



**NORTH CAROLINA CENTER FOR
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NEWS RELEASE

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N.C. Policy Center Says School Spending Disparities Persist

Despite the promise of the state's new Basic Education Plan, the state's share of total per-pupil spending remains about the same, while the local contribution is moving up steadily and the federal contribution continues to decline sharply, the N.C. Center for Public Policy Research says in a new book. Because the state's share of school funding has remained about the same since 1973-74, the state has done little to counteract the enormous differences in local district supplements that can occur from one school district to the next.

"The disparity in local supplements presents a difficult political problem," says the Center's Executive Director, Ran Coble. "You don't want to discourage county commissioners from appropriating local funds in efforts to improve their schools, but you don't like to see kids get differing educational opportunities either, simply because of where they live."

In effect, despite the spending of hundreds of millions of dollars, the Basic Education Plan has done nothing to reduce disparities among school districts, the Center says. "The Basic Education Plan is designed to provide a minimum curriculum for every child, but it does nothing to reduce the disparities among school districts," says Coble. "Some states have a State Equalization Fund to deal with this; North Carolina does not."

The Center says per-pupil spending in North Carolina varied by as much as 56 percent among the state's 140 public school systems in the 1987-88 school year, the latest school year for which figures are available. This situation remains virtually unchanged since the Center last checked the results in the 1983-84 school year, when there was a 58 percent difference in spending. The Center says the disparities between school districts are caused mainly by differences in local supplements and lead to greatly differing educational programs among the city and county systems. The Center says this kind of disparity has led courts in eight states to find school finance systems unconstitutional, the latest in Texas last week.

These findings are among those contained in 61 different articles on state government, politics, and public policy contained in North Carolina Focus, the Center's 447-page textbook for high school social studies classes and college-level courses on state and local government. The new book, available today from the Center, was specially designed to give students of government a sharp-eyed overview of how their state operates.

"You can search high and low, but you won't find another book with such a comprehensive look at what the state is really doing in such diverse areas as public school funding, or tracking legislators' votes, or how gubernatorial succession is working, or how the judicial branch is making policy," says Coble, the author of several articles in the book.

"Up to now, when students studied state government, state politics, or state policy problems like school finance, there were no up-to-date texts specifically on North Carolina," says Coble. "Now there is. We published Focus as a public service for teachers and students across North Carolina." The book was funded by grants from The Janirve Foundation in Asheville and the A. J. Fletcher Foundation in Raleigh.

Coble says the book is organized like the North Carolina Constitution. It contains chapters on the rights of citizens, the legislative branch, the executive branch, the judicial branch, and budgeting and financing in state government -- which comprise the first five articles in the Constitution. Next there are chapters on four policy areas -- economic development, education, corrections, and the environment. The final two chapters examine state politics and the media's coverage of government and politics. In all, says Coble, there are 61 articles in the book, as well as a copy of the state Constitution. "We thought it particularly appropriate to release this book in the year of the Bicentennial of the Constitution," says Coble.

In the articles on school finance, co-author Marianne Kersey counters the conventional wisdom that financial disparity among North Carolina school systems is not a major problem because the state provides a base level of funding to support local districts' operating costs. Kersey then explains why two trends in the last decade have diluted the base of state support.

First, the share of school budgets from federal sources has been cut in half. It has decreased from 14.2 percent in 1972 to 7.7 percent in 1987-88, the latest school year for which figures are available. Second, since 1973-74, the state's share has stayed about the same, at 69 percent. "Thus, since 1973-74," says Kersey, "the most flexible and controversial part of school budgets -- the local contribution -- has increased from 19 to 23 percent."

The state base of funding does little to counteract the differences in local supplements. In 1987-88, local per-pupil spending ranged from a high of \$1,535 in the Chapel Hill/Carrboro City Schools to a low of \$287 in the Fairmont City School District within Robeson County, a more than five-fold difference. The variation in these local supplements is the chief reason for the disparities in total per-pupil spending. In 1987-88, total spending (excluding food service) in the Onslow County system was \$2,645 per pupil, the lowest of any of the 140 districts. The Tryon City system in Polk County ranked first with \$4,124 spent on each pupil -- 56 percent more than the Onslow County system. Both the Fairmont City and Tryon City districts have been consolidated into county school systems for the 1988-89 school year. (For data on each school district, see attached table.)

Differences in Course Offerings

In explaining the possible consequences of disparities in school financing, Coble points to differences in course offerings. A student at Blue Ridge High School in Jackson County has 116 fewer courses to choose from than a student in Northern Durham High School. A student at Northern Durham has such choices as German, musical theater, and principles of technology, while a student at Blue Ridge gets only a few choices beyond the required curricula. One possible consequence of the disparities is that better teachers might be attracted to school systems that offer higher wages and better benefits. In addition, better buildings might be available in wealthier districts, since the responsibility for facilities lies mostly with the counties.

Court Cases on School Finance

In a companion article in North Carolina Focus, the N.C. Center reviewed court cases across the country involving the constitutionality of disparities in school financing. Though the court decisions are split, the Center noted that many of the successful challenges to school financing schemes were based on state constitutions with provisions similar to North Carolina's. North Carolina's Constitution has an equal protection clause as well as a clause guaranteeing a uniform system of education.

Article IX, Section 2 of the constitution says "The General Assembly shall provide by taxation and otherwise for a general and uniform system of free public schools....wherein equal opportunities shall be provided for all students."

Both of these guarantees have been important in cases in eight states which found disparities in school finance unconstitutional. The eight states are California, Connecticut, Kentucky, New Jersey, Texas, Washington, West Virginia, and Wyoming. The Texas Supreme Court decision is the most recent, with a decision rendered on October 2nd that glaring disparities between rich and poor districts violated the state constitution. However, in six other states -- Arizona, Colorado, Georgia, New York, Ohio, and Oregon -- courts did not strike down unequal financing among local school districts under their state constitutions.

In North Carolina, about two-thirds of school finances come from the state, and all counties get some amount of money. But the Reidsville City School System is considering suing the state over its financing formula. School board attorney Robert L. Watt III says, "The board is considering doing it, and we are doing some research on it right now. The board has asked me to continue looking into it, but there is no timetable or deadline," Watt says.

"These articles on school financing are just a sample of the kind of issues Focus can raise in classrooms across North Carolina," says the Center's Board Chairman, Thad Beyle, himself a teacher of courses on state government and on N.C. politics and public policy at UNC-Chapel Hill. "There is no other text available that provides in-depth information on North Carolina state government and policy issues," says Clyde Frazier, a professor of political science at Meredith College. "Focus should prove to be an invaluable resource for high school teachers of North Carolina state government," adds John Ellington, head of the social studies section for the N.C. Department of Public Instruction.

The N.C. Center for Public Policy Research is an independent, nonpartisan, nonprofit organization in Raleigh. It was formed in 1977 to study state government programs and important public policy questions in North Carolina. The Center is supported in part by grants from the Z. Smith Reynolds and Mary Reynolds Babcock Foundations, both in Winston-Salem. North Carolina Focus was funded by special grants from The Janirve Foundation of Asheville and the A. J. Fletcher Foundation of Raleigh. Other funding comes from 112 corporate contributors and more than 700 individual and organizational members. In addition to publishing North Carolina Focus, the Center publishes a quarterly magazine, North Carolina Insight, and has conducted studies examining problems with overcrowding in state prisons and county jails and analyzing changes in the office of the Secretary of State.

Copies of North Carolina Focus containing the research on school finance are available for \$19.00 (plus \$.95 tax and \$2.50 postage and handling) from the N.C. Center for Public Policy Research, P.O. Box 430, Raleigh, NC 27602, or call (919) 832-2839.

For further information about the articles on school finance, call Ran Coble at the N.C. Center for Public Policy Research at (919) 832-2829.

Total Per-Pupil Expenditures, 1987-88

The Top Ten

1. Tryon City
2. Asheville City
3. Hyde County
4. Swain County
5. Chapel Hill/Carrboro
6. Greensboro City
7. High Point City
8. Durham City
9. Salisbury City
10. Statesville City

The Bottom Ten

140. Onslow County
139. Davidson County
138. Randolph County
137. Hoke County
136. Richmond County
135. St. Pauls City
134. Lumberton City
133. Carteret County
132. Robeson County
131. Johnston County

PER-PUPIL EXPENDITURES (PPE) by School District, 1987-88
(Excluding School Food Service)¹

School District	State		Federal ²		Local		Total	
	PPE	Rank	PPE	Rank	PPE	Rank	PPE	Rank
Alamance County	\$ 2235	131	\$ 110	128	\$ 502	81	\$ 2848	124
Burlington City	2460	43	142	95	792	19	3394	29
Alexander County	2469	40	120	118	333	130	2922	111
Alleghany County	2688	11	206	34	408	106	3302	37
Anson County	2297	101	160	71	442	95	2900	116
Ashe County	2621	14	179	54	401	108	3201	50
Avery County	2547	22	221	31	510	72	3278	41
Beaufort County	2367	72	184	45	366	125	2917	112
Washington City	2275	115	240	21	389	115	2904	115
Bertie County	2296	103	248	17	380	120	2925	110
Bladen County	2484	38	250	16	444	94	3178	55
Brunswick County	2289	106	157	76	589	54	3036	84
Buncombe County	2550	21	137	104	658	35	3345	33
Asheville City	2417	49	281	9	1399	2	4097	2
Burke County	2538	25	121	117	518	71	3177	56
Cabarrus County	2330	88	112	126	549	66	2991	91
Kannapolis City	2333	84	146	87	583	57	3061	82
Caldwell County	2312	96	119	119	520	70	2950	101
Camden County	2702	9	174	59	585	56	3461	24
Carteret County	2225	132	143	92	431	102	2799	133
Caswell County	2346	79	157	75	338	129	2842	126
Catawba County	2354	75	80	140	601	48	3035	85
Hickory City	2383	64	164	68	614	44	3162	59
Newton City	2353	76	143	93	738	26	3234	46
Chatham County	2315	95	102	131	648	37	3065	81
Cherokee County	2372	70	177	56	307	134	2855	123
Chowan County	2605	16	174	58	573	60	3353	31
Clay County	2587	18	158	74	347	128	3092	78
Cleveland County	2389	59	148	84	445	92	2981	92
Kings Mtn. City	2369	71	180	50	588	55	3137	66
Shelby City	2460	42	311	6	671	32	3443	26
Columbus County	2340	82	241	20	375	121	2955	99
Whiteville City	2332	85	240	22	372	123	2943	102
Craven County	2197	136	289	8	445	93	2931	107
Cumberland County	2159	138	225	28	505	75	2890	119
Currituck County	2396	57	138	101	915	14	3450	25
Dare County	2130	139	86	138	756	23	2973	93
Davidson County	2182	137	108	129	390	114	2681	139
Lexington City	2315	94	231	24	745	24	3292	38
Thomasville City	2508	32	222	30	592	52	3322	34
Davie County	2262	121	129	108	502	82	2893	118
Duplin County	2416	50	179	52	368	124	2963	98
Durham County	2210	133	87	135	1170	6	3468	23
Durham City	2280	112	170	63	1296	3	3745	8
Edgecombe County	2428	47	297	7	436	101	3161	60
Tarboro City	2388	60	124	112	599	51	3111	74
Forsyth County	2303	100	129	109	1098	9	3530	15
Franklin County	2292	105	134	106	456	89	2882	120
Franklinton City	2334	83	191	39	426	104	2951	100

Per Pupil Expenditures by District, *continued*

School District	State		Federal ¹		Local		Total	
	PPE	Rank	PPE	Rank	PPE	Rank	PPE	Rank
Gaston County	\$ 2250	126	\$ 114	123	\$ 459	88	\$ 2823	128
Gates County	2672	12	187	41	634	40	3493	20
Graham County	2796	7	329	5	390	113	3515	18
Granville County	2277	113	145	88	550	65	2972	94
Greene County	2804	6	244	18	478	84	3526	16
Guilford County	2317	90	81	139	1028	11	3426	27
Greensboro City	2472	39	139	99	1253	4	3864	6
High Point City	2359	73	166	67	1240	5	3765	7
Halifax County	2407	52	261	14	324	132	2992	90
Roanoke Rapids City	2450	44	131	107	674	31	3255	43
Weldon City	2513	31	267	12	571	61	3351	32
Harnett County	2402	54	161	70	332	131	2896	117
Haywood County	2618	15	180	49	717	29	3516	17
Henderson County	2275	116	140	96	523	68	2938	104
Hendersonville City	2284	109	144	91	855	16	3283	40
Hertford County	2386	62	227	27	503	78	3116	71
Hoke County	2269	119	187	42	292	137	2748	137
Hyde County	2967	1	253	15	768	22	3988	3
Iredell County	2256	123	110	127	454	90	2820	130
Mooresville City	2347	78	143	94	665	33	3154	61
Statesville City	2542	23	181	48	996	13	3719	10
Jackson County	2466	41	235	23	525	67	3225	47
Johnston County	2286	108	137	103	388	116	2811	131
Jones County	2839	4	340	4	290	139	3468	22
Lee County	2317	92	167	66	660	34	3143	63
Lenoir County	2494	36	187	43	506	74	3186	53
Kinston City	2316	93	220	32	592	53	3128	69
Lincoln County	2317	91	118	121	438	100	2873	122
Macon County	2516	30	125	111	617	41	3258	42
Madison County	2605	17	180	51	386	117	3171	57
Martin County	2380	66	186	44	650	36	3215	48
McDowell County	2297	102	122	115	402	107	2821	129
Mecklenburg County	2377	67	101	132	1098	8	3576	14
Mitchell County	2555	20	149	82	439	98	3142	64
Montgomery County	2521	28	149	81	390	112	3061	83
Moore County	2296	104	157	77	726	27	3179	54
Nash County	2199	135	174	60	502	80	2875	121
Rocky Mount City	2255	124	121	116	744	25	3121	70
New Hanover County	2383	65	173	61	685	30	3240	44
Northampton County	2557	19	268	11	477	85	3302	36
Onslow County	2098	140	199	37	348	127	2645	140
Orange County	2525	27	112	125	869	15	3506	19
Chapel Hill/								
Carrboro City	2281	111	89	134	1535	1	3904	5
Pamlico County	2503	34	222	29	383	119	3108	75
Pasquotank County	2310	98	159	73	503	77	2972	95
Pender County	2255	125	178	55	503	76	2936	105
Perquimans County	2717	8	168	65	601	47	3486	21
Person County	2375	68	169	64	600	50	3144	62
Pitt County	2391	58	155	78	644	38	3190	52
Polk County	2692	10	179	53	722	28	3593	13
Tryon City	2848	3	123	114	1153	7	4124	1

Per Pupil Expenditures by District, *continued*

School District	State		Federal ¹		Local		Total	
	PPE	Rank	PPE	Rank	PPE	Rank	PPE	Rank
Randolph County	\$ 2202	134	\$ 87	137	\$ 397	111	\$ 2685	138
Asheboro City	2351	77	140	97	643	39	3134	67
Richmond County	2250	127	140	98	364	126	2754	136
Robeson County	2244	130	268	10	291	138	2804	132
Fairmont City	2540	24	343	3	287	140	3170	58
Lumberton City	2269	118	153	80	372	122	2795	134
Red Springs City	2385	63	216	33	307	135	2908	114
Saint Pauls City	2248	129	200	36	314	133	2762	135
Rockingham County	2488	37	170	62	577	59	3236	45
Eden City	2308	99	119	120	503	79	2929	108
Western Rockingham	2343	80	154	79	601	49	3097	76
Reidsville City	2408	51	164	69	560	63	3132	68
Rowan County	2288	107	98	133	522	69	2908	113
Salisbury City	2666	13	242	19	814	17	3722	9
Rutherford County	2331	87	144	90	497	83	2972	96
Sampson County	2498	35	231	25	463	87	3191	51
Clinton City	2310	97	146	86	615	43	3072	80
Scotland County	2329	89	175	57	612	45	3115	72
Stanly County	2387	61	108	130	438	99	2933	106
Albemarle City	2406	53	126	110	772	21	3304	35
Stokes County	2281	110	139	100	604	46	3025	87
Surry County	2399	56	145	89	427	103	2970	97
Elkin City	2508	33	87	136	1084	10	3679	11
Mount Airy City	2357	74	136	105	796	18	3289	39
Swain County	2813	5	695	1	410	105	3918	4
Transylvania County	2375	69	123	113	579	58	3078	79
Tyrrell County	2854	2	191	40	617	42	3662	12
Union County	2276	114	113	124	442	96	2831	127
Mcroe City	2342	81	264	13	790	20	3396	28
Vance County	2265	120	182	47	399	110	2846	125
Wake County	2249	128	115	122	1025	12	3390	30
Warren County	2537	26	227	26	440	97	3204	49
Washington County	2519	29	206	35	297	136	3022	88
Watauga County	2443	46	148	83	551	64	3141	65
Wayne County	2259	122	159	72	507	73	2925	109
Goldsboro City	2274	117	388	2	449	91	3111	73
Wilkes County	2417	48	137	102	385	118	2939	103
Wilson County	2331	86	194	38	570	62	3094	77
Yadkin County	2400	55	147	85	465	86	3012	89
Yancey County	2446	45	183	46	400	109	3030	86

FOOTNOTES

¹Low-income students receive reduced price or free school meals, and others pay for meals. The figures in this chart *exclude* all food service funds. The data are rounded to the nearest dollar.

²Federal funds are designed to supplement, not supplant, state and local efforts. Federal funds are included in this table to give the local funding picture for each school district. Federal monies, however, should not be considered as a way to address disparities in per-pupil spending among districts.

Source: "Selected Financial Data 1987-88," N.C. Department of Public Instruction Information Center, pp. 6-8.