

LOW-WEALTH SUPPLEMENTAL FUNDING INFORMATION INSTRUCTIONS

The enclosed documents are provided to assist you in planning for fiscal year 2022-23. It is important to note that data used to determine eligibility for Low-Wealth Supplemental funding is volatile and the county rankings change from year to year. The level of funding can vary, particularly due to changes in factors (1) and (2) described below. Many of these factors are not controllable at the LEA level and relate to events occurring across the state. Eligibility for Low-Wealth Supplemental funding is determined by a number of factors that are collected from other state agencies and the federal government.

You will need to input your LEA number, in text format, in the green shaded cells.

They are as follows:

1. County revenue per student which is computed from data provided by the NC Department of Revenue (www.dor.state.nc.us/publications/property.html) and select "County Taxable Real Property, Personal Property, and Public Service Company Valuations".
2. The county per capita income which is taken from the US Bureau of Economic Statistics (<http://www.bea.gov/regional/docs/income>) step 1: select "Local Area Annual Personal Income"; step 2: select "North Carolina" in the area dropdown menu; step 3: Click on Display).
3. The county's percentage of the state's area in square miles which is calculated using information provided by the State Demographics branch of the North Carolina OSBM, see www.osbm.state.nc.us/ncosbm/facts_and_figures/socioeconomic_data/population_estimates/demog/densa00.html.

A county is determined eligible if its composite weighted average of these three factors is less than the statewide composite average.

Worksheet 1--Effort is a measure of your county's effort to support the school system through local taxation and other general revenue. In order to receive one hundred percent of the Low Wealth distribution (prorated based on funds available), either the eligible county's effective tax rate must equal or exceed the state average effective tax rate or the "actual" local appropriation per student must equal or exceed the "anticipated" local appropriation per student. The effective tax rate is the product of the county's 2019-20 tax rate and the weighted average sales assessment ratio. The anticipated local appropriation per student is the sum of all anticipated county revenue divided by the allotted average daily membership. If a county is eligible for funding and neither of these criteria is met, the LEA's allotment is prorated based on the ratio of the county's "actual" local appropriation per student to the "anticipated" local appropriation per student.

Worksheet 2--Non-Supplant identifies the minimum funds that your county must appropriate locally for the school system in order to comply with the "Non-Supplant" provision of the legislation. The minimum amount is ninety-five percent of the average of the previous three year's per-student appropriations (prior to year of analysis).

Worksheet 3--Minimum Appropriation allows you to enter actual or estimated appropriations and ADMs for Fiscal Years after 2021-22 to calculate the minimum required local appropriation. This information is provided based on the current funding formula. Please remember that the current funding formula is subject to change based on action by the General Assembly.

Please direct any questions you may have to Susan Holly in the School Allotments Section at (984) 236-2441 or via email at Susan.Holly@dpi.nc.gov.