

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS15123-MT-121

Short Title: Teacher Salary Supplement/Guilford Cnty Schs. (Public)

Sponsors: Senators Robinson and Garrett (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE SUPPLEMENTAL FUNDS FOR TEACHER COMPENSATION
3 FOR THE 2025-2027 FISCAL BIENNIUM AND TO INCLUDE GUILFORD COUNTY
4 SCHOOLS AS ELIGIBLE TO RECEIVE THOSE FUNDS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.(a)** Use of Funds. – For each year of the 2025-2027 fiscal biennium,
7 except as provided in subsection (g) of this section, the State Board of Education shall allocate
8 funds pursuant to this section to eligible local school administrative units to provide salary
9 supplements to teachers and qualifying school administrators in those units. Allocation of salary
10 supplements among teachers and qualifying school administrators within each eligible local
11 school administrative unit, including whether a teacher or qualifying school administrator
12 receives a salary supplement and the amount of the supplement provided to that person, shall be
13 determined in the discretion of the local board of education of the eligible unit, except that no
14 individual salary supplement shall exceed the per teacher funding amount awarded to that unit
15 pursuant to subdivision (4) of subsection (c) of this section.

16 **SECTION 1.(b)** Definitions. – As used in this section, the following definitions shall
17 apply:

- 18 (1) Adjusted market value of taxable real property. – A county's assessed taxable
19 real property value, using the latest available data published by the
20 Department of Revenue, divided by the county's sales assessment ratio
21 determined under G.S. 105-289(h).
- 22 (2) Composite value. – For each eligible county, the sum of the following:
23 a. The taxable real property factor multiplied by sixty-five percent
24 (65%).
25 b. The median household income factor multiplied by twenty-five
26 percent (25%).
27 c. The effective tax rate factor multiplied by ten percent (10%).
- 28 (3) County allocation factor. – For each eligible county, the supplement factor for
29 that county divided by the sum of all supplement factors for the State.
- 30 (4) Effective tax rate. – The actual county tax rate multiplied by the most recent
31 annual sales assessment ratio for that county.
- 32 (5) Effective tax rate factor. – For each eligible county, the effective tax rate for
33 that county divided by the median effective tax rate in the State.
- 34 (6) Eligible county. – One of the following:
35 a. A county that has an adjusted market value of taxable real property of
36 less than fifty billion nine hundred million dollars (\$50,900,000,000).



- 1 b. Guilford County.
- 2 (7) Eligible local school administrative unit. – A local school administrative unit
- 3 located in whole or in part in an eligible county.
- 4 (8) Eligible school. – A public school that is located in an eligible county and
- 5 governed by a local school administrative unit.
- 6 (9) Maintenance of effort amount. – For each local school administrative unit in
- 7 each fiscal year, the supplant factor multiplied by the total State and non-State
- 8 funds expended for salaries for teachers from the fiscal year for which the
- 9 most recent salary data are available.
- 10 (10) Median household income. – A county's median household income for the
- 11 most recent 12 months for which data are available, as that term is used in
- 12 G.S. 143B-437.08.
- 13 (11) Median household income factor. – For each eligible county, the median
- 14 household income in the State divided by the median household income for
- 15 that county.
- 16 (12) Non-State funds. – Any funds held by a local school administrative unit, other
- 17 than nonrecurring federal funds received as a result of legislation enacted by
- 18 Congress in response to COVID-19, that are not State funds.
- 19 (13) Qualifying school administrator. – Any of the following:
- 20 a. Assistant principals paid pursuant to G.S. 115C-285(a)(8).
- 21 b. Principals paid pursuant to G.S. 115C-285(a)(8a).
- 22 (14) Supplant factor. – For each local school administrative unit in each fiscal year
- 23 of the fiscal biennium, the total non-State funds expended for salary
- 24 supplements for teachers in the 2020-2021 fiscal year divided by the total
- 25 State and non-State funds expended for salaries for teachers in the 2020-2021
- 26 fiscal year.
- 27 (15) Supplement factor. – For each eligible county, the composite value multiplied
- 28 by the number of State-funded teachers employed in a school in the county
- 29 that is governed by a local school administrative unit.
- 30 (16) Taxable real property factor. – For each eligible county, the median adjusted
- 31 market value of taxable real property in the State divided by the adjusted
- 32 market value of taxable real property for that county.
- 33 (17) Teacher. – Teachers and instructional support personnel.
- 34 **SECTION 1.(c)** Allocation of Funds. – The State Board of Education shall allocate
- 35 funds for salary supplements to eligible local school administrative units according to the
- 36 following procedure:
- 37 (1) County allocation. – For each eligible county, the State Board shall determine
- 38 a county allocation by multiplying the county allocation factor for that county
- 39 by the funding amount appropriated pursuant to this section for the applicable
- 40 fiscal year.
- 41 (2) Per teacher funding amount. – For each eligible county, the State Board shall
- 42 determine a per teacher funding amount by dividing the county allocation
- 43 amounts determined pursuant to subdivision (1) of this subsection by the total
- 44 number of State-funded teachers employed in all eligible schools in that
- 45 county.
- 46 (3) Unit funding amount. – For each eligible local school administrative unit, the
- 47 State Board shall determine the funding amount for that unit based on the per
- 48 teacher funding amount or amounts for the eligible county or counties where
- 49 the unit is located. For each county with an eligible school governed by the
- 50 unit, the State Board shall multiply the applicable per teacher funding amount
- 51 for that county determined pursuant to subdivision (2) of this subsection by

1 the number of State-funded teachers employed in the eligible school in that
2 county. If the unit is located in multiple eligible counties, the State Board shall
3 aggregate those amounts.

- 4 (4) Allocation and funding cap. – The State Board shall allocate the amount
5 determined pursuant to subdivision (3) of this subsection to each eligible local
6 school administrative unit for each applicable fiscal year, up to a maximum of
7 five thousand dollars (\$5,000) per State-funded teacher.

8 **SECTION 1.(d)** Charter Schools. – Funds appropriated to the Department of Public
9 Instruction pursuant to this section shall be subject to the allocation of funds for charter schools
10 described in G.S. 115C-218.105. The General Assembly encourages charter schools receiving
11 funds pursuant to this section to provide salary supplements to teachers and qualifying school
12 administrators in the charter school in accordance with the requirements of this section.

13 **SECTION 1.(e)** Formula for Distribution of Supplemental Funding Pursuant to this
14 Section Only. – The formula in this section is solely a basis for distribution of supplemental
15 funding to eligible local school administrative units and is not intended to reflect any measure of
16 the adequacy of the educational program or funding for public schools. The formula is also not
17 intended to reflect any commitment by the General Assembly to appropriate any additional
18 supplemental funds for eligible local school administrative units.

19 **SECTION 1.(f)** Nonsupplant Requirement. – A local school administrative unit that
20 receives funds under this section shall use those funds to supplement non-State funds provided
21 for salary supplements for teachers and qualifying school administrators and shall not use any
22 State funds, including funds received under this section, Section 7A.4 of S.L. 2023-134, or
23 Section 7A.12 of S.L. 2021-180, to supplant non-State funds provided for salary supplements for
24 teachers and qualifying school administrators. For purposes of this section, a local school
25 administrative unit has supplanted non-State funds if the State Board finds that the amount of
26 non-State funds expended by the unit for salary supplements was less than ninety-five percent
27 (95%) of the maintenance of effort amount for the local school administrative unit.

28 **SECTION 1.(g)** Nonsupplant Enforcement. – The State Board of Education shall
29 not allocate any funds under this section to a local school administrative unit if it determines that
30 the unit has supplanted non-State funds in violation of subsection (f) of this section.

31 **SECTION 1.(h)** Reports. – No later than April 15 of each year of the 2025-2027
32 fiscal biennium, the State Board of Education shall report the following information for the
33 applicable fiscal year to the Joint Legislative Education Oversight Committee and the Fiscal
34 Research Division:

- 35 (1) A list of all eligible counties and eligible local school administrative units.
36 (2) Funds allocated to each eligible local school administrative unit.
37 (3) The percentage and amount of teachers and qualifying school administrators
38 in each eligible local school administrative unit receiving salary supplements.
39 (4) The average salary supplement amount in each eligible local school
40 administrative unit.
41 (5) The range of salary supplement amounts in each eligible local school
42 administrative unit.
43 (6) The effect of the salary supplements on the retention of teachers and
44 qualifying school administrators in eligible local school administrative units.
45 (7) The identity of any local school administrative unit that the State Board
46 determines has supplanted funds.

47 **SECTION 2.** This act becomes effective July 1, 2025.