



PUBLIC SCHOOLS OF NORTH CAROLINA

STATE BOARD OF EDUCATION William C. Harrison, Ed.D., *Chairman*

DEPARTMENT OF PUBLIC INSTRUCTION June St. Clair Atkinson, Ed.D., *State Superintendent*

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June 3, 2011

Dr. Allen Smith, Superintendent
Edenton/Chowan County Schools
P. O. Box 206
Edenton, NC 27932-0206

Dear Dr. Smith:

In order for Edenton-Chowan County to continue to receive Low Wealth Supplemental Funding and Small County Supplemental Funding, the county's current expense appropriation per student must be at least 95 percent of the average of the local current expense appropriations per student for the three prior fiscal years. Based on this formula, Edenton/Chowan County's local current expense appropriation per student for fiscal year ended June 30, 2009 was required to be at least \$1,423.18 per student. Our analysis indicates Edenton/Chowan County's local current expense appropriation for fiscal year ended June 30, 2009 was \$1,420.04 per student.

As a result, Edenton/Chowan County has been found to have used these funds to supplant local current expense funds and will not receive an allotment for Low Wealth Supplemental Funding or Small County Supplemental Funding in the 2011-12 fiscal year unless Edenton/Chowan County can show (1) that it has remedied the deficiency in funding, or (2) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated for Low Wealth Supplemental Funding. To satisfy condition one, for 2011-12 the County must appropriate \$7,632 to the public schools of Edenton/Chowan County to replace the deficiency in 2008-09 and also appropriate \$7,632 to the public schools of Edenton/Chowan County to restore the local current appropriation per student to the 95 percent average. To satisfy condition two, the county must document that an economic emergency caused the deficit in the local current expense appropriation.

Documentation and certification by the Edenton/Chowan County public schools of either the total additional county appropriation of \$15,264 or the economic emergency must be submitted to the Office of School Business before the 2011-12 Initial Allotments are issued. If supplanting is determined, Edenton/Chowan County will lose approximately \$1,870,884 for fiscal year 2011-12.

Please feel free to contact me at (919) 807-3553 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Alexis Schauss".

Alexis Schauss

c: Mr. Philip Price
Ms. Emma Berry

**OFFICE OF FINANCIAL AND BUSINESS SERVICES
DIVISION OF SCHOOL BUSINESS**

ALEXIS SCHAUSS, Interim Director | aschauss@dpi.state.nc.us

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Public Schools of North Carolina
North Carolina Department of Public Instruction

**Low Wealth Supplemental Funding
Calculation of Effort Required
Fiscal Year 2012-13**

LEA #
210 Chowan County

Chowan County was eligible for funding in fiscal year 2011-12

| | |
|--|---------|
| County's 2010-11 Tax Rate: | 0.6850 |
| County's Weighted Sales Assessment Ratio: | 0.8992 |
| County's Effective Tax Rate: | 0.616 |
| State Average Effective Tax Rate: | 0.577 |
| Percent of State Average Effective Tax Rate: | 106.76% |

Your County's Effective Tax Rate is above the State Average Effective Tax Rate.

In FY 2012-13, your county will receive 100% of your calculated allotment if you are eligible for funding (prorated based on funds available).



Public Schools of North Carolina
North Carolina Department of Public Instruction

Low Wealth Supplemental Funding
Calculation of Non-Supplant Requirement
Fiscal Year 2012-2013

LEA #
210 Chowan County

| <u>Fiscal Year</u> | <u>Local Appropriation</u> | <u>ADM</u> | <u>Local Appropriation Per Student</u> |
|--------------------|---|------------|--|
| 2006-07 | \$3,749,350 | 2,492 | \$1,504.55 |
| 2007-08 | \$3,953,068 | 2,561 | \$1,543.56 |
| 2008-09 | \$3,453,542 | 2,432 | \$1,420.04 |
| | Three-Year Average of Appropriations per ADM: | | \$1,489.38 |
| | 95% of the Average of Appropriations per ADM: | | \$1,414.91 |

Current legislation requires that the State Board of Education make a finding that a county has used Low Wealth funds to supplant local current expense funds in the prior year or the year for which the most recent data are available if: (1) The current expense appropriation per student of the county for the current year is less than ninety-five percent (95%) of the average of the local current expense appropriations per student for the three prior fiscal years; and (2) The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with Low Wealth funds. In order to comply with this legislation, your county must have contributed to school's local current expense funds as outlined below.

| <u>Fiscal Year</u> | <u>Minimum Local Appropriation</u> | <u>ADM</u> | <u>Local Appropriation Per Student</u> |
|--------------------|------------------------------------|------------|--|
| 2009-10 | \$3,374,560 | 2,385 | \$1,414.91 |



Public Schools of North Carolina
North Carolina Department of Public Instruction

Low Wealth Supplemental Funding
Calculation of Minimum Required Local Appropriation

LEA # **210**
Chowan County

(Enter Actual Local Appropriation and ADM in the green boxes)
 (to calculate minimum required local appropriation)

| Low Wealth Supplemental Funding | Actual Local Appropriation | | | | Minimum Required | | Difference between Actual and Minimum | |
|---------------------------------|----------------------------|----------------------------|-------|-----------------------------|--------------------------|-----------------------|---------------------------------------|---------------|
| | Local Appropriation | Actual Local Appropriation | ADM | Local Appropriation Per ADM | Prior Three-Year Average | Appropriation Per ADM | Total Appropriation | Supplanting ? |
| FY 1999-00 | | \$2,212,232 | 2,534 | \$ 873.02 | | | | |
| FY 1998-99 | | \$2,368,238 | 2,588 | \$ 915.08 | | | | |
| FY 1999-00 | | \$2,629,725 | 2,582 | \$ 1,018.48 | | | | |
| FY 2000-01 | | \$2,801,335 | 2,539 | \$ 1,103.32 | 935.53 | \$ 888.75 | \$ 2,256,536 | Non-Supplant |
| FY 2001-02 | | \$3,088,951 | 2,478 | \$ 1,246.55 | 1,012.29 | \$ 961.68 | \$ 2,383,043 | Non-Supplant |
| FY 2002-03 | | \$3,206,044 | 2,464 | \$ 1,301.15 | 1,122.78 | \$ 1,066.64 | \$ 2,628,201 | Non-Supplant |
| FY 2003-04 | | \$3,353,846 | 2,512 | \$ 1,335.13 | 1,217.01 | \$ 1,156.16 | \$ 2,904,274 | Non-Supplant |
| FY 2004-05 | | \$3,356,442 | 2,506 | \$ 1,339.36 | 1,294.28 | \$ 1,229.57 | \$ 3,081,302 | Non-Supplant |
| FY 2005-06 | | \$3,515,514 | 2,431 | \$ 1,446.12 | 1,325.21 | \$ 1,258.95 | \$ 3,060,507 | Non-Supplant |
| FY 2006-07 | | \$3,749,350 | 2,492 | \$ 1,504.55 | 1,373.54 | \$ 1,304.86 | \$ 3,251,711 | Non-Supplant |
| FY 2007-08 | | \$3,953,068 | 2,561 | \$ 1,543.56 | 1,430.01 | \$ 1,358.51 | \$ 3,479,144 | Non-Supplant |
| FY 2008-09 | | \$3,453,542 | 2,432 | \$ 1,420.04 | 1,498.08 | \$ 1,423.18 | \$ 3,461,174 | Non-Supplant |
| FY 2009-10 | | | 2,385 | \$ - | 1,489.38 | \$ 1,414.91 | \$ 3,374,560 | |
| FY 2010-11 | | | 2,344 | \$ - | - | \$ - | \$ - | |
| FY 2011-12 | | | 2,320 | \$ - | - | \$ - | \$ - | |
| FY 2012-13 | | | | \$ - | - | \$ - | \$ - | |
| | | | | | | \$ (3.14) | \$ (7,632) | Supplant |

Notes

- (1) Actual Local Appropriation includes supplemental taxes.
- (2) ADM includes cities and charter schools' ADM.
- (3) Minimum required appropriation is 95% of prior three-year average of actual local appropriations.