

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2025**

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**HOUSE BILL 1163**

Short Title: Workforce Act of 2026. (Public)

Sponsors: Representatives Blackwell, Lambeth, Paré, and Schietzelt (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Education - K-12, if favorable, Appropriations, if favorable, Rules, Calendar, and Operations of the House

May 4, 2026

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE FOR THE CONTINUATION AND EXPANSION OF PROGRAMS  
3 AND SERVICES PROVIDED BY THE STATE FOR WORKFORCE DEVELOPMENT  
4 AND TO APPROPRIATE FUNDS FOR THOSE PURPOSES.

5 The General Assembly of North Carolina enacts:

6  
7 **PART I. TITLE AND INTRODUCTION**

8 **SECTION 1.(a)** Title. – This act shall be known and may be cited as the "Workforce  
9 Act of 2026."

10 **SECTION 1.(b)** Introduction. – The appropriations made in this act are for the  
11 amounts necessary to modernize education-to-workforce pathways across the State, to improve  
12 credit acquisition and transfer for students, strengthen career information sharing among  
13 institutions of higher education and employers, and expand employer-recognized credentials to  
14 provide faster, clearer routes to credential completion and career success.

15  
16 **PART II. APPRENTICESHIP NC SUPPORT**

17 **SECTION 2.(a)** Findings. – The General Assembly finds that work-based learning  
18 is of value to learners as well as employers; that apprenticeship is a highly effective work-based  
19 learning model and provides a significant return on investment; that continued growth of  
20 apprenticeship is important to the State's economy; that ApprenticeshipNC is critical to  
21 increasing the number of employers participating in apprenticeships as well as the number of  
22 registered apprentices in North Carolina; that continued growth of apprenticeship is at risk  
23 without adequate support for ApprenticeshipNC; and that additional State support is necessary  
24 to sustain apprenticeship growth.

25 **SECTION 2.(b)** Appropriation. – There is appropriated from the General Fund to  
26 the Community Colleges System Office the sum of three million one hundred thousand dollars  
27 (\$3,100,000) in recurring funds beginning with the 2026-2027 fiscal year for the administration  
28 of the ApprenticeshipNC program.

29  
30 **PART III. NC WORKFORCE CREDENTIALS**

31  
32 **NC WORKFORCE CREDENTIALS OPERATIONAL EXPENSES AND STAFFING**

33 **SECTION 3.1.(a)** Findings. – The General Assembly finds that, due to the critical  
34 importance to the State of identifying industry-valued credentials, promoting programs of study



1 leading to industry-valued credentials, and aligning industry-valued credentials and programs of  
2 study leading to those credentials with federal Workforce Pell Grant implementation, it is  
3 necessary that the State provide funds to the Department of Commerce (Department) to develop  
4 and maintain a list of industry-valued credentials, to continually determine programs of study to  
5 meet workforce needs, and to ensure alignment to federal Workforce Pell Grants.

6 **SECTION 3.1.(b)** Appropriation. – There is appropriated from the General Fund to  
7 the Department the sum of three hundred fifty thousand dollars (\$350,000) in recurring funds,  
8 beginning with the 2026-2027 fiscal year, for operational expenses and staffing to support NC  
9 Workforce Credentials in accordance with this section and G.S. 143B-438.10.

10 **SECTION 3.1.(c)** Data Coordination. – The Department shall engage with  
11 employers to provide workforce data and participate in efforts to link data on industry-valued  
12 credentials to labor market outcomes, including:

- 13 (1) Labor market demand.
- 14 (2) Job placement and Standard Occupational Classification or similar data  
15 reflecting employment-in-field.
- 16 (3) Wage outcomes.
- 17 (4) Stackability capacity for credentials to count toward and build into more  
18 advanced career credentials.
- 19 (5) Work location, collected on a voluntary basis and in a manner consistent with  
20 applicable State and federal privacy protections, to support aggregated  
21 analysis of regional workforce outcomes, talent retention, and analysis of  
22 education and career pathways alignment with local labor market demand.

23 **SECTION 3.1.(d)** Stakeholder Consultation. – As part of its efforts to link data on  
24 industry-valued credentials to labor market outcomes, the Department shall consult with the  
25 North Carolina Community Colleges System Office, The University of North Carolina System  
26 Office, and other relevant interested parties to ensure alignment with rules and regulations  
27 pertaining to federal Workforce Pell Grants and to take steps to institutionalize workforce data  
28 sharing across State government.

29 **SECTION 3.1.(e)** Longitudinal Data. – As part of its efforts to link data on  
30 industry-valued credentials to labor market outcomes, the Department shall require issuers of  
31 those credentials to submit data pertaining to credentials issued to the North Carolina  
32 Collaboratory and the North Carolina Longitudinal Data System for inclusion in the System's  
33 Licenses and Credentials Data Warehouse to enhance the State's ability to retrieve and link those  
34 data to labor market outcomes.

35 **SECTION 3.1.(f)** Wage-Outcome Prioritization. – In developing and maintaining  
36 the list of industry-valued credentials, the Department shall give substantial weight to  
37 demonstrated wage outcomes and evidence that credential attainment provides a positive return  
38 on investment for students.

39 **SECTION 3.1.(g)** Outreach. – Of the funds appropriated to the Department under  
40 subsection (b) of this section, the Department may use up to fifty thousand dollars (\$50,000) each  
41 fiscal year for outreach and communications consistent with the purposes of this section,  
42 including to contract with non-State entities for outreach and communications.

#### 43 44 **ADDITIONAL FUNDS FOR SHORT-TERM WORKFORCE DEVELOPMENT** 45 **GRANTS**

46 **SECTION 3.2.(a)** Findings. – The General Assembly finds that, due to the critical  
47 need in this State to provide financial aid for students pursuing industry-valued credentials,  
48 including in programs of study that are not eligible for federal Workforce Pell Grants, it is in the  
49 State's interest to provide an increase of funds to the North Carolina Community College  
50 Short-Term Workforce Development Grant Program.

51 **SECTION 3.2.(b)** G.S. 115D-10.19 is amended by adding a new subsection to read:

1       "(e) Administrative Costs. – The North Carolina Community Colleges System Office may  
2 use up to four percent (4%) of the funds appropriated for the Program for administrative costs  
3 associated with administration of the Program."

4               **SECTION 3.2.(c) Appropriation.** – There is appropriated from the General Fund to  
5 the Community Colleges System Office the sum of one million dollars (\$1,000,000) in recurring  
6 funds beginning with the 2026-2027 fiscal year for the Short-Term Workforce Development  
7 Grant Program.

#### 8 9 **PART IV. SEAMLESS POSTSECONDARY TRANSFER**

#### 10 11 **INCLUDE NORTH CAROLINA INDEPENDENT COLLEGES AND UNIVERSITIES IN** 12 **COMMON DIGITAL TRANSCRIPT**

13               **SECTION 4.1.** The State Education Assistance Authority, in consultation with the  
14 Department of Public Instruction, the Community Colleges System Office, The University of  
15 North Carolina System Office, the North Carolina Independent Colleges and Universities, the  
16 College Foundation, Inc., and the Department of Information Technology, shall incorporate the  
17 private colleges and universities located in this State into the common digital transcript developed  
18 pursuant to Section 8A.15 of S.L. 2023-134. No later than March 15, 2027, the Authority shall  
19 report to the Joint Legislative Education Oversight Committee on the progress made toward this  
20 goal, including at least the following information:

- 21               (1) Any additional steps to be taken for this purpose and a time line for completing  
22 those steps and publishing the transcript to students enrolled at private  
23 colleges and universities in this State.
- 24               (2) Estimates of any additional costs needed to expand the common digital  
25 transcript to private colleges and universities.

#### 26 27 **EXPANSION OF POSTSECONDARY TRANSFER TECHNOLOGY**

28               **SECTION 4.2.(a) Findings.** – The General Assembly makes the following findings  
29 regarding the current state of postsecondary transfer technology at institutions of higher  
30 education in North Carolina:

- 31               (1) Seamless postsecondary transfer and reverse transfer reduces barriers for  
32 learners and aligns to statewide economic and workforce goals.
- 33               (2) The Current Operations Appropriations Act of 2023, S.L. 2023-134,  
34 authorized and supported statewide postsecondary data and technology  
35 initiatives to improve student outcomes, including transfer efficiency.
- 36               (3) Expanding technology to support the transfer of student credits among and  
37 between institutions of higher education will reduce the time it takes for  
38 students to earn a degree and reduce costs.
- 39               (4) Successful postsecondary transfer and reverse transfer is necessary to achieve  
40 the postsecondary attainment goal established in G.S. 116C-10.
- 41               (5) Additional investment is necessary to scale and integrate technology  
42 supporting seamless postsecondary transfer and reverse transfer.

43               **SECTION 4.2.(b) Initiative; Administration.** – For the 2026-2027 academic year,  
44 The University of North Carolina System Office, in collaboration with the Community Colleges  
45 System Office and the Department of Information Technology, shall expand the current initiative  
46 (Initiative) to accelerate the transfer of course credits among postsecondary institutions of higher  
47 education using postsecondary transfer technology. This expanded Initiative shall provide and  
48 improve technology at participating institutions of higher education that will simplify the credit  
49 transfer process for students, advisors, and the participating institutions. The expanded Initiative  
50 shall allow students to easily compare credit transfer options, speed up student decision making,

1 and streamline transfer planning and progress toward degrees in a manner that reduces overall  
2 costs for students in the State.

3 **SECTION 4.2.(c)** Appropriation. – There is appropriated from the Information  
4 Technology Reserve to the Board of Governors of The University of North Carolina the sum of  
5 two million five hundred thousand dollars (\$2,500,000) in nonrecurring funds for the 2026-2027  
6 fiscal year for the expanded Initiative described in subsection (b) of this section. The University  
7 of North Carolina System Office shall use these funds to identify and develop programs to  
8 accelerate the transfer of course credits among postsecondary institutions of higher education in  
9 accordance with this section.

10 **SECTION 4.2.(d)** Report. – No later than March 15, 2027, The University of North  
11 Carolina System Office shall report to the Joint Legislative Education Oversight Committee on  
12 the Initiative, including at least the following information:

- 13 (1) The number and identity of institutions participating in the Initiative.
- 14 (2) The progress of each participating institution in the following areas, with data  
15 disaggregated on the basis of income, race, ethnicity, and other demographic  
16 characteristics, where available:
  - 17 a. Enrollments upon transfer.
  - 18 b. Credentials attained as a result of the successful transfer of credits.
- 19 (3) Recommendations to scale credit mobility and transfer technology statewide,  
20 including identification of data system needs and opportunities to further  
21 reduce the time it takes for a student to receive a degree and any other student  
22 costs.

## 23 24 **PART V. NC CAREERS ENHANCEMENT**

25 **SECTION 5.(a)** Findings. – The General Assembly finds that (i) maintaining a  
26 high-quality, up-to-date central platform to disseminate information on career exploration, career  
27 planning, and alignment of education to career pathways to meet workforce needs is a statewide  
28 priority, (ii) NC Careers provides such a platform, (iii) enhancing NC Careers is essential to the  
29 effective implementation of the provisions of G.S. 115C-158.10, and (iv) it is necessary that the  
30 State provide funds to the Department of Commerce to enhance NC Careers and its ability to  
31 serve as North Carolina's premier workforce information and career navigation resource for  
32 students, parents, educators, jobseekers, and career counselors in accordance with this section.

33 **SECTION 5.(b)** Appropriation. – There is appropriated from the Information  
34 Technology Reserve to the Department of Commerce the nonrecurring sum of two hundred  
35 thousand dollars (\$200,000) and the recurring sum of five hundred eighty-five thousand dollars  
36 (\$585,000), beginning in the 2026-2027 fiscal year, to contract with Year13, Inc. (Year13), to  
37 replatform, host, and maintain the NC Careers website, utilizing the Year13 proprietary system.  
38 The contract shall, at a minimum, require Year13 to operationalize its platform to serve as the  
39 unified infrastructure for NC Careers, with build-outs prioritizing functionality that supports  
40 individualized career planning, integration with programs of study and industry-related  
41 credentials, information on licensure requirements as applicable, and use by career counselors,  
42 advisors, and coaches embedded throughout a learner's experience across education and  
43 workforce systems.

## 44 45 **PART VI. NORTH CAROLINA COLLABORATORY TO EVALUATE AND REPORT** 46 **ON THE WORKFORCE ACT OF 2026**

47 **SECTION 6.(a)** The North Carolina Collaboratory (Collaboratory) shall evaluate  
48 the programs and initiatives established in Parts I through V of this act each academic year  
49 through the 2029-2030 academic year. The Collaboratory shall report the results of its evaluation  
50 to the Joint Legislative Education Oversight Committee by March 15 of each year through March  
51 15, 2030. Each report shall include the following information:

- 1 (1) The total number of students and adult learners engaging with each program
- 2 or initiative established in this act.
- 3 (2) The total funds expended to implement, design, and operate each program or
- 4 initiative.
- 5 (3) The effects of the programs and initiatives in this act on achieving
- 6 postsecondary attainment and workforce outcomes.

7 **SECTION 6.(b)** There is appropriated from the General Fund to the Board of  
8 Governors of The University of North Carolina for the 2026-2027 fiscal year the sum of six  
9 hundred thousand dollars (\$600,000) in nonrecurring funds to be allocated to the North Carolina  
10 Collaboratory to conduct the evaluation and report described in this section.

## 11

### 12 **PART VII. CAREER DEVELOPMENT PILOT PROGRAM**

13 **SECTION 7.(a)** Pilot Program Established; Purpose. – The Superintendent of Public  
14 Instruction shall create an Annual Career Development Plan Pilot Program (Program) for  
15 students entering the seventh grade at select schools during the 2026-2027 and 2027-2028 school  
16 years and continuing through the students' graduation from high school. The purpose of the  
17 Program shall be to evaluate the efficacy of reviewing Career Development Plans (Plans)  
18 annually to better align students for on-time graduation and achievement of college and career  
19 goals and to ensure that all students graduate from high school college or career ready.

20 **SECTION 7.(b)** Definitions. – The following definitions apply to this section:

- 21 (1) Career Development Plan. – An individual plan created by each student that
- 22 establishes the student's plan throughout middle and high school for
- 23 graduation and career development pursuant to G.S. 115C-158.10.
- 24 (2) Local board of education. – A local board of education governing a partnered
- 25 school.
- 26 (3) Parent. – Defined in G.S. 115C-76.1.
- 27 (4) Partnered school. – A middle school and high school governed by a local
- 28 board of education where at least half of the student population of the middle
- 29 school is assigned to attend the associated high school.

30 **SECTION 7.(c)** Partnered Schools. – The Superintendent shall select 12 partnered  
31 schools that are proportionally representative of the population size and geographic distribution  
32 of public high schools in the State. The Superintendent shall provide a process for schools to  
33 apply to participate in the Program as partnered schools. The Superintendent shall be responsible  
34 for the final selection of partnered schools. If there are fewer than 12 applicants, the  
35 Superintendent shall collaborate with local superintendents to select schools to be partnered  
36 schools. Partnered schools shall have each student entering the seventh grade during the  
37 2026-2027 and 2027-2028 school years complete a review of Plans each year until graduating  
38 from high school.

39 **SECTION 7.(d)** Local Board of Education and IEP Support. – The local board of  
40 education shall ensure that students in partnered schools are provided assistance by a school  
41 counselor and planning time during the instructional day each school year to update their Plans.  
42 For students with disabilities, the student's IEP team, if applicable, may assist the student in  
43 completing and updating the Plan. Updates to Plans shall be made prior to student scheduling of  
44 courses for the next school year.

45 **SECTION 7.(e)** Parental Involvement. – Partnered schools shall encourage parents  
46 to participate in development of Plans with their students and to sign a form provided by the  
47 school acknowledging the annual revisions of the Plans. Local boards of education shall ensure  
48 that Plans are easily accessible to students and parents and shall provide parents (i) annual written  
49 notice of the creation or revision of a Plan, (ii) information on how to access the Plan, (iii) a  
50 listing of course offerings for the next school year with a description of the content of each course,  
51 and (iv) high school graduation requirements where appropriate. Prior to creating or updating a

1 student's Plan, a school counselor shall attempt to meet with the student's parent, either in person  
2 or virtually, to explain the possible effects that the Plan might have on the student's graduation  
3 requirements and career development planning. Beginning in the tenth grade and continuing  
4 throughout the student's high school enrollment, a school counselor shall provide each student  
5 and parent information regarding State and federal need-based and merit-based financial aid  
6 programs to support postsecondary education and training using information provided by the  
7 State Education Assistance Authority and College Foundation of North Carolina. The school  
8 counselor shall also provide information on the Federal Free Application for Federal Student Aid  
9 (FAFSA) and its use and notify the parent that information included in the FAFSA is confidential  
10 and not accessible by the school.

11 **SECTION 7.(f) Initial Career Development Plans.** – Students entering seventh grade  
12 in partnered schools shall develop an initial Career Development Plan which will provide  
13 guidance as students develop Plans.

14 **SECTION 7.(g) Annual Career Development Plan Updates.** – In partnered schools,  
15 Plans shall be updated annually in addition to the following information being provided to  
16 students:

- 17 (1) For eighth grade students, by the end of the school year, a list of the required  
18 core courses to be taken in ninth and tenth grade.
- 19 (2) For tenth grade students, an identification of the graduation requirements  
20 relevant to the student's chosen postsecondary goals based on the student's  
21 career development planning.
- 22 (3) For eleventh grade students not meeting the career and college readiness  
23 standards established by the State Board of Community Colleges, a plan for  
24 enrolling in remedial coursework for his or her senior year.
- 25 (4) Any other minimum requirements established by the Superintendent.

26 **SECTION 7.(h) Reporting Requirement.** – The North Carolina Collaboratory  
27 (Collaboratory), in collaboration with the superintendent of a local school administrative unit that  
28 has a partnered school participating in the Program, shall develop reporting requirements for  
29 partnered schools participating in the Program to provide information on the effectiveness of the  
30 annual review of the Plans. The Collaboratory shall report to the Joint Legislative Education  
31 Oversight Committee by August 15, 2027, and each year thereafter on the progress of the  
32 Program, including any logistical issues that have arisen with the Program. A final report on the  
33 Program shall be submitted by August 15, 2033.

34 **SECTION 7.(i)** This section is effective when it becomes law and applies beginning  
35 with the 2026-2027 school year.  
36

## 37 **PART VIII. CONSOLIDATED TEACHER BONUS PROGRAM AND REVISE CTE** 38 **BONUSES**

39 **SECTION 8.(a)** Article 20 of Chapter 115C of the General Statutes is amended by  
40 adding the following new section to read:

### 41 **"§ 115C-302.9. Teacher bonuses.**

42 (a) Program. – The State Board of Education shall establish a consolidated teacher bonus  
43 program to reward teacher performance and encourage student learning and improvement. To  
44 attain this goal, to the extent funds are made available for this purpose, the Department of Public  
45 Instruction shall administer bonus pay to qualifying teachers whose salaries are supported from  
46 State funds in January of each year, based on data from the prior school year, in accordance with  
47 this section.

48 (b) Definitions. – For purposes of this section, the following definitions shall apply:

- 49 (1) Eligible advanced course teacher. – A teacher of Advanced Placement  
50 courses, International Baccalaureate Diploma Programme courses, or the

- 1 Cambridge Advanced International Certificate of Education (AICE) program  
2 who meets the following criteria:
- 3 a. Is employed by, or retired having last held a position at, one or more  
4 of the following:
- 5 1. A qualifying public school unit.  
6 2. The North Carolina Virtual Public School program.
- 7 b. Taught one or more students who received a score listed in subsection  
8 (c) of this section.
- 9 (2) Eligible career and technical education (CTE) teacher. – A teacher who meets  
10 the following criteria:
- 11 a. Is employed by, or retired having last held a position at, a qualifying  
12 public school unit.
- 13 b. Taught one or more students who attained industry certifications or  
14 credentials that are approved by the North Carolina Workforce  
15 Credentials Advisory Council.
- 16 (3) Eligible growth teacher. – A teacher who meets at least one of the following  
17 criteria:
- 18 a. Is employed by, or retired having last held a position at, a qualifying  
19 public school unit and meets one of the following criteria:
- 20 1. Is in the top twenty-five percent (25%) of teachers in the State  
21 according to the EVAAS student growth index score for third  
22 grade reading from the previous school year.
- 23 2. Is in the top twenty-five percent (25%) of teachers in the State  
24 according to the EVAAS student growth index score for fourth  
25 or fifth grade reading from the previous school year.
- 26 3. Is in the top twenty-five percent (25%) of teachers in the State  
27 according to the EVAAS student growth index score for fourth,  
28 fifth, sixth, seventh, or eighth grade mathematics from the  
29 previous school year.
- 30 b. Is employed by, or retired having last held a position at, a local school  
31 administrative unit and meets one of the following criteria:
- 32 1. Is in the top twenty-five percent (25%) of teachers in the  
33 teacher's respective local school administrative unit according  
34 to the EVAAS student growth index score for third grade  
35 reading from the previous school year.
- 36 2. Is in the top twenty-five percent (25%) of teachers in the  
37 teacher's respective local school administrative unit according  
38 to the EVAAS student growth index score for fourth or fifth  
39 grade reading from the previous school year.
- 40 3. Is in the top twenty-five percent (25%) of teachers in the  
41 teacher's respective local school administrative unit according  
42 to the EVAAS student growth index score for fourth, fifth,  
43 sixth, seventh, or eighth grade mathematics from the previous  
44 school year.
- 45 c. Was employed by a local school administrative unit that employed in  
46 the previous school year three or fewer total teachers in that teacher's  
47 grade level as long as the teacher has an EVAAS student growth index  
48 score from the previous school year of exceeded expected growth in  
49 one of the following subject areas:
- 50 1. Third grade reading.  
51 2. Fourth or fifth grade reading.



- 1           (1)    For Advanced Placement courses, a score of three or higher on the College  
2           Board Advanced Placement Examination.
- 3           (2)    For International Baccalaureate Diploma Programme courses, a score of four  
4           or higher on the International Baccalaureate course examination.
- 5           (3)    For the Cambridge AICE program, a score of "E" or higher on the Cambridge  
6           AICE program examinations.
- 7        (d)    CTE Bonuses. – For qualifying career and technical education teachers, bonuses shall  
8        be provided in the following amounts:
- 9           (1)    A bonus in the amount of twenty-five dollars (\$25.00) for each student taught  
10          by a teacher who provided instruction in a course that led to the attainment of  
11          an industry certification or credential with a twenty-five dollar (\$25.00) value  
12          ranking as determined under subsection (e) of this section.
- 13          (2)    A bonus in the amount of fifty dollars (\$50.00) for each student taught by a  
14          teacher who provided instruction in a course that led to the attainment of an  
15          industry certification or credential with a fifty dollar (\$50.00) value ranking  
16          as determined under subsection (e) of this section.
- 17        (e)    CTE Course Value Ranking. – The Department of Commerce, in consultation with  
18        the North Carolina Workforce Credentials Advisory Council, shall assign a value ranking for  
19        each industry certification and credential based on academic rigor and employment value in  
20        accordance with this subsection. Fifty percent (50%) of the ranking shall be based on academic  
21        rigor and the remaining fifty percent (50%) on employment value. Academic rigor and  
22        employment value shall be based on the following elements:
- 23          (1)    Academic rigor shall be based on the number of instructional hours, including  
24          work experience or internship hours, required to earn the industry certification  
25          or credential, with extra weight given for coursework that also provides  
26          community college credit.
- 27          (2)    Employment value shall be based on the entry wage, growth rate in  
28          employment for each occupational category, and average annual openings for  
29          the primary occupation linked with the industry certification or credential.
- 30        (f)    Statewide Growth Bonuses. – The Department shall provide bonuses to qualifying  
31        teachers who are eligible teachers under sub-subdivision a. of subdivision (3) of subsection (b)  
32        of this section, as follows:
- 33          (1)    The sum of five million dollars (\$5,000,000) shall be allocated for bonuses to  
34          eligible teachers under sub-sub-subdivision a.1. of subdivision (3) of  
35          subsection (b) of this section. These funds shall be distributed equally among  
36          qualifying teachers.
- 37          (2)    A bonus in the amount of two thousand dollars (\$2,000) shall be awarded to  
38          each qualifying teacher who is an eligible teacher under sub-sub-subdivision  
39          a.2. of subdivision (3) of subsection (b) of this section.
- 40          (3)    A bonus in the amount of two thousand dollars (\$2,000) shall be awarded to  
41          each qualifying teacher who is an eligible teacher under sub-sub-subdivision  
42          a.3. of subdivision (3) of subsection (b) of this section.
- 43        (g)    Local Growth Bonuses. – The Department shall provide bonuses to eligible teachers  
44        under sub-subdivisions b. and c. of subdivision (3) of subsection (b) of this section, as follows:
- 45          (1)    The sum of five million dollars (\$5,000,000) shall be allocated for bonuses to  
46          eligible EVAAS teachers under sub-sub-subdivisions b.1. and c.1. of  
47          subdivision (3) of subsection (b) of this section. These funds shall be divided  
48          proportionally based on average daily membership in third grade for each  
49          local school administrative unit and then distributed equally among qualifying  
50          third grade reading teachers in each local school administrative unit.

- 1           (2)    A bonus in the amount of two thousand dollars (\$2,000) shall be awarded to  
2           each qualifying teacher who is an eligible teacher under sub-sub-subdivision  
3           b.2. or c.2. of subdivision (3) of subsection (b) of this section.
- 4           (3)    A bonus in the amount of two thousand dollars (\$2,000) shall be awarded to  
5           each qualifying teacher who is an eligible teacher under sub-sub-subdivision  
6           b.3. or c.3. of subdivision (3) of subsection (b) of this section.
- 7           (h)    Limitations and Other Criteria. – The following additional limitations and other  
8           criteria shall apply to the program:
- 9           (1)    Bonus funds awarded to a teacher pursuant to subsection (c), subsection (d),  
10           subdivision (1) of subsection (f), and subdivision (1) of subsection (g) of this  
11           section shall not exceed four thousand dollars (\$4,000) per subsection or  
12           subdivision in any given school year.
- 13           (2)    A qualifying teacher who is an eligible teacher under sub-sub-subdivision a.1.,  
14           b.1., or c.1. of subdivision (3) of subsection (b) of this section may receive a  
15           bonus under both subdivision (1) of subsection (f) and subdivision (1) of  
16           subsection (g) of this section but shall not receive more than seven thousand  
17           dollars (\$7,000) pursuant to subdivision (1) of subsection (f) and subdivision  
18           (1) of subsection (g) of this section in any given school year.
- 19           (3)    A qualifying teacher who is an eligible teacher under sub-sub-subdivision a.2.,  
20           b.2., or c.2. of subdivision (3) of subsection (b) of this section may receive a  
21           bonus under both subdivision (2) of subsection (f) and subdivision (2) of  
22           subsection (g) of this section but shall not receive more than two bonuses  
23           pursuant to subdivision (2) of subsection (f) and subdivision (2) of subsection  
24           (g) of this section in any given school year.
- 25           (4)    A qualifying teacher who is an eligible teacher under sub-sub-subdivision a.3.,  
26           b.3., or c.3. of subdivision (3) of subsection (b) of this section may receive a  
27           bonus under both subdivision (3) of subsection (f) and subdivision (3) of  
28           subsection (g) of this section but shall not receive more than two bonuses  
29           pursuant to subdivision (3) of subsection (f) and subdivision (3) of subsection  
30           (g) of this section in any given school year.
- 31           (i)    Bonuses Not Compensation. – Bonuses awarded to a teacher pursuant to this section  
32           shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to  
33           receive. Notwithstanding G.S. 135-1(7a), the bonuses awarded under this section are not  
34           compensation under Article 1 of Chapter 135 of the General Statutes, Retirement System for  
35           Teachers and State Employees.
- 36           (j)    Study and Report. – The North Carolina Collaboratory (Collaboratory) shall study the  
37           effect of the program on teacher performance and retention. The Collaboratory shall report the  
38           results of its findings and the amount of bonuses awarded to the President Pro Tempore of the  
39           Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight  
40           Committee, and the Fiscal Research Division by March 15 of each year. The report shall include,  
41           at a minimum, the following information:
- 42           (1)    Number of students enrolled and taking examinations in each of the following  
43           categories of courses:
- 44           a.    Advanced Placement.
- 45           b.    International Baccalaureate Diploma Programme.
- 46           c.    Cambridge AICE program.
- 47           d.    Courses needed for the attainment of an industry certification or  
48           credential.
- 49           (2)    Number of students receiving outcomes on examinations resulting in the  
50           award of a bonus for a teacher in each category of courses identified in  
51           subdivision (1) of this subsection.

- 1           (3)    Number of teachers receiving a bonus in each category of courses identified  
2           in subdivision (1) of this subsection.
- 3           (4)    The amounts awarded to teachers for each category of courses identified in  
4           subdivision (1) of this subsection.
- 5           (5)    The type of industry certifications and credentials earned by the students, the  
6           value ranking for each certification and credential, the number of bonuses  
7           earned for each certification or credential, and the total bonus amount awarded  
8           for each certification or credential.
- 9           (6)    Average bonus amount awarded to each qualifying teacher who is an eligible  
10          teacher under sub-sub-subdivision a.1., b.1., or c.1. of subdivision (3) of  
11          subsection (b) of this section.
- 12          (7)    The percentage of teachers who received a bonus pursuant to this section and  
13          were eligible to receive a bonus for teaching in the same grade level or course  
14          in either or both of the prior two school years pursuant to this section or a  
15          predecessor bonus program.
- 16          (8)    The percentage of teachers who received a bonus pursuant to this section and  
17          received a bonus for teaching in the same grade level or course in either or  
18          both of the prior two school years pursuant to this section or a predecessor  
19          bonus program.
- 20          (9)    The statistical relationship between a teacher receiving a bonus pursuant to  
21          this section and receiving a bonus for teaching in the same grade level or  
22          course in one or more prior school years pursuant to this section or a  
23          predecessor bonus program.
- 24          (10) The distribution of statewide and local growth bonuses awarded pursuant to  
25          this section as among qualifying public school units and, where applicable,  
26          schools within those units."

27           **SECTION 8.(b)** This section becomes effective July 1, 2026, and applies beginning  
28 with bonuses awarded in January of 2028 based on data from the 2026-2027 school year.

29  
30 **PART IX. EFFECTIVE DATE**

31           **SECTION 9.** Except as otherwise provided, this act becomes effective July 1, 2026.