



## Budget and Management Services

DATE: May 22, 2017

TO: Jim Hartmann, County Manager

FROM: Michelle Venditto, Director of Budget and Management Services  
Michael James, Budget and Management Analyst

SUBJECT: Per-Pupil Calculation Approach

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The County Manager's Recommended Fiscal Year 2018 Budget includes a total operating appropriation of \$425,911,000 for the Wake County Public School System. In the Recommended Budget book and the County Manager's presentation, it is noted that this equates to per-pupil funding of \$2,633. This is calculated by dividing the total appropriation of \$425,911,000 by the total projected 2017-18 membership for WCPSS of 161,757. The projected enrollment of 161,757 does not include charter school students. This method of calculating per-pupil funding is not new, but mirrors county per-pupil calculations shared with the school system and the public in budget documents and presentations in prior fiscal years.

The North Carolina Department of Public Instruction (DPI) does not include charter school enrollment in its per-pupil calculations for Local Education Agencies (LEAs). DPI uses Average Daily Membership (ADM) as its basis for calculating per-pupil information.

		Enrollment Basis	
		WCPSS Only	WCPSS + Charters
A	FY18 Recommended County Funding	\$ 425,911,000	\$ 425,911,000
B	FY18 Projected Enrollment	161,757	175,106
C=A/B	Recommended Per Pupil	\$ 2,633	\$ 2,432
D	FY17 Per Pupil Funding	\$ 2,569	\$ 2,403
E=C-D	Increase in Per Pupil	\$ 64	\$ 29
F	FY17 Enrollment	159,549	170,363
B	FY18 Projected Enrollment	161,757	175,106
G=B-F	Increase in Enrollment	2,208	4,743
H=E*F	Increase Per Pupil on FY17 Enrollment	\$ 10,215,889	\$ 4,992,294
I=F*C	Growth at FY18 Per Pupil	\$ 5,813,730	\$ 11,536,417
J=H+I	Total Increase	\$ 16,029,619	\$ 16,528,711

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**Pupil Accounting Definitions**

North Carolina uses the final Average Daily Membership (ADM) figure as our base for calculating per-pupil information. The National average uses the Average Daily Attendance (ADA) figure as their base. The ADA figure typically will be lower than an ADM figure; thus the National per-pupil figures may be higher as a result.

Source: <http://www.dpi.state.nc.us/fbs/resources/data/statisticalprofile/>

The ADM for WCPSS does not include charter schools. Charter schools are treated separately by DPI. Each charter school has its own ADM and its own per-pupil calculations. The following reflects the per-pupil information for charters in Wake County.

**Table 40.1 - Charter School Per Pupil Expenditure Ranking  
Child Nutrition Included  
Year 2016**

Year	CS	Charter School Name	State PPE	State Rank	Federal PPE	Federal Rank	Local PPE	Local Rank	Total PPE	Total Rank
2016	92B	THE EXPLORIS SCHOOL	5,393.18	108	191.78	88	2,295.88	84	7,880.84	109
2016	92D	MAGELLAN CHARTER	5,322.49	127	196.5	86	2,626.49	71	8,145.48	95
2016	92E	STERLING MONTESSORI	5,344.13	123	157.43	111	2,453.72	77	7,955.28	104
2016	92F	FRANKLIN ACADEMY	5,054.39	152	93.55	152	2,214.13	91	7,362.07	134
2016	92G	EAST WAKE ACADEMY	5,318.92	128	163.29	106	2,111.57	103	7,593.78	124
2016	92K	RALEIGH CHARTER HIG	4,983.86	156	141.81	130	2,840.79	58	7,966.46	103
2016	92L	TORCHLIGHT ACADEMY	5,624.65	78	747.99	14	11,966.54	2	18,339.18	2
2016	92M	PREEMINENT CHARTER	5,429.53	105	502.62	31	2,598.37	74	8,530.52	74
2016	92N	QUEST ACADEMY	5,313.35	129	135.26	140	1,864.14	114	7,312.75	137
2016	92P	SOUTHERN WAKE ACADE	5,836.51	49	256.46	64	8,841.70	4	14,934.67	4
2016	92Q	HOPE CHARTER LEADER	5,650.65	73	683.67	18	4,258.61	21	10,592.93	27
2016	92R	CASA ESPERANZA MONT	5,384.67	111	161.65	108	2,802.87	62	8,349.19	81
2016	92S	ENDEAVOR CHARTER	5,226.46	140	137.02	138	3,197.87	44	8,561.35	73
2016	92T	TRIANGLE MATH AND S	4,905.22	157	119.45	149	2,429.64	79	7,454.31	129
2016	92U	LONGLEAF SCHOOL OF	5,770.19	57	186.76	94	1,232.81	143	7,189.76	140
2016	92V	WAKE FOREST CHARTER	5,126.92	149	227.73	73	3,071.67	47	8,426.32	79
2016	92W	CARDINAL CHARTER	5,112.68	150	169.9	102	723.61	151	6,006.19	159
2016	92Y	ENVISION SCIENCE AC	5,354.00	119	146.02	123	3,473.51	34	8,973.53	61
2016	93J	PAVE SOUTHEAST RALE	5,212.67	142	439.22	42	8,213.38	5	13,865.27	7

Source: Source: North Carolina Department of Public Instruction, Statistical Profile, Table 40.1, Charter and Regional School Per Pupil Ranking, <http://apps.schools.nc.gov/ords/f?p=1:82:0::NO::>

When DPI compares per-pupil funding between LEAs, charter school enrollment is not included. Instead, charters are treated separately as shown above. The DPI chart below compares the FY2016 county appropriation to WCPSS to other LEAs on a per-pupil basis. When the total appropriation of \$384,849,031 is divided by the \$2,457 per-pupil amount, the result is 156,634. This is close to the Final 2015-16 WCPSS Average Daily Membership (ADM) of 156,612, which does not factor in charter school enrollment. According to WCPSS, the charter roster count for September of the 2015-16 school year was 9,577. If DPI added charter school enrollment of 9,577 to the 156,634, the combined enrollment would be 166,211, and per-pupil funding would be \$2,315.

**Table 30 - County Appropriations and Supplemental Taxes for Education  
Year 2016**

Year	LEA No	LEA Name	Amount	PPA	Rank
2016	999	STATE TOTAL	2,830,099,722	1,870	0
2016	681	Chapel-Hill/Carrboro City Schools	68,317,727	5,710	1
2016	280	Dare County Schools	20,664,318	4,180	2
2016	680	Orange County Schools	29,338,029	3,911	3
2016	111	Asheville City Schools	16,833,877	3,829	4
2016	320	Durham County Schools	123,031,937	3,712	5
2016	190	Chatham County Schools	28,126,130	3,334	6
2016	880	Transylvania County Schools	11,161,610	3,245	7
2016	950	Watauga County Schools	12,557,769	2,922	8
2016	600	Charlotte-Mecklenburg County Schools	401,986,016	2,764	9
2016	650	New Hanover County Schools	70,610,100	2,726	10
2016	410	Guilford County Schools	183,360,398	2,567	11
2016	100	Brunswick County Schools	31,276,705	2,529	12
2016	480	Hyde County Schools	1,470,336	2,518	13
2016	491	Mooresville City Schools	15,002,945	2,492	14
2016	160	Carteret County Schools	20,354,396	2,468	15
2016	920	Wake County Schools	384,849,031	2,457	16
2016	270	Currituck County Schools	9,503,189	2,396	17

The total county appropriation for FY 16 was 386,000,000. The \$384,849,031 below excludes \$1,150,969 for capital outlay, as this compares only current expense funding. The \$384,849,031 does include planned funding for WCPSS payments to charter schools, which totaled \$21,416,563 in the FY16 Amended Budget.

Source: North Carolina Department of Public Instruction, Statistical Profile, Table 30, County Appropriation and Supplemental Taxes for Education. <http://apps.schools.nc.gov/ords/f?p=1:40:0::NO::>

The Board of Education’s budget shows a per-pupil calculation that factors in estimated charter enrollment on page 5, but per-pupil comparisons to other jurisdictions used by WCPSS in the budget do not include charter school enrollment.

	2016-17	Proposed 2017-18	Difference	Percent Increase
<b>County Appropriation</b>				
Current Expense	\$ 407,871,457	\$ 453,038,677	\$ 45,167,220	
Capital Outlay	\$ 1,150,969	\$ 1,191,669	\$ 40,700	
Crossroads Lease	\$ 888,574	\$ 899,014	\$ 10,440	
	<u>\$ 409,911,000</u>	<u>\$ 455,129,360</u>	<u>\$ 45,218,360</u>	<b>11%</b>
<b>Student Membership</b>				
WCPSS	159,549	161,757	2,208	1%
Charter Schools	10,814	13,349 <sup>1</sup>	2,535	23%
	<u>170,363</u>	<u>175,106</u>		
<b>Allocation Per Student</b>	\$ 2,406	\$ 2,599		

The proposed allocation of \$2,599 per student on page 5 does include projected charter school enrollment.

WCPSS uses DPI’s Final ADM number in its per-pupil comparison to other large NC school districts on page 13 in the Board of Educations’ budget. The 156,612 used in this comparison does not include charter school enrollment.

**Largest Five North Carolina Districts  
Per Pupil Expenditure (PPE) Ranking (excluding Child Nutrition) 2015-16**

School System	Final Average Daily Membership	Rank out of 115 Districts	State PPE		Federal PPE		Local PPE		Total PPE	
			PPE	Rank	PPE	Rank	PPE	Rank	PPE	Rank
<b>WCPSS</b>	<b>156,612</b>	<b>1</b>	<b>\$ 5,349</b>	<b>108</b>	<b>\$ 466</b>	<b>105</b>	<b>\$ 2,430</b>	<b>19</b>	<b>\$ 8,245</b>	<b>81</b>
Charlotte-Mecklenburg	145,444	2	\$ 5,227	112	\$ 548	91	\$ 2,319	23	\$ 8,094	90
Guilford						81	\$ 2,733	13	\$ 8,772	56
Forsyth						53	\$ 2,286	27	\$ 8,603	68
Cumberland	49,916	5	\$ 5,412	106	\$ 721	49	\$ 1,635	76	\$ 7,768	105
State	1,432,507		\$ 5,720		\$ 615		\$ 2,068		\$ 8,402	
WCPSS Compared to the State	10.9%		\$ (371)		\$ (149)		\$ 362		\$ (157)	

Source: Public Schools of North Carolina website: <http://apps.schools.nc.gov/statisticalprofile>

The national comparison is based on U.S. Census data, which uses Fall 2013 student membership and does not include charter schools.

**Comparison of Per Pupil Spending with National Districts as of 2013-14**

School System	City	2013-14 Enrollment	Per Pupil Spending
Montgomery County	Rockville, MD	151,295	\$ 15,181
Prince George's	Upper Marlboro, MD	125,136	\$ 13,994
Fairfax	Fairfax, VA	183,417	\$ 13,710
Philadelphia	Philadelphia, PA	137,674	\$ 10,352
Shelby	Memphis, TN	149,832	\$ 9,221
San Diego	San Diego, CA	130,303	\$ 9,681
Gwinnett County	Lawrenceville, GA	169,150	\$ 9,270
		127,653	\$ 8,831
		159,713	\$ 8,609
Charlotte-Mecklenburg	Charlotte, NC	142,991	\$ 8,318
<b>Wake County</b>	<b>Cary, NC</b>	<b>153,534</b>	<b>\$ 7,810</b>

Source: U.S. Census Bureau website: <https://www.census.gov/govs/school/>

Additionally, page 86 of the WCPSS 2016 Comprehensive Annual Financial Report includes per-pupil figures, based on enrollment numbers that do not include charter school enrollment.

**WAKE COUNTY BOARD OF EDUCATION  
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION  
PER PUPIL AND IN TOTAL  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

Fiscal Year Ended June 30,	Enrollment	Instructional Services	Systemwide Support Services	Ancillary Services	Nonprogram Charges	Instruction	Pupil and Instructional Services
2016	<b>156,644</b>	6,845 \$ 1,072,274,881	1,563 \$ 244,878,979	- \$ 61,198	156 \$ 24,407,069	- \$ -	- \$ -

**County Funding for Charter Schools**

The county recognizes the school system is financially responsible for the growing number of Wake County students attending charter schools. Each year in the county's final budget ordinance, there is an allocation to WCPSS for payments to charter schools. This allocation totals \$25,416,536 in the current year budget. In materials shared with the Board of Commissioners at its April 10, 2017 work session, the county included the anticipated increase in charter school payments in the list of WCPSS requested increases for which the county is responsible. That list totaled \$12 million, including \$6.8 million for charter schools. The County Manager's Recommended Budget includes a total increase of \$16 million for WCPSS.