

**SUPPLEMENTAL FUNDS FOR TEACHER COMPENSATION (PRC 071)**

PROGRAM REPORT CODE: 071  
UNIFORM CHART OF ACCOUNTS CODE: XXXX-071-XXX  
STATUTORY REFERENCE: SL 2021-180 Section 7A.12

TYPE: Dollars  
TERM: July 1 - June 30  
PURPOSE: To provide funds to eligible LEAs to provide salary supplements to teachers and instructional support in those units.

ELIGIBILITY: LEAs within eligible counties.  
  
An eligible LEA located in whole or in part in a county that has an adjusted market value of taxable real property of less than \$43,700,000,000 based on data provided by the Local Government Commission as of April 30<sup>th</sup> of the previous fiscal year.

FORMULA: The formula for allotment is as follows:

- 1) Calculate a county allocation for each eligible county using the following steps:
  - a. Determine **the composite value** for each eligible county. The composite value is the sum of:
    - i. The taxable real property factor for the county [the median adjusted market value of taxable real property<sup>(1)</sup> in the State divided by the adjusted market value of taxable real property of that county] multiplied by 65%.
    - ii. The median household income factor for the county [the median household income<sup>(2)</sup> in the State divided by the median household income for that county] multiplied by 25%.
    - iii. The effective tax rate factor for the county [the effective tax rate for that county divided by the median effective tax rate in the State<sup>(3)</sup>] multiplied by 10%.
  - b. Determine **the supplement factor** for each eligible county. The supplement factor is the composite value (calculated in Step a) multiplied by the number of State-funded certified teachers and instructional support personnel employed in a school in a LEA in the county.
  - c. Determine **the county allocation factor** for each eligible county by dividing the supplement factor for the county (calculated in Step b.) by the sum of all supplement factors for the State. Distribute the appropriation for the counties for Supplemental Funds for Teacher Compensation based on this factor.

- d. Per teacher funding cap: The allocation by LEAs shall not exceed \$5,000 per State funded teacher and instructional support. Determine a per-teacher funding amount by dividing the county allocation amounts by the total number of State funded teachers and instructional support, employed in 6<sup>th</sup> pay period of the prior year, in all eligible LEAs in that county. The county allocation shall be adjusted to ensure that the per teacher allocation does not exceed the cap.
- e. For counties that have multiple LEAs within its borders, the allocation of the county shall be distributed to the LEAs based on the total number of State funded teachers and instructional support, employed in 6<sup>th</sup> pay period of the prior year. For LEAs that cross county lines, the allocation shall be determined based on the LEA in which the majority of the students are located.

#### Definitions

- (1) Adjusted market value of taxable real property is the county's assessed taxable real property value, using the latest available data published by the Department of Revenue, divided by the county's sales assessment ration determined under G.S. 105-289(h)
- (2) Median household income for the most recent 12 months for which data is available as used in G.S.143B-437.08
- (3) The effective tax rate is the actual county tax rate multiplied by the most recent annual sales assessment ratio

#### SPECIAL PROVISIONS:

- 1) Allocation of salary supplements among teachers, instructional support and qualifying school administrators within each eligible local school administrative unit, including whether a qualifying teacher, instructional support or school administrator receives a salary supplement and the amount of the supplement provided to that person, shall be determined in the discretion of the local board of education or governing body of the eligible public school unit.
- 2) No individual salary supplement shall exceed the per-teacher funding amount awarded to that unit. This maximum does not include benefits.
- 3) Certified personnel eligible to receive supplemental funds from these funds:
  - a. Teachers
  - b. Instructional support
  - c. Assistant principal who are paid based on the teacher pay per G.S.115C-285(a)(8)
  - d. Principal who are paid based on the teacher or assistant principal pay per G.S.115C-285(a)(8a)
- 4) Charter schools, lab schools, ISD and regional schools located in eligible counties shall receive a per pupil share in their respective PRCs.  
PSUs receiving funding are encouraged to provide salary supplements to teachers and instructional support personnel.
- 5) A LEA that receives funds under program shall use the funds to supplement and not supplant non-State funds provided for salary supplements for teachers and qualifying administrators. No funding under this PRC shall be provided to LEAs which has reduced

the average local salary supplement provided to teachers, instructional support or qualifying school administrators in the prior school year.

- 6) All supplements are considered compensation for retirement contribution purposes.