

Sound Basic Education for All: An Action Plan for North Carolina Supplement to the Investment Overview and Sequenced Action Plan

In the action plan report published by the court, WestEd provides recommendations for actions that will advance the state’s efforts to achieve compliance with the *Leandro* decision. It identifies the highest leverage and most critical actions that the state needs to take immediately and over the next six years and beyond to transform the education system and provide the necessary foundational opportunities for all students. Importantly, in delivering on these critical actions is understanding the sequence upon which resources, either existing or additional, accompany these strategies to accelerate student achievement for all students in North Carolina. In essence, it is vital that the state consider not just *how well resources are invested* but also *how much is being invested*. The information below provides clarity to the funding recommendations presented on page 48 showing an ongoing investment of \$3.70 billion and additional short-term investments that will supplement the ongoing investments over the first eight years. The schedule presented below provides a year-by-year breakdown and assumes no additional costs related to enrollment or inflation increases.

A	B C D E				F	G H		I J	
	K-12 Education Investments					Early Childhood Investments		TOTAL K-12 and Early Childhood	
	Additional funding compared to FY 2019-20					Annual new investment	Additional funding compared to FY 2019-20	Annual new investment	Additional funding compared to FY 2019-20
	State-level (\$)	Short-term (\$)	Ongoing (\$)	Total K-12 (\$)		Ongoing			
FY 2020-21 Year 1	1,930,000	390,000,000	463,000,000	854,930,000	854,930,000	147,000,000	147,000,000	1,001,930,000	1,001,930,000
FY 2021-22 Year 2	3,860,000	390,000,000	926,000,000	1,319,860,000	464,930,000	294,000,000	147,000,000	1,613,860,000	611,930,000
FY 2022-23 Year 3	5,790,000	600,000,000	1,389,000,000	1,994,790,000	674,930,000	441,000,000	147,000,000	2,435,790,000	821,930,000
FY 2023-24 Year 4	7,720,000	600,000,000	1,852,000,000	2,459,720,000	464,930,000	588,000,000	147,000,000	3,047,720,000	611,930,000
FY 2024-25 Year 5	9,650,000	390,000,000	2,315,000,000	2,714,650,000	254,930,000	735,000,000	147,000,000	3,449,650,000	401,930,000
FY 2025-26 Year 6	11,580,000	390,000,000	2,778,000,000	3,179,580,000	464,930,000	882,000,000	147,000,000	4,061,580,000	611,930,000
FY 2026-27 Year 7	13,510,000	200,000,000	3,241,000,000	3,454,510,000	274,930,000	1,029,000,000	147,000,000	4,483,510,000	421,930,000
FY 2027-28 Year 8	15,440,000	200,000,000	3,704,000,000	3,919,440,000	464,930,000	1,176,000,000	147,000,000	5,095,440,000	611,930,000
FY 2028-29 Year 9	15,440,000	-	3,704,000,000	3,719,440,000	(200,000,000)	1,176,000,000	-	4,895,440,000	(200,000,000)

Note: This chart does not include annual enrollment increases or adjustments for inflation. These two factors should be considered in the state’s funding formula as well.

For this analysis, WestEd used the base budget of state funds provided to school districts in fiscal year 2017 for operating expenditures adjusted for inflation to 2019 dollars or \$8.29 billion. For further information on specifically what was included in those operating expenditures please see page 42 of the action plan report. Based on this analysis, the state would need to invest over an eight-year implementation timeframe the following:

- a total of \$3.16 billion in short-term funding in K-12 education (sum of column C);
- an increase in the base budget of \$3.70 billion in recurring funding in K-12 education (column D FY 2027-28 Year 8); and
- an increase in the base budget of \$1.18 billion in recurring funding in early childhood (column G FY 2027-28 Year 8).

The cost of the recommendations across both K-12 and Early Childhood amounts to \$1.00 billion in fiscal 2021, increasing to \$5.09 billion by fiscal 2028 (see column I). At the end of the eight-year implementation time frame, the base budget for K-12 education will be increased by \$3.7 billion and the base budget for early childhood will be increased by \$1.18 billion for a total increase of \$4.88 billion. Actual appropriations will need to be adjusted to account for inflation and enrollment increases.

In making comparisons from this schedule above compared to previous investments made by North Carolina into K-12 education it is important to use parity in making such comparisons.