



Highlights of the North Carolina Public School Budget

February 2005

Information Analysis
Division of School Business
North Carolina Department of Public Instruction

Highlights of the N.C. Public School Budget

Funding public education in North Carolina is a complex and integrated process. This booklet presents charts and tables which describe how state and federal funds are distributed to North Carolina's Public Schools. It also reviews the growth in average daily membership (ADM), school personnel, and the effect of Charter Schools.

The State funds schools with three basic types of allotments.

Position Allotments:

The State allots positions to a local school system for a specific purpose. The local school system pays whatever is required to hire certified teachers and other educators, based on the State Salary Schedule, without being limited to a specific dollar amount. Each local school system will have a different average salary based on the certified personnel's experience and education. Examples of position allotments are:

- Teachers
- School Building Administration.
- Instructional Support Personnel

Dollar Allotments:

Local school systems can hire employees or purchase goods for a specific purpose, but the local school system must operate within the allotted dollar amount. Examples of dollar allotments are:

- Teacher Assistants
- Textbooks
- Central Office Administration
- Classroom Materials/Supplies/Equip.

Categorical Allotments:

Local school systems may use this funding to purchase all services necessary to address the needs of a specific population or service. The local school system must operate within the allotted funds. These funds may be used to hire personnel such as teachers, teacher assistants, and instructional support personnel or to provide a service such as transportation, staff development, or to purchase supplies and materials. Examples of categorical funding are:

- At Risk Student Services
- Children with Disabilities
- Noninstructional Support Pers.
- Transportation

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Quick Facts

Students:

| | |
|-----------------|-----------|
| Allotted '04-05 | 1,370,253 |
| Allotted '05-06 | 1,397,372 |

Number of Schools:

| | |
|---------|-------|
| Regular | 2,189 |
| Charter | 97 |
| LEAs: | 115 |

State Funding:

| | |
|---------|----------------|
| 2004-05 | \$6.52 billion |
|---------|----------------|

Federal Funding

| | |
|------------------------|---------------|
| excl. child nutrition: | \$724 million |
|------------------------|---------------|

Education Percent of

| | |
|---------------|--------|
| General Fund: | 40.96% |
|---------------|--------|

Estimated Average Teacher

| | |
|---------------|----------|
| Compensation: | \$43,313 |
|---------------|----------|

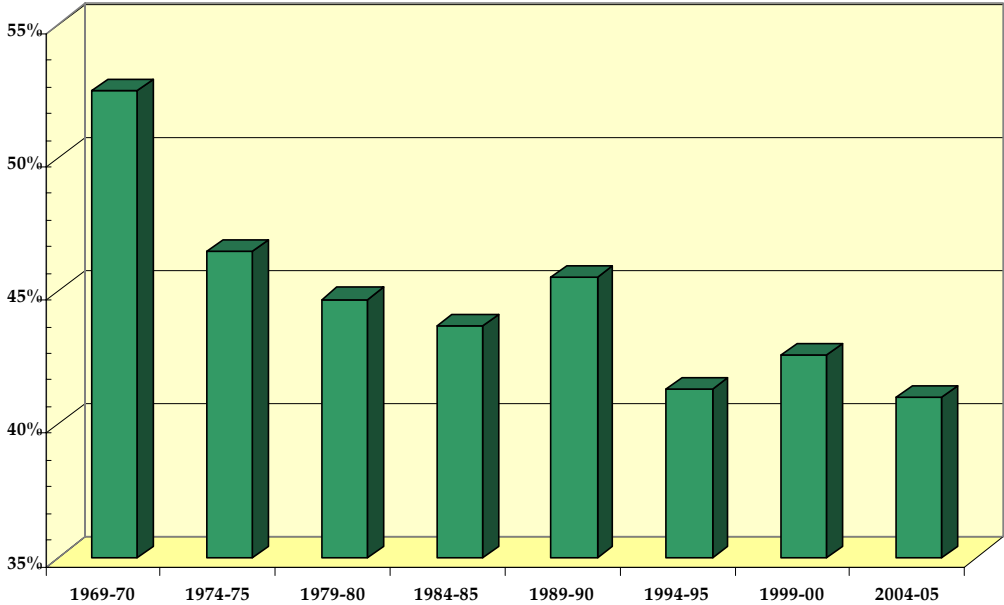
Number of Teachers FY2005

90,657

Percent of the General Fund Public Schools Appropriations

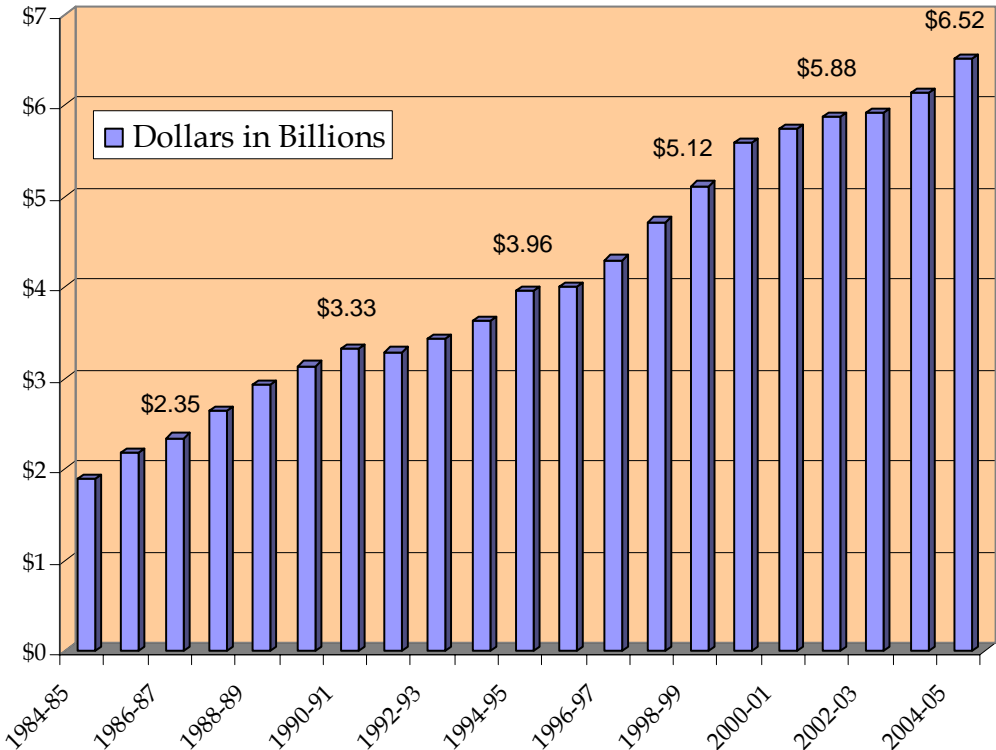
Although the total appropriations for Public Schools continue to increase, Public Schools are receiving less of the General Fund appropriations.

Since 1970, the Public School's share of the General Fund has decreased by 11.5%. If our Public Schools were still funded at the same percentage as in FY 1969-70, we would have an additional \$1.8 billion for our students.



Total State Public Schools Funding 1984-85 to 2004-05

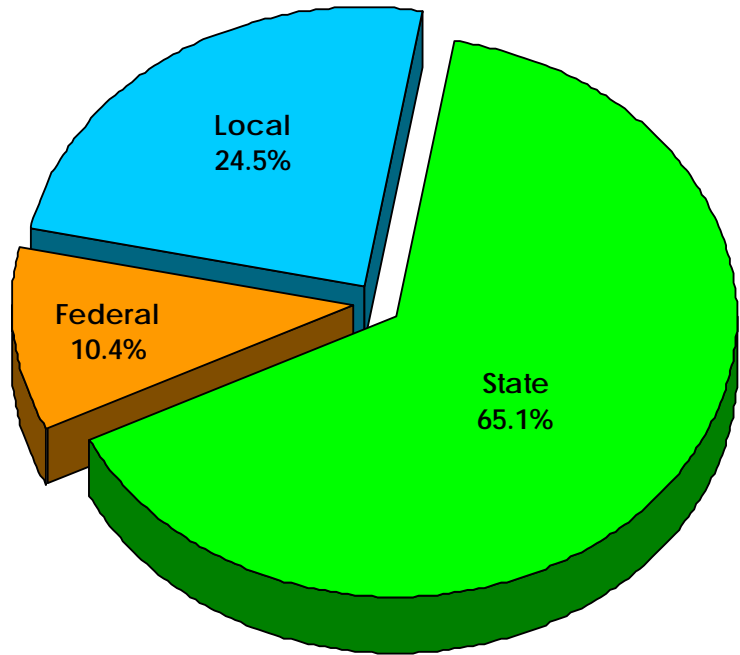
Funding has continually increased since 1984-85, from \$1.89 billion in 1984-85 to \$6.52 billion in 2004-05, a 246% increase.



Source of Expenditures Child Nutrition Included FY 2003-04

NC ranks 5th in the Nation and 1st in the South for the highest percentage of funds from State revenue. The national average is 50%.

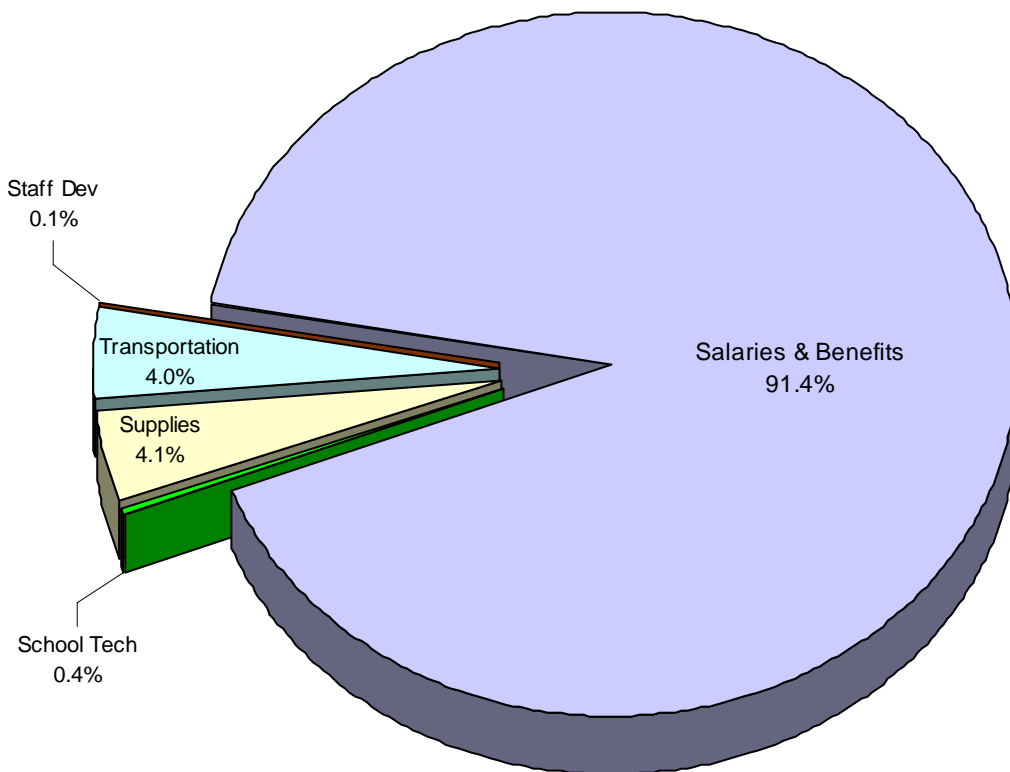
Most other state school systems are primarily funded by locally driven initiatives such as property taxes and local bond issues.



Child Nutrition Excluded

| | |
|----------|-----|
| State: | 69% |
| Federal: | 8% |
| Local: | 23% |

How State Funds Were Expended FY 2003-04

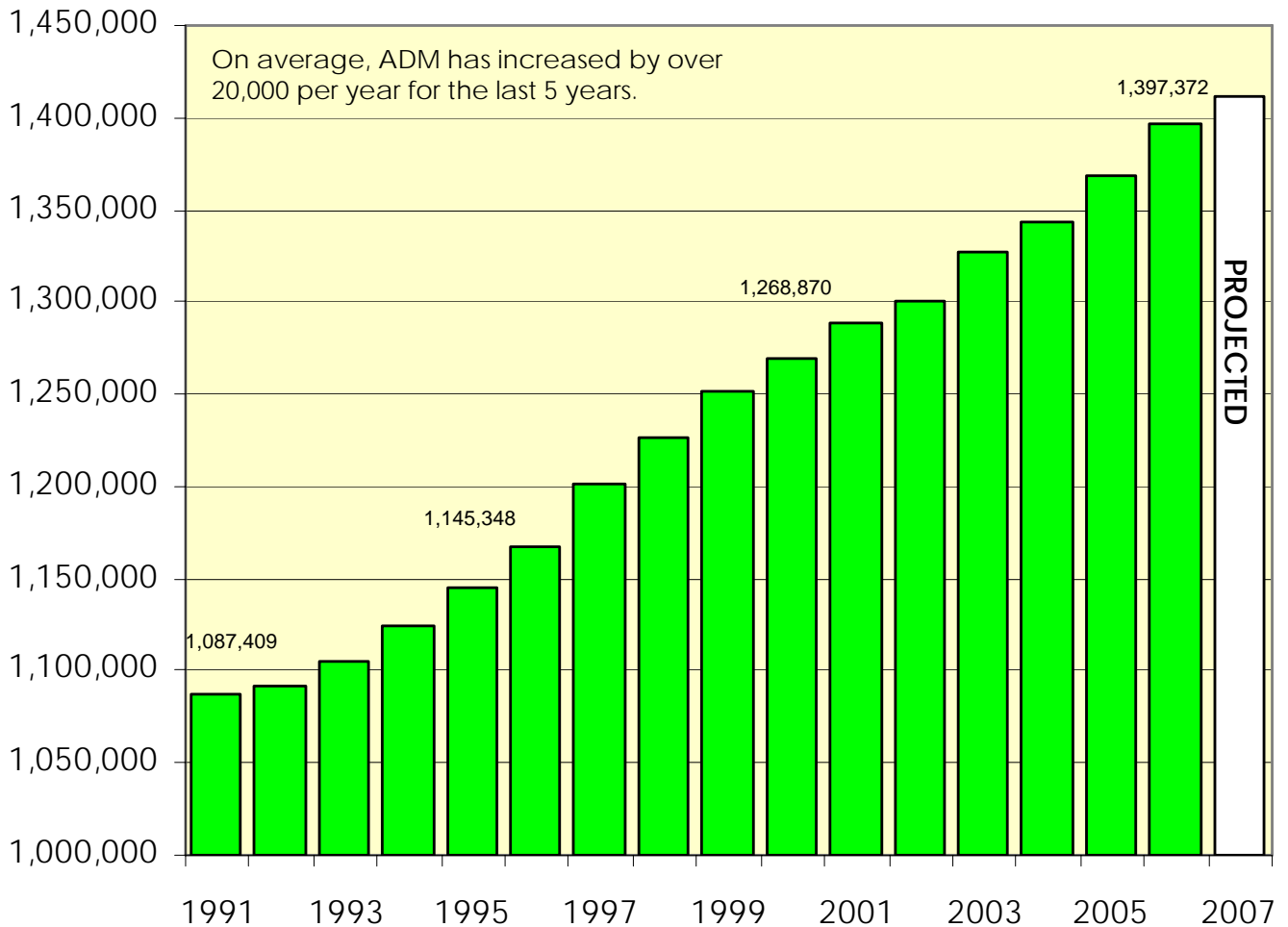


Of the \$6.19 billion State Public School Fund for FY2003-04, all but 8.6% was used for salaries and benefits.

Funds for Transportation and Staff Development may also be used for salaries and benefits if an ABC financial transfer is enacted. Only 4.5% of the entire budget, therefore, could **NOT** be used for salaries and benefits.

Average Daily Membership

1991-2007



Average Daily Membership for each school month is based on the sum of the days in membership for all students in individual LEAs, divided by the number of days in the school month. To be included in ADM, a student must have a class schedule that is at least 1/2 of the school's instructional day.

Allotted Average Daily Membership (ADM) is based on the higher of:

- (a) Actual ADM from the prior year, or
- (b) Projected ADM of the current year.

Allotted ADM

FY 2004-05

| LEA Name | ADM | LEA Name | ADM | LEA Name | ADM |
|-------------------|--------|---------------------|---------|--------------------------|------------------|
| Alamance County | 21,753 | Edgecombe County | 7,591 | Chapel Hill-Carrboro | 10,933 |
| Alexander County | 5,689 | Forsyth County | 48,154 | Pamlico County | 1,734 |
| Alleghany County | 1,509 | Franklin County | 7,877 | Pasquotank County | 5,902 |
| Anson County | 4,403 | Gaston County | 31,035 | Pender County | 7,083 |
| Ashe County | 3,212 | Gates County | 1,969 | Perquimans County | 1,727 |
| Avery County | 2,325 | Graham County | 1,230 | Person County | 5,791 |
| Beaufort County | 7,243 | Granville County | 8,768 | Pitt County | 21,551 |
| Bertie County | 3,404 | Greene County | 3,222 | Polk County | 2,416 |
| Bladen County | 5,787 | Guilford County | 66,691 | Randolph County | 18,224 |
| Brunswick County | 10,857 | Halifax County | 5,428 | Asheboro City | 4,524 |
| Buncombe County | 24,895 | Roanoke Rapids City | 2,999 | Richmond County | 8,270 |
| Asheville City | 3,871 | Weldon City | 1,078 | Robeson County | 24,134 |
| Burke County | 14,555 | Harnett County | 16,917 | Rockingham County | 14,668 |
| Cabarrus County | 22,706 | Haywood County | 7,980 | Rowan-Salisbury | 20,833 |
| Kannapolis City | 4,673 | Henderson County | 12,493 | Rutherford County | 9,942 |
| Caldwell County | 13,016 | Hertford County | 3,606 | Sampson County | 8,222 |
| Camden County | 1,762 | Hoke County | 6,593 | Clinton City | 2,895 |
| Carteret County | 8,272 | Hyde County | 670 | Scotland County | 6,891 |
| Caswell County | 3,413 | Iredell-Statesville | 19,647 | Stanly County | 9,868 |
| Catawba County | 16,673 | Mooresville City | 4,421 | Stokes County | 7,408 |
| Hickory City | 4,547 | Jackson County | 3,615 | Surry County | 8,688 |
| Newton-Conover | 2,924 | Johnston County | 26,292 | Elkin City | 1,255 |
| Chatham County | 7,318 | Jones County | 1,386 | Mount Airy City | 1,867 |
| Cherokee County | 3,684 | Lee County | 9,127 | Swain County | 1,844 |
| Edenton/Chowan | 2,506 | Lenoir County | 10,211 | Transylvania County | 3,775 |
| Clay County | 1,277 | Lincoln County | 11,480 | Tyrrell County | 644 |
| Cleveland County | 17,609 | Macon County | 4,162 | Union County | 28,088 |
| Columbus County | 7,006 | Madison County | 2,600 | Vance County | 8,157 |
| Whiteville City | 2,707 | Martin County | 4,480 | Wake County | 112,828 |
| Craven County | 14,556 | Mcdowell County | 6,542 | Warren County | 3,110 |
| Cumberland County | 53,326 | Mecklenburg County | 117,773 | Washington County | 2,155 |
| Currituck County | 3,862 | Mitchell County | 2,331 | Watauga County | 4,672 |
| Dare County | 4,865 | Montgomery County | 4,502 | Wayne County | 19,374 |
| Davidson County | 19,518 | Moore County | 12,011 | Wilkes County | 10,063 |
| Lexington City | 3,162 | Nash-Rocky Mount | 18,214 | Wilson County | 12,591 |
| Thomasville City | 2,666 | New Hanover County | 22,484 | Yadkin County | 6,089 |
| Davie County | 6,208 | Northampton County | 3,254 | Yancey County | 2,555 |
| Duplin County | 8,802 | Onslow County | 21,862 | Charter Schools - Public | 24,784 |
| Durham County | 30,810 | Orange County | 6,632 | | |
| | | | | Total | 1,370,253 |

N.C. Elementary and Secondary Education

FY 2004-05 Appropriated Funds (Note 1)

| I. State Aid - Local Education Agencies | Positions | Funds | % of Total |
|---|-----------|-------------------------|---------------|
| General Administration | | | |
| Central Office Administration | | \$ 101,434,583 | 1.56% |
| Instructional Personnel and Related Services | | | |
| Classroom Teachers | 64,706.00 | \$ 2,451,499,103 | |
| Teacher Assistants | | 377,866,513 | |
| Instructional Support | 6,983.50 | 297,554,429 | |
| School Building Administration | 4,051.60 | 233,433,692 | |
| Classroom Materials/Instructional Supplies/Equipment | | 65,569,689 | |
| Textbooks | | 81,126,220 | |
| Annual Leave | | 25,852,075 | |
| Mentor Pay | | 8,100,140 | |
| High Priority - extended contract days | 54.76 | 2,074,399 | |
| Continually Low-performing - including extended contract days | 13.72 | 519,735 | |
| ABC Incentive Awards | | 108,000,000 | |
| Estimated Matching Benefits (Note 2) | | 661,916,553 | |
| Subtotal | | \$ 4,313,512,548 | 66.17% |
| Support | | | |
| Noninstructional Support Personnel | | \$ 309,077,459 | 4.74% |
| Categorical Programs | | | |
| Academically & Intellectually Gifted | | 50,739,625 | |
| At Risk Student Services/Alternative Schools | | 186,280,082 | |
| Children with Special Needs | | 548,067,517 | |
| Disadvantaged Student Supplemental Funding | | 16,000,000 | |
| Driver Education | | 31,939,945 | |
| Improving Student Accountability | | 34,846,211 | |
| Intervention/Assistance Teams | | 2,864,985 | |
| Limited English Proficiency | | 38,643,103 | |
| Low Wealth Supplemental Funding | | 109,382,460 | |
| School Technology | | 5,000,000 | |
| Small County Supplemental Funding | | 37,489,844 | |
| Staff Development | | 12,000,905 | |
| Transportation | | 283,265,988 | |
| Vocational Education | 6,161.58 | 319,319,561 | |
| Subtotal | | \$ 1,675,840,226 | 25.71% |
| LEA Discretionary Reduction | | (71,951,248) | -1.10% |
| Subtotal State Aid - Local Education Agencies | | \$ 6,327,913,568 | 97.06% |
| II. Miscellaneous | | | |
| ADM Contingency Reserve | | \$ 6,000,000 | |
| Contracts-Finance Officer Staff Development | | 64,560 | |
| Financial Literacy Pilot | | 73,000 | |
| School Food Pilot Project | | 25,000 | |
| High School Workforce Project | | 1,991,699 | |
| NBPTS | | 3,274,500 | |
| Personnel Services (Longevity, Short Term Disability, Worker's Comp, Unemployment, etc) | | 108,402,928 | |
| Sale of Equipment-Surplus | | 7,000 | |
| School Breakfast | | 1,900,000 | |
| School Bus Replacement | | 37,239,912 | |
| Testing | | 9,005,844 | |
| Textbooks - Freight | | 217,837 | |
| Tort Claims (Department of Justice) | | 3,774,000 | |
| UERS | | 19,580,874 | |
| Subtotal | | \$ 191,557,154 | 2.94% |
| Grand Total | | \$ 6,519,470,722 | |

DPI Budget State appropriation for FY 2004-05 totaled \$32,679,258. (See Note 1)

DPI number of Positions as of 7/1/04 is 497.25 (State - 303.14, Federal - 134.93, Receipts - 59.18)

Note 1: Based on the Certified Budget per the 307 Report plus budget adjustments for legislated salary increases, benefit adjustments and carryover funds established for the Disadvantaged Student Supplemental Fund per BD 606s through 11/19/04.

Note 2: Includes funds for Social Security, Retirement, and Hospitalization for position/month of employment allotments for Classroom Teachers, Instructional Support and School Building Administration. Benefits for other LEA staff are included in the dollar allotments, such as Central Office Administration and Vocational Education.

Initial Allotment Formulas

FY 2004-05

Administration

| Category | Basis of Allotment |
|-------------------------------|---|
| Central Office Administration | FY 2004-05 Initial Allotment is 5.19% (rounded) higher than FY 2003-04 Initial Allotment. |

Instructional Personnel and Support Services

| Category | Basis of Allotment | Allotted Salary |
|---|--|----------------------------|
| Classroom Teachers <i>Grades Kindergarten - 3</i> <i>Grades 4 - 6</i> <i>Grades 7 - 8</i> <i>Grade 9</i> <i>Grades 10 - 12</i> <i>Math/Science/Computer Teachers</i> | 1 per 18 in ADM. (LEA Class Size Avg. is 21) 1 per 22 in ADM. (LEA Class Size Avg. is 26) 1 per 21 in ADM. (LEA Class Size Avg. is 26) 1 per 24.5 in ADM. (LEA Class Size Avg. is 26) 1 per 26.64 in ADM. (LEA Class Size Avg. is 29) 1 per county or based on subagreements. | LEA Average |
| Teacher Assistants | \$ 886.33 (rounded) per K-3 ADM. | N/A |
| Instructional Support | 1 per 200.10 in ADM. | LEA Average |
| School Building Administration Principals Assistant Principals | 1 per school with at least 100 ADM or at least 7 state paid teachers. 1 month per 76.12 in ADM. | LEA Average LEA Average |
| Vocational Education - MOE (LIMITED FLEXIBILITY- Salary Increase) | Base of 50 Months of Employment per LEA with remainder distributed based on ADM in grades 8-12. | LEA Average |
| ABC Incentive Award | <i>Not included in the Initial Allotments. Test results were announced on August 5, 2004 at the State Board Meeting. Allotments were processed by August 11, 2004.</i> | |
| Classroom Materials/Instructional Supplies/Equipment | \$47.44 per ADM plus \$2.69 per ADM in grades 8 and 9 for PSAT Testing. | |
| Textbooks | \$58.30 per ADM in grades K-12. | |

Employee Benefits

| Category | Basis of Allotment |
|------------------------|--------------------------------|
| Hospitalization | \$3,432 per position per year. |
| Retirement | 5.815% of total salaries. |
| Social Security | 7.65% of total salaries. |

Statewide Average Salaries for FY 2004-05 (Benefits are not included)

| Category | Basis of Allotment |
|-----------------------------------|--------------------|
| Teachers | \$38,248 |
| Principals (MOE) | \$5,558 |
| Assistant Principals (MOE) | \$4,718 |
| Vocational Education (MOE) | \$4,023 |
| Instructional Support | \$42,953 |

Note: Dollars for 2004-05 position/month allotments are based on your LEA's average salary including benefits, rather than the statewide average salary. They are still position/month allotments and you must stay within the positions/months allotted, not

Support

| Category | Basis of Allotment |
|----------|--------------------|
|----------|--------------------|

Initial Allotment Formulas

FY 2004-05

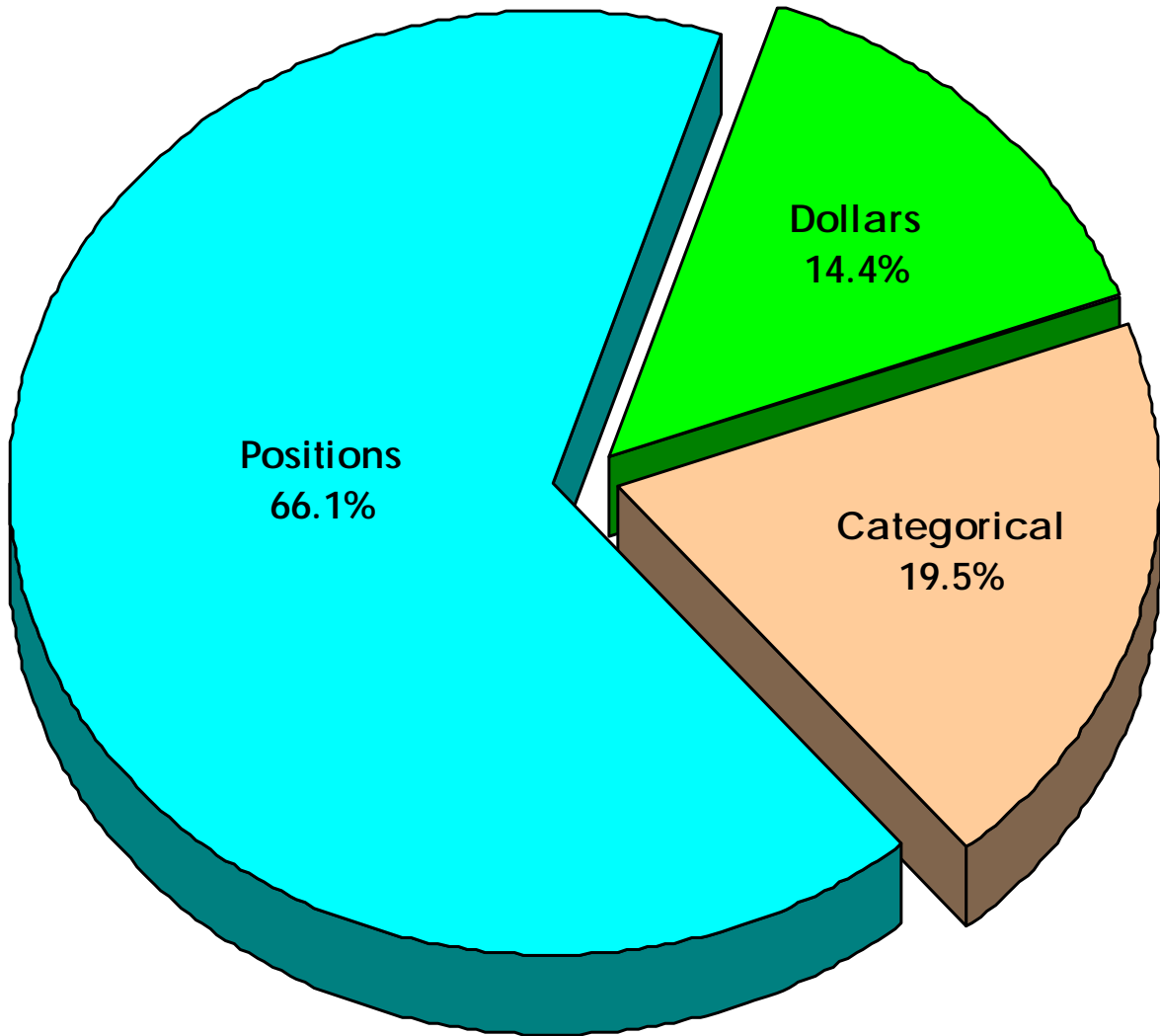
| Categorical Programs | |
|---|--|
| Category | Basis of Allotment |
| Academically or Intellectually Gifted Students | \$926.57 per child for 4% of ADM. |
| At-Risk Student Services | <i>Each LEA receives the dollar equivalent of one resource officer (\$37,838) per high school. Of the remaining funds, 50% is distributed based on ADM (\$61.56 per ADM) and 50% is distributed based on number of poor children, per the federal Title 1 Low Income poverty data (\$396.30 per poor child). Each LEA receives a minimum of the dollar equivalent of two teachers and two instructional support personnel (\$197,998). The new formula is fully implemented and the hold harmless no longer applies.</i> |
| Children with Disabilities <i>School Aged</i> <i>Preschool</i> <i>Group Homes</i> <i>Developmental Day Care (3-20)</i> <i>Community Residential Centers</i> | <i>\$2,838.39 per funded headcount. Headcount is comprised of the lesser of the April 1 handicapped headcount or 12.5% of the allotted ADM. Base of \$46,830 per LEA; remainder distributed based on April 1 headcount of ages 3, 4, and PreK- 5, (\$2,256.79) per child. Approved applications. To be allotted in Revision To be allotted in Revision</i> |
| Driver Education | <i>\$245.55 (rounded) per 9th grade ADM. Includes private, charter, and federal schools.</i> |
| Improving Student Accountability | <i>\$300.00 per student who scored at level 1 and 2 on either reading or mathematics end-of-grade tests in grades 3-8.</i> |
| Limited English Proficiency | <i>Base of a teacher asst. (\$23,258); remainder based 50% on number of funded LEP students (\$290.63) and 50% on an LEA's concentration of LEP students (\$4,311.83).</i> |
| Low Wealth Supplemental Funding | <i>See the Allotment Policy Manual for formula.</i> |
| School Technology | <i>\$3.65 per ADM.</i> |
| Small County Supplemental Funding | <i>See the Allotment Policy Manual for formula.</i> |
| Staff Development | <i>\$750 per LEA, then 25% of total is allotted equally (base) and 75% allotted based on ADM.</i> |
| Transportation | <i>Based on an efficiency rated formula and local operating plans. The initial allotment is 80% of planning.</i> |
| Voc Ed-Program Support | <i>\$10,000 per LEA with remainder distributed based on ADM in grades 8-12 (\$32.21).</i> |

Categories which cannot be adjusted in FY 2004-05 through an ABC transfer.

| Category | Reason for Restriction |
|--|--|
| <i>ABC Incentive Award</i> | <i>Legislation</i> |
| <i>At Risk Student Services/Alternative Sch.</i> | <i>Legislation; Funds may be transferred into At Risk Student Services/Alternative Schools</i> |
| <i>Central Office Administration</i> | <i>Legislation; Funds may be transferred out of Central Office Administration</i> |
| <i>Children with Disabilities</i> | <i>Legislation; Funds may be transferred into Children with Disabilities</i> |
| <i>Driver Education</i> | <i>Highway Funds</i> |
| <i>Improving Student Accountability</i> | <i>Legislation; Funds may be transferred into Improving Student Accountability</i> |
| <i>Intervention/Assistance Teams</i> | <i>Legislation</i> |
| <i>Limited English Proficiency</i> | <i>Legislation</i> |
| <i>Low Wealth Supplemental Funding</i> | <i>Legislation</i> |
| <i>School Technology</i> | <i>Special Interest-Bearing Account</i> |
| <i>Small County Supplemental Funding</i> | <i>Legislation</i> |
| <i>Willie M.</i> | <i>Legislation</i> |

Types of State Funding

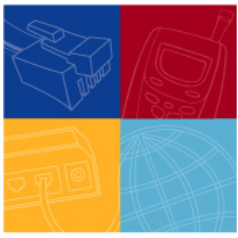
What State Money Is Available To Local Education Agencies?



66.1% of the State funds are allocated as guaranteed certified positions.

Therefore, a LEA receives a position (or month of employment) and the state pays for the salary and benefits of the position, regardless of where the individual falls on a salary schedule.

So... a state paid teacher with 5 yrs experience costs the same to an LEA as a state paid teacher with 25 yrs experience, they both = 1 position.



E-RATE

NORTH CAROLINA

The E-Rate Program:

- Governed by the FCC
- Administered by the Schools & Libraries Universal Service Support Mechanism
- Provides 20%-90% discounts to schools & libraries for Telecommunications, Internet Access and Internal Connections.

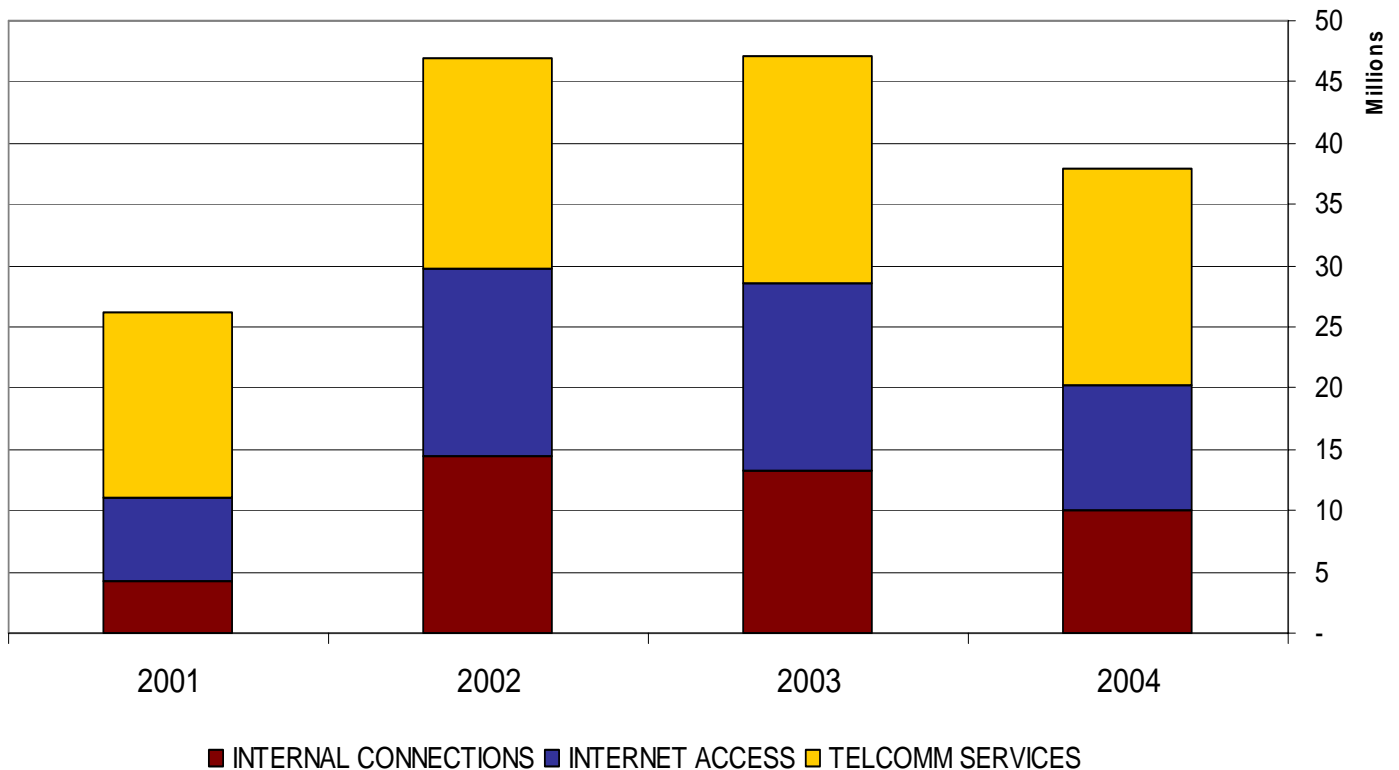
Services Include:

Telephone service, Cell phone service, Voice mail service, WANs, Firewalls, Internet access, Cabling/Wiring, Routers/Switches/Hubs

More Information:

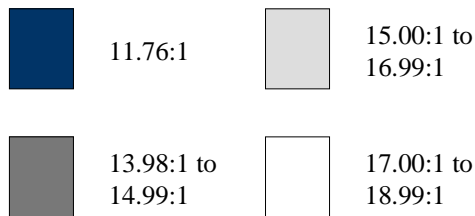
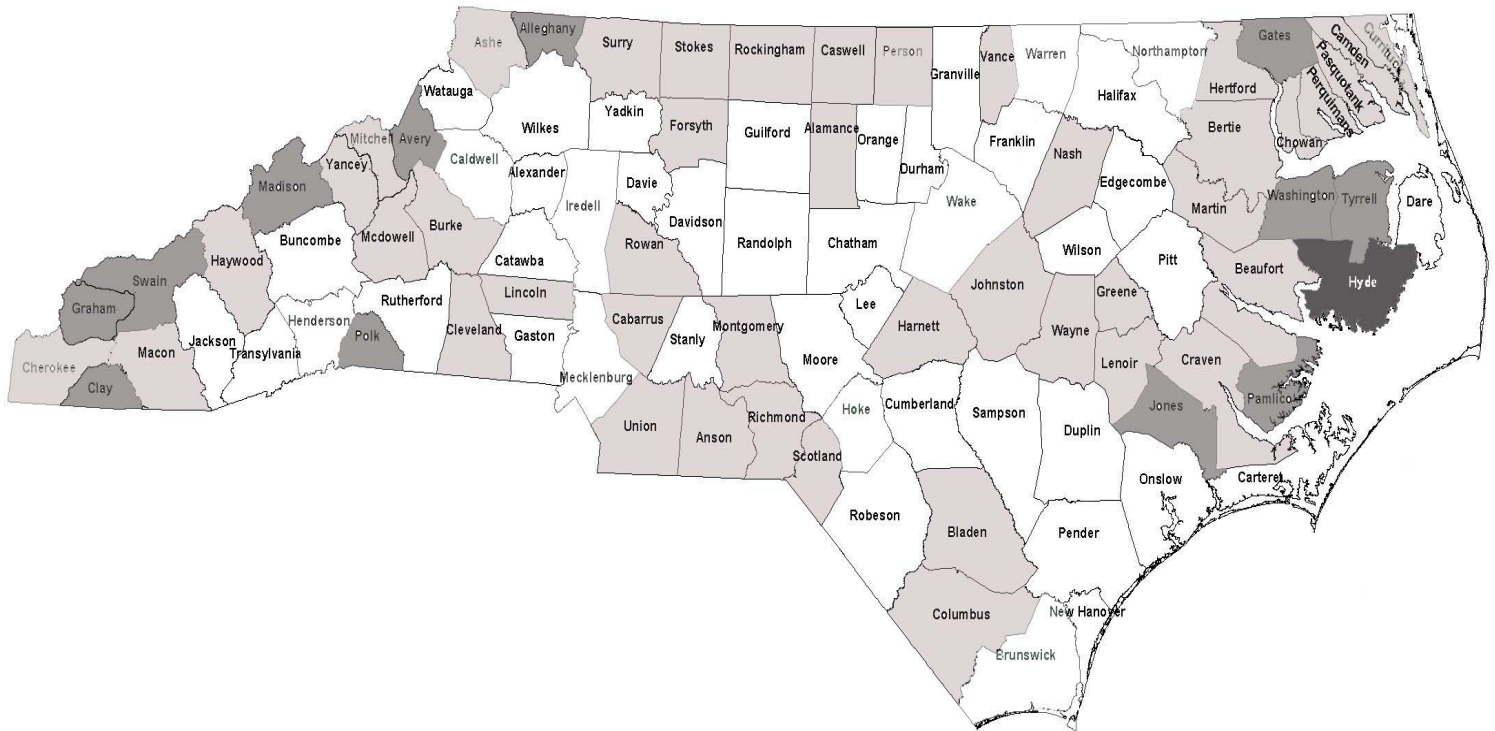
- DPI Website - <http://www.ncpublicschools.org/erate/>
- Schools & Libraries Division - <http://www.sl.universalservice.org/>

E-Rate Funds Committed to Schools & Libraries in NC



Student/Teacher Ratio

By County 2003-04



| Student/Teacher Ratio | # of Counties |
|-----------------------|---------------|
| 11.76:1 | 1 |
| 13.98:1 to 14.99:1 | 12 |
| 15.00:1 to 16.99:1 | 43 |
| 17.00:1 to 18.99:1 | 44 |

Funding North Carolina's Public School Children

Based on FY 2004-2005 State Funding Levels

Students in Kindergarten through 3rd Grade

| | | Student Example 1 | Student Example 2 | Student Example 3 | Student Example 4 |
|--|------------|-------------------|-------------------|-------------------|-------------------|
| Funding for Different Students | | \$5,856.97 | \$9,619.43 | \$8,874.26 | \$5,052.42 |
| Every Student (note) | \$4,715.50 | X | X | X | X |
| Student from a Low Income Family | \$396.30 | X | X | X | |
| Special Learning Issues (IEP's) | \$2,838.39 | | X | X | |
| Small County | \$591.26 | X | X | | |
| Not performing at grade level | \$300.00 | | X | X | |
| Low Wealth County | \$153.91 | X | X | | |
| Limited English Proficiency | \$624.07 | | X | X | |
| Intellectually and Academically Gifted | \$336.92 | | | | X |
| Vocational Education | \$0.00 | | | | |

Every Student includes: Teachers (total divided by ADM; not by grade span allotment), teacher assistants (K-3), instructional support, some at-risk (ADM portion), textbooks, classroom materials/supplies, school technology, transportation, and administrative & support categories (\$982.71) which includes central office administration, school building administration, incentive awards, noninstructional support personnel, driver education, assistance teams, staff development, school safety officer, annual leave, longevity, mentor pay, and school bus purchases.

Students in Grade 4 through 8

| | | Student Example 1 | Student Example 2 | Student Example 3 | Student Example 4 |
|--|------------|-------------------|-------------------|-------------------|-------------------|
| Funding for Different Students | | \$4,970.64 | \$8,733.10 | \$7,987.93 | \$4,166.09 |
| Every Student (note) | \$3,829.17 | X | X | X | X |
| Student from a Low Income Family | \$396.30 | X | X | X | |
| Special Learning Issues (IEP's) | \$2,838.39 | | X | X | |
| Small County | \$591.26 | X | X | | |
| Not performing at grade level | \$300.00 | | X | X | |
| Low Wealth County | \$153.91 | X | X | | |
| Limited English Proficiency | \$624.07 | | X | X | |
| Intellectually and Academically Gifted | \$336.92 | | | | X |
| Vocational Education | \$0.00 | | | | |

Every Student includes: Teachers (total divided by ADM; not by grade span allotment), instructional support, some at-risk (ADM portion), textbooks, classroom materials/supplies, school technology, transportation, and administrative & support categories (\$982.71) which includes central office administration, school building administration, incentive awards, noninstructional support personnel, driver education, assistance teams, staff development, school safety officer, annual leave, longevity, mentor pay, and school bus purchases.

Students in Grade 9 through 12

| | | Student Example 1 | Student Example 2 | Student Example 3 | Student Example 4 |
|--|------------|-------------------|-------------------|-------------------|-------------------|
| Funding for Different Students | | \$4,973.33 | \$9,069.87 | \$7,690.62 | \$4,168.78 |
| Every Student (note) | \$3,831.86 | X | X | X | X |
| Student from a Low Income Family | \$396.30 | X | X | X | |
| Special Learning Issues (IEP's) | \$2,838.39 | | X | X | |
| Small County | \$591.26 | X | X | | |
| Not performing at grade level | \$0.00 | | X | X | |
| Low Wealth County | \$153.91 | X | X | | |
| Limited English Proficiency | \$624.07 | | X | X | |
| Intellectually and Academically Gifted | \$336.92 | | | | X |
| Vocational Education | \$634.08 | | X | | |

Every Student includes: Teachers (total divided by ADM; not by grade span allotment), instructional support, some at-risk (ADM portion), textbooks, classroom materials/supplies (PSAT test in 9-12), school technology, transportation, and administrative & support categories (\$982.71) which includes central office administration, school building administration, incentive awards, noninstructional support personnel, driver education, assistance teams, staff development, school safety officer, annual leave, longevity, mentor pay, and school bus purchases.

Funding North Carolina's Public School Children

Based on FY 2004-05 Federal Funding Levels

Students in Kindergarten through 3rd Grade

| | | Student Example 1 | Student Example 2 | Student Example 3 | Student Example 4 |
|---------------------------------------|------------|-------------------|-------------------|-------------------|-------------------|
| Funding for Different Students | Federal | \$1,425.49 | \$4,114.11 | \$4,114.11 | \$59.66 |
| Every Student (note) | \$59.66 | X | X | X | X |
| Student from a Low Income Family | \$1,365.83 | X | X | X | |
| Special Learning Issues (IEP's) | \$2,142.19 | | X | X | |
| Limited English Proficiency | \$546.43 | | X | X | |
| Vocational Education | \$0.00 | | | | |

Students in Grade 4 through 8

| | | Student Example 1 | Student Example 2 | Student Example 3 | Student Example 4 |
|---------------------------------------|------------|-------------------|-------------------|-------------------|-------------------|
| Funding for Different Students | Federal | \$1,425.49 | \$3,254.04 | \$3,254.04 | \$59.66 |
| Every Student (note) | \$59.66 | X | X | X | X |
| Student from a Low Income Family | \$1,365.83 | X | X | X | |
| Special Learning Issues (IEP's) | \$1,282.12 | | X | X | |
| Limited English Proficiency | \$546.43 | | X | X | |
| Vocational Education | \$0.00 | | | | |

Students in Grade 9 through 12

| | | Student Example 1 | Student Example 2 | Student Example 3 | Student Example 4 |
|---------------------------------------|------------|-------------------|-------------------|-------------------|-------------------|
| Funding for Different Students | Federal | \$1,425.49 | \$3,287.53 | \$3,254.04 | \$59.66 |
| Every Student (note) | \$59.66 | X | X | X | X |
| Student from a Low Income Family | \$1,365.83 | X | X | X | |
| Special Learning Issues (IEP's) | \$1,282.12 | | X | X | |
| Limited English Proficiency | \$546.43 | | X | X | |
| Vocational Education | \$33.49 | | X | | |

Federal Funding Level:

Funding includes federal formula grants only.

Every Student includes: Funds from IDEA VI Capacity Building, Safe and Drug Free Schools, Title V Innovative Education Program, Improving Teacher Quality, and Education Technology.

Special Learning Issues includes: IDEA VI B Preschool Handicapped, IDEA VI B School Age Handicapped, and IDEA VI B Capacity Building.

Vocational Education includes: Funds from Vocational Education Program Support and Abstinence Until Marriage.

Example of Student Funding Grades K-3 (State&Federal)

\$8,958 Additional

Limited English Proficient Student with Special Learning Issues performing below grade level from Low-Income Family living in a Small, Low-Wealth County

\$8,213 Additional

Limited English Proficient Student with Special Learning Issues performing below grade level from Low-Income Family.

\$2,844 Additional

Academically Gifted Student from Low-Income Family living in a Small, Low-Wealth County.

\$4,775

Student in grade K-3 with no additional needs.

Difficulties in Comparing Dollars per ADM

- Huge variance in the size of LEAs. ADM ranges from systems with an ADM of 644 to an ADM of 117,773.
- Certain fixed costs in LEAs such central office operations
- Younger Teachers versus Older Teachers (experience levels)
- Fixed Salary Schedules

Teacher Comparison

- Ex: Teacher in Wake with 5 years experience, versus Hyde with 20 years experience.
 - Cost per ADM for Hyde is greater.
 - Both schools have a teacher.

Teacher Allotment Ratios and Allotted Positions FY 2004-05

| 2004-05 Grade Spans | Teacher Allotment Ratio | Class-Size Average Ratio for the LEA | Individual Class-Size Maximum | Positions Allotted in 2004-05 |
|---------------------------|-------------------------------|--|-------------------------------------|-------------------------------------|
| K-2 | 1:18 | 1:21 | 1:24 | 17,933.5 |
| 3 | 1:18 | 1:21 | 1:24 | 5,687.5 |
| 4-6 | 1:22 | 1:26 | 1:29 | 14,155.5 |
| 7-8 | 1:21 | 1:26 | 1:29 | 10,304.0 |
| 9 | 1:24.5 | 1:26 | 1:29 | 5,040.5 |
| 10-12 | 1:26.64 | 1:29 | 1:32 | 10,118.5 |

The total number of positions allotted by grade span is 63,239.5. An additional 100 positions were allotted for Math/Science/Computer teachers, and an additional 94 were allotted for High Priority schools, bringing the total allotted positions to 63,433.5.

Positions and Salaries FY 2004-05

| Fiscal Year 2004-05 | | | |
|---|-------------------------|----------------|--------------------|
| Personnel Type | Salary Range | Average Salary | Allotted Positions |
| Superintendent (12 months) | \$50,244 - \$119,868 | N/A | N/A |
| Assoc/Asst Supt/Dir Supervisors/Coord (12 months) | \$35,184 - \$90,024 | N/A | N/A |
| Principals (12 months) | \$44,472 - \$98,976 | \$66,696 | |
| Assistant Principals (10 months) | \$32,480 - \$58,510 | \$47,180 | |
| Teachers (10 months) | \$25,420 - \$58,810 | \$38,248 | |
| Instructional Support (10 months) | \$25,420 - \$58,810 | \$42,953 | |
| Vocational Education (10 months) | \$25,420 - \$58,810 | \$40,230 | |
| Non Certified Employees - Monthly Salary | | | |
| Teacher Asistants | \$1,510.58 - \$2,574.91 | \$17,473 | N/A |
| Clerical | \$1,534.33 - \$3,400.96 | \$25,708 | N/A |
| Custodian | \$1,413.11 - \$3,016.59 | \$17,085 | N/A |

The average salary amounts do **not** include matching benefits
social security – 7.65%,
retirement – 5.815%
hospitalization - \$3,432

**Public School Full-Time Personnel
FY2004-05**

| Certified Personnel: | State | Federal | Local | Total |
|----------------------------------|---------------|----------------|--------------|----------------|
| Central Office Admin. | 1,024 | 137 | 445 | 1,606 |
| Principals | 2,152 | 2 | 46 | 2,200 |
| Assistant Principals | 1,770 | 2 | 865 | 2,637 |
| Teachers | 78,424 | 6,108 | 6,125 | 90,657 |
| Instructional Support | 9,112 | 975 | 2,159 | 12,246 |
| Total Certified Personnel | 92,482 | 7,224 | 9,640 | 109,346 |

Noncertified Personnel:

| | | | | |
|-------------------------------------|---------------|--------------|---------------|---------------|
| Teacher Assistants | 21,142 | 4,151 | 3,035 | 28,328 |
| Technicians | 288 | 93 | 820 | 1,201 |
| Clerical, Secretarial | 5,842 | 336 | 3,752 | 9,930 |
| Other Noncertified | 12,291 | 3,297 | 10,216 | 25,804 |
| Total Noncertified Personnel | 39,563 | 7,877 | 17,823 | 65,263 |

| | | | | |
|--------------------------|----------------|---------------|---------------|----------------|
| Total Personnel: | 132,045 | 15,101 | 27,463 | 174,609 |
| Percent of Total: | 75.6% | 8.6% | 15.7% | 100.0% |

Teachers, Teacher Assistants, and Instructional Support Personnel make up 75.2% of all personnel.

School Building Administrators (Principals & Assistant Principals) make up 2.8% of all personnel.

Central office Administrators make up 0.9% of all personnel.

Other Nonprofessionals (Clerical, Technicians, Service Workers, etc...) make up the remaining 21.2% of personnel.

**Instructional Support
FY2004-05**

| Instructional Support Area | FULL TIME EQUIVALENT | | | Average State Salary |
|-----------------------------------|-----------------------------|----------------|--------------|-----------------------------|
| | STATE | FEDERAL | LOCAL | |
| Media Services | 2,153.11 | 0.19 | 94.64 | \$ 4,267 |
| Social Work | 568.73 | 31.63 | 117.22 | \$ 3,962 |
| Guidance | 3,155.24 | 36.78 | 163.22 | \$ 4,127 |
| Health Certified | 232.51 | 7.12 | 115.64 | \$ 4,271 |
| Psychologists | 572.95 | 86.16 | 25.13 | \$ 4,594 |
| Speech Language | 895.08 | 337.16 | 76.83 | \$ 4,345 |
| Career Development | 223.50 | 4.18 | 2.65 | \$ 4,417 |
| Special Population | 104.12 | 9.99 | 0.44 | \$ 4,370 |
| Pupil Support | 238.99 | 116.95 | 132.18 | \$ 4,218 |
| VoCats | 76.80 | 1.50 | 1.00 | \$ 4,363 |
| Technology Services | 8.50 | - | 24.87 | \$ 3,802 |
| Community Services | - | - | 43.72 | \$ - |
| Total FTEs | 8,229.53 | 631.66 | 797.5 | |

Compensation Increases

Teachers and State Employees

Since 1991-92

The yearly percentage increase in salary accumulates to:

- Teachers - 78.4%
- State Employees - 32.5% *
- Consumer Price Index - 41.6%

| Fiscal Year | State Employees | Teachers | Consumer Price Index |
|-------------|-----------------|----------|----------------------|
| 1991-92 | 0.0% | 0.0% | 3.2% |
| 1992-93 | 0.0% a. | 2.0% | 3.1% |
| 1993-94 | 2.0% | 5.0% | 2.6% |
| 1994-95 | 4.0% b. | 7.0% c. | 2.9% |
| 1995-96 | 2.0% | 2.0% | 2.7% |
| 1996-97 | 4.5% | 5.5% | 2.8% |
| 1997-98 | 4.0% | 7.5% d. | 1.8% |
| 1998-99 | 3.0% b. | 7.5% d. | 1.7% |
| 1999-00 | 3.0% b. | 7.5% d. | 2.9% |
| 2000-01 | 4.2% e. | 6.5% d. | 3.4% |
| 2001-02 | 0.0% f. | 2.86% | 1.8% |
| 2002-03 | 0.0% g. | 1.84% | 2.2% |
| 2003-04 | 0.0% h. | 1.81% | 2.2% |
| 2004-05 | 2.5% i. | 2.5% | 1.9% j. |

Notes:

- * Flat rate amounts are not included in the percentage accumulation total.
- a. An across-the-board flat rate of \$43.5 per month was provided for all employees.
- b. Plus a one-time bonus of 1% to each permanent employee (0.5% bonus in 1999-2000).
- c. Salary increases for teachers ranged from 5% for teachers with 3 years or less experience or at the 30 year maximum, to 7% for teachers with over 3 years experience. Principals and Assistant Principals received a 9% increase. School bus drivers received an 8% increase.
- d. Teachers received varying increases depending on their years of experience.
- e. Plus a one-time bonus of \$500 to each permanent employee.
- f. An across-the-board flat rate of \$52.08 per month was provided for all employees.
- g. Full-time State Employees received an additional 10 days vacation.
- h. Full-time State Employees received an additional 10 days vacation plus a one-time bonus of \$550.
- i. State Employees received the greater of one thousand dollars (\$1,000) or two and one-half percent (2.5%).
- j. Through September 2004.

Average Teacher Compensation

FY2004-05

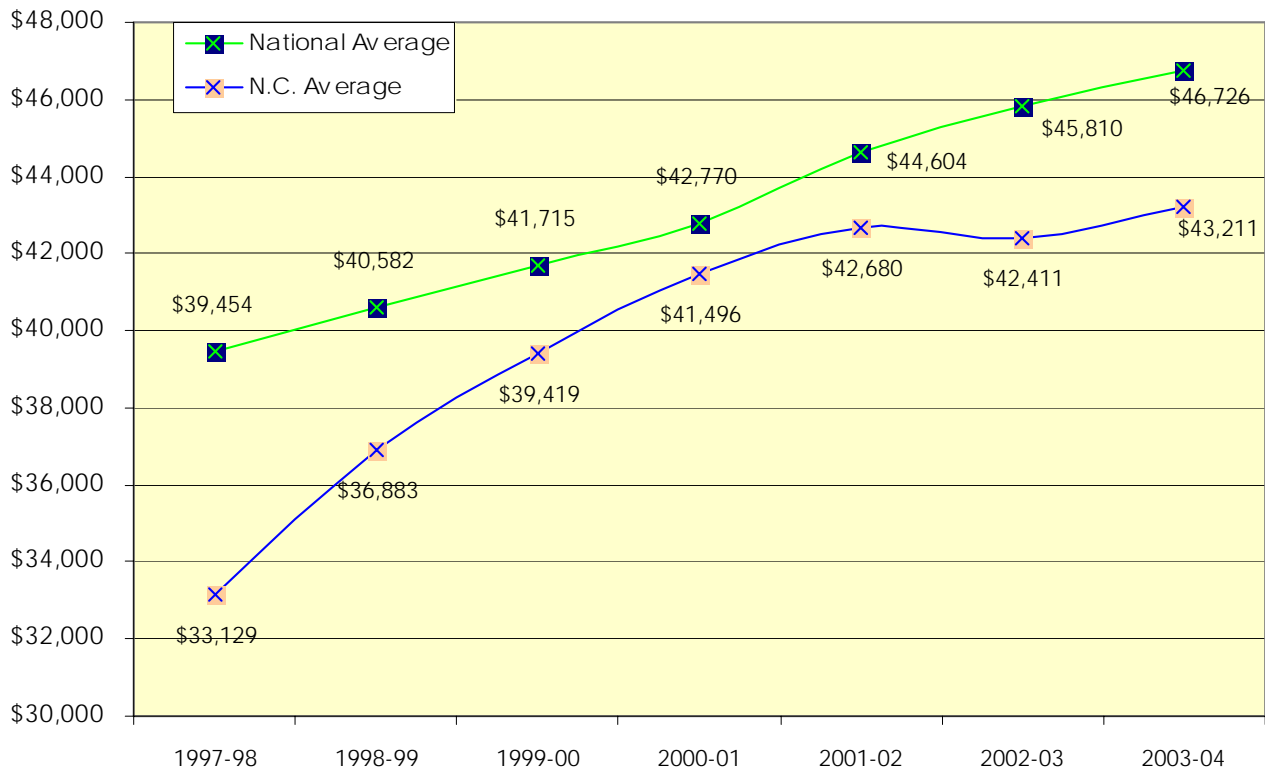
| Category | 2004-05 | | 2003-04 | | 2004-05 vs 2003-04 | |
|-------------------------|------------------|------------------|---------------|--------------|--------------------|--|
| | January Est. | Final | Chg | %Chg | | |
| Base Salary | (1) \$ 37,388 | \$ 37,096 | \$ 292 | 0.79% | | |
| New Teacher Orientation | (2) 16 | 15 | 1 | 6.67% | | |
| Extended Contract | (2) 19 | 19 | - | 0.00% | | |
| Tutor | (2) 202 | 207 | (5) | -2.42% | | |
| Longevity Pay | (2) 969 | 980 | (11) | -1.12% | | |
| Supplementary Pay | (3) 2,860 | 2,707 | 153 | 5.65% | | |
| ABC and Retention Bonus | (4) 949 | 1,309 | (360) | -27.50% | | |
| Workshop Participant | (2) 19 | 16 | 3 | 18.75% | | |
| Annual Leave Pay | (2) 343 | 346 | (3) | -0.87% | | |
| Mentor Pay | (2) 111 | 108 | 3 | 2.78% | | |
| Other Assignments | (2) 362 | 333 | 29 | 8.71% | | |
| Total | \$ 43,238 | \$ 43,136 | \$ 102 | 0.24% | | |
| State Agency Teachers | (5) 75 | 75 | - | 0.00% | | |
| Grand Total | \$ 43,313 | \$ 43,211 | \$ 102 | 0.24% | | |

NOTES:

- 1) Base salary percentage increase calculated based on 6th pay period payroll data.
- 2) Supplementary pay is based on FY04-05 survey data.
- 3) ABC bonuses are based on YTD expenditure data.
- 4) Additional pay per Office of State Budget, and Management for state agency teachers such as those provided by Office of Juvenile Justice and DHHS.

North Carolina vs National Average

Comparison of Average Teacher Compensation



National Board (NBPTS) History

| Fiscal Year | NBPTS Teachers | Years Experience | NBPTS Pay (12%) | Avg Certified Salary incl. 12% |
|-------------|----------------|------------------|-----------------|--------------------------------|
| 2002 | 3,352 | 16.03 | \$472.76 | \$4,413.34 |
| 2003 | 4,775 | 16.30 | \$474.71 | \$4,429.35 |
| 2004 | 6,002 | 16.40 | \$475.76 | \$4,437.48 |
| 2005 | 7,399 | 16.60 | \$480.61 | \$4,485.65 |

Note: NBPTS pay differential originated on July 1, 1997. Teachers who receive a National Boards for Professional Teaching Standards certification may be eligible for a 12% pay differential.

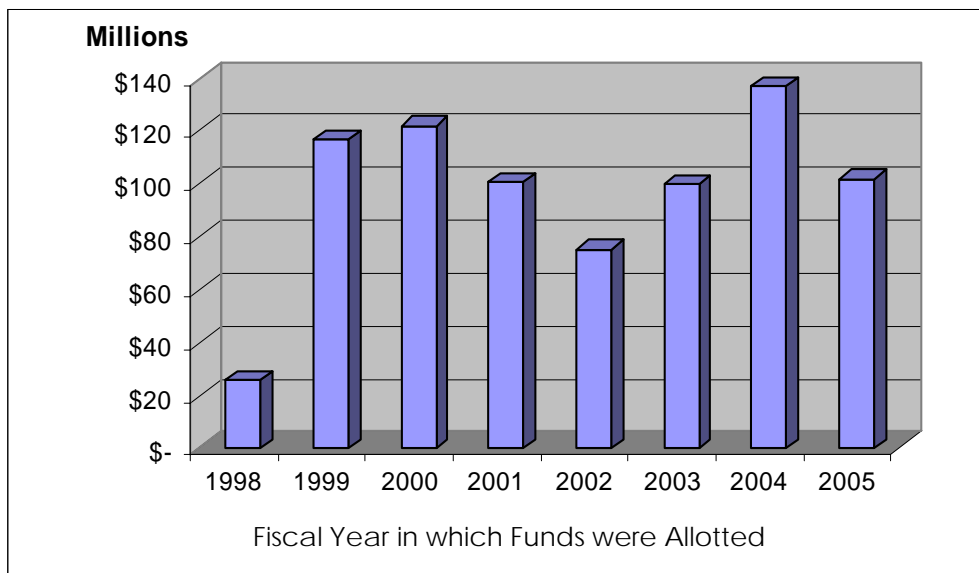
Retired Teachers Exempt from the Cap

| Fiscal Year | Retired Teachers | Avg Years Experience | Avg Certified Salary ⁽¹⁾ |
|-------------|------------------|----------------------|-------------------------------------|
| 2002 | 490 | 31.44 | \$4,675.94 |
| 2003 | 616 | 31.79 | \$4,691.90 |
| 2004 | 915 | 32.16 | \$4,694.49 |
| 2005 | 1,435 | 32.21 | \$4,766.90 |

(1) Certified salary does not include ABC bonus, longevity, or supplements.

- Legislation to allow for teachers to return to teaching exempt from an income cap effective July 1, 1999.
- LEAs are required to contribute 11.7% of the salaries to the retirement system.

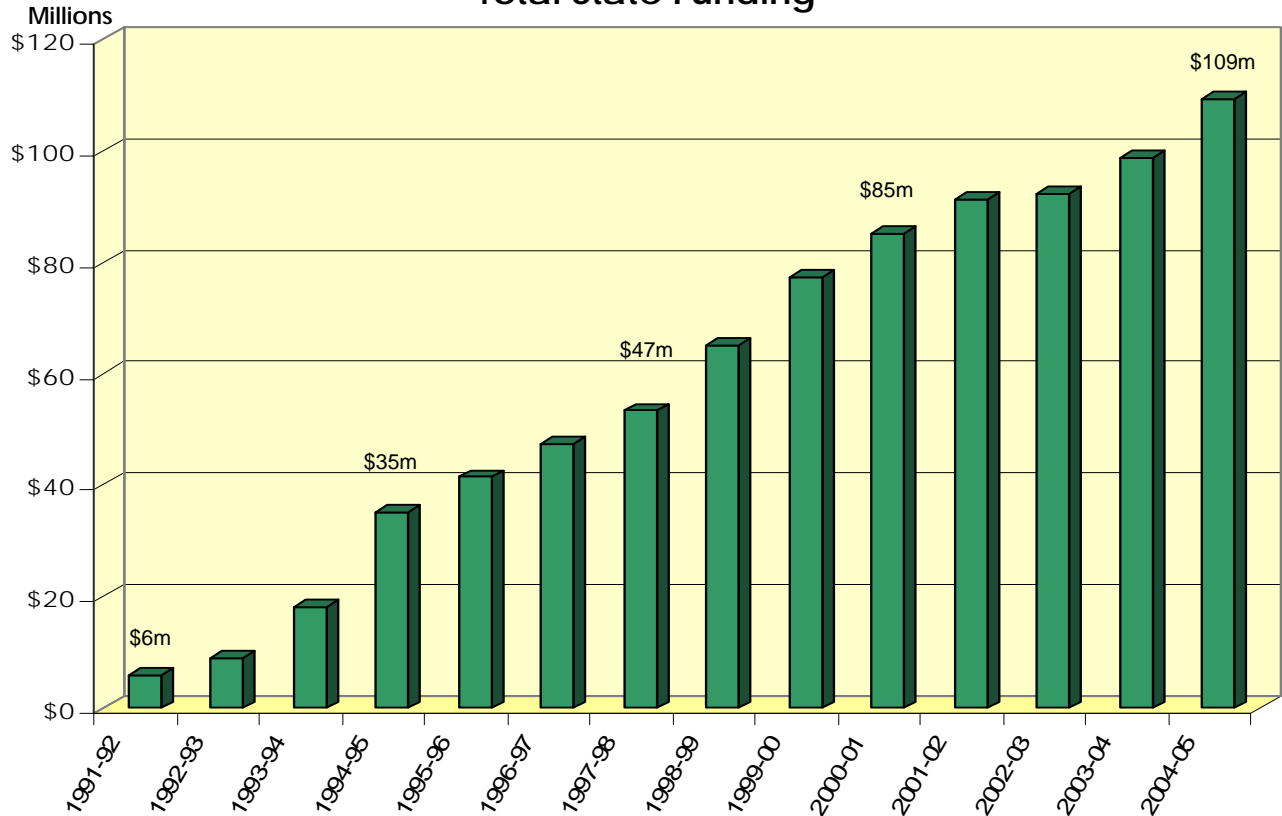
ABC Incentive Award History FY 1998 to FY 2005



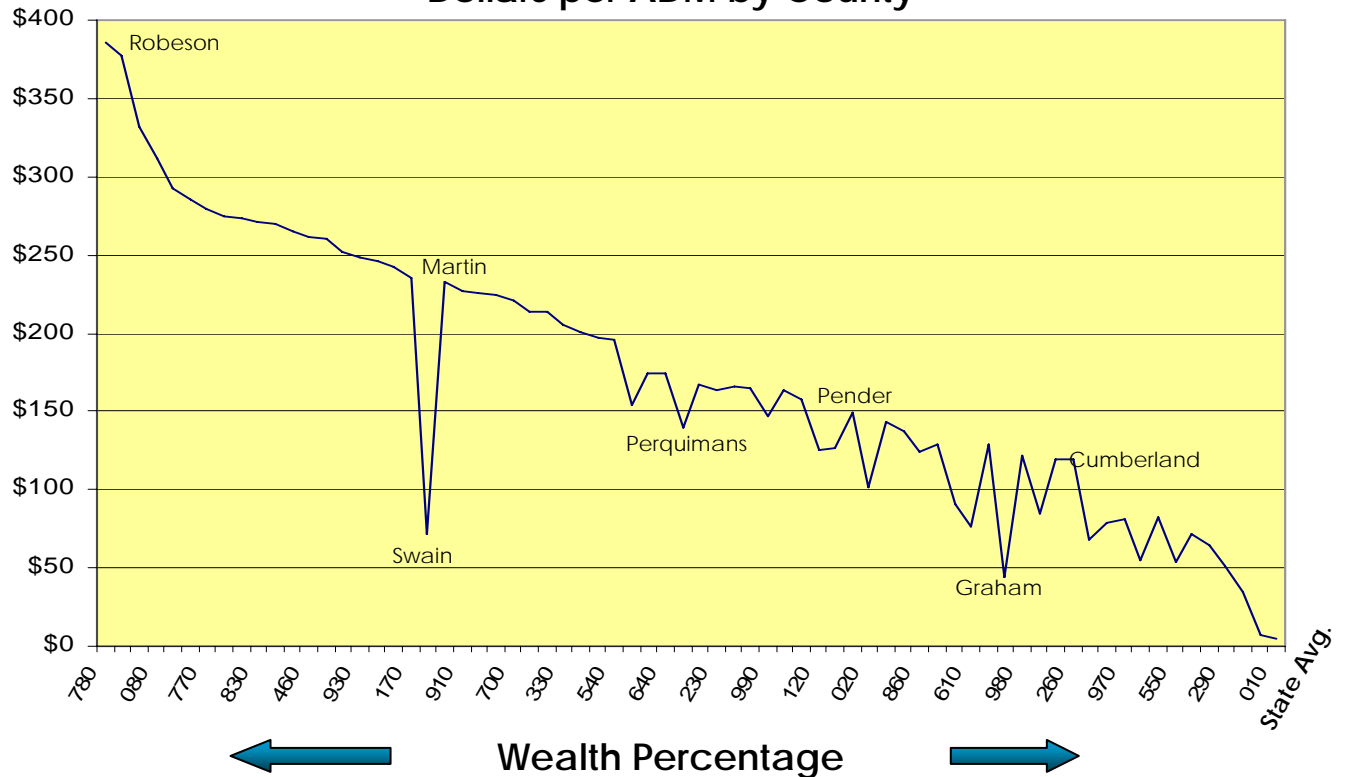
Awards of up to \$1,500 plus benefits for certified personnel and up to \$500 plus benefits for teacher assistants are allocated to schools that attain high growth. Awards of up to \$750 plus benefits for certified personnel and up to \$375 plus benefits for teacher assistants are allocated to schools that attain expected growth. Allocation is based on the number of state and local personnel in grades Pre-K through 12 assigned to eligible schools.

Low Wealth Supplemental Funding

Total State Funding



Dollars per ADM by County



Note: The low dollars per ADM for Swain County is a result of the county's low "effort". Swain County's effective tax rate was below the State average effective tax rate and Swain County's local appropriation per student was 30.4% of what the county could contribute based on the county's wealth and an average state effort, therefore; Swain County was eligible for 30.4% of their appropriation (based on funds available).

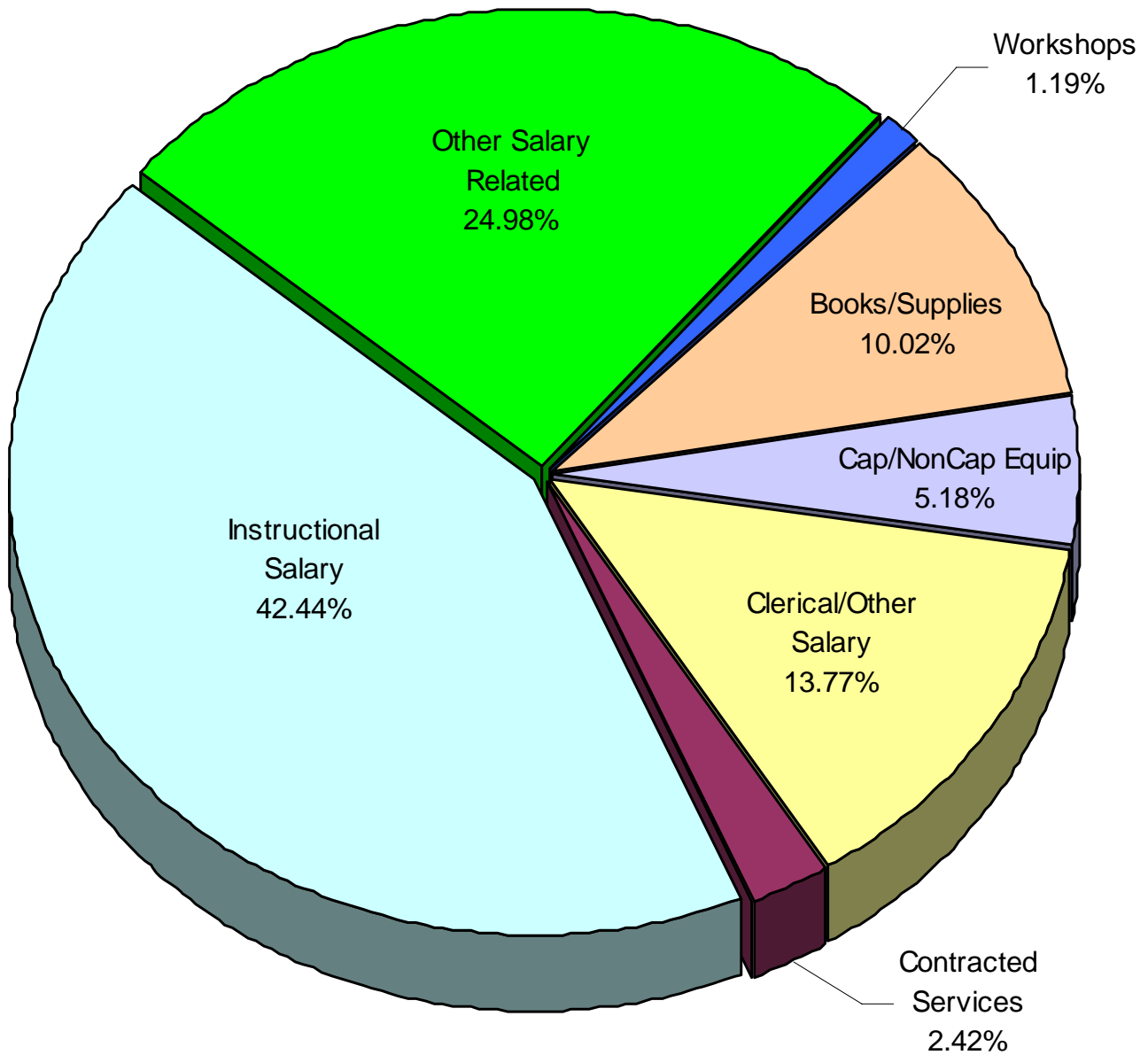
Low Wealth Eligible Counties

FY 2004-05

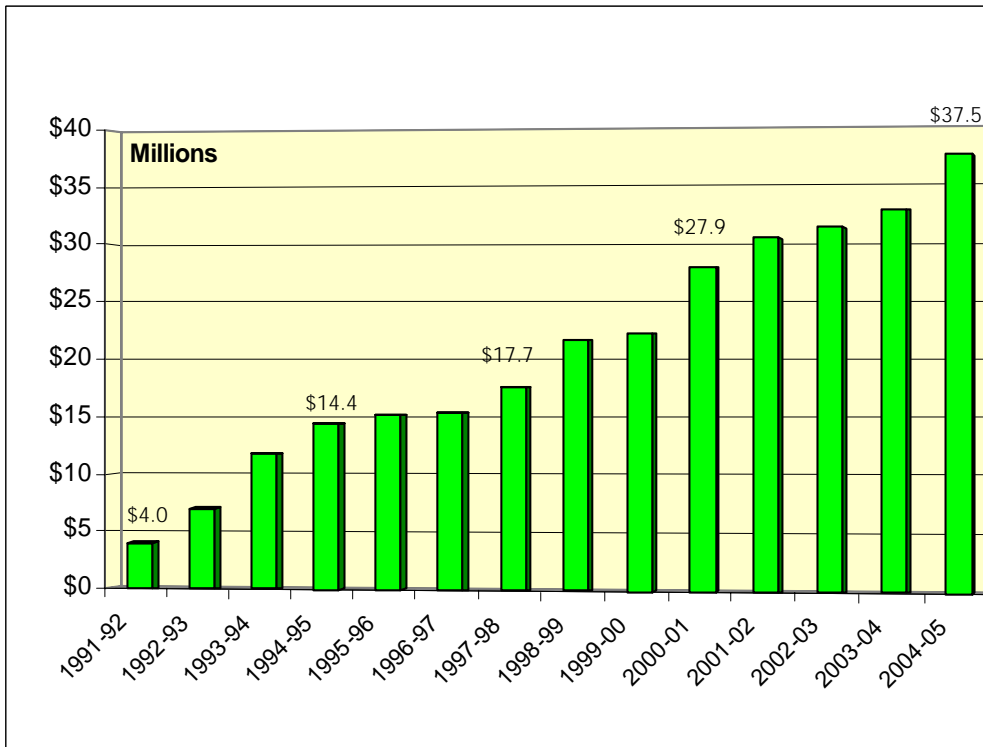
| Eligible County | % of State Avg | Dollars Per Child |
|--------------------|----------------|-------------------|
| Robeson County | 54.40% | \$ 385.24 |
| Hoke County | 55.32% | \$ 377.47 |
| Gates County | 60.75% | \$ 331.59 |
| Bertie County | 63.14% | \$ 311.41 |
| Greene County | 65.37% | \$ 292.57 |
| Washington County | 66.22% | \$ 285.38 |
| Richmond County | 66.97% | \$ 279.05 |
| Sampson County | 67.55% | \$ 274.14 |
| Halifax County | 67.59% | \$ 273.81 |
| Scotland County | 67.87% | \$ 271.44 |
| Anson County | 68.12% | \$ 269.33 |
| Columbus County | 68.69% | \$ 264.52 |
| Hertford County | 68.98% | \$ 262.07 |
| Duplin County | 69.23% | \$ 259.96 |
| Bladen County | 70.24% | \$ 251.42 |
| Warren County | 70.66% | \$ 247.87 |
| Harnett County | 70.88% | \$ 246.01 |
| Northampton County | 71.25% | \$ 242.89 |
| Caswell County | 71.32% | \$ 235.39 |
| Swain County | 72.03% | \$ 71.83 |
| Martin County | 72.38% | \$ 233.34 |
| Vance County | 73.11% | \$ 227.17 |
| Granville County | 73.22% | \$ 226.24 |
| Camden County | 73.36% | \$ 225.06 |
| Pasquotank County | 73.90% | \$ 220.50 |
| Tyrrell County | 74.68% | \$ 213.91 |
| Jones County | 74.75% | \$ 213.32 |
| Edgecombe County | 75.65% | \$ 205.72 |
| Wayne County | 76.21% | \$ 200.99 |
| Onslow County | 76.74% | \$ 196.51 |
| Lenoir County | 76.88% | \$ 195.33 |
| McDowell County | 77.63% | \$ 153.65 |
| Stokes County | 78.40% | \$ 174.45 |
| Nash-Rocky Mount | 79.39% | \$ 174.12 |
| Perquimans County | 79.76% | \$ 140.05 |

| Eligible County | % of State Avg | Dollars Per Child |
|-------------------|----------------|-------------------|
| Rutherford County | 80.01% | \$ 166.73 |
| Cleveland County | 80.10% | \$ 163.08 |
| Chowan County | 80.32% | \$ 166.26 |
| Stanly County | 80.49% | \$ 164.83 |
| Yadkin County | 80.58% | \$ 146.34 |
| Rockingham County | 80.69% | \$ 163.14 |
| Montgomery County | 81.35% | \$ 157.56 |
| Burke County | 81.41% | \$ 125.64 |
| Caldwell County | 82.07% | \$ 127.09 |
| Pender County | 82.37% | \$ 148.94 |
| Alexander County | 82.48% | \$ 101.54 |
| Franklin County | 83.00% | \$ 143.62 |
| Johnston County | 83.72% | \$ 137.54 |
| Beaufort County | 84.24% | \$ 129.42 |
| Surry County | 84.24% | \$ 124.76 |
| Randolph County | 84.24% | \$ 90.54 |
| Mitchell County | 84.56% | \$ 76.96 |
| Pamlico County | 84.72% | \$ 129.09 |
| Graham County | 85.48% | \$ 44.04 |
| Wilson County | 85.63% | \$ 121.40 |
| Cherokee County | 85.78% | \$ 84.81 |
| Pitt County | 85.91% | \$ 119.04 |
| Cumberland County | 85.92% | \$ 118.95 |
| Madison County | 86.67% | \$ 68.24 |
| Craven County | 87.71% | \$ 79.12 |
| Wilkes County | 88.51% | \$ 80.67 |
| Yancey County | 90.17% | \$ 54.81 |
| Lee County | 90.26% | \$ 82.29 |
| Lincoln County | 91.51% | \$ 53.65 |
| Person County | 91.54% | \$ 71.48 |
| Rowan-Salisbury | 92.39% | \$ 64.29 |
| Davidson County | 92.56% | \$ 51.67 |
| Union County | 94.75% | \$ 34.86 |
| Haywood County | 99.11% | \$ 7.52 |
| Alamance County | 99.30% | \$ 4.78 |

How Low Wealth Funds Were Expended FY 2003-04

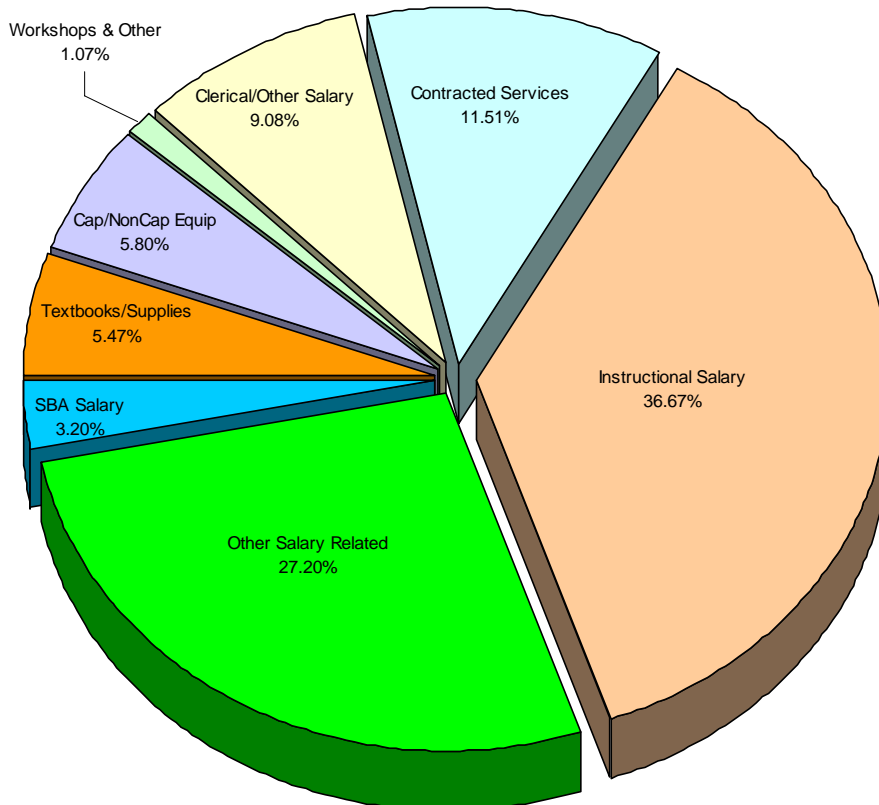


Small County Supplemental Funding



In FY2004-05, eligible counties received between \$1.18 and \$1.53 million in Small County Supplemental funding. The per ADM dollars were between \$321 (Cherokee) and \$2,377 (Tyrrell).

How Small County Funds Were Expended FY 2003-04



Capital Outlay for School Facilities

| Fiscal Year | State Funds | Federal Funds | Local Funds | Totals |
|-------------|----------------------------|------------------------|----------------------------|------------------|
| 1995-96 | \$ 13,446,202 | \$ 92,012 | \$ 518,058,988 | \$ 531,597,202 |
| 1996-97 | 43,853,339 | 383,545 | 565,670,606 | 609,907,490 |
| 1997-98 | 240,704,605 | 215,489 | 526,754,170 | 767,674,264 |
| 1998-99 | 554,588,979 | 1,291,004 | 561,394,095 | 1,117,274,078 |
| 1999-00 | 518,506,820 | 8,272,720 | 627,673,264 | 1,154,452,804 |
| 2000-01 | 371,109,242 | - | 789,866,134 | 1,160,975,376 |
| 2001-02 | 170,257,261 | 517,911 | 842,184,297 | 1,012,959,469 |
| 2002-03 | 41,949,345 | 9,697,902 | 782,630,041 | 834,277,288 |
| Total | \$ 1,954,415,793 27.19% | \$ 20,470,583 0.28% | \$ 5,214,231,595 72.53% | \$ 7,189,117,971 |

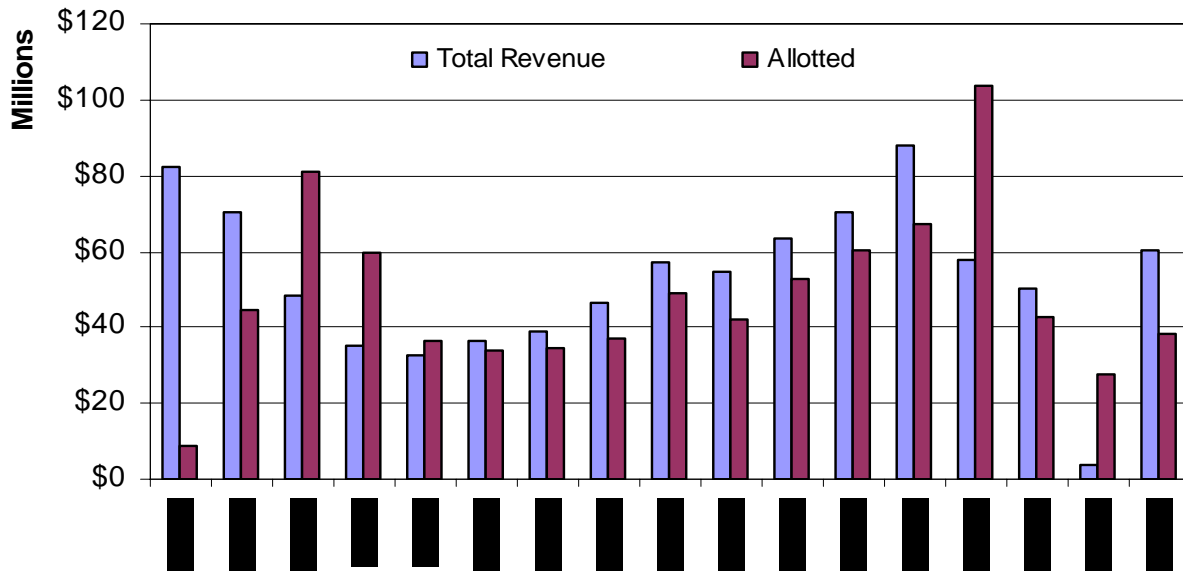
State Funding

Historically, the state of North Carolina has provided funding for salaries and operations to the local school systems and the local units have been responsible for providing facilities. The state had a School Facilities Appropriation in 1949 and has passed state school bonds in 1949, 1953, 1963, 1973, and 1996. Currently, North Carolina provides school construction aid to LEAs through the following programs:

1. Public School Building Capital Fund (PSBCF) (ADM Fund)

1987-present - Uses part of the corporate income tax revenues to provide counties with an allotment based on average daily membership. LEAs may accrue their allotments until they are ready to use them for a specific project, at which time they must match (1/3) the amount from the state. The fund is currently about \$60 million per year and is projected to increase to \$90 million per year by 2011-12. The fund was frozen by the Legislature for 2002-03 because of state budget shortfalls. A total of \$820,540,136 has been allotted since 1987; the current fund balance to be allotted is \$74,832,629.

PSBCF - FY Totals
Revenue & Allotments



Capital Outlay for School Facilities Cont.

2. Critical School Facility Needs Fund

1987 - 2004 - \$95.5 million the first year (1988), then \$10 million per year from the corporate income tax awarded as grants to LEAs with the most limited ability to pay to address critical building needs. Expires in 2004 after which the funds will be included in the ADM Fund. Sixty school systems received a total of \$259 million in grants from this fund.

3. The \$1.8 Billion N. C. Public School Building Bond Act of 1996

1997-present - Allotments to each school system were set based on four criteria: average daily membership, high growth, low wealth, and small counties. At this time, \$1.77 billion has been drawn by LEAs; the balance of \$29.9 million will be expended by the end of 2004-05.

| Fiscal Year | Funds Disbursed | Average/ Month | |
|-------------|-----------------|----------------|----------|
| 1996-97 | \$ 16,495,706 | \$ 5,498,569 | 3 months |
| 1997-98 | 193,612,309 | 16,134,359 | |
| 1998-99 | 496,558,433 | 41,379,869 | |
| 1999-00 | 509,541,818 | 42,461,818 | |
| 2000-01 | 328,473,892 | 27,372,824 | |
| 2001-02 | 163,519,543 | 13,626,629 | |
| 2002-03 | 42,245,492 | 3,520,458 | |
| 2003-04 | 25,324,449 | 2,110,371 | |

Total \$ 1,775,771,642 \$ 20,411,168

Bond Fund \$ 1,805,663,642

Balance \$ 29,892,000

In addition to direct state aid, the state earmarks sales tax revenues for facilities improvements. State law allows counties to levy two one-half cent additions to the state sales tax (1983, 1986), 30 percent and 60 percent respectively goes to schools. The revenues are distributed to counties on a per capita basis and may be used for public school capital outlay or to retire indebtedness incurred by the county for these purposes. In many cases, this has allowed counties to fund local bond issues without raising property taxes.

There is no state capital funding for charter school facilities.

Federal Funding

There is no recurring federal funding for public school facilities. Federal funds have included FEMA emergency relief (hurricane) funds. Two federal programs have provided school renovation funds.

1. School Renovation, IDEA, and Technology Grants

A one-time program that provided competitive grants to schools for emergency renovations - \$16.4 million, IDEA (program accessibility) - \$2.72 million, and Technology - \$2.72 million. Grants were awarded in 2002 and required to be completed by September 30, 2003. These grants were available to charter schools and seven charter schools received grants.

2. Qualified Zone Academy Bonds (QZABs)

A zero-interest bond program (IRS code) that requires a 10% match from a local business partner. QZABs authority issued to North Carolina - 1998 - \$9,115,000, 1999 - \$8,851,000, 2000 - \$11,281,000, 2001 - \$11,961,000, 2002 - \$10,903,000, 2003 - \$11,607,000. Legislation is pending in Congress to extend the program through 2004.

Charter Schools

1998-2005

The General Assembly passed legislation in 1996 which created Charter Schools in North Carolina. A Charter School in North Carolina is a public school operated by a group of parents, teachers, and/or community members as a semi-autonomous school of choice within a school district, operating under a "charter" with the State Board of Education. The final approval on all charters will be granted by the State Board of Education. Charter Schools are designed to give significant autonomy to individual schools and in turn to hold these schools accountable for results.

In 2004-05, North Carolina has 97 operating Charter Schools. In accordance with the Charter School legislation, a maximum of 100 Charter Schools can be approved. Charter Schools receive funding based on the average per pupil allocation in the local education agency from which the student came.

| Year | Approved | Opened | Closed | Relinq w/o Opening | Total in Operation | Allotted ADM | % of Total ADM | Total State Funds Allotted |
|---------|------------|------------|-----------|--------------------------|-----------------------|-----------------|----------------------|-------------------------------|
| 1997-98 | 34 | 34 | 1 | 0 | 33 | 4,106 | 0.3% | \$ 16,559,947 |
| 1998-99 | 31 | 26 | 3 | 0 | 56 | 5,572 | 0.4% | \$ 32,143,691 |
| 1999-00 | 28 | 23 | 4 | 4 | 75 | 10,257 | 0.8% | \$ 50,104,210 |
| 2000-01 | 17 | 15 | 4 | 3 | 86 | 14,230 | 1.1% | \$ 64,213,491 |
| 2001-02 | 9 | 8 | 3 | 2 | 91 | 19,492 | 1.5% | \$ 77,177,902 |
| 2002-03 | 3 | 5 | 3 | 1 | 93 | 19,832 | 1.5% | \$ 87,233,744 |
| 2003-04 | 2 | 2 | 2 | 0 | 93 | 21,578 | 1.6% | \$ 94,286,726 |
| 2004-05 | 4 | 4 | 0 | 0 | 97 | 24,784 | 1.8% | \$ 110,888,050 |
| | 128 | 117 | 20 | 10 | | | | |

Flexibility of Charter Schools

Charter schools are provided both financial and educational flexibility

Financial

- Funds allotted in one dollar allotment.
- Not required to:
 - ⇒ pay personnel using the state salary schedules or salary ranges,
 - ⇒ participate in the State Employees Retirement System or State Major Medical Plan,
 - ⇒ purchase on state contract or participate in e-procurement,
 - ⇒ provide transportation to students.

Educational

- Not held to:
 - ⇒ class size maximums,
 - ⇒ 1,000 instructional hours requirement (only required to have 180 instructional days),
 - ⇒ Licensing standards of teachers (required to have 75% of the teachers licensed in grades K-5 and 50% in 6-12).

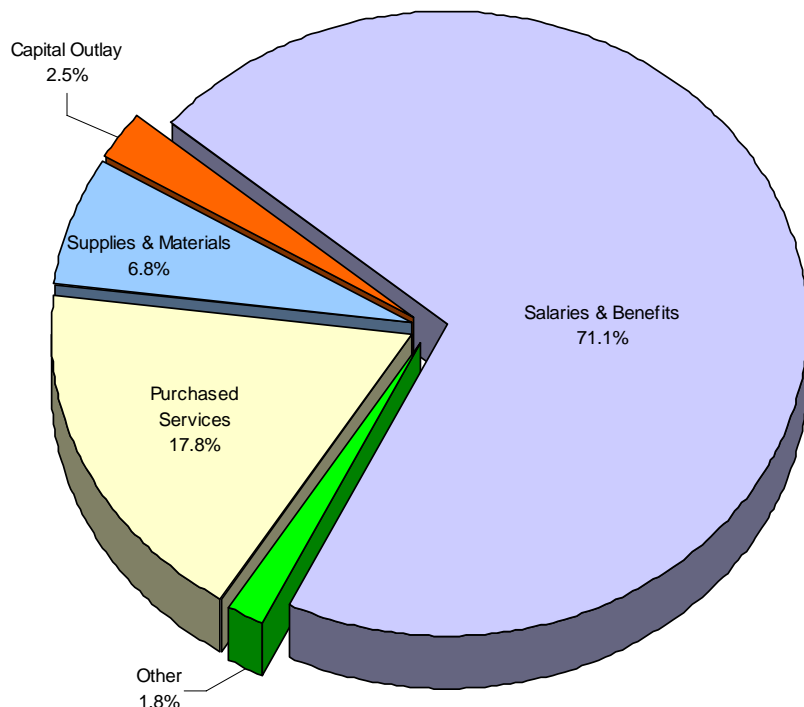
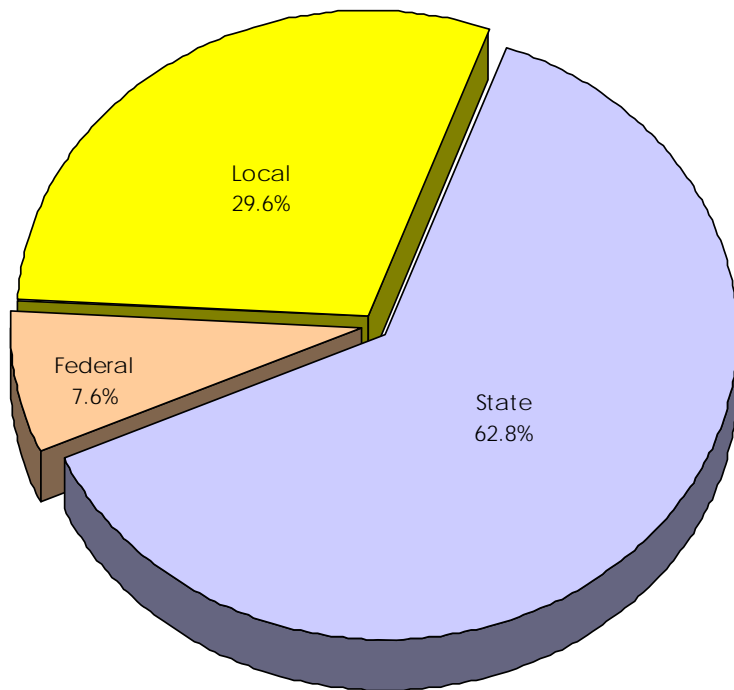
Charter School Expenditures

FY 2003-04

State funds are allotted based on the number of students in ADM at the Charter School. State funds may be used for any purpose other than purchasing a building.

Most federal funds are targeted towards a specific population such as Low Income Children or Handicapped Children.

Local funds are given to Charter Schools based on the local current expense appropriation in the county in which the student resides. Local funds may be used for any purpose.



Other includes:

Insurance,
Membership Dues,
And Debt Services.

Purchased Services include:

Contracted Services, Utilities,
Transportation, Printing,
Telephone, and Mailing.

Funded ADM and Projected State Funding

FY2004-05

| CS # | Charter School Name | Funded ADM | FY 04/05 Projected State Funding | Funding Per ADM |
|------|--|------------|----------------------------------|-----------------|
| 01A | Lakeside Charter School | 56 | \$ 265,470 | \$ 4,741 |
| 01B | River Mill | 360 | 1,474,224 | 4,095 |
| 01C | Clover Garden School | 367 | 1,538,880 | 4,193 |
| 01D | New Century School (previously 68B) | 88 | 420,599 | 4,780 |
| 06A | Grandfather Academy | 40 | 264,602 | 6,615 |
| 06B | Crossnore Academy | 73 | 470,260 | 6,442 |
| 07A | Washington Montessori | 227 | 1,120,959 | 4,938 |
| 10A | Charter Day School | 512 | 2,269,693 | 4,433 |
| 11A | Evergreen Community Charter | 364 | 1,716,787 | 4,716 |
| 11B | ArtSpace Charter School | 246 | 1,137,580 | 4,624 |
| 11K | Francine Delany School | 145 | 704,479 | 4,858 |
| 12A | New Dimensions | 77 | 384,628 | 4,995 |
| 13A | Carolina International School | 320 | 1,291,180 | 4,035 |
| 16A | Cape Lookout Marine HS | 117 | 575,136 | 4,916 |
| 16B | The Tiller School | 176 | 811,757 | 4,612 |
| 18B | Visions Charter School (prev. Englemann) | 70 | 339,931 | 4,856 |
| 19A | Chatham Charter | 276 | 1,238,803 | 4,488 |
| 19B | The Woods Charter Sch. | 198 | 892,301 | 4,507 |
| 20A | Learning Center | 78 | 515,328 | 6,607 |
| 26B | Alpha Academy | 94 | 381,950 | 4,063 |
| 32A | Maureen Joy | 230 | 1,042,324 | 4,532 |
| 32B | Healthy Start Academy | 303 | 1,316,000 | 4,343 |
| 32C | Carter Community | 104 | 488,848 | 4,700 |
| 32D | Kestrel Heights School | 160 | 772,623 | 4,829 |
| 32G | Omuteko Gwamaziima | 90 | 424,686 | 4,719 |
| 32H | Research Triangle Charter Academy | 676 | 2,955,805 | 4,372 |
| 32J | Ann Atwater | 89 | 410,419 | 4,611 |
| 32K | Central Park School for Children | 154 | 676,759 | 4,395 |
| 34B | Quality Education Academy | 182 | 794,739 | 4,367 |
| 34C | Downtown Middle School | 334 | 1,559,654 | 4,670 |
| 34D | Carter G. Woodson | 348 | 1,541,633 | 4,430 |
| 34E | East Winston Primary | 71 | 314,273 | 4,426 |
| 34F | Forsyth Academy | 558 | 2,414,406 | 4,327 |

Note: Funding as of November 2nd, 2004.

Funded ADM and Projected State Funding

FY2004-05

| CS # | Charter School Name | Funded ADM | FY 04/05 | |
|------|---|------------|-------------------------|-----------------|
| | | | Projected State Funding | Funding Per ADM |
| 34G | Arts-Based Elementary | 221 | \$ 1,019,516 | \$ 4,613 |
| 35A | A Child's Garden | 216 | 1,095,032 | 5,070 |
| 36A | Highland Kindergarten | 118 | 557,673 | 4,726 |
| 36B | Piedmont Community | 546 | 2,307,998 | 4,227 |
| 41A | Imani Institute | 139 | 600,192 | 4,318 |
| 41B | Greensboro Charter Academy | 724 | 3,066,576 | 4,236 |
| 41C | Guilford Preparatory Academy (Guilford Charter School) | 274 | 1,156,540 | 4,221 |
| 41D | Phoenix Academy | 324 | 1,364,654 | 4,212 |
| 45A | The Mountain Community School | 159 | 744,017 | 4,679 |
| 49A | American Renaissance | 304 | 1,282,625 | 4,219 |
| 49B | American Renaissance Middle School | 176 | 777,847 | 4,420 |
| 49D | Success Institute | 92 | 461,446 | 5,016 |
| 50A | Summit Charter | 178 | 830,291 | 4,665 |
| 53A | Provisions Academy | 65 | 321,489 | 4,946 |
| 54A | Children's Village Academy | 103 | 562,815 | 5,464 |
| 54B | Kinston Charter Academy | 286 | 1,291,111 | 4,514 |
| 55A | Lincoln Charter School | 514 | 2,202,096 | 4,284 |
| 60A | Community Charter School | 88 | 399,782 | 4,543 |
| 60B | Sugar Creek Charter School | 520 | 2,286,921 | 4,398 |
| 60C | Kennedy Charter Public | 80 | 396,312 | 4,954 |
| 60D | Lake Norman Charter Sch. | 629 | 2,600,235 | 4,134 |
| 60F | Metrolina Regional Scholars' Academy | 132 | 536,109 | 4,061 |
| 60G | Queen's Grant | 612 | 2,550,794 | 4,168 |
| 60H | Crossroads Charter High | 214 | 930,690 | 4,349 |
| 60I | Children's Community School | 296 | 1,252,181 | 4,230 |
| 63A | The Academy of Moore County | 56 | 270,584 | 4,832 |
| 63B | STARS | 145 | 628,476 | 4,334 |
| 64A | Rocky Mount Charter Public School | 897 | 4,091,862 | 4,562 |
| 65A | Cape Fear Center for Inquiry | 328 | 1,523,141 | 4,644 |
| 66A | Gaston College Preparatory | 257 | 1,370,419 | 5,332 |
| 68A | Orange Charter School | 180 | 843,074 | 4,684 |
| 68N | PACE Academy | 73 | 335,728 | 4,599 |
| 69A | Arapahoe Charter School | 343 | 2,086,181 | 6,082 |

Note: Funding as of November 2nd, 2004.

Funded ADM and Projected State Funding

FY2004-05

| CS # | Charter School Name | Funded ADM | FY 04/05 Projected State Funding | Funding Per ADM |
|---------------|------------------------------------|---------------|----------------------------------|-----------------|
| 73A | Bethel Hill | 318 | \$ 1,361,150 | \$ 4,280 |
| 78A | CIS Academy | 111 | 540,593 | 4,870 |
| 79A | Bethany Community Middle School | 104 | 507,787 | 4,883 |
| 80A | Rowan Academy Charter School | 60 | 239,102 | 3,985 |
| 81A | Thomas Jefferson Classical Academy | 365 | 1,633,576 | 4,476 |
| 83A | Laurinburg Charter School | 78 | 358,420 | 4,595 |
| 83B | The Laurinburg Homework Center | 92 | 422,752 | 4,595 |
| 84B | Gray Stone Day School | 200 | 851,196 | 4,256 |
| 86A | Millennium Charter Academy | 232 | 1,028,651 | 4,434 |
| 87A | Mountain Discovery | 118 | 701,527 | 5,945 |
| 88A | Brevard Academy | 195 | 976,906 | 5,010 |
| 90A | Union Academy | 595 | 2,544,842 | 4,277 |
| 91A | Vance Charter School | 340 | 1,526,362 | 4,489 |
| 92B | Exploris Middle School | 181 | 784,521 | 4,334 |
| 92C | John Baker HS | 51 | 306,012 | 6,000 |
| 92D | Magellan Charter | 328 | 1,368,456 | 4,172 |
| 92E | Sterling Montessori | 491 | 2,055,063 | 4,185 |
| 92F | Franklin Academy | 869 | 3,548,355 | 4,083 |
| 92G | East Wake Academy | 618 | 2,578,268 | 4,172 |
| 92I | SPARC Academy | 201 | 837,346 | 4,166 |
| 92K | Raleigh Charter High School | 496 | 2,067,044 | 4,167 |
| 92L | Torchlight Academy | 143 | 620,845 | 4,342 |
| 92M | PreEminent Charter School | 553 | 2,354,908 | 4,258 |
| 92N | Quest Academy | 126 | 527,082 | 4,183 |
| 92P | Community Partners Charter High | 111 | 558,990 | 5,036 |
| 92Q | Hope Elementary School | 106 | 466,594 | 4,402 |
| 92R | Casa Esperanza | 191 | 831,502 | 4,353 |
| 93A | Haliwa-Saponi Tribal | 149 | 776,413 | 5,211 |
| 96C | Dillard Academy | 83 | 439,029 | 5,290 |
| 97D | Bridges | 150 | 752,136 | 5,014 |
| 98A | Sallie B. Howard School | 657 | 3,051,499 | 4,645 |
| TOTALS | | 24,784 | \$ 110,888,050 | \$ 4,474 |

Note: Funding as of November 2nd, 2004.

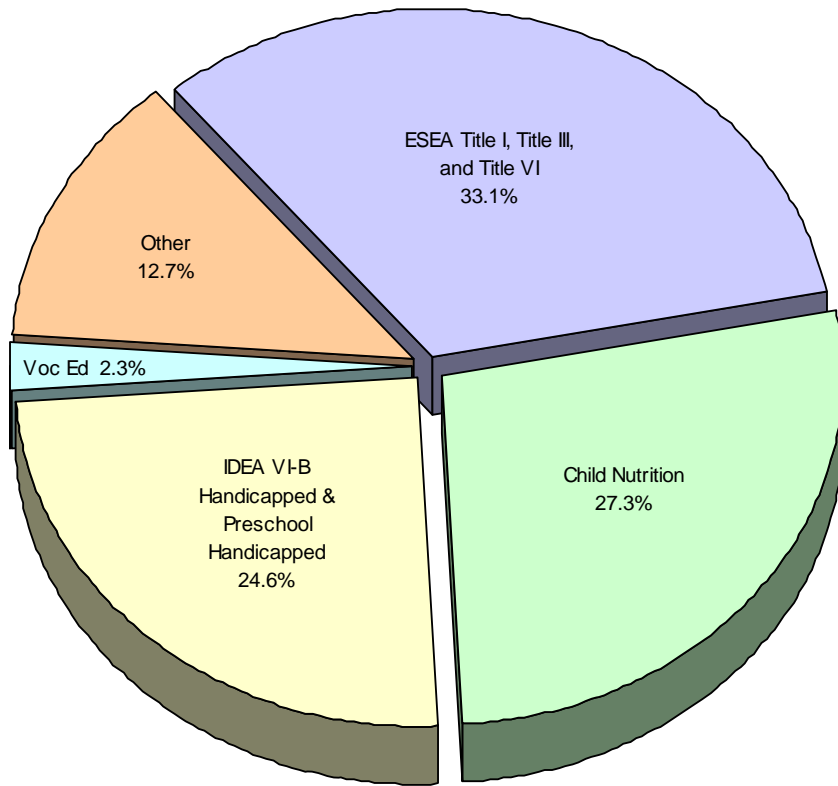
Federal Funds

Funding Our Public

Schools

Federal Funds Received

FY 2003-04



Most federal funds are targeted towards a specific population such as Low Income Children or Handicapped Children.

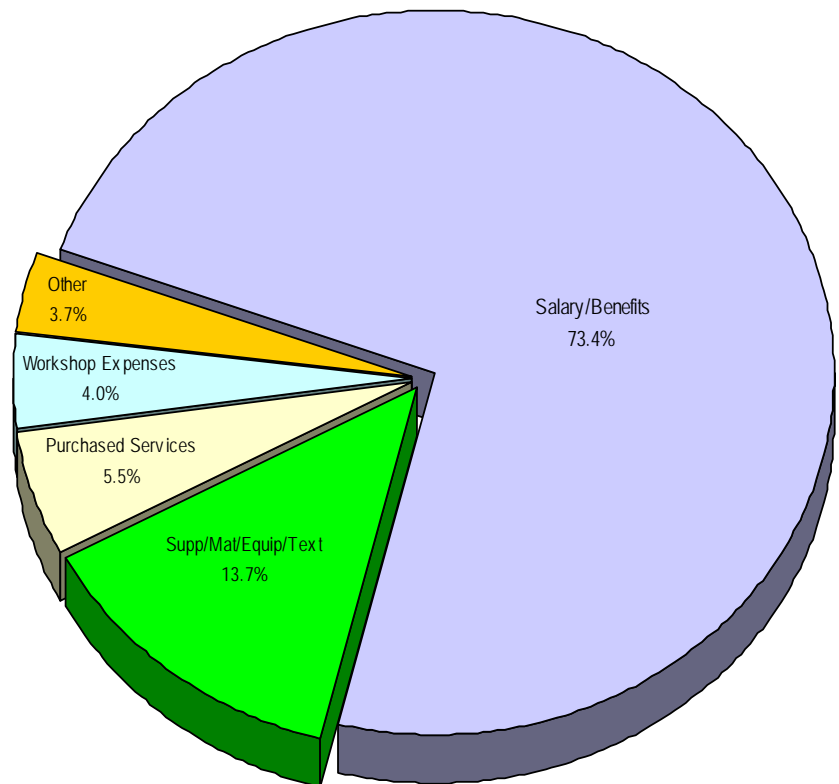
These funds must be used for the purposes allotted and cannot be transferred.

Federal Fund Expenditures

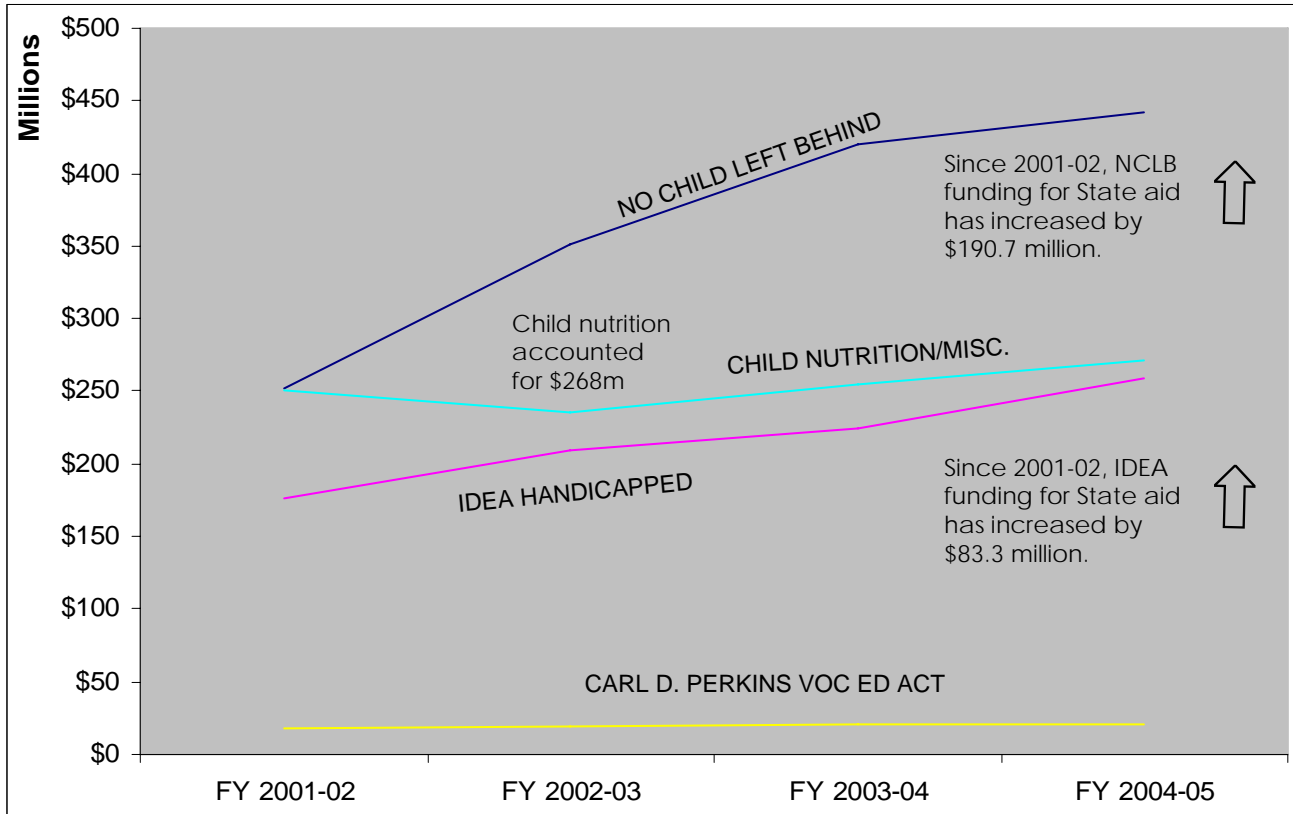
FY 2003-04

In 2003-04, 8.3% of total personnel were paid from federal funds. This equates to 6,459 teachers and instructional support, 117 central office administrators, 1 principal and 5 assistant principals, 3,622 teacher assistants, and 3,827 other non-certified personnel.

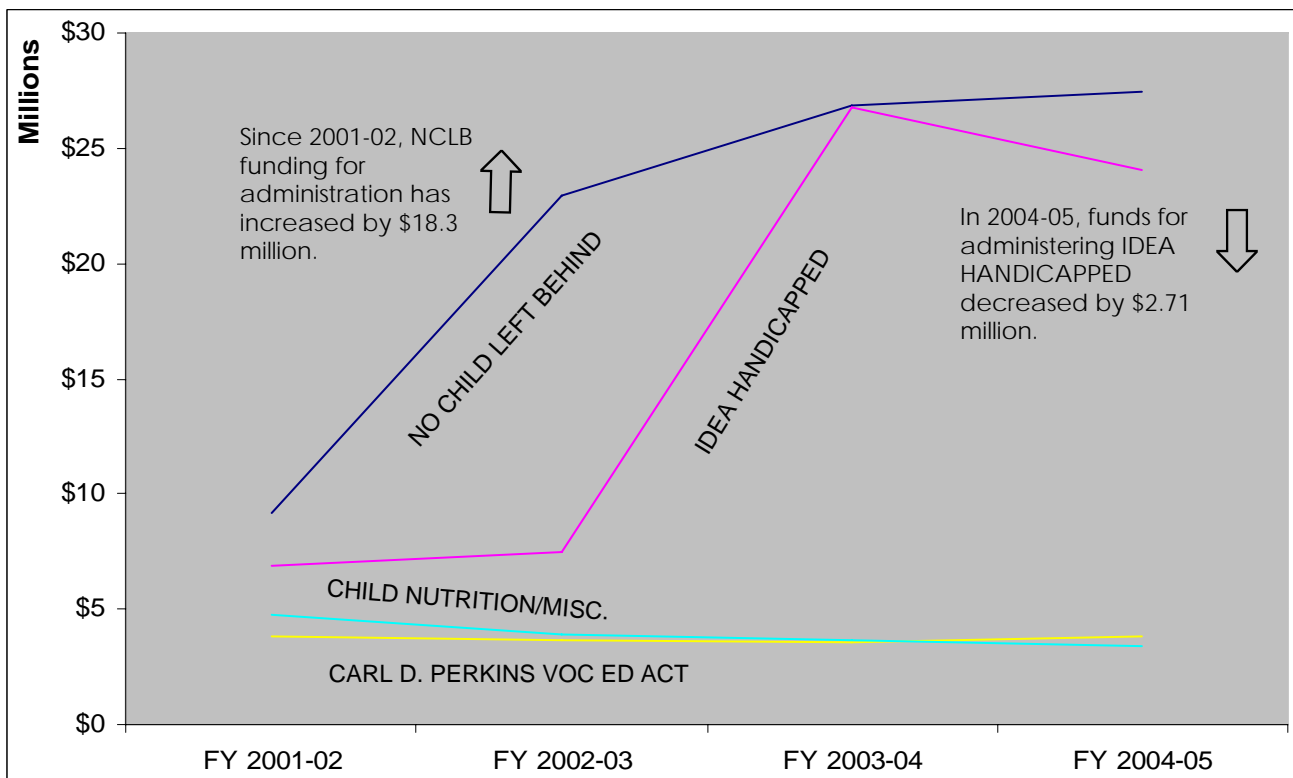
Other includes Utilities, Insurance, Transportation Costs, and Indirect Costs.



Funds for State Aid



Funds for Administration of Grants



**N.C. ELEMENTARY AND SECONDARY EDUCATION
FEDERAL GRANT AWARDS**

Federal Grants (Note):

| | |
|---|-----------------------|
| Abstinence Education Program | \$ 281,479 |
| * Advanced Placement Fee | 164,444 |
| Byrd Honors Scholarships | 1,110,000 |
| Child Nutrition Program - as of October 2004 | 269,674,969 |
| * 21st Century Community Learning Centers | 21,295,324 |
| * Comp School Reform | 1,910,182 |
| * Education Technology State Grants | 13,673,066 |
| * Homeless Children and Youth | 987,727 |
| IDEA VI-B Handicapped | 248,393,062 |
| IDEA VI-B Preschool Handicapped | 10,569,350 |
| * Improving Teacher Quality | 61,186,333 |
| * English Language Acquisition | 8,439,597 |
| Learn and Serve America | 405,181 |
| * Math & Science Partnership | 3,506,263 |
| * Public Chartered Schools | 6,270,000 |
| Refugee Children | 144,000 |
| * Rural Low Income | 4,104,775 |
| * Safe and Drug Free Schools | 7,615,798 |
| * Title I - Basic Grant | 257,693,805 |
| * Title I - School Improvement | 10,307,753 |
| * Title I - Even Start | 4,555,783 |
| * Title I - Reading First | 20,930,392 |
| * Title I - Migrant Education | 6,939,285 |
| * Title I - Neglected and Delinquent Children | 851,424 |
| * Title I - Comprehensive School Reform | 4,989,574 |
| * Title V - Innovative Programs | 6,743,191 |
| Vocational Education Basic Grant | 19,326,003 |
| Vocational Education Tech Prep | 1,879,759 |
| Total | \$ 993,948,519 |

* No Child Left Behind funds are comprised of these individual grants.

Note: The 2004-05 federal grant awards received as of December 31, 2004.
Does not include administrative amounts.

N.C.ELEMENTARY AND SECONDARY EDUCATION FEDERAL GRANTS 2003-04

| | <u>Grant Term</u> | <u>Project Period</u> | <u>Grant Type See Note</u> | <u>Brief Description</u> |
|---|-----------------------|---------------------------|--------------------------------|---|
| 21st Century Community Learning Centers | 27 months | 12 months | State App./Comp | Funds to provide quality, accessible, after-school, weekend, or summer programs for children, youth, and their families. |
| Abstinence Education Program | 12 months | Varies | Direct | Funds to provide abstinence education, mentoring, counseling, and adult supervision to promote abstinence from sexual activity out-of-wedlock. |
| Advanced Placement Fee | 12 months | N/A | State Application | Funds to reimburse part or all of the cost of AP test fees for low income students. |
| Child Nutrition Programs | 12 months | 12 months | State Plan | Funding for School Lunch, Special Milk, and School Breakfast. |
| Common Core Data | 27 months | N/A | Direct | Funds to support travel and other activities of the Statistical Research Section. |
| Community Services | 27 months | N/A | State Application | Funds to carry out programs under which students expelled or suspended from school are required to perform community service. |
| Comprehensive School Reform Demonstration | 27 months | 27 months | State App./Comp | Provide tools and strategies to schools to become successful in helping all students reach high academic standards |
| Education Technology State Grants | 27 months | 27 months | State App./Direct/ Comp | Funds to support the integration of educational technology into classrooms to improve teaching and learning. |
| Foreign Language Assistance | 12 months | N/A | State Application | Funding at the State level to help LEAs develop foreign language assessments. |
| HIV/Healthful Living | 12 months | N/A | State Application | Funds to train teachers on integrating HIV education into school health education. |
| Homeless Children and Youth | 27 months | 27 months | State App./Comp | Funds to help LEAs meet the special educational needs of homeless children. |
| IDEA Title VI-B Handicapped | 27 months | 27 months | State Plan/Direct | Special education programs for handicapped children ages 3 to 21. |
| IDEA Title VI-B Preschool Handicapped | 27 months | 27 months | State Plan/Direct | Special education programs for handicapped children ages 3 to 5. |
| IDEA Title VI-C Deaf/Blind | 12 months | N/A | State Plan | State Admin. - To coordinate programs for children to age 22 that are both deaf and blind. Some funds are contracted. |
| Language Acquisition | 27 months | 27 months | State App./Direct | Funds to assist school districts in teaching english to limited english proficient students and in helping these students meet the same state standards required of all other students. |
| Learn and Serve America | 12 months | 12 months | State App./Comp | Funds for personnel training and service-learning programs to increase youth involvement in community issues and activities. |
| Math & Science Partnership | 27 months | 27 months | State App./Comp | Funds to improve the academic achievement of students in mathematics and science through projects that support partnerships of organizations representing preschool through higher education. |
| NAEP State Coordinator | 12 months | N/A | Direct | Funds to support a position which will serve as a liaison between the state education agency and the National Center for Education Statistics. |
| Public Chartered Schools | 12 months | N/A | State App./Comp | Funds for startup of Charter Schools. |
| Refugee Children | 12 months | 12 months | State Application | Funds to assist LEAs directly impacted by the sudden influx of refugee children who often have special needs. |

N.C.ELEMENTARY AND SECONDARY EDUCATION FEDERAL GRANTS 2003-04

| | <u>Grant Term</u> | <u>Project Period</u> | <u>Grant Type See Note</u> | <u>Brief Description</u> |
|---|-----------------------|---------------------------|--------------------------------|---|
| Robert C. Byrd | 12 months | N/A | State Plan | State Admin. - To promote excellence and provide scholarships to high school seniors. |
| Rural Low Income School | 27 months | 27 months | State App./Comp | Funds to address the unique needs of rural school districts that frequently lack the resources needed to compete effectively for federal competitive grants, and receive formula grant allocations in amounts too small to be effective in meeting their intended purposes. |
| Safe and Drug-Free Schools | 27 months | 27 months | State App./Direct | Funds to prevent violence and to implement prevention, early identification, and intervention drug programs. |
| Special Education - State Improvement Grant | 27 months | N/A | State Application | Helps states address such critical issues as teacher shortages and need for highly qualified personnel. |
| Standards, Assessment, and Accountability | 27 months | N/A | State Application | Funds to assist with establishing a state system of standards and assessment. |
| Star Schools | 12 months | N/A | State Application | Fund production and telecast of satellite programming for schools across the country. |
| Teacher Quality Grants | 27 months | 27 months | State App./Direct | Funds to prepare, train, and recruit high quality teachers. Also allows LEAs to reduce class size. |
| Title I - Basic Grant | 27 months | 27 months | State App./Direct | Supplemental funds to provide special help to educationally deprived children, ages 5 to 17 from low income families. |
| Title I - Comp School Reform | 27 months | 27 months | State App./Comp | Funds to provide schools with additional tools and effective strategies to become successful in helping all students reach high academic standards. |
| Title I - Concentration | 27 months | 27 months | State App./Direct | Supplemental funds for LEAs with high concentrations of low income children. |
| Title I - Even Start | 27 months | 12 months | State App./Comp | Supplemental funds to improve educational opportunities for children and adults through unified, family-centered education and parenting programs. |
| Title I - Migrant Education | 27 months | 27 months | State App./Direct | Funds to meet the educational needs of migratory children. |
| Title I - Neglected and Delinquent | 27 months | 27 months | State App./Direct | Funds for neglected and delinquent children under 21 in state institutions or attending community day programs. |
| Title I - Reading First | 27 months | 27 months | State App./Comp | Funds to help States & LEAs utilize scientifically-based reading research to implement comprehensive reading instruction for children in grades K - 3. |
| Title I - School Improvement | 27 months | 27 months | State App./Direct | Additional assistance to schools identified for school improvement, corrective action, and restructuring. |
| Title V - Innovative Education | 27 months | 27 months | State App./Direct | Funds for targeted assistance programs to enhance student performance. |
| Troops To Teachers | 27 months | N/A | State Application | Funds to attract retired military personnel to a second career as public school teachers. |
| Virtual Teaching & Learning | 12 months | N/A | State Application | Telecommunications partnership that will design programming that can be developed to enhance instruction and training in consultation with professionals who are experts in the subject matter. |
| Vocational Education | 27 months | 12 months | State Plan/Direct | Funds to expand, improve, and develop quality programs to enhance future workforce skills. |
| Vocational Education - Tech Prep | 27 months | 12 months | State Plan/Comp | To guide students in a course of study leading from high school preparation to the associate degree from local community colleges. |

Note: The State Board's flexibility with federal grants is directly related to the Grant Type:

Minimum flexibility. Funds are appropriated by the Federal Government and allocations are based on federal formula. Based on applications for funding filed directly from the Department and/or Governor. Based on specific federal grant criteria. The State Board approves the State Plan. The State Board approves the application and selection processes.