5,695,141		\$41,271,428	24,018	\$1,718	\$237
Bladen	58	61	\$6,757,745	\$1,355	\$1,752,443		\$8,510,188	4,988	\$1,706	\$351
Caswell	59	53	\$2,751,306	\$940	\$941,234	\$1,249,124	\$4,941,664	2,927	\$1,688	\$748
Caldwell	60	57	\$14,778,726	\$1,235	\$5,314,900		\$20,093,626	11,964	\$1,680	\$444
Nash	61	65	\$22,696,472	\$1,357	\$5,299,720		\$27,996,192	16,725	\$1,674	\$317
Pender	62	56	\$13,044,356	\$1,476	\$1,734,869		\$14,779,225	8,836	\$1,673	\$196
Cabarrus	63	62	\$62,112,349	\$1,660	\$260,331		\$62,372,680	37,428	\$1,666	\$7
Iredell	64	67	\$46,403,919	\$1,632			\$46,403,919	28,431	\$1,632	\$0
Henderson	65	73	\$22,560,051	\$1,628			\$22,560,051	13,861	\$1,628	\$0
Davidson	66	84	\$32,398,371	\$1,435	\$4,238,464		\$36,636,835	22,576	\$1,623	\$188
Madison	67	66	\$2,495,560	\$1,021	\$212,316	\$1,247,150	\$3,955,026	2,445	\$1,618	\$597
Lincoln	68	91	\$16,638,846	\$1,317	\$3,770,983		\$20,409,829	12,635	\$1,615	\$299
Cleveland	69	60	\$20,808,431	\$1,313	\$4,529,239		\$25,337,670	15,850	\$1,599	\$286
Wilson	70	70	\$18,013,038	\$1,347	\$3,086,634		\$21,099,672	13,375	\$1,578	\$231
Davie	71	74	\$9,507,445	\$1,510	\$406,586		\$9,914,031	6,298	\$1,574	\$65
Randolph	72	69	\$27,379,251	\$1,196	\$8,494,082		\$35,873,333	22,888	\$1,567	\$371
Sampson	73	68	\$11,902,772	\$1,034	\$6,120,099		\$18,022,871	11,512	\$1,566	\$532
Alamance	74	75	\$33,117,119	\$1,394	\$3,980,225		\$37,097,344	23,758	\$1,561	\$168
Rutherford	75	76	\$11,310,489	\$1,214	\$3,155,328		\$14,465,817	9,316	\$1,553	\$339
Harnett	76	72	\$21,753,969	\$1,071	\$9,699,718		\$31,453,687	20,316	\$1,548	\$477
Rockingham	77	71	\$15,834,840	\$1,202	\$4,550,251		\$20,385,091	13,177	\$1,547	\$345
Cumberland	78	79	\$76,985,248	\$1,511	\$1,808,886		\$78,794,134	50,937	\$1,547	\$36
Surry	79	77	\$14,004,963	\$1,208	\$3,629,916		\$17,634,879	11,596	\$1,521	\$313
Duplin	80	78	\$9,485,760	\$977	\$5,161,340		\$14,647,100	9,706	\$1,509	\$532
Richmond	81	82	\$6,925,000	\$922	\$4,289,801		\$11,214,801	7,510	\$1,493	\$571
Montgomery	82	83	\$5,013,616	\$1,236	\$973,501		\$5,987,117	4,057	\$1,476	\$240
Yadkin	83	87	\$5,982,160	\$1,102	\$1,971,333		\$7,953,493	5,426	\$1,466	\$363
Catawba	84	80	\$35,151,688	\$1,452			\$35,151,688	24,207	\$1,452	\$0
Vance	85	86	\$7,202,440	\$977	\$3,380,764		\$10,583,204	7,373	\$1,435	\$459
Person	86	52	\$7,456,720	\$1,314	\$664,875		\$8,121,595	5,674	\$1,431	\$117
Gaston	87	92	\$43,816,704	\$1,331	\$3,232,567		\$47,049,271	32,910	\$1,430	\$98
Halifax	88	88	\$8,332,707	\$1,060	\$2,786,408		\$11,119,115	7,859	\$1,415	\$355
Edgecombe	89	81	\$6,610,530	\$943	\$3,269,073		\$9,879,603	7,009	\$1,410	\$466
Stanly	90	90	\$9,863,046	\$1,135	\$2,389,312		\$12,252,358	8,693	\$1,409	\$275
Wilkes	91	93	\$11,273,988	\$1,147	\$2,548,220		\$13,822,208	9,827	\$1,407	\$259
Craven	92	95	\$19,615,914	\$1,376	\$261,097		\$19,877,011	14,256	\$1,394	\$18
Burke	93	94	\$13,945,431	\$1,095	\$3,644,666		\$17,590,097	12,734	\$1,381	\$286
Wayne	94	89	\$19,039,728	\$985	\$7,074,163		\$26,113,891	19,323	\$1,351	\$366
Columbus	95	96	\$7,040,450	\$775	\$5,070,597		\$12,111,047	9,086	\$1,333	\$558
Alexander	96	97	\$5,400,000	\$1,053	\$1,322,677		\$6,722,677	5,127	\$1,311	\$258
Onslow	97	64	\$30,836,918	\$1,214	\$1,895,644		\$32,732,562	25,397	\$1,289	\$75
Robeson	98	98	\$12,375,000	\$523	\$17,311,222		\$29,686,222	23,668	\$1,254	\$731
Swain	99	99	\$786,797	\$387	\$148,314	\$1,532,494	\$2,467,605	2,033	\$1,214	\$827
Hoke	100	100	\$4,470,416	\$524	\$4,165,603		\$8,636,019	8,530	\$1,012	\$488
State Total/Average			\$2,682,096,826	\$1,537	\$227,824,376	\$38,860,605	\$2,948,781,807	1,500,399	\$2,085	\$548

TABLE 5: RELATIVE EFFORT

This is a measure comparing Actual Effort (from Table 2) and Ability to Pay (from Table 4). Actual effort includes county appropriations for current expenses, and, when appropriate, supplemental tax levies for schools. Low-wealth counties with comparatively high spending levels have tended to rank highest on this measure.

COUNTY	RELATIVE EFFORT RANK: CURRENT SPENDING	ABILITY RANK	REVENUE PER ADM	EFFORT RANK	TOTAL CURRENT SPENDING PER ADM	EFFORT AS PERCENTAGE OF REVENUE PER STUDENT: CURRENT SPENDING
Scotland	1	97	\$2,304.32	23	\$1,791	77.7%
Gates	2	88	\$3,126.29	22	\$1,803	57.7%
Orange	3	13	\$9,199.18	1	\$4,734	51.5%
Johnston	4	86	\$3,142.89	42	\$1,489	47.4%
Franklin	5	87	\$3,139.13	44	\$1,477	47.1%
Hertford	6	84	\$3,208.12	48	\$1,454	45.3%
Union	7	50	\$4,348.16	18	\$1,934	44.5%
Stokes	8	69	\$3,624.87	35	\$1,589	43.8%
Harnett	9	95	\$2,557.98	80	\$1,071	41.9%
Granville	10	75	\$3,397.71	51	\$1,415	41.6%
Vance	11	96	\$2,379.83	87	\$977	41.1%
Guilford	12	29	\$5,772.47	12	\$2,356	40.8%
Rowan	13	59	\$3,981.19	34	\$1,615	40.6%
Cleveland	14	81	\$3,282.89	63	\$1,313	40.0%
Pasquotank	15	57	\$4,049.57	38	\$1,571	38.8%
Bladen	16	71	\$3,534.90	56	\$1,355	38.3%
Martin	17	64	\$3,815.18	47	\$1,454	38.1%
Cumberland	18	58	\$4,007.19	40	\$1,511	37.7%
Lee	19	56	\$4,136.49	39	\$1,541	37.3%
Gaston	20	70	\$3,587.16	60	\$1,331	37.1%
Nash	21	67	\$3,670.97	55	\$1,357	37.0%
Sampson	22	92	\$2,842.38	83	\$1,034	36.4%
Randolph	23	80	\$3,305.67	71	\$1,196	36.2%
McDowell	24	74	\$3,464.90	64	\$1,244	35.9%
Caldwell	25	73	\$3,483.08	66	\$1,235	35.5%
Anson	26	85	\$3,147.05	75	\$1,115	35.4%
Wilson	27	65	\$3,802.62	57	\$1,347	35.4%
Pitt	28	54	\$4,222.64	43	\$1,481	35.1%
Chowan	29	46	\$4,531.78	37	\$1,573	34.7%
Cabarrus	30	43	\$4,802.65	31	\$1,660	34.6%
Durham	31	15	\$8,953.20	3	\$3,075	34.3%
Cherokee	32	40	\$4,964.55	28	\$1,701	34.3%
Pender	33	52	\$4,309.39	45	\$1,476	34.3%
Forsyth	34	30	\$5,642.28	19	\$1,919	34.0%
Richmond	35	94	\$2,711.53	93	\$922	34.0%
Robeson	36	100	\$1,548.97	98	\$523	33.8%
Davidson	37	53	\$4,294.05	50	\$1,435	33.4%
Yadkin	38	77	\$3,354.86	76	\$1,102	32.8%
Halifax	39	82	\$3,251.72	81	\$1,060	32.6%
Rockingham	40	66	\$3,688.85	70	\$1,202	32.6%
Alamance	41	51	\$4,341.42	52	\$1,394	32.1%
Greene	42	99	\$2,165.68	96	\$691	31.9%
Bertie	43	91	\$3,042.40	89	\$969	31.8%
Alexander	44	79	\$3,313.63	82	\$1,053	31.8%
Rutherford	45	62	\$3,851.89	68	\$1,214	31.5%
Northampton	46	49	\$4,402.25	53	\$1,385	31.5%
Warren	47	34	\$5,591.58	25	\$1,758	31.4%
Burke	48	72	\$3,485.66	77	\$1,095	31.4%
Beaufort	49	32	\$5,629.20	26	\$1,754	31.2%
Surry	50	61	\$3,898.84	69	\$1,208	31.0%
Edgecombe	51	90	\$3,044.00	90	\$943	31.0%
Caswell	52	89	\$3,045.79	91	\$940	30.9%
Washington	53	83	\$3,232.04	88	\$971	30.0%
Wilkes	54	63	\$3,826.37	72	\$1,147	30.0%
Jones	55	37	\$5,301.67	36	\$1,584	29.9%
Lenoir	56	68	\$3,635.45	78	\$1,084	29.8%
Duplin	57	78	\$3,337.84	86	\$977	29.3%
Chatham	58	12	\$9,987.60	4	\$2,906	29.1%
Wayne	59	76	\$3,396.65	85	\$985	29.0%
Stanly	60	60	\$3,916.99	73	\$1,135	29.0%
Haywood	61	24	\$6,810.98	17	\$1,972	29.0%
Columbus	62	93	\$2,719.91	95	\$775	28.5%
Transylvania	63	11	\$10,181.40	5	\$2,864	28.1%
Catawba	64	38	\$5,292.65	49	\$1,452	27.4%
Davie	65	35	\$5,514.95	41	\$1,510	27.4%
Montgomery	66	47	\$4,523.52	65	\$1,236	27.3%
Mecklenburg	67	14	\$8,983.47	9	\$2,448	27.3%
Lincoln	68	42	\$4,872.08	61	\$1,317	27.0%
Person	69	41	\$4,927.06	62	\$1,314	26.7%
Camden	70	55	\$4,195.28	79	\$1,080	25.7%
Iredell	71	28	\$6,369.88	32	\$1,632	25.6%
Craven	72	36	\$5,388.20	54	\$1,376	25.5%
Buncombe	73	16	\$8,853.16	14	\$2,223	25.1%
Henderson	74	26	\$6,500.99	33	\$1,628	25.0%
Polk	75	17	\$8,409.11	15	\$2,085	24.8%
Mitchell	76	45	\$4,543.16	74	\$1,118	24.6%
New Hanover	77	10	\$10,529.37	7	\$2,568	24.4%
Wake	78	19	\$8,236.23	16	\$1,989	24.1%
Hoke	79	98	\$2,180.52	97	\$524	24.0%
Alleghany	80	22	\$7,039.75	30	\$1,663	23.6%
Moore	81	20	\$7,896.01	21	\$1,843	23.3%
Onslow	82	31	\$5,632.13	67	\$1,214	21.6%
Tyrrell	83	48	\$4,408.85	92	\$938	21.3%
Watauga	84	4	\$12,807.35	6	\$2,698	21.1%
Hyde	85	9	\$10,826.48	13	\$2,256	20.8%
Yancey	86	27	\$6,498.00	59	\$1,337	20.6%
Ashe	87	21	\$7,154.27	46	\$1,462	20.4%
Pamlico	88	18	\$8,257.52	29	\$1,679	20.3%
Madison	89	39	\$5,102.53	84	\$1,021	20.0%
Currituck	90	6	\$12,150.31	10	\$2,420	19.9%
Perquimans	91	23	\$6,966.64	58	\$1,339	19.2%
Brunswick	92	5	\$12,376.32	11	\$2,373	19.2%
Avery	93	8	\$10,922.37	20	\$1,862	17.0%
Carteret	94	2	\$14,948.00	8	\$2,457	16.4%
Dare	95	1	\$25,452.46	2	\$4,091	16.1%
Macon	96	7	\$11,371.78	24	\$1,786	15.7%
Clay	97	25	\$6,505.95	94	\$888	13.6%
Jackson	98	3	\$13,010.81	27	\$1,739	13.4%
Graham	99	33	\$5,622.69	99	\$514	9.1%
Swain	100	44	\$4,650.26	100	\$387	8.3%
State Total/Average			\$5,577		\$1,537	31%

> GLOSSARY

Ability to Pay: A measure of a county's per student fiscal capacity to support local public schools. It is a combined measure of revenue that would have been generated at the state average tax rate based on 2014-15 property valuations per student (adjusted to reflect current market prices and to account for differences in income levels) and the value of non-property tax revenues, such as the county's share of local option sales tax, local tax aid (including reimbursements for inventory tax revenues, homestead exclusions, food stamp distribution, and the intangibles tax), and fines and forfeitures. Each county's mandated social service payments were subtracted from the total adjusted revenues. (See Table 4.)

Actual Effort: Includes 2014-15 current expenses (including supplemental school taxes); reflects the actual dollar effort of counties to fund local public schools without taking into account property wealth. (See Tables 2 and 3.)

Adjusted Tax Base: The total valuation of real, tangible, and public utility property for a county, adjusted using a three-year weighted average of the sales assessment ratio. Notes about adjustment and weighted average: In North Carolina, residential and commercial property typically is revalued once every eight years. The longer it has been since properties in a county have been revalued, the more likely it is that the market value of property exceeds the assessed valuation. To help remedy this difficulty of estimating the market value of property valuations, the Department of Revenue computes an adjusted property tax rate for each county by using the ratio of assessed property value to market value. Typically, the longer the gap between revaluations, the larger the difference between market and assessed value. In effort to be as accurate as possible, this study uses a three-year weighted average to calculate the adjusted property valuation.

Average Daily Membership (ADM): The sum of the number of days in membership for all students in each county's local public schools, divided by the number of school days in the term. City school districts are combined with the county system and charter school enrollment is included (see Charter School Enrollment under "Notes on Methodology").

Capital Outlay: A six-year average of public school capital outlay using proceeds from local option sales taxes and other sources to fund actual spending on capital projects or equipment for buildings. Withdrawals from the Public School Building Capital Fund, Grants from the Public School Building Bond Fund, and the North Carolina Education Lottery Funds have been removed from the county total.

Capital Outlay per ADM: Six-year average of capital outlay spending for a county divided by the ADM for the county.

Current Spending: The most recent current expense appropriation by the county to the public schools, as reported in the audited financial statement of the local board(s) of education.

Current Spending per ADM: The total amount of spending for a county divided by the ADM for the county.

Debt Service: A six-year average of public school debt service outlay using proceeds from local option sales taxes and other sources to fund school bond repayments and lease purchase

agreements. Using the Public School Capital Outlay report, withdrawals from the Public School Building Capital Fund and North Carolina Education Lottery Funds have been removed from the county total.

Debt Service per ADM: Six-year average of debt service spending for a county divided by the ADM for the county.

Income-Adjusted Total Revenues: The total revenues for a county, minus the amount paid in mandated social security payments, multiplied by the percent of state average per capita income.

Low-Wealth Funding: Supplemental state funding intended to enhance instructional programs in counties designated as low-wealth based on a formula that examines the ability to generate revenue per student below the state average. In addition, the formula takes into account county adjusted property tax base, square miles in the county and per capita income.

Mandated Social Services Payments: The amount of money each county pays in the health and human services categories mandated by the state. These categories include public assistance and Work First services. In previous studies, the Mandated Social Services Payments reported in Table 4 included county Medicaid payments in addition to other required social services payments. For the last two years the Local School Finance Study has not included Medicaid payments as part of the overall Mandated Social Services Payments. The WD667 report from the NC Department of Health and Human Services Office of the Controller, which includes county Medicaid payments, was not available for the 2013-14 or 2014-15 year. In almost every county, the Medicaid total from the WD667 in previous years was less than 0.5% of the total Mandated Social Services Payments, which itself is a small piece of the revenue calculation in Table 4.

Non-Property Tax Revenue: Sources of revenue for the county other than property taxes. Examples include the sales tax, fines/forfeitures, and local tax aid.

Relative Effort: A measure comparing the Actual Effort of a county to its Ability to Pay. In general, low-wealth districts with comparatively high spending levels rank highest in this measure. (See Table 5)

Small County Funding: In 2014-15 supplemental state funding was provided to county school districts with ADM less than 3,200. This is a change from previous years, when funding was provided to two categories of local education agencies: those with less than 3,239 ADM, and those with 3,239 - 4,080 ADM who have an adjusted property tax base less than the state average.

State Average Effective Property Tax: The average of all 100 counties' adjusted tax rates.

Supplemental School Taxes: According to GS 115C-501(a), "a special tax to supplement the funds from State and county allotments and thereby operate schools of a higher standard by supplementing any item of expenditure in the school budget."

Total Current Spending per ADM: The sum of the current expense and the supplemental school taxes for a county, divided by the county's ADM.

> DATA SOURCES

The 2017 Local School Finance Study examines data from the 2014-15 school year. Every effort has been made to verify that the data included in this year's study is accurate and reflects what it intends to measure.

The primary source of financial information is the Division of School Business at the Department of Public Instruction, which provided data on non-property tax revenue, low-wealth and small county supplemental funding information, final average daily membership (except as noted above for charter school enrollments), effective county tax rate, adjusted revenue tax base, current expense, and other data found in the Division's *Highlights of the NC Public School Budget* and online *Statistical Profile*.

Other sources include the North Carolina Department of Revenue's *County Property Tax Rates and Revaluation Schedules* and *Sales Assessment Ratio Studies*, which provided the 2014-15 property tax valuations and tax rates; the Department of Revenue's data on Local Government Sales and Use Tax Distribution; and the North Carolina Department of State Treasurer's *Report on County Spending on Public School Capital Outlays*. The North Carolina Department of Health and Human Services provided data for the mandated social services expenditures, and the North Carolina Administrative Office of the Courts provided data on fines and forfeitures. Per capita income was obtained through the United States Bureau of Economic Analysis.

ACKNOWLEDGMENTS

////////////////////////////////////

This year's study was authored by Emma Swift Lee and Joe Ableidinger. The authors thank Keith Poston, Forum President and Executive Director; Lauren Bock, Research Director; Dr. Michael Priddy, Forum Board Chair; and Aaron Beaulieu, Forum Member, for their guidance and thought partnership throughout the research and drafting processes that resulted in the new study format in 2014. The Forum also thanks the following individuals for their insights and contributions to this year's study: Kesha B. Howell, Preeta Nayak, Michael Connolly, Sharon Phelan. All errors are our own.

The 2017 Local School Finance Study and prior years' versions are available online at <http://www.ncforum.org>. Contact the Forum to inquire about pricing information for hard copies of the study.



2017 Local School Finance Study
Sponsor



Public School Forum of North Carolina
3739 National Drive, Suite 100, Raleigh, NC 27612
Phone: 919.781.6833 Fax: 919.781.6527
www.ncforum.org