

# County Board Responsibility for Public Schools

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2017

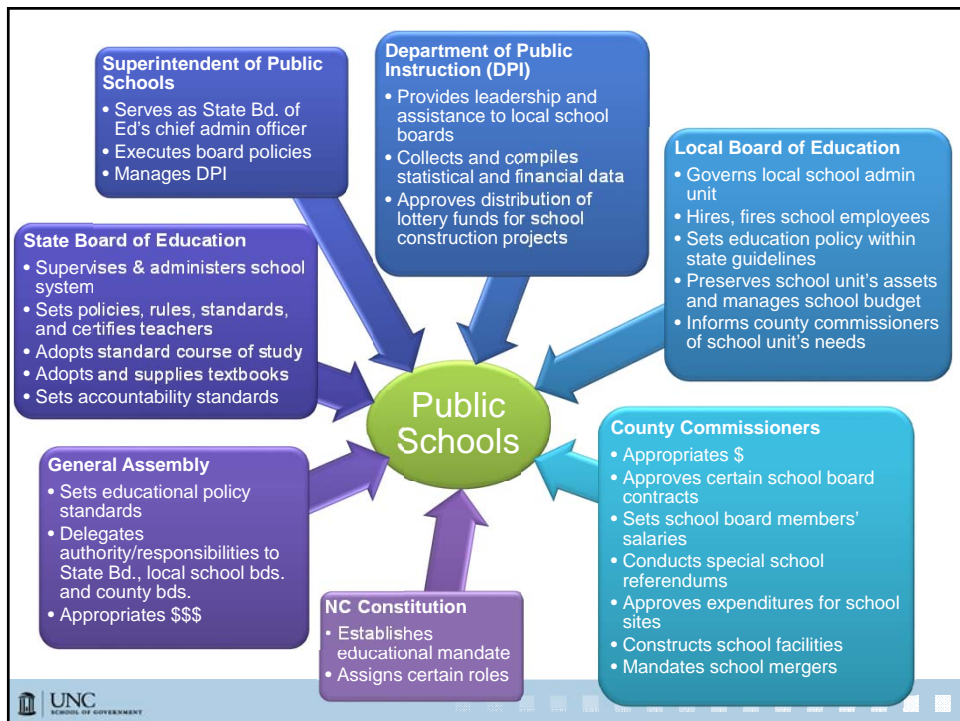
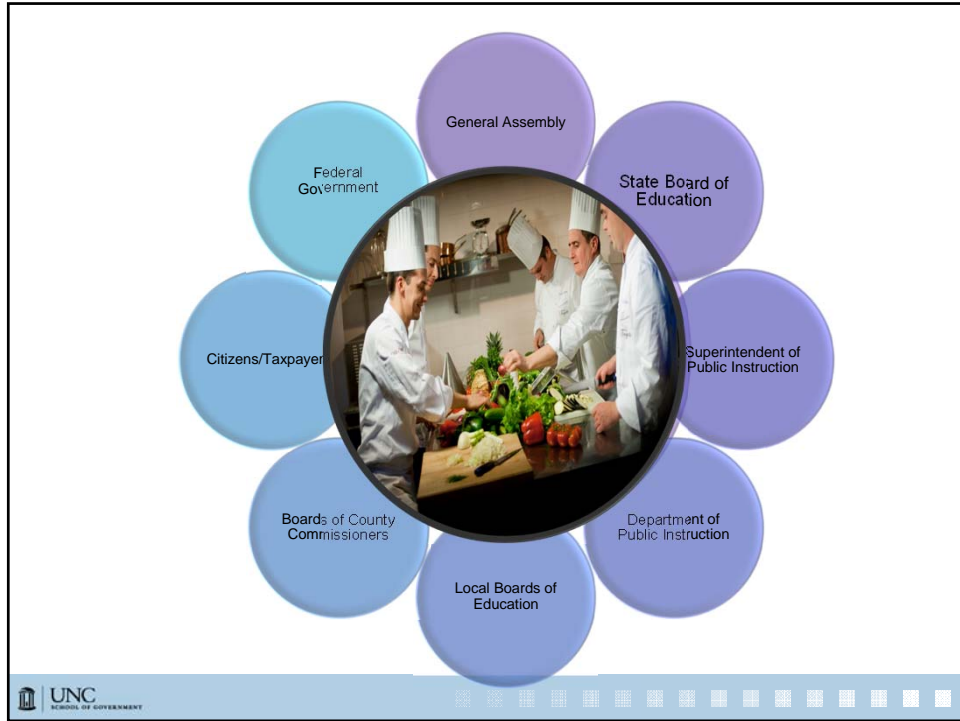


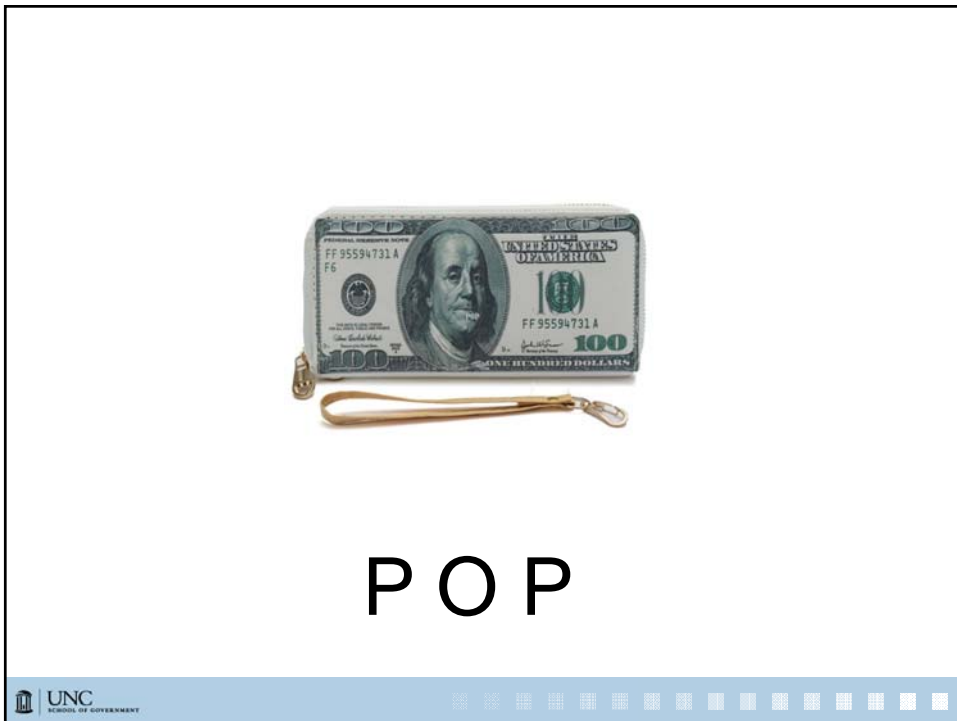
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## To Do List


1. Define legal responsibilities
2. Learn the lingo
3. Understand financial options /implications / limitations
3. Recognize reality
- Build trust






**North Carolinians “have a right to the privilege of education, and it is the duty of the State to guard and maintain that right.”**  
**Article I, Sect. 15**

**The General Assembly must provide “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.”**  
**Article IX, Sect. 2(1)**




These provisions guarantee “every child of this state an opportunity to receive a sound basic education in our public schools.”

Leandro v. State, 346 NC 336 (1997)




**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.”**  
**Article IX, Sect. 2(2)**



State may only assign responsibility to counties to fund necessary expenses to meet constitutional standard.

Beaufort County Bd. of Educ. v. Beaufort County Bd. Of Comm’rs, 363 N.C. 500 (2009).



## Constitutional Education Standard

Each child has opportunity to receive a sound basic education



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Each child has opportunity to receive a sound basic education



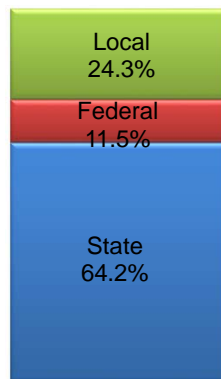
## Constitutional Education Standard



- Every classroom staffed with competent, certified, well-trained teacher
- Every school led by well-trained, competent principal with the leadership skills and ability to hire and retain competent, certified, and well-trained teachers; and
- Every school is provided, in the most cost-effective manner, the resources necessary to support effective instruction within that school so that all children, including at-risk children, have an equal opportunity to obtain a sound basic education.

## NC is Unique

\$12,581,274,228



National Average is 46.4 percent

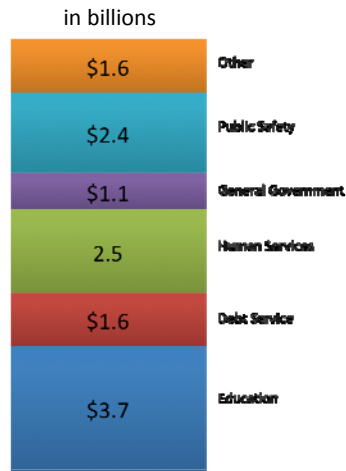
NC Public School Funding, 2014-15

NC Department of Public Instruction, *Highlights of the NC Public School Budget*, February 2016

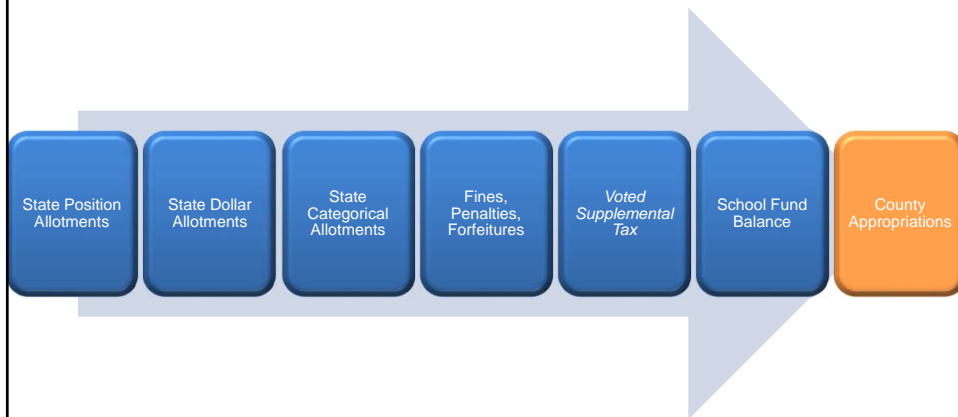


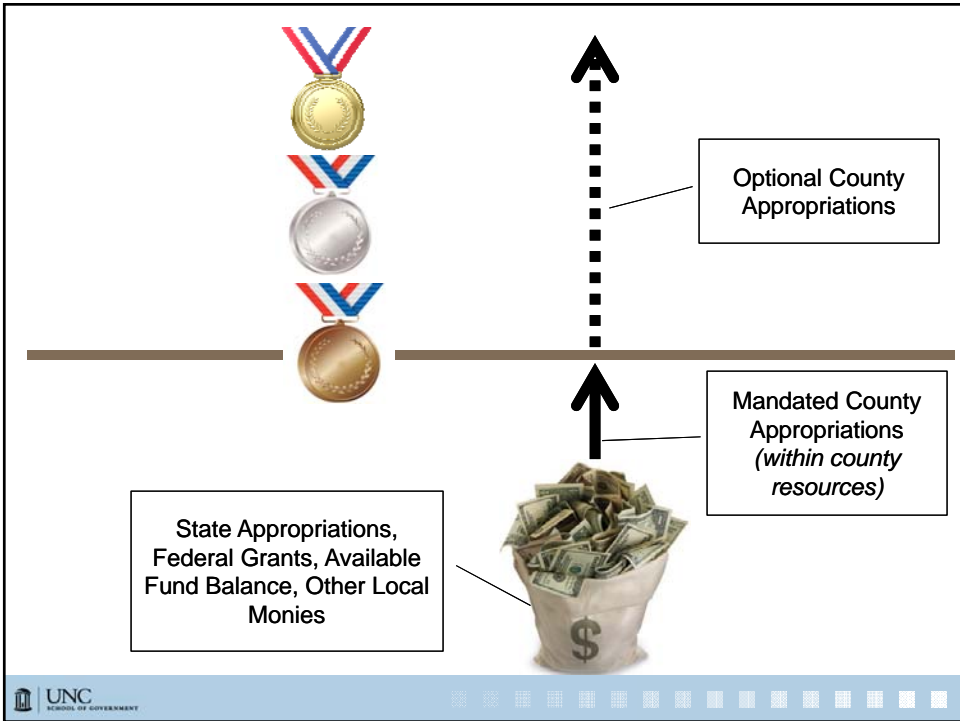
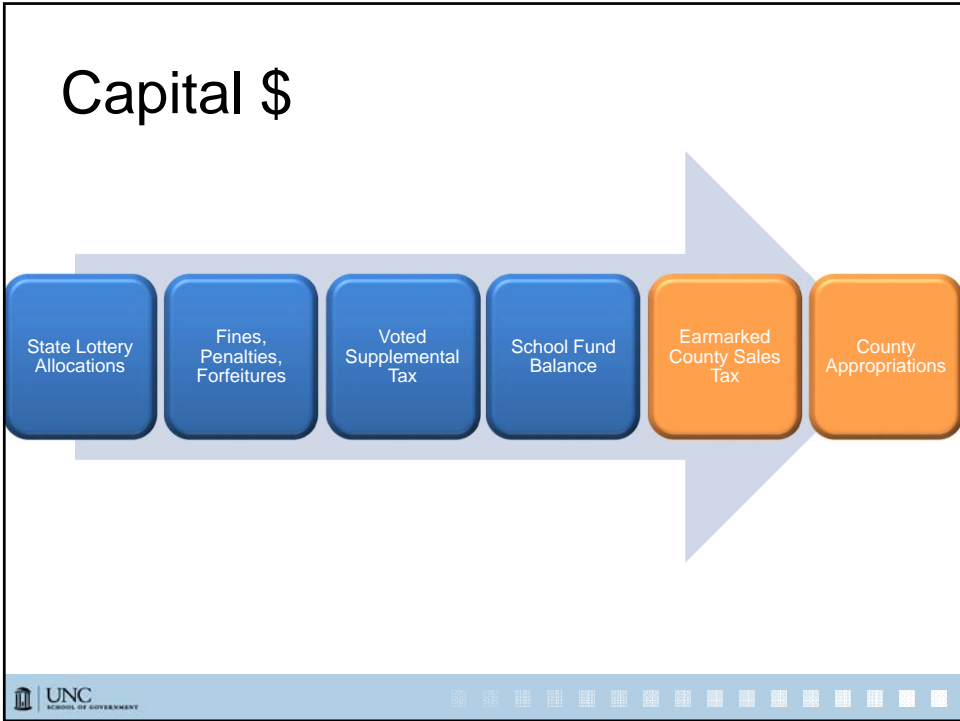
# 2014-15 County Expenditures

\$12.8 billion total

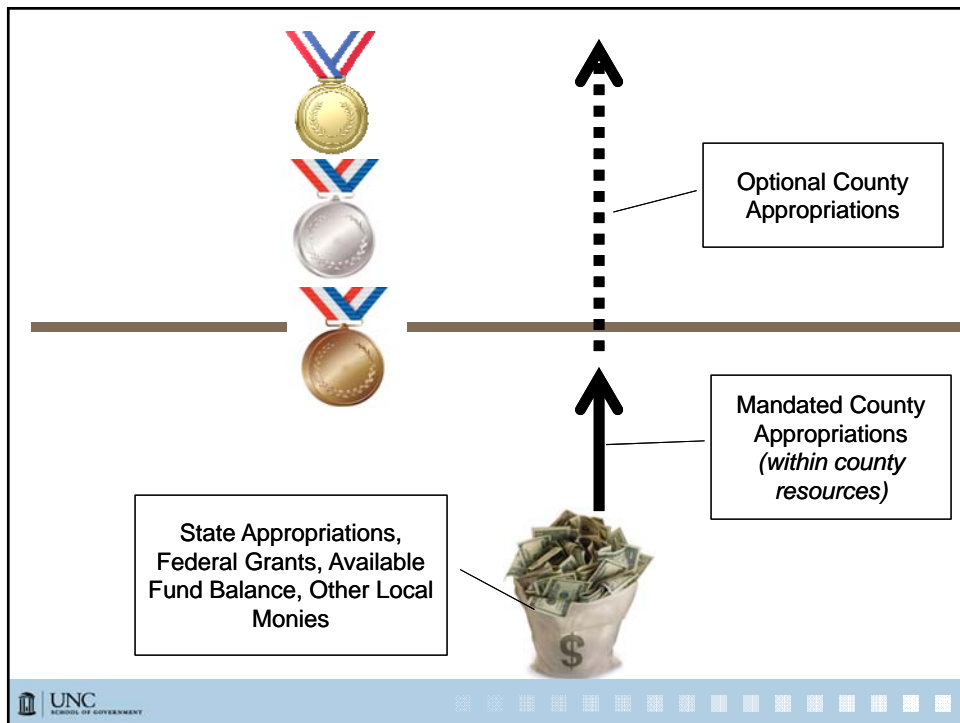
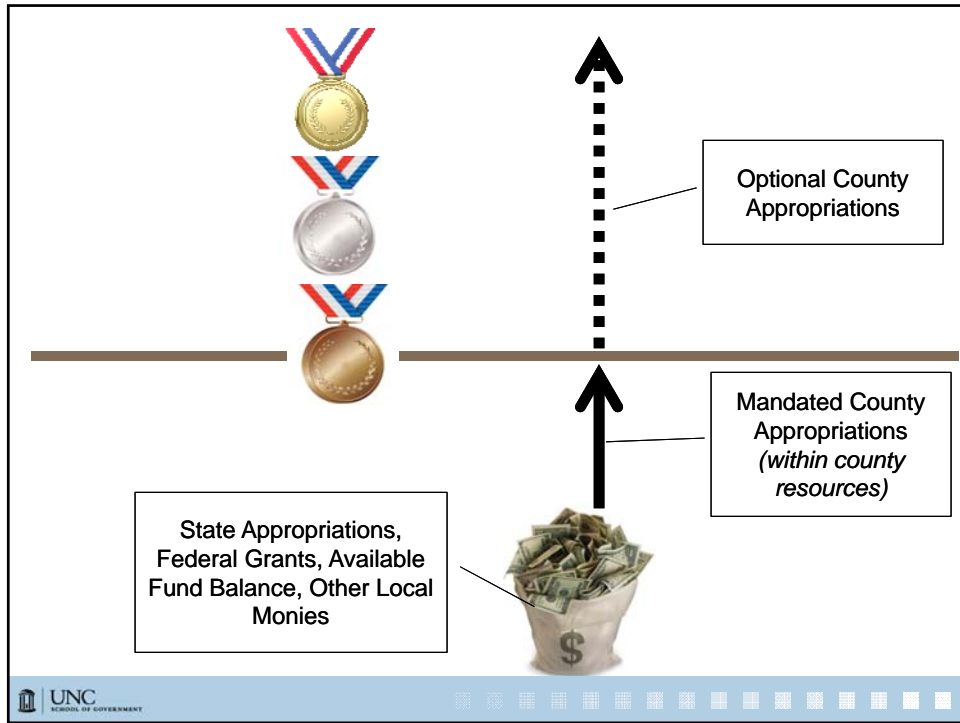


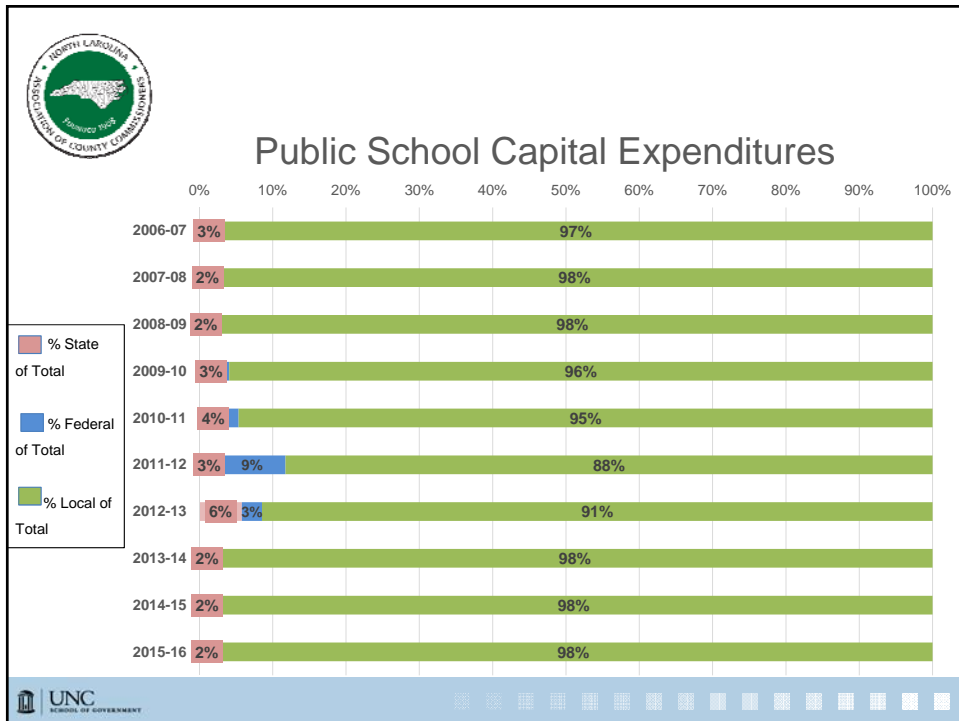
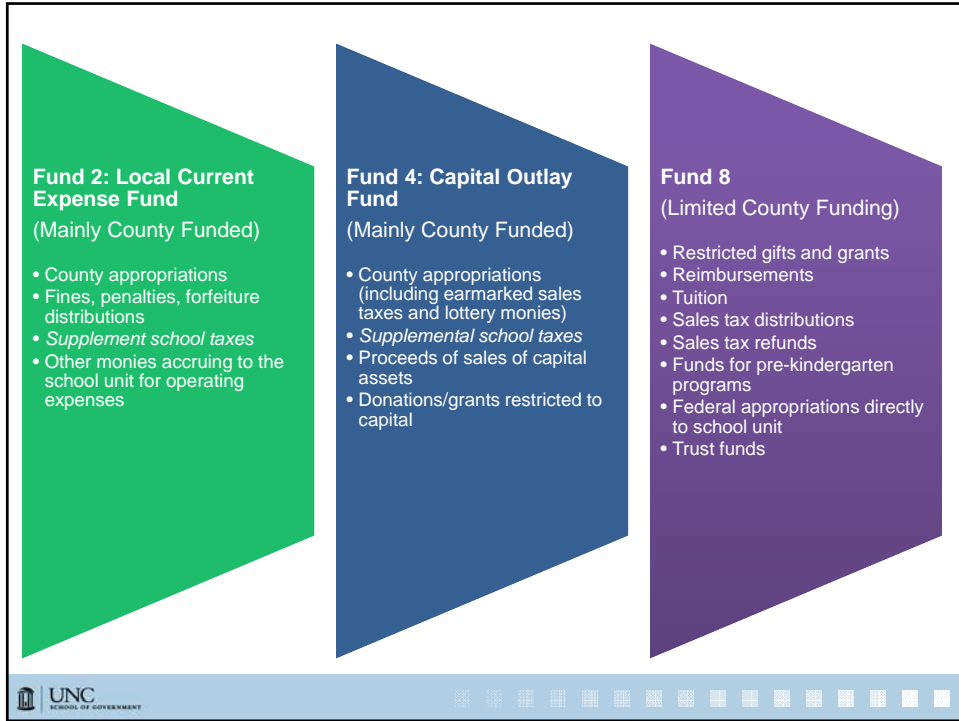
# Operating \$













## 2015-2016 Public School Facility Needs Survey

- The State Board of Education just released the most recent facility needs survey, which tracks LEA-reported funding priorities for next five years
- LEAs report significant needs in new school construction and renovations
- The last statewide school bond referendum was held in 1996, and the resulting \$1.8 billion was expended before 2005
- According to calculations in the 2015-16 Needs Survey, state funding (excluding debt service money) over the past five years would have addressed 1.6% of the reported total five-year need of almost \$8.1 billion.

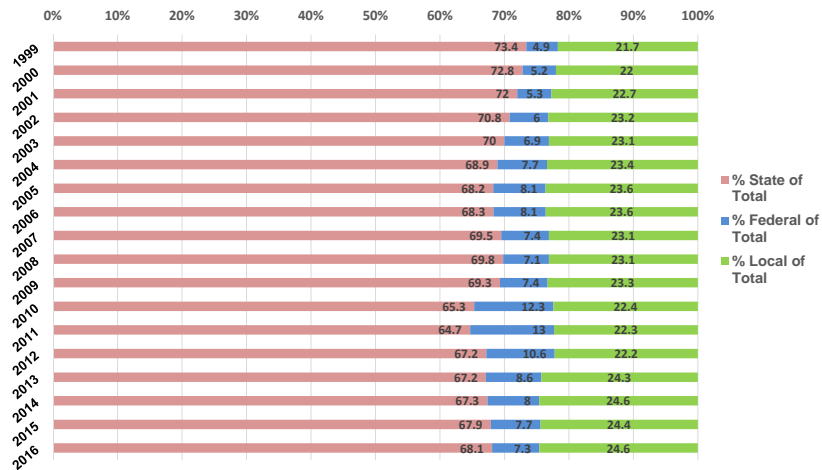
	2005-06 Survey (2005 Dollars)	% of Total	2010-11 Survey (2010 Dollars)	% of Total	2015-16 Survey (2015 Dollars)	% of Total
<b>New Schools</b>	\$4,327,137,980	44.1%	\$2,814,328,286	34.5%	\$2,787,390,899	34.6%
<b>Additions</b>	\$2,256,214,566	23.0%	\$1,684,746,985	20.6%	\$1,632,766,326	20.3%
<b>Renovations</b>	\$2,281,415,049	23.2%	\$3,031,579,800	37.1%	\$3,098,241,811	38.4%
<b>Furnishings/Equipment</b>	\$760,759,206	7.7%	\$526,116,103	6.4%	\$486,474,110	6.0%
<b>Land</b>	\$194,332,411	2.0%	\$112,538,602	1.4%	\$57,883,543	0.7%
<b>TOTAL</b>	\$9,819,859,212	100.0%	\$8,169,309,776	100.0%	\$8,062,756,689	100.0%

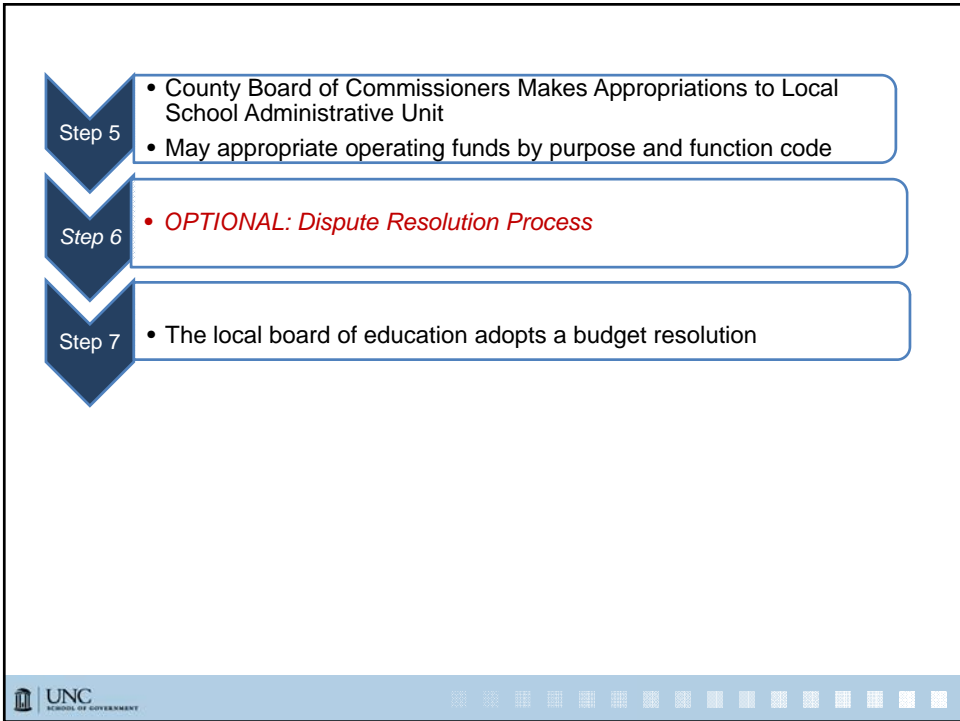
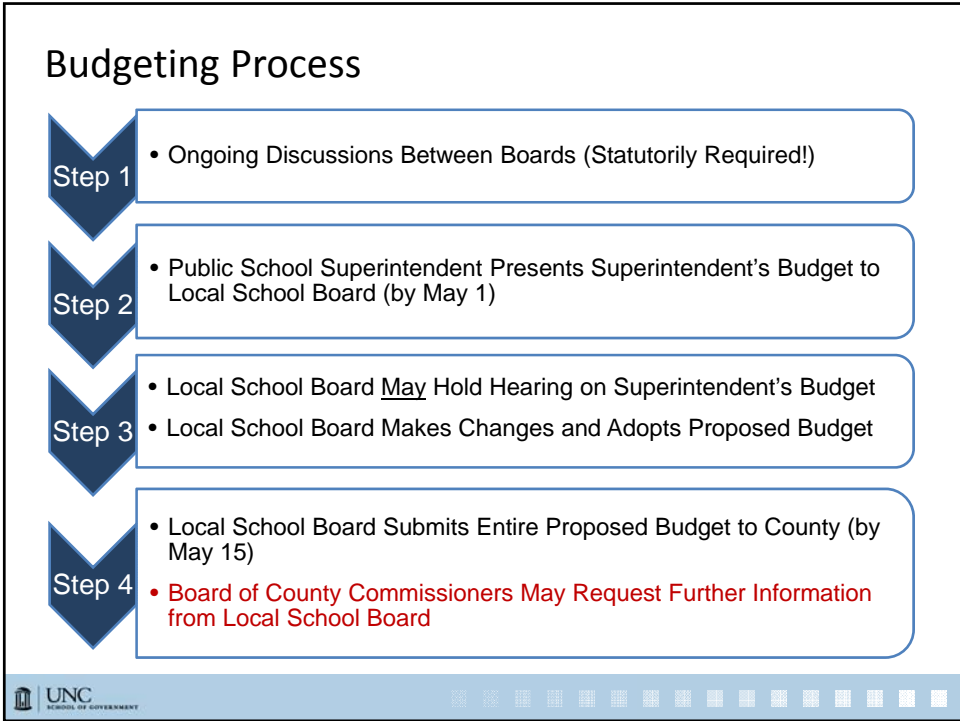


## Public School Current Expense (Operating) Funding

Per Pupil Expenditures, Current Expense



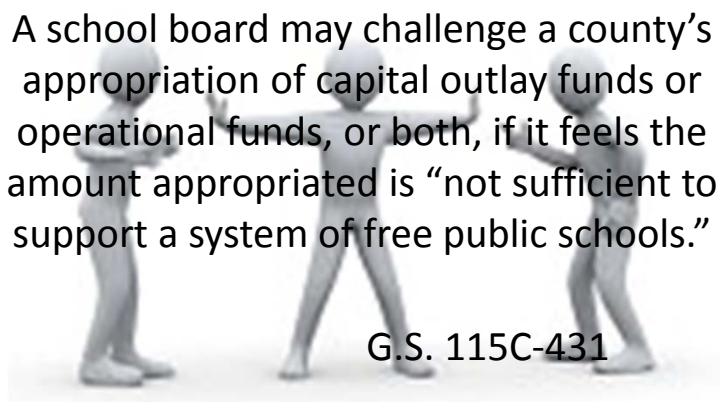
The local share of current expense funding is increasing, while the state proportion is declining on a per pupil basis





A school board may challenge a county's appropriation of capital outlay funds or operational funds, or both, if it feels the amount appropriated is "not sufficient to support a system of free public schools."

G.S. 115C-431




### NCACC Legislative Goals

2015-16

**Seek legislation to repeal the statutory authority under NC G.S. 115C-431(c) that allows local school boards to file suit against a county board of commissioners over county appropriations for education.**

- G.S. 115C-431(c) expressly authorizes school boards to sue counties over "sufficiency" of current expense or capital funding levels, leaving courts to determine sufficiency.
- School boards are not expressly permitted to sue the state or federal governments for lack of sufficient funding, and no other entity is specifically granted this power to sue a taxing authority over funding sufficiency.
- This statutory authorization creates an adversarial relationship between the school boards and the boards of county commissioners and has cost taxpayers hundreds of thousands of dollars in legal fees and litigation expenses.





## Legislative Actions

### HB 561 (SL 2016-116)

- Provision directs the Program Evaluation Division (PED) in the NCGA to study funding dispute process between Boards of County Commissioners and School Boards
- Report due May 1, 2017



### HB 1030 (SL 2016-94)

- Provision in budget directs PED to contract for school construction needs assessment
- Consulting group also directed to determine which LEAs have highest facility needs in relation to ability to raise revenue
- Consultant visiting **nine counties**: Anson, Bertie, Clay, Davie, Greene, Harnett, Jones, Scotland, Yancey
- Report due March 2017



## Legislative Actions

### SB 881 (SL 2016-18)

- Placed a moratorium on Union County Board of Education for litigation in 2016-17 year
- Directs the BOCC and School Board to meet periodically during school year

### SB 382 (SL 2016-14)

- Places a moratorium on the Nash-Rocky Mount Board of Education for litigation for ten years

**PED Report:** "Allotment-Specific & System-Level Issues Adversely Affect North Carolina's Distribution of K-12 Resources" (Nov. 2016)





## NCACC Legislative Goals

2017-18

- **Three Public Education Goals approved by NCACC Board of Directors**
- **Will be voted on during Legislative Goals Conference**

**PE-1:** Seek legislation to establish a new state-county partnership to address statewide public school capital challenges—including but not limited to maintenance, renovation, construction and debt—through a dedicated, stable funding stream that is consistent from county to county and sufficient to meet the school facility needs of all 100 counties.

**PE-2:** Support legislation to repeal the statutory authority under N.C. Gen. Stat. 115C-431(c) that allows a local school board to file suit against a county board of commissioners over county appropriations for education.

**PE-3:** Support legislation to provide for an overall increase of funding based on average daily memberships outside of the current formula system.

