

## SCHOOLING THE KLEPTOCRACY: RACISM AND SCHOOL FINANCE IN RURAL NORTH CAROLINA, 1900-2018

Esther Cyna

Mrs. Estelle Wicker's house smelled of warm cookies and fresh flowers. Celebrated as "Moore County's First Lady of Finance," Mrs. Wicker loved to garden and bake when she was not working as Moore County's financial officer, a position she held for over fifty years.<sup>1</sup> A White woman and native of Moore County, Mrs. Wicker dealt with the county's budget, tax levies, valuation and debt from 1926 to 1978. The round letters of her signature signed every board of county commissioners minutes, the curves on her E's and L's punctuating the creation of special school districts in 1933, with their supplemental school tax, as well as their eventual consolidation in 1966. In the lines, columns and figures of Mrs. Wicker's folders and boxes were the decisions that created chasms between her hometown of Carthage and nearby impoverished Taylortown; between the special tax schemes of Pinehurst, Aberdeen, and Southern Pines, and the financial struggles of the rural county schools.<sup>2</sup> Ten years after *Brown v. Board of Education*, Mrs. Wicker signed the board of county commissioners' statement that they would support the construction of "only one white and one Negro high school" in the southern part of the county, despite the requests of Black families whose children attended overcrowded schools, because the "tax burden would be unfair" if any more construction was to happen.<sup>3</sup>

Since 1868, county commissioners, local finance officers, school board and city council members have presided over crucial financial decisions in the distribution of local tax dollars for

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<sup>1</sup> "Estelle T. Wicker: Moore County's First Lady of Finance," *Popular Government*, 43 (Winter 1978), 13.

<sup>2</sup> Emily Tumpson Molina, "Race, Municipal Underbouding, and Coalitional Politics in Modesto, California, and Moore County, North Carolina," *Kalfou*, 1, 1 (Spring 2014): 180-187.

<sup>3</sup> "Commissioners Request School Boards Hold Up Plans Till Survey Made," *The Pilot* (Southern Pines, N.C.) August 27, 1964, 1, quotes on page 8.

education in North Carolina.<sup>4</sup> The state's 1868 constitution created boards of county commissioners and gave them full financial responsibility over county finances, including the funding of public schools. Bookkeeping and accounting records, meeting minutes and press accounts provide a glimpse into the myriad county-level decisions that have shaped educational inequality in North Carolina.<sup>5</sup> This article focuses on three rural counties—Robeson, Moore, and Halifax—to show that public officials implemented discriminatory school finance policies to protect and boost the value of White property.<sup>6</sup> From 1880 to 1910, Black people in North Carolina paid an average of six times more taxes than White citizens as a percentage of assessed property value, yet the value of school property for Black people was eight times lower overall in 1910.<sup>7</sup> Per child, the value of school property in 1910 was 3.4 times higher for White children

<sup>4</sup> The North Carolina Constitution of 1868 established that citizens would elect their local leaders, including the newly created commissioners. David Leroy Corbitt, *The Formation of the North Carolina Counties, 1663-1943*; James Leloudis, *Schooling the New South: Pedagogy, Self, and Society in North Carolina, 1880–1920* (University of North Carolina Press, 1996), 22-23. On county government, see Edwin Benton, “The Impact of Structural Reform on County Government Service Provision,” *Social Science Quarterly*, 84 (2003): 858-74.

<sup>5</sup> On slavery, accounting, and the rise of American capitalism, see Caitlin Rosenthal, *Accounting for Slavery: Masters and Management* (Harvard University Press, 2018) and Michael Zakim, *Accounting for Capitalism: The World the Clerk Made* (University of Chicago Press, 2018). On the scarcity of historical work on 19<sup>th</sup>-century accounting outside of municipalities, see Stephanie Moussalli, “State and Local Government in 19th Century America: A Review of the Literature,” *The Accounting Historians Journal*, 35, 1 (June 2008): 167-195.

<sup>6</sup> On the history of predatory real estate practices that curtailed Black homeownership, see Keeanga-Yamahtta Taylor, *Race for Profit: How Banks and the Real Estate Industry Undermined Black Homeownership* (University of North Carolina Press, 2019). On fiscal policy as a mainstay of White supremacy, see Julia Ott, “Tax Preference As White Privilege in the United States, 1921–1965,” *Capitalism: A Journal of History and Economics*, 1, 1 (Fall 2019): 92-165; Michael Glass, “Schooling Suburbia: The Politics of School Finance in Postwar Long Island,” Ph. D. dissertation, Princeton University, 2020. On the racist politics of White taxpayer citizenship, see Camille Walsh, *Racial Taxation: Schools, Segregation, and Taxpayer Citizenship, 1869–1973* (University of North Carolina Press, 2018) and Matthew Lassiter, *The Silent Majority: Suburban Politics in the Sunbelt South* (Princeton University Press, 2006). On the profitability of segregation in economic development and real estate, see Ansley Erickson and Andrew Highsmith, “Segregation as Splitting, Segregation as Joining: Schools, Housing and the Many Modes of Jim Crow,” *American Journal of Education*, 121, 4 (2015): 563–95; Paige Glotzer, *How the Suburbs Were Segregated: Developers and the Business of Exclusionary Housing, 1890–1960* (Columbia University Press, 2020); Arnold Hirsch, *Making the Second Ghetto: Race and Housing in Chicago, 1940-1960* (University of Chicago Press, 1983); David Freund, *Colored Property: State Policy and White Racial Politics in Suburban America* (University of Chicago Press, 2007); N. D. B. Connolly, *A World More Concrete: Real Estate and the Remaking of Jim Crow South Florida* (University of Chicago Press, 2014); Andrew Kahrl, “Capitalizing on the Urban Fiscal Crisis: Predatory Tax Buyers in 1970s Chicago,” *Journal of Urban History*, 44 (May 2018): 382-401; Andrew Kahrl, “The Power to Destroy: Property Tax Discrimination in Civil Rights-Era Mississippi,” *Journal of Southern History*, 82 (August 2016): 579-616.

<sup>7</sup> J. Morgan Kousser, “Progressivism-For Middle-Class Whites Only: North Carolina Education, 1880-1910,” *The Journal of Southern History*, 46, 2 (May 1980): 169-194, 174.

than for Black children.<sup>8</sup> These inequities never went uncontested, as Black people across the state organized to challenge their local political elite and gathered resources to support Black schools.

Called the “dark continent” of American politics by Henry Gilbertson in 1917, the county has received scarce scholarly attention in the study of persisting educational inequality, yet it is at that scale that public officials have made key land-use decisions that affected the tax base of school districts.<sup>9</sup> The three rural counties present variegated school district structures: Moore County consolidated its school districts in 1959 and 1964; Robeson merged its five districts in 1989, and Halifax has remained split into three school districts to this day. The focus on rural school districts allows this article to go beyond a narrative of White flight that identifies the urban and suburban demarcation as the central line that delineates resource inequality in the 20<sup>th</sup> century.<sup>10</sup>

Over time, the North Carolina legislature made significant changes to its structure of school funding. In the 1930s, it shifted some funding responsibility to the state, and the state pushed an agenda of school district consolidation to eliminate the hundreds of special school districts that local officials created between 1900 and 1930 in order to pool local resources for the exclusive benefit of White citizens. This article, however, highlights the continuities that

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<sup>8</sup> Department of Public Instruction (DPI), “State School Facts,” July 1952, folder: “Capital Outlay for Buildings—Public Schools, 1951-1954,” box 20, Division of Negro Education papers, State Archives of North Carolina (hereafter “DNE”).

<sup>9</sup> Henry Stimson Gilbertson, *The County—The ‘Dark Continent’ of American Politics* (The National Short Ballot Organization, 1917). On county government, see Donald Menzel, *The American County: Frontiers of Knowledge* (University of Alabama Press, 1996). Michelle Anderson argued that during the postwar period, county governments controlled rural land use to facilitate and incentivize suburban sprawl, with its racial discrimination and fiscal implications. Michelle Wilde Anderson, “Sprawl’s Shepherd: The Rural County,” *California Law Review*, 100, 2, (April 2012): 365-380.

<sup>10</sup> North Carolina remained a predominantly rural state well into the twentieth century. In 1960, only 40% of its population lived in “urban” areas, with populations above 2,500, while the rest of the nation presented inverse statistics on average. U.S. Census Bureau, 1960 Census of Population. On the history of rural North Carolina, see Adrienne Monteith Petty, *Standing Their Ground: Small Farmers in North Carolina since the Civil War* (Oxford University Press, 2013), and Anthony Badger, *Prosperity Road: The New Deal, Tobacco, and North Carolina* (University of North Carolina Press, 1980).

persisted through these changes to situate the history of school finance within the history of racial capitalism. It stretches the chronology of school finance inequity, showing the legacy and continuous adaptation of Jim Crow structures of school funding, double taxation and land dispossession, and recognizes the constant struggle of communities of color.<sup>11</sup> Between 2006 and 2014, county commissioners in Halifax County funneled four and a half million dollars from a sales tax to the wealthiest school district in the county, the predominantly White Roanoke Rapids Graded School District, while the larger, poorer, and predominantly Black Halifax County Schools did not receive any of these countywide funds.<sup>12</sup> The funding discrimination built on a 1901 law that allowed school districts to levy supplemental tax, and thereby become “taxing entities”—a status that allowed them to gain privileged access to county funds.

This article shifts language about school finance from inequality to capital theft, positing that dispossession and plunder were the goals of several school finance policies enacted between 1900 and the late twentieth century.<sup>13</sup> Beyond the reliance on property tax, and the inequality it creates between poor and rich school districts, a historical analysis of local voting, boundary drawing and allocation mechanisms sheds light on the continuity between Jim Crow plunder and lasting educational policies.

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<sup>11</sup> Although local and state officials enacted the most overt oppressive policies during what historian Rayford Logan called the “nadir” of Black history, meaning the period that spans the century from the Civil War to the Civil Rights Act, this article highlights the adaptation of these mechanisms beyond the 1960s. Rayford Whittingham Logan, *The Betrayal of The Negro, From Rutherford B. Hayes to Woodrow Wilson* (Da Capo Press, 1997 [1954]), 83.

<sup>12</sup> *Silver v. Halifax County Board of Commissioners*, 805 S.E.2d 320 (2017).

<sup>13</sup> On school funding inequalities, see Bruce Baker, *Educational Inequality and School Finance: Why Money Matters for America’s Students* (Harvard University Press, 2018); Charles Ogletree, Jr. and Kimberly Robinson (eds.), *The Enduring Legacy of Rodriguez: Creating New Pathways to Equal Educational Opportunity* (Harvard University Press, 2015). On school finance litigation, see Justin Driver, *The Schoolhouse Gate: Public Education, the Supreme Court, and the Battle for the American Mind* (Pantheon, 2018); Michael Rebell, *Courts and Kids: Pursuing Educational Equity through the State Courts* (University of Chicago Press, 2009); James Ryan, *Five Miles Away, a World Apart: One City, Two Schools, and the Story of Educational Opportunity in Modern America* (Oxford University Press, 2010); and Paul Sracic, *San Antonio v. Rodriguez and the Pursuit of Equal Education: The Debate over Discrimination and School Funding* (Kansas University Press, 2006).

Schooling was an integral part of the White supremacist, kleptocratic order of North Carolina, which distributed power and privilege according to racial hierarchies through theft of rights and resources.<sup>14</sup> The analytical framework of kleptocracy goes beyond a description of historical inequality to name processes rather than outcomes, and the term designates an organizational regime rather than a feature of society. This article emphasizes how actors on the local and state levels made personal decisions to loot Black people of their political power and financial resources through school finance. Building on Cheryl Harris's argument that U.S. law and policy have historically rewarded Whiteness and hindered opportunities for people of color, I provide an analysis of schooling as a key component of these processes.<sup>15</sup> White enslavers originally devised taxation policy in North Carolina. The *ad valorem* policies for tax levies stemmed from slaveholders' efforts to ensure that enslaved people, then considered property, would not be taxed at a higher rate than other property.<sup>16</sup> Taxation policy in North Carolina built on this initial system, and White public officials found ways to discriminate against people of color while circumventing the uniform taxation law. Their inability to tax Black and White people differently led to the creation of school finance policies that persisted through the twentieth century.

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<sup>14</sup> I define kleptocracy as a system rooted in law and policy that relied on the theft of rights, land, capital and labor from people of color for the benefit of White people. The term “kleptocracy,” to my knowledge, has only been used in this context in two articles published in *The Atlantic*: Ta-Nehisi Coates’ watershed 2014 “The Case for Reparations,” and Vann R. Newkirk III’s “This Land Was Our Land” also titled “The Great Land Robbery,” *The Atlantic*, September 2019. The word “kleptocracy” otherwise appears in literature about foreign dictatorships, especially in Eastern Europe and Russia, where it refers to authoritarian governments stealing from people. In the U.S., scholars have used it in the context of governmental property seizure related to criminal activity. Leonard Levy, *A License to Steal: The Forfeiture of Property* (University of North Carolina Press, 1996).

<sup>15</sup> Cheryl Harris defined racialized privilege as “a type of status in which White racial identity provided the basis for allocating societal benefits both private and public in character.” Cheryl Harris, “Whiteness as Property,” *Harvard Law Review*, 106, 8, (1993): 1707-1791, 1707. This is a similar analysis to George Lipsitz’s in *The Possessive Investment in Whiteness: How White People Profit from Identity Politics* (Temple University Press, 1996).

<sup>16</sup> Robin Einhorn, “Species of Property: The American Property Tax Uniformity Clauses Reconsidered,” *Journal of Economic History*, 61 (2001): 973-1007; Robin Einhorn, *American Taxation, American Slavery* (University of Chicago Press, 2006).

This article follows the money—how county officials, with the power the state vested in them, raised, controlled, and allocated it.<sup>17</sup> Drawing on quantitative data, oral histories and archival sources, I trace three core functions of school finance in North Carolina’s system of kleptocracy: political control of resources, taxation, and distribution of school funding. The long chronological frame of this narrative, which spans over a century, serves to argue that these three practices have transformed but endured over time.<sup>18</sup>

## I. Stealing the Key to the Safe: Politics of County School Boards and Commissions

Kleptocratic school finance relied on disenfranchising people of color.<sup>19</sup> Discriminatory election schemes for local supplementary taxes, county commissions, and boards of education, all ensured full White political control of the levy—its tax rate and its allocation. In 1876, the North Carolina General Assembly amended its constitution to enshrine school segregation in its laws.<sup>20</sup> Although the clause ordered that “there shall be no discrimination made in favor of, or to the prejudice of, either race,” in a version of “separate but equal” that *Plessy* would uphold at the federal level twenty years later, education was far from equal throughout the state. Black schools

<sup>17</sup> Tracy Steffes argued that “raising revenue—just like distributing it—is composed of a large number of discrete policy choices that are deeply political because they make decisions about how to distribute cost and benefits [...].” Tracy Steffes, “Assessment Matters: The Rise and Fall of the Illinois Resource Equalizer Formula,” *History of Education Quarterly*, 60, 1 (February 2020): 24-57, 26.

<sup>18</sup> Other historical works have taken this long chronological view to highlight the persistence and adaptation of discrimination mechanisms that worked to maximize White property, not specifically in education, but in real estate. N. D. B. Connolly, *A World More Concrete: Real Estate and the Remaking of Jim Crow South Florida* (University of Chicago Press, 2016).

<sup>19</sup> On Black organizing for liberation and equal rights during the 19th century, see Martha Jones, *Vanguard: How Black Women Broke Barriers, Won the Vote, and Insisted on Equality for All* (Basic Books, 2020); Shawn Comminey, “National Black Conventions and the Quest for African American Freedom and Progress, 1847-1867,” *International Social Science Review*, 91, 1 (2015); John Ernest, *A Nation Within a Nation: Organizing African-American Communities before the Civil War* (Ivan R. Dee, 2011); Steven Hahn, *A Nation Under Our Feet: Black Political Struggles in the Rural South from Slavery to the Great Migration* (Harvard University Press, 2003); Gayle Tate, *Unknown Tongues: Black Women’s Political Activism in the Antebellum Era, 1830-1860* (Michigan State University Press, 2003); W. E. B. Du Bois, *Black Reconstruction: An Essay Toward a History of the Part Which Black Folk Played in the Attempt to Reconstruct Democracy in America, 1860-1880* (Harcourt Brace & Company, 1935); Eric Foner, *Reconstruction: America’s Unfinished Revolution, 1863-1877* (Harper & Row, 1988).

<sup>20</sup> North Carolina Constitution, article 9, clause 2 (1876).

remained rare, and supported by Black efforts and sporadic northern philanthropy only, while White schools channeled local and state funding.<sup>21</sup> Democrats passed the County Government Act of 1877, which removed local election of most county officials in favor of appointment from the state legislature by fear of increased Black political voice.<sup>22</sup> In 1883, the state legislature allowed localities to raise school taxes divided along racial lines. Although the North Carolina Supreme Court invalidated the 1883 school tax law in *Puitt* (1886), the practice persisted in many localities, and betrayed persistent efforts to veto Black education.<sup>23</sup> For a short period of time, between 1894 and 1898, the “Fusion” movement restored local election for many county positions, and Black people built political power, as they had access to the franchise, and elected several Black politicians.<sup>24</sup>

In 1900, the legislature disenfranchised Black North Carolinians through a constitutional amendment, and literacy became a condition of voting as of 1908.<sup>25</sup> Disenfranchisement immediately impacted school funding.<sup>26</sup> While in 1890, Black children in the state went to

<sup>21</sup> Anderson challenged the narrative of White northern philanthropy as the impulse and core agent of Black education in the South to show that formerly enslaved people led the efforts to build and operate their own schools. James Anderson, *The Education of Blacks in the South, 1860-1935* (University of North Carolina Press, 1988). Hillary Green showed that urban Black communities in the South sustained their own schools during and after the Civil War. Hillary Green, *Educational Reconstruction: African American Schools in the Urban South, 1865-1890* (Fordham University Press, 2016).

<sup>22</sup> Lingwall, “Educational Gerrymanders,” 7.

<sup>23</sup> Leloudis, *Schooling the New South*, 122.

<sup>24</sup> Lingwall, “Educational Gerrymanders,” 10. On the Fusion period, see Eric Anderson, *Race and Politics in North Carolina, 1872-1901: The Black Second* (Louisiana State University Press, 1981), 248-249. Democrats regained control of state politics in 1899. That year, the North Carolina legislature gave broad power to electoral registrars to disenfranchise Black people. Jeff Lingwall, “Educational Gerrymanders: Creating Unequal School Districts in North Carolina,” *North Carolina Central Law Review*, 40 (2017): 1-31, 12. On disenfranchisement in the South, see Kent Redding, *Making Race, Making Power: North Carolina’s Road to Disfranchisement* (University of Illinois Press, 2003); R. Volney Riser, *Defying Disfranchisement: Black Voting Rights Activism in the Jim Crow South, 1890-1908* (Louisiana State University Press, 2010).

<sup>25</sup> Leloudis, *Schooling the New South*, 136.

<sup>26</sup> In his analysis of educational inequality in North Carolina at the turn of the 20<sup>th</sup> century, Kousser found that “[d]uring the period of fusion rule (1896-1900), the proportion of funds going to blacks increased by 6 percent, but after the restriction of the suffrage, the ratio of black to white expenditures per school-age child dropped by 53 percent in ten years.” Kousser, “Progressivism,” 179. Margo studied the relationship between Black disenfranchisement and school finance at the turn of the 20th century in Louisiana and Alabama, and found that White county officials systematically diverted Black tax contributions for the benefit of White schools. Robert

school at similar rates than their White counterparts, by 1910 White children were 1.2 times more likely to be enrolled in school.<sup>27</sup>

At the turn of the 20<sup>th</sup> century, school officials throughout the state discussed possibilities for reform that would secure the rule of White men over school funds. “I favor all the committeemen being white men,” a member of the Jackson County Board of Education declared during a legislative meeting in 1900, justifying his position with a false syllogism, “[t]he white man pays the tax and should control the funds.”<sup>28</sup> Street Brewer, a supervisor in Sampson County expressed similar opinions, tracing back his belief in White supremacy to his “boyhood days,” when he saw that “the greatest and most unceasing complaint of the white people” was “the paying of taxes for support of the negro schools.”<sup>29</sup> To solve the issue, he advocated a “township system of ‘grading schools’” as “the only panacea for this ‘lion in the way.’” He went on to promote Sampson County’s school funding scheme, which used school length and inequitable teacher salaries between Black and White teachers to finagle control over diverted funds:

I will illustrate in my own county by one township which has about twice as many negro children as white. Under the apportionment plan of the old district system, it was impossible for the white school to run as long as the colored schools, and keep within the limits of the law [...]. Now under the present arrangement of ‘grading,’ so as to make the schools of equal length in the township, the white tax payers can control their money and give general satisfaction to both races.

This year there are four white schools and six negro schools in the township. It costs \$250 per month to run the schools of the township; the four white schools get \$130 per

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Margo, *Disenfranchisement, School Finance, and the Economics of Segregated Schools in the United States South, 1890-1910* (Garland, 1985). In a 2012 study, Naidu showed that disenfranchisement in the South reduced the teacher-child ratio in Black schools by 10-23%, but had little effect on White teacher-child ratios. Suresh Naidu, “Suffrage, Schooling, and Sorting in the Post-Bellum U.S. South,” NBER Working Paper 18129, 2012.

<sup>27</sup> Pamela Barnhouse Walters, David James and Holly McCommon, “Citizenship and Public Schools: Accounting for Racial Inequality in Education in the Pre- and Post-Disfranchisement South,” *American Sociological Review*, 62, 1 (1997): 34-52, 35.

<sup>28</sup> DPI, “Biennial Report of the Superintendent of Public Instruction of North Carolina, for the Scholastic Years 1898-99 to 1899-1900” (Edwards & Broughton, 1900) (hereafter “1900 Biennial Report”), 240. On the racist belief that White people pay more taxes than Black people, see Walsh, *Racial Taxation*, 101, 106-9.

<sup>29</sup> Street Brewer, Supervisor of Sampson County, in “1900 Biennial Report,” 236.

month, and the six negro schools get \$120. [...] [The] white people can readily and easily control their tax money under this system [...]. [T]he white race gets more of the school fund to which they are entitled.<sup>30</sup>

Absolute White political control of county funds was the necessary condition to these kleptocratic schemes.

In 1903, Governor Aycock celebrated the fact that North Carolina had “solved the negro problem.”<sup>31</sup> He offered his Baltimore audience North Carolina’s “solution of this problem,” which was, “first, as far as possible under the Fifteenth Amendment to disfranchise him.”<sup>32</sup> Governor Aycock promoted the disenfranchisement of Black voters while posing as a champion of universal education for all children.<sup>33</sup> Aycock led a statewide campaign for the institutionalization of public education, which the White *Charlotte News* celebrated in 1930 as a “wonderful crusade.”<sup>34</sup> His views of universal education had opposite goals for Black and White children. Aycock supported public education to prepare Black people for labor, and literacy education as a safeguard against the disenfranchisement of White people.<sup>35</sup> With the new literacy law, North Carolina developed and institutionalized its public education system as part of a Black disenfranchisement project.

Black fundraising efforts, and grant-based funding from philanthropy hit the wall of White political control of county positions. The Rosenwald Fund, founded by Julius Rosenwald in 1914, provided matching funds to help the building of Black schools in the South, and the

<sup>30</sup> 1900 Biennial Report, 236.

<sup>31</sup> Charles Aycock, “Speech to the North Carolina Society,” Baltimore, December 18, 1903, in R. D. W. Connor and Clarence Poe, *The Life and Speeches of Charles B. Aycock* (Double Day, Page & Company, 1912), 161-162. On Governor Aycock, see Oliver Orr, *Charles Brantley Aycock* (University of North Carolina Press, 1961); Leloudis, *Schooling the New South*, 179-180.

<sup>32</sup> Connor and Poe, *The Life and Speeches of Charles B. Aycock*, 161-162.

<sup>33</sup> Anderson, *The Education of Blacks in the South*, 84.

<sup>34</sup> “Education’s Challenge to Move for Economy in North Carolina,” *The Charlotte News*, July 20, 1930, 15A.

<sup>35</sup> Anderson, *The Education of Blacks in the South*, 98-99; Leloudis, *Schooling the New South*, 136.

campaign was particularly active in North Carolina.<sup>36</sup> Black people bore the brunt of the financial burden and construction efforts, and limited or nonexistent White contributions crippled the amount that the Rosenwald Fund would then match.<sup>37</sup> Letters from Black North Carolinians to Rosenwald Fund administrators show the deplorable conditions of rural Black schools. Harvey Foster, a Black resident of Lincoln County, related that the county superintendent had withheld the \$280 he had received from the Rosenwald Fund following Black fundraising efforts in 1925. “The only thing [Mr. Beam, the county superintendent] has done,” Foster lamented, “is to pile some liber on the ground to warp and rot in the sun.”<sup>38</sup> In Lincoln County, seventy-eight schoolchildren studied in a single-room school called Tuckers Grove. The Rosenwald schools movement represented the “crusade for black common schools in the rural South during the first third of the twentieth century,” according to historian James Anderson, and the power dynamics of its structure revealed the uphill battle of funding Black schools. Because the goal of the Fund was to fund community-driven initiatives, it only ever paid for less than half of the school costs, with an average of one-sixth in total contribution.<sup>39</sup>

In Halifax, a Black Belt rural county in the northeastern part of the state, Black people raised \$37,137 between 1914 and 1929 to support the building of Black schools, while White

<sup>36</sup> “Plan for Distribution of Aid for Building Rural Schoolhouses,” 1927, folder: “Reports-Rosenwald Fund Schools 1927-1928,” box 8, DNE. On Rosenwald Schools, see Thomas Hanchett, “The Rosenwald Schools and Black Education in North Carolina,” *North Carolina Historical Review*, 65, 4 (October 1988): 387-444; Anderson, *The Education of Blacks in the South*, 152-183. On northern philanthropy in the Jim Crow South, see Joan Malczewski, “Weak State, Stronger Schools: Northern Philanthropy and Organizational Change in the Jim Crow South,” *The Journal of Southern History*, vol. 75, iss. 4 (2009): 963-1000 and Joan Malczewski, *Building a New Educational State: Foundations, Schools, and the American South* (University of Chicago Press, 2016).

<sup>37</sup> William Goldsmith, “Educating for a New Economy: The Struggle to Redevelop a Jim Crow State, 1960–2000,” Ph.D. dissertation, Duke University, 2018, 46-47.

<sup>38</sup> Harvey Foster to Mr. Credle, July 5, 1926, folder: “F, 1925-1926,” 2, 3, box 2, Correspondence: Rosenwald Fund, DNE. Mr. Foster had written to Mr. Credle a year before, on July 22, 1925, to alert him to Superintendent Beam’s neglect of Black schools. Harvey Foster to Mr. Credle, July 22, 1925, folder: “F, 1925-1926,” 2, 3, box 2, Correspondence: Rosenwald Fund, DNE.

<sup>39</sup> “Conference of Trustees and Guests, Julius Rosenwald Fund,” 1928, folder: “Reports-Rosenwald Fund Schools 1927-1928,” 4, box 8, DNE; Anderson, *The Education of Blacks in the South*, 154.

contributions for those schools amounted only to \$8,600.<sup>40</sup> In Moore County, on the sand hills that divide the state's Piedmont and Coastal Plain regions, superintendent A. B. C. Cameron requested funds from the Rosenwald Fund in 1927, suggesting that no Black school had existed prior to that year. Cameron cited a "situation" in Moore County that made it "almost imperative [to] build at least a one-teacher school-house for some negro children," despite the fact that until then, school officials had "hesitated about building," and had provided space for the education of Black children "in an improvised building, such as a church or some farm building."<sup>41</sup> Three days later, the Rosenwald Fund supervisor W. F. Credle responded by offering an initial aid of \$200 if Moore County could submit a satisfactory application.<sup>42</sup> By 1929, Black people in Moore County had raised \$20,436, and White people \$6,600.<sup>43</sup>

In Robeson County, a rural county in the coastal plains of southeastern North Carolina with a population almost equal divided between Black, White and Native American people, Black people raised \$13,146 between 1914 and 1929 to build Black schools, which the Rosenwald Fund matched. White people did not contribute a single dollar to these efforts [Figure 1]. Because of fund diversion, newly built Rosenwald schools in the predominantly Black town of Rowland did not have any blackboards in 1928.<sup>44</sup> A Rosenwald Fund administrator wrote to the Robeson County superintendent to remind him that Rosenwald matching grants came with strings attached to pressure him into dedicating funds for essential educational resources.

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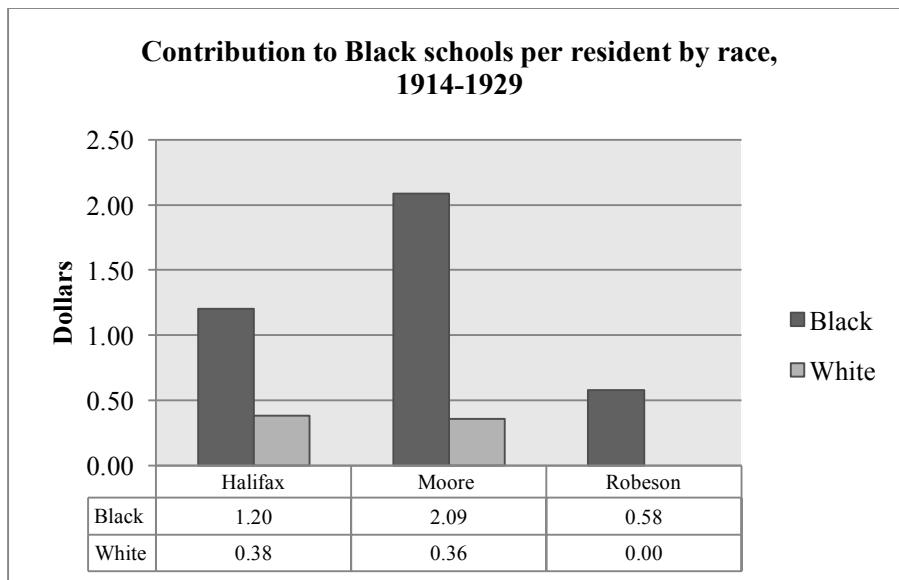
<sup>40</sup> "The Julius Rosenwald Fund in North Carolina from the Beginning to April 1, 1929," folder: "Correspondence Appropriation and Construction Reports for 1928-1929," box 5, DNE.

<sup>41</sup> A. B. C. Cameron to Mr. Credle, November 16, 1927, folder: "C, 1927-1928," box 4, DNE.

<sup>42</sup> Mr. Credle to A. B. C. Cameron, November 19, 1927, folder: "C, 1927-1928," box 4, DNE.

<sup>43</sup> On the fundraising efforts of Black families in Moore County, see Leloudis, *Schooling the New South*, 215.

<sup>44</sup> Mr. Credle to J. Poole, March 12, 1928, folder: "Correspondence, Rosenwald Fund," folder "P, 1927-1928," box 4, DNE.

**Figure 1 - Average Contribution to the Building of Black schools Per Resident, 1914-1929**

Source: U.S. Census Bureau, 1930; “The Julius Rosenwald Fund in North Carolina from the Beginning to April 1, 1929,” DNE. Calculations and graph by author.

White public officials retained control of county positions in Robeson for decades, as they developed a mechanism to exclude Black and Native American voters from school board elections. The 1964 Voting Rights Act did not put an end to White supremacists’ projects of Black disenfranchisement. Until 1976, residents in special “city” districts, located around townships, could elect members of the school board in Robeson County Schools, which covered rural schools their children did not attend.<sup>45</sup> There were six separate school districts in Robeson County at that time, and residents in the five “city” districts could elect their “city” Board of Education as well as the Board of Education of Robeson County Schools. Rural residents who went to county schools, however, could not vote in special district elections. This added weight to the voices of White voters in board of education elections. In addition to this scheme, which Native American and Black activists successfully abolished it in 1976, school districts in Robeson County devised schemes to exclude people of color from these elections.

<sup>45</sup> “Lumbee Regional Development Association, Indian Education Project: Position Paper,” 13, folder 134, box 17, Helen Maynor Scheirbeck papers, Southern Historical Collection (SHC), The Wilson Library, University of North Carolina at Chapel Hill.

The Fairmont school district annexed areas around the small town of Fairmont, in Robeson County, but its leadership made sure that residents of newly annexed areas would be racially discriminated at the polls. The Fairmont Board of Elections, which was all White until 1972, devised a “tagging” scheme to limit the franchise to White voters. The tags identified who, among those who resided outside the city but inside the city school district, should be allowed to vote in Fairmont school board elections in 1972.<sup>46</sup> Because some of the rural areas that were annexed had Black, Native American and White residents, the board created a system to “tag” the voter registration cards of White rural voters by marking “SD” (for school district) at the top right corner of their registration cards, and allow them to vote while excluding Black and Native American voters.<sup>47</sup>

With the “SD” mark, the all-White Board of Election coded residents into a White supremacist matrix that disenfranchised Black and Native American residents. As a result, people of color who attended city schools could not vote in the school board elections of their city district, whereas White residents in recently annexed areas could. The Back Swamp precinct, an annexed area that was 75% Native American, cast only thirteen votes to the Fairmont Board of Education in 1972. In comparison, Sterlings Township, which was over 90% White, but as populated as Back Swamp, cast 133.<sup>48</sup> This tagging system disenfranchised Black and Native Americans residents living outside the city, thus concentrating political power in the hands of White people inside and outside municipalities.

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<sup>46</sup> Dexter Brooks, interview with Brenda Brooks, 1973, 16, Samuel Proctor Oral History Program Collection, Yonge Library, University of Florida (hereafter “Brooks interview”). Brooks was a civil rights attorney from Robeson County, and became the first Native American Superior Court judge in North Carolina.

<sup>47</sup> Brooks interview, 16.

<sup>48</sup> Brooks interview, 16; “An act to fix boundary lines of special school-tax districts in Sterling’s Township, Robeson County,” North Carolina General Assembly, Session Laws, 1909, 52.

Control over the franchise meant control over the county's taxation and finances. In 1901, two years after it formally disenfranchised Black men, the state legislature passed a law that allowed school district—the law specified it was about schools, not townships—to vote for a supplemental local tax in addition to taxes levied by counties.<sup>49</sup> Black people, who could not vote, were excluded from the opportunity to create special taxing districts. This was a way for White communities to keep White dollars isolated for their exclusive benefit. By gerrymandering school districts lines, White people in special taxing districts such as Lumberton in Robeson, Pinehurst and Southern Pines in Moore, and Roanoke Rapids in Halifax, evaded the “separate but equal” requirements of *Plessy*.

## **II. Gerrymandering the Levy: Taxation and Revenue Diversion**

In 1900, Orange County superintendent John Thompson outlined his recommendations for using local taxation to discriminate against Black people, maximize the isolation of White dollars and underfund Black schools:

Have the white and negro districts separate as to territory, and separate in every other way-Districts No. 1, 2, 3, etc. -white and colored not covering the same territory. Then give each child, white and colored, say \$1.00 yearly; make the school district (not township) the unit before the law, and if any school district, white or colored, will raise, by voluntary subscription, another dollar for each child in said district [...] [it] will remove the prejudice against local taxation on account of the negro, and I would guarantee that three-fourths of the white school districts would tax themselves in this way, and willingly, because the negro would not be in the way.<sup>50</sup>

School district boundary manipulation was a popular policy for White supremacists who sought to circumvent overt racial discrimination in taxation.<sup>51</sup> The gerrymandering system relied on

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<sup>49</sup> Jonathan Pritchett, “North Carolina’s Public Schools: Growth and Local Taxation,” *Social Science History* 9, 3 (1985): 277-291, 279.

<sup>50</sup> John Thompson to State Superintendent of Education Charles Mebane July 27, 1900, in *Public Documents of the State of North Carolina*, vol. 1, 1901, 101-103, quote on 102.

<sup>51</sup> Robin Einhorn traced the history of uniformity clauses in poll and property taxes back to slavery, when Southern states implemented them to boost the political power of enslavers. Einhorn, “Species of Property,” 998.

disenfranchisement as well as taxation policy. A few days after John Thompson's letter, the superintendent of schools in Pender County T. H. W. McIntire wrote, "I would recommend that the Districts be allowed to tax themselves, as this does away with the negro bugaboo—or helping the negro."<sup>52</sup> Although McIntire explained how he advocated the sharing of wealth between rich and poor district, he opposed the distribution of resources from White to Black people.

The 1901 legislature followed the superintendents' advice, and allowed county boards of education and county commissioners to create "special tax districts" for the purpose of funding schools, and gave commissioners control over their boundaries.<sup>53</sup> School districts could be created, as administrative entities, for the purpose of levying a special supplemental tax.<sup>54</sup> All that the law required for the creation of special school districts was a "petition of one-fourth of the freeholders within the proposed special school districts," and the approval of the county board of education and county commissioners, who also had discretion to distribute two thirds of all school funds.<sup>55</sup> By binding education to voting rights and taxation, the state empowered White kleptocracy. Special districts sprouted up across the state, their boundaries overlapping several townships and, in some cases, counties, for the purpose of pooling tax dollars into an exclusive pot of money.<sup>56</sup> From only seven such districts in 1899, the number immediately grew to forty-six as soon as the 1901 law came into effect. In only four years, there were 406 special districts in the state.<sup>57</sup> By 1912, that number reached 1629.<sup>58</sup> By building a school finance system that would ensure the diversion of public funds towards White schools, state, county and school

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<sup>52</sup> T. H. W. McIntire to Charles Mebane, August 7, 1900, *Public Documents of the State of North Carolina*, vol. 1, 1901, 177, also cited in Pritchett, "North Carolina's Public Schools," 282.

<sup>53</sup> Atwell Campbell McIntosh, "Special Tax School Districts in North Carolina," *North Carolina Law Review* 1, 2 (1922): 88-94, 89; Constitutional amendment of 1917, Article 2, section 29; "Public School Law of North Carolina," 1901, 38; Lingwall, "Educational Gerrymanders," 7-9.

<sup>54</sup> McIntosh, "Special Tax School Districts in North Carolina," 89-90.

<sup>55</sup> Leloudis, *Schooling the New South*, 122.

<sup>56</sup> Leloudis, *Schooling the New South*, 160.

<sup>57</sup> Leloudis, *Schooling the New South*, 160; Pritchett, "North Carolina's Public Schools," 286.

<sup>58</sup> Pritchett, "North Carolina's Public Schools," 286.

district officials tilted the balance of political power and financial responsibility towards the local.<sup>59</sup> From 1900 to 1912, local tax revenues increased from 0.3% to over 17% of rural school funds, thus pointing to the success of those who campaigned to promote local taxation.<sup>60</sup>

In 1913, White residents near predominantly Native American Thompson Township in Robeson County petitioned their county commissioners to create a special tax district. The act that the legislature approved outlined the new district's boundaries, showing that it circumscribed the property of two White landowners, C. T. Pate, a local businessman, and John Bridgers, a former Confederate soldier:<sup>61</sup>

That the board of education of Robeson County be and it is hereby authorized and empowered to change the boundary lines between Special-tax Districts Number Nine and Number Ten, Thompson's Township, so as to transfer all the taxable property of C. T. Pate and John Bridgers from Special-tax District Number Ten to Special-tax District Number Nine [...] [and] to make any other changes in the boundary lines of said districts or in the boundary lines of any other special-tax district of Robeson County whenever in the opinion of said board such changes are necessary for the convenience and the best interest of the taxpayers of said special-tax districts.<sup>62</sup>

The language in the act show the tremendous power that North Carolina law gave to the local board of education, then all White in Robeson County. The law about tax district was not so much about education as it was about protecting the property of White citizens. The White local newspaper *The Robesonian* framed the causal relationship between property and school district creation as such, writing that the legislature had approved the “petition to change the boundaries between districts 9 and 10, Thompson Township so as to place the lands of Mrs. G.

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<sup>59</sup> Several state court cases enshrined the responsibility of county commissioners in funding public schools, creating special tax districts, and allocating funding. *Lowery v. Town of Kernersville*, 52 S.E. 267, 272 (1905); *Smith v. Board of Trustees of Robersonville Graded School*, 53 S.E. 524 (1906).

<sup>60</sup> Pritchett, “North Carolina’s Public Schools,” 284.

<sup>61</sup> “Personal,” *The Robesonian*, May 8, 1913, 5; “Bridgers Family Reunion,” *The Robesonian*, September 20, 1920, 6.

<sup>62</sup> Session Laws, 1913 Chapter 492, “An act to authorize the board of education of Robeson to change the boundary lines of special-tax districts,” 1078.

E. Bracey, C. T. Pate and Jno. Bridgers from district No. 10 to district No. 9.”<sup>63</sup> The two districts were called Elrod and Purvis.<sup>64</sup> The new Elrod district counted only a single, all-White school.<sup>65</sup> The same year, C. T. Pate, who was also a member of the county board of education, petitioned the legislature for the creation of a new township, Elrod, to take his property out of Rowland and Thompson, which were predominantly Black and Native American towns respectively.<sup>66</sup>

That year, *The Robesonian* congratulated the county for its educational progress.<sup>67</sup> The progress that the county recorded had benefited White students the most. Between 1902 and 1912, the value of school property in Robeson had grown from \$14,340.50 to \$81,900 for White schools, while it had only increased from \$6,208 to \$11,865 for Black schools, and from \$2,546 to \$7,900 for Native American schools [Figure 2]. White schools recorded 86% of all property gains, while White students did not make up for half of the total student population in Robeson County.<sup>68</sup>

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<sup>63</sup> “Notice of Application for a New Township,” *The Robesonian*, October 30, 1913, 2; “County School Matters,” *The Robesonian*, July 9, 1914, 8; “County School Matters,” *The Robesonian*, May 8, 1913, 1.

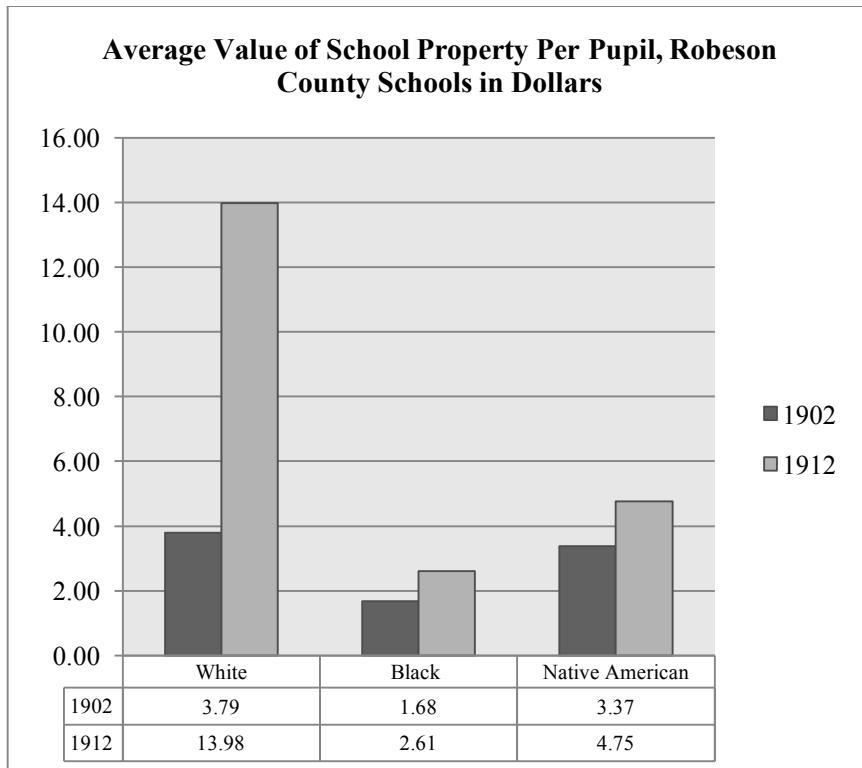
<sup>64</sup> “County School Matters,” *The Robesonian*, April 10, 1913, 1.

<sup>65</sup> “Reports from Milk Campaign in Robeson,” *The Robesonian*, March 27, 1924, 1, 3.

<sup>66</sup> “County School Matters,” *The Robesonian*, September 18, 1922, 3. County commissioners consolidated the Elrod school district, which included only a single school, with the Thompson school district in 1922. By 1940, the Elrod Township no longer existed. Map of Robeson County, folder 134, Guy Benton Johnson papers, SHC.

<sup>67</sup> “Robeson School Statistics,” *The Robesonian*, July 14, 1913, 2.

<sup>68</sup> “Robeson School Statistics.”

**Figure 2 – Value of School Property Per Pupil by Race in Robeson County, 1902, 1912**

Source: “Robeson School Statistics,” *The Robesonian*, July 14, 1913, 2. Calculations and graphs by author.

The building of a Jim Crow system spurred growth in local expenditures. Robeson County as a whole multiplied its local tax revenue tenfold in just over twenty years.<sup>69</sup> *The Robesonian* noted that the increase in the length of the school term for White schools “was due to so many districts voting special tax.” While there had been none in 1902, there were 58 local tax districts in Robeson County in 1912, and they raised \$26,072.71 annually. That year, the Robeson Board of Education confirmed claims that it had overpaid special tax districts with \$660.40 in county funds.<sup>70</sup> Commissioners in Robeson routinely referred to special taxing district

<sup>69</sup> “Twenty-Two Years of Progress in Robeson County,” *The Robesonian*, December 13, 1926, 1. Local government expenditures accounted for 13.5% of total government expenditures in 1820. That figure rose to 58.8% in 1902 and 64% in 1913. Randall Holcombe and Donald Lacombe, “Factors Underlying the Growth of Local Government in the 19th Century United States,” *Public Choice*, 120, 3/4 (2004): 359-377, 360. For Holcombe and Lacombe, the growth of cities alone does not explain the growth in local government expenditures. Holcombe and Lacombe, “Factors Underlying the Growth of Local Government,” 361, 368-369.

<sup>70</sup> “County School Matters,” *The Robesonian*, December 5, 1912, 1.

by their racial category, citing, for example in 1915, “special tax district number one, white race,” and “special tax district number four, white race.”<sup>71</sup>

County officials discriminated against communities that were *not* a special tax district, which they used to justify their limited political voice. In 1931, the Piney Grove community in Robeson County, a Native American community that was surrounded by special tax districts, but excluded from them, saw their request for appointment of committee members to represent the Native American school denied by the county Board of Education “upon the ground that the district [was] not a legally-established special tax district.”<sup>72</sup> In the 1960s, county commissioners and school officials of the Lumberton school district in Robeson excluded Piney Grove from the annexations to Lumberton school districts, and Piney Grove was left “sitting unto itself as an island.”<sup>73</sup>

Far from being fixed entities, school district boundaries in Moore County also fluctuated from 1900 to 1965.<sup>74</sup> The new and short-lived Derby School District overlapped three counties—Moore, Montgomery, and Richmond.<sup>75</sup> Property located in each county paid for the county tax rate in its county, and the special school district, which overlapped the three counties, levied an additional school tax for the benefit of the Derby district exclusively. The act specified Derby was “a public school district for the white race.”<sup>76</sup> In 1923, several property owners sold their farms on the sand hills of Moore County and advertised their location inside the Derby School District.<sup>77</sup> Special school districts such as Derby in Moore County or Elrod in Robeson County

<sup>71</sup> “Notice of Schoolhouse Bond Election,” *The Robesonian*, October 28, 1915, 6.

<sup>72</sup> “Dates Are Set for Opening of County Schools,” *The Robesonian*, July 9, 1931, 1.

<sup>73</sup> “North Robeson Parents seek Halt to Rex-Rennert High School Site,” *The Carolina Indian Voice* (Pembroke, N.C.), January 31, 1980, 1.

<sup>74</sup> Session Laws, 1905, Chapter 561, 567.

<sup>75</sup> Session Laws, 1915, Chapter 432, 652.

<sup>76</sup> Session Laws, 1915 Chapter 432, 656.

<sup>77</sup> Advertisement, *The Messenger and Intelligencer* (Wadesboro, N.C.), December 20, 1923, 6.

did not even appear in official records, because they were too small and did not have boards of education.

Beginning in the early 1930s, a movement for the consolidation of rural schools reduced the number of districts in the state.<sup>78</sup> In 1930 alone, citizens created 106 new special tax districts across the state, for a total of around 958.<sup>79</sup> The legislature abolished these special districts with the School Machinery Act of 1931, citing the need for administrative efficiency during the Great Depression.<sup>80</sup> Special school districts could reinstitute themselves if they had the local means to do so, however, and many survived, including in Moore, Robeson and Halifax, and the chasms in property value they had exacerbated endured.<sup>81</sup>

Consolidation solidified the power of county commissions and school officials in larger rural towns by removing a layer of governance in the special taxing districts. The state urged consolidation while boasting the merits of “local control,” which became the privilege of a select few towns, like Southern Pines and Pinehurst in Moore County. In 1933, Moore county commissioners approved the maintenance of “city” school districts “to provide local control and a local tax supplement,” believing it would be “most ill-advised to relinquish such local control.”<sup>82</sup> Southern Pines reestablished a 35-cent tax, and Pinehurst a 25-cent tax per \$100 valuation in addition to fencing off their property tax dollars by virtue of creating a separate city

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<sup>78</sup> William Fischel, “Neither ‘Creatures of the State’ nor ‘Accidents of Geography.’ The Consolidation of American Public School Districts in the Twentieth Century,” *University of Chicago Law Review*, 77 (2010): 177-199.

<sup>79</sup> “Longer Schools Despite Panic,” *The News and Observer* (Raleigh, N.C.), August 26, 1930, 1. There could have been many more taxing districts, as these figures only recorded districts with school terms of six months or longer.

<sup>80</sup> DPI, “The History of Education in North Carolina,” 1993, 14.

<sup>81</sup> “Derby School Election,” *Rockingham Post-Dispatch*, January 24, 1918, 8.

<sup>82</sup> “Crowd Fills Armory for Details Southern Pines-Pinehurst Merger,” *The Pilot* (Southern Pines, N.C.), August 13, 1964, 1, quote on p. 8.

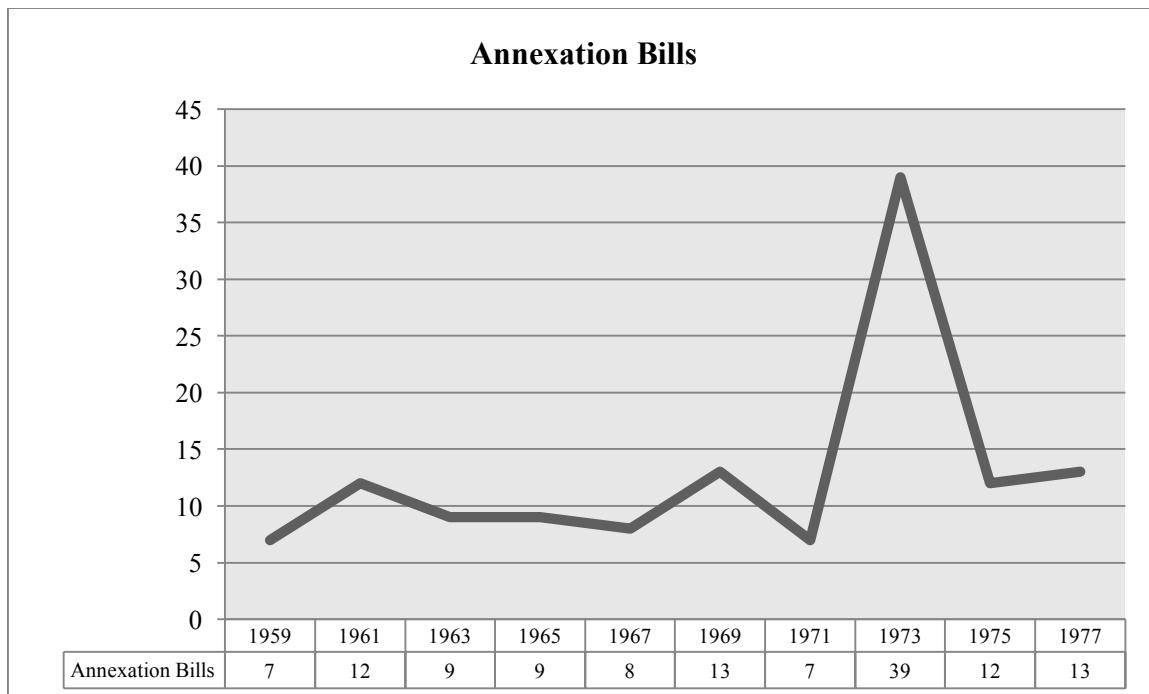
district. Until the mid-1960s, the districts wielded their supplemental tax against the rural county schools to resist merging all districts in Moore County.<sup>83</sup>

The General Assembly continued to support the gerrymandering of school district lines well into the second half of the twentieth century. In 1967, it allowed the annexation of noncontiguous “satellite” areas, which meant that cities could tax land that was not geographically attached to municipal boundaries. In 1973, at the height of desegregation, the General Assembly expanded and reinforced the “satellite” bill, and the following legislative sessions saw an unusual surge in annexations.<sup>84</sup> Although the law applied to municipalities, and not directly to school districts, the sudden trend echoed the surge in special tax district creations at the beginning of the century—testifying to the precipitation in creating refuges for tax isolation and property value manipulation.

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<sup>83</sup> “Commissioners Request School Boards Hold Up Plans Till Survey Made,” *The Pilot*, August 27, 1964, 1, quotes on page 8; *Hobbs v. Moore County*, 149 S. E. 2d (N.C. 1966).

<sup>84</sup> General Assembly, 1973, Chapter 1173, House Bill 747, section 2. On annexation laws in North Carolina, see Mary Edwards, “Understanding the Complexities of Annexation,” *Journal of Planning Literature*, 23, 2 (November 2008): 119–35. Literature on annexations in North Carolina has not focused on school districts.

**Figure 3 – Number of Annexation Bills Passed in the General Assembly**

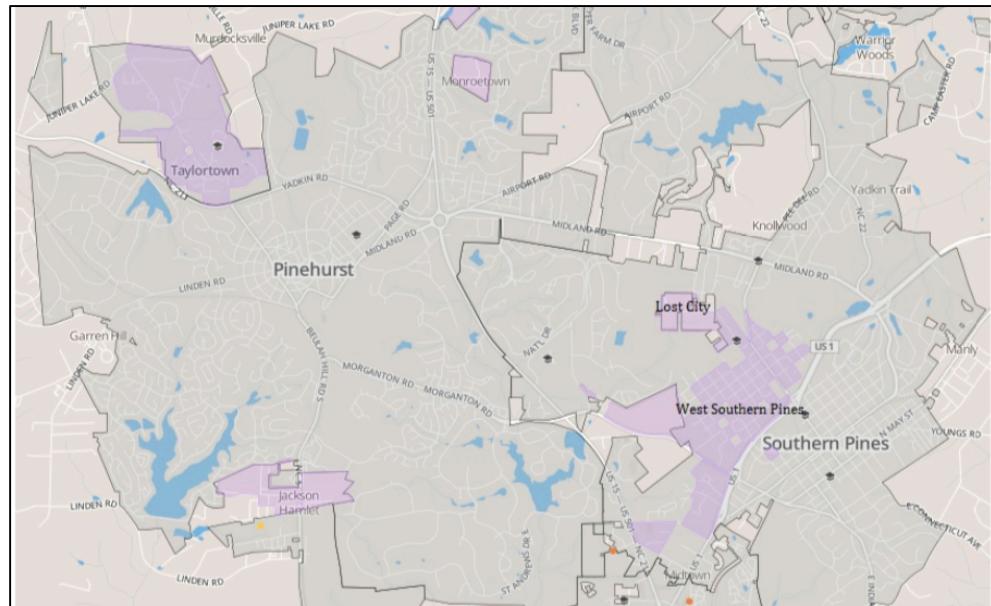
Source: North Carolina General Assembly, *Session Laws*, 1959-1978.

Even when Black communities were part of city school districts, Black schools did not receive their fair share of the supplemented local tax pool. Taylortown, founded by formerly enslaved people in the 19<sup>th</sup> century, geographically fell within the Pinehurst School District, but was excluded from the municipality of Pinehurst. The Pinehurst Board of Education underfunded its all-Black school, Academy Heights. Financial discrimination against Taylortown schools compounded the effects of municipal underbounding, that is to say city officials' exclusion of poor communities from municipal boundaries to avoid providing them with services, thus deflating property value in those unincorporated areas.<sup>85</sup> Several Black communities in Moore

<sup>85</sup> Aiken coined the term “underbounding” in his 1987 study of Mississippi. Charles Aiken, “Race as a Factor in Municipal Underbounding,” *Annals of the Association of American Geographers* 77, 4 (1987): 564-579. On underbounding as a legacy of segregation, see UNC School of Government, “The State of Exclusion,” 2013; Daniel Licher, Domenico Parisi, Steven Michael Grice, and Michael Taquino, “Municipal Underbounding: Annexation and Racial Exclusion in Small Southern Towns,” *Rural Sociology* 72, 1 (2007): 47–68. Michelle Anderson framed municipal exclusion as “a form of property loss in the sense that it artificially depresses land values.” Michelle Wilde Anderson, “Cities Inside Out: Race, Poverty, and Exclusion at the Urban Fringe,” *UCLA Law Review*, 55

County epitomized the oppressive effects of underbounding—Jackson Hamlet, Taylortown, and Lost City [Figure 4].<sup>86</sup>

**Figure 4 – Excluded and formerly excluded communities in southern Moore County: Taylortown, Lost City, Jackson Hamlet, and West Southern Pines.**



Source: The Inclusion Project, “The State of Exclusion: Moore County,” UNC Center for Civil Rights, 2014, 4.

Underbounding served to devalue the property located outside municipal boundaries by depriving its residents of city services and/or access to supplementary school taxes. The process relied on counting and valuing lives according to racial hierarchies. Reporters for Moore County’s White newspaper, based in Southern Pines, shared statistics from the 1940 census results, and lamented the fact that the county’s Black population had increased more than the White population, calling the results “a disappointment to many.”<sup>87</sup>

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(2008): 1095-1160, 1132. Studies of underbounded communities found that municipalities discriminate against communities of color. Anderson, “Cities Inside Out,” 1101.

<sup>86</sup> The town was named after Demus Taylor, who founded the city with former enslaved people in 1900. Taylortown incorporated in 1987 following more than a century of efforts from its Black residents. Ann Moss Joyner and Carolyn Christman, “Segregation in the Modern South: A Case Study of Southern Moore County,” Cedar Grove Institute for Sustainable Communities, 2005, 5; UNC Center for Civil Rights, “Invisible Fences: Municipal Underbounding In Southern Moore County,” 2006, 6; Anderson, “Cities Inside Out,” 1125.

<sup>87</sup> “Southern Pines Population Jumps to 3,280 in 10 Years,” *The Pilot*, May 17, 1940, 1.

**Figure 5 – 1940 Census Taker in Moore County**



Source: "Census Taker at Race Track," 1940, Tufts Archives, Given Memorial Library, Pinehurst, Moore County, North Carolina.

Moore's unincorporated communities were historically free resettlement zones for formerly enslaved people. Because Black people who lived in these unincorporated areas on the urban fringe were the people who labored to boost the value of White property, by building and working in the county's golf resorts, Anderson characterized the typical unincorporated rural area at the urban fringe as "a low-income outsider community serving as an insider labor pool for a municipal or regional economic market."<sup>88</sup> Although scholars rarely mention school districts in research about underbounding, school funding discrimination was part of the "larger political repertoire" of oppression in rural communities, including zoning ordinances, municipal annexation, land-use regulations and development strategies.<sup>89</sup> In 1940, the Pinehurst Parent-Teacher Association organized a kitchen utensil collection for Academy Heights in Taylortown, and sought to garner support from the White community in Pinehurst. "The School Board feels this to be a forward step for our colored schools," the PTA's statement read, "and one of which

<sup>88</sup> Anderson, "Cities Inside Out," 1131.

<sup>89</sup> Lichter et al., "Municipal Underbounding," 48.

the white population should be equally proud. Its avowed purpose is to train better servant girls for our homes.”<sup>90</sup> White people in Pinehurst exercised disproportionate political control over resources, curriculum and educational opportunities.<sup>91</sup>

Desegregation in the 1960s challenged kleptocratic educational orders. In 1964, Felton Capel, a Black member of the Southern Pines city council, opposed the Board of Education’s plan to merge Academy Heights, the segregated Black school in Taylortown, with another segregated Black school in West Southern Pines. Capel told the local press that “Academy Heights people strongly disapprove[d] the plan of transporting [Black students] nearly twice as far as the white students, in order to put them into another segregated school.”<sup>92</sup> The county planned on building a new million-dollar school to accommodate Moore’s growing student population, but the school would be a segregated White one. For Capel, the discrimination was obvious and outrageous. “Negro citizens,” he declared, “feel that if any such million-dollar school is going to be built out of tax money, the Negro children should get something better out of it.”<sup>93</sup> A Black mother whose child went to Academy Heights condemned the inequitable plan during a board meeting, asking board members, “If I should want my children to go to the new school instead of being carried on past all the way to West Southern Pines, how would I go about it?,” to which the board responded evasively. She insisted, “I pay taxes like everybody else and why can’t my children go to the school that is nearest to them?”<sup>94</sup>

White kleptocracy relied on the disenfranchisement of people of color, and on the manipulation of tax bases for the benefit of White schools. In addition to these processes, county

<sup>90</sup> “Need Kitchen Utensils at Taylortown School,” *The Pilot*, October 18, 1940, 8.

<sup>91</sup> On the history of vocational education as a tool for maintaining the White supremacist status quo, see Anderson, *The Education of Blacks in the South*, 33-78; Goldsmith, “Educating for a New Economy.”

<sup>92</sup> “Capel Denies Council Okayed Merger; Says ‘School Obsolete Before Built,’” *The Pilot*, August 13, 1964, 1.

<sup>93</sup> “Capel Denies Council Okayed Merger.”

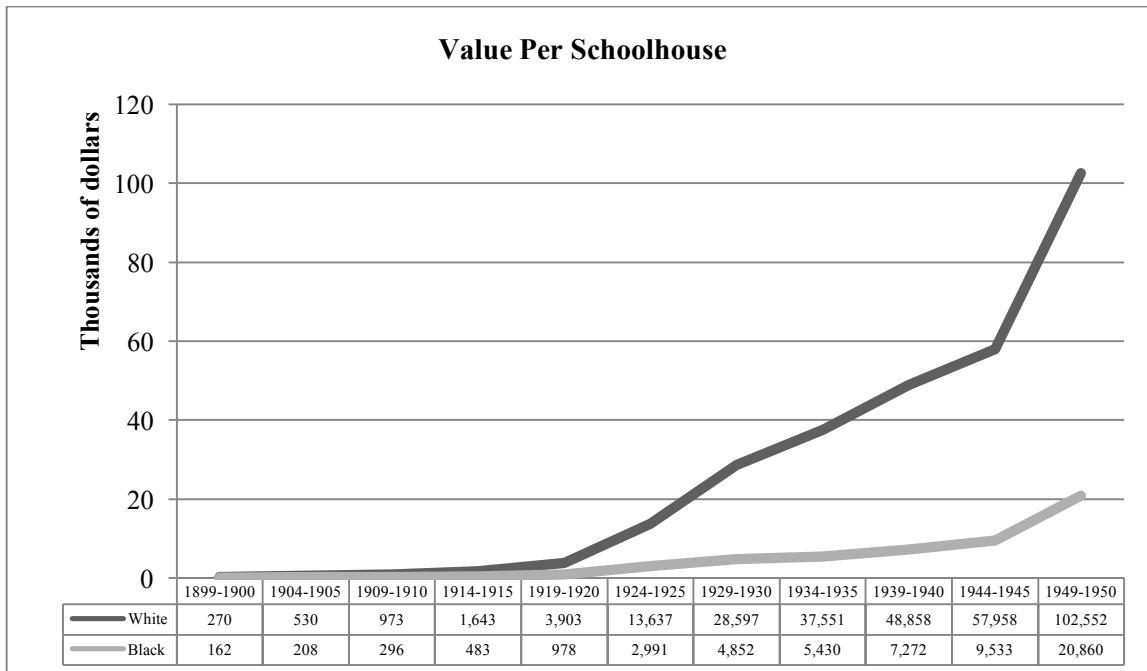
<sup>94</sup> “Racial Questions Loom in Plan for Two Schools,” *The Pilot*, August 13, 1964, 1.

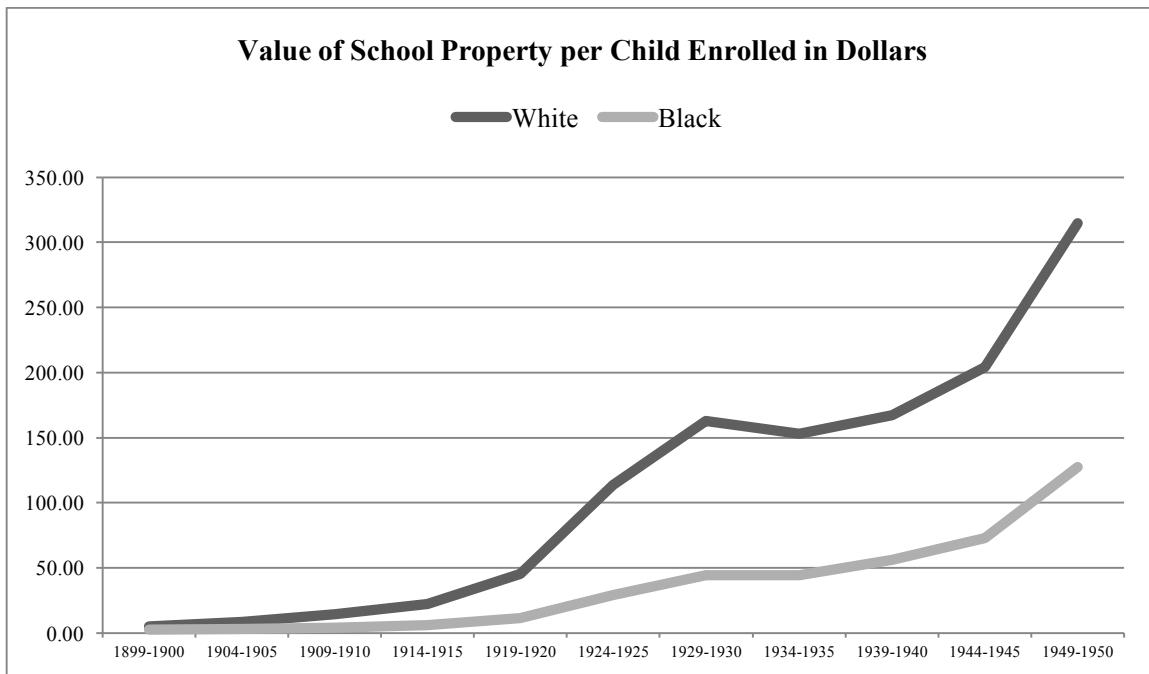
commissioners used their authority and discretion over capital outlay funds, that is to say funding for school facility building and maintenance, to distribute resources at their discretion.

### **III. Indexed on Racial Hierarchies: Funding Distribution**

County commissioners in North Carolina had enjoyed full control over county funds since 1868, until the 1931 Machinery Act established that the state would provide counties, through the intermediary of commissioners, with funds for current expenditures proportionally to student population. County commissioners still controlled capital outlay, with discretion regarding its allocation. Data from 1899 to 1950 exposes how county officials across the state diverted capital outlay funds towards White facilities, as it shows significant disproportion to student population by race [Figure 6].

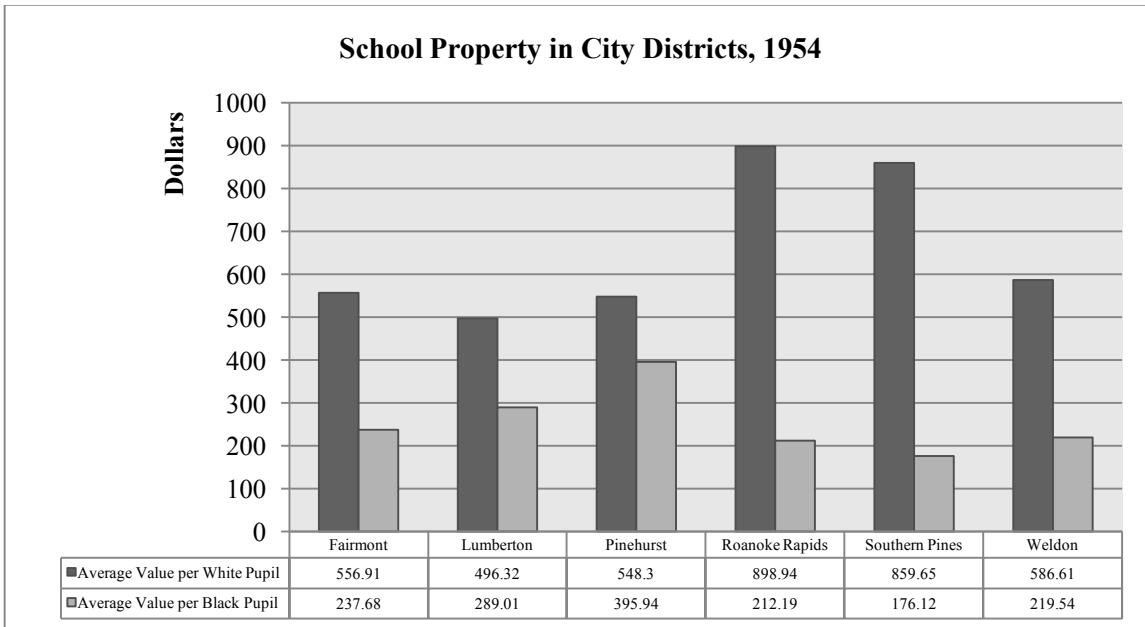
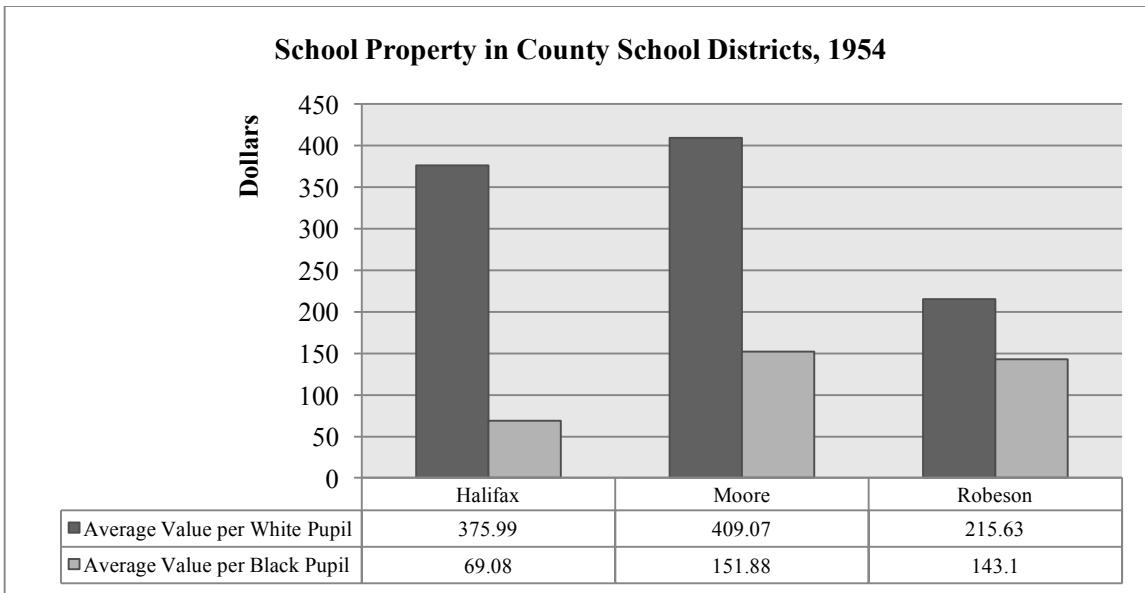
**Figure 6 – Average Value of School Property in North Carolina, 1899-1950**





Source: “Capital Outlay for Buildings,” box 20, DNE. Graphs by author.

“City” school systems across the state, that is to say remnants of special tax districts around small towns, showed the widest disparities in capital outlay funding between White and Black schools in 1954, when the U.S. Supreme Court in *Brown v. Board of Education* held that separate facilities were inherently unequal [Figure 7].

**Figure 7 – School Property Value in Halifax, Moore and Robeson, 1954**

Source: “Capital Outlay for Buildings,” box 20, DNE. Graphs by author.

The comparison between “city” and county districts confirms that the creation and maintenance of separate taxing districts exacerbated inequalities.

County leadership also monopolized political power over the allocation of bond revenue, and Black and Native American people in North Carolina always resisted racial discrimination in school bond distribution. Although Black residents, for example in Robeson County, voted in

favor of county bonds, county officials excluded Black schools from their budget plans. In their description of a 1963 school bond allocation for schools in Robeson County, commissioners earmarked certain funds to specific races, and channeled disproportionately more money towards White schools, despite the higher facility needs of overcrowded Black and Native American schools.<sup>95</sup> A group of Black residents in South Robeson, a majority Black neighborhood, with the support of the local chapter of the NAACP, issued a petition in February 1963 to formally oppose the school bond proposal; it read:

The petition disapproves of proposed distribution of bond issue proceeds in South Robeson. Specifically, objections are: That the fund distribution proposed specifies Negro, Indian and White schools, ‘contrary to the law of the land;’ [...] That announced intentions call for expenditure of \$260,000 for one White high school to serve 574 students; expenditure of \$120,000 for additions to existing ‘dilapidated and outmoded’ schools serving 706 Negro students; [...] That the proposed bond issue is in violation of the constitution in that it segregates and would place an unnecessary burden on the taxpayers.<sup>96</sup>

The petition claimed Black people’s rights as taxpayers, but these efforts failed, as many others in the nation, “precisely because ‘taxpayer’ was always already code for whiteness in the political imagination of those in power,” as legal historian Camille Walsh analyzed.<sup>97</sup> A few weeks later, a group of Native American women joined in opposition to the school bond proposal, and argued that the funds were insufficient to have any impact on the rural county schools.<sup>98</sup> Despite strong dissenting voices, the proposal passed on April 16.<sup>99</sup>

In Moore County, it is a controversy over school bond money allocation that led to the consolidation of school districts in the county. Southern Pines approved a bond of \$554,700 for its own special district in 1963, and used the election as leverage to negotiate the county’s school

<sup>95</sup> “February Board Orders Bond Vote, County Residents Object,” *The Robesonian*, February 26, 1963, 1.

<sup>96</sup> “February Board.”

<sup>97</sup> Walsh, *Racial Taxation*, 36.

<sup>98</sup> “School Bond Votes Are Set: Negroes Question Legality,” *The Robesonian*, March 12, 1963, 1.

<sup>99</sup> “Landslide Vote Okays School Bond Issues,” *The Robesonian*, April 17, 1963, 1.

budget with Moore commissioners. Using their brand new Pinecrest High School project as justification, Southern Pines requested a larger share of county funds, a common pot of money for all school districts in the county, \$175,300, while Pinehurst requested \$38,263.<sup>100</sup> Because Southern Pines asked county commissioners to earmark the largest part of the county's resources to build their own high school, other districts in the county protested the allocation process and pushed for consolidation for a more equitable repartition of the county's resources. In 1966, the county's districts merged to create a single county system, and a countywide Board of Education.<sup>101</sup>

In Halifax County, the rural Halifax County Schools (HCS) district did not have a supplemental tax, while its two neighboring districts did. Both Weldon City Schools (WCS) and Roanoke Rapids Graded School District (RRGSD) passed supplemental taxes during the first half of the 20<sup>th</sup> century, when the legislature modified state laws to create ways to isolate White tax dollars, and both persisted beyond the 1931 School Machinery Act. WCS and RRGSD had funds that did not come from the state or from county levies, but had a local pool of money that they could spend for their schools and increased teacher pay, while HCS was completely dependent on county commissioners for fund allocation—an all-White board until 1983.<sup>102</sup> The result was a constant, structural disadvantage for the poorer county schools: any increase in the county budget would benefit all three districts. “The sad thing about it, which is the way it’s set up,” former Halifax County superintendent Steve Wrenn lamented in a 2018 interview, “is that every dollar my students got, Roanoke Rapids got that dollar, and Weldon got that dollar, because they were part of Halifax County. So it was like every time we were trying to catch up,

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<sup>100</sup> “School Capital Outlay Troubles Again,” *The Pilot*, May 7, 1964, 2.

<sup>101</sup> Dr. H. David Bruton, interview with author, August 17, 2018.

<sup>102</sup> Halifax County Commissioners Meeting Minutes (HCCMM), October 2, 1967, 178.

we were boosting this other crowd.”<sup>103</sup> Wrenn described this as a rigged system, one that greatly undermined any real local control for HCS.

And the decisions that county commissioners made in allocating funding compounded the taxation inequities, and built on them. In 1972, Halifax commissioners debated the distribution of potential sales tax revenue to the three school districts. The RRGSD superintendent wanted to use the *ad valorem* method to distribute funds, meaning that sales-tax dollars would be allocated in proportion to property value.<sup>104</sup> The superintendent of HCS, in contrast, wanted to opt for the *per capita* method—distribution in proportion to student population.<sup>105</sup> Mrs. Sarah Adams, chairman of the RRGSD school board, told commissioners that her board would unanimously endorse a sales tax if it were to be distributed on an *ad valorem* basis. HCS, however, did not have a special tax and would not benefit from the sales tax at all, since they were not a local taxing entity. All representatives at the May 1972 meeting recognized that much, if not most, of the revenue from the sales tax would come from people outside Roanoke Rapids, and from all over Halifax County, since Roanoke Rapids was a shopping center in the area. County commissioners sided with RRGSD. They chose property dollars as the unit of their allocation equation, not individuals, and did so to the exclusion of HCS. The *ad valorem* decision was a process of counting lives through property wealth and thus attributing more value to White lives.<sup>106</sup>

A few months after the meeting, commissioners admitted that they had selected the *ad valorem* method because it would benefit schools in the “fine school system” of Roanoke Rapids

<sup>103</sup> Steven Wrenn, interview with author, August 16, 2018.

<sup>104</sup> Kara Millonzi, “A Guide to County and Municipal Revenues in North Carolina,” UNC Chapel Hill School of Government, 2014, 22.

<sup>105</sup> HCCMM, May 30, 1972, 39-40.

<sup>106</sup> On the census and the development of American capitalism, see Zakim, *Accounting for Capitalism*, 185-186. On the relationship between life quantification and systemic inequalities, see Jacqueline Wernimont, *Numbered Lives: Life and Death in Quantum Media*, (MIT Press, 2019); Dan Bouk, *How Our Days Became Numbered: Risk and the Rise of the Statistical Individual* (University of Chicago Press, 2015).

the most.<sup>107</sup> Unlike Halifax, neighboring Warren County allocated sales tax revenue on a *per capita* basis.<sup>108</sup> Even in Halifax, commissioners allocated money to municipalities for solid waste programs on a *per capita* basis.<sup>109</sup> By articulating taxpayer citizenship rhetoric and capitalist arguments, defenders of the *ad valorem* method claimed the system was appropriate because individuals would receive services and opportunities in proportion to what they had contributed. This reasoning echoed the syllogism that a member of the Jackson County Board of Education had inscribed in the state's 1900 biennial report on education, “[t]he white man pays the tax and should control the funds.”<sup>110</sup>

Forty years later, in 2012, voters in HCS voted down a supplemental tax. Chair of the HCS Board of Education Dr. Donna Hunter lamented the unfair system. “How can you expect so much from our children,” she asked, “when we give them so little. [...] Just because we didn’t pass the supplemental tax doesn’t mean that the need isn’t there.”<sup>111</sup> School district boundaries still stand erect, as in Halifax, as monuments to the persistence of the White supremacist origins of schooling in the region. Surviving desegregation, school finance mechanisms have continued to maximize the value of White schools by capitalizing on segregation and fiscal isolation. To this day, HCS does not levy a supplemental tax, and does not receive any revenue from sales tax.

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A school scandal erupted in 2003 in Moore County over the diversion of school funds.<sup>112</sup> The principal of North Moore High School near Carthage, the town where school finance officer

<sup>107</sup> HCCMM, December 4, 1972, 111

<sup>108</sup> HCCMM, March 4, 1974, 275.

<sup>109</sup> HCCMM, April 16, 1974, 285.

<sup>110</sup> 1900 Biennial Report, 240.

<sup>111</sup> Jamaica Ashley, “Group Pushes for Equality in Halifax Schools,” *Lake Gaston Gazette-Observer*, July 11, 2012.

<sup>112</sup> Julia Oliver, “Students Told Not To Take the SAT, Teachers Say,” *Fayetteville Observer*, October 8, 2003.

Estelle Wicker had lived, used state funding meant for children that the state categorized as “at-risk” to fund SAT preparatory classes and discouraged students from taking the test when the school deemed them “low-performing” by reimbursing their registration fees with these funds. Although seemingly anecdotal, such a discriminatory practice belongs to a longer history of resource plunder from the most disadvantaged students to the benefit of the privileged few.

Historians have documented the pattern of capital theft by White public officials in the 19th and early 20th century.<sup>113</sup> Yet the plunder of Black capital continued beyond Jim Crow, and beyond the attempt to dismantle unequal education through desegregation. While educational advocates have worked to highlight the inequities of property tax-based school funding in litigation, these projects have shied away from language that explicitly called funding mechanisms theft. Attention to state and local funding policies such as the ones explored in this article can bridge contemporary literature and studies of inequality at the end of the 19<sup>th</sup> and early 20<sup>th</sup> centuries to show that school finance is a racial discrimination issue. The kleptocracy of rural North Carolina relied on stealing rights, tax dollars, and opportunities from Black and Native American people to boost White opportunities and property values.

In 2018, the UNC Center for Civil Rights helped plaintiffs in Halifax County Schools to sue their county commissioners. The lawsuit attacked their role in maintaining a tripartite system of education in Halifax, and exposed the discriminatory mechanisms that commissioners consistently chose to implement to discriminate against students of color in HCS and WCS for the benefits of White students in RRGSD.<sup>114</sup> These efforts failed, however, as state courts refused

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<sup>113</sup> Walsh, *Racial Taxation*; Margo, *Disfranchisement, School Finance*; Anderson, *The Education of Blacks in the South*; Leloudis, *Schooling the New South*.

<sup>114</sup> *Silver v. Halifax Board of County Commissioners*, No. 338A17 (2018).

to recognize the authority of county commissioners and ruled that the state was the only entity responsible for the educational rights of children under the state constitution.<sup>115</sup>

The historical echoes of this 2018 decision reverberate back to the early 20th century. In 1922, an administrator for the Rosenwald Fund wrote to his superior about the state of Black education in Halifax County. “[I]t is just a situation where the pulse are beating low,” Ferguson described. The White population in Halifax curtailed the establishment of a County Training School for Black teachers. “We have taken this matter up with the county board several times,” Ferguson related, “[w]e are now arranging to transfer “this school to another point where it will have a more favorable backing and a more thriving environment.”<sup>116</sup> Since county boards of commissioners were established in 1868, they have been key actors in the unequal distribution of educational funds, and activists have struggled to challenge their political and legal power.

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<sup>115</sup> *Leandro* established a constitutional right to a “sound, basic education” under the state constitution. *Leandro v. State*, 346 N.C. 336, 488 S.E.2d 249 (1997).

<sup>116</sup> G. Ferguson to Gertrude Mann, August 31, 1922, folder “General Correspondence of the Director,” 2, box 5, DNE.