

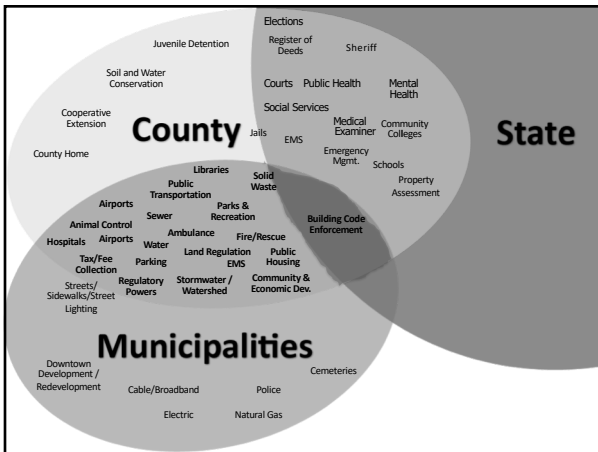
BUDGET

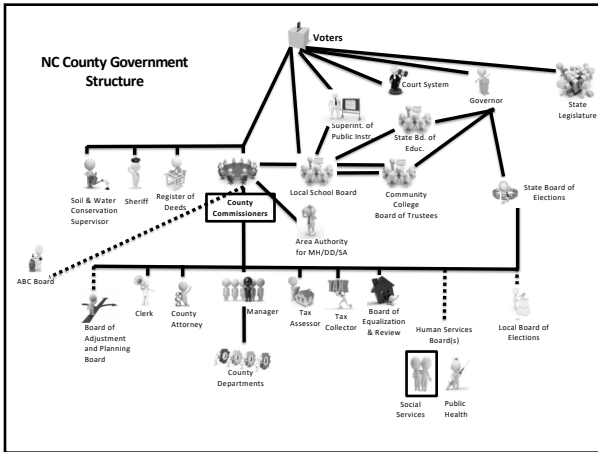
Schools and Human Services

Kara A. Millonzi
 millonzi@sog.unc.edu
 UNC-CH School of Government
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True or False?

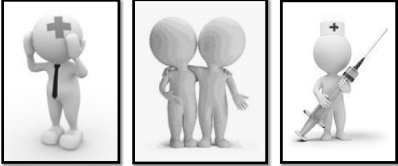
- A local school administrative unit (public school) is part of county government.
- A department of social services is part of county government.
- A district health department is part of county government.
- A local management entity (LME) is part of county government.
- A consolidated human services agency is part of county government.






Major State-Mandated Functions	Policy-Setting Authority	Funding Authority / Responsibility	Control Over Personnel
Law Enforcement			
Register of Deeds			
Public Schools			
Public Health			
Mental Health			
Social Services			
Elections			
Community Colleges			

Major State-Mandated Functions	Policy-Setting Authority	Funding Authority / Responsibility	Control Over Personnel
Law Enforcement	State, Sheriff, County Board	County Board	Sheriff (but County Board sets number of personnel and compensation)
Register of Deeds	State, County Board	County Board	Register of Deeds (but County Board sets number of personnel and compensation)
Public Schools	State, Local Board of Education	State, County Board	Local Board of Education
Public Health	State, Local Public Health Board/County Board	State, County Board	Local Public Health Board/County Board
Mental Health	State, Regional Mental Health Board	State, County Board	Area Mental Health Authority Board
Social Services	State, Local Social Services Board/County Board	State, County Board	Local Social Services Board/County Board
Elections	State, Local Board of Elections	State, County Board	Local Board of Elections (but county board sets total salary amount)
Community Colleges	State, Community College Board	State, County Board	Community College Board




HUMAN SERVICES

Structure	Governing Board	Budget Adoption / Oversight	Fiscal Management
County Health Department	County Board of Health	County Commissioners	County Finance Officer
	County Commissioners	County Commissioners	County Finance Officer
County Social Services Department	Social Services Board	County Commissioners (recommended by SS board)	County Finance Officer
	County Commissioners	County Commissioners	County Finance Officer
Consolidated Human Services Agency	Consolidated Human Services Board	County Commissioners (recommended by CHS board)	County Finance Officer
	County Commissioners	County Commissioners	County Finance Officer
District Health Department	District Board	District Board	District Finance Officer
Public Health Authority	Authority Board	Authority Board	Authority Finance Officer
Multi-county Area Authority for MH/DD/SA	Authority Board	Authority Board	Authority Finance Officer
Multi-county Social Services Department (coming soon)	Authority Board	Authority Board	Authority Finance Officer
Public Hospital Authority	Authority Board	Authority Board	Authority Finance Officer

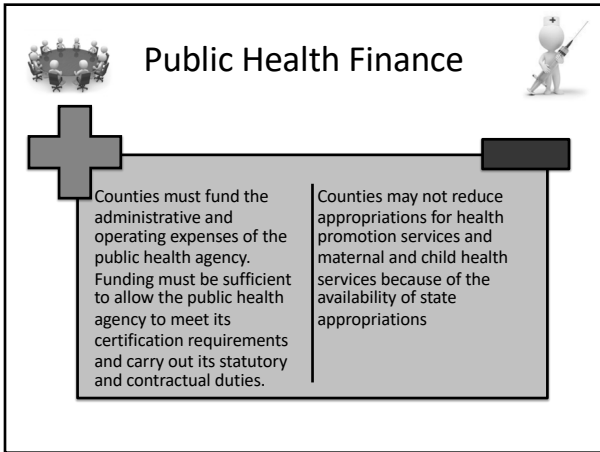


Mental Health Finance



Counties must fund area authorities

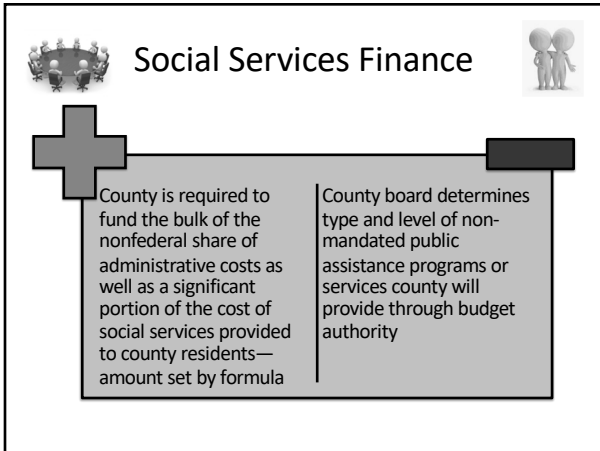
Counties may not reduce county appropriations for current operations and ongoing services of area authorities because of revenues available to the area authority from state-allocated funds, client fees, capitation amounts, or fund balance.



Public Health Finance

Counties must fund the administrative and operating expenses of the public health agency. Funding must be sufficient to allow the public health agency to meet its certification requirements and carry out its statutory and contractual duties.

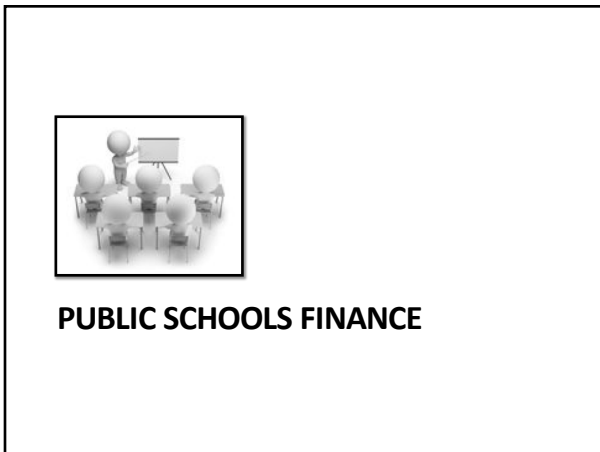
Counties may not reduce appropriations for health promotion services and maternal and child health services because of the availability of state appropriations



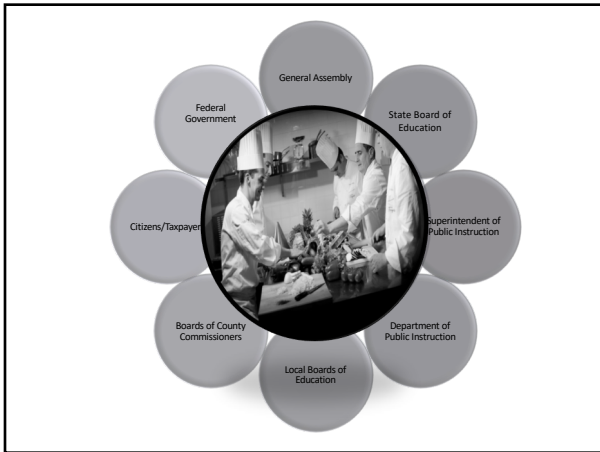
Social Services Finance

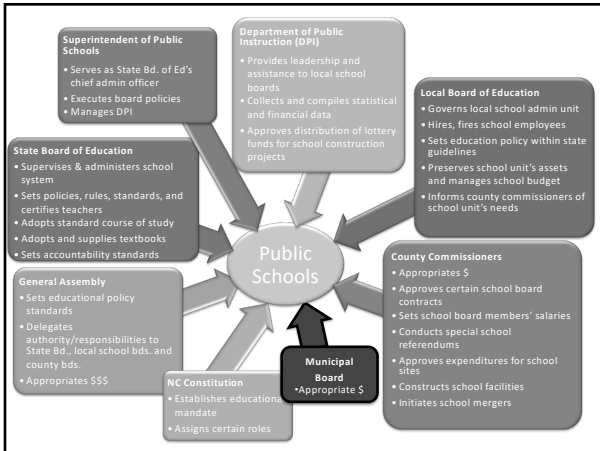
County is required to fund the bulk of the nonfederal share of administrative costs as well as a significant portion of the cost of social services provided to county residents— amount set by formula

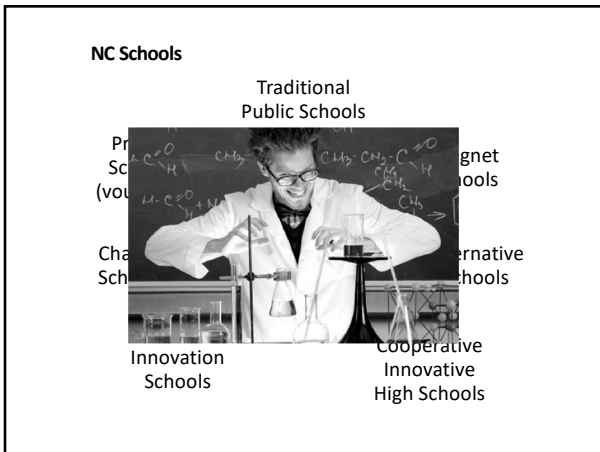
County board determines type and level of non-mandated public assistance programs or services county will provide through budget authority



PUBLIC SCHOOLS FINANCE







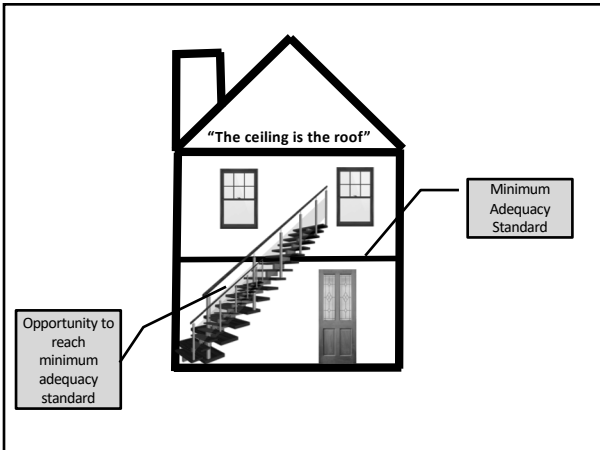
North Carolinians "have a right to the privilege of education, and it is the duty of the State to guard and maintain that right."
 Article I, Sect. 15

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."
 The constitution, however, "does not require substantially equal funding or educational advantages in all school districts..."
 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)

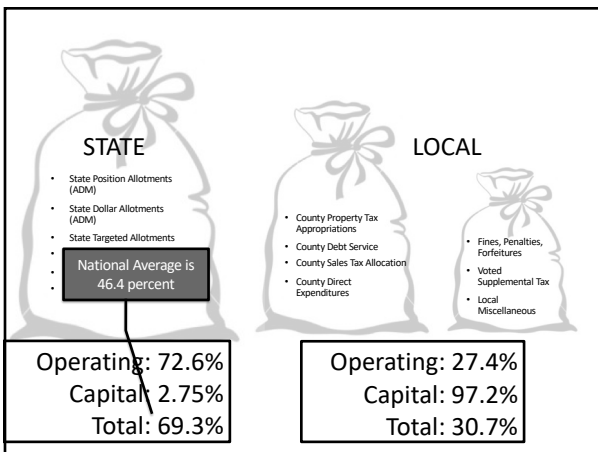
The constitution "expressly authorizes the General Assembly to require that local governments bear part of the costs of their local public schools. Further, it expressly provides that local governments may add to or supplement their school programs as much as they wish..."
 Leandro v. State, 346 NC 336 (1997)

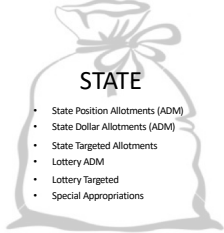



Inputs	Outputs
<ul style="list-style-type: none"> Every school is provided in the most cost-effective manner, the resources necessary to support effective instruction within that school so that all children, including at-risk children, have an equal opportunity to obtain a sound basic education 	<ul style="list-style-type: none"> Sufficient ability to read, write, speak English; sufficient knowledge of fundamental mathematics and physical science to enable student to function in society
<ul style="list-style-type: none"> Every classroom staffed with competent, certified, well-trained teacher 	<ul style="list-style-type: none"> Sufficient fundamental knowledge of geography, history, and basic economic and political systems to enable student to make informed choices
<ul style="list-style-type: none"> Every school is led by a well-trained, competent principal with the leadership skills and ability to hire and retain appropriate teachers 	<ul style="list-style-type: none"> Sufficient academic and vocational skills to enable student to successfully engage in post-secondary education or vocational training
	<ul style="list-style-type: none"> Sufficient academic and vocational skills to enable student to compete on equal basis with others

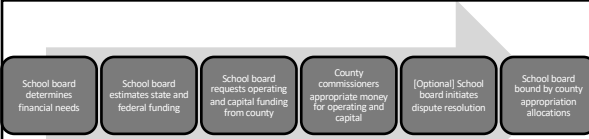

Which statement best describes a county's funding responsibility for its public schools?

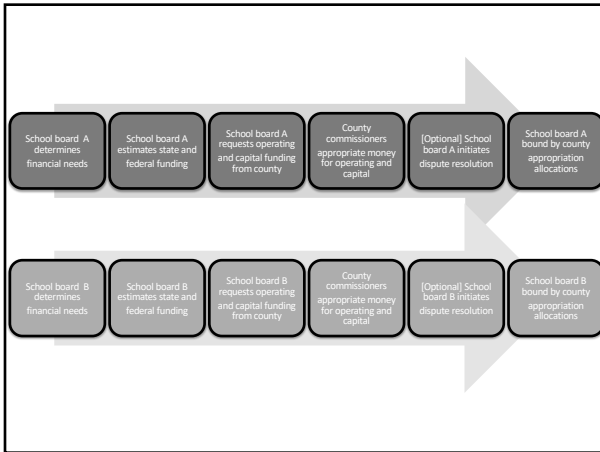
1. A county must provide funding for capital outlay expenditures only
2. A county must provide funding for operational expenses only
- ✓ 3. A county must provide funding for both capital outlay and operational expenses
4. All county funding for the public school system is optional



 <p>STATE</p> <ul style="list-style-type: none"> • State Position Allotments (ADM) • State Dollar Allotments (ADM) • State Targeted Allotments • Lottery ADM • Lottery Targeted • Special Appropriations 		
Position Allotments	Dollar Allotments	Categorical Allotments
<ul style="list-style-type: none"> • Teacher salaries / benefits • Instructional personnel • Administrators 	<ul style="list-style-type: none"> • Textbooks • Supplies • Teacher assistants • Central office admin personnel • General operating expenses 	<ul style="list-style-type: none"> • Low wealth counties • Small counties • Disadvantaged students • Limited English proficiency students • Academically gifted students • Children with disabilities

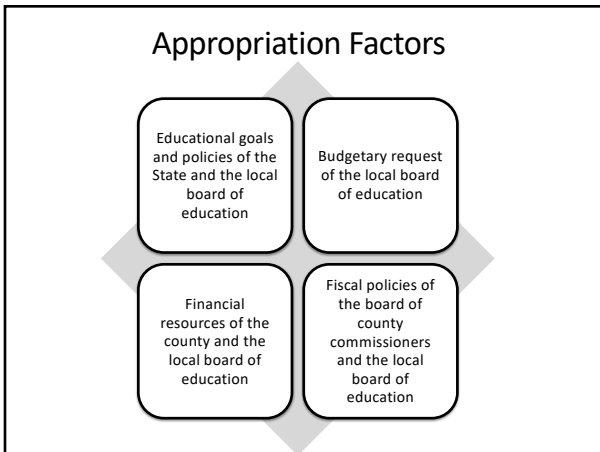
 <p>STATE</p> <ul style="list-style-type: none"> • State Position Allotments (ADM) • State Dollar Allotments (ADM) • State Targeted Allotments • Lottery ADM • Lottery Targeted • Special Appropriations 	<p>Lottery Allocation:</p> <p>\$100,000,000 to PSBCF</p> <ul style="list-style-type: none"> • Distributed based on ADM <p>\$117,320,354 to Needs-Based PSBCF</p> <ul style="list-style-type: none"> • Grants awarded to qualifying Tier 1 & Tier 2 counties • Tier 1: \$3 match; \$15m cap • Tier 2: \$1 match; \$10m cap • Must use for new capital projects only (and certain capital leases) • Makes county ineligible to receive allocations from PSBCF and NBPSCF for 5 years from date of grant from NBPSCF
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 <p>How much \$ for operating? How much \$ for capital? How much control over expenditures? What goes to charters / other schools?</p>



County Statutory Funding Responsibility

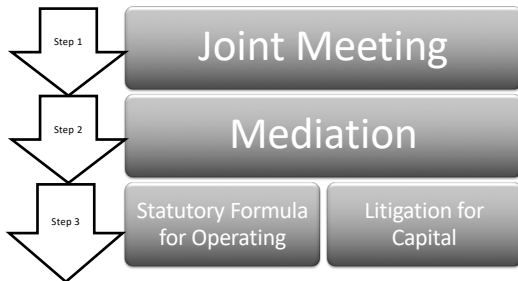
<p>Direct Delegation of Funding Authority</p> <ul style="list-style-type: none"> • G.S. 115C-521: school facilities, furniture and apparatus • G.S. 115C-249: buildings for bus and vehicle storage • G.S. 115C-522(c): library, science, and classroom equipment • G.S. 115C-522(c): water supply and sanitary facilities • G.S. 115C-524(b): keeping school buildings in good repair • G.S. 115C-524: school maintenance and repairs • G.S. 115C-522(c): instructional supplies and reference books • G.S. 115C-534: school property insurance • G.S. 115C-525(b): fire inspections 	<p>Indirect Delegation of Funding Authority</p> <ul style="list-style-type: none"> • G.S. 115C-431: sufficient funds for operating expenses and capital expenses each year that, when added to other financial resources available to the school unit for these purposes, allow the school unit to provide all students with an opportunity to receive a sound basic education
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Dispute Resolution Process

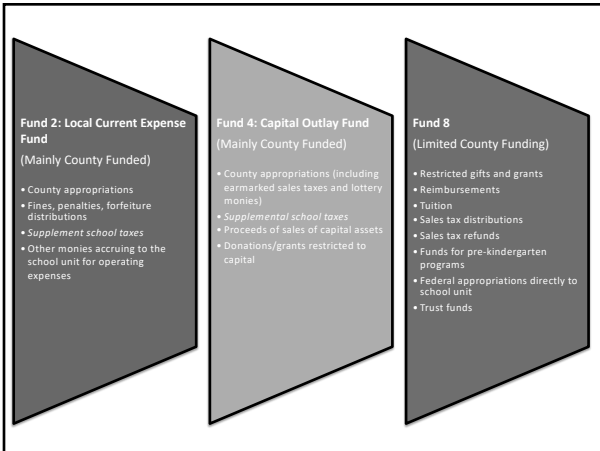
A school board may challenge a county's appropriation of capital outlay funds or operational funds, or both, if it feels the amount appropriated is "not sufficient to support a system of free public schools."

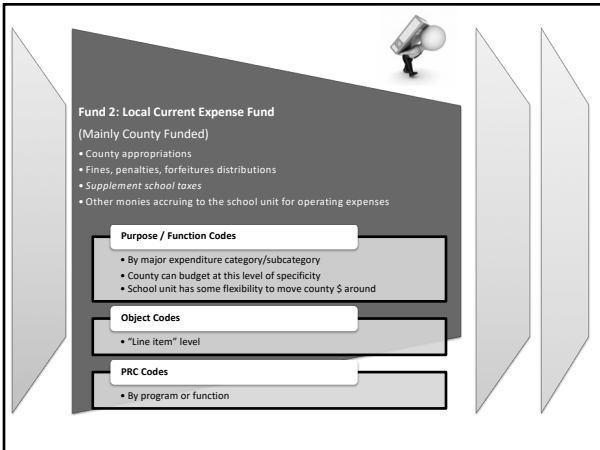
Dispute Resolution Revamp



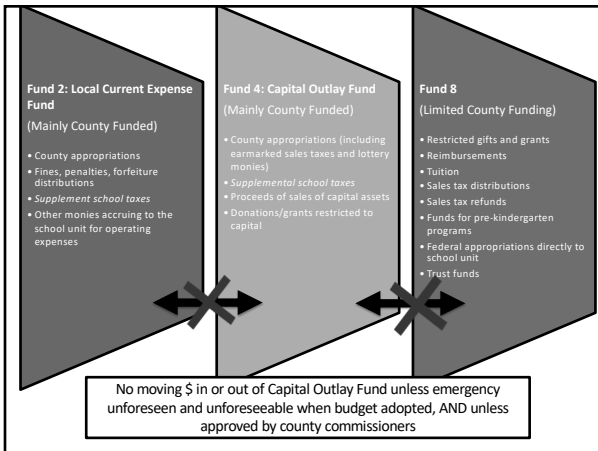
Default Formula < 2 Years in a Row	Default Formula >= 2 Years in a Row
<ul style="list-style-type: none"> Amount of county local current expense appropriation actually spent in prior year Divided by prior year ADM Multiply by inflationary factor Multiply by budget year in dispute ADM 	<ul style="list-style-type: none"> Amount of county local current expense appropriation actually spent in prior year Divided by prior year ADM Multiply by higher inflationary factor Multiply by budget year in dispute ADM


Per pupil maintenance of effort + inflation





Purpose/Function	Capital Outlay
Instructional Services <ul style="list-style-type: none"> Regular Instructional Services Special Population Services Alternative Programs and Services School Leadership Services Co-curricular Services School-Based Support Services 	Category I (appropriate by project) <ul style="list-style-type: none"> Acquisition of real property Construction, reconstructions, enlargement, renovation, or replacement of buildings and other structures for school purposes Category II (appropriate by category) <ul style="list-style-type: none"> Acquisition or replacement of furnishings and equipment Category III (appropriate by category) <ul style="list-style-type: none"> Acquisition of school buses, activity buses, and other motor vehicles
Supporting Services Programs <ul style="list-style-type: none"> Support and Development Services Special Populations Support and Development Services Alternative Programs and Services Support and Development Technology Support Services Operational Support Services Financial and Human Resources Services Accountability Services System-Wide Pupil Support Services Policy, Leadership, and Public Relations Services 	
Ancillary Services <ul style="list-style-type: none"> Community Services Nutrition Services Adult Services 	
Non-programmed Charges <ul style="list-style-type: none"> Payments to Other Government Units Unbudgeted Funds Debt Services Interfund Transfers Contingency Educational Foundations Scholarships 	






CITY HALL

A municipality may “supplement funding for elementary and secondary public education” that benefits the residents of the municipality.

Municipalities	Counties
<ul style="list-style-type: none"> • May fund traditional public schools, regional schools, innovative schools, laboratory schools, and charter schools directly • May direct how funds are spent by program, object, or specific expenditure item • May fund all capital, except purchases of real property or mobile classrooms • Not required to distribute funds among schools equally • Only allowed to fund schools in municipality or that serve municipal residents 	<ul style="list-style-type: none"> • Must fund traditional public schools directly; fund other public schools indirectly • May only direct how funds are spent by purpose or function code • Must fund all needed capital, within county financial resources • Required to distribute operating funds on a proportional basis among traditional school units in county • Must fund all traditional public schools in county

Charter Schools



- **Direct funding**
 - Counties have no authority to directly fund charter schools
 - Counties have no authority to donate real property (or sell it at less than fair market value) to charter schools
 - Counties may donate personal property (or sell at less than fair market value) to charter schools
- **Indirect funding**
 - Local school units must provide proportional share of most county operating funding to charter schools

Cutting School Funding

- Once \$ appropriated to school, it belongs to school
- County commissioners may not reduce appropriation during year unless pursuant to general county-wide reduction due to economic emergency or unless school board agrees to reduction



Community Colleges Finance



- County must provide sufficient funding for the:
acquisition of land; erection of all buildings; alterations and additions to buildings; purchase of automobiles, buses, trucks, and other motor vehicles; purchase or rental of all equipment necessary for the maintenance of buildings and grounds and operation of plants; and purchase of all furniture and equipment not provided for administrative and instructional purposes.
- County also must provide sufficient funding for plant operation and maintenance and certain support services.
- County may provide additional funding for operating expenses.
 - County may allocate appropriations by purpose, function, or project.
