



Michael Matros

Where North Carolina Stands

Disparity in Public School Financing

Per-pupil spending varies widely among the state's 142 school systems, by as much as 60 percent. Since the 1930s, North Carolina has provided "foundation" funding to all systems to operate the schools. Even so, today, local appropriations account for 25 cents of every school dollar in North Carolina. The financial equity issue remains low on the education agenda in North Carolina even though it represents the cornerstone of any "uniform system of free public schools."

by Lanier Fonvielle

"The General Assembly shall provide by taxation and otherwise for a general and uniform system of free public schools . . .

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."

—Constitution of North Carolina, Article IX, Section 2

When Chuck Clark graduates from Northern High School in Durham County this spring, he will have courses in advanced Latin and computer math under his belt. Two hundred miles to the west, in Jackson County, Maxwell Fowler will receive his diploma from Blue Ridge School, nestled in the mountains of Glensville. Maxwell never had the chance to take any Latin courses or computer math. In fact, Maxwell had 56 fewer courses (28 academic and 28 vocational) available to him in Glensville, a Jackson County community, than did Chuck in Durham County.

Perhaps it's not surprising that the K-12 Blue

Ridge School can offer fewer courses to its high school students than can a system in one of the state's major metropolitan areas. Larger school districts generally offer more courses than smaller districts. Indeed, the difference in educational opportunities between those of Chuck Clark and Maxwell Fowler is not an isolated example. The variety and level of course offerings throughout the 100 counties represents one of the simplest measures of educational disparity within North Carolina.

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Despite the wide range in *educational disparity* between the Durham and Jackson county school systems, the *financial disparity* between the two districts is relatively small. In 1982-83, per-pupil spending (excluding food service) in the Durham County system totaled \$2,160 compared to \$1,896 in the Jackson County system, a 14 percent difference.¹ Per-pupil spending, then, is only one factor affecting the educational opportunities of students like Chuck Clark and Maxwell Fowler.

Important variables in education equity include: the number of pupils in a district (i.e., the size of a district), the wealth of a school district (measured in per capita income, tax base, and other ways), level of per pupil spending, local leadership and values, and parental involvement. All of these factors are important and must ultimately be viewed together. But many of them hinge on the financial system employed by the state. Financial disparity is not the only factor leading to educational disparity, but financial equity does represent the cornerstone of any effort to build a "uniform system of free public schools."

Disparity in Per-Pupil Funding

The traditional wisdom in North Carolina holds that financial disparity among the various 142 school systems is not a major problem because the state provides a "foundation" of support for a local school district's operating costs. Indeed, since the pathbreaking 1931 and 1933 sessions of the General Assembly, the state has provided the local school systems with a base operating budget. In addition, the state encourages counties to supplement the state foundation with local funds. The General Assembly also mandates that counties must pay for school capital facilities and maintenance.

In the 1930s and even into the 1950s, the state provided the lion's share of *all* operating funds for public schools. Throughout these decades, a few big city school systems utilized substantial local monies, causing some important financial disparities among local districts. During the New Frontier and the Great Society in the 1960s, federal education funds—designed primarily to assist districts with large numbers of disadvantaged children—increased, and by the 1970s were an important portion of the public school budget for many districts.

In the 1980s, however, federal funds have leveled off. In addition, while state funding has kept up with inflation, it has not increased significantly. Meanwhile, many individual counties have added more local funds. By 1983, the state-federal-local mix had gradually shifted so that only 64 cents of every public school (K-12) operating dollar came from the state's General Fund.² County-generated revenues, primarily from the property tax, accounted for another 25 cents of every school

dollar. Federal funds made up the final 11 cents.

The state "foundation" spending for a local school district's operating costs provides a base of funds for all districts. Federal funds, for the most part, serve to equalize funding disparities (although this is not their intended purpose, as footnote 2 explains). Nevertheless, primarily because of increased local spending for schools, the differences in per-pupil funding among the state's school districts are significant. In 1983, per-pupil spending (excluding food service) in the Randolph County system totaled \$1,614, the lowest of any state school district. The Durham City system ranked first with \$2,578 spent on each pupil—60 percent more than the *Randolph County system*.³

Disparity in per-pupil funding among the school systems has not escaped the notice of policymakers, and education experts are now grappling with a host of education reform efforts. State Treasurer Harlan Boyles went so far as to say, "We may have a constitutional or legal problem on our hands."

Ron Aycock, director of the N.C. Association of County Commissioners, explained the issue further. "Our [N.C.] history of providing equal access to quality public education is at risk if we allow an increasing share of essential school operating expenditures to be financed by widely varied local revenues. Also, the counties' primary responsibility, school facilities, is undermined by competing needs for increasing aid to school operations. Only state resources can ensure equalization."

Gene Causby, director of the N.C. School Boards Association, sums it up like this: "The spending levels among the counties are bordering on being too far apart."

Boyles, Aycock, and Causby are referring not only to the state's constitutional mandate for a "uniform system of free public schools" but also to the extensive litigation concerning equal financing of school systems within other states (see article on page 38).

Most states, including those where litigation has occurred, rely far more heavily on local



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revenues for schools than does North Carolina. Only two other states, Hawaii and Alaska, utilize a foundation funding system with no equalization aspects based on local wealth. Nationally, states provide an average of 44 percent of total expenditures for public schools (K-12), compared to North Carolina's 64 percent. But North Carolina spends only \$2,033 per pupil, 82 percent of the national average of \$2,473.⁴ Moreover, some states—unlike North Carolina—employ various formulas that take local economic factors into account to balance funding among local districts. North Carolina relies almost exclusively on a state-level foundation system.

The "Foundation" Allocation System: Some Strengths and Weaknesses

State per-pupil funding does not vary extensively from district to district as does total spending. In 1983 the state per-pupil amount (excluding food service) ranged from a high of \$1,586 (Hyde County) to \$1,266 (Cumberland County), a 25 percent difference. About four of

every five state public school dollars go for instructional salaries according to an allotment system. Using the projected average daily membership of each district, the state determines the number of positions eligible for state funding.

The state funds these positions according to a state salary scale, but the amount spent on each position varies according to such factors as a teacher's longevity and graduate degrees. The state allows the local districts to hire the personnel. Therefore, if a district can attract and keep persons with advanced degrees and/or many years of service in the public school system, that district will automatically receive more salary dollars. Since 80 percent of state public school operating funds are allotted to instructional positions, this "line-item" accounts for much of the disparity in state per-pupil funding among the counties.

The General Assembly currently uses some 30 other formulas to fund various aspects of the public school system—from administrative positions to textbooks. Most of these funds are also

Table 1. Per-Pupil Expenditures (PPE) by School District, 1982-83 (Excluding Food Service)¹

School District, Ranked by Total PPE	(1) Total PPE Amount	(2) State		(3) Federal		(4) Local	
		%	Rank ²	%	Rank ²	%	Rank ²
Top Ten							
1. Durham City	\$2578	52	84	13	25	35	2
2. Asheville City	2546	54	46	12	36	34	3
3. Hyde County	2531	63	1	16	12	22	17
4. Tyrrell County	2458	62	4	19	4	19	33
5. Fayetteville City	2405	57	55	13	34	30	7
6. Chapel Hill/Carrboro City	2402	55	109	4	142	41	1
7. Hendersonville City	2375	60	26	10	72	31	6
8. Greene County	2366	61	17	19	5	20	34
9. Gates County	2357	67	2	16	21	17	51
10. Northampton County	2340	61	24	21	3	18	45
(Average)		59%		14%		27%	
Bottom Ten							
134. Caldwell County	\$1778	73	130	8	127	19	86
135. Catawba County	1746	75	129	5	143	21	70
136. Davie County	1745	74	132	8	129	18	101
137. Iredell County	1743	76	103	10	110	13	127
138. Union County	1740	76	120	8	135	17	111
139. Gaston County	1738	74	138	8	128	18	96
140. McDowell County	1735	75	135	12	89	13	128
141. Alexander County	1706	78	106	10	108	11	141
142. Davidson County	1622	79	141	9	133	13	136
143. Randolph County	1614	79	139	6	141	14	129
(Average)		76%		8%		16%	

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.

²Rank is out of 143 school districts (the number in 1982-83). There are now 142 districts.

Source: "Selected Financial Data, 1982-83," State Board of Education, Controller's Office, Division of Planning and Research, pp. 6-9.



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distributed through formulas “driven” by the average daily membership figures.⁵ Elements in these formulas also account for some of the per-pupil differences among the school systems. (For more on the formula issue, see pages 16-17 in the article by Ken Eudy and footnote 6 to that article.)

The North Carolina funding system distributes relatively equal amounts of money to each district and encourages the hiring of experienced teachers and those with graduate degrees. Despite these strengths, when it comes to providing equal educational opportunities, the system has spawned three important weaknesses.

1. School District Appropriations Vary Widely.

The state foundation has no incentives that affect the variations in local district spending. In 1983, the *local* per-pupil spending ranged from a high of \$978 (Chapel Hill/Carrboro) to \$188 (Hoke), a five-fold difference. In 11 school districts, 30 percent or more of the total budget comes from local sources; in 8 other districts, less than 12 percent of the budget comes from local funds.

Table 1 shows the impact of varying local spending levels, using the top 10 and bottom 10 districts in total per-pupil spending (excluding food service) as a basis of comparison. For the top 10 districts, on the average, local funds made up 27 percent of total spending, compared to only 16 percent for the bottom 10 districts. *State funds*, on the average, make up 76 percent of total spending for the bottom 10 districts, compared to only 59 percent for the top 10 districts.⁶

While Table 1 shows the rank of districts by amount of local spending, it does not show the spending “effort” of local areas. The distinction between *local spending* and *local effort* is an important one, but one that is very difficult to compute. A low ranking in local per-pupil spending does not necessarily mean that the school district is not making a substantial effort towards funding the local schools.

The State Board of Education’s Controller’s Office has attempted to show local effort through a ranking of counties by “expenditures as a percentage of local resources.” The Controller’s Office arrived at the ranking by dividing the per-pupil expenditures for each county by the local revenues available per-pupil in each county.⁷

Some analysts, however, believe the ranking to be misleading. “It is not a valid measurement of tax effort because it measures only the percent of revenues *spent* on schools,” says Dr. Charles D. Liner of the Institute of Government at Chapel Hill. The [Controller’s Office] computation does not indicate the tax effort that a county makes in relationship to per capita income or assessed property value.”

Local per-pupil spending is sometimes viewed together with a county’s tax resources or per capita income of its residents. Various analysts have made some preliminary comparisons between a *county’s* tax resources or per capita income and local school spending in that county.⁸ But few, if any, studies have focused on the relationship between a *school district’s* per-pupil spending and the *district’s* tax base and per capita income.

Such a comparison, while possible to do, is difficult because data is not readily accessible on a *school district’s* tax base. A school district’s boundaries (such as those of the Durham City district) do not necessarily coincide with the boundaries of the municipality related to the school district (such as Durham) because of annexation since the district was formed and other reasons.⁹

2. State Funding Does Not Provide a Comprehensive Instructional Program. The State Board of Education approves but does not require a standard curriculum for primary and secondary schools. The allotment system for the public schools, however, flows not from that standard curriculum but according to the hodge-

podge of various allocations explained above—positions allotments and other formulas based primarily on average daily membership. Put another way, the funding levels are decided first, then the educational curriculum evolves within the available funding. For more uniform instructional programs across the state, the process would have to be reversed: first, determine how much an educational system costs, based on a standard curriculum, and *then* fit the funding structure to that cost.¹⁰ Currently, the constitutional mandate for a “uniform system” is met primarily through a *system of allotment neutrality (i.e., by school district), not through a uniform educational curriculum.*

In some counties, aggressive local educators, often pushed by active parent groups and conscientious teachers, look to counties for flexibility in funding and for money for comprehensive programs that are not covered by state allotments. Counties must make up the differences between minimum programs and full offerings. As a result, education offerings vary widely.

3. There Are Variations in County Spending for School Facilities. According to state law, counties are responsible for funding maintenance, equipment, and capital costs.¹¹ The General Assembly, in addition, has floated two recent statewide bond issues for school buildings, one in 1963 for \$100 million and one in 1973 for \$300 million. In 1983, the legislature authorized a new, half-cent local option sales tax and required that some of the revenues go for school construction.¹² Nevertheless, since 1973, counties have provided \$936 million for school capital projects.¹³ This funding varies widely among the counties, as does the quality of facilities and enrollment trends. From 1974 to 1981, county spending for school facilities as a percent of total revenues varied from under 5 percent in 15 counties to over 20 percent in 11 counties. Statewide, the average was 12 percent of county revenues.¹⁴

The Weakening Foundation: What State Response?

In the last decade, two trends have converged to widen the gaps among counties, in effect diluting the foundation of state support. First, the share of school budgets from federal sources has decreased from 14.2 percent in 1972 to 10.5 percent in 1982. Second, since 1973-74, the state's share has decreased from 69 percent to 64 percent. Thus, since 1973-74, the most flexible, controversial, and disparate part of the budget—the local contribution—has increased from 19 to 25 percent of the statewide total for schools.

Federal. Seventy percent of the federal

money in local schools is targeted for compensatory education for disadvantaged students. It is allocated by formulas that take county-level income into account. The largest compensatory program, Chapter I of the Education Consolidation Improvement Act (ECIA), at \$68 million in 1983-84, goes to counties on the basis of the school age population and economic deprivation. (In the 30 counties where there is more than one school district, the division of these dollars is done within the county.) The smaller ECIA Chapter II program provides \$11 million, which the state distributes according to two factors—70 percent is based on enrollment and 30 percent on income.

To the extent that local school expenditure differences are related to local poverty or low tax base, federal dollars explicitly *equalize funding* by going in greater proportions to poorer counties. Thus, this relatively small portion of the total school budget bears a large burden of reducing disparities. *Federal funds account for 18.5 percent of the budgets in the 8 poorest counties, measured in per capita income, compared to 10 percent in the 8 richest counties.*¹⁵

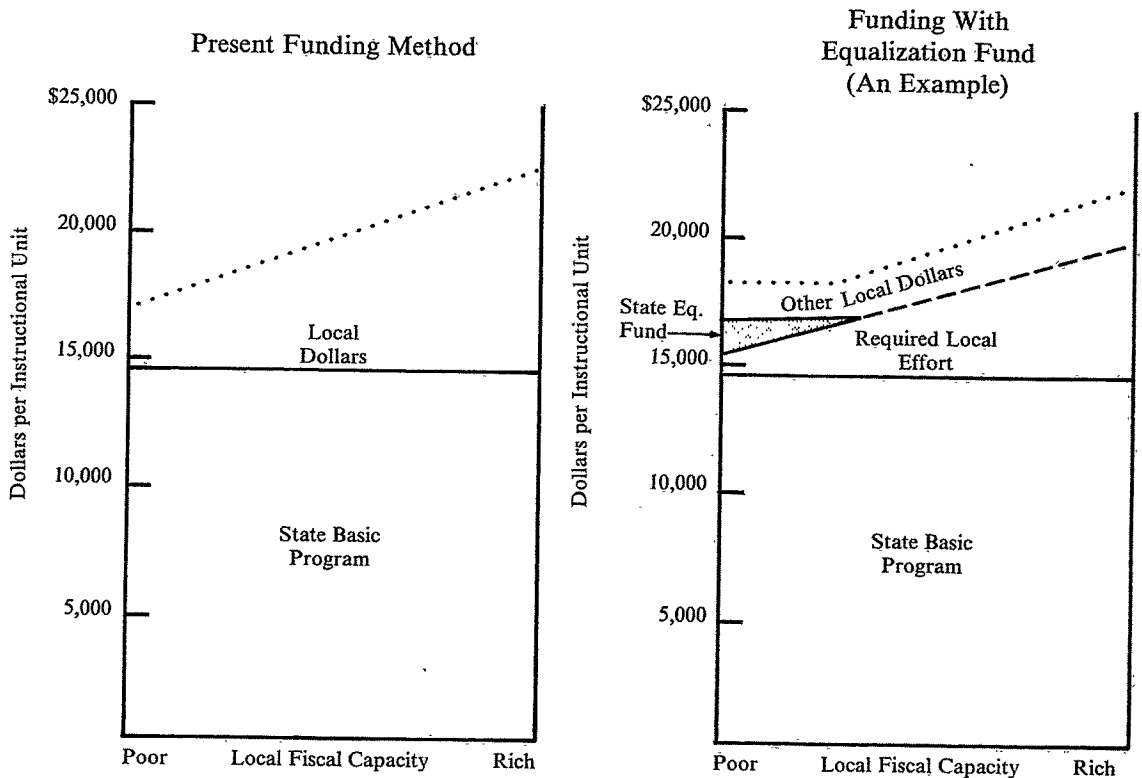
Table I also shows the equalizing impact of federal funds. Of the top 10 districts in total per-pupil spending, only Chapel Hill/Carrboro (first in local spending) and Hendersonville (sixth in local spending) ranked low in federal funds (see column 3 in table). Likewise, in the bottom ten districts for total per-pupil spending, all districts ranked low in federal spending. (Only McDowell County ranked near the middle, and it had one of the lowest local spending ranks.)

State. About 93 percent of state school funds (K-12) go for salaries and benefits (instructional and administrative positions). When the legislature has increased the school budget in the last decade, the increases have gone primarily to cover salary increases for existing staff, or to add a few specified positions (such as assistant principals and maintenance supervisors). Significant exceptions to this pattern were the new kindergarten program and the reading program with teacher aides. Correcting for inflation, the state per-pupil expenditure in 1972-73 was 88 percent of the 1982-83 amount.¹⁶ The added dollars, by and large, have not been targeted directly to improve the quality, scope, equity, or comprehensiveness of the basic educational program.

As the county portion of total per-pupil spending increased, one state commission did consider some proposals to equalize local funding and redistribute state funds to provide equal educational opportunity throughout the state. In 1977, Gov. James B. Hunt Jr. and the State Board of Education appointed a Commission on

Figure 1. Two Public School Funding Methods for North Carolina

A Comparison Presented by the Governor's Commission on Public School Finance, 1979 Report



Source: "Access to Equal Educational Opportunity in North Carolina," *The Report of the Governor's Commission on Public School Finance, 1979*, pp. 6-7

Public School Finance to study North Carolina's school finance system. In its 1979 report, "Access to Equal Educational Opportunity in North Carolina," the commission recommended that the state appropriate more funding for a basic, comprehensive school program. The commission also proposed a *minimum county tax levy for school spending and some equalizing efforts, over and above the existing foundation system, for poor districts* (see Figure 1 above).¹⁷

The 1981 General Assembly set up the Select Committee to Study the Department of Public Education to study financial and other issues and to make recommendations to the legislature. In its report to the 1983 session, the Select Committee formulated a totally different approach to the problem than had the 1979 commission report. The Select Committee recommended increasing the local sales tax and sharing responsibility for teachers' salaries between the counties and the state with a formula that would take the local economic base into account. The Select Committee also recommended that the

state experiment with a block grant method of funding counties — a per-pupil allocation with no line item restrictions.

The 1983 General Assembly passed the increased county sales tax authority with a provision for school capital outlays (see footnote 12). It also mandated a pilot project in eight school districts to begin in September 1984 to demonstrate a block grant approach to state funding of local units.¹⁸ Finally, the legislators set up a Public Education Policy Council to study school funding and other issues again and to make recommendations back to the General Assembly.

The Public Education Policy Council ambitiously intends to reform North Carolina's school finance system. First, it plans to spell out clearly the roles and responsibilities of the state and of the counties and then to define a new state basic education program and prescribe the funding system for this program. The council will make an interim report to the "short" session of the General Assembly in June 1984 and will make its major proposals to the 1985 session.

Conclusion

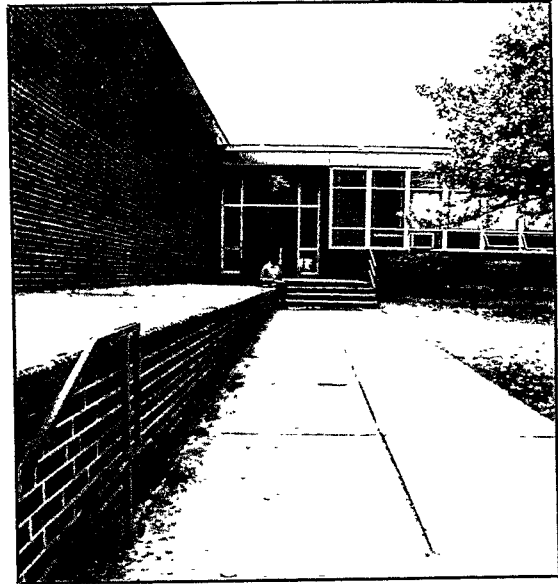
In synthesizing the state-level deliberations of the last six or seven years, four options appear available — or some combination of the four. The state could:

1. define the basic, comprehensive standardized program that should be offered in all districts regardless of fiscal capacity — and then fund that program (see footnote 10);
2. use its authority to require a minimum local effort to fund schools (see Figure 1 on page 35);
3. redistribute locally generated school funds or reduce state appropriations to wealthy counties (highly unlikely politically); and
4. use formulas for distributing state and federal funds that take school district wealth, income, and tax rates into account.

This year, the Public Education Policy Council has exclusively concentrated on the first option. In a presentation before the council, Dr. Liner of the Institute of Government said the state might improve the schools in an equitable manner in two ways. The state could equalize the ability of local units to provide programs or supplement state programs, the approach taken by the state between 1901 and 1931. Or the state could maintain a high level of foundation support so that an equal basic level of educational program is available throughout the state. Liner favored the second approach, emphasizing that only after the state has taken the step of maintaining a sufficiently high foundation support level should it consider equalizing the local supplements.

The approach put forth by Liner holds the potential for solving one of the thorniest issues in providing equal opportunities to all students. The cost of providing any program or function in a school varies from district to district. Some of the reasons for this variation in cost are obvious — size of schools and of districts, population density, and changes in student population. Other reasons are more subtle — availability of teachers, the impact of more than one school district in a single county, and other more complex factors.

Expenditure equity is not the same as program equity. By funding a minimum, comprehensive program and imposing statewide standards, the state could focus on *program equity as well as expenditure equity.* Such a funding approach would accommodate directly the fact that any given program or component may vary in cost from district to district. This approach would also have the important potential to fund programs according to students' varying needs. Raising the state foundation funding level is not



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enough alone. The state may also want to *adopt and require* a comprehensive set of education program components and standards.

The 1985 legislature will face school financing issues in some form. The highly visible and political issue of teacher salary increases dominates most school finance considerations. However, the legislature should also consider as a separate debate the public school *funding structure and its implications for equity among the 142 districts.*

If the legislature does indeed increase the state foundation level and mandate a minimum basic curriculum in all school districts, students following in the footsteps of Chuck Clark in Durham County and Maxwell Fowler in Jackson County will at least have available to them more similar educational opportunities. This does not mean that local districts would have to limit their local appropriations. But it would tend to reverse the trend toward an increased dependence on local funding. Such legislative actions may appear bold at first, but are they more far-reaching than the N.C. Constitutional mandate for a "uniform system of free public schools"?□

FOOTNOTES

¹"Selected Financial Data, 1982-83," State Board of Education, Controller's Office, Division of Planning and Research, pp. 6-9. All per-pupil expenditure figures in this article exclude school food service expenditures (see explanation for this exclusion in footnote 1 to Table 1). Other types of expenses might also be excluded from the type of analysis that follows in the article, particularly transportation expenses which are substantial and vary from district to district because of geography, district size, and other factors not necessarily related to educational opportunities. However, most analysts consulted in preparing this article felt that excluding only food service expenditures would be the best basis for analysis.

²The 64 percent figure is somewhat misleading, says Dr. Charles Don Liner of the Institute of Government at Chapel Hill, "because most of the local money comes from the few big city school units—the percentage is higher in most smaller units." On the other hand, Stuart A. Rosenfeld of the Southern Growth Policies Board points out that federal statutes explicitly direct that federal funds are to cover the higher costs of educating disadvantaged and handicapped children and are to be *added on* to the basic, comprehensive state and local program. Thus, federal funds should not be included in an analysis of a state-level equalization effort. Without federal funds, the problem of disparities within North Carolina is more serious.

³"Usually disparity in school finance refers to disparities in available funds between rich and poor school units," says Dr. Liner. "The comparison between total spending in Durham City and Randolph is . . . off the mark in terms of disparities between rich and poor counties because *Randolph County is not a poor county* (75 counties ranked below it in per capita income in 1981)" (emphasis added).

Analysis of *local revenues*—the source of local school appropriations—as opposed to *per capita income* indicates the difficulty in measuring disparity in per-pupil spending in relationship to factors of wealth. The State Board of Education Controller's Office has ranked the 100 counties according to "per-pupil resources" within each county (see "Selected Financial Data, 1982-83," table on pp. 19-20 labeled "Local Revenue and Expenditure for Public Education, 1981-82." As the basis for this ranking, the Controller's Office used data from the Department of Revenue that summarized *all* county revenue resources (countywide property taxes, school district property taxes, fines, license taxes, excise stamps, local sales taxes, ABC profits, intangibles taxes, beverage taxes, revenue sharing, and other miscellaneous sources). Using "per-pupil local revenue resources" as a measure of wealth, Randolph County ranked *99th among the 100 counties*—in sharp contrast to Dr. Liner's point that Randolph is *not* a poor county according to per capita income data.

Because of such contradictory measurements—is Randolph rich or poor for the sake of comparisons of school spending?—this article does not attempt to analyze disparity in school spending only in relationship to rich and poor counties. As explained in the beginning of the article, wealth and other factors must be taken into account, but the financial disparities in per-pupil spending alone are revealing. For more on this issue of wealth, see footnote 8. Also see discussion deeper in the text regarding using *county* versus *school district* figures as a unit of measurement.

⁴"State Education Statistics" released by U.S. Secretary of Education Terrel H. Bell, January 1984. Because North Carolina wage and salary levels (both private and public) are substantially lower than national averages, the 82 percent figure in the text might be somewhat misleading.

⁵For exceptions to the per capita approach, see "Administrative Policy Manual for Allotments of Personnel and Funds," State Board of Education, produced annually. Exceptions include: programs for children with special needs (based on number of students identified); transportation (takes route miles into account); remediation for students who fail the competency test; energy cost (a percentage based on climate and other data); vocational education (matches federal formula that takes income and other local factors into account); several supervisory positions, allotted per district; and day care and community schools money (separate application processes).

⁶Table 1 does not attempt to show—or to imply—that the state should necessarily spend more money on educational programs. Table 1 and this paragraph in the text only point out the portion of total per-pupil spending made up by local and state funds.

⁷See "Selected Financial Data, 1982-83," pp. 19-20. Also,

see discussion in footnote 3 about the method of this calculation.

⁸As discussed in footnote 3 above, Dr. Liner believes that Table 1 should analyze spending in relationship to a county's per capita income. "Its [Table 1's] significance is that some of the poorest counties are in the top 10, and the bottom 10 includes counties that are not poor. . . . How can the state system have serious disparities when some of the poorest counties have expenditures that match those of the richest? If these poor units have inferior schools, it must be due to some factor other than money."

Because of the factors discussed in footnote 3, Table 1 does not include a column indicating a county's relative wealth—either measured by per capita income, as Dr. Liner would prefer, or measured by per-pupil local revenue resources, as the State Controller's Office would prefer. In addition, both of these analysts use *county* data even though 87 of the current 142 districts are *not* counties. Historically, the wealthy areas of a county often were separated into "special chartered" school districts for the purpose of differential school funding. The answers to the questions posed by Dr. Liner above would likely come from an analysis of *school district* wealth (both per capita income and revenue resources) and per-pupil expenditures.

⁹Computer analysis of existing data would yield this new data base, and the author hopes to undertake such an analysis in the future.

¹⁰A standard curriculum would not necessarily mean that advanced Latin and computer math courses would be taught in rural schools across the state. A standard curriculum would establish the *minimum* courses to be taught in *all* districts, hence providing some measure of educational uniformity. Wealthy local districts and large districts with a much larger pool of pupils would, of course, continue to offer larger number of courses. A standard curriculum could never require some highly specialized courses—which would greatly increase the spending per pupil over the current levels. But it might facilitate such creative strategies for promoting more equal access to educational opportunities as cross-district services, inter-institutional efforts (e.g., allowing high school students to take courses in community colleges), and video classes in advanced courses.

¹¹See NCGS 115C-521 (facilities, furniture, etc.), NCGS 115C-249 (storage buildings, garages, etc.), and 115C-524 (maintenance).

¹²The 1983 General Assembly gave counties authority to levy an additional half-cent sales tax with the proceeds to return to taxing counties on the basis of population. For the first five years of the sales tax increase, 40 percent of the counties' share must be used for school capital outlay or to retire school capital debts, unless these needs are otherwise provided for. In the following five years, 30 percent would be set aside for schools.

¹³Figures compiled by the N.C. Association of County Commissioners for the Public Education Policy Council, February 1984.

¹⁴"School Finance, 1980-81 Update," N.C. Department of Public Instruction, Division of School Planning, April 1983.

¹⁵Unpublished data compiled by Dr. Charles D. Liner, the Institute of Government, University of North Carolina at Chapel Hill.

¹⁶Figures provided by the Controller's Office, Division of Planning and Research, to the Public Education Policy Council, February 28, 1984.

¹⁷"Access to Equal Education Opportunity in North Carolina," the Report of the Governor's Commission on Public School Finance, 1979, pages 2-10.

¹⁸The eight districts are: Bladen County, Catawba County, Greensboro City, Jones County, Charlotte/Mecklenburg County, Pitt County, Transylvania County, and Wake County.