

State Ratings Rubric: North Carolina



MEETS CRITERIA








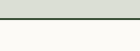

PARTIALLY MEETS CRITERIA

DOESN'T MEET CRITERIA

- Rating went up since last year
- Some improvements since last year
- Rating did not change
- Rating went down since last year
- Some decline since last year

Last updated: August 2025

COMPONENT	DESCRIPTION	RATING	EXPLANATION
FUND STUDENTS ADEQUATELY			
Funding Adequacy	Per-student funding is at or above the national average (\$16,645).		Per-student funding was \$4,868 less than the national average in the 2021-22 school year.
Yearly Increases	Base funding for all students increases every year to account for inflation.		North Carolina does not have a per-student base amount and did not pass a budget by the start of the 2025-26 school year.
Progressive Tax Policies	The state maintains healthy revenue sources for schools.		Multiple laws passed to further reduce income taxes.
FUND STUDENT NEEDS EQUITABLY			
Student-Based Formula	The funding formula is primarily student-based.		Primary resource-based formula.
Students from Low-Income Backgrounds	The state provides additional funds for students from low-income backgrounds.		No additional funding for individual students from low-income backgrounds. (see Concentrated Poverty)
English Learners	The state provides additional funds for English Learners.		Additional funding is only provided for up to 10.6% of a district's students, regardless of students' actual learning needs.
Students with Disabilities	The state provides additional funds for students with disabilities, based on their needs.		Additional funding is only provided for up to 13% of a district's students, and they all receive the same amount, regardless of the types of disabilities students have.

FUND DISTRICTS APPROPRIATELY			
Cost Sharing	The state requires local governments to share the cost based on their ability to pay.		Local governments are not required to contribute to instructional and operational costs.
Local Revenue Cap	The state limits wealthy districts from contributing excessively more than other districts.		The state does not set a cap.
Rural Districts	Small districts and districts with few students per square mile (“sparse districts”) receive additional funds.		Additional funding for small districts based on teacher salary calculations.
Concentrated Poverty	Districts with high concentrations of poverty receive additional funds .		Additional funding for districts with concentrated poverty to reduce class sizes.
FUND STUDENTS TRANSPARENTLY & EFFECTIVELY			
Formula Transparency	The funding formula is easy to understand and clearly explained.		The formula is complicated, and the state education department has not recently published a school funding guide.
Funding Data	The state shares detailed, timely, and user-friendly public data on districts’ funding.		Data is detailed and is somewhat user-friendly.
District Spending Plans	The state requires districts to share public reports about how they invest funds to meet students’ needs.		Districts must publish annual expenditure reports in plain language, but they do not show how specific investments relate to student groups with additional funding.
Formula Review	The state requires a clear, stakeholder-led process to evaluate the formula and recommend improvements.		No required review process.
FUND PUBLIC SCHOOLS EXCLUSIVELY			
Vouchers	The state does not divert public funds to private schools through voucher programs, education savings accounts, or scholarship tax credits.		The Opportunity Scholarship Program provides vouchers with universal eligibility and no accountability requirements.

Sources: Education Law Center, EdFund, EdBuild, Bellwether, Education Commission of the States, Institute on Taxation and Economic Policy, North Carolina Department of Education