

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 1500

Short Title: Supplemental School Funding.

(Public)

Sponsors: Representatives Rogers, Wicker; Albertson, Anderson, Beard, Bowen, Bowman, Chapin, Church, N.J. Crawford, Cunningham, DeVane, Dial, Diamont, Ethridge, Foster, Green, H. Hunter, Hurley, James, Kerr, Lilley, Luebke, Lutz, McGee, McLawhorn, Mavretic, Mercer, Michaux, Oldham, Russell, Smith, Thompson, Wainwright, Warner, and Woodard.

Referred to: Appropriations.

June 2, 1992

A BILL TO BE ENTITLED

1 AN ACT TO APPROPRIATE FUNDS FOR SUPPLEMENTAL FUNDS IN LOW-
2 WEALTH COUNTIES TO ALLOW THOSE COUNTIES TO ENHANCE THE
3 INSTRUCTIONAL PROGRAM AND STUDENT ACHIEVEMENT.
4

5 The General Assembly of North Carolina enacts:

6 Section 1. Section 201.2 of Chapter 689 of the 1991 Session Laws, as
7 rewritten by Section 47.3 of Chapter 761 of the 1991 Session Laws, reads as rewritten:

8 "(a) The General Assembly finds that it is appropriate to provide supplemental
9 funds in low-wealth counties to allow those counties to enhance the instructional
10 program and student achievement; ~~therefore, of the funds appropriated to the Department of~~
11 ~~Public Education, the sum of \$6,000,000 for the 1991-92 fiscal year and the sum of \$6,000,000~~
12 ~~for the 1992-93 fiscal year shall be used for supplemental funds for schools. therefore, there is~~
13 appropriated from the General Fund to the Department of Public Education the sum of
14 twenty-five million dollars (\$25,000,000) for the 1992-93 fiscal year to be used for
15 supplemental funds for schools. These funds are in addition to the funds in the amount
16 of six million dollars (\$6,000,000) appropriated in Chapter 689 of the 1991 Session
17 Laws for this purpose. The State Board of Education shall allocate these funds to the
18 counties in which the adjusted property tax base per student for that county is less than
19 the State average adjusted property tax base per student. The amount each such county

1 receives shall be its pro rata share of the funds appropriated for supplemental funding in
2 this act, computed as follows:

- 3 (1) Divide the county adjusted property tax base per student by the State
4 adjusted property tax base per student;
- 5 (2) Multiply the resulting amount by the State average current expense
6 appropriations per student;
- 7 (3) Subtract the resulting amount per student from the State average
8 county current expense appropriations per student; and
- 9 (4) Multiply the resulting amount by the average daily membership of
10 students in the county.

11 The funds a county receives shall be allocated to each local school administrative
12 unit, located in whole or in part in the county, based on the average daily membership of
13 the county's students in the school units.

14 This formula is solely a basis for distribution of supplemental funding for low-
15 wealth counties and is not intended to reflect any measure of the adequacy of the
16 educational program or funding for public schools. The formula is also not intended to
17 reflect any commitment by the General Assembly to appropriate any additional
18 supplemental funds for low-wealth counties.

19 (b) Funds received pursuant to this section shall be used only to provide
20 instructional positions, instructional support positions, teacher assistant positions,
21 clerical positions, ~~and—~~instructional supplies and ~~equipment.—equipment,~~ staff
22 development, and textbooks.

23 (c) Nonsupplant Requirement. – A county in which a local school administrative
24 unit receives funds under this section shall use the funds to supplement and not supplant
25 existing State and local funding for public schools.

26 The Local Government Commission shall analyze the budgets and the expenditures
27 of school administrative units that receive funds under this section in light of their
28 budgets and expenditures for the previous year and shall determine whether those funds
29 were used to supplement and not supplant State and local funding for public schools.
30 The Local Government Commission shall report the results of its study to the State
31 Board of Education, to the Joint Legislative Education Oversight Committee, and to the
32 Appropriations Committees of the Senate and the House of Representatives, prior to
33 May 1, 1992, and May 1, 1993.

34 (d) Definitions. – As used in this act:

- 35 (1) 'Average daily membership' means average daily membership as
36 defined in the North Carolina Public Schools Allotment Policy
37 Manual, adopted by the State Board of Education.
- 38 (2) 'County adjusted property tax base per student' means the total
39 assessed property valuation for each county, adjusted using a weighted
40 average of the three most recent annual sales assessment ratio studies,
41 divided by the total number of students in average daily membership
42 who reside within the county, and further adjusted using the ratio of
43 the county's per capita income to the State average per capita income.

- 1 (3) 'Effective county tax rate' means the actual county tax rate multiplied
2 by a weighted average of the three most recent annual sales assessment
3 ratio studies.
- 4 (4) 'Per capita income' means the per capita income according to the most
5 recent report of the United States Department of Commerce, Bureau of
6 Economic Analysis.
- 7 (5) 'Sales assessment ratio studies' means sales assessment ratio studies
8 performed by the Department of Revenue under G.S. 105-289(h).
- 9 (6) 'State adjusted property tax base per student' means the sum of all
10 county adjusted property tax bases divided by the total number of
11 students who reside within the State.
- 12 (7) 'State average current expense appropriations per student' means the
13 most recent State total of county current expense appropriations to
14 public schools, as reported by counties in the annual county financial
15 information report to the State Treasurer, divided by the total State
16 average daily membership for that year.
- 17 (8) 'Weighted average of the three most recent annual sales assessment
18 ratio studies' means the weighted average of the three most recent
19 annual sales assessment ratio studies in the most recent years for which
20 county current expense appropriations and adjusted property tax
21 valuations are available. If real property in a county has been revalued
22 one year prior to the most recent sales assessment ratio study, a
23 weighted average of the two most recent sales assessment ratios shall
24 be used. If property has been revalued the year of the most recent
25 sales assessment ratio study, the sales assessment ratio for the year of
26 revaluation shall be used.
- 27 (e) Minimum Effort Required. – Counties that receive funding under this section
28 shall maintain an effective county tax rate that is at least one hundred percent (100%) of
29 the State average effective tax in the most recent year for which data are available. Any
30 county that fails to maintain an effective county tax rate that is at least one hundred
31 percent (100%) of the State average effective tax in the most recent year for which data
32 are available shall refund to the State the entire amount of its allocation under this
33 section.
- 34 (f) Counties that receive funds under this section shall report to the State Board
35 of Education before March 1 each year on how they are using the funds for the fiscal
36 year. The State Board of Education shall report to the Joint Legislative Education
37 Oversight Committee prior to May 1, 1992, and May 1, 1993, on how the funds are
38 being used."
- 39 Sec. 2. This act becomes effective July 1, 1992.