



2026 Local School Finance Study: Methodology, Data Definitions, and Sources

For more than 30 years, the Public School Forum of North Carolina's Local School Finance Study has highlighted variations and trends in local spending for public education across our state's 100 counties. The purpose of this annual study is to isolate local spending from state and federal spending to examine the capacity and actual effort of counties to support public schools. The Local School Finance Study focuses not only on the amount that counties spend on schools, but also on each county's investment in relation to their taxable resources. Note that all data are analyzed and presented at the county level rather than the school district level because several of our indicators are only available at the county level.

The 2025 Local School Finance Study uses data from the 2023-24 school year.

Adjusted Property Tax Revenue

Calculated by dividing the *State Average Effective Property Tax Rate* by 100, then multiplying this figure by the *Adjusted Tax Base*. The rationale for this adjustment is that there is such disparity among counties' tax rates; going through this calculation lets you look at a county's actual ability to raise revenue if they were to use the average rate (as opposed to their current actual rate).

Adjusted Tax Base

The total valuation of real, tangible, and public utility property for a county subject to taxation by the local tax authority. The property values are adjusted using a three-year weighted average of the sales assessment ratio. *Source: NC Department of Revenue County Taxable Real Property, Personal Property, and Public Service Company [Valuations](#)*

Attrition

The reduction in the number of employees within the district. *Source: NCDPI State of the Teaching Profession [Report](#)*.

Average Daily Membership (ADM)

The total days in membership for all students over the school year divided by the number of days school was in session. ADM is a more accurate count of the number of students in school than enrollment. *Source: NCDPI School Accounting [Data](#)*

Average Teacher Supplement

The local salary supplement for teacher salary provided by the district. *Source: NCDPI Statistical Profile State Summary [Table 20](#)*.



Base Local Appropriations

The sum of *County Appropriations* and *Supplemental Taxes*.

Charter School Enrollment

The number of students enrolled in a charter school. Source: NCDPI [Charter School Membership by District](#).

County Appropriations

A county's total appropriations for public K-12 education. Source: NCDPI *Statistical Profile State Summary* [Table 30](#). This figure from DPI combines the *Current Appropriations* AND the *Supplemental Tax*. We remove the *Supplemental Tax* to show only the county appropriations in this case.

Economically Disadvantaged

Beginning with the 2021–22 school year, the criteria for identifying Economically Disadvantaged Student (EDS) status was updated by the United State Department of Education. The North Carolina Department of Public Instruction defines Economically Disadvantaged status as: Any student identified by a Public School Unit (PSU), meeting the criteria of Directly Certified, Categorically Eligible, or a method consistent with state or federal guidance for financial assistance regardless of participation or eligibility in the National School Lunch Program (NSLP). Source: [NCDPI](#)

Effective County Tax Rate

The *Weighted Sales Assessment Ratio* multiplied by the *County Tax Rate*. Source: NC Department of Revenue *Property Tax Publications* (*Sales Ratio*) and NC Department of Revenue *County Property Tax Rates and Reappraisal Schedules* (*County Tax Rate*).

English Learner

The current enrollment of those students identified and assessed as English Learners under the State Board of Education (SBE) policies as of November 1, 2023 within a given county. Source: *NCDPI Report to the General Assembly Headcount of English Learners 2023*

Exceptional Child

The number of pupils in membership being served by Exceptional Children programs. Source: *NCDPI Statistical Profile State Summary* [Table 9](#).

Income-Adjusted Total Revenue

Total Revenue (Less Welfare) multiplied by the *Percent of State-Average Per-Capita Income*.



Last Year Revalued

The last year that a county's property taxes were revalued. Source: NC Department of Revenue [County Property Tax Rates and Reappraisals Schedules](#).

Local Revenue per ADM

Income-Adjusted Total Revenue divided by ADM. This is a measure of a county's per student fiscal capacity to support public schools. It is a combined measure of revenue that would have been generated at the state average tax rate based on property valuations per student (adjusted to reflect current market prices and to account for differences in income levels) and the value of non-property tax revenues. Each county's mandated social services payments were also subtracted from total adjusted revenues. Large, urban counties combining high adjusted property valuations with broad-based economic activity and high per capita incomes tend to rank highest on this measure.

Low-Wealth Funding

The state provides low-wealth supplemental funding to districts that are located in counties where the county wealth is less than 100 percent of the state average. Source: NCDPI School Allotment Section [Allotment Data](#). Select "All LEAs" under State Initial Allotment.

Mandated Social Services Payments

A county's total responsibility toward mandated social security payments. Source: NCDHHS [WC302 Cash Report](#).

Non-property Tax Revenue

Sources of revenue for the county other than property taxes. This includes *sales and use tax distribution plus fines and forfeitures*. Source: *Sales and Use Tax is calculated from NCDOR Local Government Sales and Tax Use Distribution [monthly reports](#). Fines and Forfeitures are from the [NC Judicial Branch](#) Statistical and Operational Report of Budget Management and Financial Services.*

Per-Capita Income

A measure of the average income per person in the given county. Source: US Bureau of Economic Analysis Regional GDP and Personal Income [Interactive Data Tables](#). To gather this data, select "Personal Income and Employment by County and Metropolitan Area," and then select, "Personal income, per capita personal income, and population (CAINC1)" and follow the prompts to find the Per Capita Personal Income for each county.

Percent of State-Average Per-Capita Income

Per-Capita Income divided by the *Per-Capita Income* for NC.



Race and Ethnicity

Source: NCDPI Statistical Profile State Summary [Table 10](#)

Relative Funding Effort

The relative funding effort shows how much of a county's revenue is being allocated towards education. In general, low-wealth districts with comparatively high spending levels rank highest in this measure. This number is calculated by dividing *Base Local Appropriations per ADM* by *Local Revenue per ADM*.

Small-County Funding

The state provides small-county supplemental funding to districts that have an Average Daily Membership (ADM) of 3,300 or smaller. Source: NCDPI School Allotment Section [Allotment Data](#). Select "All LEAs" under State Initial Allotment.

Supplemental Taxes

A county's total appropriations for supplemental taxes for education. Most counties will not have this appropriation because most counties do not have a specific tax or revenue stream dedicated to school funding. Source: NCDPI Statistical Profile State Summary [Table 31](#).

Total Local Appropriations

The sum of *Base Local Appropriations*, *Low-Wealth Funding*, and *Small-County Funding*.

Total Revenue (Less Welfare)

This is the sum of the *Adjusted Property Tax Revenue* plus the *Non-Property Tax Revenue*, minus the *Mandated Social Services Payments*. The rationale for removing the mandated social services payments out of the county's tax revenue is that these payments are a required match for federal dollars, and the county effectively has no option but to spend those funds on something other than education.

Teacher Vacancy

An instructional position (or a portion thereof) for which there is not an appropriately licensed teacher who is eligible for permanent employment. Source: NCDPI [State of the Teaching Profession Report](#). Please note that the vacancy rates are reported one year ahead. For example, the 2021-22 report contains 22-23 vacancies.