

2014 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 for 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 2012-13, counties spent \$2.98 billion to fund

instructional expenses, accounting for 25 percent of the combined federal, state, and local total. Counties provided funding for 1,003 principals and assistant principals (18.7 percent of the total), 6,296 teachers (6.4 percent of the total), 2,222 teacher assistants (8.8 percent of the total), and 2,932 professional instructional support personnel (19.6 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.

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 at comparable levels. From the early years of the study, a troubling trend has become evident that has deepened over time: there is a widening gap between counties with many taxable resources and those with few, and simultaneously, a widening gap in counties' school spending patterns.

State policy decisions made during the last 25 years have blunted the impact of this trend, 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 county. 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 2012-13 SPENDING PER STUDENT

4 WHAT'S NEW IN THE 2014 STUDY?

5 2014 RANKINGS-AT-A-GLANCE

6 A HISTORICAL PERSPECTIVE

8 WHO PAYS FOR WHAT?

10 GAPS AND TRENDS 2014

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

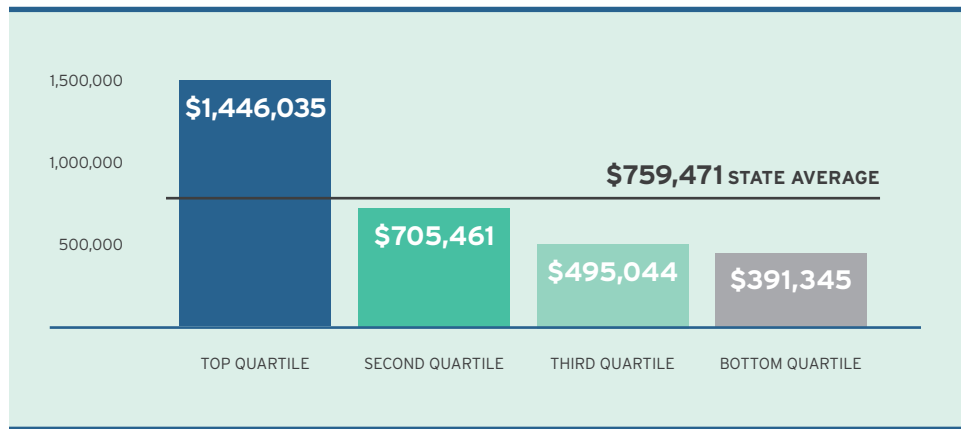
20 DATA SOURCES & ACKNOWLEDGMENTS

> INTRODUCTION (CONTINUED)

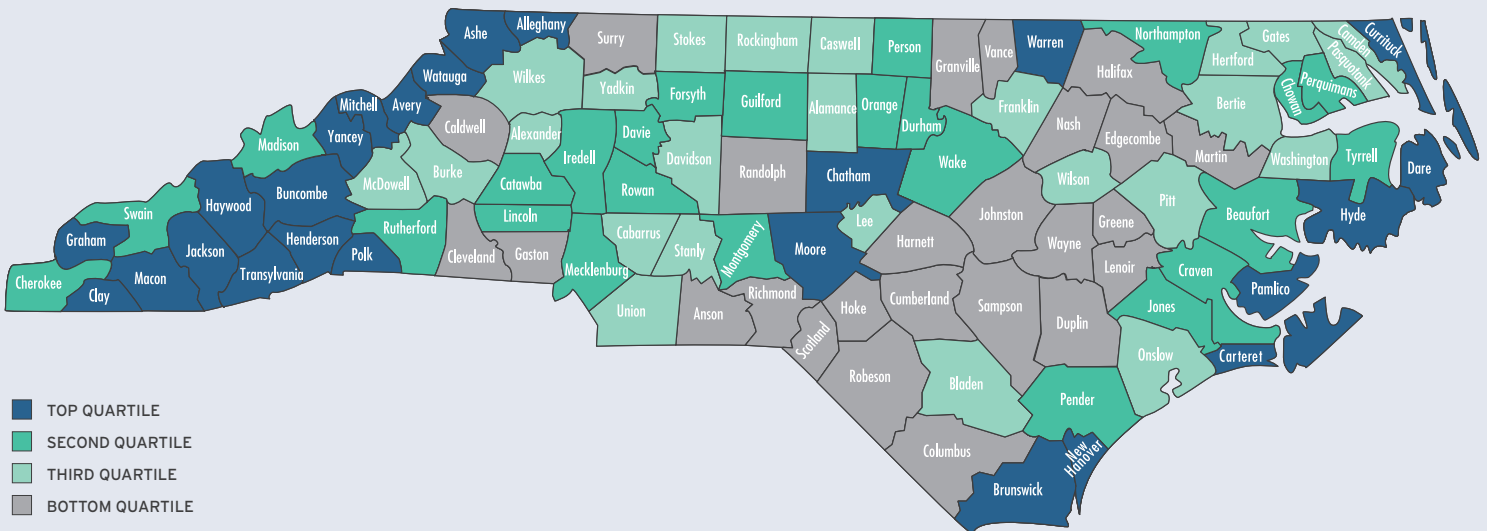
Disparities in resources available to counties can be illustrated by dividing the state into quartiles according to adjusted property wealth available per child. The top quartile includes high-growth Piedmont and mountain and beach resort areas, which had an average of \$1,446,035 real estate wealth available per child – \$686,564 above the state average. The bottom quartile has \$391,345 real estate wealth available per child – \$368,126 below the state average. The map illustrates where counties in each quartile are located throughout the state. In 2012-13, 33 counties were above the state average property wealth of \$759,471 available per child, while 67 counties were below the state average. Mountain and coastal areas, along with high-growth parts of the Piedmont, account for most of the counties above the state average.

In 2012-13, North Carolina counties spent, on average, \$1,462 per student, ranging from a high of \$4,145 in Orange County to a low of \$384 in Swain County (see “2012-13 Total Local Current Spending per Student” on page three).

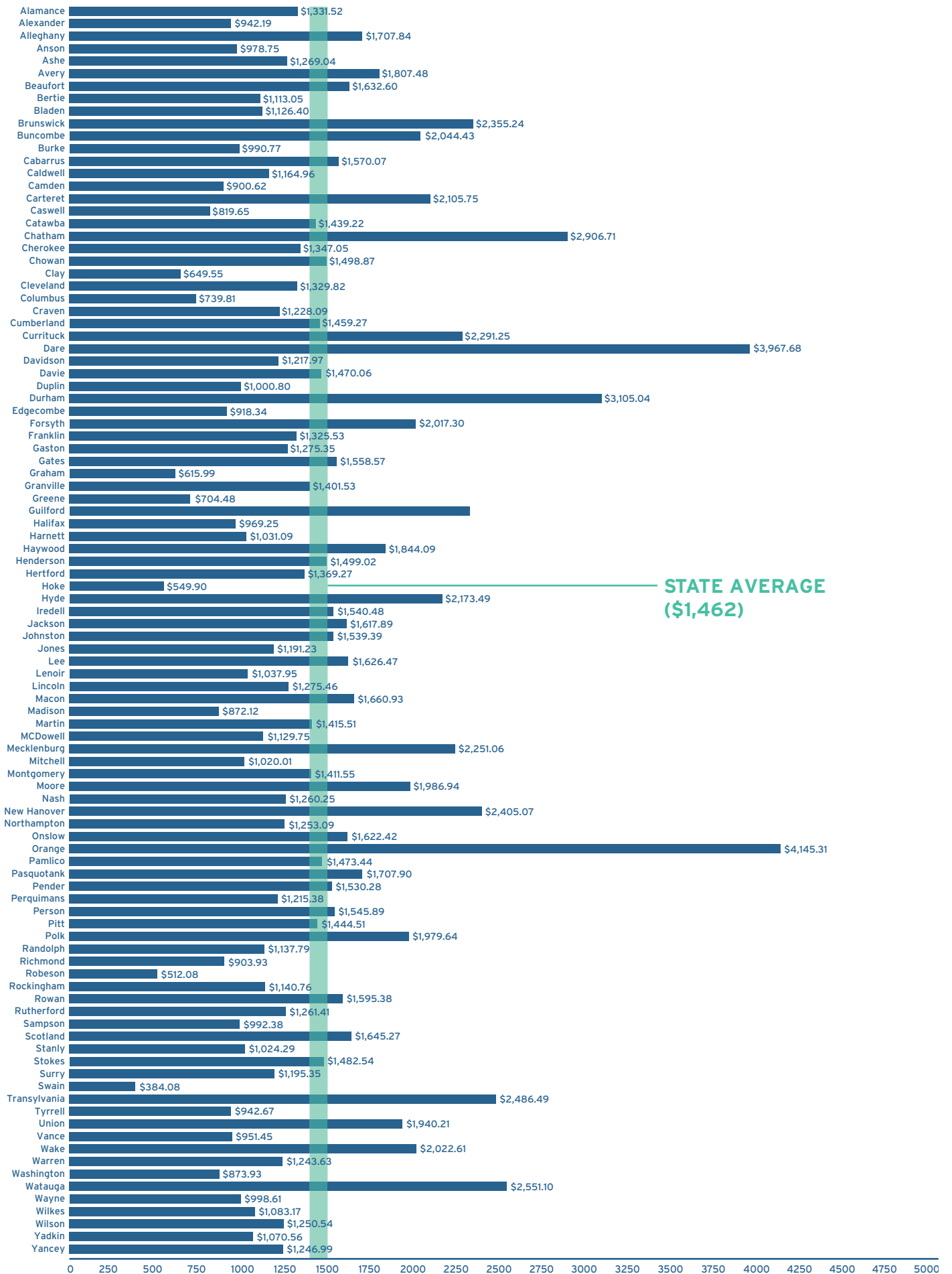
REAL ESTATE WEALTH AVAILABLE PER STUDENT



DISPARITIES IN REAL ESTATE WEALTH



2012-13 TOTAL LOCAL CURRENT SPENDING PER STUDENT



> WHAT'S NEW IN THE 2014 LOCAL SCHOOL FINANCE STUDY?

Long-time readers of the annual Local School Finance Study will notice a new look in 2014. "Under the hood," however, the study is largely the same as in previous years, with a few notable exceptions.

Most significantly, this year, for the first time, the study includes 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 the 2013 study. More detail about the change and its impact can be found in the report's "Notes on Methodology" section.

Also new this year, 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. This year, the capital outlay and debt service averages, which previously appeared in Tables 2 and 5, 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 in this year's study, several redundant table columns have been omitted and others reordered to facilitate readability.

Finally, the 2014 Local School Finance Study pioneers a new summary table: 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 | 96 |
| | Jackson | 2 | 29 | 60 | 4 | 97 |
| | Currituck | 3 | 10 | 19 | 2 | 95 |
| | Avery | 4 | 21 | 12 | 8 | 92 |
| | Watauga | 5 | 5 | 11 | 6 | 84 |
| | Brunswick | 6 | 8 | 16 | 5 | 89 |
| | Hyde | 7 | 12 | 1 | 7 | 88 |
| | Macon | 8 | 24 | 59 | 9 | 93 |
| | Carteret | 9 | 13 | 28 | 3 | 94 |
| | Transylvania | 10 | 6 | 13 | 12 | 69 |
| | Ashe | 11 | 55 | 49 | 21 | 91 |
| | Clay | 12 | 96 | 47 | 25 | 99 |
| | Polk | 13 | 18 | 10 | 14 | 80 |
| | New Hanover | 14 | 7 | 14 | 11 | 77 |
| | Alleghany | 15 | 23 | 9 | 22 | 74 |
| | Yancey | 16 | 60 | 39 | 27 | 82 |
| | Graham | 17 | 97 | 35 | 35 | 98 |
| | Buncombe | 18 | 14 | 29 | 16 | 72 |
| | Chatham | 19 | 4 | 8 | 10 | 59 |
| | SECOND QUARTILE | Warren | 20 | 61 | 33 | 34 |
| Pamlico | | 21 | 40 | 15 | 20 | 86 |
| Haywood | | 22 | 20 | 45 | 24 | 61 |
| Moore | | 23 | 17 | 34 | 17 | 71 |
| Henderson | | 24 | 37 | 75 | 23 | 83 |
| Mitchell | | 25 | 78 | 46 | 46 | 79 |
| Madison | | 26 | 92 | 79 | 37 | 90 |
| Cherokee | | 27 | 49 | 92 | 41 | 60 |
| Perquimans | | 28 | 64 | 26 | 29 | 81 |
| Tyrrell | | 29 | 86 | 2 | 42 | 87 |
| Durham | | 30 | 3 | 6 | 18 | 21 |
| Mecklenburg | | 31 | 11 | 21 | 13 | 70 |
| Orange | | 32 | 1 | 3 | 15 | 5 |
| Beaufort | | 33 | 26 | 51 | 31 | 54 |
| Pender | | 34 | 36 | 56 | 44 | 44 |
| Northampton | | 35 | 58 | 27 | 50 | 56 |
| Wake | | 36 | 15 | 30 | 19 | 64 |
| Swain | | 37 | 100 | 99 | 49 | 100 |
| Iredell | | 38 | 34 | 67 | 32 | 58 |
| Person | | 39 | 33 | 53 | 51 | 30 |
| THIRD QUARTILE | Montgomery | 40 | 46 | 50 | 55 | 35 |
| | Davie | 41 | 41 | 69 | 33 | 62 |
| | Jones | 42 | 66 | 5 | 45 | 68 |
| | Forsyth | 43 | 16 | 31 | 28 | 34 |
| | Lincoln | 44 | 53 | 93 | 38 | 66 |
| | Catawba | 45 | 44 | 82 | 43 | 51 |
| | Guilford | 46 | 9 | 18 | 30 | 12 |
| | Craven | 47 | 62 | 95 | 36 | 76 |
| | Chowan | 48 | 38 | 20 | 47 | 36 |
| | Rowan | 49 | 30 | 48 | 57 | 20 |
| | Rutherford | 50 | 56 | 71 | 66 | 28 |
| | Wilkes | 51 | 73 | 91 | 53 | 67 |
| | McDowell | 52 | 70 | 81 | 76 | 33 |
| | Stokes | 53 | 39 | 44 | 65 | 11 |
| | Cabarrus | 54 | 31 | 64 | 39 | 45 |
| | Camden | 55 | 90 | 38 | 48 | 85 |
| | Pasquotank | 56 | 22 | 36 | 61 | 7 |
| | Onslow | 57 | 28 | 58 | 26 | 63 |
| | Burke | 58 | 82 | 96 | 62 | 65 |
| | Caswell | 59 | 93 | 52 | 71 | 73 |
| Bladen | 60 | 71 | 74 | 78 | 29 | |
| BOTTOM QUARTILE | Alamance | 61 | 50 | 73 | 54 | 47 |
| | Lee | 62 | 27 | 40 | 58 | 14 |
| | Union | 63 | 19 | 32 | 56 | 4 |
| | Rockingham | 64 | 68 | 72 | 68 | 39 |
| | Davidson | 65 | 63 | 84 | 60 | 46 |
| | Wilson | 66 | 59 | 78 | 59 | 43 |
| | Stanly | 67 | 77 | 89 | 63 | 57 |
| | Alexander | 68 | 87 | 94 | 77 | 55 |
| | Washington | 69 | 91 | 23 | 86 | 50 |
| | Yadkin | 70 | 74 | 80 | 75 | 40 |
| | Hertford | 71 | 48 | 17 | 79 | 9 |
| | Pitt | 72 | 43 | 57 | 52 | 37 |
| | Gates | 73 | 32 | 7 | 89 | 2 |
| | Bertie | 74 | 72 | 24 | 88 | 15 |
| | Franklin | 75 | 52 | 55 | 82 | 8 |
| | Cleveland | 76 | 51 | 54 | 74 | 17 |
| | Caldwell | 77 | 67 | 62 | 87 | 16 |
| | Anson | 78 | 83 | 37 | 95 | 19 |
| | Surry | 79 | 65 | 70 | 64 | 41 |
| | Granville | 80 | 47 | 42 | 83 | 6 |
| Martin | 81 | 45 | 25 | 73 | 10 | |
| Gaston | 82 | 54 | 90 | 69 | 24 | |
| Randolph | 83 | 69 | 66 | 80 | 26 | |
| Halifax | 84 | 84 | 85 | 85 | 42 | |
| Duplin | 85 | 79 | 68 | 84 | 38 | |
| Cumberland | 86 | 42 | 76 | 40 | 53 | |
| Edgecombe | 87 | 88 | 87 | 92 | 25 | |
| Lenoir | 88 | 75 | 83 | 70 | 48 | |
| Nash | 89 | 57 | 61 | 67 | 27 | |
| Wayne | 90 | 80 | 86 | 72 | 49 | |
| Richmond | 91 | 89 | 77 | 90 | 32 | |
| Johnston | 92 | 35 | 41 | 81 | 3 | |
| Columbus | 93 | 94 | 98 | 94 | 52 | |
| Harnett | 94 | 76 | 65 | 93 | 13 | |
| Hoke | 95 | 98 | 100 | 96 | 78 | |
| Sampson | 96 | 81 | 63 | 91 | 22 | |
| Scotland | 97 | 25 | 22 | 98 | 1 | |
| Greene | 98 | 95 | 43 | 99 | 23 | |
| Vance | 99 | 85 | 88 | 97 | 18 | |
| Robeson | 100 | 99 | 97 | 100 | 31 | |

> 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 sidebar, "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 2012-13, the state's ten highest-spending counties spent an average of \$56,758 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 more than \$2 million in real estate capacity available per student, compared with the poorest counties, which have approximately \$339,146 in real estate capacity available per student. This gap has widened by over \$1.2 million since the North Carolina Supreme Court's *Leandro* decision in 1997.



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

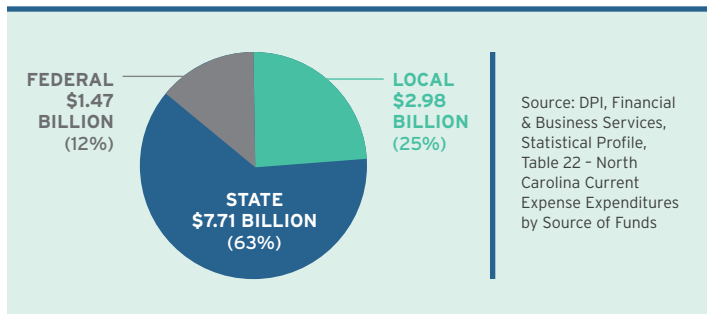
"Because the North Carolina Constitution expressly states that units of local governments with financial responsibility for public education may provide additional funding to supplement the educational programs provided by the state, there can be nothing unconstitutional about their doing so or in any 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 \$12.2 billion on instructional expenses in the 2012-13 school year, using a combination of state, federal, and local resources. State funding accounted for 63 percent of expenditures, federal funding accounted for 12 percent, and local funding accounted for 25 percent of spending.

SOURCES OF FUNDS FOR SCHOOLS IN NC, 2012-13



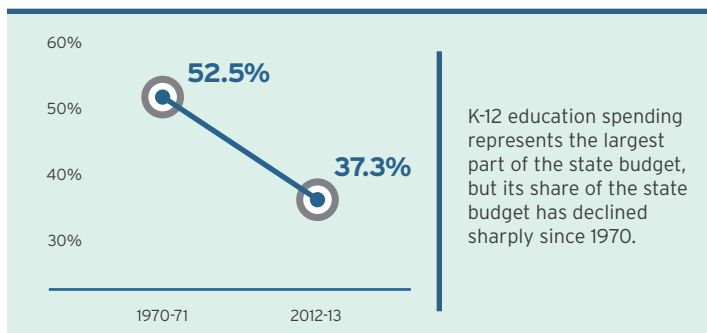
STATE FUNDS

In 2012-13, the state provided \$7.7 billion to operate 2,526 district, charter, and regional schools in 115 school systems across 100 counties for nearly 1.5 million students. Nearly 94 percent of state funds were spent on salaries and benefits for 138,329 state-funded school personnel.

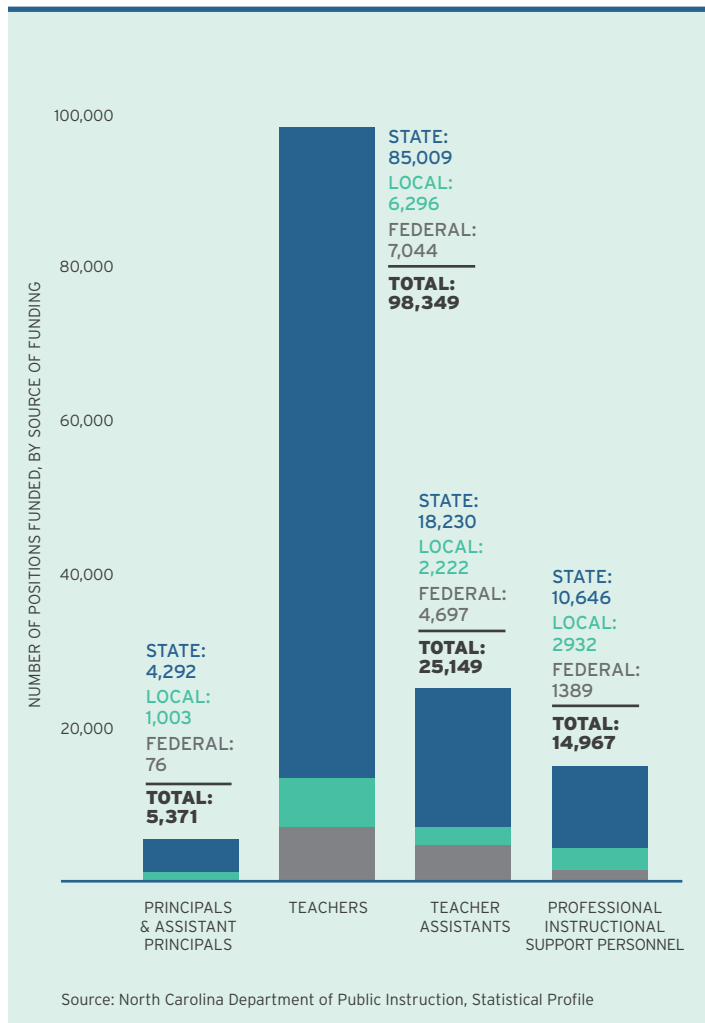
State funding for operations has continually increased from \$3.44 billion in 1992-93 to \$7.7 billion in 2012-13. But while the level of funding has increased, the percentage of the state's General Fund dedicated to education has continually declined. In 2012-13, 37.3 percent of the state's General 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 \$3.02 billion to educate our students.

State funding for capital expenses has been relatively small compared with the state's investment in operations, and compared with what counties invest in capital expenses. In 2012-13, the state spent \$32 million on capital expenses, which was 5.8 percent of the combined local, state, and federal total.

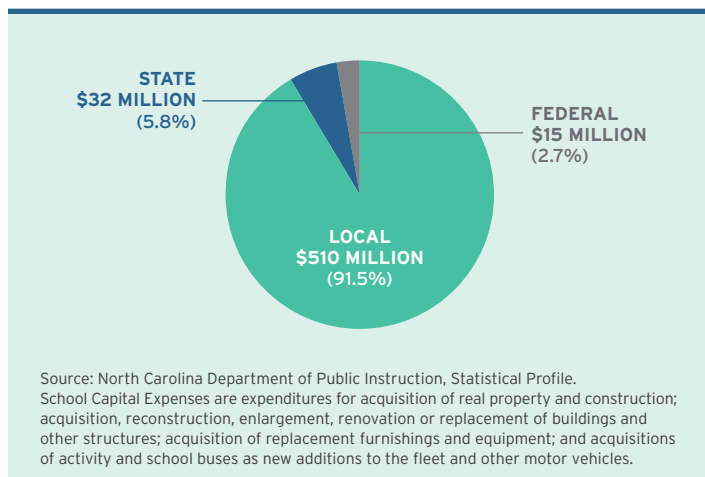
K-12 SPENDING (% OF GENERAL OPERATING BUDGET)



WHO PAYS FOR SCHOOL PERSONNEL? 2012-13



FUNDING FOR SCHOOL CAPITAL EXPENSES, 2012-13



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 63 percent of instructional expenditures coming from the state and 91.5 percent of capital expenses paid at the local level. However, the division has eroded somewhat, with counties funding 18.7 percent of principal and assistant principal positions, 6.4 percent of teachers, 8.8 percent of teacher assistants, and 19.6 percent of professional instructional support personnel; and with the state paying 5.8 percent of capital expenses. School capital expenses include amounts paid for school construction and acquisition of real property and buses.

Considering local expenditures on programs and personnel in 2012-13, the ten counties that spent the most per student averaged \$2,855 per student compared to the ten that spent the least, which averaged \$672 per student. That represents a gap of \$2,183 – and 59 counties are below the state average of \$1,462. Orange County continues to spend as much per student as the bottom seven counties combined.

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 26 students per classroom, the ten counties that spend the most per student would spend, on average, \$74,230 per classroom. By contrast, the ten counties that spend the least per child would spend, on average, \$17,472 per classroom – a difference of \$56,758 per classroom. At the state's average elementary school size of 497 students, that translates to a difference of \$1,084,951 per elementary school. At the state's average high school size of 837, it translates to a difference of \$1,827,171 per high school.

FEDERAL FUNDS

Resources from the federal government accounted for 12 percent of North Carolina public education spending on instructional expenses in 2012-13, and totaled \$1,470,124,139. The federal government has added resources in an effort to help meet the mandates of the No Child Left Behind legislation. Federal resources are given to states in the form of direct grants, state applications, state plans, or a combination of the three.



RACE TO THE TOP'S ROLE IN THE 2014 FINANCE STUDY

Race to the Top (RttT) is a federal competitive grant awarded to North Carolina, focused on creating conditions for education innovation and reform, implementing ambitious plans in four education reform areas, and achieving significant improvement in student outcomes (U.S. Department of Education, Race to the Top Executive Summary, 2009). North Carolina was one of 12 states to receive an RttT grant in 2010. The grant includes \$400 million dollars to be used over four years on the state's public school system. Half of the grant is designated for use by local education agencies for their own initiatives that support the North Carolina RttT plan. North Carolina received RttT funding during the school year analyzed in the 2014 Local School Finance Study (2012-13).

> LOCAL SCHOOL FINANCE STUDY 2014: 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, STILL GENERATED SUBSTANTIALLY LESS FROM PROPERTY TAX

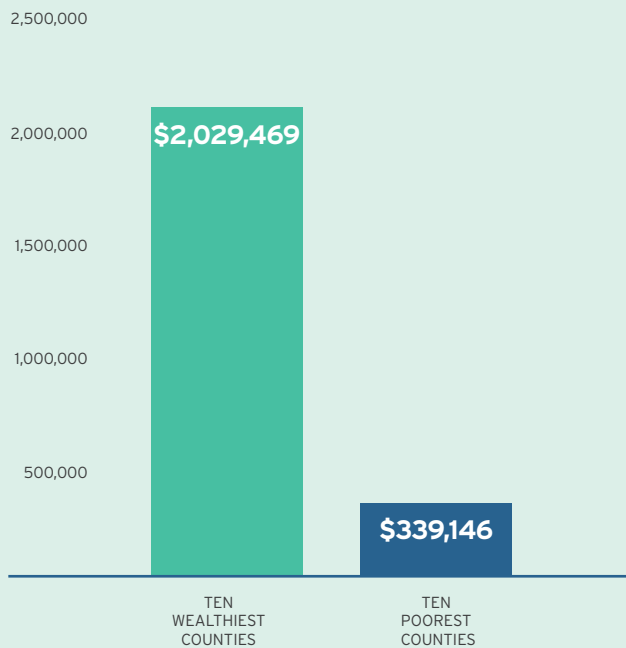
Coastal and mountain counties have the highest real estate wealth capacity in the state. In 2012-13, every county in the top ten had a per student real estate wealth capacity above \$1.59 million, and together had an average six times greater than the bottom ten counties. The ten wealthiest counties had an average real estate capacity of \$2,029,469 per student, compared with

the ten poorest counties, which had, on average, a real estate capacity of \$339,146 per student. This gap of \$1.69 million is roughly the same as last year's and about 20 percent below the previous year's (2010-11). Major factors narrowing the 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 more than double the rate of the ten wealthiest counties – \$0.83 compared to \$0.39, a 44-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.

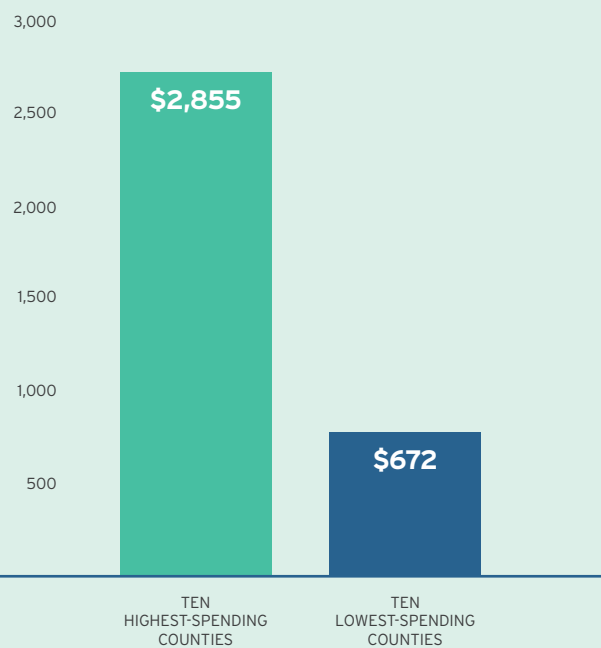
LOW VS. HIGH WEALTH COUNTIES

TAXABLE REAL ESTATE WEALTH PER CHILD



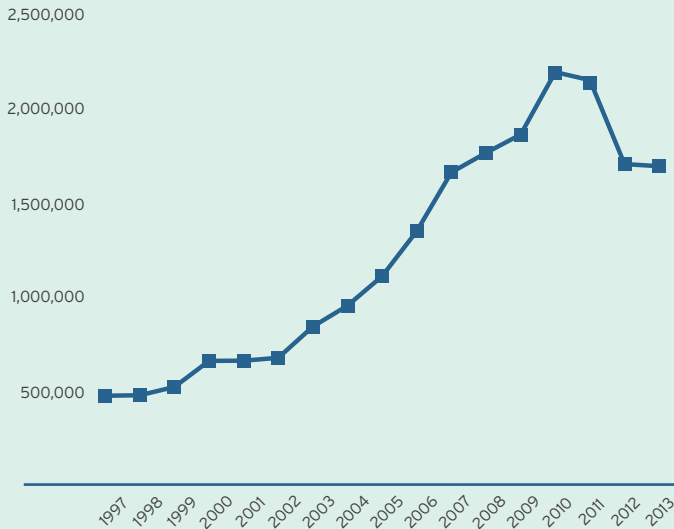
The wealthiest counties have six times the taxable property wealth per child available to the ten poorest counties. As a result, even though the ten poorest counties tax themselves at more than double the rate of the wealthiest counties, the revenue they generate through taxation is substantially lower.

SPENDING PER STUDENT



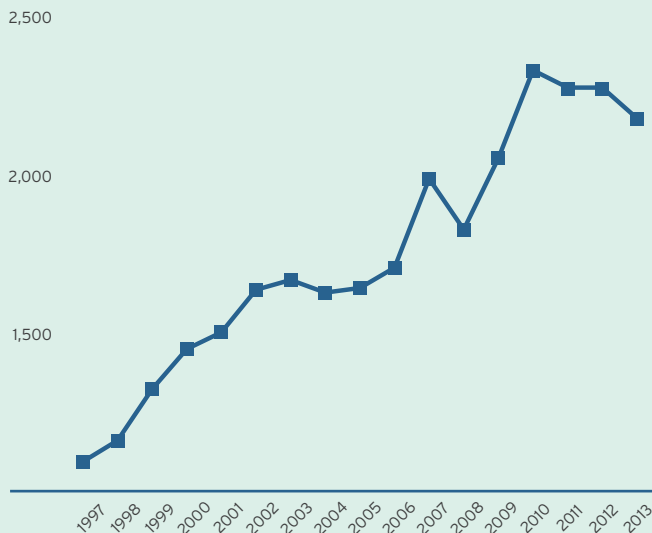
Annual per-student county spending on programs and personnel was \$2,183 higher in the ten highest-spending counties than in the ten lowest-spending counties. This gap is narrower than last year, when it was \$2,280 per student.

WIDENING REAL ESTATE WEALTH GAP



The difference in real estate wealth capacity between the ten wealthiest and ten poorest counties has grown from \$477,477 in 1997 to \$1,690,323 in 2013.

WIDENING SPENDING GAP



The spending gap between the top ten-spending and bottom ten-spending counties has grown from \$1,094 in 1997 to \$2,183 in 2013.

LARGE SPENDING DISPARITIES REMAIN

This year's study found a lower gap between the highest- and lowest-spending counties: \$2,183 per student, compared with \$2,280 last year. Still, this is a significant disparity. Orange County, at the top of the list, spends more than ten times more per student than Swain County at the bottom. The ten highest-spending counties spend 4.25 times more per child (\$2,855 per child) than the ten lowest-spending counties (\$672 per child). On average, the highest-spending counties spent about the same amount per child this year as last year. By contrast, the lowest-spending counties increased their average spending per student by 12.4 percent (\$74 per student).

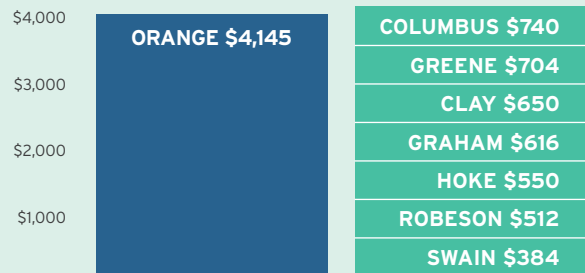
SUPPLEMENTAL FUNDING REMAINS CRUCIAL

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 2012-13 the General Assembly provided an appropriation of \$213 million for 68 low-wealth counties (78 districts) and \$43 million for 27 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 2012-13, low-wealth eligible counties received total low-wealth supplemental funding ranging from \$14,716 to \$17.7 million. Per-student dollars ranged from \$12 (Graham) to \$733 (Robeson).

Small county supplemental funding was provided in 2012-13 to those county school systems with average daily membership (ADM) less than 3,175 or to county school systems with ADM between 3,175 and 4,000 whose county adjusted property tax base per student was below the state adjusted property tax base per student. In 2012-13, eligible counties received between \$1.46 and \$1.94 million in small-county supplemental funding. Per-student dollars ranged from \$402 (Martin) to \$3,018 (Tyrrell)

SPENDING DISPARITIES



If the bottom seven counties' total current spending were combined, they would still only spend \$11 more per child than Orange County spends by itself.

> NOTES ON METHODOLOGY

CHARTER SCHOOL ENROLLMENT

Data from the Department of Public Instruction's Division of School Business' *Report on Average Daily Membership and Membership Last Day by LEA (ADM & MLD)* were used to estimate charter school enrollment in each county. Adding charter school enrollments to the ADM of the county in which each charter school was located produced a base calculation of total ADM for each county. However, this was only an estimate – 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, results of surveys of districts conducted by the Division of School Business in 2012 and 2014 to account for all students within each district who attend charter schools were adjusted to reflect new school openings and significant enrollment growth at individual schools in 2012-13, and then used to verify or adjust the initial estimates. 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 \$56.8 million in 2012-13.



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.

| COUNTIES | RANK | PREVIOUS YEAR'S RANK* | LAST YEAR REVALUED | EFFECTIVE COUNTY TAX RATE | 2012-13 ADJUSTED PROPERTY TAX BASE | 2012-13 FINAL ADM | ADJUSTED PROPERTY TAX BASE PER ADM |
|----------------------------|------|-----------------------|--------------------|---------------------------|------------------------------------|-------------------|------------------------------------|
| Dare | 1 | 1 | 2013 | \$0.264 | \$18,691,143,413 | 4,922 | \$3,797,469 |
| Jackson | 2 | 2 | 2008 | \$0.363 | \$8,896,546,178 | 3,886 | \$2,289,384 |
| Currituck | 3 | 8 | 2013 | \$0.309 | \$8,665,577,472 | 3,929 | \$2,205,543 |
| Avery | 4 | 3 | 2010 | \$0.440 | \$4,223,059,308 | 2,166 | \$1,949,704 |
| Watauga | 5 | 4 | 2006 | \$0.319 | \$8,761,935,148 | 4,641 | \$1,887,941 |
| Brunswick | 6 | 5 | 2011 | \$0.462 | \$23,633,098,814 | 12,991 | \$1,819,190 |
| Hyde | 7 | 6 | 2009 | \$0.713 | \$1,026,300,612 | 574 | \$1,787,980 |
| Macon | 8 | 7 | 2007 | \$0.346 | \$7,489,889,094 | 4,459 | \$1,679,724 |
| Carteret | 9 | 10 | 2011 | \$0.310 | \$14,253,332,621 | 8,738 | \$1,631,189 |
| Transylvania | 10 | 9 | 2009 | \$0.399 | \$5,942,143,821 | 3,748 | \$1,585,417 |
| Ashe | 11 | 12 | 2011 | \$0.405 | \$4,082,858,532 | 3,152 | \$1,295,323 |
| Clay | 12 | 13 | 2010 | \$0.485 | \$1,602,439,462 | 1,346 | \$1,190,520 |
| Polk | 13 | 15 | 2009 | \$0.513 | \$2,797,963,330 | 2,417 | \$1,157,618 |
| New Hanover | 14 | 11 | 2012 | \$0.549 | \$29,052,489,299 | 25,545 | \$1,137,306 |
| Alleghany | 15 | 16 | 2007 | \$0.525 | \$1,637,627,990 | 1,447 | \$1,131,740 |
| Yancey | 16 | 17 | 2008 | \$0.467 | \$2,599,703,864 | 2,374 | \$1,095,073 |
| Graham | 17 | 19 | 2010 | \$0.442 | \$1,254,679,154 | 1,236 | \$1,015,113 |
| Buncombe | 18 | 20 | 2013 | \$0.509 | \$30,489,159,603 | 30,701 | \$993,100 |
| Chatham | 19 | 18 | 2009 | \$0.646 | \$8,727,868,011 | 8,842 | \$987,092 |
| Warren | 20 | 21 | 2009 | \$0.694 | \$2,471,207,152 | 2,579 | \$958,204 |
| Pamlico | 21 | 22 | 2012 | \$0.598 | \$1,588,659,437 | 1,659 | \$957,601 |
| Haywood | 22 | 24 | 2011 | \$0.545 | \$7,146,996,905 | 7,668 | \$932,055 |
| Moore | 23 | 23 | 2007 | \$0.478 | \$11,755,309,516 | 12,854 | \$914,525 |
| Henderson | 24 | 25 | 2011 | \$0.511 | \$12,162,040,638 | 13,809 | \$880,733 |
| Mitchell | 25 | 28 | 2009 | \$0.434 | \$1,813,229,918 | 2,081 | \$871,326 |
| Madison | 26 | 38 | 2012 | \$0.489 | \$2,191,915,960 | 2,557 | \$857,222 |
| Cherokee | 27 | 14 | 2012 | \$0.524 | \$2,962,928,794 | 3,547 | \$835,334 |
| Perquimans | 28 | 29 | 2008 | \$0.535 | \$1,477,108,590 | 1,769 | \$834,996 |
| Tyrrell | 29 | 31 | 2009 | \$0.734 | \$473,032,480 | 570 | \$829,882 |
| Durham | 30 | 26 | 2008 | \$0.778 | \$29,398,743,871 | 37,221 | \$789,843 |
| Mecklenburg | 31 | 27 | 2011 | \$0.787 | \$116,288,287,393 | 148,878 | \$781,098 |
| Orange | 32 | 30 | 2009 | \$0.888 | \$15,587,332,609 | 19,986 | \$779,913 |
| Beaufort | 33 | 32 | 2010 | \$0.558 | \$5,565,364,307 | 7,194 | \$773,612 |
| Pender | 34 | 37 | 2011 | \$0.517 | \$6,287,837,750 | 8,430 | \$745,888 |
| Northampton | 35 | 33 | 2011 | \$0.965 | \$1,872,618,068 | 2,523 | \$742,219 |
| Wake | 36 | 35 | 2008 | \$0.582 | \$113,654,915,164 | 156,818 | \$724,757 |
| Swain | 37 | 36 | 2013 | \$0.330 | \$1,449,272,001 | 2,050 | \$706,962 |
| Iredell | 38 | 39 | 2011 | \$0.500 | \$20,026,345,742 | 28,613 | \$699,904 |
| Person | 39 | 34 | 2013 | \$0.712 | \$4,033,539,243 | 5,847 | \$689,848 |
| Montgomery | 40 | 50 | 2012 | \$0.583 | \$2,837,311,211 | 4,164 | \$681,391 |
| Davie | 41 | 44 | 2013 | \$0.619 | \$4,303,884,704 | 6,490 | \$663,156 |
| Jones | 42 | 47 | 2006 | \$0.692 | \$746,540,208 | 1,129 | \$661,240 |
| Forsyth | 43 | 49 | 2013 | \$0.662 | \$35,019,108,762 | 55,188 | \$634,542 |
| Lincoln | 44 | 40 | 2011 | \$0.627 | \$8,030,950,618 | 12,682 | \$633,256 |
| Catawba | 45 | 48 | 2011 | \$0.539 | \$15,484,463,165 | 24,650 | \$628,173 |
| Guilford | 46 | 42 | 2012 | \$0.776 | \$45,898,656,014 | 75,249 | \$609,957 |
| Craven | 47 | 46 | 2010 | \$0.512 | \$9,086,906,519 | 15,090 | \$602,181 |
| Chowan | 48 | 43 | 2006 | \$0.721 | \$1,359,079,836 | 2,283 | \$595,304 |
| Rowan | 49 | 51 | 2011 | \$0.635 | \$11,472,234,922 | 20,161 | \$569,031 |
| Rutherford | 50 | 41 | 2012 | \$0.608 | \$5,514,069,529 | 9,728 | \$566,825 |
| Wilkes | 51 | 52 | 2013 | \$0.641 | \$5,630,635,840 | 10,039 | \$560,876 |
| McDowell | 52 | 63 | 2011 | \$0.525 | \$3,498,205,285 | 6,473 | \$540,430 |
| Stokes | 53 | 58 | 2013 | \$0.638 | \$3,684,773,146 | 6,888 | \$534,955 |
| Cabarrus | 54 | 45 | 2012 | \$0.693 | \$18,822,584,681 | 35,549 | \$529,483 |
| Camden | 55 | 53 | 2007 | \$0.699 | \$1,023,067,052 | 1,942 | \$526,811 |
| Pasquotank | 56 | 55 | 2006 | \$0.699 | \$3,081,185,812 | 5,858 | \$525,979 |
| Onslow | 57 | 54 | 2010 | \$0.600 | \$13,029,848,330 | 25,081 | \$519,511 |
| Burke | 58 | 73 | 2013 | \$0.523 | \$6,799,660,031 | 13,222 | \$514,269 |
| Caswell | 59 | 62 | 2008 | \$0.644 | \$1,534,189,287 | 3,038 | \$505,000 |
| Bladen | 60 | 59 | 2007 | \$0.729 | \$2,669,257,296 | 5,326 | \$501,175 |
| Alamance | 61 | 60 | 2009 | \$0.557 | \$11,702,029,628 | 23,398 | \$500,129 |
| Lee | 62 | 65 | 2013 | \$0.738 | \$4,894,449,332 | 9,868 | \$495,992 |
| Union | 63 | 57 | 2008 | \$0.775 | \$20,623,263,626 | 42,008 | \$490,937 |
| Rockingham | 64 | 69 | 2011 | \$0.721 | \$6,652,632,211 | 13,881 | \$479,262 |
| Davidson | 65 | 67 | 2007 | \$0.570 | \$12,253,580,059 | 25,696 | \$476,867 |
| Wilson | 66 | 61 | 2008 | \$0.786 | \$6,217,361,675 | 13,065 | \$475,879 |
| Stanly | 67 | 64 | 2013 | \$0.661 | \$4,355,775,225 | 9,155 | \$475,781 |
| Alexander | 68 | 68 | 2007 | \$0.608 | \$2,585,615,850 | 5,466 | \$473,036 |
| Washington | 69 | 72 | 2013 | \$0.776 | \$823,078,998 | 1,745 | \$471,679 |
| Yadkin | 70 | 76 | 2009 | \$0.742 | \$2,705,828,765 | 5,768 | \$469,110 |
| Hertford | 71 | 84 | 2011 | \$0.896 | \$1,424,966,059 | 3,048 | \$467,509 |
| Pitt | 72 | 56 | 2012 | \$0.684 | \$11,076,902,640 | 23,776 | \$465,886 |
| Gates | 73 | 75 | 2009 | \$0.772 | \$826,866,614 | 1,794 | \$460,907 |
| Bertie | 74 | 88 | 2012 | \$0.758 | \$1,237,488,875 | 2,698 | \$458,669 |
| Franklin | 75 | 71 | 2012 | \$0.857 | \$4,248,365,277 | 9,317 | \$455,980 |
| Cleveland | 76 | 80 | 2008 | \$0.741 | \$7,277,436,214 | 16,112 | \$451,678 |
| Caldwell | 77 | 78 | 2013 | \$0.641 | \$5,571,027,609 | 12,508 | \$445,397 |
| Anson | 78 | 81 | 2010 | \$0.811 | \$1,670,030,038 | 3,754 | \$444,867 |
| Surry | 79 | 74 | 2012 | \$0.580 | \$5,203,933,725 | 11,781 | \$441,723 |
| Granville | 80 | 77 | 2010 | \$0.841 | \$3,902,178,166 | 8,837 | \$441,573 |
| Martin | 81 | 66 | 2009 | \$0.679 | \$1,765,315,226 | 4,000 | \$441,329 |
| Gaston | 82 | 79 | 2007 | \$0.892 | \$14,208,294,302 | 32,561 | \$436,359 |
| Randolph | 83 | 82 | 2007 | \$0.607 | \$10,062,811,046 | 23,442 | \$429,264 |
| Halifax | 84 | 70 | 2007 | \$0.668 | \$3,654,187,514 | 8,544 | \$427,690 |
| Duplin | 85 | 85 | 2009 | \$0.699 | \$3,927,204,182 | 9,280 | \$423,190 |
| Cumberland | 86 | 89 | 2009 | \$0.754 | \$21,626,625,359 | 52,232 | \$414,049 |
| Edgecombe | 87 | 83 | 2009 | \$0.875 | \$3,080,114,129 | 7,606 | \$404,958 |
| Lenoir | 88 | 87 | 2009 | \$0.841 | \$3,853,738,832 | 9,538 | \$404,041 |
| Nash | 89 | 86 | 2009 | \$0.667 | \$7,047,800,882 | 17,452 | \$403,839 |
| Wayne | 90 | 92 | 2011 | \$0.702 | \$7,806,849,569 | 19,425 | \$401,897 |
| Richmond | 91 | 91 | 2008 | \$0.816 | \$2,984,220,933 | 7,661 | \$389,534 |
| Johnston | 92 | 90 | 2011 | \$0.789 | \$13,142,906,809 | 33,935 | \$387,297 |
| Columbus | 93 | 94 | 2013 | \$0.814 | \$3,466,538,007 | 9,330 | \$371,547 |
| Harnett | 94 | 93 | 2009 | \$0.741 | \$7,315,271,092 | 19,898 | \$367,639 |
| Hoke | 95 | 95 | 2006 | \$0.685 | \$2,972,351,283 | 8,392 | \$354,189 |
| Sampson | 96 | 96 | 2011 | \$0.814 | \$3,988,920,875 | 11,606 | \$343,695 |
| Scotland | 97 | 99 | 2011 | \$1.103 | \$1,945,103,224 | 6,124 | \$317,620 |
| Greene | 98 | 98 | 2013 | \$0.779 | \$1,008,143,110 | 3,218 | \$313,283 |
| Vance | 99 | 97 | 2008 | \$1.036 | \$2,200,851,402 | 7,570 | \$290,733 |
| Robeson | 100 | 100 | 2010 | \$0.758 | \$5,709,021,765 | 24,166 | \$236,242 |
| State Total/Average | | | | \$0.642 | \$978,580,193,639 | 1,493,652 | \$759,471.46 |

> APPENDICES

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 2012-13 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* | 2012-13 CURRENT SPENDING | 2012-13 CURRENT SPENDING PER ADM | 2012-13 SUPPLEMENTAL SCHOOL TAXES | 2012-13 TOTAL CURRENT SPENDING (WITH SUPPLEMENTAL) | 2012-13 FINAL ADM | 2012-13 TOTAL CURRENT SPENDING PER ADM |
|----------------------------|----------------|-----------------------|--------------------------|----------------------------------|-----------------------------------|--|-------------------|--|
| Orange | 1 | 1 | \$63,377,901 | \$3,171 | \$19,470,218 | \$82,848,119 | 19,986 | \$4,145 |
| Dare | 2 | 2 | \$19,528,900 | \$3,968 | \$0 | \$19,528,900 | 4,922 | \$3,968 |
| Durham | 3 | 3 | \$115,572,760 | \$3,105 | \$0 | \$115,572,760 | 37,221 | \$3,105 |
| Chatham | 4 | 4 | \$25,701,130 | \$2,907 | \$0 | \$25,701,130 | 8,842 | \$2,907 |
| Watauga | 5 | 6 | \$11,839,645 | \$2,551 | \$0 | \$11,839,645 | 4,641 | \$2,551 |
| Transylvania | 6 | 5 | \$9,319,383 | \$2,486 | \$0 | \$9,319,383 | 3,748 | \$2,486 |
| New Hanover | 7 | 7 | \$61,437,450 | \$2,405 | \$0 | \$61,437,450 | 25,545 | \$2,405 |
| Brunswick | 8 | 9 | \$30,596,925 | \$2,355 | \$0 | \$30,596,925 | 12,991 | \$2,355 |
| Guilford | 9 | 8 | \$175,630,398 | \$2,334 | \$0 | \$175,630,398 | 75,249 | \$2,334 |
| Currituck | 10 | 13 | \$9,002,329 | \$2,291 | \$0 | \$9,002,329 | 3,929 | \$2,291 |
| Mecklenburg | 11 | 12 | \$335,132,664 | \$2,251 | \$0 | \$335,132,664 | 148,878 | \$2,251 |
| Hyde | 12 | 10 | \$1,247,583 | \$2,173 | \$0 | \$1,247,583 | 574 | \$2,173 |
| Carteret | 13 | 11 | \$18,400,000 | \$2,106 | \$0 | \$18,400,000 | 8,738 | \$2,106 |
| Buncombe | 14 | 15 | \$54,661,395 | \$1,780 | \$8,104,621 | \$62,766,016 | 30,701 | \$2,044 |
| Wake | 15 | 14 | \$317,181,372 | \$2,023 | \$0 | \$317,181,372 | 156,818 | \$2,023 |
| Forsyth | 16 | 16 | \$111,330,755 | \$2,017 | \$0 | \$111,330,755 | 55,188 | \$2,017 |
| Moore | 17 | 17 | \$25,540,140 | \$1,987 | \$0 | \$25,540,140 | 12,854 | \$1,987 |
| Polk | 18 | 19 | \$4,784,788 | \$1,980 | \$0 | \$4,784,788 | 2,417 | \$1,980 |
| Union | 19 | 18 | \$81,504,155 | \$1,940 | \$0 | \$81,504,155 | 42,008 | \$1,940 |
| Haywood | 20 | 21 | \$14,140,444 | \$1,844 | \$0 | \$14,140,444 | 7,668 | \$1,844 |
| Avery | 21 | 20 | \$3,915,000 | \$1,807 | \$0 | \$3,915,000 | 2,166 | \$1,807 |
| Pasquotank | 22 | 31 | \$10,004,858 | \$1,708 | \$0 | \$10,004,858 | 5,858 | \$1,708 |
| Alleghany | 23 | 22 | \$2,471,242 | \$1,708 | \$0 | \$2,471,242 | 1,447 | \$1,708 |
| Macon | 24 | 27 | \$7,406,066 | \$1,661 | \$0 | \$7,406,066 | 4,459 | \$1,661 |
| Scotland | 25 | 29 | \$10,075,654 | \$1,645 | \$0 | \$10,075,654 | 6,124 | \$1,645 |
| Beaufort | 26 | 25 | \$11,744,957 | \$1,633 | \$0 | \$11,744,957 | 7,194 | \$1,633 |
| Lee | 27 | 30 | \$16,050,050 | \$1,626 | \$0 | \$16,050,050 | 9,868 | \$1,626 |
| Onslow | 28 | 45 | \$40,691,952 | \$1,622 | \$0 | \$40,691,952 | 25,081 | \$1,622 |
| Jackson | 29 | 24 | \$6,287,113 | \$1,618 | \$0 | \$6,287,113 | 3,886 | \$1,618 |
| Rowan | 30 | 32 | \$32,164,443 | \$1,595 | \$0 | \$32,164,443 | 20,161 | \$1,595 |
| Cabarrus | 31 | 28 | \$55,814,525 | \$1,570 | \$0 | \$55,814,525 | 35,549 | \$1,570 |
| Gates | 32 | 35 | \$2,796,079 | \$1,559 | \$0 | \$2,796,079 | 1,794 | \$1,559 |
| Person | 33 | 23 | \$9,038,798 | \$1,546 | \$0 | \$9,038,798 | 5,847 | \$1,546 |
| Iredell | 34 | 36 | \$38,189,890 | \$1,335 | \$5,887,922 | \$44,077,812 | 28,613 | \$1,540 |
| Johnston | 35 | 34 | \$52,239,105 | \$1,539 | \$0 | \$52,239,105 | 33,935 | \$1,539 |
| Pender | 36 | 33 | \$12,900,290 | \$1,530 | \$0 | \$12,900,290 | 8,430 | \$1,530 |
| Henderson | 37 | 50 | \$20,700,000 | \$1,499 | \$0 | \$20,700,000 | 13,809 | \$1,499 |
| Chowan | 38 | 53 | \$3,421,929 | \$1,499 | \$0 | \$3,421,929 | 2,283 | \$1,499 |
| Stokes | 39 | 40 | \$10,211,763 | \$1,483 | \$0 | \$10,211,763 | 6,888 | \$1,483 |
| Pamlico | 40 | 26 | \$2,444,438 | \$1,473 | \$0 | \$2,444,438 | 1,659 | \$1,473 |
| Davie | 41 | 44 | \$9,540,718 | \$1,470 | \$0 | \$9,540,718 | 6,490 | \$1,470 |
| Cumberland | 42 | 43 | \$76,220,676 | \$1,459 | \$0 | \$76,220,676 | 52,232 | \$1,459 |
| Pitt | 43 | 42 | \$34,344,726 | \$1,445 | \$0 | \$34,344,726 | 23,776 | \$1,445 |
| Catawba | 44 | 47 | \$35,476,657 | \$1,439 | \$0 | \$35,476,657 | 24,650 | \$1,439 |
| Martin | 45 | 38 | \$5,662,044 | \$1,416 | \$0 | \$5,662,044 | 4,000 | \$1,416 |
| Montgomery | 46 | 67 | \$5,877,697 | \$1,412 | \$0 | \$5,877,697 | 4,164 | \$1,412 |
| Granville | 47 | 46 | \$12,385,287 | \$1,402 | \$0 | \$12,385,287 | 8,837 | \$1,402 |
| Hertford | 48 | 52 | \$4,173,524 | \$1,369 | \$0 | \$4,173,524 | 3,048 | \$1,369 |
| Cherokee | 49 | 37 | \$4,777,999 | \$1,347 | \$0 | \$4,777,999 | 3,547 | \$1,347 |
| Alamance | 50 | 39 | \$31,155,000 | \$1,332 | \$0 | \$31,155,000 | 23,398 | \$1,332 |
| Cleveland | 51 | 55 | \$10,408,213 | \$646 | \$11,017,918 | \$21,426,131 | 16,112 | \$1,330 |
| Franklin | 52 | 49 | \$12,350,000 | \$1,326 | \$0 | \$12,350,000 | 9,317 | \$1,326 |
| Lincoln | 53 | 51 | \$16,175,429 | \$1,275 | \$0 | \$16,175,429 | 12,682 | \$1,275 |
| Gaston | 54 | 54 | \$41,526,704 | \$1,275 | \$0 | \$41,526,704 | 32,561 | \$1,275 |
| Ashe | 55 | 64 | \$4,000,000 | \$1,269 | \$0 | \$4,000,000 | 3,152 | \$1,269 |
| Rutherford | 56 | 48 | \$12,271,014 | \$1,261 | \$0 | \$12,271,014 | 9,728 | \$1,261 |
| Nash | 57 | 56 | \$21,364,379 | \$1,224 | \$629,427 | \$21,993,806 | 17,452 | \$1,260 |
| Northampton | 58 | 41 | \$3,161,538 | \$1,253 | \$0 | \$3,161,538 | 2,523 | \$1,253 |
| Wilson | 59 | 59 | \$16,338,356 | \$1,251 | \$0 | \$16,338,356 | 13,065 | \$1,251 |
| Yancey | 60 | 58 | \$2,960,358 | \$1,247 | \$0 | \$2,960,358 | 2,374 | \$1,247 |
| Warren | 61 | 57 | \$3,207,311 | \$1,244 | \$0 | \$3,207,311 | 2,579 | \$1,244 |
| Craven | 62 | 63 | \$18,531,889 | \$1,228 | \$0 | \$18,531,889 | 15,090 | \$1,228 |
| Davidson | 63 | 62 | \$28,486,673 | \$1,109 | \$2,810,316 | \$31,296,989 | 25,696 | \$1,218 |
| Perquimans | 64 | 60 | \$2,150,000 | \$1,215 | \$0 | \$2,150,000 | 1,769 | \$1,215 |
| Surry | 65 | 61 | \$12,421,390 | \$1,054 | \$1,661,072 | \$14,082,462 | 11,781 | \$1,195 |
| Jones | 66 | 74 | \$1,344,901 | \$1,191 | \$0 | \$1,344,901 | 1,129 | \$1,191 |
| Caldwell | 67 | 68 | \$14,571,294 | \$1,165 | \$0 | \$14,571,294 | 12,508 | \$1,165 |
| Rockingham | 68 | 65 | \$15,834,840 | \$1,141 | \$0 | \$15,834,840 | 13,881 | \$1,141 |
| Randolph | 69 | 66 | \$21,664,017 | \$924 | \$5,008,100 | \$26,672,117 | 23,442 | \$1,138 |
| McDowell | 70 | 70 | \$7,312,877 | \$1,130 | \$0 | \$7,312,877 | 6,473 | \$1,130 |
| Bladen | 71 | 69 | \$5,999,210 | \$1,126 | \$0 | \$5,999,210 | 5,326 | \$1,126 |
| Bertie | 72 | 71 | \$3,003,000 | \$1,113 | \$0 | \$3,003,000 | 2,698 | \$1,113 |
| Wilkes | 73 | 76 | \$10,873,988 | \$1,083 | \$0 | \$10,873,988 | 10,039 | \$1,083 |
| Yadkin | 74 | 73 | \$6,174,975 | \$1,071 | \$0 | \$6,174,975 | 5,768 | \$1,071 |
| Lenoir | 75 | 72 | \$9,900,000 | \$1,038 | \$0 | \$9,900,000 | 9,538 | \$1,038 |
| Harnett | 76 | 77 | \$20,288,004 | \$1,020 | \$228,608 | \$20,516,612 | 19,898 | \$1,031 |
| Stanly | 77 | 75 | \$9,377,362 | \$1,024 | \$0 | \$9,377,362 | 9,155 | \$1,024 |
| Mitchell | 78 | 82 | \$2,122,643 | \$1,020 | \$0 | \$2,122,643 | 2,081 | \$1,020 |
| Duplin | 79 | 87 | \$9,287,444 | \$1,001 | \$0 | \$9,287,444 | 9,280 | \$1,001 |
| Wayne | 80 | 81 | \$19,397,994 | \$999 | \$0 | \$19,397,994 | 19,425 | \$999 |
| Sampson | 81 | 86 | \$9,893,962 | \$852 | \$1,623,555 | \$11,517,517 | 11,606 | \$992 |
| Burke | 82 | 78 | \$13,100,000 | \$991 | \$0 | \$13,100,000 | 13,222 | \$991 |
| Anson | 83 | 85 | \$3,674,215 | \$979 | \$0 | \$3,674,215 | 3,754 | \$979 |
| Halifax | 84 | 80 | \$5,164,480 | \$604 | \$3,116,828 | \$8,281,308 | 8,544 | \$969 |
| Vance | 85 | 79 | \$7,202,440 | \$951 | \$0 | \$7,202,440 | 7,570 | \$951 |
| Tyrrell | 86 | 83 | \$537,320 | \$943 | \$0 | \$537,320 | 570 | \$943 |
| Alexander | 87 | 88 | \$5,150,000 | \$942 | \$0 | \$5,150,000 | 5,466 | \$942 |
| Edgecombe | 88 | 84 | \$6,984,909 | \$918 | \$0 | \$6,984,909 | 7,606 | \$918 |
| Richmond | 89 | 89 | \$6,925,000 | \$904 | \$0 | \$6,925,000 | 7,661 | \$904 |
| Camden | 90 | 90 | \$1,749,000 | \$901 | \$0 | \$1,749,000 | 1,942 | \$901 |
| Washington | 91 | 91 | \$1,525,000 | \$874 | \$0 | \$1,525,000 | 1,745 | \$874 |
| Madison | 92 | 93 | \$2,230,000 | \$872 | \$0 | \$2,230,000 | 2,557 | \$872 |
| Caswell | 93 | 92 | \$2,490,085 | \$820 | \$0 | \$2,490,085 | 3,038 | \$820 |
| Columbus | 94 | 94 | \$6,902,401 | \$740 | \$0 | \$6,902,401 | 9,330 | \$740 |
| Greene | 95 | 95 | \$2,267,004 | \$704 | \$0 | \$2,267,004 | 3,218 | \$704 |
| Clay | 96 | 96 | \$874,300 | \$650 | \$0 | \$874,300 | 1,346 | \$650 |
| Graham | 97 | 97 | \$761,363 | \$616 | \$0 | \$761,363 | 1,236 | \$616 |
| Hoke | 98 | 98 | \$4,614,776 | \$550 | \$0 | \$4,614,776 | 8,392 | \$550 |
| Robeson | 99 | 99 | \$12,375,000 | \$512 | \$0 | \$12,375,000 | 24,166 | \$512 |
| Swain | 100 | 100 | \$787,364 | \$384 | \$0 | \$787,364 | 2,050 | \$384 |
| State Total/Average | | | \$2,511,827,019 | \$1,431 | \$59,558,585 | \$2,571,385,604 | 1,493,652 | \$1,462 |

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) | 2012-13 TOTAL CURRENT SPENDING PER ADM (FROM TABLE 2) | SIX-YEAR CAPITAL OUTLAY AVERAGE | SIX-YEAR CAPITAL DEBT SERVICE AVERAGE | 2012-13 FINAL ADM | CAPITAL OUTLAY SPENDING PER ADM | DEBT SERVICE PER ADM |
|---------------------|---|---|---------------------------------|---------------------------------------|-------------------|---------------------------------|----------------------|
| Orange | 1 | \$4,145 | \$14,109,724 | \$17,677,631 | 19,986 | \$706 | \$885 |
| Dare | 2 | \$3,968 | \$1,465,518 | \$10,754,687 | 4,922 | \$298 | \$2,185 |
| Durham | 3 | \$3,105 | \$37,449,695 | \$16,901,334 | 37,221 | \$1,006 | \$454 |
| Chatham | 4 | \$2,907 | \$6,052,326 | \$3,725,313 | 8,842 | \$684 | \$421 |
| Watauga | 5 | \$2,551 | \$9,341,294 | \$7,220,423 | 4,641 | \$2,013 | \$1,556 |
| Transylvania | 6 | \$2,486 | \$1,500,588 | \$3,967,335 | 3,748 | \$400 | \$1,059 |
| New Hanover | 7 | \$2,405 | \$15,334,569 | \$19,540,318 | 25,545 | \$600 | \$765 |
| Brunswick | 8 | \$2,355 | \$9,221,870 | \$6,355,878 | 12,991 | \$710 | \$489 |
| Guilford | 9 | \$2,334 | \$59,422,330 | \$43,385,101 | 75,249 | \$790 | \$577 |
| Currituck | 10 | \$2,291 | \$5,793,312 | \$2,012,196 | 3,929 | \$1,475 | \$512 |
| Mecklenburg | 11 | \$2,251 | \$107,031,104 | \$138,320,157 | 148,878 | \$719 | \$929 |
| Hyde | 12 | \$2,173 | \$757,419 | \$38,018 | 574 | \$1,320 | \$66 |
| Carteret | 13 | \$2,106 | \$10,013,628 | \$6,647,445 | 8,738 | \$1,146 | \$761 |
| Buncombe | 14 | \$2,044 | \$18,079,977 | \$9,124,653 | 30,701 | \$589 | \$297 |
| Wake | 15 | \$2,023 | \$142,141,513 | \$144,543,030 | 156,818 | \$906 | \$922 |
| Forsyth | 16 | \$2,017 | \$39,418,970 | \$24,056,636 | 55,188 | \$714 | \$436 |
| Moore | 17 | \$1,987 | \$4,781,124 | \$5,899,254 | 12,854 | \$372 | \$459 |
| Polk | 18 | \$1,980 | \$214,053 | \$1,176,049 | 2,417 | \$89 | \$487 |
| Union | 19 | \$1,940 | \$35,985,403 | \$45,377,655 | 42,008 | \$857 | \$1,080 |
| Haywood | 20 | \$1,844 | \$2,015,152 | \$2,266,444 | 7,668 | \$263 | \$296 |
| Avery | 21 | \$1,807 | \$2,025,367 | \$1,561,877 | 2,166 | \$935 | \$721 |
| Pasquotank | 22 | \$1,708 | \$1,098,802 | \$2,387,203 | 5,858 | \$188 | \$408 |
| Alleghany | 23 | \$1,708 | \$875,906 | \$574,026 | 1,447 | \$605 | \$397 |
| Macon | 24 | \$1,661 | \$6,290,181 | \$3,793,804 | 4,459 | \$1,411 | \$851 |
| Scotland | 25 | \$1,645 | \$877,001 | \$528,620 | 6,124 | \$143 | \$86 |
| Beaufort | 26 | \$1,633 | \$1,241,731 | \$1,713,966 | 7,194 | \$173 | \$238 |
| Lee | 27 | \$1,626 | \$7,918,247 | \$6,575,114 | 9,868 | \$802 | \$666 |
| Onslow | 28 | \$1,622 | \$15,607,195 | \$7,981,785 | 25,081 | \$622 | \$318 |
| Jackson | 29 | \$1,618 | \$3,109,068 | \$1,632,568 | 3,886 | \$800 | \$420 |
| Rowan | 30 | \$1,595 | \$3,399,360 | \$9,127,396 | 20,161 | \$169 | \$453 |
| Cabarrus | 31 | \$1,570 | \$20,581,909 | \$27,201,990 | 35,549 | \$579 | \$765 |
| Gates | 32 | \$1,559 | \$893,388 | \$691,513 | 1,794 | \$498 | \$385 |
| Person | 33 | \$1,546 | \$1,391,217 | \$2,399,105 | 5,847 | \$238 | \$410 |
| Iredell | 34 | \$1,540 | \$27,839,553 | \$23,472,131 | 28,613 | \$973 | \$820 |
| Johnston | 35 | \$1,539 | \$22,071,399 | \$29,898,085 | 33,935 | \$650 | \$881 |
| Pender | 36 | \$1,530 | \$6,849,344 | \$5,701,153 | 8,430 | \$812 | \$676 |
| Henderson | 37 | \$1,499 | \$8,586,086 | \$5,112,858 | 13,809 | \$622 | \$370 |
| Chowan | 38 | \$1,499 | \$263,326 | \$876,002 | 2,283 | \$115 | \$384 |
| Stokes | 39 | \$1,483 | \$4,991,262 | \$1,887,136 | 6,888 | \$725 | \$274 |
| Pamlico | 40 | \$1,473 | \$226,728 | \$473,898 | 1,659 | \$137 | \$286 |
| Davie | 41 | \$1,470 | \$2,238,228 | \$2,127,755 | 6,490 | \$345 | \$328 |
| Cumberland | 42 | \$1,459 | \$19,819,393 | \$5,014,527 | 52,232 | \$379 | \$96 |
| Pitt | 43 | \$1,445 | \$12,273,546 | \$7,600,589 | 23,776 | \$516 | \$320 |
| Catawba | 44 | \$1,439 | \$17,011,871 | \$18,747,480 | 24,650 | \$690 | \$761 |
| Martin | 45 | \$1,416 | \$3,136,188 | \$323,195 | 4,000 | \$784 | \$81 |
| Montgomery | 46 | \$1,412 | \$2,630,405 | \$744,462 | 4,164 | \$632 | \$179 |
| Granville | 47 | \$1,402 | \$2,140,501 | \$4,331,761 | 8,837 | \$242 | \$490 |
| Hertford | 48 | \$1,369 | \$1,006,961 | \$0 | 3,048 | \$330 | \$0 |
| Cherokee | 49 | \$1,347 | \$1,492,637 | \$1,089,801 | 3,547 | \$421 | \$307 |
| Alamance | 50 | \$1,332 | \$3,154,601 | \$6,368,388 | 23,398 | \$135 | \$272 |
| Cleveland | 51 | \$1,330 | \$7,830,428 | \$999,552 | 16,112 | \$486 | \$62 |
| Franklin | 52 | \$1,326 | \$12,612,690 | \$5,639,622 | 9,317 | \$1,354 | \$605 |
| Lincoln | 53 | \$1,275 | \$4,384,136 | \$8,646,076 | 12,682 | \$346 | \$682 |
| Gaston | 54 | \$1,275 | \$23,963,121 | \$7,744,716 | 32,561 | \$736 | \$238 |
| Ashe | 55 | \$1,269 | \$699,930 | \$1,396,222 | 3,152 | \$222 | \$443 |
| Rutherford | 56 | \$1,261 | \$2,789,322 | \$5,589,173 | 9,728 | \$287 | \$575 |
| Nash | 57 | \$1,260 | \$10,284,220 | \$1,256,000 | 17,452 | \$589 | \$72 |
| Northampton | 58 | \$1,253 | \$359,602 | \$801,232 | 2,523 | \$143 | \$318 |
| Wilson | 59 | \$1,251 | \$3,761,774 | \$3,831,424 | 13,065 | \$288 | \$293 |
| Yancey | 60 | \$1,247 | \$625,243 | \$0 | 2,374 | \$263 | \$0 |
| Warren | 61 | \$1,244 | \$569,148 | \$600,921 | 2,579 | \$221 | \$233 |
| Craven | 62 | \$1,228 | \$3,338,502 | \$5,219,427 | 15,090 | \$221 | \$346 |
| Davidson | 63 | \$1,218 | \$16,658,818 | \$7,252,751 | 25,696 | \$648 | \$282 |
| Perquimans | 64 | \$1,215 | \$2,093,878 | \$532,838 | 1,769 | \$1,184 | \$301 |
| Surry | 65 | \$1,195 | \$5,256,436 | \$3,738,268 | 11,781 | \$446 | \$317 |
| Jones | 66 | \$1,191 | \$72,168 | \$0 | 1,129 | \$64 | \$0 |
| Caldwell | 67 | \$1,165 | \$1,775,780 | \$2,276,368 | 12,508 | \$142 | \$182 |
| Rockingham | 68 | \$1,141 | \$3,810,480 | \$2,604,789 | 13,881 | \$275 | \$188 |
| Randolph | 69 | \$1,138 | \$12,067,177 | \$11,117,498 | 23,442 | \$515 | \$474 |
| McDowell | 70 | \$1,130 | \$941,216 | \$988,517 | 6,473 | \$145 | \$153 |
| Bladen | 71 | \$1,126 | \$511,000 | \$1,454,354 | 5,326 | \$96 | \$273 |
| Bertie | 72 | \$1,113 | \$679,077 | \$589,889 | 2,698 | \$252 | \$219 |
| Wilkes | 73 | \$1,083 | \$4,189,271 | \$4,280,172 | 10,039 | \$417 | \$426 |
| Yadkin | 74 | \$1,071 | \$4,391,233 | \$1,220,525 | 5,768 | \$761 | \$212 |
| Lenoir | 75 | \$1,038 | \$11,103,043 | \$333,333 | 9,538 | \$1,164 | \$35 |
| Harnett | 76 | \$1,031 | \$10,507,776 | \$8,007,966 | 19,898 | \$528 | \$402 |
| Stanly | 77 | \$1,024 | \$4,020,022 | \$2,164,418 | 9,155 | \$439 | \$236 |
| Mitchell | 78 | \$1,020 | \$499,717 | \$470,446 | 2,081 | \$240 | \$226 |
| Duplin | 79 | \$1,001 | \$1,779,897 | \$1,036,272 | 9,280 | \$192 | \$112 |
| Wayne | 80 | \$999 | \$5,179,827 | \$615,108 | 19,425 | \$267 | \$32 |
| Sampson | 81 | \$992 | \$12,389,809 | \$5,660,256 | 11,606 | \$1,068 | \$488 |
| Burke | 82 | \$991 | \$4,960,653 | \$6,053,737 | 13,222 | \$375 | \$458 |
| Anson | 83 | \$979 | \$136,546 | \$823,856 | 3,754 | \$36 | \$219 |
| Halifax | 84 | \$969 | \$2,318,938 | \$1,438,002 | 8,544 | \$271 | \$168 |
| Vance | 85 | \$951 | \$3,496,995 | \$1,754,887 | 7,570 | \$462 | \$232 |
| Tyrrell | 86 | \$943 | \$654,216 | \$72,084 | 570 | \$1,148 | \$126 |
| Alexander | 87 | \$942 | \$345,806 | \$1,248,444 | 5,466 | \$63 | \$228 |
| Edgecombe | 88 | \$918 | \$1,765,324 | \$833,058 | 7,606 | \$232 | \$110 |
| Richmond | 89 | \$904 | \$3,221,221 | \$784,233 | 7,661 | \$420 | \$102 |
| Camden | 90 | \$901 | \$801,439 | \$226,208 | 1,942 | \$413 | \$116 |
| Washington | 91 | \$874 | \$503,020 | \$242,921 | 1,745 | \$288 | \$139 |
| Madison | 92 | \$872 | \$236,246 | \$223,881 | 2,557 | \$92 | \$88 |
| Caswell | 93 | \$820 | \$402,669 | \$674,997 | 3,038 | \$133 | \$222 |
| Columbus | 94 | \$740 | \$1,710,059 | \$103,896 | 9,330 | \$183 | \$11 |
| Greene | 95 | \$704 | \$2,542,208 | \$271,676 | 3,218 | \$790 | \$84 |
| Clay | 96 | \$650 | \$317,937 | \$28,703 | 1,346 | \$236 | \$21 |
| Graham | 97 | \$616 | \$13,946 | \$277,119 | 1,236 | \$11 | \$224 |
| Hoke | 98 | \$550 | \$3,952,358 | \$1,013,630 | 8,392 | \$471 | \$121 |
| Robeson | 99 | \$512 | \$4,634,839 | \$0 | 24,166 | \$192 | \$0 |
| Swain | 100 | \$384 | \$572,051 | \$660,964 | 2,050 | \$279 | \$322 |
| State Total/Average | | \$1,462 | \$922,902,177 | \$801,728,166 | 1,493,652 | \$514 | \$387 |

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 | 98 | \$2,303 | 25 | \$1,645.27 | 71.4% |
| Gates | 2 | 89 | \$2,800 | 32 | \$1,558.57 | 55.7% |
| Johnston | 3 | 81 | \$3,245 | 35 | \$1,539.39 | 47.4% |
| Union | 4 | 56 | \$4,318 | 19 | \$1,940.21 | 44.9% |
| Orange | 5 | 15 | \$9,238 | 1 | \$4,145.31 | 44.9% |
| Granville | 6 | 83 | \$3,202 | 47 | \$1,401.53 | 43.8% |
| Pasquotank | 7 | 61 | \$3,944 | 22 | \$1,707.90 | 43.3% |
| Franklin | 8 | 82 | \$3,207 | 52 | \$1,325.53 | 41.3% |
| Hertford | 9 | 79 | \$3,327 | 48 | \$1,369.27 | 41.2% |
| Martin | 10 | 73 | \$3,458 | 45 | \$1,415.51 | 40.9% |
| Stokes | 11 | 65 | \$3,740 | 39 | \$1,482.54 | 39.6% |
| Guilford | 12 | 30 | \$5,900 | 9 | \$2,333.99 | 39.6% |
| Harnett | 13 | 93 | \$2,612 | 76 | \$1,031.09 | 39.5% |
| Lee | 14 | 58 | \$4,137 | 27 | \$1,626.47 | 39.3% |
| Bertie | 15 | 88 | \$2,854 | 72 | \$1,113.05 | 39.0% |
| Caldwell | 16 | 87 | \$3,011 | 67 | \$1,164.96 | 38.7% |
| Cleveland | 17 | 74 | \$3,437 | 51 | \$1,329.82 | 38.7% |
| Vance | 18 | 97 | \$2,468 | 85 | \$951.45 | 38.6% |
| Anson | 19 | 95 | \$2,588 | 83 | \$978.75 | 37.8% |
| Rowan | 20 | 57 | \$4,238 | 30 | \$1,595.38 | 37.6% |
| Durham | 21 | 18 | \$8,312 | 3 | \$3,105.04 | 37.4% |
| Sampson | 22 | 91 | \$2,683 | 81 | \$992.38 | 37.0% |
| Greene | 23 | 99 | \$1,957 | 95 | \$704.48 | 36.0% |
| Gaston | 24 | 69 | \$3,619 | 54 | \$1,275.35 | 35.2% |
| Edgecombe | 25 | 92 | \$2,656 | 88 | \$918.34 | 34.6% |
| Randolph | 26 | 80 | \$3,313 | 69 | \$1,137.79 | 34.3% |
| Nash | 27 | 67 | \$3,699 | 57 | \$1,260.25 | 34.1% |
| Rutherford | 28 | 66 | \$3,723 | 56 | \$1,261.41 | 33.9% |
| Bladen | 29 | 78 | \$3,353 | 71 | \$1,126.40 | 33.6% |
| Person | 30 | 51 | \$4,603 | 33 | \$1,545.89 | 33.6% |
| Robeson | 31 | 100 | \$1,530 | 99 | \$512.08 | 33.5% |
| Richmond | 32 | 90 | \$2,727 | 89 | \$903.93 | 33.1% |
| McDowell | 33 | 76 | \$3,419 | 70 | \$1,129.75 | 33.0% |
| Forsyth | 34 | 28 | \$6,147 | 16 | \$2,017.30 | 32.8% |
| Montgomery | 35 | 55 | \$4,361 | 46 | \$1,411.55 | 32.4% |
| Chowan | 36 | 47 | \$4,711 | 38 | \$1,498.87 | 31.8% |
| Pitt | 37 | 52 | \$4,571 | 43 | \$1,444.51 | 31.6% |
| Duplin | 38 | 84 | \$3,188 | 79 | \$1,000.80 | 31.4% |
| Rockingham | 39 | 68 | \$3,641 | 68 | \$1,140.76 | 31.3% |
| Yadkin | 40 | 75 | \$3,423 | 74 | \$1,070.56 | 31.3% |
| Surry | 41 | 64 | \$3,828 | 65 | \$1,195.35 | 31.2% |
| Halifax | 42 | 85 | \$3,116 | 84 | \$969.25 | 31.1% |
| Wilson | 43 | 59 | \$4,082 | 59 | \$1,250.54 | 30.6% |
| Pender | 44 | 44 | \$5,023 | 36 | \$1,530.28 | 30.5% |
| Cabarrus | 45 | 39 | \$5,164 | 31 | \$1,570.07 | 30.4% |
| Davidson | 46 | 60 | \$4,049 | 63 | \$1,217.97 | 30.1% |
| Alamance | 47 | 54 | \$4,432 | 50 | \$1,331.52 | 30.0% |
| Lenoir | 48 | 70 | \$3,570 | 75 | \$1,037.95 | 29.1% |
| Wayne | 49 | 72 | \$3,469 | 80 | \$998.61 | 28.8% |
| Washington | 50 | 86 | \$3,042 | 91 | \$873.93 | 28.7% |
| Catawba | 51 | 43 | \$5,050 | 44 | \$1,439.22 | 28.5% |
| Columbus | 52 | 94 | \$2,599 | 94 | \$739.81 | 28.5% |
| Cumberland | 53 | 40 | \$5,145 | 42 | \$1,459.27 | 28.4% |
| Beaufort | 54 | 31 | \$5,843 | 26 | \$1,632.60 | 27.9% |
| Alexander | 55 | 77 | \$3,382 | 87 | \$942.19 | 27.9% |
| Northampton | 56 | 50 | \$4,631 | 58 | \$1,253.09 | 27.1% |
| Stanly | 57 | 63 | \$3,836 | 77 | \$1,024.29 | 26.7% |
| Iredell | 58 | 32 | \$5,801 | 34 | \$1,540.48 | 26.6% |
| Chatham | 59 | 10 | \$11,027 | 4 | \$2,906.71 | 26.4% |
| Cherokee | 60 | 41 | \$5,115 | 49 | \$1,347.05 | 26.3% |
| Haywood | 61 | 24 | \$7,091 | 20 | \$1,844.09 | 26.0% |
| Davie | 62 | 33 | \$5,715 | 41 | \$1,470.06 | 25.7% |
| Onslow | 63 | 26 | \$6,349 | 28 | \$1,622.42 | 25.6% |
| Wake | 64 | 19 | \$8,013 | 15 | \$2,022.61 | 25.2% |
| Burke | 65 | 62 | \$3,936 | 82 | \$990.77 | 25.2% |
| Lincoln | 66 | 38 | \$5,193 | 53 | \$1,275.46 | 24.6% |
| Wilkes | 67 | 53 | \$4,454 | 73 | \$1,083.17 | 24.3% |
| Jones | 68 | 45 | \$4,902 | 66 | \$1,191.23 | 24.3% |
| Transylvania | 69 | 12 | \$10,638 | 6 | \$2,486.49 | 23.4% |
| Mecklenburg | 70 | 13 | \$9,676 | 11 | \$2,251.06 | 23.3% |
| Moore | 71 | 17 | \$8,550 | 17 | \$1,986.94 | 23.2% |
| Buncombe | 72 | 16 | \$8,821 | 14 | \$2,044.43 | 23.2% |
| Caswell | 73 | 71 | \$3,538 | 93 | \$819.65 | 23.2% |
| Alleghany | 74 | 22 | \$7,536 | 23 | \$1,707.84 | 22.7% |
| Warren | 75 | 34 | \$5,553 | 61 | \$1,243.63 | 22.4% |
| Craven | 76 | 36 | \$5,487 | 62 | \$1,228.09 | 22.4% |
| New Hanover | 77 | 11 | \$10,796 | 7 | \$2,405.07 | 22.3% |
| Hoke | 78 | 96 | \$2,571 | 98 | \$549.90 | 21.4% |
| Mitchell | 79 | 46 | \$4,827 | 78 | \$1,020.01 | 21.1% |
| Polk | 80 | 14 | \$9,582 | 18 | \$1,979.64 | 20.7% |
| Perquimans | 81 | 29 | \$5,900 | 64 | \$1,215.38 | 20.6% |
| Yancey | 82 | 27 | \$6,155 | 60 | \$1,246.99 | 20.3% |
| Henderson | 83 | 23 | \$7,499 | 37 | \$1,499.02 | 20.0% |
| Watauga | 84 | 6 | \$13,221 | 5 | \$2,551.10 | 19.3% |
| Camden | 85 | 48 | \$4,701 | 90 | \$900.62 | 19.2% |
| Pamlico | 86 | 20 | \$7,905 | 40 | \$1,473.44 | 18.6% |
| Tyrrell | 87 | 42 | \$5,107 | 86 | \$942.67 | 18.5% |
| Hyde | 88 | 7 | \$12,344 | 12 | \$2,173.49 | 17.6% |
| Brunswick | 89 | 5 | \$13,664 | 8 | \$2,355.24 | 17.2% |
| Madison | 90 | 37 | \$5,228 | 92 | \$872.12 | 16.7% |
| Ashe | 91 | 21 | \$7,701 | 55 | \$1,269.04 | 16.5% |
| Avery | 92 | 8 | \$12,095 | 21 | \$1,807.48 | 14.9% |
| Macon | 93 | 9 | \$11,523 | 24 | \$1,660.93 | 14.4% |
| Carteret | 94 | 3 | \$14,950 | 13 | \$2,105.75 | 14.1% |
| Currituck | 95 | 2 | \$19,608 | 10 | \$2,291.25 | 11.7% |
| Dare | 96 | 1 | \$34,284 | 2 | \$3,967.68 | 11.6% |
| Jackson | 97 | 4 | \$14,325 | 29 | \$1,617.89 | 11.3% |
| Graham | 98 | 35 | \$5,526 | 97 | \$615.99 | 11.1% |
| Clay | 99 | 25 | \$6,984 | 96 | \$649.55 | 9.3% |
| Swain | 100 | 49 | \$4,656 | 100 | \$384.08 | 8.2% |
| State Total/Average | | | \$5,885 | | \$1,462 | 29% |

APPENDICES

* Previous year's rankings did not include charter school enrollments in Final ADM

** County and state averages from the Bureau of Economic Analysis (differs from prior years)

> 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 2012-13 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 2012-13 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 Medicaid, public assistance, and Work First services.

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: Supplemental state funding provided to two categories of local education agencies: those with less than 3,175 ADM, and those with 3,175-4,000 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 2014 Local School Finance Study examines data from the 2012-13 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 in the Office of Financial and Business Services 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 helpful *Facts & Figures*, *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 2012-13 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 Joe Ableidinger, the Forum's Senior Director of Policy & Programs, with significant assistance from Keith Poston, Forum President and Executive Director; Lauren Hales, Senior Policy Analyst; and Interns Michael Starrett and Taylor Hudgins. The Public School Forum expresses deep gratitude to Forum Board Chair Michael Priddy and Forum Member Aaron Beaulieu for their guidance and thought partnership throughout the research and drafting processes, and to Christopher A. Cody for his advice and expert analysis of finance study data. The Forum also thanks the following individuals for their insights and contributions to the study: Alesha Daughtrey, Kendall Hageman, Kesha B. Howell, Emma Swift Lee, Preeta Nayak, Alexis Schauss, and Deanna Townsend-Smith. All errors are our own.

SPONSOR



One of the best investments we can make for our community's continuing success is supporting public education. As a North Carolina-headquartered company, First Citizens Bank is pleased to sponsor the Public School Forum and its Local School Finance Study. Championing education is one way we demonstrate our Forever First commitment to the communities we serve.



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