

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1831

Short Title: Expand Small School Funding.

(Public)

Sponsors: Representatives Diamont; Bowman, Mercer, Wainwright, and Wilkins.

Referred to: Appropriations.

May 30, 1994

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO EXPAND SMALL SCHOOL SYSTEM  
SUPPLEMENTAL FUNDING TO INCLUDE CERTAIN CITY SCHOOL  
ADMINISTRATIVE UNITS.

The General Assembly of North Carolina enacts:

Section 1. Section 138.1 of Chapter 321 of the 1993 Session Laws reads as  
rewritten:

"Sec. 138.1. (a) **Funds for Small School Systems.** – The State Board of  
Education shall allocate funds appropriated for small school system supplemental  
funding (i) to each county or city school administrative unit with an average daily  
membership of less than 3,000 students and (ii) to each county school administrative  
unit with an average daily membership of from 3,000 to 4,000 students if the county in  
which the local school administrative unit is located has a county adjusted property tax  
base per student that is below the State adjusted property tax base per student and if the  
total average daily membership of all local school administrative units located within  
the county is from 3,000 to 4,000 students. The allocation formula shall:

- (1) Round all fractions of positions to the next whole position.
- (2) Provide four additional regular classroom teachers in counties in which  
the average daily membership per square mile is greater than four and  
six additional regular classroom teachers in counties in which the  
average daily membership per square mile is four or less.
- (3) Provide additional program enhancement teachers adequate to offer  
the standard course of study.

1 (4) Change the duty-free period allocation to one teacher assistant per 400  
2 average daily membership.

3 (5) Provide a base for the consolidated funds allotment of at least one  
4 hundred fifty thousand dollars (\$150,000), excluding textbooks.

5 (6) Allot vocational education funds for grade 6 as well as for grades 7-12.  
6 If funds appropriated for each fiscal year for small school system supplemental funding  
7 are not adequate to fund fully the program, the State Board of Education shall reduce  
8 the amount allocated to each county school administrative unit on a pro rata basis. This  
9 formula is solely a basis for distribution of supplemental funding for certain county and  
10 city school administrative units and is not intended to reflect any measure of the  
11 adequacy of the educational program or funding for public schools. The formula is also  
12 not intended to reflect any commitment by the General Assembly to appropriate any  
13 additional supplemental funds for such county or city administrative units.

14 (b) **Nonsupplant requirement.** – A county in which a local school  
15 administrative unit receives funds under this section shall use the funds to supplement  
16 and not supplant existing State and local funding for public schools.

17 The Local Government Commission shall analyze the budgets and the  
18 expenditures of school administrative units that receive funds under this section in light  
19 of their budgets and expenditures for the previous year and shall determine whether  
20 those funds were used to supplement and not supplant State and local funding for public  
21 schools. The Local Government Commission shall report the results of its study to the  
22 State Board of Education, the Joint Legislative Oversight Committee, and the  
23 Appropriations Committees of the Senate and the House of Representatives, prior to  
24 May 1, 1994 and May 1, 1995.

25 (c) **Definitions.** – As used in this section:

26 (1) 'Average daily membership' means average daily membership as  
27 defined in the North Carolina Public Schools Allotment Policy  
28 Manual, adopted by the State Board of Education.

29 (2) 'County adjusted property tax base per student' means the total  
30 assessed property valuation for each county, adjusted using a weighted  
31 average of the three most recent annual sales assessment ratio studies,  
32 divided by the total number of students in average daily membership  
33 who reside within the county.

34 (3) 'Sales assessment ratio studies' means sales assessment ratio studies  
35 performed by the Department of Revenue under G.S. 105-289(h).

36 (4) 'State adjusted property tax base per student' means the sum of all  
37 county adjusted property tax bases divided by the total number of  
38 students in average daily membership who reside within the State.

39 (5) 'Weighted average of the three most recent annual sales assessment  
40 ratio studies' means the weighted average of the three most recent  
41 annual sales assessment ratio studies in the most recent years for which  
42 county current expense appropriations and adjusted property tax  
43 valuations are available. If real property in a county has been revalued  
44 one year prior to the most recent sales assessment ratio study, a

1 weighted average of the two most recent sales assessment ratios shall  
2 be used. If property has been revalued the year of the most recent  
3 sales assessment ratio study, the sales assessment ratio for the year of  
4 revaluation shall be used.

5 (d) **Reports.** —~~Counties~~ County and city school administrative units that receive  
6 funds under this section shall report to the State Board of Education before March 1  
7 each year on how they are using the funds for the fiscal year. The State Board of  
8 Education shall report to the Joint Legislative Education Oversight Committee prior to  
9 ~~May 1, 1994, and~~ May 1, 1995, on how the funds are being used."

10 Sec. 2. There is appropriated from the General Fund to State Aid to Local  
11 School Administrative Units the sum of four million six hundred forty-three thousand  
12 one hundred fifty-six dollars (\$4,643,156) for the 1994-95 fiscal year to implement  
13 Section 1 of this act.

14 Sec. 3. This act becomes effective July 1, 1994.