

**~~2017-2018~~2018-2019**  
**ALLOTMENT POLICY MANUAL**  
**State Formulas**



**PUBLIC SCHOOLS OF NORTH CAROLINA  
STATE BOARD OF EDUCATION  
DEPARTMENT OF PUBLIC INSTRUCTION  
FINANCIAL AND BUSINESS SERVICES  
DIVISION OF SCHOOL BUSINESS**



[www.ncpublicschools.org/fbs/allotments/](http://www.ncpublicschools.org/fbs/allotments/)

**DRIVER TRAINING**

PROGRAM REPORT CODE: 012  
 UNIFORM CHART OF ACCOUNTS CODE: 5XX0-012-XXX  
 STATUTORY REFERENCE: G.S. 115C-215; 216 and S.L. 2015-241,  
 Section 8.39

TYPE: Dollars  
 TERM: July 1 - June 30

PURPOSE: Provides funding for making available public education to all students on driver safety and training. Each LEA must serve all students enrolled in a public or private high school (including charter schools) or receiving instruction through a home school within the LEA boundaries that have not previously enrolled in the program.

ELIGIBILITY: Each LEA is entitled to funding based on ninth grade ADM including private and federal schools.

FORMULA: All available funds are distributed to LEAs based on dollars per total ninth grade allotted ADM; this includes private, federal and charter schools.

**SPECIAL PROVISIONS:**

1. ~~No funds shall be transferred into or out of ABC transfers will be allowed to~~ driver training.
2. Disposition of cars purchased with Driver Training funds;  
 All transactions are handled by the Department of Administration, Division of Auxiliary Services, and State Surplus Property.
  - a. Car Models Prior to 1992: Funds from the sale of all car models prior to 1992 (models through 1991) are refunded to the Department of Public Instruction.
  - b. Car Models beginning with 1992: Funds received from State Surplus Property for the sale of all car models after 1991 remain with the selling LEA. All proceeds should be used to support the LEA's driver education program.
3. No more than 10% of driver education funds may be used for computer expenditures.
4. Local Education Agencies (LEAs) can assess fees of up to sixty-five (65) to program participants to offset the costs of providing the training and instruction. If a local board of education charges a fee for participation in a driver education course, the local board shall provide a process for reduction or waiver of that fee for students unable to pay the fee due to economic hardship. (G.S. 115C-216(g)).
5. ~~For the 2014-2015 school year, no~~ No State funds shall be used for driver education programs that do not ~~use the standard driver education curriculum created in accordance with Section 7.12 of S.L. 2010-31. (HB 200, Section 28.37(g))~~ comply with State Board of Education policy
6. ~~Local Boards of Education shall report to the State Board of Education no later than December 15, 2015, on programs offered by and through the local school administrative unit~~

6. If a LEA does not comply with any reporting requirements imposed on the LEA for purposes of implementing the strategic plan established by the State Board of Education, DPI may withhold up to 5% of the State funds allocated for driver's education until the LEA reports the required information.
7. Of the funds appropriated, DPI may use up to 2% of those funds for the direct costs for the statewide administration of the program, including necessary positions.

DRAFT

**INTERNATIONAL FACULTY EXCHANGE TEACHERS (IFE)**

PROGRAM REPORT CODE: 020  
UNIFORM CHART OF ACCOUNTS CODE: XXXX-020-XXX  
STATUTORY REFERENCE:

TYPE: Dollars  
TERM: July 1 through June 30

PURPOSE: Provides a separate account into which LEAs may transfer teacher positions to cover a contract for a visiting international faculty member.

ELIGIBILITY: Each LEA is entitled to request a conversion of positions to dollar equivalents.

FORMULAS: None.

**SPECIAL PROVISIONS:**

To request a conversion the LEA must submit the form entitled "**International Faculty Exchange Positions Request for Conversion to a Dollar Allotment**" to the Division of Pre-Kindergarten and Elementary Education. If approved, funds must be used in accordance with the plan submitted and approved.

Position conversion used to cover costs associated with bringing an international visiting faculty member to the LEA through the International Exchange Program will be converted at \$64,558,67,301.

**LOW WEALTH COUNTIES SUPPLEMENTAL FUNDING**

PROGRAM REPORT CODE: 031  
 UNIFORM CHART OF ACCOUNTS CODE: XXX0-031-XXX  
 STATUTORY REFERENCE: S.L. 2015-241, Section 8.3

TYPE: Dollars  
 TERM: July 1 - June 30

PURPOSE: To provide supplemental funds in counties that do not have the ability to generate revenue to support public schools (per a legislated formula) at the state average level. The funding is to allow those counties to enhance the instructional program and student achievement.

ELIGIBILITY: Eligible LEAs are those located in counties in which the calculated county wealth (per the legislated formula) is less than 100% of the state average wealth.

**FORMULA:**

All data used for this formula will be the most recent data as of May 15, of the preceding fiscal year of the allotment.

1. Compare a county's ability to generate revenue (using three criteria) with the average ability to generate revenue of the other 99 counties in the state.

Purpose:

The overall wealth of a county is considered critical in determining if a county can generate the necessary revenue to support the LEA(s) located within the county. The formula attempts to project the county's ability to generate revenue as compared to other counties in North Carolina.

Criteria:

- a. Anticipated Total County Revenue - This anticipated revenue is generated from the property value in the county plus the revenue a county actually receives from sources such as sales taxes and fines and forfeitures. The property value has been adjusted by a formula to take into consideration the year the property was last valued. This calculation is projected to be almost 95% of all the revenue available to a county for current expense.
- b. Tax Base per Square Mile (Density) - This part of the formula compares the value of a county's property per square mile with the state average property value per square mile. This calculation attempts to recognize the "swamp land" (low to no value property) across the state and to compare the quantity of this property with all other counties.
- c. Per Capita Income - A three-year average of a county's per capita income is compared to the same average for the total state. The per capita income is a basic indicator of a county's residents' ability to pay taxes.

2. Determine if a county is eligible to receive funding.

Purpose:

The factors outlined in Step 1 are weighted to determine how a county compares to all other counties in the state.

Criteria:

- 40% Anticipated Total County Revenue as a percentage of the State Average Anticipated State Revenue (see Step 1 (a)).
- 10% Tax Base per Square Mile as a percentage of the State Average Tax Base per Square Mile (see Step 1 (b)).
- Combine the formula weights revenue/property as 50% of the calculation.
- 50% A County's Average per Capita Income as a percentage of the State Average per Capita Income (see Step 1 (c)).

When the three percentages are totaled, the sum indicates the county's wealth as a percentage of the state's average wealth. If the total is less than 100%, a county is eligible to receive funding.

3. Determine if a county is meeting a minimum effort to generate revenue or fund public schools as compared to a state average effort.

Purpose:

Minimum effort is established to determine if a county is committing a comparable effort compared to other counties within the State. To receive total funding, a county must either tax their local property at the State average or contribute more local dollars to public schools than the State average local contribution.

Criteria:

A county is fundable at 100% of the calculated funding if at least one of the following conditions is met:

- a. The county's actual tax rate is adjusted by a formula to take into consideration the year the property was last valued. The revised tax rate is classified as the Effective Tax Rate. If the county's Effective Tax Rate is higher than the state Average Effective Tax Rate, the county is fundable at 100% of the funding as calculated in the formula.
- b. If the county's appropriation per student is higher than what the county could provide given the county's ability to generate wealth and an average effort to fund public schools, then a county is eligible for 100% funding. To determine what a county could provide, the State average contribution is multiplied by the county's wealth percentage (total percentage in Step 2 above).
- c. A county will be funded at a percentage of the calculated funding in the formula if the county is eligible for funding and does not meet the two criteria outlined above. A county's funding will be based on the percentage a county is contributing to public schools as compared to what the county could contribute based on the county's wealth and an average state effort.

#### 4. Calculation of what a County (LEA) will be funded.

Purpose:

Once a county is determined to be Low Wealth, the next step is to calculate the amount of supplemental funds the county will receive.

Criteria:

The difference between the county's Appropriation per student and State Average Local Appropriation (including supplemental taxes) per student is multiplied by the county's ADM for a total allotment per formula.

If the county does not meet the minimum effort as described in Step 3, their allotment is prorated based on the effort they are maintaining.

The total for all counties is prorated to the appropriated funds.

#### SPECIAL PROVISIONS:

##### 1. Funds allotted for a Low Wealth Supplement must be expended only for:

- Instructional positions
- Substitutes
- Instructional support positions
- Teacher assistant positions
- Clerical positions
- Overtime pay
- Instructional equipment
- Instructional supplies and materials
- Staff development
- Fringe benefits
- Textbooks and digital resources
- Supplements for instructional personnel and instructional support personnel as defined in the Uniform Chart of Accounts.

##### 2. These funds are to supplement, not supplant, local funds. Funds will not be allocated to any LEA found to have used these funds to supplant local per student current expense funds. A county is considered to have used these funds to supplant if the current expense appropriation per student of the county for the current year is less than 95% of the average of the local current expense appropriations per student for the three prior fiscal years.

##### 3. The State Board of Education will consider requests from LEAs to waive the non-supplant requirement as outlined in the legislated low wealth and small county supplemental funding formula only under the following conditions:

The county can show:

- that it has remedied the deficiency in funding, or that extraordinary circumstances caused the county to supplant local expense funds with funds allocated under this section.

Examples include:

- Closing/merging schools within an LEA.
  - Loss of federal Impact Aid funds.
  - Significant change in the demand for county resources due to state/federal unfunded mandates, natural disaster, or other emergency.
4. For the 2017-2019 fiscal biennium, a county containing a base of the Armed Forces of the United States that has an average daily membership of more than ~~23,000~~17,000 students shall receive whichever is the higher amount in each fiscal year as follows: either the same amount of supplemental funding the county received as a low-wealth county in the 2012-2013 fiscal year, or the amount of supplemental funding the county is eligible to receive as a low-wealth county pursuant to the formula. (2017 H258 section 2.19) This provision also exempts the county from the non supplant requirement.
- ~~5. 5. Wayne County schools shall be allotted \$2,000,000 in stabilization funds, in addition to the formula generated funds for the fiscal year 2017-18 only.~~
- ~~6.5.~~ Funds may be transferred with no restrictions by submitting [ABC Transfer Form](#) in the Allotment System.



**PRINCIPAL AND TEACHER PERFORMANCE BONUSES**

PROGRAM REPORT CODE: 048  
 UNIFORM CHART OF ACCOUNTS CODE: XXXX-048-XXX

**A. PRINCIPAL PERFORMANCE BONUS**

STATUTORY REFERENCE; SL 2017-57 Section 8.4,

TYPE: Dollars

TERM: July 1, 2017 to June 30, 2018

PURPOSE: A bonus program that provides principals with performance-based bonuses.

ELIGIBILITY: Each LEA is entitled to funding, based on the Education Value-Added Assessment System (EVAAS) student growth index score for the school.

FORMULAS: A. The proportion stipulated in legislation is allotted to the LEA based on bonuses to any principal who supervised a school in that LEA as a principal for a majority of the previous school year, if that school was in the top fifty percent (50%) of school growth in the state during the previous school year.

These funds shall be allocated as follows to qualifying principals:

Statewide Growth Percentage	Bonus
95% -100%	<del>\$5,000</del> 10,000
90% - 94.99%	<del>\$4,000</del> 7,500
85% - 89.99%	<del>\$3,000</del> 5,000
80% - 84.99%	<del>\$2,000</del> 2,500
50% - 79.99%	\$1,000

B. A principal who receives a bonus in A. and supervised a school with an overall school performance grade of D or F for the majority of the previous school year shall qualify for a bonus of twice the amount list in A. The bonus shall be paid at the highest amount for which the principal qualifies.

~~B. The proportion stipulated in legislation is allotted to the LEA based on bonuses to any principal who:~~

~~a. Supervised the same school as a principal for a majority of both the 2015-16 and the 2016-17 school year and~~

~~b. In 2015-16 the school met expected growth or did not meet expected growth and~~

~~c. In 2016-17 the school exceeded growth~~

~~These funds shall be allocated as follows to qualifying principals:~~

~~\$10,000 if the school was a "D" or "F" school during 2015-16~~

~~\$5,000 if the school was a "A", "B" or "C" school during 2015-16~~

#### SPECIAL PROVISIONS:

1. Bonuses are payable no later than October 31, ~~2017~~.
2. Principals employed in a charter school, Lab school or regional school are eligible to receive the bonus if they qualify.
3. A principal is not eligible to receive a bonus if he/she is no longer employed as a principal due to resignation, dismissal, reduction in force, death or retirement.
4. A principal is not eligible to receive a bonus if his/her last workday is prior to July October 1, of the year it is paid.
5. ~~Principals, who qualify for both bonuses as outlined in A. and B. of this policy, may receive both bonuses. No principal shall receive more than 2 bonuses.~~
6. The compensation bonuses are not considered compensation for purposes of the Teachers' and State Employees' Retirement System.
7. It is the intent of the General Assembly that funds provided to LEAs pursuant to this section will supplement principal compensation and not supplant local funds.
8. Unused funds shall not be used for any purpose other than stipulated in the legislation. Excess funds allotted shall revert to the state.

**B. ADVANCED COURSE TEACHER BONUS**STATUTORY REFERENCE: SL 2016-94, SL 2017-57, SL 2017-88, 2018-5

TYPE: Dollars

TERM: July 1, 2016 to June 30, 2019

PURPOSE: A program that provides funding to reward teachers of students successfully achieving in Advanced Placement (AP), International Baccalaureate (IB) examinations and Cambridge Advanced International Certificate of Education (AICE).

ELIGIBILITY: Each LEA and public school is entitled to funding, based on the exam results of their students. A teacher shall receive a bonus in the amount of fifty dollars (\$50.00) for each student taught by an advanced course teacher who receives the following score:

- a. For AP courses, a score of three or higher on the College Board Advanced Placement Examination.
- b. For IB Diploma Programme courses, a score of four or higher on the International Baccalaureate course examination.
- c. For AICE, a score of “~~CE~~” or higher on the Cambridge AICE program examination.

FORMULAS: A. Each LEA and public school is allotted funds based on the number of AP, and IB and AICE exams that meet the eligibility, as reported to the DPI from the respective examination board.

~~B. For 2017-18 only. Each LEA is allotted funds for teachers who would have received a bonus based on the 2015-16 test scores but for the restriction that required the teacher to be teaching advanced courses in 2016-17. The amount shall be a maximum of \$2,000 per teacher.~~

~~C. For 2017-18 only. If a an LEA paid a teacher based on the 2015-16 test score, an amount from local funds in lieu of the bonus the teacher would have received had they been teaching an advanced course, the LEA shall be allotted a reimbursement up to \$2,000 per teacher.~~

## SPECIAL PROVISIONS:

1. No teacher shall be awarded a bonus that exceeds three thousand five hundred dollars (\$3,500) in any given school year. The bonus awarded to a teacher shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.
2. Bonuses are payable in January to qualifying advanced course teachers who remain

- employed teaching in the same LEA or ~~charter~~ school at least from the school year the data is collected until January 1 of the ~~corresponding~~ school year that the bonus is paid.
3. A student must be enrolled and have attained a grade in the corresponding course for a teacher to be eligible for a bonus associated with the exam result.
  4. Teachers employed in a NC public school are eligible.
  5. The bonuses are not considered compensation for purposes of the Teachers' and State Employees' Retirement System.
  6. Unused funds shall not be used for any purpose other than stipulated in the legislation. Excess funds allotted shall revert to the State.
- ~~1. In order for a teacher to be eligible for the retroactive bonus related to the 2015-16 test scores (as stated in "B" of the formula above), the teacher must be teaching in the same school and did not refuse to teach an advanced course in 2016-17.~~

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**D.C. INDUSTRY CERTIFICATIONS AND CREDENTIALS TEACHER BONUS**

STATUTORY REFERENCE: SL 2016-94, SL 2017-157, SL 2017-88

TYPE: Dollars

TERM: July 1, 2016 to June 30, 2019

PURPOSE: A program that provides funding to reward the performance of teachers who teach students earning approved industry certifications or credentials consistent with G.S. 115C-156.2 and to encourage student learning and improvement.

ELIGIBILITY: Each LEA and public school is entitled to funding to pay teachers bonuses, based on the certifications and credentials earned by their students.

A bonus in the amount of twenty-five dollars (\$25.00) or fifty dollars (\$50.00) for each student taught by a teacher who provided instruction in a course that led to the attainment of an industry certification or credential. The level of bonus is dependent on the value ranking assigned.

FORMULAS: Each LEA and public school is allotted funds based on the number of industry certifications and credentials that meet the eligibility.

**SPECIAL PROVISIONS:**

1. The Department of Commerce, in consultation with the State Board, shall assign a value ranking for each industry certification and credential based on an equal weighting of academic rigor and employment value.
2. No teacher shall be awarded a bonus that exceeds three thousand five hundred dollars (\$3,500) in any given school year. The bonus awarded to a teacher shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.
3. Bonuses are payable in January to qualifying teachers who remain employed teaching in the same LEA at least from the school year the data is collected until ~~the~~ corresponding January 1 of school year that the bonus is paid.
4. A student must be enrolled and have attained a grade in the corresponding course for a teacher to be eligible for a bonus associated with the exam result.
5. The bonuses are not considered compensation for purposes of the Teachers' and State Employees' Retirement System.

Unused funds shall not be used for any purpose other than stipulated in the legislation.

Excess funds allotted for this purpose shall revert to the State.

**TEACHER PERFORMANCE BONUS**

STATUTORY REFERENCE: SL 2017-57 Sections 8.8D and 8.8E

TYPE: Dollars

TERM: July 1, 2017 ~~recurring to June 30, 2018~~

PURPOSE: A program which provides funding to reward fourth and fifth-grade reading teachers and fourth to eighth-grade math teachers with performance based bonuses.

ELIGIBILITY: Each LEA and public school is entitled to funding, based on their teachers Education Value-Added Assessment System (EVAAS) student growth index score for fourth and fifth-grade reading and fourth to eighth-grade math.

FORMULAS: Funds are allotted to pay teachers who are in the top twenty-five percent (25%) of teachers in the state according to the EVAAS student growth index score for fourth and fifth-grade reading or fourth to eighth-grade math from the previous year. These funds shall be allocated at ~~\$2,1502,000~~ per qualifying teachers.

Funds are allotted to pay bonuses to teachers who are in the top twenty-five percent (25%) of teachers in their respective LEA according to the EVAAS student growth index score for fourth and fifth-grade reading or fourth to eighth grade math from the previous year. These funds shall be allocated at ~~\$2,1502,000~~ per qualifying teachers.

**SPECIAL PROVISIONS:**

1. Bonuses are payable in January to qualifying teachers who remain employed in the same LEA at least from the school year the data is collected until ~~the~~ ~~corresponding~~ January 1 of the school year that the bonus is paid.
2. Teachers employed in ~~charter schools, Lab schools and regional schools~~ schools that are not in a LEA are only eligible to receive the bonus if they are in the top 25% of teachers in the state. No allocation is made at the charter school, Lab school or regional school level.
3. Any teacher working in a LEA that employs three or fewer third-grade teachers shall receive a bonus at the LEA level if that teacher has an EVAAS student growth index score in the eligible test from the previous school year that exceeds expected growth.
4. Teachers who qualify may receive bonuses at both the state and LEA level, but no teacher shall receive more than two bonuses.
5. The compensation bonuses are not considered compensation for purposes of the Teachers' and State Employees' Retirement System
6. Unused funds shall not be used for any purpose other than stipulated in the legislation. Excess funds allotted shall revert to the state.

**“Z” SCHOOLS**

PROGRAM REPORT CODE: 038  
 UNIFORM CHART OF ACCOUNTS CODE: XXXX-038-XXX

STATUTORY REFERENCE: Regional Schools G. S. 115C-238. 60  
 Laboratory Schools G.S. 116-239.5  
Renewal School District SL 2018-32

TYPE: Dollars  
 TERM: July 1 - June 30

**I. REGIONAL SCHOOLS**

**PURPOSE:** Local boards of education are authorized to jointly establish a regional school to serve enrolled students in two or more local school administrative units that will expand student opportunities for educational success through high quality instructional programming. Regional schools may include partnerships with other education partners, including institutions of higher education and private businesses or organizations, and shall foster, encourage, and promote the development of knowledge and skills in career clusters of critical importance to the region.

Except as otherwise provided in this Part, a regional school is exempt from statutes and rules applicable to a local board of education or local school administrative unit.

**ELIGIBILITY:** Any two or more local boards of education may create a regional school as provided in this Part. In order to create a regional school, each local board of education shall adopt a resolution stating its intent to create the regional school, which shall include the following:

- (1) Name of the regional school.
- (2) Names of all other local boards of education known to that local board of education adopting resolutions to create the regional school.
- (3) Identification of one of the named local school administrative units to serve as the finance agent for the regional school.
- (4) Identification of one of the named local school administrative units to provide, to the extent practicable, school food services to the regional school, if needed.

The local board of education shall develop a plan to provide transportation to the students domiciled in the district.

Recognition of Regional School – Each local board of education that adopts a resolution as provided in this section shall file a copy of the resolution with the State Board of Education. Upon receipt of resolutions from all local boards of education identified in each resolution for a named regional school, the State Board of Education shall approve the creation of the regional school.

## FORMULAS:

- (A) The State Board of Education shall allocate to a regional school:
- (1) An amount equal to the average per pupil allocation for average daily membership from the participating unit allotments for each child attending the regional school, except for the allocation for children with disabilities and for the allocation for children with limited English proficiency.
  - (2) An additional amount for each child attending the regional school who is a child with disabilities. In the event a child with disabilities leaves the regional school and enrolls in a public school during the first 60 school days in the school year, the regional school shall return a pro rata amount of funds allocated for that child to the State Board, and the State Board shall reallocate those funds to the local school administrative unit in which the public school is located. In the event a child with disabilities enrolls in the regional school during the first 60 school days in the school year, the State Board shall allocate to the regional school the pro rata amount of additional funds for children with disabilities.
  - (3) An additional amount for children with limited English proficiency attending the regional school, based on a formula adopted by the State Board.
- (B) The State Board shall allow for annual adjustments to the amount allocated to the regional school based on its enrollment growth in school years subsequent to the initial year of operation.
- (C) For each child who enrolls in the regional school, the participating unit in which the child resides shall transfer to the regional school an amount equal to the per pupil amount of all money appropriated to the local current expense fund for the participating unit for the fiscal year. The amount transferred under this subsection that consists of revenue derived from supplemental taxes shall be transferred only if the child enrolled in the regional school resides in that tax district.

## SPECIAL PROVISIONS:

1. The local school administrative unit identified as the finance agent by resolution pursuant to G.S. 115C-238.71 shall be the finance agent for the Board and shall have all the rights, duties, and obligations for receipt, accounting, and dispersing funds for the board of directors, including all the rights, duties, and obligations specified in Article 31 of this Chapter, which powers shall be exercised by the identified local school administrative unit for and on behalf of the board of directors. The board of directors shall provide reasonable compensation to the local school administrative unit for this service.
2. No later than 10 days after the money is appropriated to the local current expense fund, each local board of education of a participating unit shall transfer to the board of directors the amount required under G.S. 115C-238.71(b) for each child enrolled in the school who resides in that participating unit. Once it has received funds from the local board of education, the board of directors shall be under no obligation to return the funds.
3. Transportation. – Participating units shall develop a plan to provide transportation to the students domiciled in the district.



4. Food Service. – The local school administrative unit identified by resolution shall provide, to the extent practicable, school food services to the regional school. For purposes of federal funding through the National School Lunch Program or other federally supported food service programs, the local school administrative unit identified by resolution shall be permitted to include eligible students enrolled in the regional school. Other participating units shall not include students enrolled in the regional school for purposes of federally supported food service programs.
5. The State Board shall allocate to a regional school, 12 months of employment for a principal position, if the school has final total average daily membership of 100 or more students. (G.S. 115C-238.70 (a))

## LABORATORY SCHOOLS

### STATUTORY REFERENCE:

G. S. 116-239.5

### TYPE:

Dollars

### TERM:

July 1 - June 30

**PURPOSE:**The Board of Governors' Subcommittee on Laboratory Schools shall approve at least nine constituent institutions to establish laboratory schools to serve public school students. The Board of Governors shall select constituent institutions with quality high-quality educator preparation programs as demonstrated by the annual performance measures reported by the constituent institutions in accordance with G.S. 115C-296.13.

The mission of a laboratory school shall be to improve student performance in LEAs with low-performing schools by providing an enhanced education program for students residing in those units and to provide exposure and training for teachers and principals to successfully address challenges existing in high-needs school settings. A laboratory school shall provide an opportunity for research, demonstration, student support, and expansion of the teaching experience and evaluation regarding management, teaching, and learning.

### ELIGIBILITY:

Schools as approved by the Board of Governors' Subcommittee on Laboratory Schools.

**Recognition of a Laboratory School.** – The Subcommittee shall file a copy of each resolution to approve a laboratory school with the Department of Public Instruction. Upon receipt of a resolution from the Subcommittee and upon the recommendation of the Superintendent of Public Instruction, the State Board of Education shall approve the creation of the laboratory school.

The Board of Governors and the Department of Public Instruction shall be notified in the event of the dissolution or assumption of a laboratory

school, including the identity of the entity assuming operation of the school.

The chancellor shall be the administrative head of a laboratory school approved by the Subcommittee

Reporting. – The chancellor shall comply with the reporting requirements established by the State Board of Education in the Uniform Education Reporting System.

Any child who is residing in a local school administrative unit in which a laboratory school is located and (i) is enrolled in a low-performing school, as defined by G.S. 115C-105.37 at the time of the student's application, or (ii) did not meet expected growth in the prior school year based on specific criteria is eligible to attend the laboratory school.

#### FORMULAS:

The State Board of Education shall allocate to a laboratory school the following:

- (1) An amount equal to the average per pupil allocation for average daily membership from the LEA allotments in which the school is located for each child attending the laboratory school, except for the allocation for children with disabilities, for the allocation for children with limited English proficiency, and for the allocation for transportation services.
- (2) An additional amount for each child attending the laboratory school who is a child with disabilities. In the event a child with disabilities leaves the laboratory school and enrolls in a public school during the first 60 school days in the school year, the laboratory school shall return a pro rata amount of funds allocated for that child to the State Board, and the State Board shall reallocate those funds to the local school administrative unit in which the public school is located. In the event a child with disabilities enrolls in the laboratory school during the first 60 school days in the school year, the State Board shall allocate to the laboratory school the pro rata amount of additional funds for children with disabilities.
- (3) An additional amount for children with limited English proficiency attending the laboratory school, based on a formula adopted by the State Board.

#### Special Provisions:

- b. The State Board shall allow for annual adjustments to the amount allocated to the laboratory school based on its enrollment growth in school years subsequent to the initial year of operation.
- c. If a student attends a laboratory school, the LEA in which the child resides shall transfer to the laboratory school an amount equal to the per pupil share of the local current expense fund of the LEA for the fiscal year. The per pupil share of the local current expense fund shall be transferred to the laboratory school within 30 days of the receipt of monies into the local current expense fund.

- d. A Laboratory School shall be allotted 34% of its Initial Allotment available to "draw down" after the General Assembly adjourns, based on the projected ADM provided by the school. Final allotments shall be recalculated based on Month 1 ADM and 100% of the allotment shall be made available to the school.
- e. After 1st month ADM adjustments, a laboratory school can request additional funding if it has significant growth (20% or more) in months two through four. Requested ADM must be verified. The state contingency reserve will be used to fund the prorated increases within funds available.
- f. In addition to the state funding based on dollars per ADM, a laboratory school may receive Children with Disabilities and Limited English Proficiency funding **if they qualify**. These special funds plus the dollars per ADM funding are distributed under Program Report Code 038.
- g. Food and transportation services. – The LEA in which the laboratory school is located shall continue to provide food services and transportation to students attending the laboratory school. The chancellor shall arrange for the provision of these services from the LEA

### RENEWAL SCHOOL SYSTEM

<u>STATUTORY REFERENCE:</u>	<u>SL 2018-32 Part VI</u>
<u>TYPE:</u>	<u>Dollars</u>
<u>TERM</u>	<u>July 1 – June 30</u>

PURPOSE: A local board of a LEA which meets the legislated criteria may submit a plan to the State Board of Education to permit the LEA to decide all matters related to the operation of the schools under its control including the use of State funds, curriculum, and operating procedures unless prohibited in law. Upon the approval of the State Board of Education, the LEA shall be designated as a Renewal School District (RSS).

ELIGIBILITY: A LEA that has (i) the greatest percentage of restart model schools, (ii) received low wealth supplemental funding and (iii) has more than 10,000 in ADM.

FORMULAS: The State Board of Education shall allocate to a RSS the following:

- (1) A base amount equal to the average per pupil initial allocation for the LEA for the allotted ADM, consistent with the calculation for state funds for charter schools. The allocation for children with disabilities, children with limited English proficiency, and driver training shall be provided in addition to the base amount.
- (2) An additional amount for each child attending the RSS who is a child with disabilities. During the first 60 school days, if a child with disabilities who was included in the prior fiscal year April 1 child count leaves or returns to a RSS from or to a charter school, the pro-rata share of funds allocated for that child will be adjusted.
- (3) An additional amount for children with limited English proficiency and driver

training attending the RSS, based on the formulas adopted by the State Board.  
(4) Other funding due to the RSS per law or State Board policy, that is not restricted in law.

Special Provisions:

- a. A RSS shall be allotted 100% of its Initial Allotment after the General Assembly adjourns, based on the allotted ADM.
- b. The RSS per pupil initial allocation shall be adjusted for increases or decreases in ADM, consistent with the State Board policy for LEA Allotment adjustments. In the event of an adjustment for ADM differences between allotted and actual, all initial allotment categories shall be adjusted on a per pupil basis.
- c. In no event shall the RSS receives a total amount of State funds in 2018-19 that is less than the total amount of State funds the LEA received in 2017-18.
- d. A RSS shall be eligible to receive or apply for funds available to LEAs, if applicable.
- e. Use of State funds shall be unrestricted unless there is a restriction imposed by federal law, the conditions of federal grants or as provided through any rules that the State Board adopts to ensure compliance with federal regulations

**SMALL COUNTY SUPPLEMENTAL FUNDING**

PROGRAM REPORT CODE: 019  
 UNIFORM CHART OF ACCOUNTS CODE: XXX0-019-XXX  
 STATUTORY REFERENCE: S.L. 2015-241, Section 8.4  
 TYPE: Dollars  
 TERM: July 1 - June 30

PURPOSE: To provide additional funds to small school systems.

ELIGIBILITY: Each Eligible county school administrative unit shall receive a dollar allotment according to the following schedule over the next five year period:

<u>Allotted ADM</u>	<u>Small County Allotment</u>
0 – 600	\$1,710,000
601 – 1,300	\$1,820,000
1,301 – 1,700	\$1,548,700
1,701 – 2,000	\$1,600,000
2,001 – 2,300	\$1,560,000
2,301 – 2,600	\$1,470,000
2,601 – 2,800	\$1,498,000
2,801 – 3, <del>200</del> 300	\$1,548,000

**SPECIAL PROVISIONS:**

1. This is a Phase-Out Provision for the 2015-2016 Fiscal Year. If a local school administrative unit becomes ineligible for funding under the current schedule in subsection (d) of this section in the 2014-2015 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local administrative units shall be reduced in equal increments in each of the five years after the local administrative unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local administrative unit becomes ineligible. Allotments for eligible local school administrative units shall not be reduced by more than (20%) of the amount received in the current fiscal year.
2. A local school administrative unit shall not become ineligible for funding if either the higher of the first two months total projected average daily membership for the current year or the higher of the first two months total prior year average daily membership would otherwise have made the unit eligible for funds under the schedule in subsection (a) of this section.
3. Uses of Funds:
  - a. Funds allotted for small school systems may be used for any type expenditure eligible from State fund allotments (excluding central office administration); however, based on N.C. G.S. 115C-408(b), these funds are not available for capital construction projects.
  - b. An amount not to exceed ten thousand dollars (\$10,000) may be used to pay towards

the plant operation contract cost charged by the Department of Public Instruction for services.

- c. Local Boards of Education are encouraged to use at least 20% of the small county funds they receive to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of grade tests in grades 3-8. Local boards of education shall report to the State Board of Education on an annual basis on funds used for this purpose, and the State Board shall report this information to the Joint Legislative Education Oversight Committee. (SB 200, Section 7.12 (f))

Each LEA will need to develop its own chart of accounts using PRC 019 with any valid purpose and object code in the Chart of Accounts.

4. These funds are to supplement, not supplant, local funds. Funds will not be allocated to any LEA found to have used these funds to supplant local per student current expense funds.

A county is considered to have used these funds to supplant if the current expense appropriation per student of the county for the current year is less than 95% of the average of the local current expense appropriations per student for the three prior fiscal years.

5. The State Board of Education will consider requests from LEAs to waive the non-supplant requirement as outlined in the legislated low wealth and small county supplemental funding formula only under the following conditions:

The county can show:

- That it has remedied the deficiency in funding, or
- That extraordinary circumstance caused the county to supplant local current expense funds with funds allocated under this section.

Examples include:

- Closing/merging schools within a LEA.
  - Loss of federal Impact Aid funds.
  - Significant change in the demand for county resources due to state/federal unfunded mandates, natural disaster, or other emergency.
6. Transfer of funds is not required.

**TEACHER ASSISTANTS**

PROGRAM REPORT CODE: 027  
 UNIFORM CHART OF ACCOUNTS CODE: 5XXX-027-XXX  
 STATUTORY REFERENCE:

TYPE: Dollars  
 TERM: Varied, July 1 - June 30

PURPOSE: Provides funding for salaries and benefits for regular and self-contained teacher assistants.

ELIGIBILITY: Each LEA is entitled to funding based on ADM.

FORMULA: Funds are allotted based on allotted ADM in grades K-3. Benefits are included.

**SPECIAL PROVISIONS:**

1. The LEA shall determine the length of employment and the pay level for teacher assistants in accordance with the North Carolina Public School Personnel [State Salary Schedule](#).
2. No limit exists on the number of individuals that can be employed as long as all employees are placed at a minimum pay level of 56 in accordance with the **North Carolina Public School Personnel State Salary Schedule**, and the LEA does not exceed the total dollar allotment.
3. No ABC transfers out of this category. ABC transfers are allowable into this category by submitting [ABC Transfer Form](#).
4. Teacher assistants may serve students in grades K-12. However, they must be instructional TAs as defined by object code 142 in the Uniform Chart of Accounts.
5. By the end of the third payroll period, the average salary paid at the LEA must be at least 98% of the State-allotted amount for teacher assistants.
6. LEAs which are legislated under the “Turning TAs in to Teachers Pilot” shall select up to 5 teacher assistants to receive \$~~4,500~~4,600 for each assistant, representing annual tuition. These funds are restricted to TA tuition reimbursement and shall revert if not expended for the program. (S.L.2016-94 Section 8.29 (b) and (c) and S.L.2017-57 7.20 (a) and (d).



**THIRD GRADE READ TO ACHIEVE TEACHER BONUS**

PROGRAM REPORT CODE: 046  
 UNIFORM CHART OF ACCOUNTS CODE: XXXX-046-XXX  
 STATUTORY REFERENCE: SL 2016-94, SL 2017-57, 2017-88

TYPE: Dollars

TERM: July 1, 2016 to June 30, 2020

PURPOSE: A program that provides funding to reward third-grade teachers with performance based bonuses.

ELIGIBILITY: Each LEA and public school is entitled to funding, based on their teachers Education Value-Added Assessment System (EVAAS) student growth index score for third-grade reading.

FORMULAS: The proportion stipulated in legislation is allotted based on bonuses to teachers who are in the top twenty-five percent (25%) of teachers in the state according to the EVAAS student growth index score for third grade reading from the previous year. These funds shall be allocated equally among qualifying teachers. The proportion stipulated in legislation is allotted to pay bonuses to teachers who are in the top twenty-five percent (25%) of teachers in their respective LEA according to the EVAAS student growth index score for third grade reading from the previous year. These funds shall be split proportionally based on average daily membership for each LEA and then distributed equally among qualifying teachers in each LEA.

~~For 2017-18 only. Each LEA and charter school is allotted funds for teachers who would have received a bonus based on the 2015-16 test scores but for the restriction that required the teacher to be teaching third grade in 2016-17. The amount shall be \$3,500 per teacher for the LEA level bonus.~~

~~For 2017-18 only. If an LEA and charter school paid a teacher based on the 2015-16 test score, an amount from local funds in lieu of the bonus the teacher would have received had they been teaching third grade, the LEA and charter school shall be allotted a reimbursement up to \$3,500 per teacher.~~

**SPECIAL PROVISIONS:**

1. Bonuses are payable in January to qualifying teachers who remain employed teaching in the same LEA or public school at least from the school year the data is collected until January 1 of the ~~corresponding~~ school year that the bonus is paid.



2. Teachers employed in charter schools and regional schools are only eligible to receive the bonus if they are in the top 25% of teachers in the state. No allocation is made at the charter, Lab or regional school level.
3. Any teacher working in a LEA that employs three or fewer third grade teachers shall receive a bonus at the LEA level if that teacher has an EVAAS student growth index score for third grade reading from the previous school year that exceeds expected growth.
4. An individual bonus shall not exceed \$3,500. Teachers who qualify may receive bonuses at both the state and LEA level, but the total bonus compensation for one teacher in any given year shall not exceed \$7,000.
5. The compensation bonuses are not considered compensation for purposes of the Teachers' and State Employees' Retirement System.
6. Any unexpended funds from the state level bonus paid in January, due to ineligible teachers per legislation, will be reallocated to LEAs and public schools based on the eligible teachers who were paid the bonus in January. These teachers shall be paid an equal share of the reallocated funds not to exceed the maximums. No funds shall revert to the State.

DRAFT